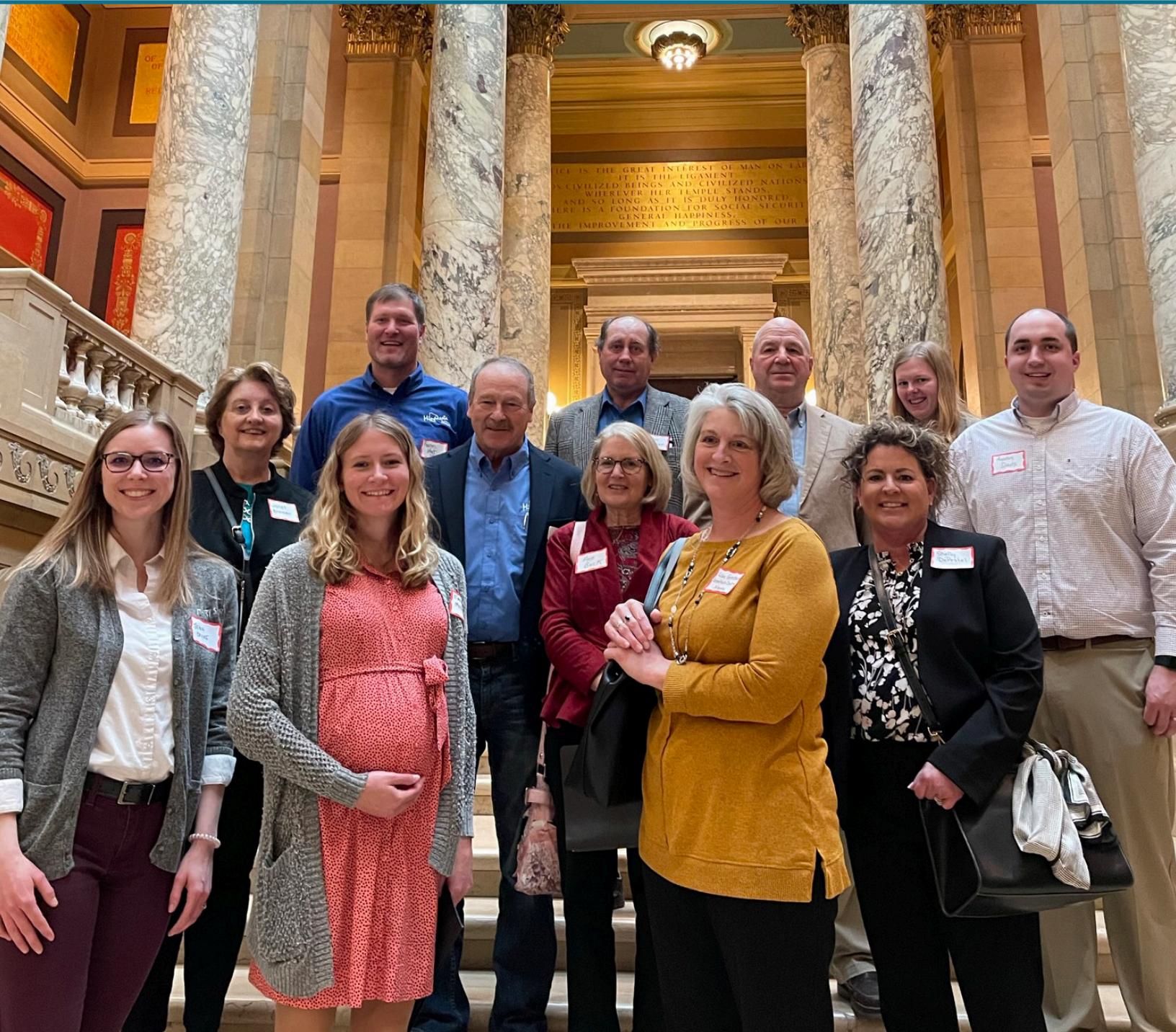


Quarterly Newsletter for Members of Minnesota Milk • Also available online at MnMilk.org • Summer 2022



Dairy Day at the Capitol — Part of the Minnesota Milk delegation

Pictured (L to R): Jenn Coyne, Janet Bremer, Aaron Vogt, Emily Mollenhauer, Dave and Ann Buck, John Bremer, Rick Smith, Lisa Groetsch, Minnesota Milk President Shelly DePestel, Kate Rechtzigel from Dairy Star, and Austin Davis.



