



Court Action vs. MPCA: Just One Environmental Permitting Issue

By Lucas Sjostrom, MMPA Executive Director

You may have read about our actions vs. the Minnesota Pollution Control Agency (MPCA) in previous Minnesota Milk Minutes. We want to take the opportunity to provide some clarity around the issue.

Minnesota Milk's board of directors did not take lightly our court action against the MPCA. After much thought and weighing the projected odds of winning the motion, your board of directors decided to move forward in asking a judge to stop a comment period extension for several reasons.

The action was taken because we saw the Minnesota Pollution Control Agency step beyond its authority as outlined in statute. Although this motion included our current Vice President, Shelly DePestel, the decision to move forward was made without consultation with any members of the farm (Daley Farms of Lewiston), and DePestel was not present for any of the phone conversations leading up to the decision.

Letter of the law

For farms brought into the Environmental Assessment Worksheet (EAW) process, the ride can be very bumpy. In this case, the Daley family submitted their application in summer 2017, and did not get a public comment period until October 2018. But that's just one example.

Similarly after two years, submitting their application in August 2017, Minnesota was glad to see Scotch Prairie Farms (the Yotter family of Lake City), move forward with a "negative declaration" on their EAW (more on this term later) on the very last day of Commissioner John Linc Stine's tenure at the MPCA. The Yotter family was asked for several new pieces of information along the way, then in December asked to add several more requirements before finally being approved.

By law, the comment period for an environmental assessment worksheet is 30 days. Then, the decision period is 15 days following that period, plus another 15 days if MPCA takes an available extension provided in statute.

Although the Yotter's comment period ended on October 4, with a decision thus required by November 4, it took two additional months for a decision. Legal action was considered,

but often times there are tradeoffs for the project – if we push the MPCA too hard for an immediate answer, that answer would probably be the easy option, requiring the family to do an environmental impact statement.

What is an EAW?

The EAW process is used for many types of projects to determine if an Environmental Impact Statement (EIS) is needed. In 2018, EAW projects pertaining to landfills, waste transfer stations, scrap metal recycling, tire as well as feedlots were reviewed by MPCA. Projects are either automatically forced into the EAW process based on their type, size or can be petitioned into the process through a citizen's petition to Minnesota's Environmental Quality Board.

In the case of Scotch Prairie Farms, the Brian and Ashly Yotter family were originally planning to expand their farm in phases that would have stayed out of the EAW process. When the petition for an EAW came out, the farm needed to rethink their expansion and the time and cost of going through the EAW. As a result, the animal units needed to overcome the additional cost grew.

(continued on next page)





Minnesota Milk's 2018-2019 Board of Directors

Front (L to R):

Kristine Spadgenske,
Marianne Peterson, Tom Sedgeman,
Kindra Carlson, Shelly DePestel,
Bob Dombeck

Back (L to R):

Dave Buck, Rod Schulze,
Pat Lunemann, Garrett Luthens,
Aaron Vogt, Ron Miller, Rick Smith,
Paul Daley.

All Directors and their contact information are published at MnMilk.org.



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(Court Action vs. MPCA continued)

What EAW applicants are looking for is a “negative declaration of need for an Environmental Impact Statement.” While the EAW process is long, and costs thousands of dollars in consultants and hundreds of hours in paperwork, the EIS process would cost tens or hundreds of thousands of dollars depending on the geography in which the farm is operating.

Other EAW efforts

Governor Dayton appointed yours truly and 14 other Minnesota citizens to study the process from February 2017 through August 2018. In our final report, we had a nearly unanimous agreement that the EAW process was too cumbersome for what it was worth. As its name is called, the Environmental Assessment Worksheet was meant to be a quick worksheet. Since its creation, several local, state and federal permits have all come together to make the process cumbersome. In Minnesota, this “environmental review” process must be completed before proceeding on to any other permits.

Because of our farmers’ willingness to be good stewards of the land and our consultants’ expertise on how manure and livestock operations impact the environment, after much investment and work, no feedlot has ever gone through the Environmental Impact Statement process, and very few have been recommended to go into it.

