



Connecting Cows
Cooperatives
Capitol Hill &
Consumers

2018 Activities & Accomplishments Report



Table of Contents



About NMPF	2
From the President & CEO	3
Legislative Issues	4
Trade Policy	8
Regulatory Affairs	13
FARM Program	21
Cooperatives Working Together	24
Other NMPF Activities	26

About NMPF

Connecting Cows, Cooperatives, Capitol Hill, & Consumers



“

NMPF is one of the country’s most recognized
and influential membership organizations.

National Milk develops and carries out
policies that advance the well-being of dairy
producers and the cooperatives they own.

”

Established in 1916 and based in Arlington, Virginia, the National Milk Producers Federation (NMPF) 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 dairy producers on Capitol Hill and with government agencies.

For over 100 years, NMPF has been one of the country’s most recognized and influential membership organizations. Advocating policies determined by its members, the positions expressed by NMPF are the result of grassroots work by dairy farmers and their cooperatives on national policy.

In 2018, NMPF provided crucial leadership on critically important issues facing the dairy community, including the farm bill, trade, food labeling, animal care and immigration. NMPF also administers the REAL® Seal and the export assistance program Cooperatives Working Together. The involvement of NMPF’s producer, cooperative and associate members, along with engagement with allied industry groups, has been instrumental in advancing the organization’s efforts.

From the President and CEO

National Milk Producers Federation



Low milk prices and major trade disruptions made 2018 and early 2019 challenging times for dairy farmers. Despite these difficulties, producers have seen clear policy improvements from Washington in the past year, and we are excited to build on these advances this year and in years to come.

The most prominent policy win over the past year was fixing the dairy safety net. When Congress passed the Farm Bill in December, it concluded a two-year process in which NMPF painstakingly turned an ambitious wish list into better policy for dairy producers and their cooperatives. Our legislative gains began early in the year when Congress passed the Bipartisan Budget Act, which made key improvements to the Margin Protection Program (MPP) and expanded the amount of money available for dairy producers. With that came the opportunity to craft better policy, capped later by the Farm Bill's creation of the new Dairy Margin Coverage program – a revamp of the previous MPP offering both a more affordable and wider range of coverage, along with more meaningful risk management support for both larger and smaller producers.

USDA has pledged that dairy programs will take priority when implementing the law, a reflection of the struggle producers are facing as well as a tribute to how the industry spoke with a unified voice throughout the legislative process. This year, we are working with USDA to maximize the law's policy improvements and make sure dairy concerns are addressed at each step.

The Farm Bill was only one of many gains made in the past year. USDA implemented its plan to bring back low-fat flavored milk in the school lunch program, a highly popular

beverage that NMPF urged the agency to provide to students. This step will improve children's nutritional intake and encourage the next generation of milk drinkers. Following a concerted effort by NMPF, FDA Commissioner Scott Gottlieb famously recognized that "almonds don't lactate," a promising step in a journey that has moved us closer to addressing our long-standing concern with plant-based foods pilfering dairy terms. And a new trade agreement, the U.S.-Mexico-Canada Agreement (USMCA), pushed back against Canadian trade abuses and promised additional U.S. market access.

These advances also reminded us of how much work remains to be done. The USMCA, for example, is not yet ratified by Congress. And 2018 was not a banner year for trade relations. The damage to U.S. dairy producers linked to retaliatory tariffs on dairy exports to Mexico and China has exceeded \$1 billion. While we've come further on fighting fake milk in the past year, an FDA decision that protects label integrity is far from secured. And while the Farm Bill will be a balm for struggling producers, it isn't a fix to the industry's deeper economic problems.

These are only a few of the issues you will read about in the following pages. Federal policy for dairy producers is better than it was a year ago, but there are still many challenges in the year ahead. This report details accomplishments that have brought us to where we are and suggests paths we will need to take. We at NMPF are proud to tell this positive story for dairy. We look forward to writing more chapters of success in the year to come.

A handwritten signature in blue ink, appearing to read "Jim Mulhern".

Jim Mulhern
President & CEO



President Donald Trump signs the 2018 Farm Bill into law.

Legislative Issues

Dairy Title of 2018 Farm Bill Introduces Revamped Safety Net

NMPF celebrated a major legislative milestone at the end of 2018 with the enactment of a new Farm Bill that makes major reforms to the dairy safety net and expands producers' access to risk management tools. These significant improvements built on the success of the Bipartisan Budget Act enacted in February 2018, which first introduced major dairy policy reforms and increased the dairy baseline, making gains later in the year possible.

Significant changes to dairy programs in the bill include:

- Affordable higher coverage levels in the new Dairy Margin Coverage program (DMC) (renamed from the Margin Protection Program) that will permit all dairy producers to insure margins up to \$9.50 on their Tier 1 (first five million pounds) production history;
- Affordable \$5.00 margin coverage, which was reduced in cost by roughly



The new dairy safety net is the Dairy Margin Coverage program (DMC).

continued on page 5

continued from page 4

88 percent. This will aid larger producers and is critically important in states where margins fall more quickly;

- Greater flexibility for producers of all sizes to access Tier 1 premium rates without having to pay for further coverage;
- Expanded access to additional risk management options, allowing producers to participate in the DMC as well as other programs; and
- Enabling producers to receive a 25-percent discount on their premiums if they lock in their coverage level for the entirety of the bill.

The bill also includes provisions of an unprecedented agreement between NMPF and the International Dairy Foods Association regarding risk management that will help producers, cooperatives and processors better hedge price risk for Class I milk.



NMPF Vice President of Government Relations Paul Bleiberg and NMPF Chairman Randy Mooney attend the Farm Bill signing.

“The Farm Bill passed by the full Congress represents a truly bipartisan spirit and offers genuine hope for agriculture,” said Jim Mulhern, president and CEO of NMPF, upon the bill’s passage. “The dairy provisions adopted by

Congress will bring critically important assistance to the nation’s dairy farmers.”

Crucial to the legislation’s passage were the members of Congress who ensured that these reforms became reality. In the Senate, Agriculture Committee Chairman Pat Roberts (R-KS), Ranking Member Debbie Stabenow (D-MI) and



NMPF Chairman Randy Mooney greets Committee Chairman Pat Roberts (R-KS).

Appropriations Committee Vice Chairman Patrick Leahy (D-VT) championed efforts to improve the dairy safety net. In the House, then-Chairman (now Ranking Member) Mike Conaway (R-TX) and then-House Agriculture Committee Ranking Member (now Chairman) Collin Peterson (D-MN) spearheaded dairy policy reforms with important support from senior committee members Reps. Glenn Thompson (R-PA) and Jim Costa (D-CA), with contributions from scores of other members in both parties and both chambers.

The process now shifts to the U.S. Department of Agriculture (USDA) to implement the new provisions, with dairy improvements singled out as an implementation priority. NMPF is in continuous discussion with key USDA staff as implementation unfolds.

NMPF Works to Generate Immigration Reform Momentum



NMPF has emphasized to the Trump Administration the need to implement an H-2A visa for dairy workers.

Immigration reform continued to be a major priority for NMPF in 2018, with efforts throughout the year to prod Congress, the White House, the U.S. Department of Agriculture (USDA) and the U.S. Department of Homeland Security (DHS) for action to address the dairy industry's needs.

In discussions with government officials, NMPF highlighted actions by agencies within DHS, such as U.S. Customs and Border Protection and Immigration and Customs Enforcement (ICE), that were detrimental to dairy farms. NMPF has emphasized to the Trump Administration the need to implement an H-2A visa for dairy workers.

NMPF spent the year discussing with administration officials and members of Congress the lack of a viable visa program for dairy farm managers to hire workers within the United States. Efforts included work with Rep. Dan Newhouse (R-WA) to advance legislation to modify the seasonal H-2A visa program to include workers on dairy farms, which require year-round help. This provision was included in the

House's FY 2019 Homeland Security Appropriations measure, but the bill was not signed into law before the end of the congressional session.

NMPF also worked with former House Judiciary Committee Chairman Bob Goodlatte (R-VA) to improve and build support for the Agricultural Guestworker Act, a potentially significant step toward enacting meaningful immigration legislation. The bill would have enabled dairy farmers to maintain their current workforce and provided access to a reliable, legal flow of workers. NMPF worked with other agriculture groups to pass the bill in the House. Thanks to NMPF, dairy's concerns were heard throughout this process.