Minnesota Milk's 2021-2022 Board of Directors

Front (L to R):
Ron Miller, Anthony Anderson,
Rick Smith, Sadie Frericks,
Shelly DePestel, Bob Dombeck,
Dave Buck, Garret Luthens,
and Aaron Vogt.

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



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Government dollars keep coming

By Lucas Sjostrom, Minnesota Milk Executive Director

Dear Members:

For those of us born in the past 45 to 50 years, we have no recollection of the interest or inflation rates of the 1980s. According to the World Bank, U.S. inflation has not been over 6 percent since a stretch from 1973 to 1982. We have not seen 4% inflation since 1988-1991. Likewise, we saw 30-year fixed-rate mortgage interest rates of 7% in the early 70s to 16.61% in 1981, before coming back down.

We know what happened in farm country following those record high inflation and interest rates. Not only did we lose farms, but it appears we lost much of the next generation as well as parents told children not to look to farming.

The response to COVID-19 was a much shorter time than the fiscal policies of the 1970s. But the amount of dollars churned out is staggering. One on hand, Minnesota Milk's board has generally fought for lower expenses rather than "free" money. On the other hand, if we swat away opportunity when everyone is getting these government-generated dollars, our entire industry is at a disadvantage.

So, after some interesting formulas and payouts since mid-2020 I say this next part with some caution: there is more money available.

1. Minnesota Frontline Worker Pay – Anyone with 120 hours in food production between March 15, 2020, and June 26, 2021, working with members outside their household, is eligible to apply for the MN Frontline Worker Pay dollars. Maximum payment will be \$1,500 per applicant, but that \$500 million divided amongst the estimated 667,000 workers would be \$750, and we do not know how many people will apply. We would estimate that most dairy farmers with employees and dairy farm workers are eligible for this payment. For more details and an application, due July 22, 2022, visit <https://frontlinepay.mn.gov/>

2. Minnesota 2021 Agricultural Drought Relief Program – Up to \$7,500 is eligible for each farm with specialty crops or livestock in Minnesota outside Goodhue, Rice, Wabasha and Winona counties with additional drought expenses. You cannot be compensated for lost revenue, but any receipts or documentation of additional dollars spent as result of the drought would be eligible in the areas of water handling and feed equipment, purchasing or handling. The timeline for this signup will be very short, likely June 21, 2022, for only 10 to 12 business days. Again, this money has already been allocated outside of our state budget surplus and up to you to apply. To apply or for more information, visit <https://www.mda.state.mn.us/droughtrelief>

On top of those two opportunities, USDA is issuing payouts through the Emergency Relief Program for 2020 and 2021 and we will soon see deployment of dollars for infrastructure and broadband.

We will continue working on our summer priorities of meeting new elected officials in coordination with other agriculture groups, fixing a flap in corn silage insurance brought as result of a lawsuit against a Minnesota Milk



Lucas Sjostrom
Executive Director

member farm and doing something to make a dent in the shortage of labor. We hope to see you at FarmFest or the State Fair, where we will be meeting with legislators one-on-one about dairy. If you would like to join, or have us organize a visit at your farm, please do reach out!



Lucas Sjostrom,
Minnesota Milk Executive Director
Lucas@MnMilk.org | (320) 249-8701

Frontline Worker Pay: Application period now open *Required employer notice and other resources available*

The Frontline Worker Pay application will be open June 8 through July 22, 2022. Eligible workers have 45 days to apply for Frontline Worker Pay. Support for applicants is available in multiple languages.

