

Milk Producer



Newsletter of Milwaukee Cooperative Milk Producers

May/June 2011

WDC: Chocolate Milk Not Being Banned From Wisconsin Schools



There has been some talk about flavored milk being dropped from local schools around the country because it contains more calories and sugar than white milk. But according to Laura Wilford of the Wisconsin Dairy Council, that's not entirely true. She says the newest school lunch and breakfast meal pattern guidelines from the USDA specifically include chocolate milk, but says the government is requiring districts to provide two low-fat or fat free varieties of the product.

"Chocolate milk is not banned from schools," Wilford said. "For school year 2012-2013, it is likely that all flavored milk will need to be fat free--which is a product already served in many Wisconsin schools."

Some schools are being asked by parents to remove chocolate milk from the menu because they are concerned with the added sugar in each serving. But Wilford says Wisconsin milk processors have responded to that concern and products are now available and are being distributed to schools throughout the state.

"Your school foodservice director may want to check with the milk supplier and you might request the new formulation for the chocolate milk being offered in your vending machine," Wilford noted.

Meanwhile, she says chocolate milk does need to continue to be offered as a choice at school for all students, as numbers show that students prefer chocolate milk at school over white.

The battle began when opponents of chocolate milk pointed out that one serving consists of nearly as many grams of sugar as a can of soda. In the state of Florida, the board of education is considering a statewide ban of chocolate milk in schools. School boards in Washington, D.C., and Berkeley, California, have already done so. Last week, the Los Angeles school district announced plans to remove chocolate and strawberry milk from school menus next year.

Some blame the recent uproar on First Lady Michelle Obama for her campaign to target childhood obesity. Her platform contends that while Americans are 'programmed' to make unhealthy choices, the federal government can 're-program' the personal tastes of Americans by only allowing certain options.

But the WDC, a division of the Wisconsin Milk Marketing Board, says there are several reasons for supporting chocolate milk at school--including the fact that it still provides essential nutrients for good health and kids drink more milk when it is flavored. Wilford adds that some of the available school chocolate milk products have also been re-formulated to contain less added sugar and a total of 22 g carbohydrates. And studies find that kids drink less milk if chocolate milk is not available in schools.

"We have data that shows that milk consumption drops 35-50-percent when chocolate milk is limited at schools," Wilford says. "And I know of one Wisconsin school where milk consumption decreased by 90-percent for the semester that chocolate milk was not served."

The U.S. Department of Agriculture recently announced that it is interested in studying the matter further and plans a major new initiative to find ways to use psychology to improve kids' use of the federal school lunch program and fight childhood obesity.

Nearly 32 million kids participate in school meal programs everyday in America.

NEGATIVE IMPACT OF REMOVING FLAVORED MILK FROM SCHOOLS

A study presented at the School Nutrition Association Annual National Conference reveals that eliminating chocolate and other flavored milks from school cafeteria menus resulted in a dramatic drop in milk consumption along with a substantial reduction in nutrients-which are not easy or affordable to replace. The study included nearly 700 measurement days over three months at 58 elementary and secondary schools across the country. When flavored milk was not available, many children chose not to drink milk and missed out on the essential nutrients that milk provides. On days when only white milk was offered in cafeterias, milk consumption dropped an average of 35 percent.

When flavored milk leaves the lunchroom, essential nutrients leave with it

The study results indicate to replace the nutrients lost from the decline in milk consumption: .

- ◆Required three to four different food items to match milk's nutrient contribution.
- ◆Added back more calories and fat than were being reduced.
- ◆Added back roughly half the sugar, netting a savings of only 15-28 grams per week.
- ◆Cost an incremental \$2,200 to \$4,600 more annually per 100 students.

"When flavored milk was not an option, many children wouldn't take the white milk or if they did, they wouldn't drink it," said Linda Stoll, MPH, executive director of food services at Jeffco Public Schools in Jefferson County, Colo., who participated in study. "The white milk frequently got thrown away."

Keep Flavored Milk from Dropping Out of School

MilkPEP has created several free resources for school professionals to learn more about the results of the study and the overall importance of flavored milk in schools-that can be used with parents, colleagues and other school executives. Materials include:

- ◆Flavored Milk Brochure, a brochure that reinforces the nutritional benefits of lowfat milk, and uses key facts from the new study to demonstrate the important role flavored milk plays in students' nutrition (available through online catalog ordering).
- ◆Flavored Milk Video, this video brings the flavored milk brochure to life and is a great tool to communicate the role milk, including flavored milk, plays in students' nutrition.
- ◆Flavored Milk Study Fact Sheet, a user-friendly overview of the key facts and figures from the study that support the important role flavored milk plays in students' nutrition.
- ◆Flavored Milk Executive Summary, a two-page handout that provides a detailed overview of the study's methodology and key findings.
- ◆SNA Webinar Presentation/PDF version: Take an in-depth look at the Quantifying Flavored Milk In Schools Study Webinar to learn how changes in flavored milk availability impacts students' milk consumption and nutrition intake. (If you would like a Powerpoint version, please email us at info@ milkdelivers.org.)

