



FOR IMMEDIATE RELEASE

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Family Dairies USA implements temporary Base Program; WFU responds

CHIPPEWA FALLS – On April 14, Family Dairies USA cooperative sent a letter to its members enlisting their help in managing the current oversupply of milk in Wisconsin. The letter asks member farms to hold steady at their current level of production and informs them that if their production increases more than 1 percent over the past three months' rolling average, that additional milk will be priced at a different spot market rate.

Wisconsin Farmers Union President Darin Von Ruden reacted to the news. "I applaud Family Dairies USA for being pro-active and working with farmers to limit the milk that comes in, rather than dumping it or selling it for below-market prices after the fact. I also commend the coop for asking *all* of their members to shoulder a little of the burden of managing over-supply, rather than throwing a portion of their farm families overboard to keep the rest of them afloat."

Von Ruden noted that this approach is consistent with WFU's 2017 Special Order of Business on Dairy, approved by members in January of this year. That policy states in part:

"Wisconsin Farmers Union urges dairy cooperatives to implement internal oversupply management systems that apply proportionally to all members to harmonize their supply of milk with their processing capacity. Oversupply management should not be achieved by summarily dropping existing members. WFU encourages farmers who are members of cooperatives to advocate within their co-ops for supply management, in order to avoid costly dumping of milk due to oversupply."

"I urge farmers to get in touch with their processors and advocate for them to adopt forward-thinking policies to manage oversupply," Von Ruden said, noting it has been cooperatives that have been the most pro-active in working with members to manage oversupply. Land O'Lakes was the first cooperative in recent history to implement a base program for conventional milk. On the organic milk side, Organic Valley Coop and Westby Cooperative Creamery have worked with farmers for years to balance output with market demand. "These are proven strategies, and we urge more processors, especially cooperatives, to consider them. It's just good business to take market demand into account when gauging production levels," said Von Ruden.

Von Ruden added that advance notice to farmers is essential and critiqued Family Dairies USA for not giving sufficient notice to its members. "Two weeks' notice is just not enough time to implement the best management strategies on-farm," he said. The letter from Family Dairies was sent out in mid-April, informing families that the change in pricing will apply starting in May. "As I've said before, a cow is a mammal, not a machine. Farmers do have options for adjusting production, such as strategically culling or drying up cows, selling heifers, changing feed ration or modifying the breeding program. However, these changes take time to implement. Processors should give farmers at least 90 to 120 days advance notice of any base program being implemented, to allow farmers to hold production steady in the manner that is most profitable and advantageous for their own farm."



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