The application will be open for 45 days and the funds are not first come, first served. The money set aside for this program will be split equally among all approved applicants after the 45-day application period, the 15-day appeals period and the appeals review period.

Required employer notice available

The Frontline Worker Pay law requires that employers in a frontline sector provide notice by June 23, 2022, advising all current workers who may be eligible for Frontline Worker Pay of the assistance potentially available to them and how to apply for benefits.

- An employer notice that meets this obligation is available now in English, Hmong, Somali and Spanish.

Translated FAQs, information sheet and toolkit available

More than two dozen frequently asked questions are answered and available in English, Hmong, Somali and Spanish. Additionally, a general information sheet about Frontline Worker Pay is translated into nearly 20 additional languages.

We encourage everyone to use the resources found in our outreach toolkit to help as many people as possible learn about Frontline Worker Pay.

To apply or learn more, visit frontlinepay.mn.gov/submit.

Largest legislative turnover in 50 years

Minnesota Milk will focus on helping welcome new legislators and teaching them about dairy

By Daryn McBeth, Contract lobbyist, Lathrop GPM

Introduction

When a legislative session comes an end, as this past session did on May 23, speculation and planning begins quickly on what the new session will bring. This is especially the case now, with the 2022 general election having all 134 Minnesota House seats open for re-election as well as all 67 Minnesota Senate seats. In the Minnesota Legislature, House elections occur every two years, and Senate elections usually occur every four years. But with redistricting finalized, all Senate districts and House districts have changed, so all must face re-election this year. Additionally, the statewide offices of governor, attorney general, secretary of state, and other offices are also on the ballot in November. Political control of the State of Minnesota is up for grabs.

For the past several years, Republicans have controlled the Senate and Democrats have controlled the House. The Governor's office has been held by Democrat Tim Walz, who now faces a challenger for a second four-year term from former Republican State Senator and physician Scott Jensen.

Legislative Retirements

One thing we know for sure is that there will be many new faces at the Capitol when the Legislature reconvenes on January 3, 2023. A group of 57 lawmakers – 23 state senators and 34 House representatives – is set to retire their seats in the Legislature, marking the largest departure of sitting legislators in more than 50 years.

The retirements and departures, in some cases House members running for the Senate, are a fairly equal mix of Republicans and Democrats, and are from both metropolitan and rural districts. There doesn't seem to be a distinct advantage for either party heading into the general election as a result of the many open seats and new districts.

SENATE RETIREMENTS

- Tom Bakk, Ind-Cook
- Michelle Benson, R-Ham Lake
- Karla Bigham, DFL-Cottage Grove (running for Washington County commissioner)
- Greg Clausen, DFL-Apple Valley
- Chris Eaton, DFL-Brooklyn Center
- Kent Eken, DFL-Audubon
- Paul Gazelka, R-East Gull Lake
- Michael Goggin, R-Red Wing
- Jerry Newton, DFL-Coon Rapids (running for a House seat)
- Bill Ingebrigtsen, R-Alexandria
- Ann Johnson Stewart, DFL-Wayzata
- Susan Kent, DFL-Woodbury
- Mary Kiffmeyer, R-Big Lake
- Melisa Lopez Franzen, DFL-Edina
- Scott Newman, R-Hutchinson
- David Osmek, R-Mound
- Julie Rosen, R-Fairmont
- David Tomassoni, Ind-Chisholm
- Patricia Torres Ray, DFL-Minneapolis
- Chuck Wiger, DFL-Maplewood

HOUSE RETIREMENTS

- Tony Albright, R-Prior Lake
- Connie Bernardy, DFL-New Brighton
- Shelley Christensen, DFL-Stillwater
- Jim Davnie, DFL-Minneapolis
- Bob Dettmer, R-Forest Lake
- Todd Lippert, DFL-Northfield
- Dale Lueck, R-Aitkin
- Carlos Mariani, DFL-St. Paul
- Paul Marquardt, DFL-Glyndon
- Tim Miller, R-Prinsburg
- John Poston, R-Lakeshore
- Steve Sandell, DFL-Woodbury
- Mike Sundin, DFL-Esko