The broader divisive political climate surrounding immigration prevented progress on the issue in 2018; still, NMPF's pursuit of a workable approach and heightened attention to the needs of U.S. dairy farmers may create an opportunity for resolution in 2019. The continuing need to address the issue was emphasized in January 2019, when Rep. Zoe Lofgren (D-CA) and Senate Judiciary Committee Ranking Member Dianne Feinstein (D-CA) introduced the Agricultural Worker Program Act, which aims to address agriculture's needs by providing farmers with access to a legal workforce. The bill could help advance the conversation regarding dairy's critical workforce challenges, one in which NMPF will be an active participant.

NMPF will continue to work closely with its partners in the agriculture industry and Congress to move toward full-scale immigration reform or a specific visa solution that recognizes that the dairy sector cannot secure a consistent, reliable domestic workforce and must employ foreign labor.

NMPF, Farm Groups Help Defeat Problematic Raw Milk Amendment



NMPF secured an important legislative victory during last year's Farm Bill debate with the emphatic defeat of an amendment to the House version of the bill that would have encouraged the interstate sale of unpasteurized milk. If adopted, it would have threatened the health of millions of Americans.

NMPF partnered with the International Dairy Foods Association and a coalition of consumer groups, food safety advocates, federal and state public health regulators, the medical community, and other key stakeholders to defeat

this amendment by an overwhelming bipartisan vote of 331 against, 79 in favor.

Legalizing the sale of raw milk across state lines would have defied decades of proven food safety by removing pasteurization requirements cited by the U.S. Department of Health and Human Services as one of the great achievements in public health in the 20th century. The Centers for Disease Control and Prevention reported

that unpasteurized milk is 840 times more likely to cause foodborne illness than pasteurized milk, and nearly 75 percent of raw milk-associated outbreaks have occurred in states where the sale of raw milk was legal. Thus, eliminating regulations that stem the interstate sale of raw milk would have increased the risk to public health, exposing consumers nationwide to a heightened chance of contracting a foodborne illness.

This is the first time that Congress has debated changing federal laws to expand access to raw milk. NMPF has worked for years to battle similar bills at the state level, including recent efforts in Tennessee, Virginia and Louisiana. This significant federal victory sends an important message to all state legislatures that might debate this issue.



Trade negotiators from (starting left) Mexico, Canada and the United States.

Trade Policy

USMCA Sets New Course in North American Dairy Trade

The Trump Administration's completion of negotiations to secure a new North American Free Trade Agreement (NAFTA) capped a 2018 in which trade policy occupied an increased amount of our time and attention. NMPF, in collaboration with the U.S. Dairy Export Council (USDEC), kept dairy farmers' issues at the top of the administration's priority list, with positive results for producers in the new U.S.-Mexico-Canada Agreement (USMCA), including gains in market access and greater certainty in tri-lateral trade.

NMPF aggressively campaigned for a better trade deal throughout the year, working with USDEC as confidential private-sector trade advisors to the U.S. government. Staff consulted with U.S. trade negotiators to help hammer out a workable deal with Canada following the conclusion of U.S.-Mexico negotiations in late August. To complement its own messaging to policymakers, NMPF organized a fly-in with representatives from its member cooperatives to emphasize the importance of these negotiations. NMPF also spearheaded numerous letters to the administration to drive home key aspects of the agreement and fielded press inquiries to help shape public opinion and provide

continued on page 9

continued from page 8

factual information to reporters in the weeks leading to the unveiling of the USMCA at the beginning of October.

The USMCA is not a perfect deal for U.S. dairy, and much needs to be done to ensure it is implemented as intended so that American farmers get the most benefit. While Canada's protectionist stance on dairy trade was a prominent sticking point in the negotiations, the USMCA made some progress in that area while addressing other key factors and goals for the dairy industry. Among those is the preservation of a 24-year-old trading framework that will allow the sector to maintain its current market presence and continue developing new customers. With Mexico, American dairy's strongest trading partner, the deal preserves the agreement's duty-free dairy trade provisions.

In addition, the new agreement offers modest expansion of dairy access to Canada's market along with new disciplines intended to tackle Canada's use of harmful pricing programs designed to dump a rising volume of dairy proteins onto global markets. On both fronts, upcoming implementation and adherence to the agreement will be critical to ensure a positive outcome for U.S. dairy.

Beyond that, the agreement also includes valuable new commitments on food safety-related rules to strengthen their transparency and scientific grounding, as well as new provisions aimed at tackling the misuse of geographical indications (GIs) that hinder the sale of U.S. cheeses relying on common food names, including varieties widely produced in the United States, like mozzarella, cheddar and provolone.

With USDEC, NMPF submitted detailed comments on the USMCA to the U.S. International Trade Commission at the end of last year to help the administration analyze the agreement and ensure that dairy producers continue to have an important voice in the process. In 2019, NMPF will continue to drive home the need to implement the agreement in ways that maintain both the letter and the spirit of the deal.

Retaliatory Tariffs Harm Dairy



NMPF President and CEO Jim Mulhern speaks on PBS NewsHour about the impact of retaliatory tariffs on the dairy economy.

Parallel to NMPF's work to secure a positive USMCA result, the organization stressed the need to address the U.S. steel and aluminum tariffs that resulted in Mexico's corresponding retaliatory tariffs on U.S. exports like cheese, as well as finding a solution to the trade spat with China, in which U.S. tariffs have likewise spurred retaliation against U.S. dairy exports.

NMPF organized a letter to President Donald Trump in conjunction with the U.S. Dairy Export Council (USDEC) from dozens of dairy companies and organizations urging the removal of U.S. metal tariffs to secure the end of Mexican retaliatory tariffs on cheese. Throughout the year, NMPF seized every opportunity to show the administration and Congress the toll that Mexican and Chinese retaliatory tariffs were taking on U.S. dairy farmers and exports, including the release of independent studies on the economic damages dairy producers faced as the trade war dragged on. The organization discussed the benefits of freer trade with administration officials and spoke on the topic with media outlets, including the New York Times and PBS NewsHour. NMPF also connected reporters with farmer leaders to show the impacts of the trade war first-hand.

Over the summer, the U.S. Department of Agriculture (USDA) announced a tariff mitigation payment plan to

continued on page 10

continued from page 9

compensate for farmers' losses. NMPF and its member cooperatives began engaging with the department to urge them to put forth a package that truly reflected dairy's economic losses. However, the plan announced in late August fell short of addressing the significant damages faced by dairy farmers. NMPF continued to request further aid well into the fall season, before USDA announced another round of payments in December.

In 2019, NMPF will remain adamant about the need to restore normal trading conditions with Mexico and China and will continue to help members deliver a united message about the need to achieve this goal.

Positioning Dairy for Success in New Trade Treaties

As USMCA talks concluded, the Trump Administration took its first steps toward several new trade treaties. NMPF has staked out a clear pathway for how each of those agreements should be pursued to generate net benefits to the dairy industry, for which successful trade agreements are crucial to its future prosperity.

Japan



U.S. and Japanese officials announced in September the launch of new trade talks aimed at hashing out a bilateral agreement.

Ahead of the talks, NMPF and USDEC made the case that the United States shouldn't be constrained by Japan's market access provisions in its prior trade agreements, which, regarding some products, were quite modest. In communications with the U.S. Trade Representative (USTR), written negotiating recommendations submitted to the agency, and in hearings led by USTR and the U.S. International Trade Commission (USITC), NMPF

emphasized that "the results of a free trade agreement should be determined through the course of negotiations with the U.S. working to achieve the high-standard, market-opening outcomes outlined." This year brings fresh urgency to this goal as international competitors now have active free trade agreements with Japan, putting U.S. producers at a disadvantage in a key market.

United Kingdom



The prospect of growing the U.S. dairy industry's small footprint in one of the world's major dairy-importing markets drove NMPF to champion the

value of an ambitious trade agreement with the United Kingdom. However, to unlock a market that's currently dominated by European Union suppliers, NMPF emphasized to the Trump Administration that the UK needs sufficient independence from the EU to make its own policy decisions, so that tariff and nontariff impediments to U.S. dairy exports in that market can be uprooted. Despite the high level of uncertainty generated by the turmoil of Brexit, this will remain an area of opportunity for NMPF in 2019.

