

Milk volume up, but AMPI earnings down in '99

By Heidi Clausen

Regional Editor

BLOOMINGTON, MINN.

— More members and a merger with the Glencoe Butter and Produce Association in central Minnesota resulted in 10 percent more milk for Associated Milk Producers Inc. last year.

In 1999, the New Ulm, Minn., cooperative marketed just more than 5 billion pounds of milk from its 5,000 member farms in seven states, it was reported March 21 at AMPI's annual meeting. That's up from 4.6 billion in 1998.

In order to handle the extra milk volume, AMPI invested \$10 million in upgrades and expansions in milk processing capacity last year and expects to make more investments in its network of 13 manufacturing facilities this year.

On a sour note, the dairy co-op registered earnings of \$800,000, a sizable drop from \$14 million in 1998. The co-op also saw its largest inventory devaluation ever.

"Without the impact of a

record inventory devaluation, we would have reported a record margin from operations," AMPI general manager Mark Furth reported.

Down \$42 million, sales were \$1.1 billion and equity involvement totaled \$9.6 million. The return on equity was just 1 percent, a big drop from 28 percent in 1998. Member equity is \$1.40 per hundredweight and totals \$69 million.

Plummeting milk prices can take much of the blame for a somewhat disappointing bottom line in 1999, Mr. Furth said, but he prefers to look at the bright side.

"What our financial statements don't show is our tremendous growth last year. We really did have a good year," he said. "We did a good job of planning for this. The co-op won't miss a beat. Our reputation is to put it



Mark Furth

on the milk check. I think we lived up to that in 1999.

"Inventory losses were offset by real profits from operations. It hasn't set the co-op back a bit," he said.

AMPI has added almost 400 new dairy farms, thanks in large part to the merger on Oct. 1, 1999, with Glencoe Butter and Produce, which processes 1 million pounds of milk a day. Most of it goes into Provolone and Cheddar cheeses. Along with the dairy processing facility, AMPI assumed a lender's interest in the Glencoe ag service division. That now is a separate entity known as AMPI Ag Service Inc.

Some 30 percent of AMPI farms weren't marketing with AMPI just 5 years ago. In the first two months of 2000, the co-op had a net gain of 40 farms.

"Most of that is individual farms deciding AMPI was the market of choice," he said.

For the first time in its history, AMPI last year placed a moratorium on accepting new members, said board President Wayne Bok, a dairy producer

bottom line. Milk checks and return on equity are the goal."

Touching on the policy front, Mr. Furth expressed frustration that, after four years, very little progress has been made in milk pricing reform.

"We worked so hard at it and came so close and then got set back in November," he said, but noted it wasn't a total loss: "I think we've been heard."

Mr. Furth said AMPI will continue to work for policy that will benefit Midwest farmers, and that includes fighting compact. The Midwest is an area of low utilization and surplus production, he said, so a compact "would never do for us what it does for high-utilization parts of the country."

Compacts are more harmful than federal orders to regions like the Midwest, he said.

Mr. Furth favors building a national consensus for dairy policy that will help all farmers and stopping the "blindfolded dash toward world markets. Our prices are well above the world market average. Does anyone really believe that world competition is going to raise our price? Not a chance."

Better price supports are needed, he said, along with supply management. The industry has known for six months it was

headed for a surplus, he said. Expansion needs to be better timed with consumption, and an incentive should be given to farmers to delay herd growth, he said.

"These kind of prices are hurting everybody. We need to discourage expansion in the face of a surplus," he said. "We could literally consume our way out of this problem in no time flat."

"This is all coming from production. We're not having trouble selling dairy products. If we could just slow production for a little bit, this would take care of itself in short order."

One AMPI member questioned why AMPI pays volume premiums to large producers while it supports supply management.

Mr. Furth responded that volume premiums, which now are about 70 cents, will be lowered in the future.

"The idea is very much cost justified," he said. "At the same time, I have admitted many times that these have gotten out of hand and bigger than can be justified because of competition competing for those big farms to fill up those plants. I think it's going in the right direction and will equalize more and more."

