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Post-it® Fax Note 7671		Date 05/19/99	# of pages 1
To Mark Patronsky	From Rep. Al Ott		
Co./Dept. Legis. Council.	Co. Linda Nansen		
Phone # 266-9280	Phone # (608) 266-5831		
Fax # 266-3830	Fax # (608) 282-3603		

Dear:

Wisconsin Milk Marketing Board would like to invite you to a special information "Breakfast Briefing" in Madison. WMMB, built by the shared investment of Wisconsin's dairy farmers, will offer a report on the status of Wisconsin's dairy industry and our organization's role in supporting this crucial Wisconsin business sector.

The dairy industry is in the midst of rapid restructuring as we approach the millennium. WMMB has studied Wisconsin's dairy situation during the past two years, and has worked with industry partners to redefine our vision, mission, and strategies and objectives. The goal of this analysis and restructuring: to assist our Wisconsin dairy producers and dairy processors in outperforming the rest of the world, from raw milk production to successful dairy product sales.

WMMB is eager to share our knowledge of the Wisconsin dairy industry and our role in supporting its success. Each member of the Wisconsin Assembly Agriculture Committee, as well as other interested legislators (parties) is invited to attend this information briefing.

The briefing will take place:

Thursday, May 27  
8:30 - 10:00 a.m.  
Hearing Room - 417 North

We hope you can join us for this backgrounder session on Wisconsin's dairy industry. Please contact Linda at Representative Ott's office if you will be able to attend.

Sincerely,

- ① Invite all legislators
- ② WMMB under attack by legis./farmers  
(Baumgardner) (Gronowius) re check-off money
- ③ WMMB claims it can't be audited (Al Runde - Fiscal Bureau)
- ④ Mark advises holding public hearing on WMMB & Data Base

Baumgardner wants "audit" #



# FAX

Number of Pages: 6 Date: 8/23/99 Time: 3:08 PM

**TO:**

Name: Representative Al Ott; Linda Narveson

Company: Wisconsin Assembly

Phone: 266-5831 Fax: 282-3603

**FROM:**

Name: Deb Wendorf Boyke

**Message:**

Per our conversation earlier, I am forwarding the following **drafts** for your review as it relates to the Assembly Agriculture Committee Open Meeting at the WMMB.

1. WMMB Full Board Meeting Notice – note reference to briefing, September 9.
2. Outline of WMMB presentation for the briefing
3. Possible room layout for the briefing

Please review and offer your input. Our meeting notice will be mailed Wednesday or Thursday of this week.

I have contacted the Ethics committee regarding our new product samples and have received the ok for those as long as it demonstrates ways in which WMMB has partnered with the manufacturer or processor.

Andrea and I discussed your offer to extend an invitation to the entire Legislature for the briefing and we would like to accept that offer. Given this open invitation, whom would you anticipate sitting at the table? Just your committee? Or, do we need to leave additional spots for other legislators? Let me know and we will plan accordingly.

Thanks in advance for your help. We look forward to seeing you on September 9.

*Deb*

**WISCONSIN MILK MARKETING BOARD, INC.**  
 8418 EXCELSIOR DRIVE, MADISON, WI 53717  
 608.836.8820 • 608.836.5822 (fax)  
 800.373.9662

DRAFT

**WISCONSIN MILK MARKETING BOARD, INC.**  
**Board of Directors**

NOTICE IS HEREBY GIVEN that the Board of Directors of the Wisconsin Milk Marketing Board, Inc. will meet beginning at 8:30 a.m. on Wednesday, September 8, 1999 and continuing on Thursday, September 9, 1999 at the WMMB Office, 8418 Excelsior Drive, Madison, WI 53717 (608-836-8820). The following meeting agenda is proposed:

Wednesday, September 8

- |            |  |
|------------|--|
| 8:30 a.m.  | <ul style="list-style-type: none"> <li>I. Call to order and roll call</li> <li>II. Review/approval of minutes of July 20-21, 1999 meeting</li> <li>III. Chairman's Report</li> <li>IV. CEO Report</li> <li>V. Annual Meeting               <ul style="list-style-type: none"> <li>a. Introduce new directors of WMMB</li> <li>b. Determine quorum is present</li> <li>c. Read and approve minutes of October 1998 annual meeting</li> <li>d. Report of bylaw amendments since last annual meeting</li> </ul> </li> <li>VI. Audit Report</li> </ul> |
| 10:30 a.m. | Break  |
| 10:45 a.m. | <ul style="list-style-type: none"> <li>VII. Committee Reports               <ul style="list-style-type: none"> <li>a. Executive Committee</li> <li>b. WDI Cheese Business Committee</li> <li>c. WDI Fluid Business/Local Markets Committee</li> <li>d. Producer &amp; Board Relations Committee</li> </ul> </li> </ul>   |
| 12:00      | Lunch  |
| 1:00 p.m.  | VIII. DMI Presentation   |
| 2:30 p.m.  | Break  |
| 2:45 p.m.  | <ul style="list-style-type: none"> <li>Committee Reports, continued</li> <li>IX. Director Meeting Reports</li> </ul>   |

WMMB Board of Directors  
Meeting Notice  
September 8-9, 1999  
Page 2

Wednesday, September 8, continued

- X. New Business
- XI. CLOSED SESSION (The Board will move into closed session for competitive and bargaining reasons, per Section 19.85(1)(e) Wis. Statutes).\*

5:00 p.m.

Recess until September 9, 1999

Thursday, September 9

8:30 a.m.

Reconvene

9:00 a.m.-noon

XIII. Wisconsin Assembly Agriculture Committee—Legislative Briefing

1:00 p.m.

Adjournment

\*At the completion of the closed session on September 8, 1999, the committee will reconvene in open session per Section 19.85(2) Wis. Statutes.

Proposed Outline for LEGISLATIVE BRIEFING -- September 9, 1999

9:00 a.m. Chairman Ott convenes Assembly Ag Committee & other state legislators  
Introduction of members and purpose of briefing session.

Presentation by Executive Committee & CEO:

9:20 a.m.

\* Chairman Castleberg -- Welcomes Legislators

Thanks Ag Committee for taking the time to visit WMMB and providing an opportunity to brief the group on the WDI situation and WMMB's work.

Introduce the Executive Committee, Will and other WMMB Board members (use WI map of the districts) take the time to have each director give pertinent background (district—counties & # farms (?); their farm location; size of farm; etc.)

Overview of agenda—what the Directors would like to share and why  
Introduces Will

\* CEO Will Dahl -- Background/History of Milk Marketing Order creation

Purpose of Order (key segments from 96/144)  
WMMB's purpose (as stated in our mission/vision/values)  
Changes in U.S. & WDI since 1983

Gov't removals chart

U.S. Cheese Consumption – 1983 to 1998

Commercial disappearance of cheese

(Transition to Cal – Chair of Cheese Business Committee)

\* Cheese Chair Wasserstraus (& former Local Markets Chair)– Market Situation for WDI

Utilization of U.S. Raw Milk vs. WI Milk

Cheese is largest contributor to U.S. dairy farm income

Wis. Production increasing slowly compared to U.S.

Wis. Share of U.S. (2 charts)

Competition (2 charts—Milk & Cheese Production 87-97)

Cheese production pie chart by state

Projecting Wisconsin's Position—The Challenges

Summary - key discoveries (4 slides)

WMMB Mission (F.V.)

WMMB's Bottom Line & Corporate Goal

Cheese Business Goal

WMMB's owners/customer relationships diagram

From Farm to Table diagram—channel focus

\* Policy Chair/Secretary Seefeldt

Board/Committee Restructuring to address challenges

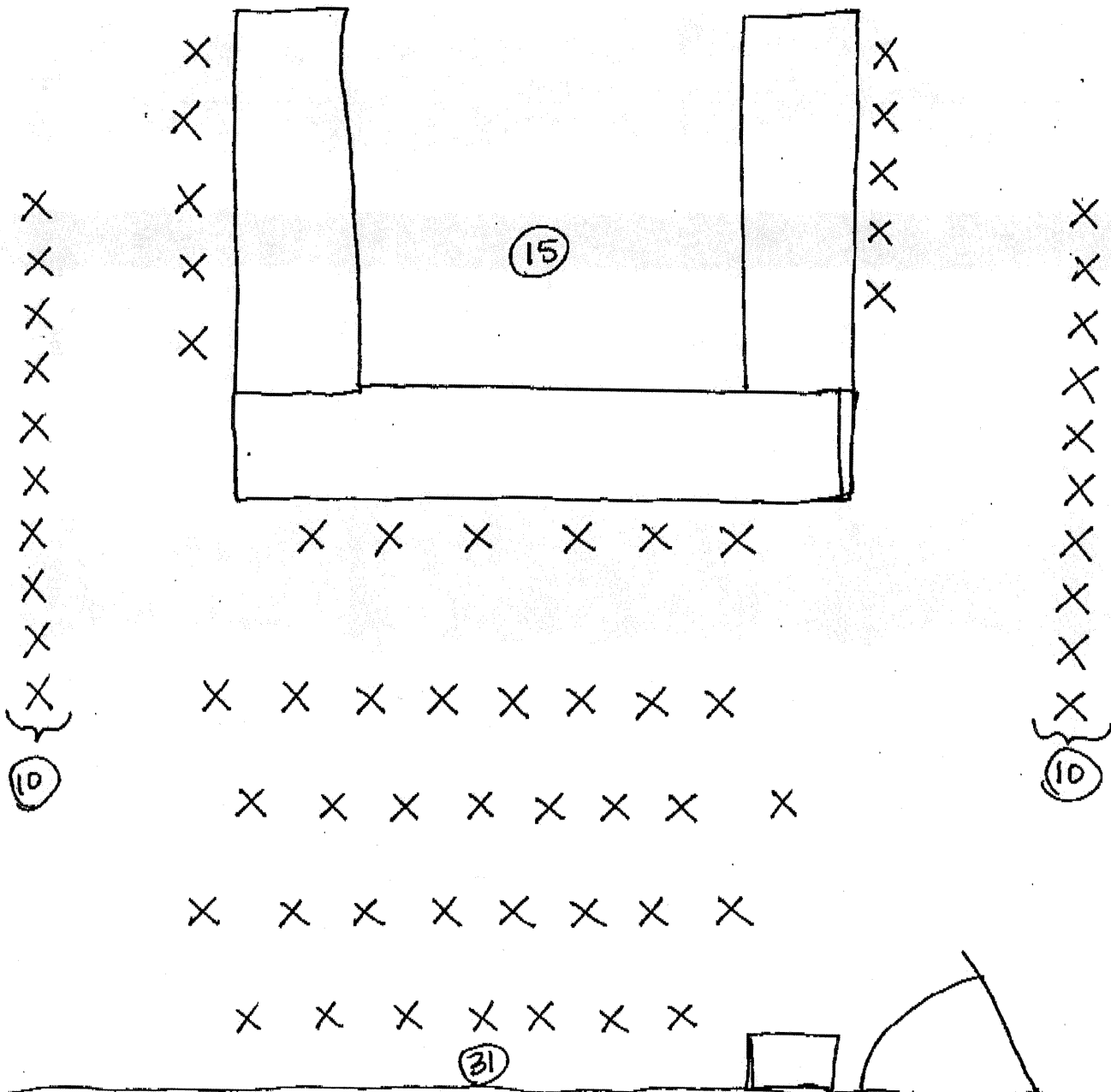
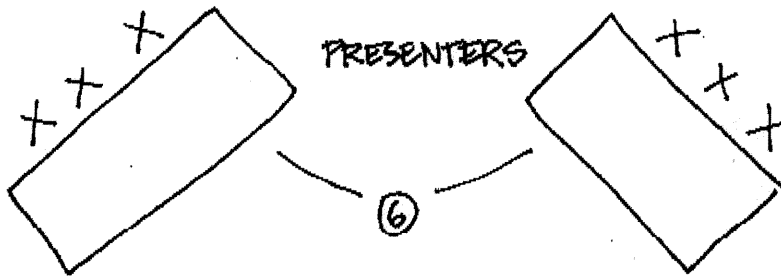
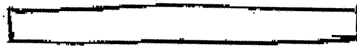
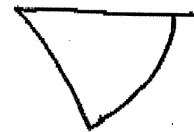
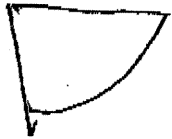
ByLaws & Policy Changes for effective board governance