LEAVING HOUSE, SEEKING SENATE SEAT

- Ami Wazlawik, DFL-White Bear Township
- Cal Bahr, R-East Bethel
- Liz Boldon, DFL-Rochester
- Steve Drazkowski, R-Mazepa
- Steve Green, R-Fosston
- Glenn Gruenhagen, R-Glencoe
- Barb Haley, R-Red Wing
- Tony Jurgens, R-Cottage Grove
- Eric Lucero, R-Dayton
- Kelly Morrison, DFL-Deephaven
- Jordan Rasmussen, R-Fergus Falls
- Tama Theis, R-St. Cloud
- Tou Xiong, DFL-Maplewood

LEAVING HOUSE, SEEKING OTHER OFFICE

- Keith Franke, R-St. Paul Park (Washington County commission)
- Rena Moran, DFL-St. Paul (Ramsey County commission)
- Jeremy Munson, R-Lake Crystal (lost Congress primary, 1st District)
- Nels Pierson, R-Rochester, (lost Congress primary, 1st District)
- Jennifer Schultz, DFL-Duluth, (Congress, 8th District)
- Ryan Winkler, DFL-Golden Valley (Hennepin County Attorney)

Looking Ahead to 2023 Session

What's at stake is party control of the House, Senate, and Governor's office – which brings with it vastly different political agendas, committee make-up, committee leadership (chairs), and agency commissioners who are appointed by the Governor.

Farmers and the agriculture industry have always worked mostly with agriculture committees and environment/natural resources

committees, which at times have been combined and/or under the leadership of legislators not from Greater Minnesota. The agriculture committees in the House and Senate in recent years have included many members from the Twin Cities area as well. Leadership and membership of other committees are also important to farmers, including the committees on taxes, labor, state/local government, and healthcare.

The 2023 legislative session starts the first year of a 2-year biennium, in which the legislature and governor must come to an agreement on the state's biennial budget or face a full or partial government shut-down if work isn't completed by the start of the fiscal year, July 1, 2023. In addition to reconciling a roughly \$50 billion budget, the next legislature will have \$12 billion in surplus funding unresolved from the 2022 fiscal year and legislative session.

Political Engagement

Minnesota Milk Producers Association (MMPA) members and dairy farmers are encouraged to engage in local elections for the House and Senate. First of all, this means voting! Second, before you vote, find out who your candidates are, whether an incumbent or candidates running in open districts, and learn about their positions and inform yourself about them or try to meet them in person. Most candidates have websites and even email newsletters that you can obtain by signing up on their website. Third, you can support your preferred candidate by helping them campaign, or by making a financial contribution to their campaign. The State of Minnesota will even reimburse \$50/person or \$100/couple for one contribution you make per year to a candidate for the legislature or governor.

(For more information on the Political Contribution Refund Program, visit www.cfb.mn.gov and search for "Political contribution refund program".)

And last but not least in terms of political engagement, you can become active with MMPA's Political Action Committee (PAC). The MMPA PAC takes donations from dairy farmers and then uses the funds to support candidates who are aligned with MMPA priorities and resolutions adopted each year at the Annual Meeting. It is our goal to make about \$10,000 in contributions to candidates between now and the election.

The PAC is also a tool that helps MMPA and dairy farmers get to know legislative candidates who don't represent districts with dairy farmers. If you do not wish to make a contribution to the PAC, you can still be active by helping the PAC and MMPA Board of Directors or Policy Committee be better informed about candidates in your area or by attending events to get to know candidates and better understand issues of importance to the dairy industry.