AB004
PT01
11/13-20



SOMATIC CELL COUNT PROGRAM
EFFECTIVE JANUARY 1, 2001

SCC	\$	SCC	\$	SCC	\$
0-50,000	0.83	290,001-300,000	0.22	560,001-570,000	-0.14
50,001-60,000	0.80	300,001-310,000	0.20	570,001-580,000	-0.16
60,001-70,000	0.77	310,001-320,000	0.19	580,001-590,000	-0.18
70,001-80,000	0.74	320,001-330,000	0.18	590,001-600,000	-0.20
80,001-90,000	0.71	330,001-340,000	0.17	600,001-610,000	-0.22
90,001-100,000	0.68	340,001-350,000	0.16	610,001-620,000	-0.24
100,001-110,000	0.65	350,001-360,000	0.12	620,001-630,000	-0.26
110,001-120,000	0.62	360,001-370,000	0.11	630,001-640,000	-0.28
120,001-130,000	0.59	370,001-380,000	0.10	640,001-650,000	-0.30
130,001-140,000	0.56	380,001-390,000	0.09	650,001-660,000	-0.32
140,001-150,000	0.53	390,001-400,000	0.08	660,001-670,000	-0.34
150,001-160,000	0.50	400,001-410,000	0.07	670,001-680,000	-0.36
160,001-170,000	0.48	410,001-420,000	0.06	680,001-690,000	-0.38
170,001-180,000	0.46	420,001-430,000	0.05	690,001-700,000	-0.40
180,001-190,000	0.44	430,001-440,000	0.04	700,001-710,000	-0.42
190,001-200,000	0.42	440,001-450,000	0.03	710,001-720,000	-0.44
200,001-210,000	0.40			720,001-730,000	-0.46
210,001-220,000	0.38	450,001-500,000	.00	730,001-740,000	-0.48
220,001-230,000	0.36			740,001-750,000	-0.50
230,001-240,000	0.34	500,001-510,000	-0.02		
240,001-250,000	0.32	510,001-520,000	-0.04	750,001-850,000	-0.70
250,001-260,000	0.30	520,001-530,000	-0.06		
260,001-270,000	0.28	530,001-540,000	-0.08	850,001-1,000,000	-0.90
270,001-280,000	0.26	540,001-550,000	-0.10		
280,001-290,000	0.24	550,001-560,000	-0.12	1,000,000+	-1.00

LBS./MONTH	\$	LBS./MONTH	\$
0-25,000	0.00	170,001-180,000	0.31
25,001-30,000	0.01	180,001-190,000	0.33
30,001-35,000	0.02	190,001-200,000	0.35
35,001-40,000	0.03	200,001-210,000	0.36
40,001-45,000	0.04	210,001-220,000	0.37
45,001-50,000	0.05	220,001-230,000	0.38
50,001-55,000	0.08	230,001-240,000	0.39
55,001-60,000	0.10	240,001-250,000	0.40
60,001-65,000	0.12	250,001-300,000	0.43
65,001-70,000	0.14	300,001-350,000	0.46
70,001-75,000	0.15	350,001-400,000	0.49
75,001-80,000	0.16	400,001-450,000	0.52
80,001-85,000	0.17	450,001-500,000	0.55
85,001-90,000	0.18	500,001-600,000	0.65
90,001-95,000	0.19	600,001-700,000	0.70
95,001-100,000	0.20	700,001-800,000	0.70
100,001-110,000	0.21	800,001-900,000	0.75
110,001-120,000	0.22	900,001-1,000,000	0.75
120,001-130,000	0.23	1,000,001-1,500,000	0.80
130,001-140,000	0.24	1,500,001-2,000,000	0.80
140,001-150,000	0.25	2,000,001-2,500,000	0.80
150,001-160,000	0.27	2,500,001-5,000,000	0.80
160,001-170,000	0.29	5,000,001 +	0.80

WISCONSIN VOLUME PREMIUM TABLE:

EVERY OTHER DAY PICK-UP

Lbs. Per Month	Prem.
0	0.00
35,000	0.03
40,000	0.05
50,000	0.07
60,000	0.10
70,000	0.13
80,000	0.14
90,000	0.15
100,000	0.17
105,000	0.20
110,000	0.22
120,000	0.23
130,000	0.24
135,000	0.30
145,000	0.32
155,000	0.33
165,000	0.34
175,000	0.36
185,000	0.37
195,000	0.39
200,000	0.40
210,000	0.41
220,000	0.43
240,000	0.44
250,000	0.45
260,000	0.46
270,000	0.47
290,000	0.48
310,000	0.49
340,000	0.50
450,000	0.55
475,000	0.60
500,000	0.70
650,000	0.75
> 800,000	0.80

EVERY DAY PICK-UP

Lbs. Per Month	Prem.
0	0.00
35,000	0.03
40,000	0.05
50,000	0.07
60,000	0.10
70,000	0.13
80,000	0.14
90,000	0.15
100,000	0.16
105,000	0.16
110,000	0.17
120,000	0.18
130,000	0.19
135,000	0.20
145,000	0.22
155,000	0.23
165,000	0.24
175,000	0.26
185,000	0.27
195,000	0.29
200,000	0.30
210,000	0.32
220,000	0.38
240,000	0.39
250,000	0.40
260,000	0.41
270,000	0.47
290,000	0.48
310,000	0.49
340,000	0.50
450,000	0.55
475,000	0.60
500,000	0.70
650,000	0.75
> 800,000	0.80

Frank: Small dairies will need outside income

By Judy Brown

Regional Editor

APPLETON — Without outside income, the dairy farm with 50 cows is not able to survive, says Gary Frank, University of Wisconsin-Extension farm management specialist.

"They are not going to be able to live off of 50 cows," Mr. Frank said. "It's not that they are not efficient but you can't support a family on \$24,000."

He spoke Sept. 8 at an annual farm management update sponsored by the Northeast Wisconsin Extension District.

Mr. Frank, who is interim director for the UW Center for Dairy Profitability, discussed ways to evaluate and troubleshoot farm business problems and identify solutions.