European Union



As the United States moved closer to kicking off trade negotiations with the European Union, NMPF moved swiftly to keep dairy

issues in front of negotiators. On the heels of a letter to USTR outlining its goals for the agreement, NMPF testified to the agency about leveling the trade playing field with Europe and easing America's \$1.4 billion dairy trade deficit. Rolling back the region's unscientific certification and compliance requirements and addressing cumbersome geographical indications that target common-name cheeses topped NMPF's priority list and will remain there into 2019.

Maintaining Markets and Keeping Doors Open Around the World



Staff from NMPF and USDEC attend an industry meeting in Chicago.

NMPF constantly works to anticipate emerging trade barriers and prevent them from constraining the global opportunities that dairy cooperatives need to grow milk demand. Here are some of the critical issues NMPF tackled in collaboration with the U.S. Dairy Export Council in 2018:

South America



Building on years of successful engagement with colleagues in Latin America, NMPF staff supported USDEC in launching a partnership

with Latin America's regional dairy organization, FEPAL, to work together on international policy proposals and standards that pose a common threat to both dairy sectors. Among those topics was a misguided focus in international forums on policies that could have proven harmful to child nutrition and global dairy consumption. In response to NMPF outreach – together with USDEC and other industry partners – the U.S. government called for approaches that would more reliably support solid nutrition outcomes for mothers, infants and young children. Through NMPF's work in Latin America, governments in the region defended dairy and supported an approach that would yield more

nutritional benefits for consumers, particularly children. Those collective efforts paid off in delivering an international resolution devoid of anti-dairy language.

China



Early in 2018, NMPF and USDEC succeeded in convincing the Chinese government to lower its cheese tariffs to help bridge

the gap between the rates paid by U.S. exporters and Oceania suppliers benefiting from their countries' agreements with China. That progress stalled when China responded to newly imposed U.S. import tariffs by slapping retaliatory tariffs on a wide range of U.S. dairy exports. Despite those duties, U.S. dairy sales to China hit record highs in 2018. NMPF supported that success through numerous visits to China and meetings with government leaders in both countries that emphasized the U.S. industry's long-term commitment to the market and the need to ease trade-impeding regulatory constraints.

Asia/Pacific



With the standoff with China in the background, NMPF expanded efforts to shore up trade in Southeast Asia, a region that collectively

accounts for more U.S. dairy exports than China. A good example of how that can bolster NMPF's work to preserve exports can be seen in Indonesia: Working with a new team of in-country policy experts hired by USDEC, NMPF tackled a market barrier in Indonesia both locally and in Washington to preserve U.S. sales of over \$130 million. While coaxing cooperation from Indonesia, the groups wielded the threat of tariff preference revocation through use of a new process by USTR to review trade-partner actions. In response, Indonesia revised the problematic trade-distorting regulation.

continued on page 12

continued from page 11

Standing Up for Common Food Names



The European Union's aggressive approach to confiscating common food names under the guise of geographical indications (GIs) made 2018 a challenging year. Still, NMPF staff, working through the Consortium for Common Food Names, coordinated industry actions to fend off several efforts by Europe and others to build GI roadblocks around the globe to impair U.S. sales — positive developments for common-name cheesemakers.

Efforts pursued by NMPF and CCFN included: Providing introductory remarks to an international address on the topic by Agriculture Secretary Sonny Perdue on the sidelines of last year's G-20 meeting; successfully working toward the USMCA's inclusion of a comprehensive framework for fighting future GI battles; beating back Italian efforts to impose new blockages on the use of asiago and gorgonzola in Canada; securing key victories for cheddar and mozzarella in Vietnam; and launching a campaign to reform the U.S. Patent and Trademark Office's approach to dealing with common food names.

NMPF Joins Dairy Groups to Launch Campaign on Dairy's Economic Impact

NMPF joined the U.S. Dairy Export Council (USDEC) and the International Dairy Foods Association (IDFA) to launch a year-long campaign titled "Got Jobs? Dairy Creates Jobs, Exports Create More," an effort to promote the U.S. dairy industry as a job-creating and exports machine.

Aside from the role milk and other dairy products play in a healthy diet, less well-known is dairy's contribution to the health of the U.S. and individual state economies. The storytelling campaign aims to shine a brighter, data-driven spotlight on dairy's economic engine.

Starting last May, the three dairy groups began sharing in-depth data and compelling narratives featuring hardworking dairy farmers, innovative dairy company employees, resourceful retailers and many others throughout the food supply chain at its website, GotDairyJobs.org. The site offers longer written features, videos and data demonstrating dairy's continued impact on jobs, tax revenue and communities around the country. Using #GotDairyJobs, the groups continue to amplify the campaign on Twitter, Facebook and Instagram.

The campaign shows how sound trade policy increases dairy exports, bringing jobs and economic success to rural areas across the United States.





FDA Commissioner Scott Gottlieb: "An almond doesn't lactate, I will confess."

Regulatory Affairs

Almonds Still Don't Lactate, as Fake-Milk Fight Escalates

After decades of engagement on the issue, NMPF's quest to address mislabeling by non-dairy imitators reached a milestone in 2018 when the U.S. Food and Drug Administration (FDA) finally acknowledged that dairy standards are not being enforced.

Since 1979, NMPF has requested enforcement action against producers of non-dairy substitutes, but FDA has cited resource constraints as a reason for inaction, making the issue a low priority. NMPF continued its requests, escalating them with the introduction of the DAIRY PRIDE Act legislation. In 2018, NMPF continued to file complaints and met with FDA senior leadership several times.

Finally, in July 2018, FDA Commissioner Scott Gottlieb made several comments that indicated the agency's stance on the issue: "An almond doesn't lactate, I will confess." Two weeks later, he recognized the need for clarity in fake-milk labeling, stating that the nutritional differences between real milk and imitators could pose a public health risk.

On Sept. 28, FDA officially opened a public comment docket titled "Use of the Names of Dairy Foods in the

continued on page 14

continued from page 13

Labeling of Plant-Based Products.” Originally open for just 60 days, NMPF sought and was granted an extension until Jan. 28, 2019.

NMPF rallied its members, industry leaders and consumers to submit comments on the need for agency action. NMPF created a special webpage, complete with an instructional video and talking points to guide commenters through the process. A social media campaign remained active going into the new year, with refreshed graphics, ad promotions and NMPF’s first-ever Twitter chats, which spread the campaign across social media and the agriculture community. NMPF also shared research conducted by Dairy Management Inc. probing consumers’ thoughts on the issue. Commissioned in the summer of 2018, an IPSOS survey found:

- 77 percent of consumers believed that almond-based drinks had as much or more protein per serving than milk, even though milk has eight times as much protein.

- 53 percent said they believed that plant-based food manufacturers labeled their products “milk” because their nutritional value is similar.



NMPF created a variety of graphics that helped illustrate its fight to defend accuracy in dairy food labeling.

- Among consumers who solely purchase plant-based beverages, 68 percent strongly or somewhat agreed that those drinks have the same nutritional content as milk.

NMPF has submitted over a dozen materials to highlight the problem and explain why FDA must enforce labeling regulations that limit the use of standardized dairy terms to products that come from an animal. A standardized dairy food, NMPF has argued, is defined by its inherent characteristics, including how and where it is sourced, its sensory attributes and its performance properties.

Current labeling practices create false impressions about the nutritional value of non-dairy products that appropriate dairy terms, as

well as their usefulness as a cooking ingredient and other considerations. Imitators’ placement next to dairy products in grocery stores add to this misperception.

continued on page 15

continued from page 14

While most consumers know that a plant-based beverage doesn't contain cow's milk, research released in October by the International Food Information Council Foundation showed that one-quarter of consumers either thought almond beverage contained cow's milk or weren't sure.

For coconut, rice and cashew drinks, percentages were even higher. NMPF also fielded a brief survey that found that consumers – by a nearly 3-to-1 margin – want FDA to enforce existing regulations and prohibit non-dairy beverage companies from using the term “milk” on their labels. Further IPSOS research in January found that 61 percent of consumers believe FDA should restrict non-dairy beverage companies from using the term “milk” on their products. Only 23 percent said FDA should not limit the term “milk” to dairy products, while 16 percent were uncertain.

The closure of FDA's fake-milk docket concluded one phase of the fight. The next one began in February 2019, when NMPF offered FDA a “road map” that would resolve the issue in favor of consumers, transparent regulation and dairy integrity. NMPF also worked with members of Congress to re-introduce the DAIRY PRIDE Act, a legislative remedy should FDA not respond with sufficient speed or clarity.

NMPF will continue to pressure FDA to act as it considers public comment, remaining active in traditional and social media, as well as working with congressional allies to pursue potential legislative courses of action.