Without Flavor, Consumption Drops

- ◆All seven school districts experienced a consumption decline when flavors were not available. Overall, milk consumption dropped an average of 35 percent.
- ◆Two districts found that milk consumption dropped by an average of 43 percent when only white milk was offered.
- ◆ In addition, five of the individual schools participating in the study saw consumption drop by more than 50 percent.

◆The study also revealed that the drop in consumption did not recover over a year's time. Even the 40 schools that were in their second year of a limited-or no-flavors policy did not see students moving to white milk. On average, students at these schools drank 37 percent less milk compared to when they had flavored milk available every school day.

Nutrients Down the Drain

"It's important for parents and school professionals to recognize the implications of removing chocolate milk from school meals." said Rachel K. Johnson, PhD, RD, a professor of nutrition at the University of Vermont who reviewed the study and provided consultation on the impact of the flavored milk changes on the children's nutrient intakes, "As the study demonstrated, there could be well-meaning but negative consequences of limiting the availability of flavored milks." "Milk ranks among the top sources of calcium, vitamin D, protein, potassium, magnesium, phosphorus and vitamin A," Johnson said. "Schools would need to re-plan their menus to ensure they deliver the important nutrients that are lost due to reduced milk consumption."

◆One of the largest studies of its kind, it is the first to measure the actual amount of milk discarded and estimate the amount of key nutrients lost.

◆Conducted in seven school districts across the country to quantify the impact of curtailing the availability of flavored milk in schools on children's milk consumption and intakes of key shortfall nutrients.

◆Analyzed milk consumption in a variety of elementary schools that either eliminated chocolate and other flavored milks, or limited the days they were offered.

◆Measured both the amount of milk selected by students and "plate waste"-the amount discarded-to calculate the ounces of milk consumed or wasted.

◆Conducted in 2009 by Prime Consulting Group and funded by the Milk Processor Education Program (MilkPEP)

Industry Innovations

Recognizing that many schools want to reduce the sugar content in all their menu offerings, more than 90 industry-partner milk companies across the U.S. have proactively reformulated flavored milk to lower its added sugars, fat and total calories, while preserving its nutritional value. These new products aim for 150 calories and less than 25 grams of sugar per 8-ounce serving, while striving to provide a product with a taste students will accept so they will continue to choose and enjoy drinking this nutritious beverage.

Dairy and Livestock Farm Investment Tax Credit Signed Into Law

Gov. Scott Walker visited the Haag Family Farm in the town of Dane and signed Act 15, the Dairy and Livestock Farm Investment Tax Credit.

"Farming isn't just a profession, it's a way of life," Walker said. "This important tax credit will make it easier for farmers to modernize and expand their farms, and it's good for Wisconsin and our agriculture industry. I thank Senator Dan Kapanke and Representative Keith Ripp for their leadership on this issue, and I thank members of the Legislature for their bipartisan support of this measure."

Act 15 allows a taxpayer to claim a nonrefundable income and franchise tax credit equal to 10% of the amounts paid for dairy or livestock farm modernization and expansion for taxable years before Jan 1, 2017.

According to Senator Sheila Harsdorf, R-River Falls, "Generating \$59 billion in our states economy, agriculture is one of Wisconsin's top industries. Extending this credit to producers will inspire more investment and new jobs. The Dairy and Livestock Farm Investment Tax Credit has been an extremely successful tool for dairy and livestock producers across the state, and the extension of this credit will help ensure that Wisconsin remains a leader on agriculture."

The credit can be used for buildings and equipment for animal housing, confinement, animal feeding, milk production or waste management. This credit allows producers to claim up to 10% of the cost to modernize or expand their operations, up to a total of \$75,000.

Proposal to Reduce Somatic Cells Counts Defeated by National Conference on Interstate Milk Shipments

Level Will Remain at 750,000

The National Milk Producers Federation's proposal to reduce the maximum level of somatic cell counts in milk – a measure of milk quality – was rejected by the National Conference on Interstate Milk Shipments (NCIMS), which has just concluded its biennial meeting in Baltimore. NMPF had asked the NCIMS voting delegates – a group of state regulators overseeing milk safety rules – to reduce the maximum threshold of allowable somatic cells in milk at the farm level from the current 750,000 cells/mL, down to 400,000, starting in 2014. But on a vote of 26-25, the voting delegates rejected the proposal, meaning that the status quo threshold of 750,000 cells will remain. “Since it’s been nearly 20 years since the current standard was established, we believed it was time to make changes that improve the nation’s milk supply,” said Jamie Jonker, NMPF Vice President of Scientific and Regulatory Affairs. “It’s regrettable that this approach isn’t the one taken by NCIMS. However, we’re confident that the trend towards lower Somatic Cell Counts will continue, regardless of the vote today.”