Participation in Strategic Planning – Long-term & annual planning

(Transition to Dan V.)

- \* Vice Chair Volden – WMMB business/staff restructuring  
 Board/Committee structure diagram  
 Staff structure diagrams  
 WMMB--Cheese Business—segments in diagram  
 Cheese Business Goal  
 Channels diagram – farm to table  
 Category Growth—DMI participation/leveraging consumer programs  
 Farm Business Systems--what & why—3 areas triangle; FBS goal  
 Partnerships—Producers/Processors/M-Ms/Infrastructure  
 DATCP/Exports & other examples  
 PDPW/DFFY  
 U.W.-Madison & River Falls programs  
 CDR support  
 Work with Wis-based Manufacturers – Market Specialists  
 Partnerships in Channels: Retailers--Regional Marketing Managers  
 F.S.Distributors/Operators  
 WMMB business diagram highlight Local Markets  
 (Transition to Mary W.—Partnerships with fluid processors)
- \* Chair—Local Markets Business—Mary W.  
 Geographic boundaries—F.O. 30/68  
 Bar chart-fluid sales constant  
 Utilization in Local Markets  
 LM Business Goal  
 LM Targets  
 LM Program Areas Summary/Goals (CG & DMF)  
 Examples of programs—visibility to producers & infrastructure  
 Proactive Communication: DCW & Others  
 Local Markets Liaisons—County Dairy Leader Groups  
 (Transition to Rosalie)
- \* Chair—Producer & Board Relations—Geiger  
 Ongoing challenge of communication to producers  
 Diversified producer base (demographics)—different communication tools  
 Open Meetings—PVS; board/committee  
 Work with Local Markets-Corporate Communications  
 Farm Business Systems  
 Infrastructure—e.g. Coop Boards; Dairy Support Groups; Legislators  
 Future communications—become a “reliable & credible resource” for  
 Dairy information
- \* Treasurer—L. Splett Management of WMMB resources  
 Board's responsibilities & involvement—Annual planning; budget approval  
 Legal & Fiscal responsibilities—annual audit; audit committee; contracts  
 FY2000 Budget Summary  
 FY99 Year End Reconciliation of Cash/Investments—procedures for managing
- \* Transition to Will &/or Clarence for WrapUp—Challenges for the WDI

CAPACITY = 70





**WMMB INC.**  
DAIRY BUSINESS RESOURCES

# FAX

Number of Pages: 2 Date: 8-27-99 Time: \_\_\_\_\_

**TO:** \_\_\_\_\_

Name: Linda Narveson

Company: Rep. Al Otts office

Phone: \_\_\_\_\_ Fax: 282-3603

**FROM:** \_\_\_\_\_

Name: Deb Wendorf Boyke

Message:

Following is the invitation letter sent to all state legislators. I checked and it was mailed today - I wanted to confirm that before faxing this to you.

AUG 27 1999

WISCONSIN MILK MARKETING BOARD, INC.  
8418 EXCELSIOR DRIVE, MADISON, WI 53717  
608.836.8820 • 608.836.5822 (fax)  
800.373.9662





**WMMB** INC.

WISCONSIN DAIRY PRODUCERS

## MEMORANDUM

**TO:** Wisconsin State Legislators

**FROM:** Clarence Castleberg, Chairman of the Board  
Will Dahl, Chief Executive Officer

**DATE:** August 28, 1999

**SUBJECT:** Assembly Agriculture Committee Briefing  
**Thursday, September 9, 1999**  
**9:00 AM - Noon**

AUG 30 1999

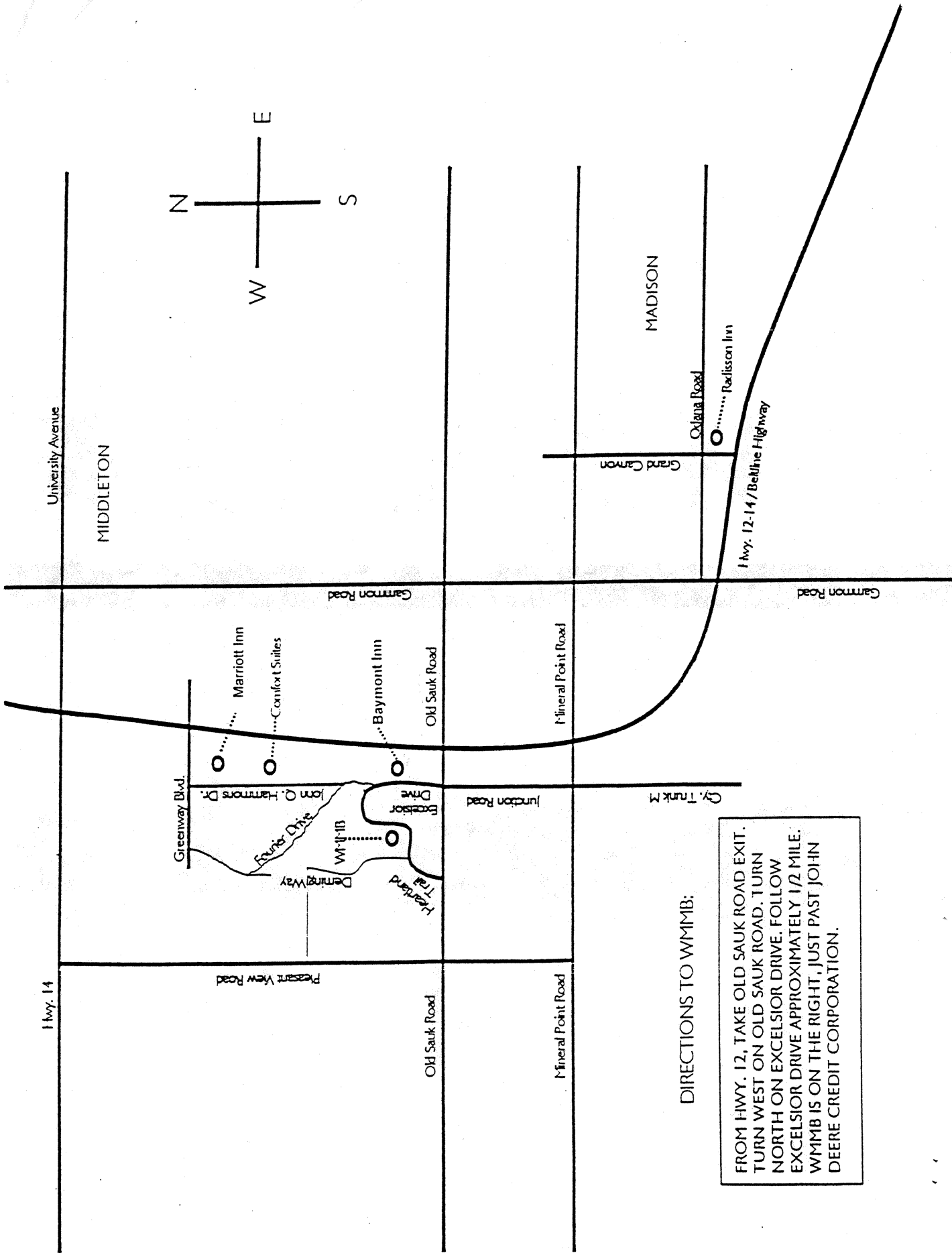
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The Board of Directors of the Wisconsin Milk Marketing Board, with the approval of Assembly Agriculture Committee Chairman, Al Ott, extend an invitation to any interested State Legislators in the Wisconsin Senate or Assembly to attend a Committee Briefing on *Thursday, September 9, 1999 from 9 a.m. to Noon* at the *Wisconsin Milk Marketing Board, 8418 Excelsior Drive* (in Middleton's Old Sauk Trail Office Park - map enclosed.)

The briefing will be an opportunity for State Legislators to learn about the current Wisconsin dairy industry challenges and opportunities, and how WMMB, Inc.'s working with and for the industry to meet the challenges in the marketplace today and in the future. This Ag Committee briefing and open meeting is especially appropriate at this time, as some of you may not be familiar with Wisconsin Milk Marketing Board, but were recently exposed to WMMB, Inc. during your current State budget proposal work. There will be special seating available for any Legislators attending which will provide an opportunity for you to be part of the briefing session.

WMMB's producer-elected Executive Committee is preparing the information for the briefing, and looks forward to meeting you and presenting some background on their work and commitment to WMMB, Inc. and the 21,000 Wisconsin dairy producers the Board represents.

If you have any questions regarding this briefing, please contact Andrea Neu (ext. 230) or Debra Wendorf Boyke (ext. 284) at WMMB.



**DIRECTIONS TO WMB:**

FROM HWY. 12, TAKE OLD SAUK ROAD EXIT. TURN WEST ON OLD SAUK ROAD. TURN NORTH ON EXCELSIOR DRIVE. FOLLOW EXCELSIOR DRIVE APPROXIMATELY 1/2 MILE. WMB IS ON THE RIGHT, JUST PAST JOHN DEERE CREDIT CORPORATION.