NMPF also continued to lead on the broader issue of how food imitators should be identified in the marketplace, submitting comments on regulating foods produced using cell-culture technology in September. This tied the fake-milk fight to the broader issue of standards of identity, one in which NMPF has found allies across agricultural organizations. As standards of identity become crucial to safeguarding product quality in the marketplace, NMPF will continue to serve as a leader for dairy and all agriculture in this important area.

Final Bioengineered Food Disclosure Standard Reflects NMPF Stance on Feed



Bioengineered food labels as proposed by USDA.

On Dec. 20, the U.S. Department of Agriculture (USDA) unveiled its long-awaited bioengineered food labeling rule, detailing federal standards on how companies should disclose the presence of bioengineered ingredients in their products.

NMPF led dairy efforts on bioengineered food labeling that resulted in Congress passing legislation in 2016 requiring setting labeling standards. The Bioengineered Food Disclosure law includes a provision exempting animal feed supported by NMPF, as well as a definition for bioengineered foods allayed dairy concerns about regulation that could be overly prescriptive.

USDA's final rule requires that packages of food that contain bioengineered ingredients include one of four disclosure options by January 2022: a USDA-selected logo that is a picture of a field with the letters “BE”; the phrase “bioengineered;” a QR code; or a text message.

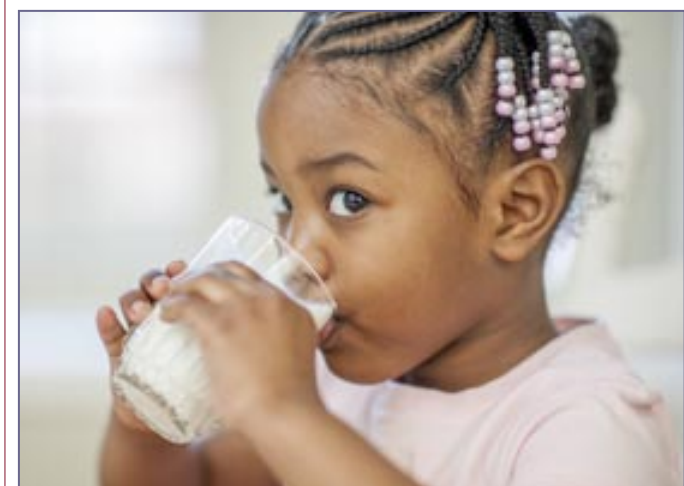
The rule defines bioengineered foods as those that contain detectable genetic material that has been modified through certain lab techniques and cannot be created through conventional breeding or found in nature. The implementation date for the rule is Jan. 1, 2020, except for small food manufacturers, whose implementation date is Jan. 1, 2021. The mandatory compliance date is Jan. 1, 2022. Regulated entities may voluntarily comply until Dec. 31, 2021.

continued on page 16

continued from page 15

The rule reiterated that feeding animals bioengineered grains has no effect on their meat or milk, and therefore they are not subject to labeling. In the final rule, USDA stated that under a voluntary disclosure it would be inappropriate to consider that same meat or milk as being “derived from bioengineering.”

Regulatory Changes Allow More Milk Options in Schools



Agriculture Secretary Sonny Perdue announced in 2018 that the U.S. Department of Agriculture (USDA) would return low-fat (1%) flavored milk to school cafeteria menus as part of the National School Lunch and School Breakfast programs. In December, the final rule implementing the regulatory changes needed to add more milk options was published in the Federal Register.

The final rule makes permanent the changes Secretary Perdue implemented in 2017 to streamline the process by which schools can serve low-fat flavored milk.

USDA’s own studies have shown that students drank less milk after low-fat chocolate milk was removed from schools. In 2012, USDA eliminated low-fat flavored milk as an option in school meal and a la carte programs,

after which milk consumption in schools dropped. Students consumed 288 million fewer half-pints of milk from 2012-2015, even as public-school enrollments grew.

NMPF has advocated for low-fat flavored milk’s return to school menus to ensure that more children gain the benefits of milk consumption early in life. Milk has been an integral part of school meal programs since they began, and greater milk consumption equals better nutrition for America’s kids.

The USDA action came in part thanks to the bipartisan efforts of numerous members of Congress who advocated for the change, including Reps. Glenn ‘GT’ Thompson (R-PA) and Joe Courtney (D-CT).

EPA Proposes Replacement of WOTUS Regulation



After years of uncertainty and ambiguity regarding the Waters of the U.S. (WOTUS) rule, in late 2018 the U.S. Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers proposed what should be an understandable definition of what constitutes “waters of the United States” under the Clean Water Act.

A more straightforward definition would result in significant cost savings, protect the nation’s navigable waters, help sustain economic growth, and reduce barriers to business development. It would also provide clarity, predictability and consistency so the regulated community can easily understand where the Clean Water Act applies.

continued on page 17

continued from page 16

The proposal would replace the 2015 definition with one that provides states and landowners with more certainty to manage their natural resources and grow local economies. Under the new plan, a farmer should be able to look out of a truck and understand whether nearby water is federally regulated, without relying on lawyers and consultants, according to EPA.

Under the agencies' new proposal, traditional navigable waters, tributaries to those waters, certain ditches, certain lakes and ponds, impoundments of jurisdictional waters, and wetlands adjacent to jurisdictional waters would be federally regulated. It also explains what are not "waters of the United States," including features that only contain water during or in response to rainfall (e.g., ephemeral features), groundwater, many ditches (including most roadside or farm ditches), prior converted cropland, stormwater control features, and waste treatment systems.

NMPF filed comments when the 2015 rule was being promulgated that were largely ignored. The organization submitted comments again in 2017 and 2018, advocating that the 2015 rule be replaced with a new rule. The 2018 proposal was unveiled at an exclusive meeting at EPA's headquarters on Dec. 11, attended by NMPF, other agriculture groups and nearly two dozen members of Congress.

NMPF is scrutinizing the current proposal and will file comments that make note of any concerns and points of agreement.

NMPF Supports EPA Efforts to Make Permanent Manure Air Emission Exemption



In mid-December, NMPF expressed support for the U.S. Environmental Protection Agency's (EPA) moves to permanently end the reporting of manure air emissions under the Emergency Planning Community Right-to-Know Act (EPCRA), an effort that continues into 2019.

In 2008, EPA issued a rule limiting the reporting of ammonia and hydrogen sulfide air emissions from manure at Concentrated Animal Feeding Operations (CAFOs). Litigation ensued for nearly a decade. The U.S. Court of Appeals for the District of Columbia eliminated the rule, which limited the scope of reporting air emissions from manure, in April 2017, disappointing NMPF. Both EPCRA and the Comprehensive Environmental Response and Liability Act (CERCLA) statutes were designed to assist government agencies in identifying releases of hazardous substances and facilitate remedial action.

NMPF has argued that requiring farmers to report air emissions from manure under either law impedes responses to actual emergency releases by creating paperwork backlogs and using resources that should be used for such emergencies. The emergency response community opposes receiving manure air emission reports

continued on page 18

continued from page 17

under EPCRA. The U.S. Coast Guard, which receives hazardous release reports under CERCLA, also opposes receiving such reports.

NMPF has argued that the statutes were designed to assist government agencies in identifying releases of hazardous substances and facilitate remedial action, and that manure air emissions did not warrant such action. NMPF and other agriculture groups worked in 2018 to inform Congress of the ramifications of the court's ruling.

Congress passed the bipartisan FARM Act, which ended air emissions reporting under CERCLA, as part of an omnibus bill early in 2018. Meanwhile, EPA issued an interpretation that reporting was unnecessary under EPCRA, a position NMPF publicly supported. In the fall of 2018, EPA issued the proposed rule codifying its interpretation and solicited comments.

In comments filed Dec. 14, NMPF pointed out language from a 1986 report on EPCRA that clarified that air emissions reporting for these types of releases is unwarranted and contrary to what Congress intended.

NMPF also took issue with a March 13, 2018, Congressional Research Service (CRS) memorandum regarding a supplemental analysis of the FARM Act discussing three situations in which reporting is required under Section 304 of EPCRA, arguing that one of those sections requires no reporting, based on legislative history from 1986.

Environmental activists have initiated litigation regarding EPA's interpretation that manure air emissions are not reportable under EPCRA. NMPF is hopeful that its support of common sense, as well as the history of the law, will provide EPA with stronger evidence to rebut activists' assertions.