Jonker said that legislation to reduce the somatic cell count (SCC) level has been introduced in Congress, and that international buyers are also looking at U.S. SCC levels with greater scrutiny. Those pressures “may result in changes to SCC limits being forced by a process outside of the NCIMS, which would be unfortunate if it results in regulations that are not as workable for dairy farmers.”

2010 Annual Utilization and Classification (Federal Order 30)

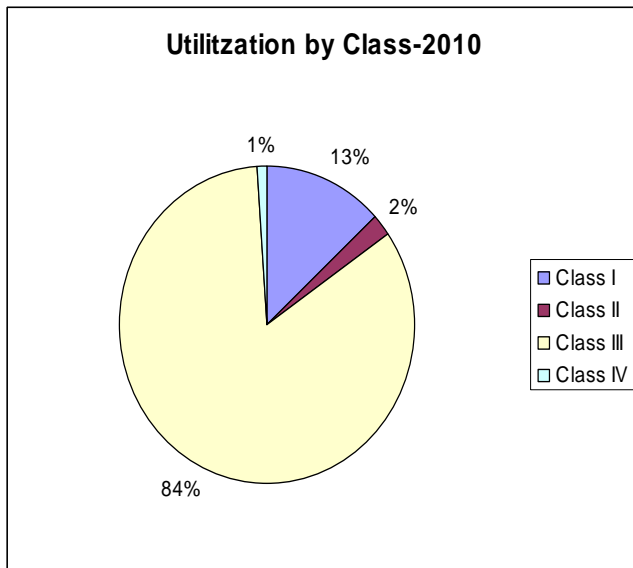
The annual numbers represent the sum of monthly data

Class I Utilization - Class I producer milk in 2010 was 4.38 billion pounds, down 0.8% from 2009. Class I use includes milk sold to consumers in fluid form. Total Class I packaged disposition fell 1.1% during 2010. Decreases in disposition of milk, flavored milk, and reduced fat milk more than offset the increases in disposition of lowfat milk, fat free milk, flavored reduced and fat free milk, and buttermilk. Most packaged sales of milk continue to be reduced fat milk, accounting for 36.5% of total packaged sales, followed by fat free milk at 24.0%, low fat milk at 15.6%, and whole milk at 13.3%. Other categories combined made up the remaining 10.6% of packaged sales. Class I use in 2010 accounted for 13.0% of total producer milk (as shown in Figure 1), down from 13.7% in 2009. The 2010 percentage of Class I utilization is the lowest in this market since market reform in 2000.

Class II Utilization - Class II producer milk in 2010 totaled 730 million pounds, down 622 million pounds or 46.0% from 2009. Class II use primarily includes fluid cream products, ice cream, cottage cheese, and yogurt. Class II producer milk accounted for 2.2% of total producer milk during the year.

Class III Utilization - Class III producer milk in 2010 was 28.3 billion pounds, up 2.6 billion pounds or 9.9% from 2009. Class III utilization primarily includes milk used for the manufacture of hard cheeses, and accounted for 83.7% of producer milk. This is the highest annual Class III utilization in this market since market reform.

Class IV Utilization - Class IV utilization in 2010 totaled 385 million pounds, down 279 million pounds or 42.1% from 2009. Class IV includes butter and all dried milk products, and accounted for 1.1% of producer milk.



Producer Milk – Total producer milk in 2010 was 33.8 billion pounds, which exceeded the record set in this market in 2009 by 1.6 billion pounds or 5.0%. This significant increase in total producer milk was fully absorbed by the increase in Class III utilization. Average component levels of producer milk for the year were: Butterfat - 3.68%, Protein - 3.03%, Other Solids - 5.76%, Nonfat Solids - 8.79%

NASS helps EPA change dairy rule

Last month, the Environmental Protection Agency (EPA) changed its Oil Spill Prevention, Control and Countermeasures (SPCC) rule to exempt milk and dairy products. This means that dairy operations will no longer have to prepare plans for handling spilled milk in the same way that oil companies must prepare for an oil spill.

While working on the rule update, EPA team turned to USDA's National Agricultural Statistics Service (NASS) to get a better understanding of the dairy industry in the United States. Since NASS gathers information directly from U.S. dairy farmers and milk facilities on a monthly basis, the agency was able to provide a comprehensive overview of the U.S. dairy sector.

The information NASS provided to EPA included numbers of dairy farms and dairy manufacturing facilities as well as the types and volumes of products made. In addition, NASS's dairy specialists gave the environmental agency an overview of current rules and regulations governing the dairy industry and explained how dairies generally operate.

Partly as a result of this collaboration, on April 12, EPA finalized the exemption for all milk and dairy products, including cheeses, yogurts and ice cream. This rule change was welcomed by dairy operators and many dairy industry stakeholder groups across the United States.