About 800 producers, most of them belonging to either the Lakeshore Farm Management Association or Fox Valley Management Association, provided most of the 1999 data for the center.

Even though producers in the 50- to 75-cow herd range

may be extremely efficient, they have a volume problem, Mr. Frank said. Data shows these herds regularly receive about 80 cents per hundred less per hundredweight than larger producers, he said.

He found that herds with less than 50 cows had income per cow of \$613; herds with more than 250 cows had income per cow of \$591.

"Volume is a good thing as long as you have a positive margin," Mr. Frank said.

The 50- to 75-cow farms had the lowest basic costs per hundredweight of milk equivalent (\$7.66); the 250-cow farms had the highest cost per hundredweight equivalent at \$8.50.

A reasonable long-term goal for basic cost per hundredweight equivalent is \$7.50 or less, Mr. Frank said.

This is based on a dairy having 3 acres per cow and the



Gary Frank

producer owning most of the tillage, planting and harvesting equipment.

To calculate dairy profits, Mr. Frank looks at what it costs to produce milk equivalent to the sale of 100 pounds of milk.

"This is the exact way a nonfarm business looks at its business," Mr. Frank said. "What we are doing is creating a new currency that is equal to the average sale price of 100 pounds of milk."

Based on 1999 data, this study showed basic costs per cow of \$1,777 for herds of 50 cows or less compared to \$2,320 for herds of more than 250 cows.

"There's \$550 more per cow cost in larger herds than in smaller herds just in basic costs," Mr. Frank said.

Accounting for part of that is higher vet and medicine costs and recombinant bovine somatotropin, he noted. There also seems to be a higher culling rate in larger herds with some reporting a 40 percent cull rate, he said.

"When are you guys in genetics going to get us a cow that lasts more than 2½ years' is what some large operators

overlooked by producers, he said.

are saying," Mr. Frank said.

Even though the study indicates larger herds sustained total higher allocated costs, milk production per cow averaged about 2,000 pounds more per cow, leading to \$700 more income per cow in larger herds, he said. Producers received 80 cents per hundred more for milk in larger herds, he said.

On the other hand, he found operators with 50 to 75 cows who were extremely efficient but came up short because of volume, averaging 80 cents per hundred less for the milk.

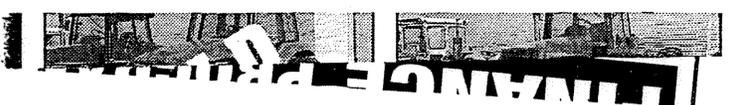
He used \$14.37 to calculate the basic cost since that was the average milk price in the U.S. last year.

Producers who say they "just pay the bills" might be better suited to labor than management, Mr. Frank said.

"You have to get a handle on the cost questions by seeing how you compare to other folks," he said.

To obtain more benchmark values, visit the UW Web site at <http://cdp.wisc.edu/agfa/> or the Center for Dairy Profitability's home page at <http://cdp.wisc.edu/>.

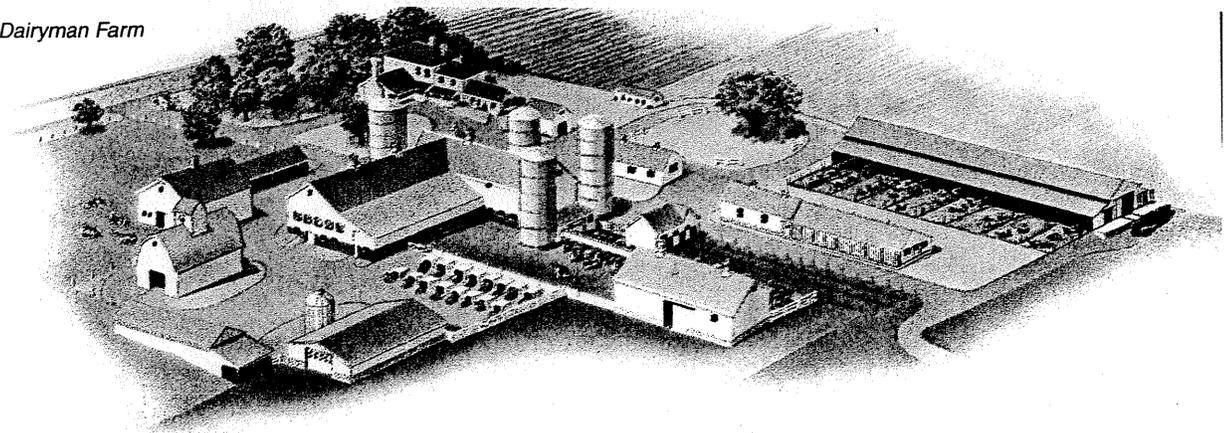
Based on UW enterprise budgets, it costs about \$1.67



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HOARD'S
DAIRYMAN



HOARD'S DAIRYMAN — The National Dairy Farm Magazine

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MAR 08 2001

March 7, 2001

Representative Al Ott
P. O. Box 8953
Room 318 North
Madison, WI 53708

Dear Al:

It was good seeing you at the Dairy 2020 Meeting this past Friday. During that meeting a question arose regarding the percent of dairy products produced by Wisconsin dairy farmers that are actually consumed by Wisconsin residents. Based on 2000 data from the Federal Milk Marketing Administrators, 13.75 percent of dairy products produced in this state are consumed by residents. That means 86.25 percent of all dairy products are exported. This is one of the main premises for the heavy promotion by Wisconsin Milk Marketing Board. In addition, this high export rate would make any taxation on dairy products a lukewarm proposal at best.

