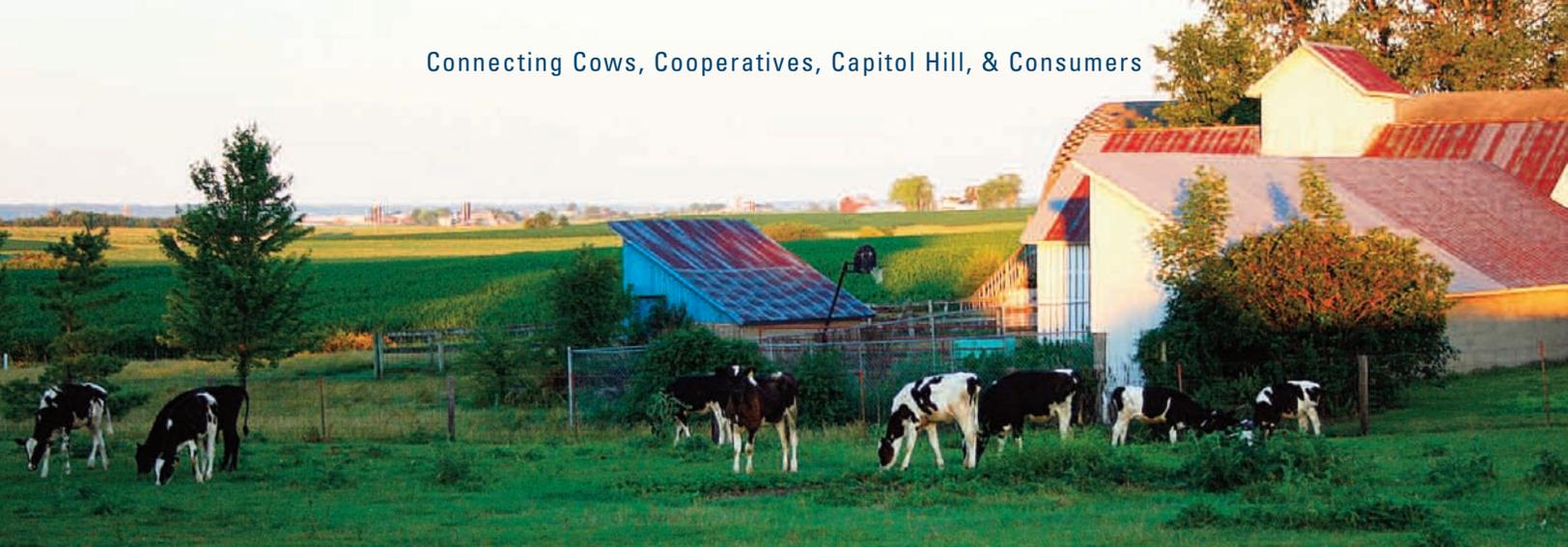


Connecting Cows, Cooperatives, Capitol Hill, & Consumers



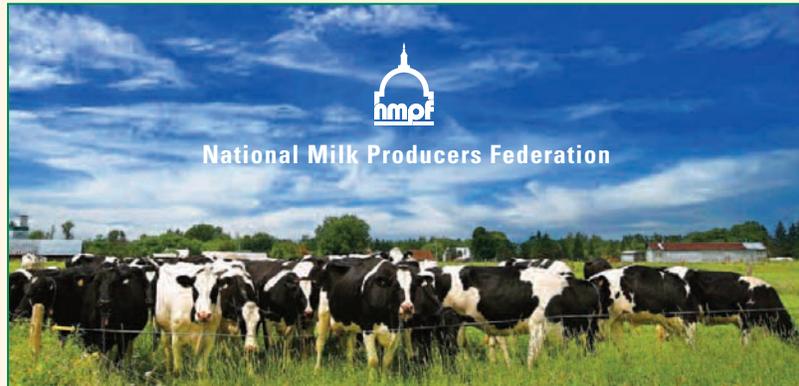
2013 | Activities & Accomplishments Report



National Milk Producers Federation



About NMPF	2
From the President & CEO	3
Congressional Relations	4
Cooperatives Working Together	6
Trade Policy	7
Regulatory	9
REAL® Seal	13
Economics	14
Scholarship Program	15
Young Cooperator Program	16
Annual Meeting	17
Membership	18
Future Meeting Dates	20



“
NMPF is the
voice of more
than 32,000
dairy producers
on Capitol Hill
and with
government
agencies.

”

The **National Milk Producers Federation (NMPF)**, established in 1916 and based in Arlington, VA, develops and carries out policies that advance the well-being of dairy producers and the cooperatives they own. The members of NMPF’s cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 32,000 dairy producers on Capitol Hill and with government agencies.

NMPF provides a forum through which dairy farmers and their cooperatives formulate policy on national issues that affect milk production and marketing. NMPF’s contribution to this policy is aimed at improving the economic interests of dairy farmers, thus assuring the nation’s consumers an adequate supply of pure, wholesome, and nutritious milk and dairy products.

The policies of NMPF are determined by its members from across the nation. Therefore, the policy positions expressed by NMPF are the only nationwide expression of dairy farmers and their cooperatives on national public policy.



It's a great honor and opportunity to become the chief executive of NMPF at such a critical inflection point in the organization's history, and indeed within the entire dairy industry. 2013 was a pivotal year for NMPF: we continued our fight for the best possible economic safety net for dairy farmers, an effort which actually culminated early in 2014 in the creation of a program that provides

for a much brighter future for our members.

In addition to that marquee effort, however, NMPF's staff fought daily battles on behalf of its members on a variety of other fronts. You'll learn more about all of these accomplishments in the following pages.

I appreciate the support I've received from our members as I have assumed this new role, and I am convinced that by actively engaging with each other, we will have many more victories in the coming years.

Jim Mulhern

President & CEO – NMPF



Protracted Farm Bill Debate Ends with Better Safety Net for Dairy Producers

Two years of Congressional wrangling over agriculture policy ended in early 2014, when the House and Senate gave final approval to a new five-year farm bill.



While no one, including milk producers, got exactly what they wanted, the 950-page bill included the most significant rewrite of dairy policy in more than a generation.

The final, compromise

dairy title capped five years of work by NMPF.

A new margin insurance program, developed by NMPF, will help address the volatility in farmers' milk prices, as well as feed costs, and provide signals to help address imbalances in supply and demand. It replaces three outmoded and ineffective programs: the Dairy Price Support Program, Milk Income Loss Contract, and the Dairy Export Incentive Program.