U.S. Dairy Industry Leads on Antibiotic Stewardship



NMPF played a critical role in demonstrating the U.S. dairy industry's commitment to the responsible and prudent use of antibiotics in 2018, a year in which antibiotic use in livestock products remained a global concern. At several major conferences on antibiotic use, NMPF advocated on behalf of dairy producers to help farmers maintain the responsible use of antibiotics in dairy cattle for treatment, control and prevention of disease.

Several NMPF member cooperatives tapped the organization's expertise on the issue in 2018 as dairy customers continued to ask questions and seek corroboration about on-farm pharmaceutical use. NMPF offered responses to responsible sourcing questionnaires circulated to cooperatives by their processors and retailer clients. One of NMPF's primary tools to foster proper antimicrobial stewardship is its drug residue avoidance manual, which was updated in 2018 and distributed across the industry. Antibiotic stewardship is one of four program areas within the National Dairy Farmers Assuring Responsible Management (FARM) Program.

Among FARM's activities within the public-health community, NMPF highlighted the program before the Presidential Advisory Council on Combating Antibiotic-Resistant Bacteria (PACCARB), and joined more than 100 organizations, the

continued on page 19

continued from page 18

U.S. Department of Health and Human Services (HHS) and the Centers for Disease Control and Prevention (CDC) as part of the Antimicrobial Resistance (AMR) Challenge, a yearlong effort to accelerate the fight against antimicrobial resistance across the globe.

The AMR Challenge is an educational effort that focuses on reducing antibiotics and resistance in the environment; improving antibiotic use, including ensuring people can access these medicines when needed; developing new vaccines, drugs and diagnostic tests; improving infection prevention and control; and enhancing data sharing and data collection. NMPF committed to the challenge through the FARM Program and its involvement in ensuring high-quality animal care.

In December, NMPF joined other food and farm groups in developing and endorsing a comprehensive Antibiotic Stewardship Framework. The framework, the product of a two-year dialogue among stakeholders directed by the Pew Charitable Trusts and the Farm Foundation, helps ensure that antibiotics are used prudently throughout production to protect animal and public health.

The framework defines effective stewardship, lays out its core components and describes essential characteristics of effective stewardship programs, including key performance measures. The U.S. dairy industry's commitment to the framework and to responsible antibiotic use aligns with the Animal Care and Antibiotic Stewardship program areas of the FARM Program.

NMPF also represented U.S. dairy interests as a Codex stakeholder as the international food standards organization further delved into antibiotic use in the livestock sector. Thanks to NMPF's year-long effort coordinating with the U.S. delegation and engaging with the International Dairy Federation through comments and meetings, the CODEX task force on antimicrobial resistance advanced key definitions that protect preventive uses of antibiotics and

do not restrict ionophores — antibiotics not used in human medicine but used in dairy cattle. The task force also removed potentially trade-restrictive classifications that could have been abused to limit exports of U.S. dairy products. This work was made possible through support from the U.S. Dairy Export Council.

Annual FDA Drug Sales and Residue Report Finds Continued Progress



In what has become an annual affirmation of dairy farmers' commitment to keeping antibiotic residues out of the milk supply, the 2018 U.S. Food and Drug Administration (FDA) report tracking residue levels continued to show a decline in raw milk samples testing positive for drug residues.

Released last December, the *2018 National Milk Drug Residue Data Base* survey found that only 0.010 percent of all bulk milk tankers — or 1 in 9,900 loads — showed any sign of animal antibiotic drug residues. On-farm vigilance in following drug withdrawal times has led to a steady decline in detectable antibiotic residues, with 2018's figure falling from an already low level of 0.028 percent in 2008, a decline of over 65 percent in the last decade. All milk loads are tested for antibiotics. Any tanker that tests positive for a drug residue is rejected before entering a dairy plant and does not enter the market for human consumption.

In December, FDA announced that domestic sales and distribution of all medically important antimicrobials intended for use in food-producing animals decreased by 33 percent between 2016-2017. This reduction in sales volume indicates that ongoing efforts to support antimicrobial stewardship are having a significant impact.

NMPF Staff, Programs Highlighted at World Dairy Summit in South Korea

NMPF played a leading role at the 2018 International Dairy



Federation (IDF) World Dairy Summit (WDE) in Daejeon, South Korea, in October.

The IDF is considered the only organization representing the entire dairy value chain at a global level. The annual event

draws more than 1,500 delegates, including dairy experts, academics, government officials and those involved in the dairy value chain.

During the event, NMPF representatives used committee discussions to push for priorities designed to help dairy producers cope with global challenges, including low prices, trade barriers and unscientific policies related to dairy consumption.

Export markets are an increasingly important destination for U.S. dairy, NMPF President and CEO Jim Mulhern said. But significant tariff and non-tariff barriers persist that prohibit U.S. farmers from serving global markets to the fullest benefit of the world's consumers, he said, ranging from retaliatory tariffs against U.S. dairy goods to misuse of geographical indications as a vehicle for unfair trade.

Speaking on a trade-focused panel discussion alongside counterparts from the EU and New Zealand, Mulhern discussed changes in U.S. agricultural trade policy and told the international audience to expect the U.S. to push harder to knock down protectionist trade barriers. "The world's consumers will benefit from freer and fairer trade in dairy and other agricultural products, and this increased consumer demand will benefit the world's dairy producers," he said.

Shawna Morris, who serves as chair of the U.S. delegation to IDF, was the U.S. delegate at the U.S. IDF's General

Assembly meeting, which included discussions of topics of high priority to the dairy industry. She also represented the United States at the IDF meeting on Dairy Policies and Economics, and secured advancement of two USIDF proposals on certain areas of trade impacts.

Jamie Jonker, who serves on the IDF's Science and Program Coordination Committee, which oversees and guides the organization's work areas, presented information highlighting the U.S. dairy's industry's strong animal care and sustainability story.

NMPF also spotlighted the U.S. dairy industry's successes with the National Dairy Farmers Assuring Responsible Management (FARM) Program and in emergency preparedness through seven poster presentations. Those posters included:

- Tracking On-Farm Greenhouse Gas Emissions in the United States – recognized as "Outstanding Poster Presentation"
- The Secure Milk Supply Plan for Continuity of Business in the Event of an FMD Outbreak in the United States – recognized as "Best Poster Presentation"
- The United States National Dairy FARM (Farmers Assuring Responsible Management) Animal Care Program
- The impact of tie stall facilities on dairy cattle welfare and the broader United States dairy industry
- National Dairy FARM Program Accredited to International Standards Organization Animal Welfare Technical Standard
- Antibiotic Stewardship in the United States Dairy Industry
- Development of educational materials to advance human resources and safety outcomes on U.S. dairy farms.

Before the summit began, NMPF staff represented U.S. dairy farmers and cooperatives in several meetings on topics including international trade, standards of identity, farm management issues, antimicrobial stewardship, animal health, environment and sustainability, food safety, and animal care.



FARM Program

FARM Obtains World Recognition Through ISO Certification



Last February, the National Dairy Farmers Assuring Responsible Management (FARM) Program became the first livestock animal care program in the world to be recognized internationally for its industry-leading animal welfare standards.

The U.S. Department of Agriculture affirmed that FARM complies with the animal welfare requirements within the International Organization for Standardization (ISO).



ISO, an independent, international standards-setting body, works with the World Organization for Animal Health (OIE) to help farmers and animal welfare programs determine how to implement species-specific animal welfare standards. ISO compliance means that dairy customers both here and abroad can safely trust that their products meet the stringent, internationally recognized animal welfare standards set by the OIE. This recognition becomes even more critical as nearly 16 percent of U.S. milk production is exported to foreign customers.

continued on page 22

continued from page 21

After a lengthy assessment process, the FARM Program now has prestigious, independent corroboration that its science-based approach to high-quality animal care sets the standard for the dairy value chain in the United States and around the world.

FARM Launches First Farmer Advisory Council

The FARM Program announced in the fall the members of its inaugural Farmer Advisory Council. Their personal farm experiences will help provide guidance and input for consideration into the FARM Program’s ongoing and future development.

