



ISDA NEWS

President's Report

ISDA Members Respond to COVID-19 Pandemic



Larry & Nancy Shover

After more than four years of low farm milk prices, they improved some in 2019 and 2020 looked promising.

Then, COVID-19 came and shutdown large parts of the U.S. economy and caused destruction of most restaurant and foodservice demand.

Demand at grocery store and other outlets increased, but processing and delivery systems could not adapt fast enough to keep coolers and shelves full. To provide for their households, families stocked up creating initial shortages and enabling some price gouging.

With the reduced foodservice

demand, supply distortions and much lower prices, orders were cancelled, and contracts breached. Milk was dumped into pits and lagoons, further lowering the already-too-low farm milk prices! (Zeros don't add up very quickly!)

COVID-19 is a nasty virus, but I believe we have learned that it may not be as nasty as we feared when it was the great unknown. I am hopeful that continued scientific studies will confirm sunlight and humidity shorten its life and it is spread much less from surface contact than from person to person. Fresh air helps. General fitness and good nutrition (including dairy) help strengthen our immune systems. Vitamin D (from sunshine or fortified milk), zinc, water consumption and hydration and rest are beneficial.

Our pastor has suggested that we should use the term "physical

continued on page 2 →

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President's Report (cont.)

distancing” instead of “social distancing.” Support from and interaction with people, even remotely, is always important!

We certainly need to respect the virus and do what we can to contain its spread. As a country, we have flattened the curve and given our medical system more time to prepare so that it is not overwhelmed.

The book “Execution by Hunger” by Miron Dolot, tells of seven million Ukrainians who starved to death in the early 1930s at Stalin’s command. As we go ahead, we cannot let fear take away freedom and lessen life’s joys! We may never again be without the threat of COVID-19, but we must learn how to live with it. Life must go on.

Through all of this, our food supply system has been designated as the essential industry that it is. People have been reminded that an abundant supply of safe food should not be taken for granted. It is a great blessing!

Families have rediscovered the satisfaction of shared meals and time together at home. We lost much foodservice and restaurant demand, but that is beginning to recover. Home consumption of dairy remains higher than before. The markets have bounced back as supplies have tightened. We have learned to utilize technology more effectively in working with and communicating with others.

This year, we lost many Iowa dairy farmers. The Arlington, Iowa plant was closed. We, as ISDA and dairy farmers, need to continue working together to strengthen and improve our Iowa dairy industry.

ISDA, our Coops, the National Milk

“Our food supply system has been designated as the essential industry that it is. People have been reminded that an abundant supply of safe food should not be taken for granted.”

Producers Federation and other industry leaders have worked with government officials to develop programs that will help our dairy farm businesses survive. Let’s use these programs as best we can and claim what help is available!

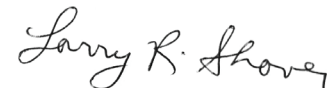
Please reach out to your local Farm Service Agency office to arrange an appointment. ISDA will do its best to relay information, resources, and guidance as we move ahead.

We have been blessed with a much easier planting season than 2019’s. The grass is especially green right now! Our dairy cows can help us utilize the crops on our farms and then help to fertilize next year’s crop.

We need to be grateful for our lives and health, our families and friends, the opportunity to work in an industry that helps sustain and nourish a hungry world, all-the-while being close to and a working part of God’s wonderful creation.

I hope this finds you and your family well and wish you a healthy and happy summer!

Sincerely,



Larry Shover
President

Executive Director Report

ISDA Continues to Support Dairy Farmers and Processors During COVID-19



The Iowa State Dairy Association (ISDA) is dedicated to building a strong

communication link between producers, processors, consumers, legislators and environmental organizations — representing you at all dairy supply chain levels, from dairy farm to consumer tables. ISDA serves as a cohesive voice on legislative issues and reports the latest industry-relevant information to our members. To succeed, it takes commitment from those who are truly passionate about Iowa's dairy industry and our future.

We are living in unprecedented times, and dairy farmers throughout Iowa are continuing to work tirelessly to produce milk that consumers need

for their health and their families.

