WEBVTT

1 "Antonia Giuliano" (3119036160)
00:00:01.442 --> 00:00:16.589
Nice G and A and everybody joining us online. Looks like we have quite a few people there. There's a lot going on with markets and dairy policy and there seems to always be and New York's kind of right in the middle of it, so we have some.

2 "Antonia Giuliano" (3119036160)
00:00:16.589 --> 00:00:36.589
Exciting things to talk about here today and I'm looking forward to it. You're over to commissioner Balls. Oh, well thank you. Welcome everyone. Feel like it's been a little while, but good to be back with all of you. I would guess I would say that as usual, there's NO shortage of thanks for us to think about or worry about.

3 "Antonia Giuliano" (3119036160)
00:00:36.589 --> 00:00:59.120
Or pay attention to but just being on the phone web meeting yesterday with Washington, I think that view continues to be a little bit foggy sometimes chaotic but it makes coming up to New or feel very comfortable and good where we have but some good things happening in there. We have some.

4 "Antonia Giuliano" (3119036160)
00:00:59.120 --> 00:01:21.710
Predictable things happening in our state. We have an excellent budget for agriculture, we've got some policies and programs we've been aware of and around for a while that we're gonna continue to do regardless, so I'm not gonna say any more, I think you've got a great agenda. Kind of looking forward to hearing what everyone has to say a lot of good topics here. So thanks for.

5 "Antonia Giuliano" (3119036160)
00:01:21.710 --> 00:01:25.110
I want to be in a part of this.

6 "Antonia Giuliano" (3119036160)
00:01:25.110 --> 00:01:45.110
Okay, great, thanks. So we'll just move on to the economic outlook and question answer and then is this the order that we're going to? We collapse. Well, I did what? I think I think I have some openings. Yeah. And.

7 "Antonia Giuliano" (3119036160)
00:01:45.110 --> 00:02:00.600
Liz is queuing up the PowerPoint, so just I can see it. We we don't have a clicker today, so Christine Jodie and Catherine I know you're on virtually if you could just give us some indication of when Liz can click to the next slide, we'll follow your cues.

8 "Antonia Giuliano" (3119036160)
00:02:00.600 --> 00:02:20.600
Okay, awesome. Thanks everybody. We all sort of provided some different topics here so we'll switch back and forth and say we need to, but just a quick introduction for myself, I know the opportunity to be here last time, but my name's Christine Brother. I'm with the DFA risk management team out of the Syricast new York office and I.

9 "Antonia Giuliano" (3119036160)
00:02:20.600 --> 00:02:40.600
Have the opportunity to work with producers and our given internal customers specifically on risk management all across the country. So I wanted to bring you some comments on what's happening on the supply side of the market. And I wanted to start here with your piece. I know these charts are kind of tough to see on the screen.

10 "Antonia Giuliano" (3119036160)
00:02:40.600 --> 00:03:00.600
But in general, more of these production has been stronger here recently. You can see I've got New York there as the larger chart on the left, and overall the NO pressure report we actually just got yesterday and year production of 1.8 % year over year, and that's.

11 "Antonia Giuliano" (3119036160)
00:03:00.600 --> 00:03:20.600
Continuing just a stronger trend there. Those red bars would be 2024, blue would be 2025 and then you can see the line would be 2026. So continuing a strong trend here in New York, but I would say somewhat moderate compared to some other country or other cities in the country and we'll look at that later.

12 "Antonia Giuliano" (3119036160)
00:03:20.600 --> 00:03:40.600
Little bit. Pennsylvania and Verman, more or less flat production overall Pennsylvania maybe down a bit. And so you can see that again represented here. On the next slide, I would say overall known production has been stronger, maybe not than expected recently, but certainly if we sat here a year.

13 "Antonia Giuliano" (3119036160)
00:03:40.600 --> 00:04:00.600
Years ago, I don't think we would have thought that should continue to find what the rate it is. We had another two plus percent, I think 2.5 actually was the May report we just got yesterday. It's being driven by a number of things, right? Obviously comes from how many cows you have and then how much they're making and both of those have been stronger.