# Al Ott

State Representative • 3rd Assembly District

## MEMO

DATE: August 30, 1999

TO: Members, Assembly Committee on Agriculture

FROM: Rep. Al Ott, Chair *ARO*  
Assembly Committee on Agriculture

RE: September Hearing at Wisconsin Milk Marketing Board

Attached is a notice for our September 9 hearing at the Wisconsin Milk Marketing Board in Madison. The hearing will consist of an informational briefing from the Milk Marketing Board. All interested legislators have been invited.

The committee clerk will arrange for a state van to transport members to the meeting. Of course, members may drive themselves should they wish to do so. (A map with directions to the MMB is also included with this memo.) Due to the upcoming holiday weekend, we will need to have a definitive answer regarding van transportation by **noon on Wednesday, Sept. 1**. Please contact Linda in my office at 266-5831 to let her know your choice regarding transportation.

I urge you to attend this briefing on dairy industry challenges and opportunities as well as a presentation of new products in the industry.

ARO:ln  
Attach.



**Al Ott**

State Representative • 3rd Assembly District

**MEMO**

TO: Members, Assembly Committee on Agriculture  
FROM: Rep. Al Ott, Chair  
RE: Reminder of Meeting at Wisconsin Milk Marketing Board  
DATE: September 8, 1999

**This is a final reminder of the agriculture committee meeting tomorrow, Thursday, September 9, 1999 at 9:00 a.m. at the Wisconsin Milk Marketing Board at 8418 Excelsior Drive, Madison.**

For those of you riding the state van; the van leaves from the West Washington entrance of the Capitol at 8:15 a.m. Please be on time. For those of you driving; a map is attached to this memo.

ARO:ln

## Narveson, Linda

---

**From:** Andrea Neu [ANEU@wmmb.org]  
**Sent:** Friday, September 10, 1999 5:32 PM  
**To:** 'Representative Al Ott'  
**Cc:** Will Dahl; Ken McKenzie  
**Subject:** WMMB Legislative Briefing

*File  
ANEU*

A sincere thank you for enabling WMMB's Board (and staff) to clarify the structure, purpose and work of this organization. It was a great beginning to open the lines of communication. I know it took a special effort by you (and Linda...what a great assistant you have!) to organize and motive your Ag Committee to spend the time with us. I must add, that you delivered exactly what you promised...my hats off to you. Your chairmanship of the meeting was masterful...and I'll admit, I was very concerned for our Directors if the meeting got out of hand.

I must also explain that the pride I felt at the end of the meeting, for our Executive Committee and their very professional delivery of the critical information we knew was important to extend to your committee was overwhelming. They were on top of the answers to all of the questions...some tough ones...and the sincerity of their answers had to impact their audience. The solidarity and pride you observed is what keeps this staff committed to WMMB and the Wisconsin dairy farmers we work for.

As the staffer responsible for WMMB Corporate Communications, I hope you know that our CC team (Deb Wendorf Boyke; Deb Walsh Hensler and myself), in addition to the Producer & Board Relations staff, are available to you and your committee members for information at any time! We look forward to working with you in the future.

And, it is important to emphasize to your committee that they must enable the WMMB Director in their districts to 1) know about dairy farmer complaints (or praise) they may receive; and 2) allow our Directors to communicate directly with those producers--their "constituents. It's what education and advocacy is all about...for all of us. This communication is perhaps the greatest service that your committee and other Wisconsin legislators (including the Senate as well as the Assembly) can offer to the Directors of Wisconsin Milk Marketing Board.

Thanks again for all that you made happen! Have a great weekend.

SEP 13 1999

*File  
APM*

Patricia M. Boettcher  
13659 87th Street  
Bloomer, WI 54724  
(715) 568-4809

Representative Al Ott  
Chair - Assembly Ag Committee  
Capitol Office 318N  
P O Box 8953  
Madison, WI 53708-8953

September 9, 1999

Chairman Ott:

Please accept my heartfelt thank you for the effort you made as Chair of the Ag Committee and your personal effort in facilitating the briefing held today at the WMMB office. I realize that the logistics for moving any committee are complicated and require a great deal of effort.

I feel strongly that a very positive first step was made in opening a valuable and important line of communication between the WMMB and the Assembly. I hope that strides are made to expand and strengthen the communication that is so necessary to the success of the individual dairy producer and the industry as a whole with the entire legislature.

Again, thank you - and incidentally kudos for the article written by you in the paper that I finally have had time to review.

Respectfully,

*Pat*

Patricia M. Boettcher

Dear Rep. A. Ott -

Just a note to thank you for waiting over WMM's office & giving us the chance to Brief you on our operations.

You are truly a fair man & that was evident in your conduct of the meeting.

We can even help in anyway - by answering questions or concerns - Please feel free

to call or me.

Also - Please let your committee or other legislators know that WMM's Directors can & should be their contact person if questions ever arise.

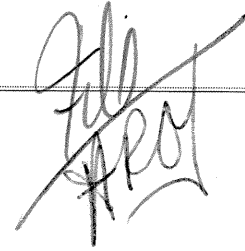
Please also thank your committee for me personally.

Sincerely  
Ernie Seibert

~~Ernie Seibert~~  
ES

**Narveson, Linda**

**From:** Woodberry Farms [woodbrry@mhtc.net]  
**Sent:** Wednesday, September 15, 1999 6:45 PM  
**To:** Rep.Ott@legis.state.wi.us  
**Subject:** Fw: wmmb meeting



-----Original Message-----

**From:** Woodberry Farms <woodbrry@mhtc.net>  
**To:** Rep.Ott@legis.state.wi.com <Rep.Ott@legis.state.wi.com>  
**Date:** Wednesday, September 15, 1999 10:12 AM  
**Subject:** wmmb meeting

Dear Mr Al Ott.

Thanks so much for directing the meeting between the Agriculture Committee and Wisconsin Milk Marketing Board of Directors.

The lack of communication between the two entities is an obvious problem. I believe and hope that the September 9th meeting signified a new beginning of communication and understanding.

I am proud of WMMB's efforts and have worked hard to be a worthy member of the board. Contrary to some people's beliefs the buffet lunches are not the reason I (and the other 24 directors) take time away from our farm businesses and our families. We do it because it is important to our business and to the other dairy farmers of Wisconsin.

You can only guess how discouraging it is to read misinformation about WMMB efforts...things like "the \$9 million dollars simply sitting in a CD." It is difficult *not* to take such ill informed observations as a personal attack.

To that end I wanted to personally thank-you for participating in the meeting. I believe it's the first step to creating an environment of better understanding and together doing a better job for the Wisconsin Dairy Farmers.

Sincerely

Patricia Lawson  
Dairy Farmer

9/16/99





**WMMB** INC.

DAIRY BUSINESS RESOURCES

**TO:** Assembly Agriculture Committee Members  
**FROM:** WMMB Corporate Communications Team  
**DATE:** October 5, 1999  
**RE:** List of Dairy Industry Terms and Acronyms

---

Representative Julie Lassa had suggested at the WMMB Legislative Briefing that a list of dairy terms and acronyms would be helpful for the Ag Committee members. We can appreciate the frustration that occurs with all of the acronyms our industry uses on a daily basis. Enclosed please find the list that WMMB uses during its new Director Orientation which includes state, regional, national and general terms used in the dairy marketing business that you can retain and use for future reference.

In addition, we have included information to help you understand the relationship between the state and national dairy promotion organizations.

We appreciated your sincere interest and questions during the Legislative Briefing. And, we look forward to more opportunities to share with you WMMB's various programs developed to achieve our mission of creating demand for Wisconsin-produced raw milk.

Please feel free to call us with any dairy-related questions.

Andrea Neu, x-230  
Deb Wendorf Boyke, x-284  
Deb Walsh Hensler, x-279

**WISCONSIN MILK MARKETING BOARD, INC.**  
8418 EXCELSIOR DR., MADISON, WI 53717  
608-836-8820 • (FAX) 608-836-5822  
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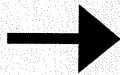
# NDB

National Dairy Board  
Arlington, VA

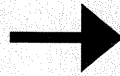
# UDIA

United Dairy Industry Assn.  
Rosemont, IL

- Full name: National Dairy Promotion & Research Board (NDPRB)
- National dairy promotion, research & education board funded by all dairy producers in the US. Formed as part of Dairy & Tobacco Stabilization Act of 1983.
- 15¢/100 pounds of milk (with stipulation that up to 10¢ may go to a qualified state/regional organization)
- 36 board members appointed by US Secretary of Agriculture
- Federation of some 20 state and regional dairy promotion organizations (key exception : California)
- State and Regionals have up to 10¢/100 pounds of milk. UDIA is where the State and Regional members can pool funds for joint promotions.
- Board consists of representatives from the state and regional organizations (41 Board members).



Joint Venture



# DMI

Dairy Management, Inc.  
Rosemont, IL

- A joint business management venture of NDB and UDIA, which includes American Dairy Association (ADA) and National Dairy Council (NDB). DMI is a non-profit domestic and international planning and management organization.
- Staff
- All Programming
- 24 Board members with representation from both NDB & UDIA



# FAX

Number of Pages: 2 Date: 11/17/99 Time: \_\_\_\_\_

TO: \_\_\_\_\_

Name: Linda Narveson

Company: Wis. Assembly - 318 No.

Phone: 266-5831 Fax: 282-3603

FROM: \_\_\_\_\_

Name: Andrea Neu

Message: Here is a copy of the section from Ag. 140.47 part e, which is has been the rule we have followed at WMMB, Inc. during the past 15 years.

I believe that we have been very conservative in interpreting e. 1 (page 629-24) and have not provided information beyond WMMB's printed reports and mass communication tools to inform Wis. legislators about WMMB.

Perhaps we need to clarify that meetings, either one-on-one or groups (like the Ag. Committees -- Senate & /or Assembly)

can be used for "distribution" of information. I believe the communication question is as simple as that! See you tomorrow.

Andrea

WISCONSIN MILK MARKETING BOARD, INC.  
8418 EXCELSIOR DRIVE, MADISON, WI 53717  
608.836.8820 • 608.836.5822 (fax)  
800.373.8462

**AGRICULTURE, TRADE & CONSUMER PROTECTION 624-23**  
Ag 146

(b) Marketing board receipts, expenditures, accounts, fiscal operations, and all other records and operations of a marketing board may be audited by the department at any time, for the purpose of ascertaining compliance with applicable law. The department may exercise its authority under ch. 96, Stats., in support of its audit.