COVID-19 has caused many disruptions in the dairy supply chain and this has resulted in low milk prices on dairy farms. The U.S. Department of Agriculture (USDA) has been able to help support our farmers by making sure dairy is included in food purchases and the Coronavirus Food Assistance Program.

Make sure you take the time to talk to your local FSA office about these programs and how they could help your farm. The USDA support will be helpful on Iowa dairy farms, but we know that the future still holds a lot of unknowns.

I believe our job is not done. We still need to take time to talk to our legislators and help them understand what is happening in the dairy industry. Additional support may be needed to help our industry recover.

As we all try to return to a new normal, I know that dairy farmers and processors will continue to do what they do best: produce safe, high-quality, nutritious products every day for consumers in the U.S. and worldwide.

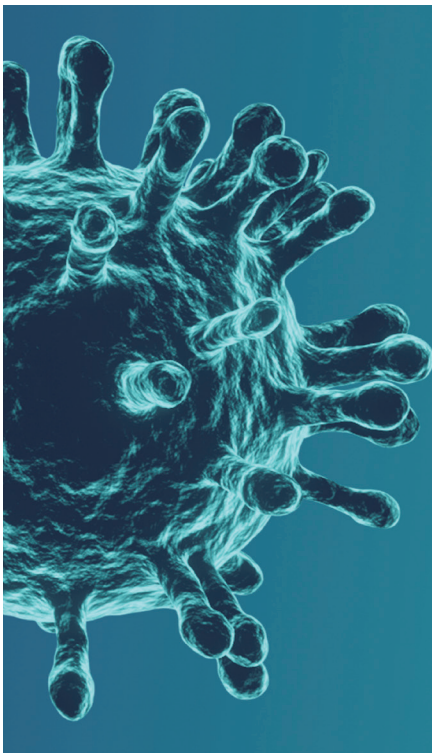
It is our goal to make sure ISDA is there to support our farmers and processors as they navigate these challenges. We are a grass-roots organization by the members and for the members - each member strengthens our voice and increases our impact.

I will close by reminding you that ISDA has partnered with Scriptcost to provide our members and their employees with new Scriptcost Pharmacy Savings Cards. This card will help you save money on the cash price on your prescriptions! No membership fees or enrollment fees.

ISDA has sent two Scriptcost cards to all our farmer members. There are multiple ways you can obtain additional cards for your employees.

We will be working with the Western Iowa Dairy Alliance and the Northeast Iowa Dairy Foundation to distribute cards at their locations. The other way to receive cards, would be to visit <https://www.iowadairy.org/about/contact-us/> and send in your contact information for ISDA staff to set up a meeting. You can learn more about Scriptcost program benefits on Page 11 of this newsletter.

I hope you have a great National Dairy Month and hope you and your families stay safe and healthy this summer!



“We are living in unprecedented times, and dairy farmers throughout Iowa are continuing to work tirelessly to produce milk that consumers need for their health and their families.”

Northeast Iowa Dairy & Agriculture Foundation

Iowa's Dairy Center Provides Virtual Opportunities in Response to COVID-19

Article by Mariah Busta, Dairy Center Coordinator

We're not even halfway through the year and 2020 has already proven to be a year we won't forget. Just like other farms and businesses, we've been dealing with the disruptions to our normal life due to COVID-19.

Iowa's Dairy Center has been closed to the public since March, including viewing areas and guided tours of the farm. We continue to monitor the situation and hope we can return to "normal" as quickly as possible.

In the meantime, we have been offering virtual tours of the farm



through Zoom and Facebook Live. This allows people from all over the country to learn more about dairy farming. We've learned that though it's challenging, situations like this force us to think outside of the box and good things come from it!

We also made the decision to cancel our annual Breakfast on the Farm that was scheduled for June. This year would have been our 11th year of hosting the family-fun event that attracts over 1,600 people. We are working on ways to celebrate National Dairy Month in June, so watch our Facebook page for updates.

We were lucky to have held our annual meeting before social distancing was in effect. 2020 marks the 20th anniversary of the Northeast Iowa Community-Based

Dairy Foundation. At the annual meeting, members voted to change the organization's name to the Northeast Iowa Dairy & Agriculture Foundation.

