



WISCONSIN CHEESE MAKERS ASSOCIATION

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Written Testimony Prepared for the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Topic: Diversifying On-Farm Income: Opportunities to Strengthen Rural America

Delivered: April 29, 2021

Thank you, Chair Baldwin, Ranking Member Hoeven, and Members.

I am Rebekah Sweeney, and I serve as Communications, Education and Policy Director for the Wisconsin Cheese Makers Association.

Since 1891, WCMA has served as an advocate, networking hub and trusted provider of information and education for dairy product manufacturers. Today, our organization has grown to represent nearly 700 companies and cooperatives nationwide, including more than 300 sites across 33 states where dairy products are made from fresh milk, or are processed or marketed. In addition, hundreds of member companies supply goods and services to our global industry. Our members range from artisans with just a few employees to multinational corporations employing tens of thousands of people.

Our members fulfill an essential mission: providing consumers with delicious, nutritious dairy foods – cheese, butter, yogurt, and dairy ingredients. Our members take great pride in being dependable partners to their farmer patrons, and premier employers in their communities.

We're here today to talk about strategies to strengthen Rural America, and the dairy businesses WCMA serves are a key component of that discussion. America's dairy industry anchors rural counties and small towns with more than three million jobs, delivering \$159 billion in wages and \$620 billion in overall economic impact nationwide.

Despite those impressive numbers, you know the struggles of the dairy industry, even prior to the pandemic. There are just 32,000 dairy farms in the United States today -- less than half of what we had two decades ago, according to the U.S. Department of Agriculture (USDA). Volatile prices for milk and dairy commodities have challenged farms and dairy processors to remain profitable.

Chair Baldwin knows all too well the dairy farm losses in Wisconsin, America's Dairyland, with the number of dairy farms declining 15 percent in just the past two years. That decline is a major motivation for her work, championing the Dairy Business Innovation Initiatives, which I am here to detail.

About the Dairy Business Innovation Alliance

WCMA partners with the Center for Dairy Research at the University of Wisconsin-Madison to run the Dairy Business Innovation Alliance, one of three Dairy Business Innovation Initiatives which USDA funds at the direction of Congress. Our program is designed to serve dairy farmers and processors in a five-state region, including Illinois, Iowa, Minnesota, South Dakota and Wisconsin.

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Chair Baldwin first secured support for the creation of these initiatives in the 2018 Farm Bill, and we thank her for shepherding this concept through the legislative process and for fighting for every dollar, every year since, to maximize its impact.

You have already heard Dr. John Lucey of the Center for Dairy Research describe the incredible work of his team.

WCMA's role is to deliver DBII direct-to-business grants to dairy farms and processors. This role for WCMA is by design: As a nonprofit trade association, we are not bound by the grant policies in place at most colleges and universities, requiring a significant percentage of funds to be swept away to cover overhead costs. As a result, we believe we are a particularly cost-effective steward, holding the administrative cost of the grant side of the program to just 2.5 percent of the overall USDA allocation for our first four years in operation.

Small-Dollars Grants Making a Big Difference

The Dairy Business Innovation Alliance's targeted investments of small-dollar grants are helping farmers and processors diversify their business models to become more profitable and resilient through periods of increased market volatility. In our first round of USDA funding, the Dairy Business Innovation Alliance received \$450,000 and designated \$230,000 for grants. We received 77 applications for awards, with total requests for funding topping \$1.5 million. Through a competitive review process, collaborating with representatives from each state department of agriculture in our region, we selected 13 projects, detailed below, for awards of up to \$20,000 for reimbursement of approved expenses.

- Bennett Valley Cheese, Gilmanton, Wisconsin | Awarded \$16,489
Project Summary: Bennett Valley Cheese is building an artisan cheese plant and on-site storefront that sources their milk from a small Jersey dairy farm. They are making cheese curds for sale in their store, as well as in local restaurants and stores.
- Carr Valley Cheese Company, La Valle, Wisconsin | Awarded \$16,489
Project Summary: Carr Valley Cheese Company is creating a new product line of flavored, pasteurized cheese using local sheep's milk, an endeavor that will benefit their farmer patrons and create new jobs in their processing facility.
- Country View Dairy LLC, Hawkeye, Iowa | Awarded \$20,000
Project Summary: In response to COVID, Country View Dairy LLC, a small farmstead, family operated dairy plant, has developed individual-serving frozen yogurt treats that are sold at retail stores and from food trucks. They plan to expand the production, sales and distribution of their frozen yogurt treats through new cooperative agreements with partners and are using grant monies to purchase a delivery cooler and design and purchase branded packaging.
- Crave Brothers Farmstead Cheese, Waterloo, Wisconsin | Awarded \$12,500
Project Summary: Crave Brothers Farmstead Cheese of Wisconsin grew from Crave Brothers Farm, launched in 1978 as a 57-cow operation run by two brothers. Successfully diversifying their business over the past four decades, the three generations of family members now running Crave Brothers Farmstead Cheese continue to innovate for growth. The company is making use of grant monies to develop and install an innovative water use and circulation system to conserve a precious natural resource and save money. This, in turns, provides a new case study for others in industry of how more sustainable operations can also be more profitable.