A market stabilization program, also backed by NMPF, was dropped from the dairy title at the 11th hour, after being endorsed by the full Senate and both the House and Senate agriculture committees. Once it became apparent the House leadership would not allow consideration of a farm bill containing market stabilization, NMPF helped devise an alternative to discourage excessive milk production.

The alternative language places a limit on how much future milk production growth can be covered under margin insurance. The margin protection plan also does not discriminate against farms of differing sizes, or treat those in different regions preferentially.

The dairy title also requires the Agriculture Department, when margins shrink dramatically, to purchase (but not store) finished dairy products, stimulating demand when farmers need it most. To avoid displacing commercial sales, these products will be donated to food banks or other low-income food programs.

NMPF began the push to rewrite federal dairy programs after the disastrous 2008-09 recession. It held a year of listening sessions with farmers around the country before crafting a reform package including both margin insurance and



Rep. Collin Peterson, the senior Democrat on the House Agriculture Committee

market stabilization.

Rep. Collin Peterson (D-MN), the ranking member on the House Agriculture Committee, introduced the NMPF plan in the fall of 2011, labeling it the Dairy Security Act.

What followed was more than two years of

education and advocacy to win support for the package on Capitol Hill. Enacting the Dairy Security Act became NMPF's primary legislative goal.

NMPF's advocacy resulted in the Dairy Security Act being endorsed by the Senate and House agriculture committees in 2012, and again in 2013. The bill also passed the Senate in 2012, and again in 2013. Only the opposition of House Speaker John Boehner (R-OH) kept the complete package from becoming law.

The final farm bill temporarily reauthorizes the MILC program through the fall of 2014, although prices are expected to be high enough that it won't generate any payments. The bill also extends three additional dairy programs through 2018: the dairy check-off program, forward pricing authority, and the Dairy Indemnity Program. A detailed explanation of all the dairy provisions in the farm bill is posted on the NMPF website.

Grassroots Support for the Dairy Security Act Found Across the Nation

As part of its grassroots lobbying efforts behind the Dairy Security Act, NMPF worked with dairy farmers around the country to publish more than 50 opinion articles in the districts of key legislators. Commentaries by local dairy producers were published in newspapers ranging from the *Indianapolis Star* and *Buffalo News* to the *Garden City (KS) Telegram*. Each was intended to signal a specific House or Senate member about the need to pass the Dairy Security Act.

continued on page 5

“
NMPF's advocacy
resulted in the
Dairy Security Act
being endorsed by
the Senate and
House agriculture
committees in 2012,
and again in 2013.





continued from page 4

The map below shows where opinion articles appeared in 2012 and 2013. The blue dots are cities in which articles were published more than once.

Immigration Reform Stymied in 2013 But Faces a Renewed Push This Year

NMPF worked intensively last year with other leading agriculture organizations in the Agriculture Workforce Coalition (AWC) to promote common principles for immigration reform. These principles include protecting the current workforce on dairy operations, and ensuring the future flow of workers in all sectors of agriculture.

The AWC began negotiating with Senate leaders shortly after the 2012 election to ensure that pro-farmer principles were included in the bipartisan immigration reform legislation that passed the Senate last year. The negotiations led to an historic agreement with farm worker advocates, ensuring that farmers could both

maintain their current workforce and have the workers needed to meet their future needs. Under the agreement, dairy farmers could operate without fear of government enforcement actions threatening their future. Also, workers would be eligible for a new “blue card” visa program.

The AWC agreement was added to S. 744, the Border Security, Economic Opportunity, and Immigration Modernization Act, approved in the Senate by a wide margin in June 2013. The comprehensive legislation addressed not only agriculture’s needs, but also the full range of challenges facing the immigration and border security system.

The AWC then lobbied to include the Senate principles in the House’s Agriculture Guest-worker Act, advanced by Judiciary Chairman Bob Goodlatte (R-VA). The House bill, which did not fully address the needs of agriculture, was approved in committee but never reached the House floor for consideration. While efforts to pass immigration reform stalled in 2013, there is a new push to enact legislation in 2014.

“The AWC negotiated with Senate leaders to ensure that pro-farmer principles were included in the bipartisan immigration reform legislation that passed the Senate last year.”

Dairy Security Act Opinion Articles in 2012 and 2013



Congress must pass bill to help dairy farmers survive **THE BUFFALO NEWS**
By Nathan & Barbara Blesy | May 13, 2013

GREEN BAY PRESS-GAZETTE *Farm bill's Dairy Security Act best for farmers, taxpayers*
By Greg Papham | May 20, 2013



CWT Continues to be a Major Player In Growing Cheese and Butter Export Markets

Cooperatives Working Together (CWT) played a pivotal role in helping America’s farmers reach international markets in 2013, with CWT-backed export sales of American-type cheese topping 127 million pounds, and butter exports totaling nearly 90 million pounds.

In all, CWT member cooperatives made 509 sales of cheddar, Monterey jack, and gouda cheese and 261 sales of butter during the year. Butter sales were up 22 percent from 2012, while CWT-assisted cheese sales were up nearly five percent.

Through October 2013 – the period for which data is available – CWT accounted for 19 percent of all U.S. cheese exports, 82 percent of American-type cheese exports, and 57 percent of butter exports.

CWT assistance helped cooperatives gain and keep footholds in key foreign markets, which are growing much faster than the U.S. market. The volume of dairy products CWT helped sell in 2013 was equivalent to 3.4 billion pounds of milk, and represented more than one-quarter of all U.S. dairy exports for the year.

The majority of CWT-assisted cheese sales were in Asia, with Japan the largest buyer. The Middle East accounted for the largest share of butter sales, with Saudi Arabia the top purchaser. In all, export products assisted by CWT went to 40 countries on six continents.

Dairy farmer members of 38 cooperatives will be supporting CWT in 2014 and 2015.