(3) **FINANCIAL STATEMENTS.** Every marketing board shall prepare a year-end financial statement, independently audited and certified by a certified public accountant. The financial statement shall be filed with the secretary within 120 days after the end of the marketing board's fiscal year.

(4) **ANNUAL REPORTS.** Every marketing board shall prepare an annual report on marketing board operations for each fiscal year, to be published at the conclusion of the fiscal year. The annual report shall include, at a minimum, a description of the projects funded during the year, the progress or results of each funded project, and the audited financial statement prepared under sub. (3). The annual report shall be filed with the secretary within 120 days after the end of the fiscal year. The annual report shall be made available for inspection and copying by the public. Within 180 days after the end of the fiscal year, the marketing board shall either mail a free copy of the annual report to each affected producer or handler, or publish notice to affected producers and handlers informing them that the annual report is available for free distribution to affected producers and handlers upon request.

History: Cr. Register, November, 1966, No. 369, eff. 12-1-66.

Ag 140.47 Prohibited expenditures and business practices. A marketing board may not:

- (i) Expend, or contract for the expenditure of moneys:
  - (a) For any purpose which is not authorized under ch. 96, Stats., and the marketing order, or which is inconsistent with ch. 96, Stats., and the marketing order.
  - (b) In violation of ch. 96, Stats., the marketing order or this chapter.
  - (c) Whose aggregate amount exceeds the annual receipts of the marketing board for the fiscal year in which the expenditures occur. Annual receipts, for purposes of this paragraph, include any surplus receipts earned over from the preceding fiscal year. This paragraph does not prohibit a marketing board from contracting for the expenditure of anticipated receipts during the current fiscal year in which the receipts are anticipated, if the expenditure is budgeted and approved in compliance with s. Ag 140.42 and 140.45. A marketing board shall periodically review its projections of anticipated receipts during the fiscal year, to determine whether the projections are accurate, and whether any adjustment of proposed expenditures may be necessary to comply with this paragraph.
  - (d) To promote or fund any other marketing order. This does not prohibit joint funding of marketing order projects and programs with other marketing boards.
- (8) To influence state or federal legislation or rulemaking. This does not prohibit any of the following activities, unless the secretary determines that expenditures for activities are excessive in relation to the purposes for which the marketing order is created:

Register, November, 1966, No. 369

**624-24** **WISCONSIN ADMINISTRATIVE CODE**  
Ag 140

1. The publication and distribution of information describing the programs, activities and accomplishments of the marketing board.

2. The publication and distribution of information related to any proposal under subch. I for the amendment or repeal of the marketing order, if the information is published and distributed prior to the secretary's decision under s. Ag 140.18 advancing the proposed amendment or repeal to a referendum of producers or handlers.

3. Communication by a marketing board member or employee with any state public official or employee concerning the proposed amendment or repeal of the marketing order, or concerning any other rulemaking which is directly related to the marketing order.

4. The publication and distribution of information concerning an impending advisory referendum on the marketing order, provided that the marketing board does not directly recommend or suggest how producers or handlers should vote in the advisory referendum.

(f) For salaries, administrative expenses, travel expenses or personal expenses, except those which are reasonable and necessary for the operation of the marketing board, or which are a reasonable and necessary incident to the performance of administrative or contract services for the marketing board.

(g) For any market development program which makes false or unwarranted claims on behalf of an affected commodity or disparages the quality, value, sale or use of any other agricultural commodity.

(h) For any market research or development program which makes reference to, or which exclusively promotes a private brand or trade name of the affected commodity.

(2) Expend or contract for the expenditure of moneys if the expenditure is exclusively or primarily intended to promote an individual private interest without regard to the general interest of producers or handlers of the affected commodity. This does not prohibit the expenditure of moneys for the general benefit of affected producers or handlers where the expenditure also has incidental benefits to an individual private interest.

(3) Make any loan or extend credit. This does not prohibit a marketing board from depositing moneys in a savings and loan association, state bank, savings and trust company, mutual savings bank, or national bank in this state which receives or holds public deposits pursuant to ch. 34, Stats.

(4) Engage in the purchase or sale of agricultural commodities. This does not prohibit limited and occasional purchases of agricultural commodities, or limited and occasional sales of agricultural commodities at cost, where the purchase or sale is incidental to the conduct of a research, educational or promotional program under ch. 96, Stats., and the marketing order.

(5) Engage in the business of selling goods or services. This does not prohibit the occasional sale of educational or promotional materials at cost, where the sale is incidental to the conduct of an educational or promotional program under ch. 96, Stats., and the marketing order.

Register, November, 1966, No. 369

STATE OF WISCONSIN

To \_\_\_\_\_

Date \_\_\_\_\_ Time \_\_\_\_\_

WHILE YOU WERE OUT

M Deb Boyck - 836-9284

of WMMB X 284

Phone \_\_\_\_\_

Telephoned		Please Call	
Called to See You		Rush	
Returned Your Call		Will Call Again	

Message \_\_\_\_\_  
Andrea Neu 836-9284  
WMMB X 230

Party Receiving Call



FUNDED BY WISCONSIN DAIRY PRODUCERS



**WMMB** INC.

WISCONSIN DAIRY PRODUCERS

## The WMMB Mission

Our mission is to *help grow the demand for Wisconsin raw milk by providing value-creating and innovative programs that will enhance the competitiveness of and strengthen the commitment to the Wisconsin dairy industry.*

**WISCONSIN MILK MARKETING BOARD, INC.**

8418 EXCELSIOR DR., MADISON, WI 53717

608-836-8820 • (FAX) 608-836-5822

800-373-9662

# Wisconsin Center for Dairy Research

1. Eliminate a \$6-million-a-year sales loss. The Wisconsin Center for Dairy Research solved a major problem for Wisconsin cheese makers. Six million dollars-a-year was lost when consumers rejected Cheddar-type cheeses coated with calcium lactate crystals, an unattractive, but harmless, white haze. CDR researchers developed low cost ways to eliminate the haze. The research cost \$87,000.

2. Alter cheese properties. Wisconsin is the nation's leading cheese producer. Increasingly, manufacturers and food service managers want cheeses tailored to meet their specialized needs.

For example, if a cheesemaker wants to produce low-fat Cheddar for diced potatoes con queso, CDR researchers can adjust cheese-manufacturing processes to increase meltability of low-fat Cheddar without altering its shredding characteristics.

3. Perfect pizza cheese. Pizza makers want a cheese that "behaves" on pizza. Food scientists at CDR developed a new method for making pizza cheese with optimal flavor, texture and melting properties. This cost-effective process involves stirred, washed and direct-salted cheese without the investment of additional specialty equipment. Test panels found that it tastes and shreds like mozzarella. The cheese is likely to find other uses in grilled sandwiches, frozen dinners and baked goods.

4. Value-added dairy ingredients. Ninety pounds of whey is produced with every 10 pounds of cheese manufactured. Whey contains roughly half of the original milk solids. Referred to in the past as a by-product of cheese-making, whey and the myriad of ingredients it represents, is now classified as a "value-added" ingredients. Increased utilization of whey adds \$1.16 per hundred weight to the raw milk price paid to farmers. The Whey Applications Program at CDR is designed to take advantage of the valuable solids in whey.

5. Timely, accurate and reliable source of information to the industry. Codex Alimentarius is international food law for world food trade. Codex regulations govern a company's ability to produce products that would be competitive not only in world markets but also in the US markets as these laws govern imported products. CDR put together a Codex conference, which provided cheese companies with key information about the impact of the Codex regulations on cheesemaking. This conference was quickly "sold out"! Major dairy companies recognized the value of this information to their continued existence.

6. Training a top-flight cadre of cheesemakers. Wisconsin cheesemakers face competition from other regions where milk is produced at a lower cost. To keep their competitive edge, Wisconsin cheesemakers are looking for value-added products, which include specialty cheeses with distinctive flavors.

CDR has been teaching courses in making high-valued specialty cheeses for five years and now offers a Wisconsin Master Cheesemaker® Program, the only program of this type in the United States.

7. Returns on investments in food processing and marketing research. "Wisconsin-style" cheeses. The Wisconsin Center for Dairy Research developed Wisconsin versions of pricey imported cheeses. Three such cheeses - Wisconsin-Style Havarti, Sweet Swiss and Manchego each utilize a significant volume of the milk produced in Wisconsin.


8. Finding new uses for milkfat fractions. As the public becomes more interested in low-fat dairy products, researchers are finding new ways to increase the value of milkfat. The U.S. food industry wants milkfat fractions as food ingredients in addition to butter. Scientists in Wisconsin Center for Dairy Research are working with the first milkfat fractionation plant in the United States. The plant manufactures quantities of samples for university and industry research.



# Wisconsin Assembly Agriculture Committee Legislative Briefing

September 9, 1999

Clarence Castleberg, Director, District 13  
Chairman of the Board




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**WMMB INC.**  
DAIRY BUSINESS RESOURCES

FUNDED BY WISCONSIN DAIRY PRODUCERS

**Purpose:**

To ensure that Wisconsin Dairy Producers will have the opportunity to profitably operate a farm business in Wisconsin



UDIA - United Dairy Industry Assoc.  
 National Dairy Board (appointed)  
 ↓ (politically appointed)  
 Dairy Management, Inc.