Conclusion

With literally centuries worth of combined experience departing the State Legislature, it is incumbent on everyone to get to know new candidates running for office and inform them about your priorities. For example, if it wasn't for the grassroots support of dairy farmers engaging in policy and politics in 2019, MMPA would not have been able to educate the Legislature on and pass \$8 million in financial assistance for dairy farmers through the Dairy Assistance, Investment, and Relief Initiative (DAIRI).

Legislative policy priorities of MMPA for 2023 and beyond are under development, as are updating of policy resolutions and committee priorities. Make your voice heard by engaging in this process and by getting to know your legislative candidates.



Contract lobbyist
Daryn McBeth
Lathrop GPM



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DRP and LGM Provide Flexible Coverage Options

With historically high milk prices over the past several months, it can be easy for dairy producers to shift their focus from managing milk price risk to other farm priorities. In reality, now is the ideal time to prepare for the likelihood that the markets will eventually trend lower. Dairy Revenue Protection (DRP) and Livestock Gross Margin (LGM) are two insurance programs that dairy producers can use to prepare. Both of these programs share three key features:

- A premium subsidy to significantly reduce the cost of the coverage, depending on coverage level or deductible selected
- The option to leave the upside open and not set a limit on the farm's revenue potential if prices move higher
- Premium payments due after coverage ends with nothing due up front

DRP offers protection against a decline in quarterly milk revenue based on CME futures prices and a guaranteed coverage level of up to 95% for the five upcoming quarters. The protection is very customizable, giving producers the option to decide whether they want their coverage based on class or component pricing. You can select a protection factor from 1.0 to 1.5, which can increase your indemnity by up to 50% in the event of a loss. Using the 1.5 protection factor and focusing on the effective covered milk production (declared covered milk production times 1.5) is a strategy that allows more flexibility to add on coverage if prices rally after coverage is put in place.

LGM is a program that has been around longer than DRP, but has seen some recent changes. It has now moved from monthly to weekly sales, which is meant to encourage more use moving forward. LGM protects against a loss of gross margin using futures price for Class III milk, corn and soybean meal. The feed selection made by the producer is customizable and must fit between a given range for both corn and soybean meal. Producers can select the lowest allowable feed values to focus more on protecting a milk price or they can select higher feed values to protect a true milk vs. feed cost margin. You also need

to select a deductible between 0 and \$2.00 per hundredweight in 10 cent increments, which determines the premium subsidy level. Producers must take coverage in at least two months within the ten-month coverage period to receive the subsidy, but there only needs to be one hundredweight in a second month to meet this criteria. This allows producers to focus coverage on a single month with the ability to take out multiple sets of target marketings during the weekly sales period. LGM coverage is available every Thursday and can be taken up to eleven months out from the current date.

Producers can switch back and forth between DRP and LGM depending on which program is the best fit for them. However, you cannot have DRP and LGM coverage in place in the same quarter.

At Compeer Financial, we know how critical it is to provide our clients with tools to help make sound risk management decisions for their operation. Through the use of our exclusive DRP/LGM Analyzer tool, our clients can have the information they need to make informed coverage decisions in one place, including current premium quotes, price trends and historical data. Go to compeer.com or contact your Compeer insurance officer for more information.



Austin Davis
Compeer



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Dairy Day at the Capitol | April 27, 2022

insider ➔

Minnesota Milk members and board members convened at the Minnesota State Capitol to meet with legislators and advocate on farmers' behalf. Key topics included Livestock Investment Grants, the Beginning Farmer Tax Credit, the drought relief package, and

agricultural infrastructure like roads, bridges, and Broadband internet saturation. We thank all the members who participated in these important conversations. If you didn't make it this year, we look forward to seeing you in 2023.

House Speaker Melissa Hortman (District 36B, DFL) met with Minnesota Milk members.



Minnesota Department of Agriculture Commissioner Thom Petersen spoke to the Minnesota Milk group in the Governor's Dining Room.



Rep. Kurt Daudt (District 31A, R, center) met with Minnesota Milk members on the Capitol's second floor.