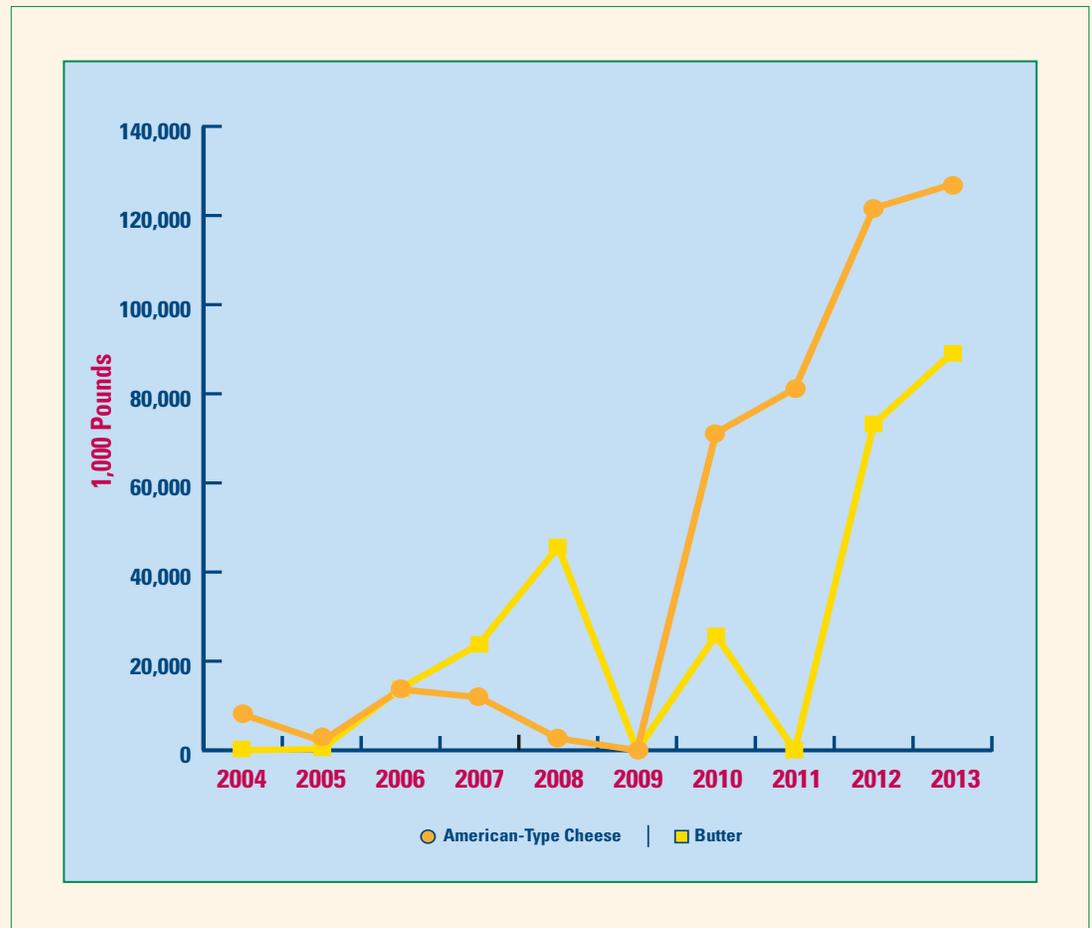
The graph below shows the growth of CWT-assisted exports since the program began focusing its efforts on exports in 2011.



CWT member cooperatives made 509 sales of cheddar, Monterey jack, and gouda cheese and 261 sales of butter during 2013.



Annual CWT-Assisted Sales by Product



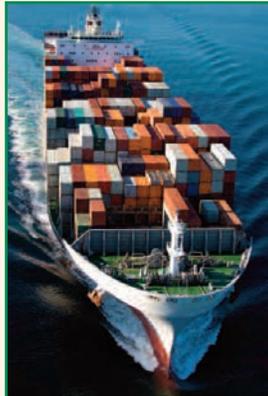
“ Europeans are trying to usurp use of generic cheese names, including muenster, provolone, havarti, feta, parmesan, romano, asiago, and gorgonzola, as well as use of the term Greek yogurt. ”

High Stakes Developing in Trade Treaties with World’s Major Dairy Players

NMPF last year helped drive agricultural trade policy with some of the world’s largest economies. Success was possible thanks largely to cooperation between NMPF and the U.S. Dairy Export Council (USDEC). This alliance consolidated the industry’s voice on trade issues and allowed NMPF to draw on the expertise of the full range of industry participants.

TTIP and TPP Moved Forward in 2013

The launch of Transatlantic Trade & Investment Partnership (TTIP) negotiations, together with the addition of Japan to the Trans-Pacific Partnership (TPP) negotiations, means the



United States is now involved in trade talks with the world’s three largest dairy suppliers and two of the world’s most significant dairy markets. The stakes are high. In both treaties, there is potential for positive outcomes

for U.S. dairy farmers. But considerable negative repercussions also could result from poorly negotiated agreements across both the Atlantic and Pacific oceans.

Last year saw support build for the type of positive dairy package that NMPF has insisted is necessary in TPP. More than one-third of the Senate, and approximately 75 members of the House of Representatives, expressed support for three of NMPF’s TPP core goals:

- Opening up the Canadian and Japanese dairy markets.
- Addressing the exorbitant level of government-supported market concentration present in New Zealand, the world’s largest dairy exporting nation.
- Securing enforceable commitments on sanitary and phytosanitary, or SPS, regulations to guard against unjustified trade disruptions.

NMPF, in conjunction with USDEC, helped unite industry and Congress behind enforceable TPP SPS provisions. This significant stride toward greater predictability in global trading conditions was included in Trade Promotion Authority legislation put forward by Senators Max Baucus (D-MT) and Orrin Hatch (R-UT) and Representative Dave Camp (R-MI). Work continues in 2014, but major advancements toward realizing this important outcome were made last year.

NMPF also participated in TTIP consultations ahead of the first round of negotiations with the European Union (EU). Given the \$1 billion U.S. transatlantic dairy trade deficit, and many barriers to increasing U.S. exports to the EU, one focus has been ensuring that the agreement genuinely reduces the nontariff barriers confronting our industry. NMPF’s core goals were captured in the high-level working report issued by the United States and EU early in the year, laying out a framework for negotiations.



Threat to Global U.S. Cheese Exports Grew from G.I. Restrictions

As part of TTIP, NMPF worked with the Consortium

for Common Food Names (CCFN) to combat the EU’s aggressive efforts to curtail competition from the U.S. dairy industry. Value-added products such as varietal cheeses offer the prospect of higher returns for U.S. companies as demand for cheese continues to grow, both here and abroad.