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### WMMB Director Districts



25 Wisconsin Dairy Producers serve on the WMMB Board of Directors

One is elected from each of the 25 districts




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## Today's Briefing

- ▼ Welcome/Introductions - Clarence Castleberg
- ▼ Background/History - Will Dahl & Les Lamb
- ▼ WDI Situation and Analysis - Will Dahl
- ▼ Cheese Market Situation - Cal Wasserstrass
- ▼ Board Governance - Connie Seefeldt
- ▼ Board/Staff Operations - Dan Volden
- ▼ Local Markets Business - Mary Wackershauser
- ▼ Producer Communications - Rosalie Geiger
- ▼ Fiscal & Legal Responsibilities - Leonard Splett
- ▼ Summary - Clarence & Will



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## Background/History of Wisconsin's Milk Marketing Order

Will Dahl & Les Lamb



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## Wisconsin State Statutes - Chapter 96

- ▼ Revised late in 1981
- ▼ Legislative policy to make "self-help" marketing programs available
- ▼ General terms for all boards
- ▼ Non-stock, non-profit corporation - Wisconsin Statutes Chapter 181
- ▼ 1982-1988 - 8 programs created
- ▼ Oversight by the Wisconsin Secretary of Agriculture



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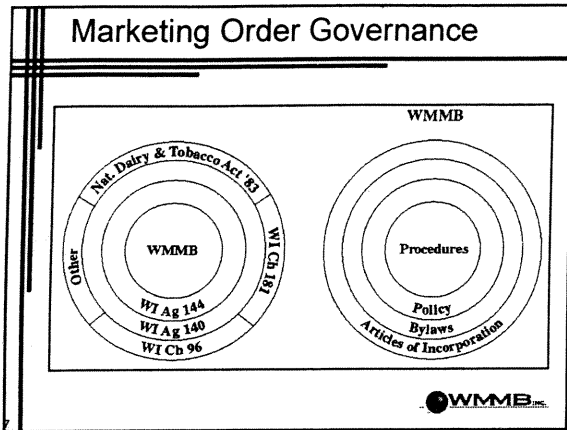
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*Admin. Rules voted on by the producers affected.*

### Wisconsin State Statute - Chapter 96

A Marketing Order

- ▼ Wisconsin Secretary of Agriculture and industry sponsors determine:
  - ◆ purpose, revenue base and representation
- ▼ Marketing Boards:
  - ◆ administer order
  - ◆ responsible for duties and rules outlined in statutes

*No private gain  
Industry benefits must outweigh private gain  
Can't ~~do what~~ contract with third party (ie. lobbying to do what Board can't do)  
Can't lobby*

### Wisconsin State Statute - Chapter 96

- ▼ Use assessment and enforcement powers to maintain revenue base
- ▼ Quasi-public corporations:
  - ◆ not government agencies
  - ◆ not private companies
  - ◆ accountable through contracts & audits, reports & reviews
  - ◆ can develop & fund joint programs with public or private organizations
  - ◆ have restricted fund use

*(Empty lines for notes)*

Wisconsin Administrative Code-Chapter Ag 140

▼ All Marketing Orders:

- ◆ created as administrative rules - producers determine and vote
- ◆ define purpose, revenue base and representation
- ◆ define duties & responsibilities
- ◆ provide reporting requirements



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Wisconsin Administrative Code-Chapter Ag 144

Milk Marketing Order &  
Formation of the  
Wisconsin Milk  
Marketing Board

Spring/Summer 1983



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U.S. Dairy Market Situation 1983 vs 1998



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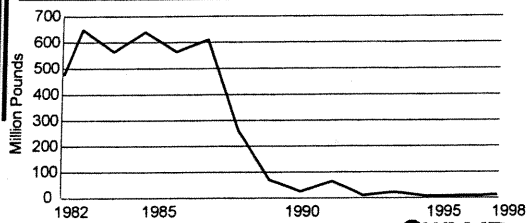
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### Market Facts

▼ Since 1990, the market has determined demand for cheese

Government Removals of Cheese, (U.S., 1982-1998)



Source: USDA




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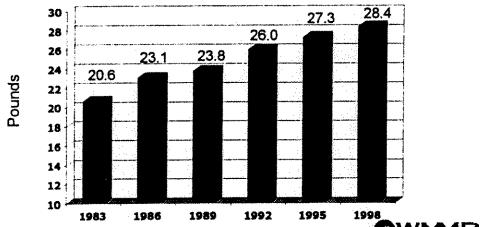
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### Market Facts

▼ Consumption increased from 20.6 in 1983 to 28.4 pounds in 1998

U.S. Per Capita Cheese Consumption, 1983-1998



Source: USDA



*30 million population increase*

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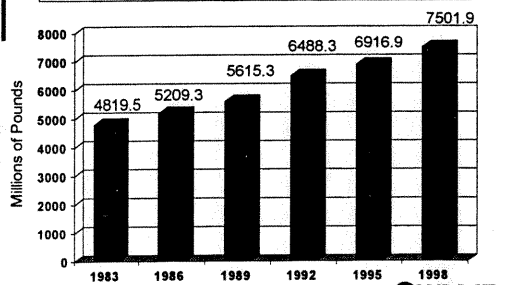
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### Market Facts

U.S. Cheese Production, 1983-1998



Excludes Cottage Cheese  
Source: USDA, Dairy Products Annual Summary




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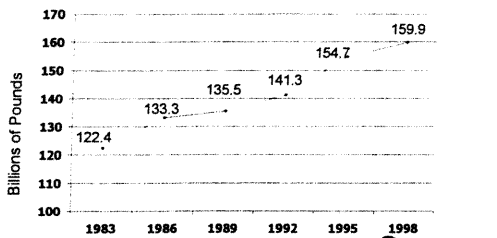
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## Market Facts

▼ Demand for milk is still growing and has steadily increased over the past six years

**Total Milk Commercial Disappearance 1983 - 1998**



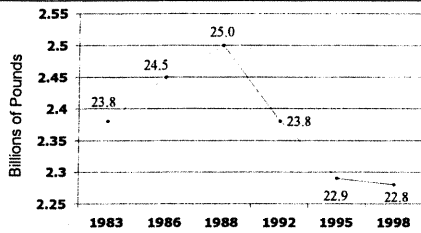
Source: USDA, DMI Dairy Database/Dairy Consumption Overview



## Market Facts

▼ Wisconsin's milk production has declined steadily over the past decade

**Wisconsin Milk Production, 1983-1998**



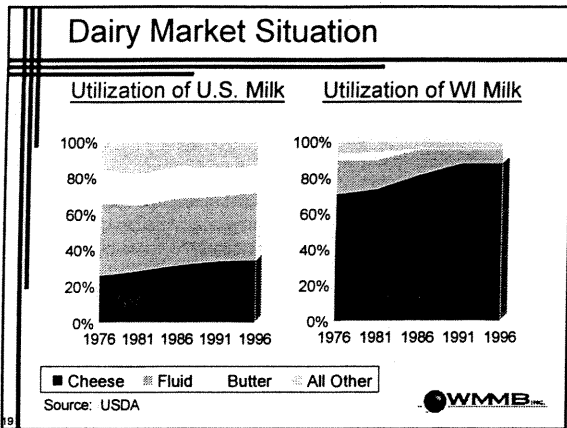
Source: Wisconsin Dairy Facts, and USDA Milk Production, Disposition and Income.



## Dairy Market Situation

Cheese demand continues to be the driver of raw milk demand






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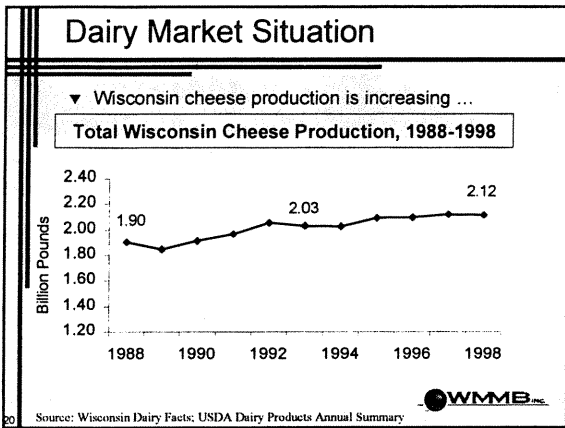
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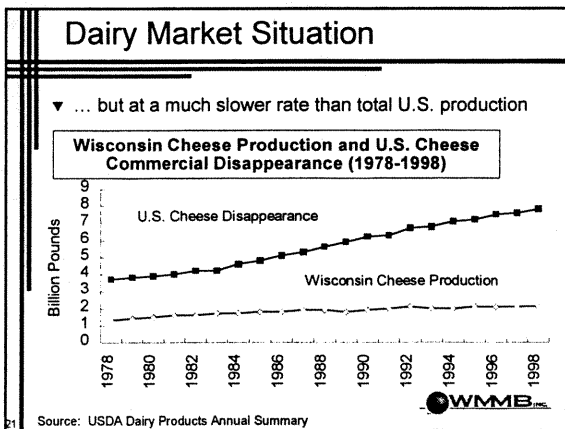
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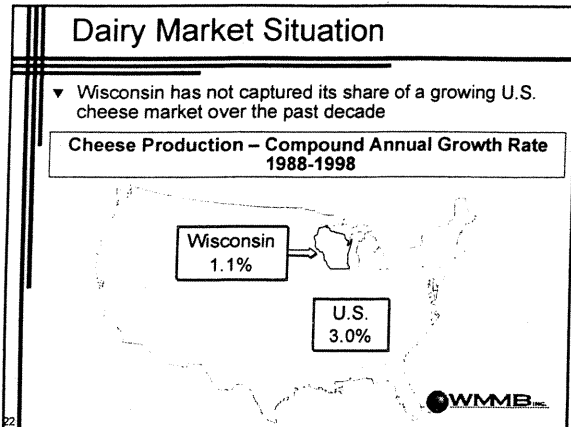
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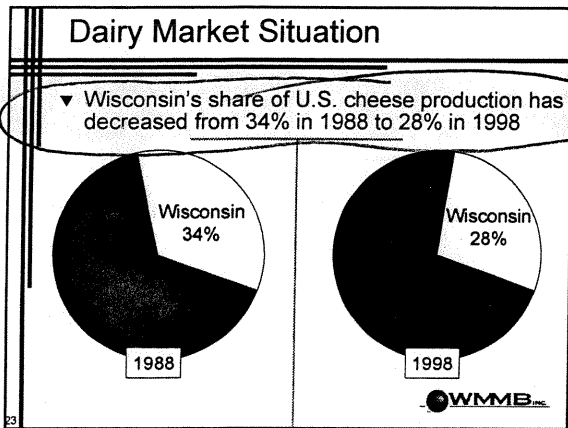
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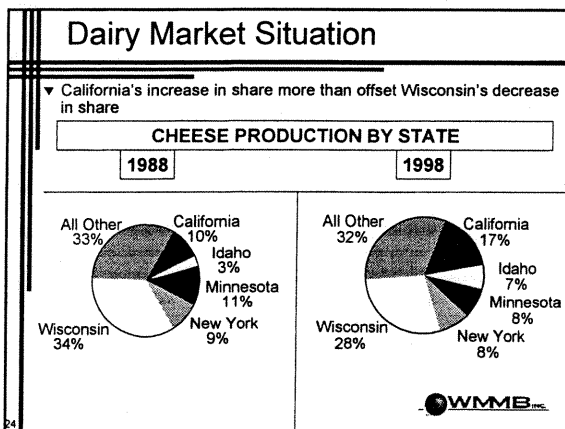
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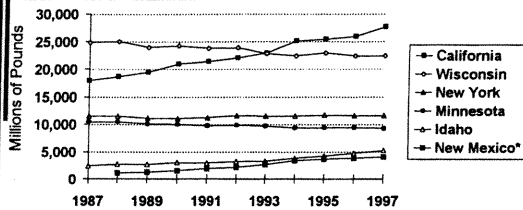
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## Dairy Market Situation

▼ Milk production increases in California, Idaho and New Mexico have allowed manufacturers in those states to take advantage of increased cheese demand

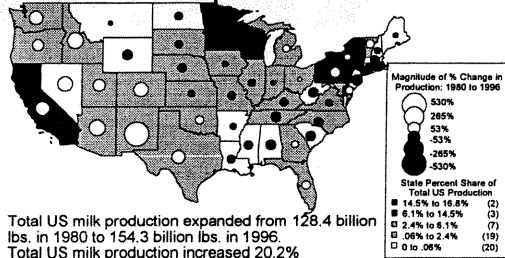
Milk Production by State, 1978-1997



Source: USDA, Milk Production \*New Mexico information not available until 1988

## Dairy Market Situation

Where Milk Production Has Moved To . . .