Hopefully, this information will assist you in working with other representatives and groups. A sheet with state comparisons is enclosed.

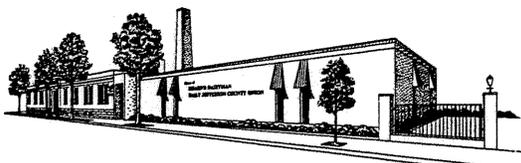
With best wishes.

Sincerely yours,

HOARD'S DAIRYMAN


Corey A. Geiger
Associate Editor

CAG/ljb
cc: Tim Griswold
Enclosure



Hoard's Dairyman

THE NATIONAL DAIRY FARM MAGAZINE

FAX NUMBER: (920) 563-7298

TELEPHONE NUMBER: (920) 563 - 5551

TO: Representative Al Ott **DATE:** 3/9/01

FROM: Corey Geiger **RE:**

TOTAL PAGES (Including this page): 2

MESSAGE:

Good Morning Al-

With this fax you will find the per capita milk consumption figures. They are on a (ME) or Milk Equivalent basis. This means it will directly tie into actual milk production per cow. I don't have official documentation for 2000. However it will be very close to 596. (1999 was 591.8).

Hope this helps. If I can ever help again, just call. With best wishes.

Corey

**IF YOU DO NOT RECEIVE ALL THE PAGES
PLEASE CALL BACK AS SOON AS POSSIBLE (920) 563-5551**

Table 25: Annual Commercial Disappearance of Dairy Products, Milk Equivalent, Total Solids Basis, 1970-1999

Year	Fluid Milk	Butter	Cheese	Frozen Products	Non-Fat Dry Milk	Other Products	Total Milk
(Million Pounds)							
1970	48,504	7,897	21,891	9,409	6,633	14,941	109,275
1971	49,155	7,448	23,162	9,486	6,627	14,186	110,063
1972	49,292	7,784	25,824	9,572	6,201	15,126	113,800
1973	48,774	7,522	27,372	9,629	7,490	14,899	115,887
1974	47,503	8,176	28,984	10,060	5,466	11,735	111,923
1975	47,955	8,359	28,886	9,783	4,703	12,538	112,205
1976	48,041	8,080	32,018	9,840	4,852	13,178	116,009
1977	47,831	7,559	32,886	9,848	4,622	13,678	116,425
1978	47,563	7,944	35,234	9,668	4,440	13,734	118,672
1979	47,365	7,869	36,394	9,758	4,069	14,257	119,712
1980	46,772	7,726	36,439	9,865	3,637	14,539	118,978
1981	46,327	7,642	38,075	9,944	3,131	14,499	119,618
1982	45,397	7,889	39,824	10,316	3,023	14,669	121,118
1983	45,565	7,752	39,851	10,377	3,104	14,739	121,389
1984	45,986	7,937	43,129	10,839	3,313	14,952	126,156
1985	46,773	8,073	45,273	11,009	2,935	15,449	129,612
1986	46,730	8,114	47,840	11,164	3,232	15,508	132,588
1987	46,566	7,935	50,173	11,058	3,327	16,791	135,849
1988	45,967	7,999	52,884	11,431	4,953	16,655	139,889
1989	46,425	7,702	55,590	11,363	5,891	14,927	141,898
1990	46,162	8,045	58,580	11,874	4,710	14,075	143,446
1991	46,409	7,934	59,360	11,811	4,474	14,155	144,142
1992	46,255	8,301	63,139	11,811	4,865	12,804	147,176
1993	45,641	9,147	64,377	11,614	4,378	12,638	147,795
1994	46,089	9,646	66,750	11,942	6,093	11,647	152,170
1995	45,646	10,429	68,569	11,499	6,233	12,416	154,792
1996	46,114	10,371	70,445	11,359	6,809	10,553	155,651
1997	45,855	9,748	71,962	11,608	6,032	10,402	155,606
1998	45,774	10,754	73,426	11,992	5,849	10,064	157,856
1999	46,078	11,506	77,908	12,035	5,338	8,611	161,476

Source: NMPF and USDA / ERS: *Livestock, Dairy, and Poultry Situation and Outlook*

1998	31.79	3.27	60.39	1.55	2.11	41.04	2.37	1.90
1999	32.27	3.27	59.87	1.63	2.22	22.01	2.39	1.94
					2.33	21.78	2.43	1.96

Source: USDA/AMS, *Federal Milk Order Market Statistics*
 Fluid items: plain & flavored whole, lowfat and skim, and buttermilk. Cream items: light, heavy and sour cream and dips.