Europeans are trying to usurp use of generic cheese names, including muenster, provolone, havarti, feta, parmesan, romano, asiago, and gorgonzola, as well as use of the term Greek yogurt. In addition, the EU appears to be expanding the number of generic terms that it restricts, raising questions about what will happen to other names, such as mozzarella, brie, and gouda. CCFN was set up to combat the EU’s efforts to restrict use of these generic product names worldwide.

In the last year, the EU expanded its reach dramatically, registering many product

continued on page 8



continued from page 7

names throughout Central and South America, launching trade negotiations intended to do the same with Japan, using its Free Trade Agreement with Canada to block new market entrants from using several generic cheese names, and most recently, moving to grant the sole use of havarti – a term with an international production standard – to Denmark. Through CCFN, NMPF has attempted to both curtail efforts to constrict U.S. cheese exports and educate U.S. policymakers on the harm these barriers would cause.

NMPF Hammered Away at Trade Blockages

Two of the world’s largest dairy markets – Russia and India – continue to block imports of U.S. dairy products without scientific basis. Another



major market, Canada, spent much of 2013 devising ways to further curtail U.S. dairy imports, despite 250 percent tariff walls guarding most of its market. In collaboration with USDEC, NMPF fought to ensure that the United States remains focused on tearing down these and other export barriers.



A spring 2013 House Ways & Means Committee hearing put a spotlight on India’s trade barriers, calling particular attention to those confronting

the dairy industry. NMPF condemned India’s refusal to admit U.S. products and supported revoking its unilateral trade benefits, given India’s flouting of international trade commitments. NMPF also fought to ensure that a congressionally requested study by the International Trade Commission would include agricultural barriers.

U.S. engagement with Russia continued throughout the year with dairy issues one of the primary areas of focus. NMPF and USDEC wrote the U.S. Trade Representative (USTR) to denounce Russia’s flouting of international trade rules agreed to as part of its acceptance into the World Trade Organization. Despite efforts by officials at both the USTR and the U.S. Agriculture Department (USDA), progress remains challenging in the face of continued Russian resistance to scientifically justified requirements.

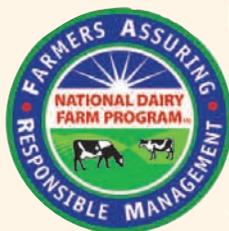
On product after product, Canada last year demonstrated its intent to block U.S. dairy trade at every turn.



NMPF educated congressional allies in 2013 about the issue, prompting several Senate

and House offices to denounce Canada’s actions. Moreover, sustained work with USTR and USDA drove strong responses from the executive branch. As Canada continues to consider erecting barriers to cheese products and a type of milk protein concentrate, NMPF will work with the Obama administration and Congress to insist that Canada honor its commitments to refrain from blocking safe products.

“Canada last year demonstrated its intent to block U.S. dairy trade at every turn.”



FARM Animal Care Program Revised Guidelines Released

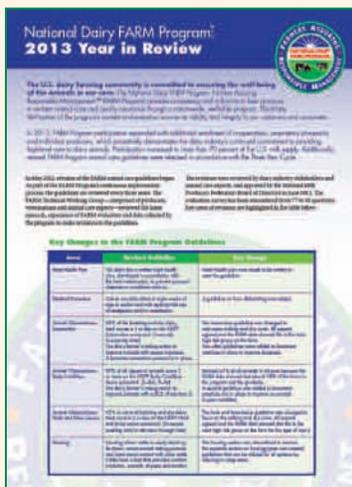
The National Dairy FARM Animal Care Program™ was created four years ago to bring consistency and uniformity to animal care practices on dairy farms. In 2013, NMPF released an updated version of the *FARM Animal Care Reference Manual*, containing the guidelines that are the program's core.

The updated manual includes input from a variety of stakeholders and findings from a third-party program verification process begun in 2011. The checklist used to evaluate farms has been streamlined and changes were also made in the areas of medical procedures, animal observations, and housing.

The updated manual is available online at www.nationaldairyfarm.com, along with a *Quick Reference User Guide* and animal care videos.

All are presented in Spanish as well as English.

In November, NMPF released the *FARM Program 2013 Year in Review*, based on 8,000 second-party evaluations and indicating universal adoption of many of the program's best practices. Also released was a new version of NMPF's *Milk and Dairy Beef Drug Residue Prevention Manual*. The manual allows producers to quickly review the antibiotics and other animal drugs approved for use with dairy animals. It can also be used to educate farm managers on how to avoid drug residues in milk and meat.



See It? Stop It! Initiative Launched In 2013

Another development in animal care initiatives came in 2013, when NMPF, along with the Center for Food Integrity and the U.S. pork industry, launched "See It? Stop It! Animal Care Starts with You," an initiative designed to demonstrate agriculture's commitment to farm animal care.

"See It, Stop It!" is based on the principle that giving caretakers responsibility to report animal abuse will assure the best animal care. It provides several options for those working on farms to report signs of animal abuse, neglect, mishandling, or harm. Information about the program is available at www.SeelItStopIt.org. Included are an employer checklist, guidance for integrating the program into animal well-being programs, posters for use in barns, and guidance on employee training.

USDA Finalizes Animal Traceability Rule

Early in 2013, USDA finished its regulations on the traceability of U.S. livestock. NMPF worked with other livestock groups and USDA to gain agreement on the program. Under the final rule, most livestock moved interstate must be officially identified and accompanied by a certificate of veterinary inspection or similar documentation. Approved methods for identifying dairy cattle include RFID and brite tags. Beginning in 2015, only identification devices beginning with 840 or other prefix representing a U.S. territory will be recognized. NMPF policy supports the use of official 840-RFID tags for dairy cattle identification.

NMPF Plays International Role on Animal Health

As exports grow, international developments in animal health and welfare are increasingly important to U.S. dairy farmers. In 2013, NMPF represented U.S. interests in several important international venues.

“ NMPF policy supports the use of official 840-RFID tags for dairy cattle identification. ”

continued on page 10



continued from page 9

On animal welfare, NMPF has taken an active role in the International Standards Organization by participating in the U.S. Technical Advisory Group. Through USDA, NMPF also provided input into development of the World Animal Health Organization's



(OIE) dairy animal welfare standards. In May, NMPF presented the National Dairy FARM Program™ as a potential model for the Animal Production and Health Division of the U.N. Food and Agriculture Organization. Through these activities and work with the IDF Animal Health and Welfare Committee, NMPF is attempting to ensure international animal welfare standards align with the FARM Program and do not hinder trade.

