

Women of the Farm Luncheon

On Saturday, January 16, our patron farm women gathered at Ellsworth Cooperative Creamery for our second annual "Women of the Farm" luncheon. Over 50 attendees turned out to enjoy a day of tours, fun, pampering, education and delicious food.

Chef Jim Kyndberg prepared a special luncheon for the day's guests. The main course consisted of grilled breast of chicken, topped with crushed tomatoes, fresh basil, melted *Le Fromage de Marcotte Kalamata Olive and Caper* and *Black Peppercorn Antonella* cheeses. A penne pasta salad with baby arugula, roasted vegetables and *Sun-Dried Tomato and Pesto Antonella* cheese, along with garlic bread with caramelized *Natural Cheese Curd Crumbles*, accompanied the main dish. For dessert... individual chocolate hazelnut and white chocolate raspberry mini cheesecakes. It's safe to say, nobody left the day hungry!



As delicious as the meal was, our guest speaker, Kim Bremmer, Ag Inspirations, stole the show! She inspired those gathered to share their farm stories and speak up for their farming traditions. Kim is a vocal champion of ag and her passion is sharing the real story of agriculture with everyday consumers. Through her humorous and engaging presentation, she shared why those in attendance must do the same.

"Well funded activist groups and loud, self-proclaimed 'experts' continue their daily attack on modern farmers through the media. No two farms are the same, and as activist groups try to divide farmers based on our differences, it's our diversity that is one of our greatest strengths," shared Kim.



We wish to thank all the women who took time away from the farm to share the day with us. If you were unable to join us, we hope you'll make a point of coming next year! Watch for your 'save the date' card in December.

Follow us on Facebook!



/EllsworthCheese



232 North Wallace Street
Ellsworth, WI 54011
(715) 273-4311

www.ellsworthcheese.com



February 2016

The FARM Program: A Different Perspective

The National Dairy FARM Program has received a lot of attention these past few years. Here at Ellsworth Cooperative Creamery we were learning along with you as we completed inspections and participated in audits. We've learned a lot since 2011 and wanted to take this opportunity share about the program from a slightly different perspective... from that of a Field Rep and a cooperative member.

Mark Anderson, Field Rep

As I was talking with the patrons about the program, their concerns tended to fall into two main categories. First, there was concern that someone who is not familiar with dairy farming would be reviewing how their farm operates and being overly critical when doing the audits. Secondly, the concern was that there would be the stress of audits looming and disrupting daily operations.

In regards to the auditors, my experience so far has been great. The auditors I've worked with have been experienced in agricultural practices; they've been professional with a friendly and helpful attitude.

As it relates to the number of audits performed, the guidelines say that the farms being audited are selected by a random sampling pool. Since 2011 we've had only 3 of our member farms audited, so they are few and far between. Of course you never know when you'll be the lucky winner.

Dusty Poeschel, Cooperative Member

A FARM program audit was completed at our farm this past December. Was the audit a surprise for us? The answer is yes and no. While we were surprised to be chosen at random, we had advance notice for the audit itself. Our Ellsworth Cooperative Creamery Field Rep, Mark Anderson, came out to the farm a month prior to the audit to notify us that our farm had been selected and told us the date and time that the audit would take place.

The word "audit" conjures up all kinds of thoughts in your mind, but we knew we were doing a good job so we weren't worried about it. In the end the audit took about an hour and the time went very quickly.

The auditor had a farming background and was a retired veterinarian. Because of his experience he knew the practicalities of farming and was very professional and friendly. Our overall impression of the entire experience was a good one.



Ag Plays Big Role in Economy

That was the message at the Pierce County Economic Development Corp. (PCEDC) annual dinner this month. It was great to see agriculture getting some well-deserved recognition for its contributions. After all, nearly one-fifth of jobs, a sixth of all tax receipts, and a proportionate ratio of local commerce and human capital that comprises Pierce' communities, comes from the ag sector. We're willing to bet that every county within our creamery's service area could report similarly impressive numbers.