This change also highlighted the importance of NASS's relationship with U.S. dairy farmers and operators of milk processing facilities. By working together with representatives of the dairy sector, NASS was able to paint an objective picture of the industry, relying solely on the information provided by the operators themselves.

Going forward, NASS will continue to work with dairy operators, to ensure that only the most current and accurate information is available. The dairy data NASS gathers are released in the monthly Milk Production and Dairy Products reports and the annual Farms, Land in Farms and Livestock Operations report.

Event	Pierce County Breakfast on the Farm
Date	5/21/11
Time	7:00 AM - 12:00 Noon
Location	Fetzer Farm N4365 Cty CC Elmwood, WI 54740
Cost	\$5, 4-12 \$3, 3 & under free
Contact	Mary Brand 715-273-5011
Event	Green County Breakfast on the Farm
Date	5/28/11
Time	6:00 AM - 10:00 AM
Location	Neal & Lisa Boeke Farm N320 Mill Rd Juda, WI 53550
Cost	\$5, 6-10 \$3, 5 & under free
Contact	Craig Karnholz 608-934-1944
Event	Jackson County Breakfast on the Farm
Date	6/4/11
Time	6:00 AM - 11:00 AM
Location	Eric & Lori Prudlick Family Farm W16657 Hwy 10 Osseo, WI 54758
Cost	\$5, \$2 children
Contact	Laurie Byrns 715-284-5333
Event	Iowa County Dairy Breakfast
Date	6/4/11
Time	6:30 AM - 11:00 AM
Location	Iowa Cty Fairgrounds Fair St Mineral Pt, WI 53565
Cost	\$6, \$3 4-10, 3 & under free
Contact	Mary Dunn 608-987-2478
Event	Rock County Dairy Breakfast
Date	6/4/11
Time	6:30 AM - 11:00 AM
Location	Daluge Farm 3719 S Cty G Janesville, WI 53546
Cost	\$6, \$2 children
Contact	Sandy Larson 608-290-5545
Event	Vernon Cty Breakfast on the Farm
Date	6/4/11
Time	7:00 AM - 11:00 AM
Location	Steve & JoAnn Humfeld Farm E4798 Staatslien Ln Chaseburg, WI 54621
Cost	\$5, \$2 3-9, 2 & under free
Contact	Dan Schreiner 608-606-4652
Event	Juneau County Dairy Breakfast
Date	6/4/11
Time	7:00 AM - 11:30 AM
Location	Juneau Cty Fairgrounds 1001 Division St Mauston, WI 53948
Cost	\$6 in adv, \$8 at gate 5 & under free w/adult
Contact	John Hamm 608-847-3723
Event	Monroe County Dairy Breakfast
Date	6/4/11
Time	7:00 AM - 11:00 AM
Location	Follendorf Family Farm 4619 Cty S Sparta, WI 54656
Cost	\$4, \$2 6-10, 5 & under free
Contact	Mary Cook 608-463-7379

Event	Capital Farm Day
Date	6/4/11
Time	8:00 AM - 1:00 PM
Location	Capital Square Main St & MLK Blvd Madison, WI 53703
Cost	Free
Contact	Marjorie Stieve 608-575-5388
Event	Brown County Dairy Breakfast
Date	6/5/11
Time	8:00 AM - 12:00 Noon
Location	Brightside Dairy 7180 Cty D Greenleaf, WI 54126
Cost	\$6, \$4 5-10
Contact	Rob Juneau 920-660-8172
Event	Walworth Cty Breakfast on the Farm
Date	6/11/11
Time	6:00 AM - 10:30 AM
Location	Kauer Farm N2150 Six Corners Rd Walworth, WI 53184
Cost	\$5 adv, \$6 at the gate, 5 & under free
Contact	Annette Walbrandt 262-723-2613
Event	Lafayette County Breakfast on the Farm
Date	6/11/11
Time	6:30 AM - 10:30 AM
Location	McComish Farms 11241 Cty O Schullsburg, WI 53586
Cost	\$4, \$2 4-10, 3 & under free
Contact	Jay Stauffacher 608-776-2524
Event	Washington County Breakfast on the Farm
Date	6/11/11
Time	6:30 AM - 11:30 AM
Location	Gehring View Farms LLC 4630 Hwy 83 N Hartford, WI 53027
Cost	\$6, 3 & under free
Contact	Mike Strupp 262-644-0015
Event	Dane County Breakfast on the Farm
Date	6/11/11
Time	7:00 AM - 11:00 AM
Location	Haag Family Farm 6868 Buethin Rd Dane, WI 53529
Cost	\$6, \$4 2-11, Under 2 free
Contact	Jennifer Kuhn 608-577-8990
Event	Richland County Breakfast on the Farm
Date	6/12/11
Time	7:00 AM - 1:00 PM
Location	Armbruster Family Farm 19974 Hwy 60 Muscodia, WI 53573
Cost	\$6, \$3 children
Contact	Annette Louis 608-585-3362
Event	Grant County Breakfast on the Farm
Date	6/12/08
Time	7:00 AM - 12:00 noon
Location	Grant Cty Fairgrounds Elm St Lancaster, WI 53813
Cost	\$4 12 & Older, \$1 6-11, under 6 free
Contact	Andy Pink 608-723-2003