In the area of international animal disease prevention, NMPF continues to focus on Foot and Mouth Disease preparedness through development of the Secure Milk Supply program, advocacy for vaccination strategies, and participation in the revision of OIE FMD standards. Also, through the work of USDA and the dairy and beef sectors, last year the OIE granted the United States negligible risk status for BSE. Negligible risk is the highest safety rating a country can receive.

National Conference on Milk Shipments Maintains SCC Level

For the second time in two years, state public health and agriculture department officials participating in the National Conference on Interstate Milk Shipments (NCIMS) in 2013 turned down a proposal to reduce the maximum allowable level of somatic cell counts in milk. At its meeting in Indianapolis last April, the NCIMS voting delegates considered a proposal sponsored by NMPF 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 2015. But on a close vote, the delegates rejected the proposal, meaning

that the status quo threshold of 750,000 will remain for domestic milk production.

On a related decision with trade policy implications, the NCIMS delegates approved a proposal to permanently allow foreign dairy marketers to participate in the U.S. Grade A program, by permitting required sanitation evaluations of overseas dairy farms and processing facilities to be carried out by third-party, non-governmental inspectors. The NCIMS delegates passed 28 proposals. An additional seven will proceed through the 2400 Form process.



EU Somatic Cell Count Derogation Renewals Continue

Beginning in 2012, new EU requirements were implemented by USDA, requiring dairy exports to have a somatic cell count (SCC) of 400,000 cells/mL, based on farm-level samples. In 2013, questions arose over how SCC and Standard Plate Count derogations could be renewed by participants in the EU Health Certification Program. NMPF worked with USDA's Agricultural Marketing Service to reach the best solution. This advocacy resulted in flexibility for renewal of a derogation and minimal disruption to dairy farms and cooperatives.

NMPF Maintains Strong Stance on Dairy Food Safety

In 2013, several major regulations stemming from the Food Safety Modernization Act were put out for comment, including some with impact on dairy producers. NMPF argued that the Proposed Rule for Produce Safety imposed an excessive burden on dairy farms with incidental sales of fresh produce. By the end of the year, FDA announced plans to revise language in several areas, including the area identified by NMPF. A revised rule is expected by early summer.

The Proposed Rule for Preventive Controls in Human Food also had far-reaching implications

continued on page 11

“
In 2013, several major regulations stemming from the Food Safety Modernization Act were put out for comment, including some with impact on dairy producers.





continued from page 10

for the dairy industry. Given the strong food safety history of the Grade A Pasteurized Milk Ordinance, NMPF advocated exempting Grade A inspected dairy plants from the rule. For manufacturing plants, NMPF joined with other dairy stakeholders to urge that requirements be risk-based and promote food safety. Finally, NMPF asked that FSMA apply to direct sales of raw milk to consumers.

On the state level, in June Nevada Governor Brian Sandoval vetoed a bill allowing raw milk produced in rural Nye County to be distributed statewide, including the Las Vegas metropolitan area. NMPF had urged Sandoval to veto the bill. “Gambling with the health of your state’s residents – particularly its children – is a bad bet,” said NMPF’s former President & CEO Jerry Kozak in a letter. He likened consumption of unpasteurized milk to a game of Russian roulette.

In Wisconsin, for the second time in three years, NMPF in 2013 urged lawmakers to reject legislation allowing sales of unpasteurized milk to consumers. NMPF said the risks of consuming raw dairy products far outweighed any of the benefits claimed by raw milk advocates. NMPF’s Jim Mulhern called it “disheartening” that lawmakers in America’s Dairyland would even consider legislation allowing raw milk sales. “The benefits of consuming raw milk are illusory,” Mulhern said, “but the painful costs of illness and death are very real.” At year’s end, the Wisconsin bill was still pending in the legislature.



Good News in 2013 for Dairy in USDA’s ‘Smart Snacks in School’ Standards

In June, the Agriculture Department for the first time proposed federal nutrition standards for foods in school vending machines and a la carte lines. Overall, the proposed standards facilitated consumption of milk, reduced-fat cheese, yogurt, and pizza. However, NMPF’s comments also singled out favorable treatment of competing beverages

that “do not supply significant amounts of nutrients essential to students’ diets.” They pointed out that the proposed regulation gave an unfair and inappropriate advantage to these products. NMPF urged USDA to limit the time and place that non-dairy, non-juice lower-calorie and calorie-free beverages are available.

NMPF Works with Federal Regulators on Water Quality Issues

As it has in the past, NMPF continued its advocacy in 2013 for voluntary, incentive-and assistance-based programs for dairy producers affected by the Clean Air Act, the Clean Water Act, and similar regulations. One positive outcome of this effort emerged last December, when Environmental Protection Agency (EPA) and USDA announced a partnership to support water quality trading and other market-based approaches to facilitate compliance with Clean Water Act regulations. This is a promising start consistent with industry goals, and could provide a potential source of income for participating farmers.

On the other hand, several short- and long-term environmental issues affecting dairy farmers need better coordination between federal agencies, in particular the USDA and EPA. As the EPA continued its efforts in 2013 to regulate dairy farms in Washington State’s Yakima Valley, NMPF intervened on the grounds that the agency’s science was not supported by USDA research. NMPF’s actions resulted in the acknowledgement by the EPA that the science behind lagoon standards established by USDA’s Natural Resources Conservation Service needed to be part of the regulatory process. This effort will help facilitate future cooperation between the agencies.

In a related development, NMPF last year urged the EPA and the Army Corps of Engineers to use rulemaking, rather than agency guidance, to map out the lines of jurisdiction of federal and state authority over the nation’s waterways. EPA and the Corps last September withdrew their proposed guidance, and instead sent a proposed rule to the White House for interagency review. While this was a positive development,

continued on page 12

“NMPF continued its advocacy in 2013 for voluntary, incentive- and assistance-based programs for dairy producers affected by the Clean Air Act, the Clean Water Act, and similar regulations.”



continued from page 11

NMPF remained concerned over the science used to establish the proposed rule. In November, NMPF and other agricultural stakeholders raised

these issues with EPA's Scientific Advisory Board. The board acknowledged several of the concerns, and is drafting a report for the EPA administrator.