The change stems from vision planning sessions held last year and allows us to incorporate other aspects of agriculture into our focus. We have already diversified our organization with conservations and beef, so we feel the change allows us to fully embrace other agriculture industries into our mission. We are so grateful for 20 incredible years and are looking forward to many more as one force in agriculture.

Things are continuing to run smoothly on the farm. Gary Lien was recently named the General

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NE Iowa Dairy & Agriculture Foundation (cont. from Page 4)

Farm Manager. He has been making great strides and we appreciate his leadership at Iowa's Dairy Center.

With a favorable spring, corn has been planted in record time, which we are especially grateful for given last year's wet spring. We continue to work to find ways to truly be a center of demonstration for farmers and have projects involving beef, manure handling and crops up our sleeve. Stay tuned as we make developments with these projects. We are excited to share them with you soon!

Northeast Iowa Community College Dairy Science Technology students had their semester cut short by COVID-19 but were fortunately able to participate in several activities earlier this year. A group of five students participated in the Midwest Regional Dairy Challenge hosted by UW River Falls.

Judd Samerow, Waterville, Minn., was a member of the first place team while Austin Raymond, New Richmond, Wis., was on the second place team. NICC agriculture students also participated in the Iowa State PAS contests in Ames where Brandon Gilbertson, Elk Mound, Wis., was named the top individual in dairy contest NICC had the top teams in the dairy science and vet tech contests. In February, agriculture students enjoyed a trip to St. Louis to the Purina Animal Nutrition Center.

They were able to experience all sectors of animal nutrition for a variety of species and learned about the research and development happening. Other stops on the trip included John Deere Tractor Cab Assembly, Iowa State University and Lely North America. Once the pandemic hit, NICC students made the transition to completing their coursework online and graduation was held virtually as well. Becca Hermann, Manchester, Iowa, was a

keynote speaker during the college-wide graduation ceremony. We wish all 2020 graduates the best of luck in their future as they return to their family's farm, find a job in the ag industry or continue their education.

Even in the midst of a global pandemic, we have exciting things

happening. Stay connected with the Northeast Iowa Dairy & Agriculture Foundation by signing up for our monthly e-newsletter. To join the mailing list, email us at info@iowadairycenter.com. Wishing you a safe planting and a prosperous growing season!



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Hear Insights and Ideas from Iowa State University Extension and Outreach Experts Amid COVID-19

By Jennifer Bentley and Fred M. Hall,
ISU Dairy Extension Specialists

Dairy producers across Iowa have a new way of receiving information, thanks to a new podcast launched by dairy specialists with Iowa State University Extension and Outreach.

“Dairy News & Views from Iowa State University” began recording in April, featuring timely topics related to the COVID-19 pandemic and dairy production in general.

The podcasts are recorded every two weeks, and feature commentary by ISU Extension and Outreach dairy specialists Jennifer Bentley and Fred Hall, in conversation with other Iowa State dairy industry experts.

“The podcasts offer another way for dairy producers and the dairy industry in Iowa to receive

current and timely information and resources on dairy production practices, financial management and practical strategies in dealing with farm stress,” said Bentley.

Previous topics have included mindset tactics and production practices, estimating the first crop pre-harvest alfalfa, and

stress management. Future topics will include maintaining cattle biosecurity, and summer fly control.

Each episode is about 15-20 minutes and is available on the ISU Extension and Outreach dairy team website. Producers can subscribe to the free podcast on iTunes and Spotify. Past episodes are archived, so listeners can tune in whenever they choose.

Bentley said the podcasts include a lot of COVID-19 topics, but are also another way of discussing common concerns in the dairy industry, in a way that she hopes will offer some new perspective.

To learn more, Jennifer Bentley can be reached at 563-382-2949 or jbentley@iastate.edu. Fred M. Hall can be reached at 712-737-4230 or fredhall@iastate.edu.