Table 26: Per Capita Commercial Disappearance of Dairy Products, Milk Equivalent, Total Solids Basis, 1970-1999

Year	Fluid Milk		Cheese		Total Products	
	(ME Lbs.)	% Change	(ME Lbs.)	% Change	(ME Lbs.)	% Change
1970	236.6		106.8		534.1	
1975	222.0	-6.13	133.7	25.28	520.4	-2.57
1980	205.4	-7.50	160.0	19.64	522.9	0.48
1985	196.1	-4.50	189.9	18.65	543.9	4.01
1986	194.2	-1.00	198.8	4.71	551.9	1.47
1987	191.8	-1.24	206.6	3.95	560.1	1.49
1988	187.6	-2.18	215.8	4.45	571.7	2.07
1989	187.7	0.05	224.8	4.13	574.2	0.45
1990	184.7	-1.60	234.4	4.26	574.2	-0.01
1991	183.7	-0.54	235.0	0.25	570.9	-0.59
1992	181.1	-1.40	247.2	5.23	576.5	0.99
1993	176.8	-2.36	249.4	0.89	572.8	-0.64
1994	176.8	-0.03	256.1	2.69	584.1	1.96
1995	173.5	-1.85	260.6	1.74	588.6	0.77
1996	173.7	0.10	265.3	1.80	586.4	-0.36
1997	171.1	-1.51	268.5	1.21	580.7	-0.98
1998	169.2	-1.12	271.7	1.20	585.7	0.86
1999	168.8	-0.21	285.4	5.04	591.8	1.03

Source: NMPF and USDA / ERS: *Livestock, Dairy, and Poultry Situation and Outlook*



Assembly Committee on Agriculture Tentative Agenda

March 15, 2001

10:00 am start Public Hearing on AB 44 followed by an executive session.

Invited speakers & subjects:

- ✓ Mark O'Connell, WI Counties Association - DAIRY TAX PROPOSAL
- ✓ Sandy Chalmers, DATCP – BRIEFING ON FOOT & MOUTH DISEASE
- ✓ ~~Keri Retallick~~, WI Pork Producers - BREIFING ON PORK INDUSTRY
ERIC DRACHENBERG
- ✓ Paul Zimmerman, Farm Bureau Federation –FUNDING FOR NONPOINT
- ✓ Mark Cook, Public Service Commission - FARM WIRING PROGRAM
- ✓ Dave Hansen, DATCP – RURAL ELECTRIC POWER SERVICES (REPS)
- ✓ Rich Hackner - RURAL ENERGY MANAGEMENT COUNCIL (REMC)
- ✓ Roger ~~Casper~~, DATCP - RURAL ENERGY MANAGEMENT COUNCIL (REMC)
- ✓ RICHARD REINES - ENGINEER, ELECTRIC DIVISION PSC

RD201001-09027

*** NEWSLETTER FOR PIERCE
ROLLING HERD AVERAGES

AS OF 12/30/00

NAME B COWS AGE MILK % FAT % PRD 3X CY

SUPERVISED HOLSTEIN TOP 20 HERDS

MATT QUINN & A FAGERLAND	H	56.7	4-04	29,651	3.6	1,077	3.0	884	3X	2926
WANDERING HOLSTEINS	H	74.4	3-07	28,354	3.7	1,044	3.1	865		2849
BRAD TAPLIN	H	82.2	3-08	28,493	3.5	996	3.1	897	3X	2819
HINES RANCH INC	H	61.7	3-09	27,048	3.6	978	3.1	852		2728
J GALGOWSKI HERD SUP	H	60.0	4-00	26,083	3.8	981	3.2	840		2717
LEW-WIS ACRES	H	57.1	3-03	25,425	3.9	989	3.1	797		2669
JIM AND PAM BENITZ	H	71.2	3-10	27,184	3.6	968	3.0	808	3X	2649
JOHN & DON SCHROEDER	H	88.5	3-10	25,041	3.7	932	3.2	812		2601
ANDREW & JAY HUPPERT	H	57.4	3-07	25,595	3.7	934	3.1	802		2589
JIL-RO-SIE HOLSTIENS	H	181.1	3-10	25,540	3.7	948	3.1	784	3X	2585
BRANDVALE	H	117.6	3-07	25,067	3.8	951	3.1	775		2578
OAKBOURNE FARM	H	32.7	3-10	25,018	3.8	947	3.0	751		2537
CRAIG & BETH INGLI	H	44.9	3-01	24,664	3.7	920	3.1	763		2512
WM CROWNHART	H	34.8	3-07	25,140	3.6	900	3.1	778		2501
TIMOTHY BATES	H	69.6	4-03	24,363	3.7	898	3.2	774		2494
BRIAN BERG	H	48.4	4-02	24,576	3.7	900	3.1	766		2485
GREG NELSON	H	68.7	3-10	24,408	3.6	876	3.2	792		2485
MAPLE-DEN DAIRY	H	46.0	3-03	24,470	3.8	922	2.9	716	3X	2441
LEON HENNEMAN	H	63.3	3-07	24,900	3.5	868	3.1	764		2431
GARY BECHEL	H	52.2	3-09	22,313	4.0	888	3.3	734		2424