We stand with many other aspects of business, whether it’s mining, municipal projects, and housing projects in hoping that we can continue to improve the process. While farms under 1,000 animal units may be unaware to Minnesota Milk’ work in this area, it is our belief that continued efforts in the EAW improvements through legal, legislative and mostly regulatory communication action (working with MPCA staff to push or ask questions where farm applicants cannot) results in the following benefits for Minnesota farms:

1. We stand steadfast that the regulation on these 1,000+ animal unit operations is far too much, and considering regulation on smaller animal unit numbers is out of the question.
2. We keep open the flexibility and creativity of our dairy farmers to expand and grow as they see fit to keep Minnesota a good place to dairy.
3. We return the focus of farmers to running their operations, which includes caring for the environment, rather than spending money on time and paperwork just to show that they are already doing so.

If you have more questions about the EAW process, or are considering entering into it yourself, please reach out. With all the wrinkles and unpredictability, we are not satisfied with the current state of the environmental review process, but will keep working to achieve the three goals outlined above. We also want to ensure no more regulations are put on top of farmers of any size.



Lucas Sjostrom
Executive Director

Lucas Sjostrom

It is a Good Time to Get Frustrated

By Marin Bozic, University of Minnesota

Over the last 90 days of 2018, the U.S. dairy safety net saw massive reforms, unparalleled since the 1980s. First, on October 9, Dairy Revenue Protection was opened for sale, and over the next three months saw lightning fast adoption rates with over 11 billion pounds (5% of U.S. milk production) protected in the first twelve weeks since inception. On December 20, the president signed the Agricultural Improvement Act of 2018 into law; thus, substantially increasing help to dairy operations with up to 200 cows for over the next five years. It would thus seem appropriate to title this message “It’s a time to be hopeful!” So why do I say it is time to get frustrated?

Rate your life satisfaction on a scale of one to ten. What do you think is the most dangerous level? I would argue that is level four. Four is the level where you realize life is not turning out to be the adventure, splendor and fulfillment we hoped for in our early years, yet the daily life is still tolerable, problems are not yet dire enough to spring us to action. So, we find comfort in certainty that routine gives us, letting life happen for us a day at a time. Levels one and two, on the other hand, are good at getting us frustrated. We are ready to move, to change, to reinvent ourselves, yet we are constrained by many decisions that are forced upon us – by lenders, vendors, or milk buyers.

With the new farm bill and crop insurance programs in place, Minnesota Milk and I will do all in our power to help you make the best decisions, to inform state and federal policymakers of your financial troubles, to analyze proposed policy measures, facilitate the next debate on milk pricing, block-barrel spreads, etc. We will be particularly engaged in communicating to you the details of the new Dairy Margin Coverage program, and a good first step would be to review webinars and other materials posted on mnmilk.org/2019. If you choose to participate, I am convinced that for many of you cash flows will once again be sufficient to raise the life satisfaction from deeply frustrating to somewhat tolerable. Lenders will be placated, vendors will get paid. The resources will allow you to get back to four, for some to five on that life satisfaction scale. Do make use of the new programs, but do not fall into the trap where you allow yourself to once again be satisfied with tolerable. It will not last, tolerable never does. When resources are at least somewhat sustainable, it is the best time to get frustrated. When cash flow toils do not force our hand day after day, then our mental bandwidth is freed up to engage in goal-setting and discovering our purpose on Earth. Use this time well, get very frustrated, use that as a fuel to do what you dared not do ever before. Ask yourself tough questions and have faith that within you lies dormant all the ingenuity and power you need to move forward. How dearly does the U.S. economy need people of your skills, work ethic, character and