Number of licensed dairy herds in Wisconsin: 12,167 herds

Number of dairy cows in Wisconsin: 1,261,997 dairy cows

Monthly production per cow: 1,719 lbs

Event	Outagamie County Dairy Breakfast
Date	6/12/11
Time	8:00 AM - 12:00 noon
Location	Birlings Bovines N8128 Town Hall Rd Black Creek, WI 54106
Cost	\$6, \$4 5-10 4 & under free
Contact	Kelly DeCoster 920-378-4744
Event	Oconto County Breakfast on the Farm
Date	6/12/11
Time	8:00 AM - 1:00 PM
Location	Engebreetsen Brothers LLC Dairy Farm 4979 Engebreetsen Ln Cecil, WI 54111
Cost	\$6 adv, \$7 at gate, children \$3 6-10 adv, \$4 at gate
Contact	Abby Huijbregtse 920-834-6845
Event	Manitowoc County Breakfast on the Farm
Date	6/12/11
Time	8:00 AM - 12:00 noon
Location	Badger Pride dairy 15724 Hillcreek Rd Valders, WI 54245
Cost	\$6, \$4 5-10
Contact	Becky Salm 920-726-4288
Event	Kewaunee County Dairy Breakfast
Date	6/12/11
Time	9:00 AM - 1:00 PM
Location	Dairy Dreams, LLC E3576 Cardinal Rd Casco, WI
Cost	\$6, \$3 4-12, under 3 free
Contact	Amber Hewett 920-255-1450
Event	Winnebago County Dairy Breakfast
Date	6/12/11
Time	9:00 AM - 1:00 PM
Location	Nekimi Town Hall & Pavilion Oshkosh, WI 54904
Cost	\$7 12 & over, \$4 4-11, 3 & under free
Contact	Ann Condon 920-589-4003
Event	Sheboygan County Dairy Breakfast
Date	6/18/11
Time	7:00 AM - 12:00 noon
Location	Devin Acres - Kevin & Debra Kirsch Family Farm W3844 Primrose Ln Elkhart Lake, WI 53020
Cost	\$6 adv, \$7 gate \$2 3-6
Contact	Tina Kohlman 920-459-5902
Event	Columbia County Breakfast on the Farm
Date	6/18/11
Time	9:00 AM - 1:00 PM
Location	Wargo Acres, Inc W13157 Cty J Lodi, WI 53555
Cost	\$5 13 and up, \$3 6-
Contact	Debi Stiemke 608-635-2858
Event	Fond du Lac Cty Breakfast on the Farm
Date	6/19/11
Time	9:00 AM - 1:00 PM
Location	Hiemstra's Dairyland N5433 Hwy 44/49 Brandon, WI 53919
Cost	\$6 adv, \$7 at door, 5 & under free
Contact	Larry or Deb Pollack 920-748-7662

Event	Ozaukee County Dairy Breakfast
Date	6/25/11
Time	7:00 AM - 11:00 AM
Location	Jim & Sherri Melichar Farm 3990 Willow Ln Pt Washington, WI 53074
Cost	\$6 adv, \$7 at door 3 & under free
Contact	Jean Opitz: 920-946-1062
Event	Shawano County Dairy Breakfast
Date	6/26/11
Time	9:00 AM - 1:00 PM
Location	Paiser Dairy W9388 Butternut Rd Shawano, WI 54166
Cost	\$7, 6 & under free
Contact	Deb Mielke 715-754-2694
Event	Calumet County Dairy Breakfast
Date	6/26/11
Time	11:00 AM - 3:00 PM
Location	Greg & Marilyn Bohman Farm N8819 Cty PP Brillion, WI 54110
Cost	Free
Contact	Lanetta Mahlberg 920-427-5378
Event	Waushara County June Dairy Breakfast
Date	6/26/11
Time	7:00 AM - 12:00 noon
Location	Poinke Farms W11020 Cty V Hancock, WI 54943
Cost	\$5, \$3 6-12, under 6 free
Contact	Bill Deppe: 920-229-5547
Event	Dodge County Dairy Breakfast
Date	6/26/11
Time	9:00 AM - 12:30 PM
Location	Alvin, Roger & Jared Hildebrandt Family Farm N2963 Cty R Hustisford, WI 53034
Cost	\$7 12 & up, \$3 5-11, 4 & under free
Contact	Russell Kottke 920-928-3168
Event	Fond du Lac Dairy Breakfast
Date	6/26/11
Time	8:00 AM - 12:00 noon
Location	Rosendale Dairy N8997 Cty M Pickett, WI 54964
Cost	\$6 adv, \$7 gate, 5 & under free
Contact	Brenda Gudex 920-921-9500

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New Glarus Woods State Park

Just south of New Glarus, the 411-acre park offers campsites and a shady picnic area.