“

The FARM program exceeded 70 percent of the nation's milk supply in 2013.

”



In 2013, **Karen Jordan**, DVM, was named to the USDA's Advisory Committee on Animal Health. Dr. Jordan is chair of NMPF's Animal Health and Wellbeing Committee.



REAL® Seal Makeover Debuts in 2013

Efforts to rejuvenate the dairy REAL® Seal took off in 2013. Based on updated consumer research, the REAL® Seal website was revamped to reach new audiences, and a Facebook page was added specifically to appeal to younger consumers. An animated REAL® Seal character was created, and given the name DairyUS in an online vote. Late in the year, a YouTube video introduced the new character to the public.

The Facebook page can be found at www.Facebook.com/RealSealDairy. It's updated daily with dairy facts and recipes featuring real dairy ingredients. Content capitalizes on holidays, sports and cultural activities, and other seasonal events. By the end of 2013, the REAL® Seal Facebook page had more than 60,000 followers.

The website, at www.realseal.com, was redone with consumers in mind. It features information on the history of the REAL® Seal, dairy's nutritional

benefits, and the difference between real and imitation dairy products. At year's end, the website launched a buyer's guide making it easier for consumers to find stores, restaurants, and brands that feature dairy products.

Also in 2013, NMPF developed variations on the REAL® Seal to distinguish U.S. dairy products from imitators and foreign competitors. The



variations add phrases like "American made" and "Made with REAL dairy products" to the Seal.

The REAL® Seal was licensed to NMPF in 2012 to help boost sales for milk

and dairy products and to go on the offensive against a growing list of imitation dairy products.

“
An animated
REAL® Seal
character was
created, and
given the name
DairyUS in an
online vote.”





From Analytics to Market Outlook, Economics Department Had It Covered

NMPF’s Marketing and Economic Research staff had a busy year supporting other NMPF program areas. Included were analytical support for CWT, support for advocacy of the Dairy Security Act and the rest of NMPF’s legislative agenda, support for NMPF’s international trade policy, and helping to ensure that environmental, food safety, and other regulations met cost-benefit tests. Also in 2013, NMPF’s economic staff:

- Provided market outlook services to NMPF members both individually and through the monthly *Dairy Market Report*.

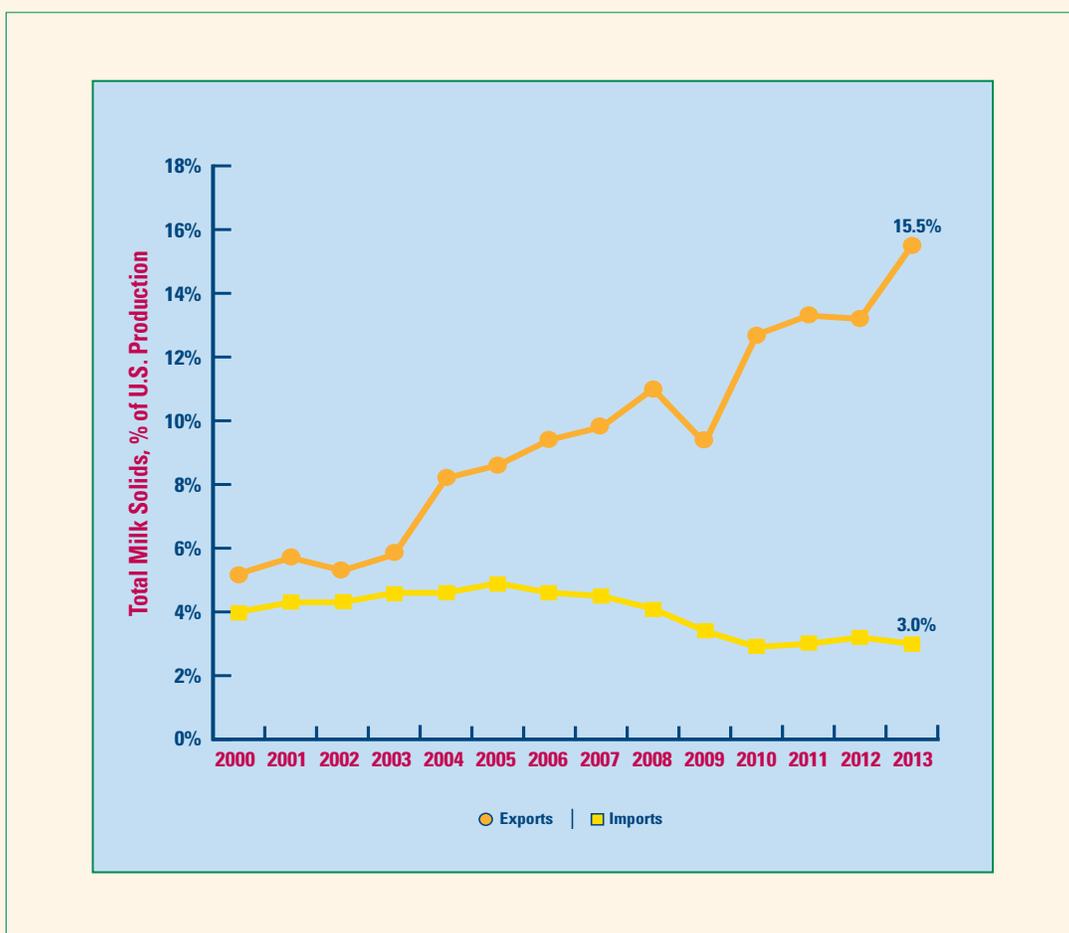
- Supported producer promotion organizations through Dairy Management Inc., and the product trade associations NMPF manages.
- Compiled the international dairy statistics in the World Dairy Trade Trends online searchable database for the U.S. Dairy Export Council.



NMPF’s Marketing and Economic Research staff had a busy year.



U.S. Dairy Trade (2000-2013)





National Dairy Leadership Scholarship Program Hands Out Three Awards

In 2013, NMPF's National Dairy Leadership Scholarship Program awarded \$10,000 in scholarships to graduate students conducting research in scientific areas that will benefit dairy cooperatives and producers.

The Hintz Memorial Scholarship, given to the top candidate, was awarded to **Kristen Glosson**, an M.S. candidate in animal science and nutrition at North Carolina State University. Kristen's research project was supplementing a pasteurized

milk balancer product to two feeding levels of pasteurized whole milk on the health and growth of dairy calves.