UNSUPERVISED HOLSTEIN TOP 10 HERDS

PARKERS RANCH	H	38.4	4-06	24,307	3.8	933	3.2	777		2554
COBIAN FARMS	H	65.2	3-10	23,932	3.8	899	3.3	778		2502
EAGLE VIEW	H	33.8	3-08	22,757	4.0	905	3.2	717		2426
GARY & MATT SHAFER	H	61.0	3-06	23,394	3.7	864	3.1	723		2368
A & D DAIRY	H	44.2	3-07	22,281	3.7	824	3.1	683		2249
HUBER FARMS INC	H	66.6	4-04	21,825	3.7	805	3.1	668		2198
LUEBKER DAIRY FARMS	H	67.3	3-08	21,508	3.7	797	3.1	671		2191
LARRY YOUNG	H	71.0	3-11	20,253	3.9	792	3.3	665		2176
TOM MILLER	H	48.3	4-08	20,463	3.9	803	3.2	647		2167
HERB METCALF	H	52.3	4-05	20,562	3.9	811	3.0	622		2121

SUPERVISED COLORED TOP 2 HERDS

JON LANTZ	G	48.4	3-08	25,536	4.3	1,102	3.4	862	3X	2941
CAVE CREEK	J	36.7	3-09	20,772	4.7	977	3.6	746		2551

UNSUPERVISED COLORED TOP 1 HERDS

MAPLE BUD FARMS	G	38.0	4-07	13,189	4.6	610	3.5	458		1566
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RD201001-09027

SOMATIC CELL SUPER STARS

AS OF 12/30/00

NAME COWS WEIGHTED CELL LINEAR SCORE

WANDERING HOLSTEINS	77	57,000	1.2
WM CROWNHART	42	59,000	1.7
RANDY BREDAHL	12	62,000	2.1
MOST HOLSTEINS INC	56	70,000	1.9
TOM MILLER	48	77,000	1.8
OAKBOURNE FARM	29	81,000	2.2
RONALD HILDEBRANDT	81	89,000	1.9
CRAIG & BETH INGLI	45	92,000	1.9
MAPLE-DEN DAIRY	59	96,000	2.1
MICHAEL PITTMAN	40	104,000	2.3
WAYNE & JULIE BETLACH	33	111,000	2.5
ED & CATHY PECHACEK & SONS	61	111,000	2.2
ME-PA-NI-TRO DAIRY FARM	69	114,000	1.7
GARY & MATT SHAFER	60	117,000	2.0
MICHEAL RHIEL	61	122,000	2.2
MARK-HUPPERT	41	122,000	2.7
G & T DAIRY	41	125,000	2.3
JOHN R SCHNEIDER	31	127,000	2.6
CAVE CREEK	39	127,000	2.8
JOE & KERRY REIS	53	134,000	2.6

*Remove 3/15/01
from Corliss Henneman
Pierce Co.*



WISCONSIN
FARMERS
UNION



Statement
of the
Wisconsin Farmers Union

To the

Wisconsin State Assembly
Committee on Agriculture

On

AB 44

March 15, 2001

The Wisconsin Farmers Union would like to thank the Wisconsin State Assembly's Committee on Agriculture for the opportunity to testify here today on Assembly Bill 44 which seeks to repeal the current Wisconsin law that prohibits persons engaged in the buying of milk from producers from discriminating between producers in the price paid for milk.

As members of the committee no doubt are aware, the Wisconsin Farmers Union has long been an advocate for the current law which prohibits the payment of different prices to producers based on the volume of milk they ship to processors. The main basis of the WFU opposition to volume premiums is that all farmers deserve to be paid the same price for the milk they ship to processors, when all the criteria for such milk is equal. The payment of higher premiums for volume simply mean that the higher price paid to large volume milk producers is simply deducted from the price paid smaller producers. It is a case of equity, which the previous state legislature understood and approved.

At the same time, the WFU has come to recognize the problems created when the state of Wisconsin prohibits the payment of volume premiums and other states allow that unfair practice to take place. The WFU also recognizes that the problem was compounded in recent history when the processors outside the state challenged the prohibition of volume premiums paid on milk shipped from the state of Wisconsin to out of state processors and the federal courts ruled the Wisconsin statute on volume premiums could not be enforced on milk being shipped in interstate commerce.

It is for that reason that the Wisconsin Farmers Union has adopted a change in its policy statement on volume premiums, recommending that the prohibition on payment of volume premiums be enacted into law at the federal level and is seeking passage of that legislation at this time.

Indeed, the Wisconsin Farmers Union is opposed to passage of AB 44 because of the signal such passage may send to the U.S. Congress. If the Wisconsin legislature repeals the prohibition of payment of milk volume premiums at the state level, it will make passage of a federal volume premium statute much harder to enact.