Coop/Processor	Name
Agri-Mark	Nate Chittenden
California Dairies Inc	Tony Louters
Cayuga Marketing	Jeremy Brown
Darigold	Dan DeGroot
Dairy Farmers of America	Brian Hardy
First District Association	Duane Laveau
Foremost Farms	Kristiphr Scheider
Grande Cheese Company	Sandy Larson
Hilmar Cheese Company	Frank Dinis
Land O’ Lakes	Stuart Hall
Land O’ Lakes	Deb Reinhart
Maryland Virginia	Jim Biddle
Maryland Virginia	Jennifer and Justin Malott
Organic Valley	Leon Corse
Select Milk Producers	Mike Visser
Southeast Milk Inc.	Sutton Rucks
Tillamook	Mike Prince
United Dairymen of Arizona	Jim Boyle

The dairy producer-members represent diversity in farm management style, experience, geographic location and

cooperative-processor membership. Their council appointment also makes them ambassadors and liaisons for the FARM Program, as well as champions for the program within other organizations and in their communities. Each council member will serve one, three-year term.

The council members were chosen by a selection committee comprising members of the FARM Technical Writing Groups and FARM Program staff based on their ability to meet the outlined expectations.

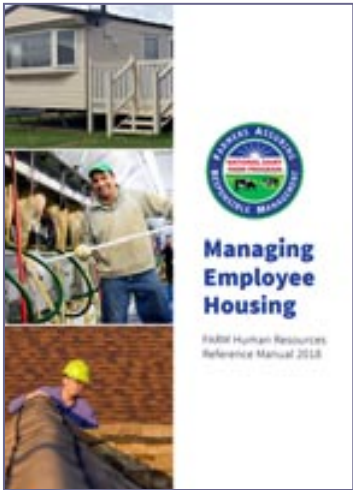
Newest Program Area Focuses on Workforce Development

The FARM Program launched its newest program area in 2018: Workforce Development. The initiative gives U.S. dairy farm owners and managers educational tools that offer best

management practices around human resources – including hiring, training, and supervision – and worker health and safety.

FARM Workforce Development benefits from the expert and stakeholder input gathered through its Task Force and Working Groups. Farmers, cooperative staff, academics and other subject matter experts have reviewed, recommended and provided counsel on the program area’s resources. This reliance on stakeholder input ensures that the Workforce Development materials are technically robust and relevant to today’s dairy industry.

For the worker safety portion of the initiative, FARM is collaborating with the Idaho Dairymen’s Association (IDA)



The Guide for Managing Employee Housing promotes safe, clean and comfortable living spaces for dairy farm workers.

continued on page 23

continued from page 22



Legal fact sheets summarize laws and regulations on a variety of human resource issues.

to develop a best-in-class safety resource for dairy farm owners and managers. IDA's Dairy Workforce Training & Safety Program Oversight Board includes representation from dairy farm employees to provide the worker perspective when developing resources.

Throughout the year, the FARM Workforce

Development Task Force and Working Group members developed outstanding resources, including the following, with more to come in 2019.

- Legal fact sheets that summarize laws and regulations on a variety of human resource issues for dairy farms,

including wages, paystubs, wage deductions, youth employment and more;

- The Guide for Managing Employee Housing covers legal considerations and management recommendations to promote safe, clean and comfortable living spaces for dairy farm workers;
- The Human Resource Reference Manual (coming in 2019) covers best practices and recommendations around hiring, communication, training and management, wages/payroll, performance management and more;
- The Safety Reference Manual (coming in 2019) introduces dairy owners and managers to components of safety management, legal considerations, addressing on-farm hazards, and how to implement a training program; and
- Self-assessment checklists are included in both manuals that dairies can use to gauge their current strengths and identify areas for improvement.



Cooperatives Working Together

CWT Helps Members Export Equivalent of 1.4 Billion Pounds of Milk

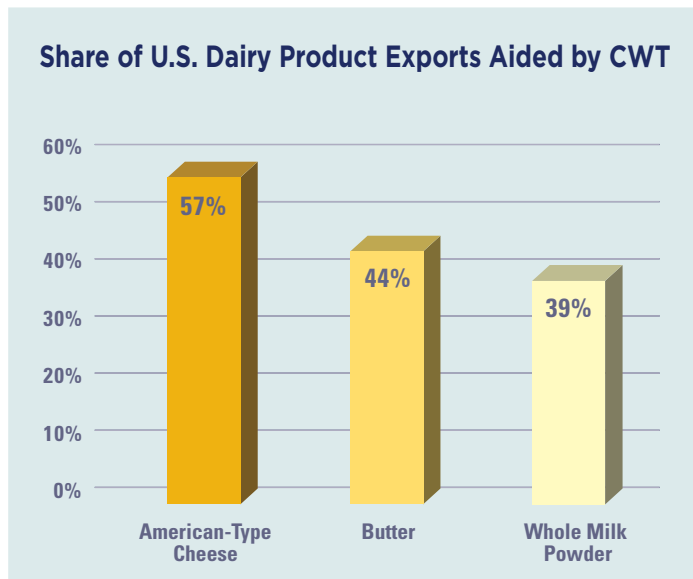
In 2018's tumultuous trade arena, the Cooperatives Working Together program (CWT) helped member cooperatives compete for sales contracts in key export markets around the globe. By year's end, 131.5 million pounds of cheese, butter and whole milk powder moved the equivalent of 1.37 billion pounds of milk overseas.



Each week in 2018, CWT conducted a comprehensive economic analysis of the 752 requests submitted by nine member cooperatives. Close to 600 assistance offers were accepted, helping members acquire 469 export sales contracts for 72.5 million pounds of Cheddar, Gouda and Monterey Jack cheeses; 80 sales contracts for 17.4 million pounds of butter; and 48 contracts for 41.6 million pounds of whole milk powder. These products were delivered to 149 customers in 33 countries on six continents. Asia was the destination for 73 percent of the cheese sales. The Middle East accounted for 40 percent of butter sales, and Asia again accounted for 78 percent of whole milk powder sales.

continued on page 25

continued from page 24



CWT benefits all U.S. dairy farmers and dairy cooperatives by helping to grow U.S. exports of cheese, butter and whole milk powder, thus helping members compete in those markets when world prices are below U.S. prices.

By focusing CWT assistance on products that most directly impact dairy farmers' milk prices, CWT sales over the last seven years have improved dairy farmer milk prices by an estimated average of \$0.36/cwt. per year – a return nine times the investment that CWT member producers have made in the program.

In 2019, CWT will continue implementing recommendations made during a strategic review of the program by making improvements designed to increase innovation, better address challenges in the current world market environment and increase collaboration with the dairy export efforts of the U.S. Dairy Export Council and Dairy Management Inc.

The challenges of a changing global marketplace make it more critical than ever that America's dairy farmers and cooperatives stand together to move product out of the country and into world markets in a broad-based and strategic manner. Assistance from CWT makes U.S. dairy a stronger competitor in international markets.

NMPF Board of Directors Votes to Renew CWT for 3 Years

During the summer, the NMPF Board of Directors voted to extend the Cooperatives Working Together (CWT) program through 2021, allowing the farmer-funded self-help program to complement the farm-level risk management tools in the 2018 Farm Bill. The extension has been instrumental in helping address new challenges and take better advantage of the opportunities in an increasingly dynamic global market.

CWT staff have since been working to implement the recommendations from a revised strategic plan developed during the renewal process. It focused on five key areas:

- Expanding product range to engage more shippers and customers;
- Adjusting the bidding process to facilitate longer-term contracts with less reliance on spot commodity sales;
- Encouraging expansion of sales into higher-value products in retail and foodservice channels;
- Improving market intelligence on prices and market needs; and
- Maximizing collaboration, when appropriate, with other farmer-funded efforts, such as USDEC and DMI.

These changes will help CWT market a wider array of products to more customers with a longer-term perspective. This will increase the self-help initiative's shift from boosting spot sales to helping members identify and cultivate customers with a more strategic mindset. This strategy will help put U.S. dairy exports back on a multi-year expansion path.



NMPF partnered with Funny or Die to take a humorous look at food labeling.

Other NMPF Activities

Peel Back the Label Continues to Target Misleading Food Marketing



NMPF made significant progress in 2018 in confronting one of the most important marketing challenges in the food sector: misleading, fear-based advertising that demonizes modern food production. In the

second year of the Peel Back the Label (PBTL) campaign, NMPF and member cooperatives continued to call on food marketers to be more honest and transparent in their merchandising.

PBTL has established itself as a go-to resource for consumers and thought leaders concerned about deceptive tactics being deployed by food companies to boost profits. As a result, the 16-month-old campaign has quickly built a robust, highly engaged online community that regularly interacts with content, shares messages and independently pushes back against detractors who attempt to spread misinformation.