To recognize the contributions of ag to our area, the PCEDC has added a new annual award to their roster: Ag Champion. This year the award was presented to Dale Hines, representing the Pierce County Dairy Promotion Committee, Inc.

ECC Annual Meeting

Please mark your calendars and plan to attend Ellsworth Cooperative Creamery's Annual Meeting.

In addition to board member elections, attendees will leave this meeting with an update on Ellsworth Cooperative Creamery's performance over the past year, current trends and challenges faced by our industry, as well as our goals and plans for the coming year.

Come meet and visit with your fellow-cooperative members. Lunch will be served.

Ellsworth Cooperative Creamery Annual Meeting
Tuesday, March 29, 2016
11:30am

CrossRoad Community Church
W7562 US Highway 10, Ellsworth

Ken McMahon, Age 64

We were shocked and saddened to hear the news of the sudden passing of former Ellsworth Cooperative Creamery CEO, Ken McMahon. Ken was killed in a car accident on Saturday, February 6. We extend our deepest sympathies on behalf of our entire organization to Ken's wife, Tricia, and his entire family.

NOTICE: Federal Survey

We wish to make all our Wisconsin patron farmers aware that we are due for a survey at some point within the next 6 months. Now is the time to prepare for that inevitability.

Is the FMMO Up to Date?

By Paul Bauer, CEO, Manager
paulb@ellsworthcreamery.net

Recently the Federal Milk Marketing Order (FMMO) pricing has not kept up to the reality of modern milk pricing. Why is this happening?

The federal milk pricing system was developed 60 year ago to provide an orderly process to make Fluid I sales available to all consumers. With the decline in Class I sales it becomes less and less relevant in our area of the country to make sure we have orderly marketing of Class I sales on top of the changes in rapid market conditions.

For example, McDonald's decision to use butter versus other oils in their breakfast menu caused a massive shift in the consumption of butter -- to the tune of 28 million pounds per year of butter consumption. This caused a huge butter shortage and in turn caused fat prices to increase.

While this sounds great for the average farmer, there's a caveat: Dairy plants are no longer set up to handle that kind of swing in commodity pricing.

The Ellsworth Cooperative Creamery has traditionally been set up as a swing commodity plant. We've made barrel cheese that can be sold easily and with no overhead to the market. We also had butter manufacturing and non-fat milk drying capacity in the past. These are no longer viable options and as of 25 years ago butter manufacturing no longer exists at our creamery.

Historically, changes in the market like the ones that happened this past year would result in swing plants shifting to butter and non-fat dry milk production, since the prices were higher.

Swing plants no longer exist in quantities like they used to. Today manufacturing plants are dedicated and highly focused to be efficient in one product-line.

In Ellsworth, we are very efficient in barrel manufacturing. We no longer make butter. When we have swings in the market that are caused by one company making one decision it has ramifications across the entire industry.

We're not alone; all cheese manufacturers faced this in the 4th quarter in 2015. The cost of butter exceeded the value of the cheese. In November 2015, as calculated by the Federal Milk Marketing Order, the value of butter was \$1.62/pound of cheese. The value received at the creamery level, with premiums, was only \$1.58/pound, causing a \$.04 shortage in just the butter value alone. That's before the creamery had paid for the protein or for the manufacturing of the product into cheese.

These mass changes are an example of the rapid changing conditions in the marketing of dairy products today.

So, are the Federal Milk Marketing Orders up to date? The short answer is no. They can't handle the volatility of the market and how it reacts to world trade implications. They were set up to be slow and methodical and give pricing signals to farmers, telling them how much milk to produce and when. In today's world they don't translate well to how cheese manufacturing, or dry milk manufacturing, or ice cream manufacturing is handled in modern plants and processes.

What Does the Wisconsin Milk Marketing Board Do For Me?