Coverage Levels: *		
Margin	First Five Million Pounds	Over Five Million Pounds
\$4.00	\$ -	\$ -
\$4.50	\$0.0025	\$0.025
\$5.00	\$0.005	\$0.005
\$5.50	\$0.030	\$0.100
\$6.00	\$0.050	\$0.310
\$6.50	\$0.070	\$0.650
\$7.00	\$0.080	\$1.107
\$7.50	\$0.090	\$1.413
\$8.00	\$0.100	\$1.813
\$8.50	\$0.105	\$ -
\$9.00	\$0.110	\$ -
\$9.50	\$0.150	\$ -

* a 25% discount is received for signing up for the 5-year length of the farm bill.

values! I do not know if all of you can be successful as dairy producers, but I do know all of you can be successful. Do not have timid goals. Seeking to be tolerably successful is very hard in capitalism, our system rewards those that find ways to deliver exceptional value. Having big aspirations is not optional, it is a must! On our death beds, we will not regret our decisions where we tried and failed, we will only regret what we never tried. Financially, 2019 will be a better year than previous four, it will be a good time to get frustrated!



Marin Bozic
University of Minnesota



Lobbyist Daryn McBeth
Gray Plant Mooty

2019 Legislative Update/Preview

By Daryn McBeth, Gray Plant Mooty

The 2019 Legislative Session began on Tuesday, January 8, 2019, with mostly ceremonial actions welcoming new legislators and Governor Tim Walz taking the oath of office. The five-month session is the start of a two-year biennium in state government where 2019 will focus mostly on budgetary matters.

The Walz Administration is the first administration in 20 years to start to craft a new budget with a surplus. Most recently Governor Dayton took office in 2011 facing a \$6.2 billion deficit, and Governor Pawlenty in 2003 also faced a deficit of \$4.5 billion. In 1999, Governor Ventura began his administration with a surplus of \$4 billion. Typically governors present their budget proposal to the legislature the first or second week of February, leaving Governor Walz about one month to finalize his various proposals and changes from last biennium's \$42 billion budget.

Governor Walz and the legislature will begin with a projected budget surplus of \$1.54 billion for the 2020-21 biennium and only a projected surplus of \$456 million for the 2022-23 biennium. Comprising the \$1.54 billion surplus is \$720 million left on the bottom line from last year's legislative session and \$824 million in projected excess revenue. Of the next projected surplus, \$491 million is supposed to automatically roll into the budget reserve account.

Governor Walz has appointed nearly all of his cabinet (commissioners) to head up agencies, including Minnesota Farmers Union's government relations director Thom Petersen to be head of the Minnesota Department of Agriculture. Other appointed positions at the department are still up in the air.

In the Minnesota House, 39 new members took office on January 8 out of 134 members total, representing a 29% change. This change, and the preceding general election, resulted in a new DFL majority by a margin of 75-59 from last year's 77-57 GOP majority. Melissa Hortman (DFL – Brooklyn Park) takes over for Kurt Daudt (R – Crown) as the new Speaker of the House. Daudt will serve as his caucus' Minority Leader. Hortman led the charge into the election for the DFL to flip 18 seats previously held by

Republicans. Sixteen other new DFL members retained DFL House seats, and only 5 new GOP members retained GOP seats. The remaining 95 House members are incumbents.

Notably in the House, Rep. Jeanne Poppe (DFL – Austin) takes over for a new combined Agriculture and Food Finance & Policy Division of what used to be two separate committees. Freshman Representative Jeff Brand (DFL – St. Peter) was named to be the vice chair on the committee and is one of the few farmers in the DFL caucus. Brand grew up on a dairy farm in Nicollet County. The House Agriculture Committee will hold hearings on Tuesdays and Thursdays at 9:45 a.m.

The Minnesota Senate remains a GOP majority by a margin of 34-33, despite a special election won by former Representative Jeff Howe to replace retiring Senator Michelle Fischbach (R – Paynesville). Senator Paul Gazelka (R – Nisswa) remains Senate Majority Leader, and Senator Jeremy Miller (R – Winona) was named as new President of the Senate and will govern most day-to-day debates and procedure in the Senate Gallery.