14 "Antonia Giuliano" (3119036160)
00:04:00.600 --> 00:04:24.080
And the expectation is that that should hold for some of the year. If we just kind of go into the next chart, I think I was just listening to these don't have an interesting conversation about count numbers and and have our shortages and things like that. We do think that this count number has been the biggest maybe surprise on.

15 "Antonia Giuliano" (3119036160)
00:04:24.080 --> 00:04:44.080
Production side of the market. And if you just look at that chart on the left there, that represents the overall US steering herd, we're now up to like 9.6 million head and you just see the significant strength that's just kind of constant growth since the kind of tail or middle of 2024 there.

16 "Antonia Giuliano" (3119036160)
00:04:44.080 --> 00:05:04.080
A lot of that has come from planned expansions in other states, right? Other regions, particularly with Kansas, places like that. They knew that there was processing capacity coming those areas have been making adjustments on their verys to sort of be able to to sustain that. And so you do have this interest.

17 "Antonia Giuliano" (3119036160)
00:05:04.080 --> 00:05:36.919
Balance of like haffords are still not super available, but it's not that they don't exist. They are well there, they are part of an expansions and that's really what's causing one piece of what's causing the herd to continue to increase. I think 2nd piece here and we'll talk about this a little bit is that the beef market dynamics are encouraging dairy producers to keep cows a little bit longer, right? When you can get $1800 for your beef on dairy caps and it just makes it worthwhile to go through another lactation there. So you've got a much older hurt that all.

18 "Antonia Giuliano" (3119036160)
00:05:36.919 --> 00:05:56.919

So if we move just to focus on actually sorry I was gonna do the chart, yeah, the slider chart here. I think it is interesting to reflect that calling has been relatively lighter. One thing that we maybe expected to see as we got into the beginning of 2023.

19 "Antonia Giuliano" (3119036160)
00:05:56.919 --> 00:06:16.919
Prices did tighten up pretty considerably there Q4 and Q2 Q1. And this charts again a little bit tricky to see here, but the light blue represents 2026 compared to a couple other years there, and you can just see that 2026 is maybe a little bit higher than that green of 2020.

20 "Antonia Giuliano" (3119036160)
00:06:16.919 --> 00:06:50.929
Five a little bit more than last year, but as time's gone on that calling is really shrunk back down. So just not significant motion in that way that could lead us to think that this earth is gonna change course anytime soon. Ok, Lizzie you can go to the next right there. I I think it is worth talking about component production within this overall supply picture, so yes, you've definitely got more just straight up fluid mode, but you're also seeing producers do a better job of just creating more components there and this is having repercussions in a lot of things.

21 "Antonia Giuliano" (3119036160)
00:06:50.929 --> 00:07:10.929
Space across the country. Again, part of the conversation I was just listening to, but I think most of this is genetically driven, and so there maybe some changes that producers make as things get tight to sort of change that feet a little bit, but it's not expected to have a major impact. Again this the blue bar represents where we're.

22 "Antonia Giuliano" (3119036160)
00:07:10.929 --> 00:07:44.239
That in 2026, we just see just continued growth year over year on on solids overall. And really, I don't see anything that causes us to change significantly as we move forward. Here is a little bit of a wild card, something that we are watching for milk production and I think just overall dairy transmit into the rest of the year would be drought conditions, particularly as we look at west, right? A lot of the expansion, those kind of where those that hurt has really grown has been in those region.

23 "Antonia Giuliano" (3119036160)
00:07:44.239 --> 00:08:04.239
And we are starting to be concerned about some of those dryliness, what has certainly to feed availability, feed quality, and then even on on you know the general too. So just some things that we're watching. I think we're not in a concern yet when I talk to our producers out there in the western.

24 "Antonia Giuliano" (3119036160)
00:08:04.239 --> 00:08:32.299
They're watching it carefully, but they're not concerned quite yet. So, so we'll see what happens here over the rest of this time. I think overall though if you go to the next slide, the margin outlook continues to be pretty favorable for dairy producers, and we'll get to kind of an overall like northeast projection a little bit later, but when we look at feed, that feed cost has been lower. Obviously.