PBTL grew to 24,000 regular social followers in 2018, creating six million social media interactions that

continued on page 27

continued from page 26

engaged thought leaders across digital platforms. Specific activities included:

- Extensive engagement with brand-specific case studies, consistently the most popular type of content posted on social media, based on likes and shares;
- More than one million views of the viral Funny or Die video that humorously skewered food marketers for using deceptive labeling to confuse or scare consumers into buying their products, broadening the PBTL audience;
- Motivating responses from several brands – including Bertolli Olive Oil, Wild Planet Tuna, Pompeian Olive Oil and more – reacting to PBTL content highlighting their deceptive or misleading labeling practices; and
- A decision by one company – Clover Leaf Seafood – to remove the Non-GMO Project label from its canned seafood, given that no bioengineered versions of any seafood are available to consumers.

The narrative gained further traction as PBTL regularly secured coverage in national, industry, niche and regional news outlets. This included coverage in publications like the Los Angeles Times, USA Today, PR Week, Food & Wine and Parents magazine.

PBTL also partnered with outside thought leaders and experts to craft content for several publications, including two op-eds by former Agriculture Secretary Tom Vilsack in U.S. News & World Report and The Hill. These articles helped the campaign's narrative reach national and

regional audiences in ways that affected the discussion on misleading labeling.



Above are several of the bad actors that continue to employ misleading labeling practices. On the bottom right are brands that are doing it right.

The Agriculture Department's new rule on bioengineered food disclosures – released in 2018 – will alter the use of biotech terms in the marketplace. Still, the new regulation doesn't cover anti-GMO

labeling claims, making PBTL an essential activity in 2019 and beyond.

REAL® Seal Applies Content to Younger Audiences



Last year saw the REAL® Seal evolve its social media content to reach new audiences and appeal to changing consumer expectations about real, wholesome food. This included a greater variety of content for millennial consumers and an expanded focus on video content.

NMPF became the administrator of the REAL® Seal symbol in 2012 with the goal of remaking it for the social media age, boosting dairy sales and using the Seal to take on a growing list of imitation dairy products.

The REAL® Seal's marketing strategy in 2018 targeted both family and millennial shopping habits, with video a popular way to share the Seal's message. Content ranged from recipe videos to educational snippets on why dairy is superior to any imitator. In 2018, the Seal published close to 40 videos, totaling more than 284,000 video views. The

continued on page 28

continued from page 27



most popular video compared the nutrition in real milk to several imitators. Other popular videos included a comparison between real half and half and its imitation, as well as a play on a March Madness bracket featuring real milk and imitations.

Different approaches to Facebook content continued to attract engagement. Some posts asked questions and included polls to gauge users' interest and love for real dairy. The number of REAL® Seal fans climbed to a yearly total of 352,4995 – a 4-percent growth from last year. The most popular content type was REAL® Dairy Moments that celebrated how dairy fits into consumers' everyday lives.

To supplement its Facebook content, the REAL® Seal continued to fill its Pinterest page with recipe cards and brand spotlights. Companies that proudly display the REAL® Seal on their products garnered a lot of love through posts that shared recipes of their popular dishes. By the end of the year, the page attracted 2,940 followers with a total yearly growth of 5 percent.

2018 Annual Meeting Projects Hope in Difficult Economy

Nearly 800 dairy producers, cooperative leaders and industry stakeholders met in Phoenix in late October to attend NMPF's 102nd annual meeting, held in coordination with the national dairy checkoff. Low dairy prices, trade policy challenges and labeling of imitation dairy products were top of mind for many attendees.

Low prices that have caused hardship for producers over the past year served as the backdrop for meetings among organization members, directors and officers. Despite the economic challenges, NMPF Chairman Randy Mooney offered hope in his remarks before the NMPF Town Hall meeting. NMPF's results of the past year, including improvements to the dairy Margin Protection Program and a new trade agreement maintaining duty-free access



NMPF Chairman Randy Mooney presents his opening remarks at the 2018 Annual Meeting.

continued on page 29

continued from page 28

to Mexico and disciplining problematic Canadian dairy policies, give dairy farmers reason for optimism to meet challenges ahead, Mooney said.



NMPF President and CEO Jim Mulhern (far left) moderated a panel of dairy executives who discussed recent industry challenges.



Attendees once again enjoyed real dairy foods and treats from companies like Domino's, Pizza Hut and McDonald's.

"We always have problems to address and I'm always mindful we are all in a different financial place," Mooney said. Still, "I choose to look at the facts. American dairy farmers produce the most nutritious product known to man. We have a growing domestic market and a growing global market, we're increasing product innovation.

"I believe in the fact that we have the best dairy farmers in the world right here in the United States."

To help address the milk price squeeze, the NMPF Board of Directors passed a resolution at the meeting to ask



David Wasserman of the Cook Political Report was a speaker at the meeting.

President Donald Trump to recognize the significant economic losses milk producers are suffering because of the administration's implementation of Section 232 and 301 tariffs, which have resulted in retaliatory tariffs against U.S. dairy exports, particularly in Mexico and China.

"In light of the administration's decision to establish a program to compensate farmers for the damage caused by these retaliatory tariffs, we call on the president to direct the U.S. Department of Agriculture (USDA) to aid dairy producers at a level that reflects the damage they have caused," milk producers resolved.

NMPF staff also addressed questions and concerns on topics like regulatory affairs, trade policy and animal care during the Town Hall event. In his President's Remarks, Jim Mulhern discussed the U.S. Food and Drug Administration's (FDA) decision to open a public comment period to address the misleading labeling practices of plant-food companies that misuse dairy terms on their products.

"This is a really important issue. It started because of you," said Mulhern. "This is our best chance to address this issue. I implore all of you to join us in putting your effort into this issue. We can win this."

Mulhern also hosted a panel of dairy executives, including Mike Doyle, president and CEO of Foremost Farms USA;

continued on page 30

continued from page 29

Beth Ford, president and CEO of Land O'Lakes, Inc.; Ed Mullins, CEO of Prairie Farms Dairy; and Ed Townley, president and CEO of Agri-Mark. American Farm Bureau Federation President Zippy Duvall also spoke at the conference about the importance of working together to tackle issues including trade, regulations and farm labor.



The winner of the annual cheese contest went to Tillamook County Creamery Association for a smoked yellow cheddar produced in Tillamook, Oregon.

Duvall, Mooney and Dairy Management Inc. (DMI) chair Marilyn Hershey joined together in a panel discussion to offer their perspectives on many of the challenges and opportunities facing U.S. dairy farmers.

The NMPF Board of Directors also recognized outgoing board members at the meeting, including NMPF Board Treasurer and Land O' Lakes, Inc. Chairman Pete Kappelman. Four new members joined: Kent Herman, Dairy Farmers of America (DFA); Dennis Rodenbaugh, DFA; Nic Schoenberger, Land O'Lakes, Inc.; and Mike Visser, Select Milk Producers.

This year's event, hosted with DMI's National Dairy Board and the United Dairy Industry Association, also included the ever-popular Dairy Bar, featuring treats and promotional items from companies like Domino's, Pizza Hut and McDonald's, and the annual Cheese Reception spotlighting a large array of award-winning cheeses made by NMPF

member cooperatives. Young dairy leaders from the national Young Cooperator (YC) Program participated in their own programming and sold raffle tickets for NMPF's scholarship program, raising close to \$13,000.

In other meeting news, this year's top cheese award went to Tillamook County Creamery Association for a smoked yellow cheddar produced in Tillamook, Oregon. The 2018 contest featured 230 entries, totaling 2,967 pounds of cheese. The communications team at Land O' Lakes, Inc. won the overall "Communicator of the Year" award during NMPF's annual communications competition. And finally, the incoming 2019 YC Advisory Council selected its leadership: Paul and Nancy Pyle of Michigan Milk Producers Association were chosen as Chaircouple; Brian and Rachel Detwiler of Maryland & Virginia Milk Producers Cooperative Association were elected as Vice Chaircouple; and Taryn Martin of Tillamook was chosen as Secretary.

YCs Push for Action on Capitol Hill, Learn from Consumers In Phoenix



Josh and Emily Reinhardt meet their congressman, Rep. Mike Bost (R-IL) while in D.C.