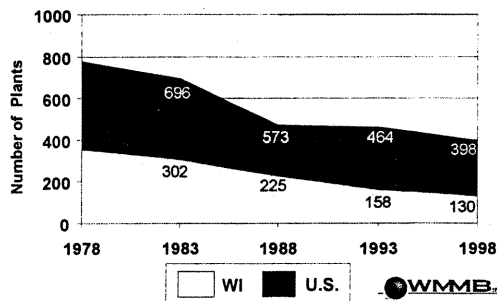
- (1) Total US milk production expanded from 128.4 billion lbs. in 1980 to 154.3 billion lbs. in 1996.
- (2) Total US milk production increased 20.2% from 1980 to 1996.

Source: USDA

WMMB

Increases have occurred largely in West & Southwest

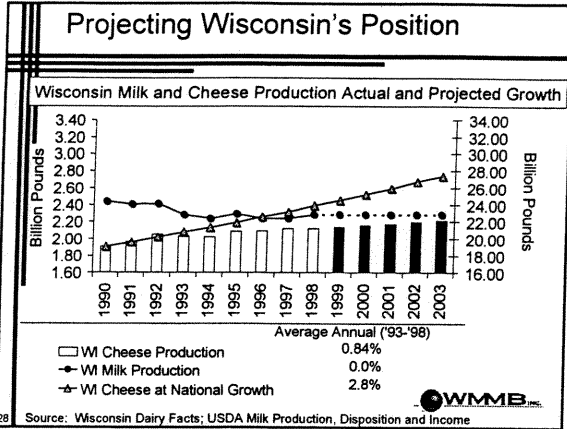
## Wisconsin vs U.S Cheese Plants



27

Operating in a shrinking dairy industry





Will have to struggle to maintain 28% market share

Imports run 5% of market (mostly specialty cheese)

**WMMB INC.**  
DAIRY BUSINESS RESOURCES  
FUNDED BY WISCONSIN DAIRY PRODUCERS

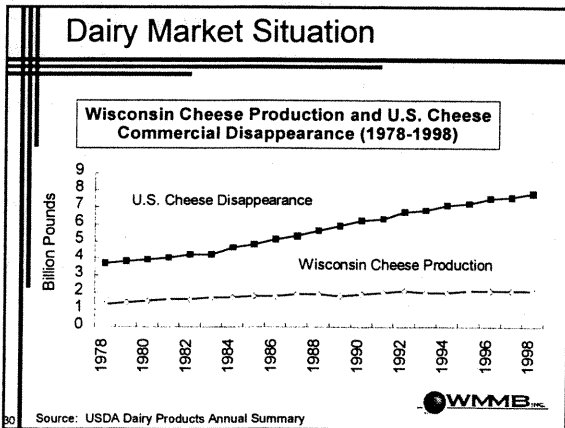
## Wisconsin Dairy Industry Cheese Market Situation

Cal Wasserstrass, Director, District 25  
Chairman of the Cheese Business Committee

**WMMB INC.**

How much do we export?

WMMB can "inform" legislature, but cannot lobby.



Blank lined area for notes.

### Dairy Market Situation - Summary

- ▼ Demand for raw milk nationally is growing and has increased in the last five years.
- ▼ Fluid milk demand is not contributing to that raw milk demand.
- ▼ Cheese production drives Wisconsin's raw milk usage (from 70% in 1992 to 88% in 1998).
- ▼ Cheese manufacturing capabilities are migrating to the West.

WMB

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### Dairy Market Situation

Cheese is now the largest contributor to U.S. dairy farm income and plays an even more important role to Wisconsin dairy farm income

WMB

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### Dairy Market Situation

▼ Cheese has become the largest contributor to dairy farm income

Contribution of Product Sales to Dairy Farm Income

Year	Fluid	Other Dairy	Butter	All Cheese	Frozen Dairy	Nonfat Dry Milk
1977	45%	12%	6%	25%	8%	4%
1997	34%	7%	6%	41%	8%	4%

Source: NMPF

WMB

Now 41% of market -  
Was 25%

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### WMMB's Bottom Line

WMMB's return to the Dairy Farmers of Wisconsin (our "owners") . . .

. . . is to grow the demand for their raw milk ("producer value")




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### WMMB's Goal – WDI Cheese Business

**Goal**

- To achieve growth in the Wisconsin cheese business that is equal to or greater than growth in national cheese production

**Strategic Performance Indicators**

- Annual growth rate
- Volume growth of Wisconsin raw milk used in cheese
- Maintain No. 1 market share position




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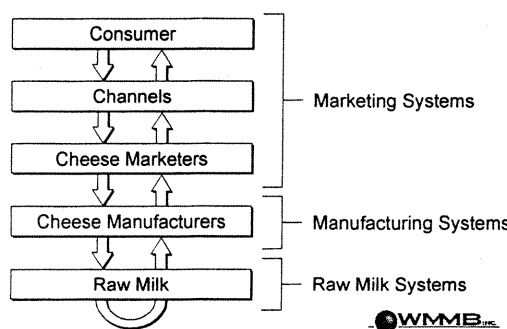
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### WDI Cheese Business Investment



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graph TD
    subgraph Marketing_Systems [Marketing Systems]
        C[Consumer]
        Ch[Channels]
    end
    subgraph Manufacturing_Systems [Manufacturing Systems]
        CM[Cheese Manufacturers]
    end
    subgraph Raw_Milk_Systems [Raw Milk Systems]
        RM[Raw Milk]
    end
    C --> Ch
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    CM --> RM
    RM --> CM
    CM --> Ch
    Ch --> C
    RM --> RM
  
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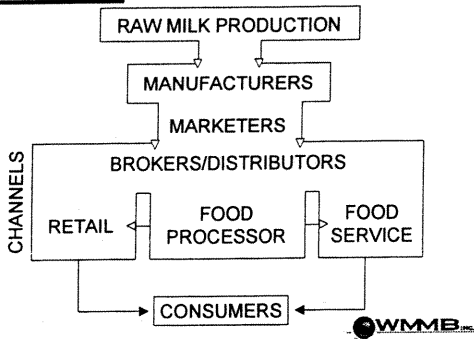
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## From Farm to Table - Market Chain



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# "Change"

to meet Dairy Market Changes  
and Challenges



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## WMMB, Inc. Board of Directors Governance

Connie Seefeldt, Director, District 2  
Secretary & Former Chair of Policy Committee



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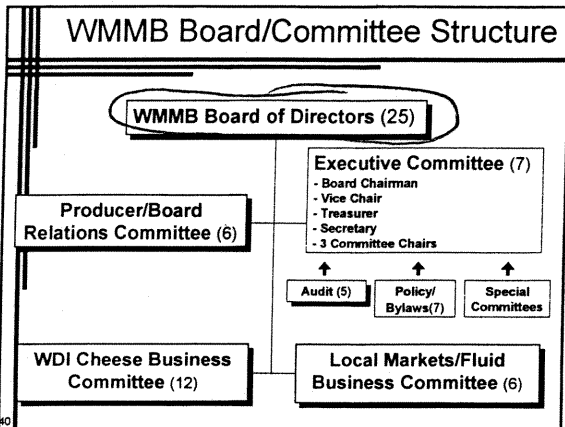
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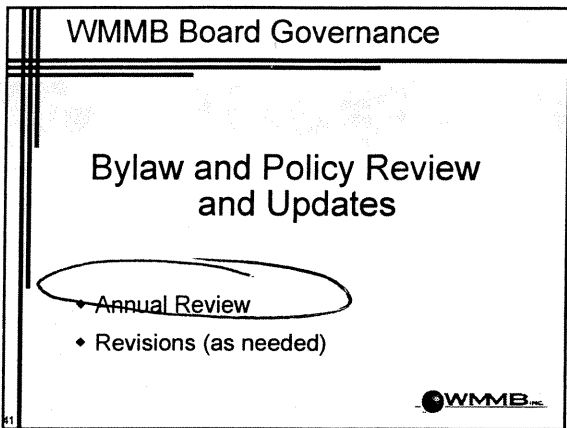
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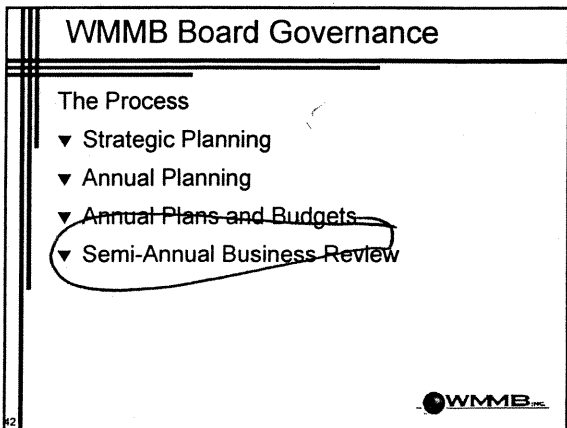
*New board set-up*



*Annual review by full board*

~~Annual Review~~

*Evaluation process*



*Semi-annual business review*

### WMMB Planning Process

Committees	Full Board	Committees & Full Board
Situation Review & Annual Planning	Fiscal Year Plan & Budgets	Semi-Annual Business Review & Reports
Study & Feedback Sept. - Dec.	Review & Approval December	Ongoing February/June