For more information, visit:

www.dnr.state.wi.us



Average number of cows per dairy farm: 99 dairy cows

Total monthly milk production in Wisconsin: 2.17 billion pounds

Daily milk production per cow: 57.3 lbs

Day on the Farm



The Dan & Brenda Michels family farm had lots of extra “help” on May 10th when they sponsored *Day on the Farm*. Over 600 youngsters from the Lomira school district attended the event. Of course there was the hayride but other activities included: cows, calves, machinery/safety, horticulture, small animals and other livestock. It looks like everyone had a good day! Congratulations to our future FFA members.



USDA's Johne's Disease Control Program Summarized in Free Booklet

Dairy and beef producers, veterinarians and others involved in the dairy and beef industries wanting to learn more about Johne's disease prevention and control are encouraged to request a new 16-page booklet available from the National Johne's Education Initiative and the National Institute for Animal Agriculture. The new booklet—which is free and written in easy-to-understand language—outlines the basics of the USDA's recently updated Program Standards for the Voluntary Bovine Johne's Disease Control Program.

“The abridged version of the Voluntary Bovine Johne's Disease Control Program highlights three areas: education to inform producers about the cost of Johne's disease and to provide information about management strategies to prevent, control and eliminate the disease; management to help producers establish good management strategies on their farms; and herd testing and classification to demonstrate the level of risk of Johne's disease on the farm,” states Dr. Elisabeth Patton, chairman of U.S. Animal Health Association's Johne's Disease Committee.

“The most significant change in the updated Voluntary Bovine Johne's Disease Control Program is the new six-level testing classification system, and this information is covered in the abridged free booklet. Producers who participate in the testing component of the Program will find a new six-level classification system that has specific criteria for different sizes of herds: 1-99 head, 100-199 head, 200-299 head and more than 300 head. A significant amount of thought and work went into the development of this new six-level classification system to address concerns with the previous system and to improve the accuracy of herd classification.”

Dr. Patton explains that the adjusted Voluntary Bovine Johne's Disease Control Program has been developed in cooperation with the National Johne's Disease Working Group and the Johne's disease committee of the United States Animal Health Association, State Veterinarians, and industry representatives. The program has been approved by the USDA's Animal and Plant Health Inspection Service (APHIS), Veterinary Services (VS).

The free 16-page booklet was developed for USDA/APHIS/VS by the National Johne's Education Initiative and underwritten by NJEI and the Wisconsin Department of Agriculture, Trade and Consumer Protection.

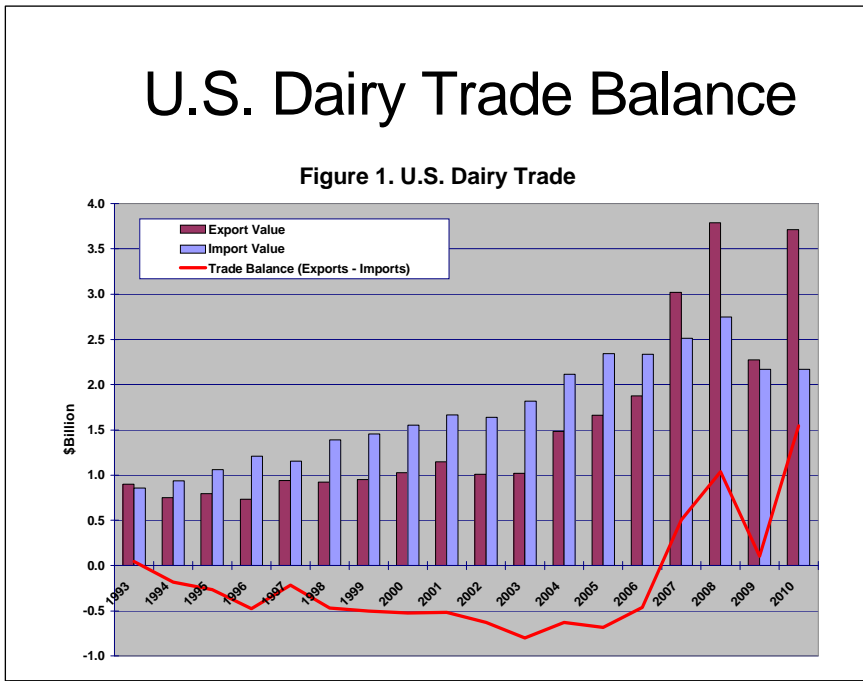
A personal copy of the abridged booklet can be obtained from your State Designated Johne's Coordinator, online at www.johnesdisease.org or from the National Institute for Animal Agriculture by calling (719) 538-8843.