Senator Bill Weber (R – Luverne) will remain as Chair of the Senate Agriculture Policy Committee that will meet on Tuesdays and Thursdays at 3:00 p.m., and Senator Torrey Westrom remains as Chair of the Senate Agriculture Finance Committee that handles appropriations/budget matters and will meet regularly on Mondays and Wednesdays also at 3:00 p.m. Senator Gary Dahms (R – Redwood Falls) and Senator John Hoffman (DFL – Champlin) were added to the Senate Agriculture Policy Committee.

Minnesota Milk is looking forward to joining Midwest Dairy for their first ever "legislative ice cream social" from 11 a.m. to 1 p.m. on January 31 (a non-policy event) at the Capitol. All dairy farmer members are encouraged to attend! Dairy Day at the Capitol will take place March 13 this year when dairy farmers are encouraged to sign up for policy briefings, meetings with legislators, and an evening reception.

DAIRY DAY AT THE CAPITOL – MARCH 13

The Future of Dairy is Bright

By Shannon Seifert, MMPA Membership Director

Minnesota Milk membership is dedicated to supporting the future of dairy in Minnesota. Minnesota Milk accomplishes that through scholarships for post-secondary students as well as a mentorship program with Ridgewater College, Willmar. This year's program matched 19 students with mentors in the dairy industry (dairy consultants, semen representatives, etc.) as well as dairy farmers. Students submitted a summary of their work and school experience as well as direction on what type of mentor they would like to be paired up with. Staff matched students with a mentor that they thought would be a good match. This mentorship experience includes a one-day job shadow with a required report to their college advisor for credit. Many of the students reported back on the great experiences they had, including student Jack Schouweiler who was paired with dairy farmer Marshall Korn of Atwater.

Marshall is an alumnus of Ridgewater College and dairies with his wife, Melanie, and sons, Samuel and Eli. Marshall is a first-generation dairy farmer in Minnesota with South Dakota roots, milking 55 Guernsey cows. Marshall's road to his dairy farming career has been paved with many hurdles, but it was connections in the industry that helped him to make the moves to find the barn he now calls home.

Knowing that connections are so hugely important, Marshall was more than willing to mentor and share his experience and expertise. "Our industry's older generation needs to learn to offer the next generation some chances too; otherwise, there will not be



Marshall Korn.



Korn's Guernsey cows look on.

a next generation," said Marshall. About this experience, he also offered, "It was really fun to have a person from an organic dairy here to compare differences and similarities. We shared a lot of learning between each other." Marshall said, "I really encourage others to take the time to do this program for our future. I really tried to give Jack hope that dairy farming is worth the effort and that there is a purpose in this that is higher than yourself. There is a place for people like Jack in this industry, no matter what size you are."

Jack shared, "Marshall was a great teacher, and I have a feeling we will stay in touch." Marshall is looking forward to "walking pastures with Jack in the coming months" to continue the conversation. Connections like this are why Minnesota Milk is looking to build to encourage a bright and prosperous future for all our farmers.

If you are interested in becoming a mentor, drop us a note at mmpa@mnmilk.org.

Dairy
Management

U P C O M I N G W I N T E R W O R K S H O P S

Crow River Winery, Hutchinson, Minnesota | Wednesday, February 13, 2019 | 10:00 a.m. – 2:00 p.m.

- *What is your Farm Culture?* – Jorge Delgado, Alltech
- *Manure Matters* – Melissa Wilson, University of Minnesota
- *Midwest Dairy Checkoff Update*
- *Minnesota Milk Legislative Preview*
- *Milking Technician and Udder Health Training* – Jorge Delgado, Alltech*
- *Resources for You* – Monica Cruz Zorilla, Mexican Consulate*

* This is the only MMPA workshop this winter featuring an exclusive Spanish session for your employees.

International Events Center, Rochester, Minnesota | Wednesday, March 13, 2019 | 10:00 a.m. – 2:00 p.m.

- *Farm Bill 2019: New tools in the toolbox* – Marin Bozic, University of Minnesota
- *Minnesota Milk Legislative Preview*
- *Midwest Dairy Checkoff Update*
- *DHIA awards at 1:00 p.m.*

For a detailed agenda and to register, visit mnmilk.org/events.