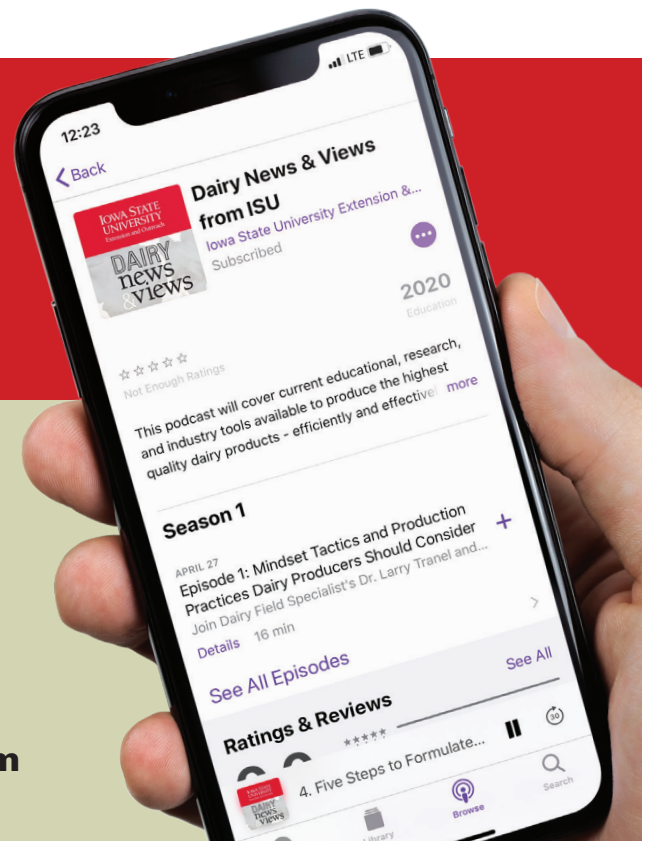
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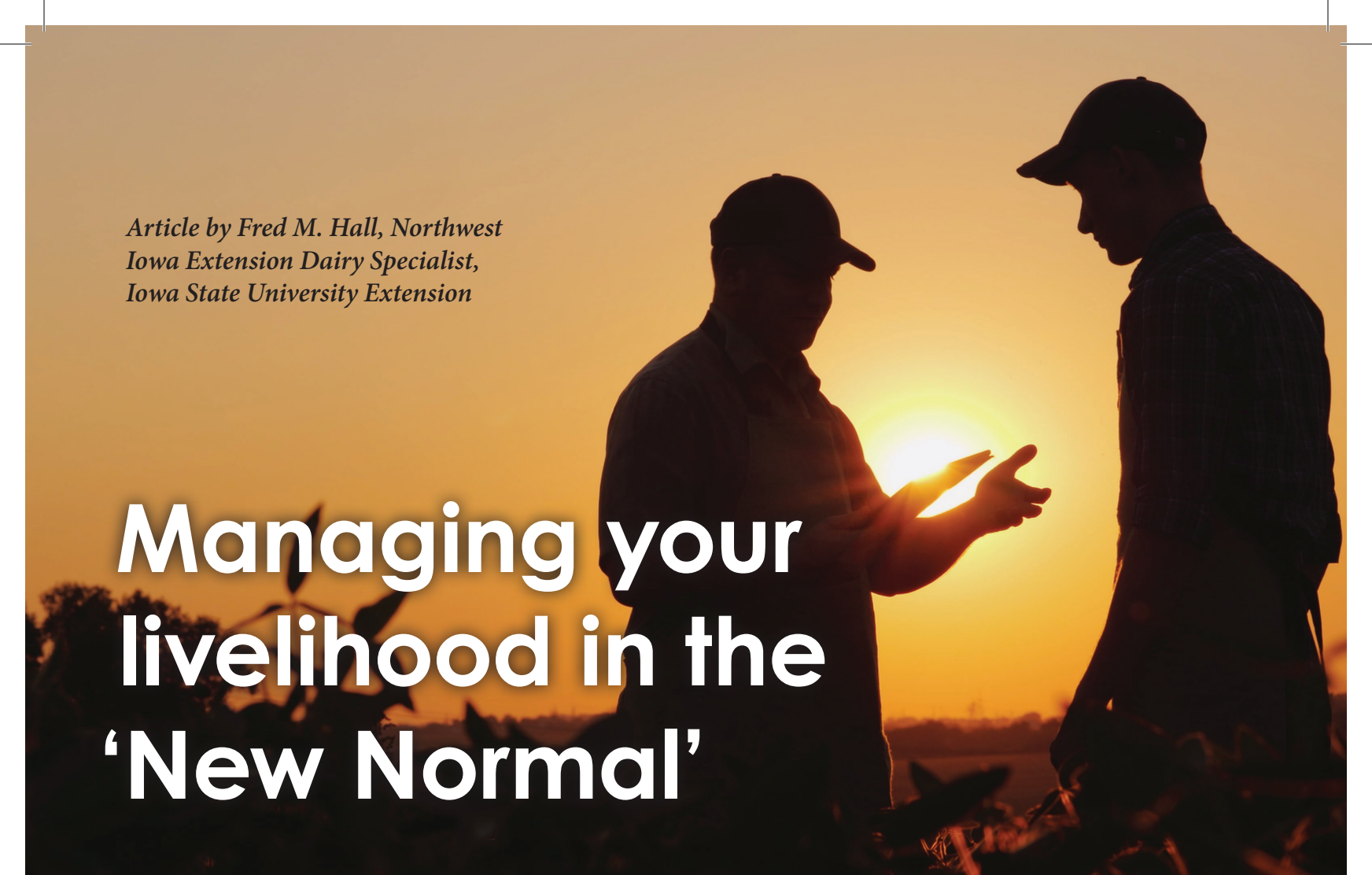
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*Article by Fred M. Hall, Northwest
Iowa Extension Dairy Specialist,
Iowa State University Extension*