Rep. Patricia Mueller (Dist. 27B, R) spoke with Minnesota Milk board member Rick Smith, President Shelley DePestel and Austin Davis.



Rep. Glenn Gruenhagen (District 18B, R, second from left) spoke with Minnesota Milk's Ron Miller, Janet Bremer, and John Bremer.



Senate Majority Leader Jeremy Miller (District 28, R, top row center) met with MMA members and board members at the Capitol.

JOIN US FOR THIS EXCITING EVENT!

insider 



5th Annual MINNESOTA MILK CUP GOLF TOURNAMENT

Register online today at MnMilk.org



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MnMilk.org

WEDNESDAY
July 13

WEDNESDAY
August 10



WAYS TO REGISTER:

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MAIL THIS FORM &
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Association
Minnesota Milk Cup
2015 Rice Street
St. Paul, MN 55113

Double the fun at this year's Minnesota Milk Cup. We're returning to two beautiful courses for fun and fellowship on the fairways. Registration fee for Minnesota Milk Cup Golf Scramble is \$150/person or \$600 per four-person team, and includes green fees, cart, lunch, and dinner. Registration begins at 10:30 a.m. and lunch at 11:00 a.m. with golfers teeing off at 12:00 p.m. The event supports Minnesota Milk's scholarship fund and other activities.

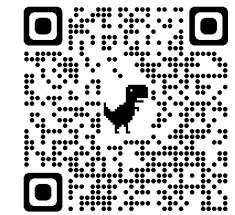
LOCATION

MOUNT FRONTENAC GOLF COURSE
32420 Ski Rd, Frontenac, MN 55026

LYNX NATIONAL GOLF COURSE
40204 Primrose Ln, Sauk Centre, MN 56378



Event is held rain or shine.
No refunds due to weather.



Scan the QR code

SCHEDULE (all events)

- | | |
|------------|-------------------|
| 10:30 a.m. | Registration |
| 11:00 a.m. | Lunch |
| 12:00 p.m. | Shotgun start |
| 5:30 p.m. | Social |
| 6:00 p.m. | Awards and dinner |

REGISTRATION

\$150/PERSON or \$600/FOURSOME or \$50/NON-GOLFER

FEE INCLUDES:

- | | |
|---|------------------------------|
| > 18 holes of golf, cart, and driving range | > Contests for men and women |
| > Lunch, social hour and dinner | > Drawings for prizes |

(DETACH HERE)

Team Contact: _____ Phone: _____

Organization: _____ E-mail: _____

Check location: Frontenac Sauk Centre Both, Total x2

Golfer 1: _____ \$150

Golfer 2: _____ \$150

Golfer 3: _____ \$150

Golfer 4: _____ \$150

Total Enclosed: \$ _____



Minnesota Milk Producers Association
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MnMilk.org

Inside this Issue

- **2023 Legislative Preview**
- **Letter from the Executive Director**
- **Dairy Day at the Capitol**
- **Frontline Worker Updates**
- **Insurance Coverage Options Explained**

Drought Relief Application Window Now Open *Apply by July 6, 2022 for up to \$7,500 reimbursement*

Minnesota dairy farmers producers can now apply for up to \$7,500 per farm in reimbursement for expenses incurred due to last year's drought, through the Minnesota Department of Agriculture's (MDA) 2021 Agricultural Drought Relief Program (ADRoP). All Minnesota counties except Goodhue, Rice, Wabasha, and Winona are eligible.

"Last year's drought caused hardship for lots of farmers, and we want to get help to them so they can pay a few bills," MDA Commissioner Thom Petersen said. "Whether it was buying feed, installing irrigation, or something else, we know there were a lot of extra costs last year that we're hoping to offset with this opportunity."

Online applications completed online or emailed must be received by 5 p.m. on July 6, 2022.

More information, including the application, visit www.mda.state.mn.us/droughtrelief. Farm operators can email drought@state.mn.us or call the Grants Line at (651) 201-6500 with any questions.