The Wisconsin Farmers Union believes the Wisconsin state legislature should remain proud of the progressive nature of its current volume premium law which shows the federal government how it should address this issue of equity.

Instead of repealing Wisconsin law on volume premiums by passage of AB 44, the Wisconsin Farmers Union believes Wisconsin state legislature should take the lead in

AB 44 Testimony -- Page 2

seeking to implement the state's current volume premium law at the federal level. The Wisconsin state legislature should pass a resolution directing the state's governor and those individuals charged with lobbying the U.S. Congress on behalf of Wisconsin farmers seek immediate passage of federal legislation extending the Wisconsin volume premium prohibition to interstate commerce. Such an action would be in keeping with the Wisconsin tradition of leading the way towards enactment of progressive legislation that levels the economic and social playing field for all involved.

We, the patrons of Ellsworth Creamery
disagree with Assembly Bill 44.

Name	Address
Charles Hager	112153 Cty Rd D Bay City, Mi.
Julian Nelson	810 7th Ave Prairie Farm, WI
Joe E. Levan	6466 570th Ave Ellsworth, WI
Shawn Herrigan	1538 15th St Barron, WI
Edwin Martin	7067 Maciver Av Albertville, MN
Walter Bender	279 10th St Prairie Farm, WI
Roy Halverson	411765 Cr. Klamm Rosett, WI
Jim Peterson	28711 Cr. Rock Ellsworth, WI
Mark O. Brundage	3192 73 FREDERIC, WI
Brian Beaudry	11161 80th St. Albertville MN
Harold Kringle	762 8 Bank Av Barron, Wis
David Swanson	2915 210 Ave Emerald Wis
Robert J. Kelly	1191 2nd N Roberts, WI 54053
Brian J. Janger	N 4857 Ave F Prouty, WI 54021
Robert Nelson	738 7th Ave Prairie Farm, WI
John J. Janger	1107 1st St Barron, WI
John J. Janger	Woodstock, WI
John J. Janger	Edenwiler, WI
John J. Janger	In order Rock, WI
John J. Janger	24116 N. Co. Rd. P. NEAR PROUTY
John J. Janger	N 5699 450 ST ELLSWORTH, WI
John J. Janger	W 565 Brunner Rd Durand
John J. Janger	W 565 Brunner Rd Durand W.
John J. Janger	W 541 Brunner RD Durand WI
John J. Janger	320th St Maiden Rock, Wis
John J. Janger	48702 Borg. Mts. Lane Pelen, WI
John J. Janger	2414 160th Av. Emerald WI 54012
John J. Janger	738 1st St Clayton WI 54004
John J. Janger	3741 Omaha Ave dr. Stillwater, MN 55082
John J. Janger	W 4210 850th AV Spring Valley
John J. Janger	N 3523 750TH ST Ellsworth, WI 5476
John J. Janger	8112 13th St Hugo, MN 55030
John J. Janger	W 2659 650th St. Bay City, WI
John J. Janger	Rt 3 Lake City, Minn
John J. Janger	51801 Retz Rd. P. M., Wis. 54001

Date received by Committee
date 3/15/01 Person listed
not present
or hears

We, the patrons of Ellsworth Creamery
disagree with Assembly Bill 44.

Leo Krugel	409144	6902 Ave	River Falls, WI
Norm Jones	2378	Hy 64	New Richmond, WI 54017
Wayne	1536	30th St	Greenwood City, WI 5403
Holden Kane			Shun City
Kenneth Plenderman	2309	County Rd E	Baldwin, WI 54002
Ken Brown	E19525A	Rd 72	Elmwood, WI 54740
Mervin Duesch	108102	Bergmann L.	Penn WI 54759
Itzy by [unclear]	42157	190th Ave	Mendon, Rock WI 54750
[unclear]	E4108	north Co Rd P	menomonie WI 54751
Reginald Young	552	9 1/2 St	Hillsdale, WI 54733
David Crowl	2264	200th St	Deer Park, WI 54007
Melvin Beckel	NS053	Co Rd S	Elmwood, WI 54740
Alan Johnson	843	250th St	Woodville, WI 54028
Gale Anderson	262	2760 To-Ave	Chicago City 55043
John [unclear]	8050	157th St N	Hayward WI 54038
Pat Bangeman	079	10th St	Prairie Farm, WI 54762
Pat [unclear]	1370	Co Rd M	River Falls, WI 54022
Bob Swenson	93	165th St	River Falls, WI 54022
Loyce Herdson	W1255	330th Ave	Plum City, WI 54761
James E. Hauschelt	W5897	10 Ave	Ellsworth, WI 54011

Date received by committee
date 3/11/01
Persons listed not
present at meeting

Vote Record

Assembly - Committee on Agriculture

Date: 3/29/01

Bill Number: AB 44

Moved by: REP. OTT

Seconded by: REP. BIES

Motion: PASSAGE

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Rep. Alvin Ott, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Eugene Hahn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. John Ainsworth	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Joan Wade	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Jerry Petrowski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Scott Suder	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Steve Kestell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Gabe Loeffelholz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Garey Bies	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Joe Plouff	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Marty Reynolds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. John Steinbrink	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Barbara Gronemus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Julie Lassa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Marlin Schneider	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Mary Hubler	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>13</u>	<u>3</u>	<u>0</u>	<u>0</u>