2010 Exports a Record

What percent of US milk production is exported?

On both a volume and monetary basis, US dairy exports reached records last year. On a total solids basis, US dairy exports reached 3.4 billion pounds last year, up 40% from 2009 and up 19% from 2008. Meanwhile, total exports were valued at \$3.71 billion, which is 63% higher than 2009. Overall, the value of dairy exports rose 19% annually over the last 7 years.

Nearly all product categories posted large gains in 2010. Milk powder shipments expanded over 60%, butter fat volume doubled, and exports of cheese, whey



products, and lactose reached record levels. Exports are now the equivalent of 12.8% of the US milk production, up from 9.3% in 2009 and 2008's previous record of 11%. Of the growing dairy markets in 2010, none had a larger impact than China. The nation imported 326 metric tons of whole milk powder, seven times its 2008 total. This is also the first time that the US became a net cheese exporter.

Who produced the milk in 2010

Cows in herd	Operations*	% of cows	% of production
1-29	20,000	1.7	1.1
30-49	11,000	4.7	3.5
50-99	15,500	11.8	10.4
100-199	8,600	12.3	11.3
200-499	4,000	12.8	12.7
500-999	1,720	12.6	13.0
1,000-1,999	920	13.3	15.5
2,000+	760	30.8	32.5
	62,500	100.0	100.0

America's dairy industry shrank somewhat in 2010 in terms of both cows and farm numbers, yet produced more milk, according to data released by USDA. Closer scrutiny produces this snapshot: There were 53,127 licensed dairies in the US in 2010, a decline of 1,805 from the previous year. Average US dairy herd size was 172 cows, a 2-cow gain from the previous year. The largest average herd sizes were in NM (2,293), AZ (1,609), NV (1,120) and CA (1,026). Total US cow numbers were 9,117 million head, a decline of 86,000 from the previous year and the second yearly decline in a row. Total US milk production rose to a new all-time high of 192.8 billion pounds, an increase of nearly 3.5 billion pounds from last year. Average US milk production per cow rose to a new all-time high of 21,149 pounds per cow, an increase of 576 pounds from the previous year. The Average US dairy produced 3.63 million pounds of milk in 2010, or 9,943 pounds per day. With both the largest herds and the highest per cow production, NM dairies also produced the most milk by far – an average of 56.3 million pounds or 154,224 pounds per day.



Legal Tips

On December 17, 2010, President Obama signed the "Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010" (the 'Act') into law. The Act is a significant tax package that extends the Bush-era tax cuts for two years, provides for temporary estate tax relief, patches the alternative minimum tax, reduces employee-paid payroll taxes and self-employment tax by two-percentage points for 2011, and presents other tax breaks for individuals and businesses. This 2011 Estate Planning Update will provide you with a brief overview of the Act as it relates primarily to estate and gift taxes. Keep in mind that most of the provisions in the Act are only good through 2012.

Estate Taxes

Beginning January 1, 2011 and running through 2011 and 2012, the Act brings back the federal estate tax with an estate tax exemption amount of \$5 million per individual.

The top estate tax rate is reduced from 55% to 35%. Basis adjustments (i.e., step-ups in income tax cost basis) will apply during this period.

The Act introduces a new concept -portability. Portability is designed to make it easier to transfer the \$5 million estate tax exemption from "a deceased spouse to a surviving spouse so married couples may protect up to \$10 million in assets from estate taxes without needing complicated estate planning documents. This can be a good safety net for couples with little pre-planning but for a variety of reasons, portability should not necessarily be relied upon in lieu of good planning as significant advantages still exist with proper planning. Additionally, portability is not automatic but must affirmatively and timely be elected after the first death.

For deaths occurring during 2010, the Act retroactively provides the option to either elect no estate tax (which means that modified carryover basis rules apply) or allow for the application of the \$5 million estate tax exemption (which means that full basis adjustments apply). For 2010 estates under \$5 million, this important provision allows for full basis adjustments that otherwise were not available. For 2010 estates over \$5 million, a careful analysis needs to be done to determine which option is most beneficial.

Currently, for Wisconsin residents dying after 2007, there is no Wisconsin estate tax for assets with a Wisconsin taxable situs. At this time, like any law, we do not know if Wisconsin law on estate taxes will change in the future. Also, if you own property in a state other than Wisconsin, that other state may have estate or inheritance taxes that may affect you.

Gift Tax and GSTT Law

The gift and estate tax exemption amount of \$5 million reunifies in 2011 and 2012. This means that beginning January 1, 2011, you may gift up to \$5 million during your lifetime (up from \$1 million per donor) without paying any gift taxes. Any use of the lifetime gift tax exemption is charged against the federal estate tax exclusion amount. Taxable gifts do not include "annual exclusion" gifts. The gift tax annual exclusion amount in 2011 continues to be \$13,000 per donor for an unlimited number of donees, so long as the gift is a present interest gift. In some instances, tuition or medical expense gifts may be treated more favorably as well (regardless of the amount).