**\*Strategic/Long-Range Plans**

\* "Discovery" - Situation Analysis

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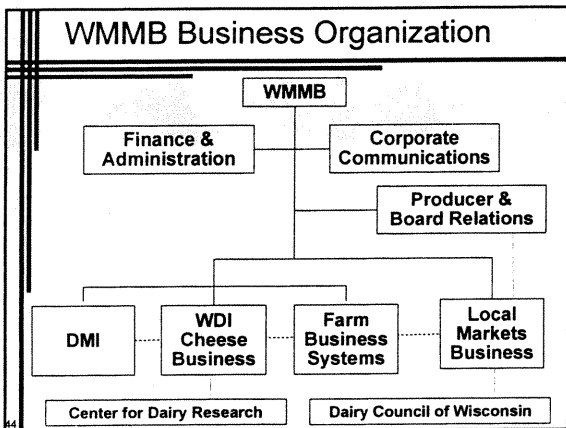
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**WMMB INC.**  
 DAIRY BUSINESS RESOURCES  
FUNDED BY WISCONSIN DAIRY PRODUCERS

## Business Operations

Dan Volden, Director, District 21  
Vice Chairman

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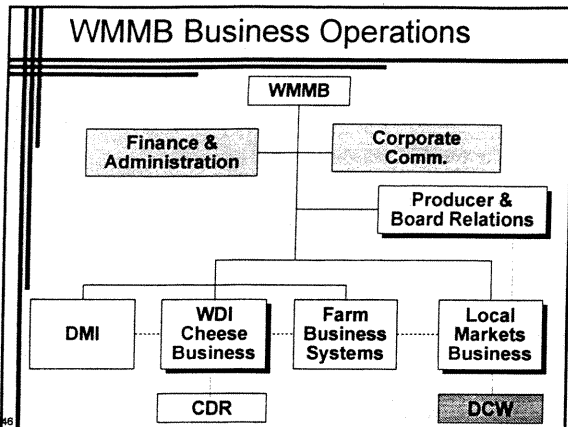
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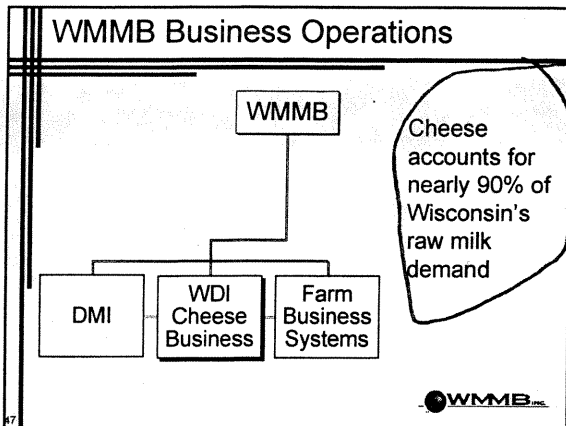
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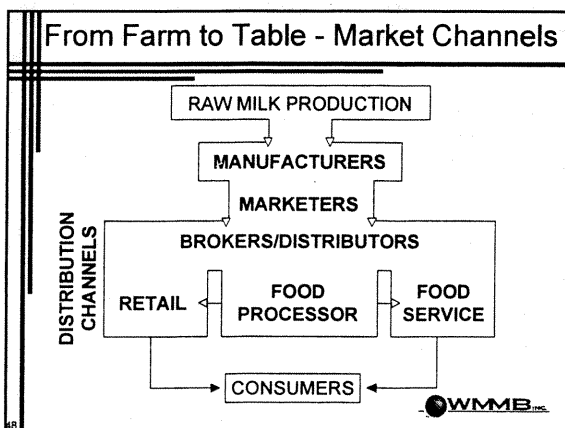
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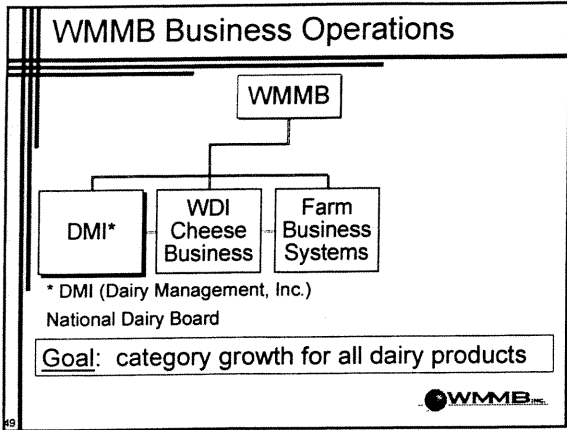
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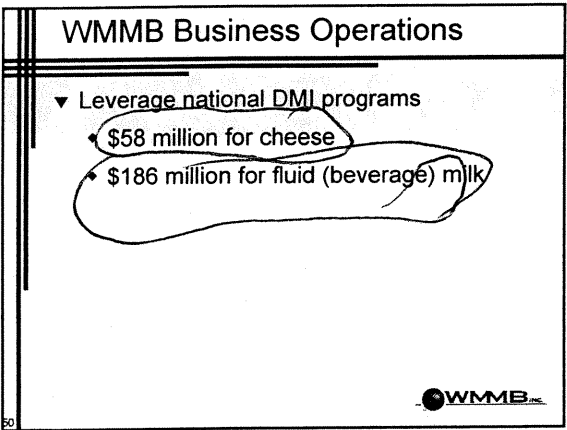
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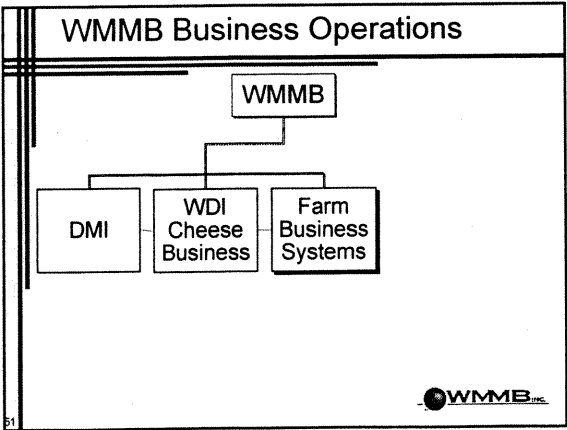
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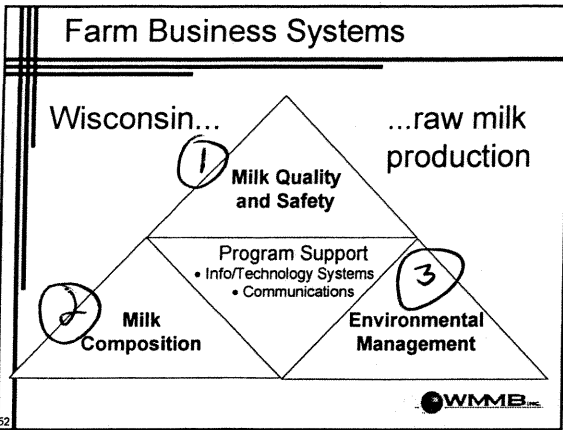
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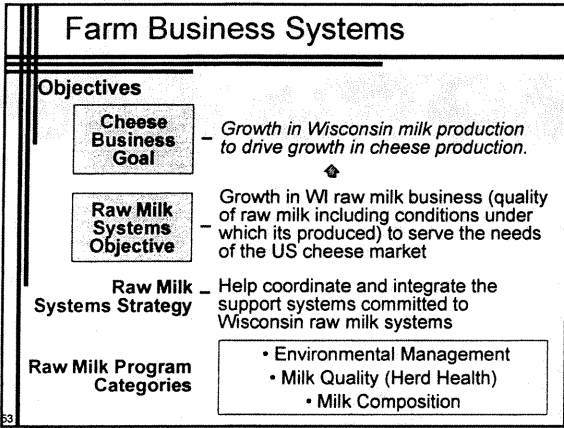
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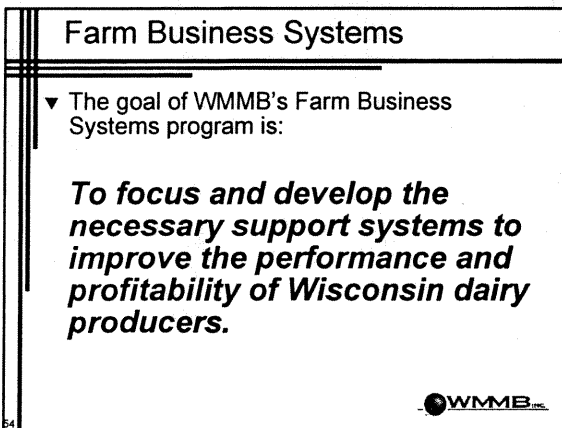
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Leveraging WMMB Resources

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## RELATIONSHIPS

- ▼ Relationships with
  - Dairy Producers
  - Dairy Manufacturers
  - Marketers
  - Channels
  - Infrastructure and organizations to:
    - focus and develop the necessary support systems to improve the performance and profitability of Wisconsin dairy producers.



Team Building



56


must have cooperation of other factions to gain larger share of market

Leveraging WMMB Resources

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## WMMB Partnerships

Cal Wasserstrass, Director, District 25  
Chairman of the Cheese Business Committee




56

~~scribble~~

WDI Cheese Business


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- ▼ Wisconsin Master Cheese Maker® Program



Partnerships:

- UW - Center for Dairy Research
- Wisconsin Cheesemakers Association
- WMMB



57

Started w/ assistance from UW, WMMB, Wis. Cheesemakers Assoc.

