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# **The Challenges and Opportunities for U.S. Dairy Policy**

**Farm Foundation Forum  
Washington, D.C.**

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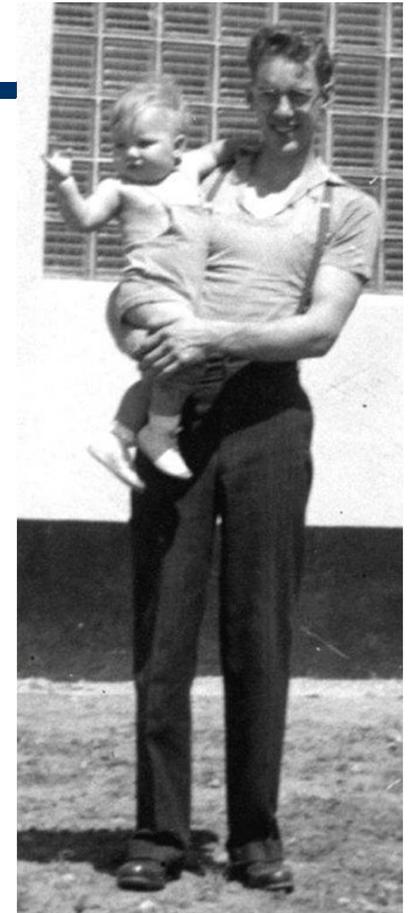
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# **“A” Midwest Dairy Producer Perspective**

- ◆ **Grew up in a family business that processed milk into cheese and ingredients**
- ◆ **Integrated into milk production in the late nineties**
- ◆ **Have traveled internationally extensively as a function of the ingredient business**
- ◆ **Companies have always been innovative and focused upon the needs of the markets**



# “A” Midwest Dairy Producer Perspective



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# **“A” Midwest Dairy Producer Perspective**

- ◆ **Have been trained to focus on costs of production and protecting revenue**
- ◆ **Price takers in our business**
- ◆ **Most of our efforts have always been about optimizing yields and minimizing costs and searching for the most attractive markets – in a competitive industry**



# **“A” Midwest Dairy Producer Perspective**

- ◆ **Milk 6,300 (soon to be 9,500) Jersey cows in Minnesota**
- ◆ **Maintain 8,000 replacement animals on two sites**
- ◆ **Employ around 95 employees**
- ◆ **Process and apply 70 million gallons of nutrients on about 5,000 acres annually**



# **“A” Midwest Dairy Producer Perspective**

- ◆ **Markets work if they are not distorted to accommodate utopian thoughts**
- ◆ **Free markets are competitive**
- ◆ **We feel we need to get continuous improvement in costs of production in order to thrive long term**
- ◆ **Products should be produced where markets support that production**



# The Federal Governments Role in Dairy Policy

- ◆ Immigration law
- ◆ Environmental regulation
- ◆ Animal care standards and disease protection
- ◆ Economic policy



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# U.S. Dairy Policy Challenges

- ◆ **Immigration Policy**
  - **Need to be able to utilize workforce currently in place in a legal fashion**
  - **Need to assimilate employees into the tax system in an equitable fashion**
  - **Eliminate the criminal element for embedding into the system**
  - **Maintain the ability to source labor**



# U.S. Dairy Policy Challenges

## ◆ Environmental Regulation

- Nonsensical, naïve implementation of regulations – exhaust, manure, milk
- Redundancy with Federal, State, County, and Townships and redundancy within those levels – water example



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# U.S. Dairy Policy Challenges

- ◆ **Animal Care Regulation**
  - **Protection of our herd against disease**
  - **Societal pressures vs. science**
  - **Protecting businesses from falsified and improper surveillance as a means to an end**
  - **Putting extremists in the right perspective**



# U.S. Dairy Policy Challenges

## ◆ Economic Policy

- Complicated and expensive Federal Order system
- Flawed price discovery system
- Too much tinkering by Government distorting markets and amplifying volatility
- How much of something to produce ought to be up to the producer and in the best interest of his or her business



# U.S. Dairy Policy Opportunities

- ◆ **Development of an immigration policy that secures our borders**
- ◆ **Provide a means for workers currently here to continue employment unless they commit crimes**
- ◆ **Provide for avenues to fill entry-level jobs with willing, capable employees**



# U.S. Dairy Policy Opportunities

- ◆ **Utilize common sense and sound science when developing environmental regulations**
- ◆ **Work with industry in a partnership to solve challenges instead of the tone of cynical surveillance**



# U.S. Dairy Policy Opportunities

- ◆ **Utilize sound science in developing animal husbandry regulations that help facilitate the production of safe, abundant and affordable food products**
- ◆ **Develop monitoring that doesn't provide opportunities for special interest groups to utilize covert methods to sensationalize exceptions to achieve special interest goals**



# U.S. Dairy Policy Opportunities

- ◆ Dairy producers need the proper tools available to them to navigate volatility
- ◆ Safety net is needed from the Government
- ◆ Futures market is needed from the marketplace
- ◆ The ability to manage your business without interference from the government



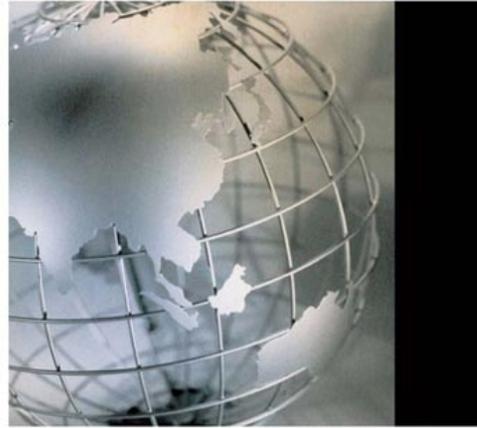
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# Summary

- ◆ **The government's role should be one of helping facilitate a marketplace that allows American free enterprise and innovation to build healthy, profitable and adaptable businesses that can serve legitimate markets at home and abroad in a manner consistent with our history in a democracy and free market system – anything less is doomed to eventual failure**





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**Thank you  
for your attention**