As a Wisconsin dairy producer, you're familiar with the Wisconsin Milk Marketing Board (WMMB). However, in conversations with our patron farmers we've come to realize many don't fully understand the support provided to us through your funding.

The primary mission of the WMMB is to "help grow the demand for Wisconsin milk by providing programs that enhance the competitiveness of the state's dairy industry." This is a broad statement, which is why we wanted to share some specific ways the WMMB is helping us to help you!

Advertising Reimbursements: Each time we run a qualifying print, radio, television or digital advertisement that meets the WMMB's qualifications, we receive a reimbursement back for our expenditure. The amount of reimbursement depends on the type of ad; however, these dollars help to extend our advertising reach. Currently, our Advertising Team is working with the WMMB to test how the WMMB could revise advertising reimbursements to better support growing advertising mediums such as social and digital.

Big Data: Trending advertising methods, such as social and digital ads, are effective because they allow us to target specific consumers. For example, rather than advertising to everyone who reads the newspaper via a print ad, we can directly target consumers within a specific demographic that we

know is most likely to purchase our products.

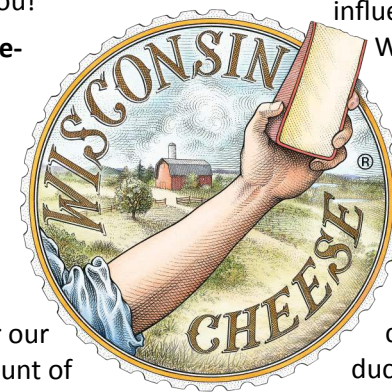
But how do we identify these consumers? That's where "big data" comes in. The WMMB is continually gathering, analyzing and reporting trends within our industry to help us to better identify and reach our target market. Without their research and reporting, we would lack the information needed to successfully compete.

Market Development and Sales Support: The WMMB is continuously building relationships with industry influencers across the world!

With their assistance we're making great strides within the Chinese market. They have opened doors for our sales team, helping them to cut years off our sales-cycle, by facilitating introductions and meetings with distributors, retail chains, restaurants and other purchasing agents.

For example, this past August the WMMB brought a tour of Florida chefs to the area. The group included chefs from Walt Disney World, Universal Studios, Ritz Carlton Hotels and many others. We provided tours for the group, a short sales presentation by our Jim Grande and Tony Birkel, and then served up a delicious lunch featuring our products professionally prepared by our Chef Jim Kyndberg.

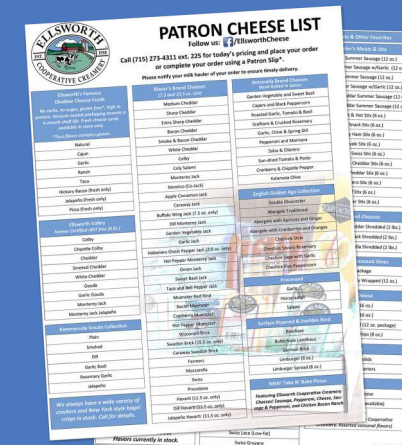
The experience allowed us to demonstrate new and creative uses for our products and inspired them to imagine how the beloved cheese curd could be used in their own menus and kitchens.



ECC Scholarship Program

We are currently accepting applications for the 2016 Scholarship Program. The goal of the program is to provide scholarships to members of our cooperative's families that wish to continue their post high school education in agriculture at a two year technical school or four year university.

Scholarship criteria and application instructions can be found on the application form. Application forms are available from the Ellsworth Cooperative Creamery in Ellsworth and can also be downloaded at EllsworthCheese.com, under the Producers' tab (scroll all the way down to the bottom of the page). The application deadline is March 31, 2016.



Updated Cheese List

We've recently updated our Cheese List to include other popular products available for order. You should have received a copy with your most recent milk check. To request additional copies, or to place an order, call (715) 273-4311 ext. 225.