NMPF's Young Cooperator (YC) Program continued to educate and inspire young dairy farmers to become leaders on issues critical to the U.S. dairy industry. A lobbying event in Washington, D.C., and a full day of presentations at NMPF's Annual Meeting helped drive home the need for a unified and strong voice within the industry.

continued on page 31

continued from page 30



The YC contingent from Missouri meets with staff from Sen. Claire McCaskill's (D-MO) office.

The National YC Program has been a key part of NMPF's activities for more than 60 years. The program builds leadership capabilities in younger dairy farmers as they plot the future course of the dairy industry. Many of today's national leaders, including several current NMPF board members, are former YCs. YCs from across the nation typically meet in Washington once a year, and then again at the Annual Meeting.



Members of the 2019 YC Advisory Council.

In June, farmers from all over the country visited their House and Senate members to discuss current challenges and priorities for improvement. YCs urged lawmakers to take immediate action on issues like the dairy safety net and trade policy. YCs also spoke from personal experience about the need for the U.S. Food and Drug Administration to restrict non-dairy imitation products from using dairy terms on their labels.

In late October, an even larger number of YCs attended NMPF's Annual Meeting at the JW Marriott Desert Ridge in Phoenix. A highlight of the day-long programming was a panel that allowed for dialogue between farmers and consumers. The group also enjoyed presentations on topics like diversifying farm operations, proactive marketing practices and dairy cow genetics. At the end of the day, the YCs relaxed with music, food and carnival games outside the hotel.

An advisory council provides leadership for the YCs. For 2018, members of the council included:

Chaircouple

Justin & Jennifer Malott
Maryland & Virginia Milk Producers
Cooperative Association

Vice Chaircouple

Josh & Emily Reinhardt
Prairie Farms Dairy

Secretary Couple

Nate & Jenny Elzinga
Michigan Milk Producers Association

Jeff & Allison Boon
Northwest Dairy Association (Darigold)

Will & Lauren Butler
Southeast Milk Inc.

Nate & Jill Chittenden
Agri-Mark, Inc.

Shelby Knevelbaard
Dairy Farmers of America

Corey & Kaitlyn Miller
Upstate Niagara Cooperative

Alex Ode
Land O' Lakes, Inc.

Jesse & Rachel Schroeder
Foremost Farms USA

Gregory White
Dairy Farmers of America

Two Graduate Students Receive NMPF Scholarships

NMPF's Scholarship Committee selected two graduate students to receive awards as part of the 2018 NMPF National Dairy Leadership Scholarship Program. These students are conducting research in areas that will benefit dairy cooperatives and producers.

Isaac Salfer



The 2018 Hintz Memorial Scholarship, given to the top scholarship candidate, was awarded to **Isaac Salfer**, a Ph.D candidate in animal science at Pennsylvania State University studying the effect of nutrient intake on circadian rhythms in the mammary gland of dairy cows.

Gustavo Mazon



A scholarship was also awarded to **Gustavo Mazon**, a master's candidate in animal science at the University of Kentucky who is studying the effects of yeast-derived microbial protein in transition dairy cows' health and production.

NMPF Officers

Randy Mooney – *Chairman*

Dairy Farmers of America

Ken Nobis – *1st Vice Chairman*

Michigan Milk Producers Association

Adrian Boer – *2nd Vice Chairman*

Northwest Dairy Association

Mike McCloskey – *3rd Vice Chairman*

Select Milk Producers, Inc.

Keith Murfield – *Secretary*

United Dairywomen of Arizona

Doug Nuttelman – *Assistant Secretary*

Dairy Farmers of America

Neal Rea – *Treasurer*

Agri-Mark, Inc.

Dave Scheevel – *Assistant Treasurer*

Foremost Farms USA

Jerrel Heatwole

Dairy Farmers of America

Kent Herman

Dairy Farmers of America

Neil Hoff

Dairy Farmers of America

Jackie Klippenstein

Dairy Farmers of America

Chris Kraft

Dairy Farmers of America

Randy Mooney

Dairy Farmers of America

Doug Nuttelman

Dairy Farmers of America

Jeff Raney

Dairy Farmers of America

Brian REXING

Dairy Farmers of America

Dennis Rodenbaugh

Dairy Farmers of America

Dan Senestraro

Dairy Farmers of America

Rick Smith

Dairy Farmers of America

Case van Steyn

Dairy Farmers of America

Greg Wickham

Dairy Farmers of America

John Wilson

Dairy Farmers of America

Scot Meyer

Ellsworth Cooperative Creamery

Jeff Lyon

FarmFirst Dairy Cooperative

NMPF Board Members

Neal Rea

Agri-Mark, Inc.

Sheryl Meshke

Associated Milk Producers, Inc.

Steve Schlangen

Associated Milk Producers, Inc.

Tom Beringer

Bongards' Creameries

Jimmy Kerr

Cooperative Milk Producers Association

Craig Edler

Dairy Farmers of America

Brian Hardy

Dairy Farmers of America

continued on page 34

continued from page 33

- Joe Becker**
First District Association
- Michael Doyle**
Foremost Farms USA
- David Scheevel**
Foremost Farms USA
- Beth Ford**
Land O'Lakes, Inc.
- Cornell Kasbergen**
Land O'Lakes, Inc.
- Levi Ransom**
Land O'Lakes, Inc.
- Nic Schoenberger**
Land O'Lakes, Inc.
- Jim Baird**
Lone Star Milk Producers
- Jay Bryant**
Maryland & Virginia Milk Producers Coop
- Joe Diglio**
Michigan Milk Producers Association
- Ken Nobis**
Michigan Milk Producers Association
- Dennis Tonak**
Mid-West Dairymen's Company

- Adrian Boer**
Northwest Dairy Association/Darigold
- Allan Huttema**
Northwest Dairy Association/Darigold
- Leroy Plagerman**
Northwest Dairy Association/Darigold
- Tony Graves**
Prairie Farms Dairy, Inc.
- Tom Pittman**
Premier Milk, Inc
- Mike McCloskey**
Select Milk Producers, Inc.
- Jonathan Vander Dussen**
Select Milk Producers, Inc.
- Mike Visser**
Select Milk Producers, Inc.
- Joe Wright**
Southeast Milk Inc.
- Leon Berthiaume**
St. Albans Cooperative Creamery
- Keith Murfield**
United Dairymen of Arizona
- Larry Webster**
Upstate Niagara Cooperative Inc.

NMPF Staff

Jim Mulhern

President & Chief Executive Officer

Nicole Ayache

Director, Sustainability Initiatives

Tom Balmer

Executive Vice President

Alan Bjerga

Senior Vice President, Communications

Paul Bleiberg

Vice President, Government Relations

Charlene Boulden

Executive Assistant to the President & CEO

Jaime Castaneda

Senior Vice President, Policy Strategy & International Trade

Clay Detlefsen

Senior Vice President, Environmental & Regulatory Affairs

Jack Epstein

Office Assistant

Chris Galen

Senior Vice President, Member Services & Strategic Initiatives

Khadija Gibson-White

Program Manager, Cooperatives Working Together

Jamie Jonker, Ph.D.

Vice President, Sustainability & Scientific Affairs

Louise Kamali

Senior Director, Meetings & Office Services

Gail Mobley

Senior Director, Finance & Administration

Shawna Morris

Vice President, Trade Policy

Lorena Tatusko

Office Services Assistant

Peter Vitaliano

Vice President, Economic Policy & Market Research

Emily Yeiser Stepp

Senior Director, FARM Program

Bobby Yi

Director, Information Technology

2019 Meeting Dates

NMPF Board of Directors Meeting

Monday, March 4 – Tuesday, March 5, 2019

The Ritz Carlton Pentagon City

Arlington, Virginia

NMPF Board of Directors & YC Meeting

Monday, June 3 – Wednesday, June 5, 2019

The Ritz Carlton Pentagon City

Arlington, Virginia

NDB/NMPF/UDIA Joint Annual Meeting

Monday, November 4 – Wednesday, November 6, 2019

Hyatt Regency New Orleans

New Orleans, Louisiana

2020 Meeting Dates

NMPF Board of Directors Meeting

Monday, March 9 – Tuesday, March 10, 2020

The Ritz Carlton Pentagon City

Arlington, Virginia

NMPF Board of Directors & YC Meeting

Monday, June 1 – Wednesday, June 3, 2020

The Ritz Carlton Pentagon City

Arlington, Virginia

NDB/NMPF/UDIA Joint Annual Meeting

Dates TBD

2019 NMPF Annual Meeting



Hyatt Regency New Orleans – New Orleans, Louisiana