### WDI Cheese Business

WISCONSIN  
C H E E S E  
M A K E R S  
A S S O C I A T I O N

WISCONSIN  
SPECIALTY CHEESE

WMMB

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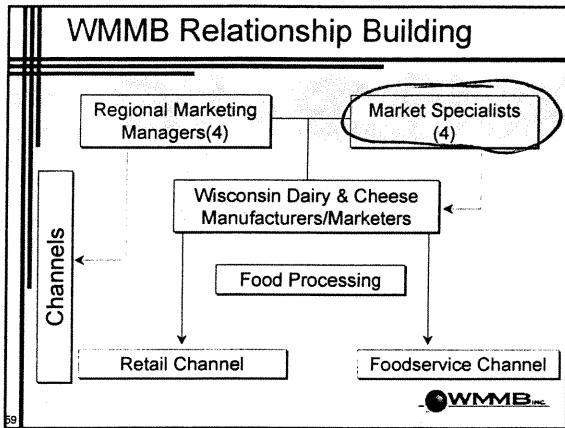
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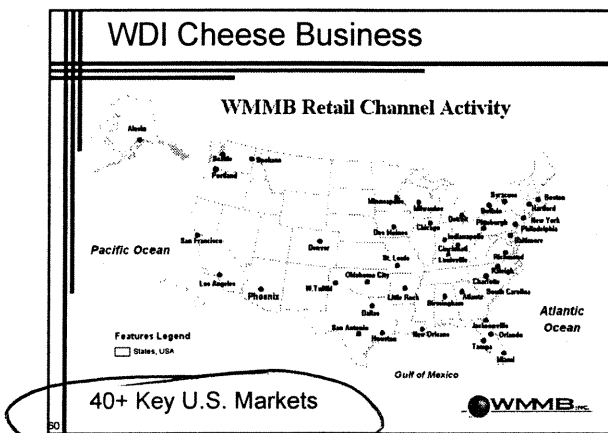
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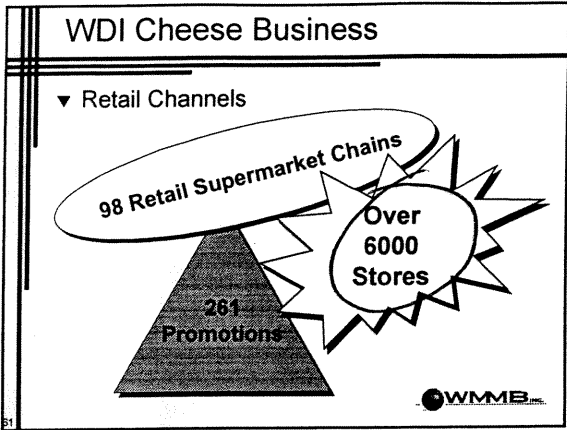
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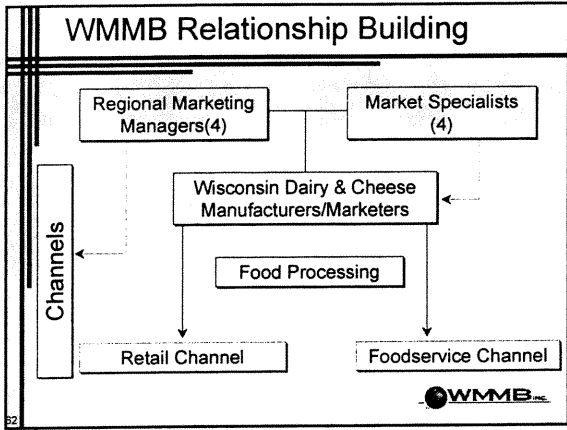
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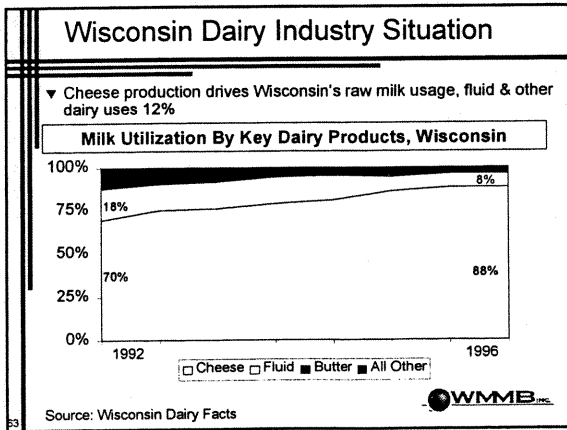
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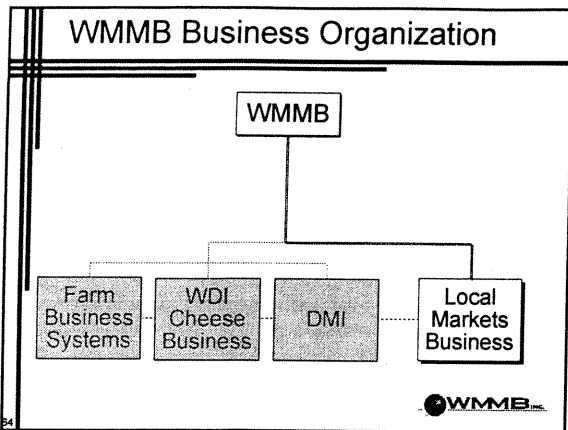
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**WMMB INC.**  
DAIRY BUSINESS RESOURCES  
FUNDED BY WISCONSIN DAIRY PRODUCERS

## Local Markets Business

Mary Wackershauser, Director, District 22  
Chair, Local Markets Business Committee

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### Local Markets Business

- Local markets has a bounded geographic area
  - Wisconsin
  - Chicago, Northern Illinois
  - Minneapolis

18 million consumers  
★ = 74% in Chicago, Minneapolis & Milwaukee

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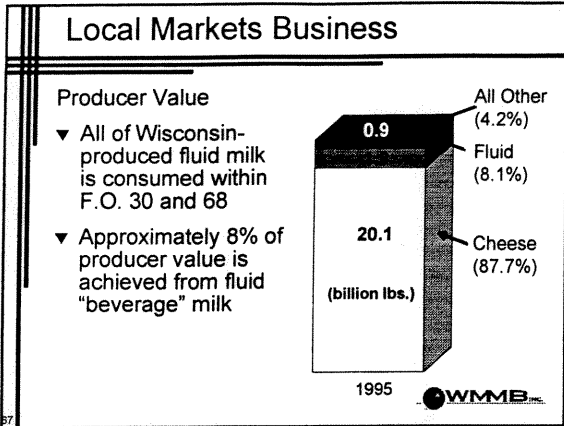
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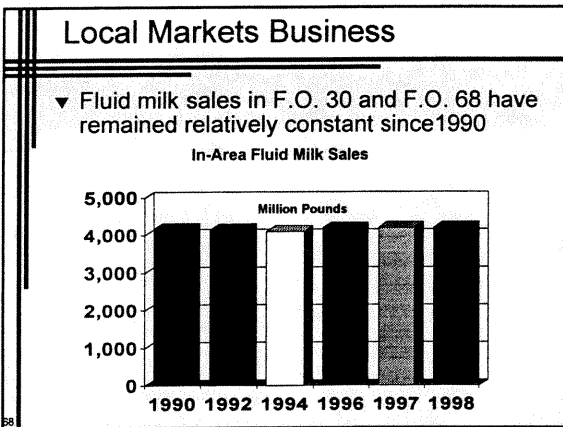
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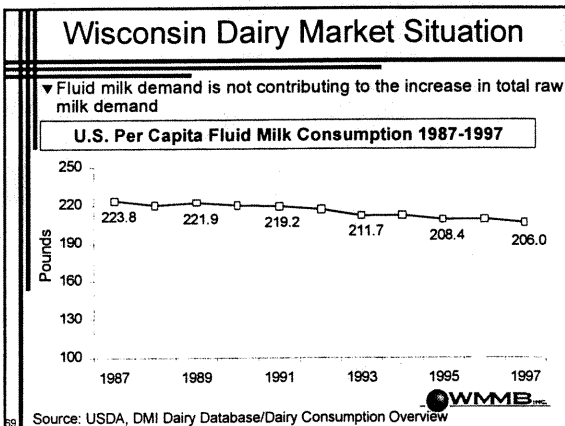
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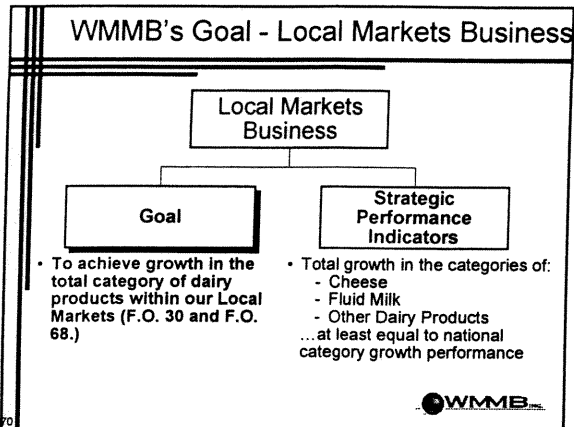
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### Local Markets Business – Targets (What We Are Trying to Accomplish)




- Continue to leverage the \$186 million national investment for fluid milk, and the \$58 million for cheese dedicated to category growth to achieve maximum benefit for F.O. 30 and 68
- Increase the visibility of WMMB programs with the WDI to strengthen our producer and dairy industry communications
- Continue to integrate WMMB/DCW/Dairy Marketing Environment (DME) strategies and programs

→ National level

\$11 million - Wis. share  
(contribution)

### Local Markets Business Dairy Marketing Environment

- MilkPEP – local extension of Milk Mustache
  - Alice in Dairyland and Governor Thompson
    - Dairy's Visibility
  - Sesquicentennial tie-in

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## Local Markets Business

### Local Events - Dairy Visibility



- ▼ Milk Mustache Cruise for Calcium 100 City Tour - La Crosse
  - ◆ Partnered with Kwik Trip and Kemp's
  - ◆ TV / radio interviews



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## Local Markets Business

### Fluid Milk - Category Growth

- ▼ Chocolate Milk Promotions



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*WMMB - Very successful  
Other groups will use  
the chocolate milk  
promotions ideas*

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## Local Markets Business

- ▼ Fluid Milk - Category Growth
  - ◆ Chocolate Milk Promotions School Foodservice - Dairy Council of WI



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## Local Markets Business

### Grassroots Communications/Promotions



- ▼ County Dairy Leader Groups:
  - ◆ 4 conferences
  - ◆ 58 applications (63 counties) for funding
  - ◆ More than 40% directly extending WMMB/national programs
  - ◆ Also working with processors & co-ops



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## Local Markets Business

### Grassroots Communications - Corporate

- ▼ Local Markets Specialist
  - ◆ Integrates Local Markets, Producer Communications and Farm Business Systems
  - ◆ Feedback from dairy producers, processors, key infrastructure and media contacts



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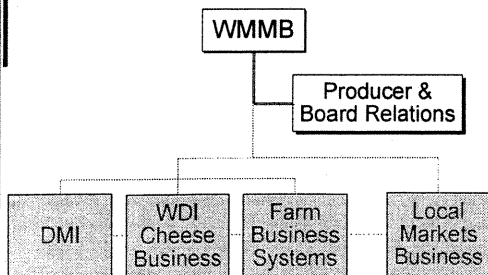
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## WMMB Business Organization



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**WMMB INC.**  
DAIRY BUSINESS RESOURCES  
FUNDED BY WISCONSIN DAIRY PRODUCERS

## Producer and Board Relations

Rosalie Geiger, Director, District 17  
Chair, Producer & Board Relations Committee




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### WMMB's Goal – Producer & Board Relations


**Producer & Board Relations**

**Goal**

- Maintain and improve producers' understanding of and support for WMMB's role in the dairy marketing environment

**Strategic Performance Indicator**

- Increase levels of
  - understanding
  - satisfaction
 by targeted segments of Wisconsin producers



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### Producer & Board Relations



**The Challenge**

- ♦ Reaching the diverse group of 21,000 dairy farmers
- ♦ Understanding the scope of WMMB programs and services



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