Clayton Stoffel, an M.S. candidate in dairy cattle nutrition at the University of Wisconsin-Madison, received a scholarship for his research on the effects of different fatty acid profiles on milk fat depression in dairy cattle fed diets below four percent fat. **Yun Yu**, an M.S. candidate in food science at the Pennsylvania State University, won a scholarship for her research on a novel clean-in-place approach of electrolyzed water for dairy processing equipment.

The 2013 NMPF Scholarship Recipients



Kristen Glosson – M.S. candidate in animal science and nutrition at North Carolina State University



Clayton Stoffel – M.S. candidate in dairy cattle nutrition at the University of Wisconsin-Madison



Yun Yu – M.S. candidate in food science at the Pennsylvania State University



In 2013, NMPF's National Dairy Leadership Scholarship Program awarded \$10,000 in scholarships.





YCs Show Strong Turnout at 2013 Meetings

The Young Cooperator (YC) program continued to provide educational programs and networking activities to rising dairy industry leaders within the NMPF membership. NMPF's member cooperatives helped the organization achieve strong turnouts at the two YC meetings held in 2013.

In June, more than 70 YCs and YC coordinators arrived in Washington for a briefing on NMPF's legislative priorities and to lobby their House and Senate members. At NMPF's annual meeting in Phoenix, nearly 100 YCs attended a program developed by the 2013 YC Advisory Council.

Council members who provided leadership for NMPF's 2013 YC program included:

Kris & Carla Wardin – *Chaircouple*
Michigan Milk Producers Association

Nathan & Barbara Blesy – *Vice Chaircouple*
Upstate Niagara Cooperative, Inc.

David & Katherine Pyle – *Secretary Couple*
Land O'Lakes, Inc.

Melissa Breene & Matt Jordan
Agri-Mark, Inc.

Mike & Kathleen Fincham
Dairy Farmers of America, Inc.

Nathan & Crystal Moroney
Dairy Farmers of America, Inc.

Stephen & Stephanie Bray
MD & VA Milk Producers Cooperative Assn., Inc.

Steve & Melinda Boon
Northwest Dairy Association

Douglas & Sheila Lueking
Prairie Farms Dairy, Inc.

Jacob & Danielle Larson
Southeast Milk, Inc.

Brent & Julie Koopmann
Swiss Valley Farms Company

Josh & April Neahring
Tillamook County Creamery Association

Josh & Heidi Gladden
United Dairymen of Arizona

“
The Young
Cooperator (YC)
program continued
to provide educational
programs and
networking activities
to rising dairy
industry leaders.
”

2013 Advisory Council



The 2013 YC Advisory Council provided the leadership behind the year's YC program activities and attended both the June and annual meetings.



In November 2013, dairy industry leaders from across the country converged on Phoenix for NMPF's annual meeting, held jointly with the National Dairy Promotion and Research Board and the United Dairy Industry Association. Highlights of the meeting included attendees bidding an emotional goodbye to outgoing NMPF President Jerry Kozak, and incoming President Jim Mulhern offering his vision for the organization's future.



The 2013 meeting also featured a major policy speech by NMPF Board Chair Randy Mooney, and an expanded Town Hall in which 800 dairy farmers heard presentations by NMPF staff on a long list of industry issues. In addition, five new members were elected to the NMPF board,



New President & CEO Jim Mulhern, former President & CEO Jerry Kozak, and NMPF Chairman Randy Mooney

and the organization announced the name of the cartoon character devised to help promote the dairy REAL® Seal.

In all, nearly 1,000 people attended the meeting at the Arizona Biltmore Hotel. Headline speakers were former NFL head coach Herman Edwards and organizational change expert Peter Sheahan. Agri-Talk Radio host Mike Adams was master of ceremonies, and up-and-coming country music star James Wesley provided banquet entertainment.

The meeting's emotional highlight came when Kozak, President and CEO since 1997, thanked those with whom he had worked during the past 16 years. Kozak was replaced as president at year's end by Chief Operating Officer Jim Mulhern, who urged dairy farmers to become more engaged in both NMPF and the policymaking process and stressed the need for more communication by the dairy industry. "We must tell our story," Mulhern told the attendees, "because if we don't,

others – who don't have our interest at heart – are telling a very different, and harmful, story."

Board chair Randy Mooney delivered his speech as a House-Senate conference committee was working in Washington on a final, compromise version of the 2013 farm bill. Mooney criticized the House bill's dairy provisions as costly to taxpayers, a bonanza for processors, and not what's needed to help farmers. "It'll be cheap milk for processors, with taxpayers on the hook to keep the insurance money flowing," he said.

The Town Hall, a tradition at NMPF annual meetings, kept attendees engaged for four hours. Attendees heard presentations from NMPF staff on issues including the environment, trade, GMOs, food standards, and residue testing, in addition to the farm bill and immigration reform.

Those elected to serve as NMPF officers for 2014 were:

- Randy Mooney – Chairman
Dairy Farmers of America, Inc.
- Ken Nobis – First Vice Chairman
Michigan Milk Producers Association
- Adrian Boer – Second Vice Chairman
Northwest Dairy Association
- Mike McCloskey – Third Vice Chairman
Select Milk Producers, Inc.
- Dave Fuhrmann – Secretary
Foremost Farms USA
- Doug Nuttelman – Assistant Secretary
Dairy Farmers of America, Inc.
- Pete Kappelman – Treasurer
Land O'Lakes, Inc.
- Neal Rea – Assistant Treasurer
Agri-Mark *(who is new to the officer group)*

New members elected to the NMPF board for 2014 were:

- Michael Anderson, Farmers Cooperative Creamery
- David Cooper, FarmFirst Dairy Cooperative
- Kelly King, FarmFirst Dairy Cooperative
- Peter Janzen, Land O'Lakes, Inc.
- Tom Pittman, Premier Milk Inc.

“
The meeting's emotional highlight came when Kozak, President and CEO since 1997, thanked those with whom he had worked during the past 16 years.”

“ NMPF continued to provide leadership in government relations and on other dairy issues. ”

The 30 NMPF cooperative members produced the majority of the U.S. milk supply, making NMPF the voice of more than 32,000 dairy producers. Those farms represented approximately 60 percent of all the licensed U.S. dairy operations in 2013. Twenty-seven of NMPF's cooperative members were ranked in the most recent *Hoard's Dairyman* list of the top 50 dairy cooperatives. Last year, NMPF member cooperatives marketed approximately 124 billion pounds of milk, which represented about 62 percent of all milk marketed in the United States in 2013. Member cooperatives were leading processors of fluid milk, cheese, butter, nonfat dry milk, and specialty dairy products.