Managing your livelihood in the 'New Normal'

Prior to COVID-19, increased national dairy herd and increased production pointed to lower milk prices in the future. Generally, product stocks were increasing. However, with the CARES and HEROS aid programs, government purchases have begun to lower cheese stocks. Post COVID, EU is purchasing powder and storing, begging if this will negatively affect world price when they start selling.

The flip side is for seven months exports topped year-earlier levels according to the most recent USDEC report. In March, U.S. suppliers shipped 190,456 tons of milk powders, cheese, whey products, lactose and butterfat, two percent more than the year before. This is the highest figure since May 2018. On a solids basis, exports were up three

percent. Meanwhile, the value of all exports was the most since August 2014 – \$592 million, 10 percent more than a year ago.

Tempering the good news, the Mexican peso has been devalued some 20 percent since January. Even though the value of sales to Mexico were up in March, Mexico bought 19 percent less nonfat dry milk/skim milk powder in terms of volume. This was the largest volume drop of such sales since January 2018. On the global view, low U.S. prices compared to world prices helped sales, but the strong dollar will certainly play a role in future months as world economic conditions struggle.

In Iowa, we are blessed with processing capacity, especially fluid milk. As far as I know, there has been

no on-farm milk dumping in this area, some has occurred in Nebraska. Let's be clear, empty shelves in stores was not an indication of a milk shortage, but rather a break down in transportation and processing, if processor is set up for ½ pints, they generally can't switch to gallons, or 16 pound shredded cheese bags switch to 8 ounce bags for home consumption. About 60 percent of U.S. butter and 50 percent of cheese is consumed away from home prior to COVID.

COVID-19 will not last forever, but it will change what the new normal looks like. Rather than a "V-shaped" rebound, the U.S. economy may follow a "U-shaped" or "Nike-swoosh-shaped" recovery, largely because consumers will not instantly get back on their feet. We are looking

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at 30 to 40 million unemployed people, plus a large percentage of others whose incomes are reduced.

Recommendations for producers:

- **Review and use risk management tools available.** While prices trending up is good, most producers are still short of their cost of production. It is almost painful to remember that several risk management tools could have locked Class III production over well over \$17 this past winter. Using risk management tools have been common for row-crop producers; but is yet to be the “norm” for milk production. While dairy margin coverage is not an option as of this writing, I encourage producers to check into dairy revenue production. As spikes come along in the market, and they will, setting a floor may keep a tickle of red ink from being a terminal hemorrhage.
- **Get your financials in order.** Assess your first-quarter results for 2020, and carefully document all of your losses.
- **Assess equity depletion.** Divide losses into equity to determine the rate at which you currently are burning equity.
- **Reach out to your lender.** One option that many agricultural bankers are utilizing is switching to interest-only, principal-deferred payment plans in the short term.
- **See your accountant.** Before you proceed with any partial or full liquidation, find out the potential tax implications of doing so.
- **Seek financial and/or mental health counseling resources if needed.** There is no shame in seeking counsel, whether formally or informally. Sometimes just a conversation with a trusted, older mentor can help you keep things in perspective. Help with stress management is available in

the recent Dairy Team newsletter available on our website.