The Generation skipping transfer tax (GSTT) exemption is also set at \$5 million with a 35% top rate.

Two Year Window

The Act provisions regarding estate and gift tax sunset in 2013. This means that without further action by Congress, starting January 1, 2013, the estate tax, gift tax and GSTT exemptions may revert back to \$1 million with a top tax rate of 55%. As such there continues to be a lack of certainty as to this planning. Continued planning and monitoring is very important. Even if this favorable tax law is only in effect for the next 2 years, there are creative planning opportunities available.

Federal Milk Order Class Pricing and Component Values for Mar / Apr 2011

Announced Class Prices	Upper Midwest Order 30		Central Order 32		Mid-East Order 33	
	Mar	Apr	Mar	Apr	Mar	Apr
	Class I	\$19.83	\$21.03	\$20.23	\$21.43	\$20.23
Class II	\$18.83	\$19.66	\$18.83	\$19.66	\$18.83	\$19.66
Class III	\$19.40	\$16.87	\$19.40	\$16.87	\$19.40	\$16.87
Class IV	\$19.41	\$19.78	\$19.41	\$19.78	\$19.41	\$19.78
Producer Price Diff.**	\$0.03	\$0.64	\$0.19	\$1.84	\$0.00	\$2.32

** Zone 1 Chicago per cwt/subject to location adjustments

(All per cwt. Class Prices at 3.5% BF Value)

Statistical Uniform Price*	\$19.43	\$17.51	\$15.31	\$18.71	\$15.78	\$19.19
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* Statistical Price = monthly Class III + PPD at 3.5% BF

Over Order Agency Class I Price	C.M.P.C.		I.M.M.A.		M.M.M.A.	
M.A. & processor fee not included in price	\$23.54	\$24.75	\$23.21	\$24.43	\$23.35	\$24.58

Farm Test Averages

BF test market average	3.76%	3.73%	3.73%	3.67%	3.76%	3.72%
Pro. test market average	3.07%	3.05%	3.12%	3.08%	3.09%	3.07%
OS test market average	5.75%	5.76%	5.74%	5.76%	5.72%	5.73%
Somatic Cell Ave.	235	236	233	221	197	202
Total Producer. Milk pooled (billion. lbs.)	2.60	2.70	1.00	1.10	1.10	1.30

Component Prices

	Mar	Apr
Butterfat Price	\$2.2859	\$2.2113
Protein Price	\$3.3024	\$2.4984
Other Solids Price	\$0.2665	\$0.5902
Somatic Cell Adj. Rate	\$0.00099	\$0.00085

Nass Monthly Product Price

	Mar	Apr
Cheese	\$1.9722	\$1.6983
Butter	\$2.0591	\$1.9975
Nonfat Dry Milk	\$1.4945	\$1.5680
Dry Whey	\$0.4578	\$0.7808

Gov. Milk Income Loss Payment	Mar	Apr
	\$0.00	\$0.00

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June Dairy Month



MILWAUKEE MILK PRODUCERS
2965 N. Brookfield Road
Brookfield, WI 53045



DO NOT DELAY

Wisconsin Cheese Strata

Servings: 6

Ingredients:

- 7 large eggs
- 1-1/4 cups half & half
- 8 stalks asparagus, thinly sliced
- 4 cups Italian bread, cubed
- 3/4 cup ham, cubed
- 1/2 cup red bell pepper, diced
- 1/2 cup portobello mushrooms, chopped
- 1/4 cup stuffed green olives
- 1/2 cup Wisconsin Fresh Mozzarella cheese, cubed
- 1/2 cup Wisconsin Morel Mushroom & Leek Jack cheese (or Jack cheese), cubed
- 1/4 cup Wisconsin Feta cheese, crumbled



Cooking Directions:

Prep Time: 1 Hour

1. In a medium bowl, whisk eggs and half & half until well blended. Set aside. In a large bowl, combine remaining ingredients.
2. Grease 6 1-1/2 cup casserole dishes or 1 13 x 9-inch baking dish. Spoon bread and cheese mixture into dish(es). Pour egg mixture over the top. Refrigerate 4 hours or overnight.
3. Place casserole(s) in a 350°F preheated oven for 30-35 minutes or until golden brown and eggs are set. Remove from oven and serve.



Welcome New Members

William & Michael Schlimgen, Barnaville; Eric Kracht, Glenbeulah; Badger Land & Cattle LLC, Spencer; Anthony Schumacher, Rubicon; Stephen Stahmann, El Dorado
Disaster Claims: Todd Ledebor, Ootsburg

REMINDER: Please notify your field representative or the MCMP Office if you have any changes in your name, address, phone number or farm operation (i.e. new partners or incorporate)

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