The associate membership category continued to grow in 2013, exceeding 75 members. Included were two international cooperatives, various processor organizations, state associations, lending institutions, consultants, law firms, media, and academia.

NMPF continued to provide leadership in government relations and on issues including trade, the environment, regulation, and immigration, as well as on the REAL® Seal and CWT. These efforts would not have been complete without the involvement of NMPF's producer members and member cooperatives, as well as many of its associate members. NMPF's strength continued to be in its membership base.

2013 NMPF Officers

- Randy Mooney** – *Chairman*
Dairy Farmers of America, Inc.
- Ken Nobis** – *First Vice Chairman*
Michigan Milk Producers Association
- Cornell Kasbergen** – *Second Vice Chairman*
Land O'Lakes, Inc.
- Mike McCloskey** – *Third Vice Chairman*
Select Milk Producers, Inc.
- Dave Fuhrmann** – *Secretary*
Foremost Farms USA
- Doug Nuttelman** – *Assistant Secretary*
Dairy Farmers of America, Inc.

Pete Kappelman – *Treasurer*
Land O'Lakes, Inc.

Adrian Boer – *Assistant Treasurer*
Northwest Dairy Association

2013 NMPF Board of Directors

Neal Rea
Agri-Mark, Inc.

Steve Schlangen
Associated Milk Producers Inc.

Ed Welch
Associated Milk Producers Inc.

Brad Bouma
Continental Dairy Products, Inc.

Bill Blalock
Cooperative Milk Producers Assn., Inc.

Brian Hardy
Dairy Farmers of America, Inc.

Jerrel Heatwole
Dairy Farmers of America, Inc.

Jackie Klippenstein
Dairy Farmers of America, Inc.

George Mertens
Dairy Farmers of America, Inc.

Randy Mooney
Dairy Farmers of America, Inc.

Doug Nuttelman
Dairy Farmers of America, Inc.

Wayne Palla
Dairy Farmers of America, Inc.

Jeff Raney
Dairy Farmers of America, Inc.

George Rohrer
Dairy Farmers of America, Inc.

Dan Senestraro
Dairy Farmers of America, Inc.

Bill Siebenborn
Dairy Farmers of America, Inc.

Rick Smith
Dairy Farmers of America, Inc.

John Wilson
Dairy Farmers of America, Inc.

continued on page 19



continued from page 18

Bill Beeman

Dairylea Cooperative Inc.

Greg Wickham

Dairylea Cooperative Inc.

Albert Knegendorf

Ellsworth Cooperative Creamery

David Newhouse

Farmers Cooperative Creamery

Dennis Donohue

FarmFirst Dairy Cooperative

Peter Kleiman

FarmFirst Dairy Cooperative

Clint Fall

First District Association

Dave Fuhrmann

Foremost Farms USA

David Scheevel

Foremost Farms USA

Pete Kappelman

Land O'Lakes, Inc.

Cornell Kasbergen

Land O'Lakes, Inc.

Chris Policinski

Land O'Lakes, Inc.

Tom Wakefield

Land O'Lakes, Inc.

Jim Baird

Lone Star Milk Producers

Jay Bryant

MD & VA Milk Producers Cooperative Assn., Inc.

Ken Nobis

Michigan Milk Producers Association

Dennis Tonak

Mid-West Dairymen's Company

Adrian Boer

Northwest Dairy Association

Jim Wegner

Northwest Dairy Association

Jim Werkhoven

Northwest Dairy Association

Paul Mills

Prairie Farms Dairy, Inc.

Donald De Jong

Select Milk Producers, Inc.

Mike McCloskey

Select Milk Producers, Inc.

Joe Wright

Southeast Milk Producers, Inc.

Ralph McNall

St. Albans Cooperative Creamery, Inc.

Pat Schroeder

Swiss Valley Farms Company

Keith Murfield

United Dairymen of Arizona

Larry Webster

Upstate Niagara Cooperative, Inc.



2014

Spring Board of Directors Meeting

March 11 – 12, 2014
Ritz-Carlton Pentagon City – Arlington, VA

Summer Board of Directors & YC Meeting

June 3 – 4, 2014
Ritz-Carlton Pentagon City – Arlington, VA

NDB/NMPF/UDIA Joint Annual Meeting

October 27 – 29, 2014
Gaylord Texan – Grapevine, TX

2015

Spring Board of Directors Meeting

March 10 – 11, 2015
Ritz-Carlton Pentagon City – Arlington, VA

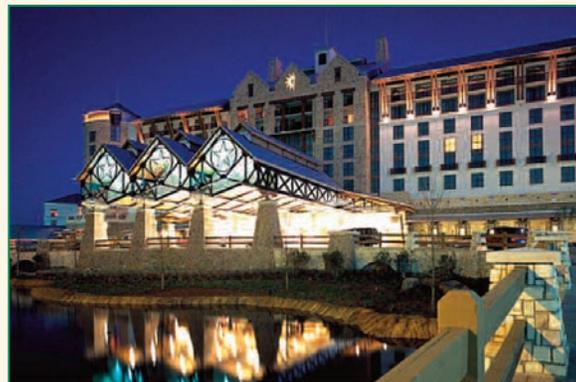
Summer Board of Directors & YC Meeting

June 9 – 10, 2015
Ritz-Carlton Pentagon City – Arlington, VA

NDB/NMPF/UDIA Joint Annual Meeting

October 26 – 28, 2015
World Center Marriott – Orlando, FL

2014 NDB/NMPF/UDIA Joint Annual Meeting



NMPF's joint annual meeting with the National Dairy Promotion and Research Board (NDB) and the United Dairy Industry Association (UDIA) will take place at the Gaylord Texan October 27 – 29, 2014 in Grapevine, Texas.



For more information on NMPF meetings, visit www.nmpf.org/calendar.





National Milk Producers Federation

2101 Wilson Blvd., Suite 400

Arlington, VA 22201

Phone: (703) 243-6111

Fax: (703) 841-9328

Email: info@nmpf.org

www.nmpf.org

www.facebook.com/nationalmilk

twitter.com/nmpf