While several experts have predicted that dairy prices have hit rock-bottom in May, and the CME seems to agree with that outlook, once government purchases end and the market adjusts, we have to

understand that a balanced market may or may not maintain sustainable prices. The function of the market is to find the price that moves product to buyers, recently, that has been painful and unless production matches domestic consumption and exports, it will be painful again.

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Western Iowa Dairy Alliance News

Working Together. Taking a Stand. Partnering for Progress

By Brandi Hansen, Western Iowa Dairy Alliance Executive Director

When I accepted the director position with the Western Iowa Dairy Alliance, my year was outlined for me through binders, notes, and digital files, including records of our history of events and expectations. I had no idea that four short months after starting my new role, that our world would change dramatically.

We usually have a booth at the Central Plains Dairy Expo in Sioux Falls towards the end of March. As many of you know, the expo was cancelled. We also had to make the difficult decision to cancel our June

Dairy Month Open House. Many classroom farm tours were cancelled along with a handful of other events.

March through May have been somewhat upside down and have resulted in a revised structure of our support within western Iowa dairy industry. There has been much uncertainty resulting in more pausing and waiting than I find myself to be comfortable with. However, I can say I am proud of the decision to work with WIDA as our values within our organization continue to resonate through the new ways we have found to operate.

Working together. WIDA has decided to donate dairy products to our farm dairy employees to demonstrate appreciation for their ongoing work as even going to work can feel like a risk these days. We want to thank those who continue to show up for our industry as we “see you”. We value your work. Please do not take the words “essential employee” lightly, as we don’t. We want to work together with you to support you and to support our industry.

Taking a stand. WIDA took a stand early in the pandemic against limits



on milk in retail. We knew that we had milk, but we saw limits in place throughout the state and country. We posted on social media requesting consumers to tell us if and where there were limits on dairy in retailers so that we could reach out to those retailers to educate them, requesting them to allow the supply chain to adjust prior to placing consumer limits on product. Midwest Dairy did an excellent job on reaching out to retailers to decrease the limits, and I believe our post created awareness and understanding to thousands of our consumers.

Partnering for progress. WIDA partnered with Center Fresh Group, Sioux County Cattlemen’s Association, Sioux County Dairy Association, Smithfield Foods, Perdue Farms, and the Farmers Coop Society to help the Sioux Center Chamber of Commerce distribute dairy, pork, beef, and eggs for those who were in need in Sioux county. This gave us the ability to support local farmers, processors, and consumers all in one effort. It was a mass donation, and it was amazing the see so many volunteers and organizations come together to support local communities.

While these times have been difficult, I am proud of our organization and members. I have seen such resiliency and know our core values are instilled in our hearts. I am excited to be part of WIDA and look forward to serving our dairy industry in western Iowa in a new and unique way.



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\$25/YEAR

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You can also visit the ISDA website at www.iowadairy.org to fill out an online membership form. Please make Associate Membership checks payable to the Iowa State Dairy Association. For 2020, the ISDA Producer Membership fee will be waived in recognition of the financial restraints in the agricultural industry in Iowa. In 2020, we will review reinstating membership fees for the 2021 calendar year.

While membership dues to the Iowa State Dairy Association are not tax deductible as charitable contributions for federal income tax purposes, a portion may be tax deductible as ordinary and necessary business expenses. However, the portion of membership dues that represent nondeductible lobbying activities of Iowa State Dairy Association is not tax deductible. The nondeductible portion of your dues is 30%. **Please return dues and membership form to: ISDA Accounting Office, 2015 Rice Street, St. Paul, MN 55113.**