- Ellsworth Cooperative Creamery, Ellsworth, Wisconsin | Awarded \$16,489
Project Summary: Ellsworth Cooperative Creamery is researching and developing a new shelf-stable dairy product to diversify its offerings for export markets in Asia. Ellsworth endeavors to increase milk production, providing greater support for its more than 300 farmer patrons.
- Farm Life Creamery LLC, Ethan, South Dakota | Awarded: \$16,514
Project Summary: Born from Valley Side Farm, an eighth-generation family dairying operation, Farm Life Creamery handcrafts small batch artisan cheese using Grade A milk from their Holstein herd. With DBIA grant monies, Farm Life Creamery is launching production of paneer, a value-added dairy product that will enable them to process more milk and cater to a new consumer audience.
- Marcoot Jersey Creamery, Greenville, Illinois | Awarded \$20,000
Project Summary: Marcoot Jersey Creamery of Illinois is using grant monies to create a new, high protein and value-added frozen sports recovery product, made with whey from the milk of their 65 milking Jersey cows. The family's goal is to enable the next generation of Marcoots to continue in the dairy industry.
- McCluskey Brothers, Hillpoint, Wisconsin | Awarded \$15,031
Project Summary: McCluskey Brothers is purchasing new equipment designed to produce and package a new value-added dairy product – shredded organic cheese – from their grass-fed herd in its farmstead cheese plant and custom cheese conversion facility.
- Metz's Hart-Land Creamery LLC, Rushford, Minnesota | Awarded \$20,000
Project Summary: Metz's Hart-Land Creamery, a farmstead processing operation solely using the milk from the Metz family's 220 cows, is using grant monies to purchase a cheese vat to boost cheese curd production and grow sales.
- Redhead Creamery LLC, Brooten, Minnesota | Awarded \$20,000
Project Summary: Triggered by the loss of markets amid the early days of the pandemic, Redhead Creamery began working with its competitors and colleagues to comingle Minnesota-made cheeses, forming full pallets to ship at a reduced cost for buyers outside the Midwest. Grant monies are helping to offset the expense of some of the necessary facility updates for this continuing endeavor, which promises the Minnesota cheesemakers involved a larger, more diverse and more stable consumer base for their value-added dairy products.
- Royal Guernsey Creamery LLC, Columbus, Wisconsin | Awarded \$20,000
Project Summary: Gurn-Z Meadow Farm of Wisconsin, a seventh-generation family dairy farm, is using grant monies to launch a processing venture, Royal Guernsey Creamery, making value-added artisan butter with milk from their farm at nearby Sassy Cow Creamery. The owners' goal is to create new revenue streams to ensure their farm can continue its operations for generations to come.
- Taste and See Creamery, Boyceville, Wisconsin | Awarded \$20,000
Project Summary: Taste and See Creamery is using grant monies to purchase a vat pasteurizer for the new on-farm creamery it is building on its grass-fed grazing dairy farm. Taste and See Creamery also plans to host dairy farm tour groups.
- Yodelay Yogurt, LLC, Madison, Wisconsin | Awarded \$16,489
Project Summary: Yodelay Yogurt is designing and building a custom case packer, to accommodate business growth and support increased milk processing, as demand for their value-added, artisan yogurt continues to increase.

Scaling Up for Maximum Impact

We look forward to supporting many more projects in the years to come. In the second round of USDA funding, the Dairy Business Innovation Alliance has scaled up, receiving \$6.13 million for use over a three-year period, and we will distribute more than \$3.4 million in grants to dairy farmers and processors.

An abundance of great ideas awaits the necessary boost those grants will provide. With your support, we can directly deliver meaningful assistance to dairy farmers and processors, diversifying their businesses and fortifying an essential industry which has been in distress for years. In turn, we have the opportunity to preserve, protect and enhance the quality of life in rural America.

We thank you for entrusting us with a part in that mission, and for allowing us to provide an overview of our work today. Now, I welcome your questions.