Exceptional Expo

By Jenna Davis, MMPA Education Director

“Celebrate the past. Focus on the Future.” This year’s theme of the Minnesota Milk Dairy Conference and Expo set the stage for the event held at Treasure Island Resort and Casino in late November. Over 500 farmers and vendors attended this year’s event to network with one another, learn new strategies, and even have some fun away from the farm.

Secretary Tom Vilsack, president and CEO of the United States Dairy Export Council, welcomed attendees with his comments about U.S. Dairy exports and trade. He shared an encouraging plan how U.S. dairy exports will increase to 20% in the coming years and focused on the opportunity ahead. Jorge Estrada provided sensible tips on how to develop and sustain a culture of high engagement on dairy farms.

New this year, the Johnny Holm Band provided entertainment for all on Tuesday evening. His performance provided a fun distraction from the challenges we currently face. Several people requested we book the act again!

Consultant Dennis Hoiberg, Lessons Learnt Consulting of Melbourne, Australia, offered tips on resiliency, the ability to spring back after facing difficulties, and coping with change. He focused on the importance of self-care and reaching out for help when struggling. Dr. Randy Singer, University of Minnesota, shared insights related to antibiotic stewardship in animal agriculture. John Baker offered an in-depth training focused on implementing a successful farm transition success plan. Phil Plourd, Blimling and Associates, gave thoughts on the dairy economic outlook, and Trent Olson, ABS Global, provided a comparison between profits, productivity and return on investment.

Over \$10,000 for the scholarship fund was raised on Wednesday evening through the sale of cheese and butter grab bags, a silent and live auction. At the Minnesota Milk’s Awards Banquet our retiring directors, Michael White and Cassie Monger, were honored for their service and dedication to Minnesota Milk. Additionally, 12 outstanding scholarship recipients as well as our Producer of the Year, Bruce Cottingham Award recipient, and Legislator of the Year were celebrated. Read more about the award recipients on the next page.

At the annual meeting, resolutions were passed to help direct and clarify our policy initiatives. Two new directors, Ron Miller of Enchanted Dairy, Little Falls, and Paul Daley of Daley Farms LLP, Pine Island, were elected to the board of directors.

Congratulations to our 2018 Award Recipients



2018 Bruce Cottingham Award:
Brant Groen



2018 Legislator of the Year:
Senator Bill Weber



2018 Producer of the Year:
Jeff and Mariann Metz family of Metz’s Hart-Land Creamery of Rushford

L to R: Jeff, Mariann, grandson Dominick Agrimson, son-in-law Nick Agrimson, daughter Brittany Agrimson, grandson Dawson Agrimson, daughter Alicia, son Nathan and daughter Courtney Metz-Kalbarczyk.



MN Milk New Board Member:
Paul Daley (District 10)



MN Milk New Board Member:
Ron Miller (District 4)

Celebrate the Past. Focus on the Future.



Emily Wilmes gives the official approval of dessert during the awards banquet.



Secretary Tom Vilsack offers opening remarks on dairy trade.



Staff members Shannon Seifert and Jenna Davis share a laugh during the auction.



The tradeshow provided an opportunity to connect with industry supporters.

The Mazeppa Honor Guard kicked off the conference.



Dennis Hoiberg shares his resiliency message.



Board members Kristine Spadgenske and Pat Lunemann sing the National Anthem.



Auctioneer Isaac Schultz rallied the crowd.



Butter and artisanal cheeses were a popular item during the auction.



George Droogsma displays some of the cheese available at the auction.



Lucas Lentsch, Garrett Luthens, and Alison Rickemann converse during the conference.



Speaker Trent Olson shares his insight on productivity and profitability.

The event was capped off with the annual awards banquet.





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Upcoming Calendar



Wednesday, February 13
**Hutchinson Dairy
Management Workshop**



Wednesday, March 6
**Rochester Dairy
Management Workshop**



Wednesday, March 13
Dairy Day at the Capitol