Motion Carried

Motion Failed

Committee Meeting Attendance Sheet

Assembly Committee on Agriculture

Date: 3/29/01 Meeting Type: EXEC SESSION (AB 44)
Location: BAR ROOM- 417 NORTH

<u>Committee Member</u>	<u>Present</u>	<u>Absent</u>	<u>Excused</u>
Rep. Alvin Ott, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Eugene Hahn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. John Ainsworth	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Joan Wade	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Jerry Petrowski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Scott Suder	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Steve Kestell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Gabe Loeffelholz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Garey Bies	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Joe Plouff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Marty Reynolds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. John Steinbrink	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Barbara Gronemus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Julie Lassa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Marlin Schneider	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Mary Hubler	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: 16 0 0



Beata Kalies, Committee Clerk

Assembly Republican Majority Bill Summary

AB 44: Milk Pricing

Relating to: authorizing the payment of different prices to producers for milk based on specified criteria. By Representatives Ward, Ainsworth, Freese, Gronemus, Hahn, Huebsch, Hundertmark, Kedzie, Kestell, Kreibich, LaFave, Montgomery, Nass, Olsen, Ott, Plale, Seratii, Starzyk, Sykora and Vrakas: cosponsored by Senator S. Fitzgerald.

Date: June 12, 2001

BACKGROUND

Under current law, a milk buyer is prohibited from discriminating between producers in the price paid for milk. The statute provides an exception by which a buyer is authorized to pay producers different prices for milk based on differences in milk quality if certain conditions are satisfied.

The statute also allows for justification of price differences on the basis of meeting competition, actual differences in milk volume (quantity), transportation charges or marketing expenses to be used as a defense to prosecution for violating the discrimination prohibition.

SUMMARY OF AB 44

Assembly Bill 44 changes the current statute to allow milk buyers to pay producers different prices based on any criteria specified by the buyer. Purchasers of raw milk would have to list the criteria for their premiums and the amount paid for each premium. The purchaser would then be required to pay all the producers that he/she buys from based on that schedule.

A defense to prosecution for violation of the statute would apply if discrimination in price was done in good faith to meet competition.

FISCAL EFFECT

No fiscal estimate was required for Assembly Bill 44.

PROS

1. AB 44 allows Wisconsin buyers of milk to compete with out-of-state buyers.
2. This legislation adds flexibility to current statute by allowing premiums based on milk quality, volume, cheese yield, protein, butterfat content and other criteria.
3. Under AB 44 the buyer sets their own premiums, based on their purchasing needs.

CONS

1. AB 44 only affects sales within Wisconsin. Buyers in other states are not bound by Wisconsin statute if the sale is consummated in another state.
2. Some individuals still view this proposal as solely a volume premium bill that would give an unfair advantage to larger producers.

SUPPORTERS

Rep. David Ward, author; William Oemichen, Administrator of the Division of Trade & Consumer Protection DATCP; John Norton, Director of Trade Practices Bureau DATCP; Brad Legreid, Wisconsin Dairy Products Association; Judy Keller, Wisconsin Cheese Makers Association; Paul Zimmerman, Wisconsin Farm Bureau; Rep. John LaFave; Sen. Scott Fitzgerald.

OPPOSITION

Andrew Huppert, Dairy Farmer River Falls; Corliss Handrickson, Dairy Farmer Beldenville; Wayne Anderson, Dairy Farmer Hager City; Bob Denman, Wisconsin Farmers Union.

HISTORY

Assembly Bill 44 was introduced on January 25, 2001, and referred to the Assembly Committee on Agriculture. A public hearing was held on March 15, 2001. On March 29, 2001, the Committee voted 13-3 [Representatives Plouff, Schneider and Hubler voting no] to recommend passage of AB 44.

CONTACT: Beata Kalies, Office of Rep. Al Ott

Why are we taking up AB 44 today?

- 1)The 15th is an assigned committee day and originally a session day as well. Since session got cancelled, it opened up the date for a potential hearing.
- 2)On short notice the only bill out of the three referred to the committee that could be taken up that day, is AB 44 because it does not require a fiscal estimate, thus does not require a lot of notice.
- 3)Rep. Ward, Author of the bill is not available on other committee days to testify and participate in the hearing process because of a another committee scheduled meeting dates, which would have prevented action on the bill until much later in the summer.
- 4)The 29th already has 2 complicated issues and the third would have been too much.
- 5) Yes, the notice to have a hearing on the 15th was only a week. But we are allowed to have 24hours notice only.

Al Ott
State Representative
3rd Assembly District

Facsimile Cover Sheet

Number of pages attached, including cover page: 5

If pages are not all received or are illegible, please call: (608) 266-5831

Please Deliver To:

KURT GUTKNECHT

Fax Number of Addressee: 224-1044

From: REP. OTT'S OFFICE

Message: PER YOUR REQUEST...