25 "Antonia Giuliano" (3119036160)
00:08:32.299 --> 00:09:02.659
Hopefully the drought has a potential to change that around but as everything sits right now, you feel relatively comfortable on farms from like a feed cost perspective and an overall margin perspective. And then if you go to the next slide, just to kind of finish up my northeast part or excuse me, my US perspective, I do think that this market continues to be an important thing to monitor as it lates to dairy and it sounds kind of silly, right? We just like a throw away, but it's it's really important. Dary press.

26 "Antonia Giuliano" (3119036160)

00:09:02.659 --> 00:09:22.659
To the Northeast are saying three to $5 a hundred weight of revenue they're generating from their cattle sales, and so that makes a really big difference if you're talking about like a $16 that makes it makes or break it quite a bit for our very producers, so something to certainly keep an eye on. That chart just.

27 "Antonia Giuliano" (3119036160)
00:09:22.659 --> 00:09:38.729
Gives you an idea of where the feeder cattle markets have gone and they've been whole taking this like upper 90 percentile for quite a while, a little bit UPS and downs, but just really strong. And fundamentally I would say that market is supported to stay strong for a little bit here.

28 "Antonia Giuliano" (3119036160)
00:09:38.729 --> 00:09:58.729
I want to just finish up with a couple of comments on global production because I I do think, you know, we we produce locally, but we are a global market that drives the commodity prices that build up into the and overall known production globally is really quite strong. This looks at.

29 "Antonia Giuliano" (3119036160)
00:09:58.729 --> 00:10:18.729
Some of the major exporting regions, so you got the EU, Artentina, Australia, new Zealand, and you can see that anytime that there's blue that represents just year over year inclines, and so when this I'm sorry increases, so when this was done, right, Europe was like 4.7 % higher Australia was 4.1.

30 "Antonia Giuliano" (3119036160)
00:10:18.729 --> 00:10:38.729
I'm dealing with 6 % higher, just much stronger milk flows coming out of other regions in addition to how strong we've been here in the US this all kind of comes together on the next slide here to give us just the strongest growth that we've seen on the production side in over ten.

31 "Antonia Giuliano" (3119036160)
00:11:13.639 --> 00:11:44.179
We need that market for those markets and I think that the more milk is out there that's competing for that, just the more difficult that's where he comes. So, the last thing I brought is just a little bit on some of the regional differences. Again, these charts are a little top on the screen, sorry, but in general European milk correction has started to come down a little bit from a much stronger than it was recently, and so we'll be watching that really closely especially as it relates to.

32 "Antonia Giuliano" (3119036160)
00:11:44.179 --> 00:11:59.845
Exports going forward. I think we're flipping to Catherine to talk just a little bit about some of the other factors on farm. Good afternoon, everyone.

33 "Catherine de Ronde" (3284608512)
00:11:59.845 --> 00:12:03.265
Can you hear me ok? Yes.

34 "Antonia Giuliano" (3119036160)
00:12:03.265 --> 00:12:06.208
All right, great. Thank you so much.

35 "Catherine de Ronde" (3284608512)
00:12:06.208 --> 00:12:24.799
So I'm gonna shift to talking about the demand side a little bit here, but I guess just one last slide I I had thrown in last minute here Christine, but sticking to the farm side is just, you know, keeping in mind when we look at farm margins, particularly when we focus in on the DMC margins, which tell a good.

36 "Catherine de Ronde" (3284608512)
00:12:24.799 --> 00:12:44.799
Story and a general trend of what's going on on farm. Those are only looking at the feed component, which of course is the most important but just to note that energy prices of course are are another watch out or wild cards so to speak, that have the potential and are impacting both.

37 "Catherine de Ronde" (3284608512)
00:12:44.799 --> 00:13:04.799
Both the consumer side of things as well as the farm side of things. So moving on to the next slide or two slides, here we go. So when it comes to the demand side of the dairy markets today, you know, there's four things on the screen here I'll talk about, but really there's two major buckets and the 1st three.

38 "Catherine de Ronde" (3284608512)
00:13:04.799 --> 00:13:24.799
Three fall into the 1st bucket that I will call just general health and wellness trends overall. You know, when we think about things like the whole mail for a healthy Kids Act, which was a great success that we've all collectively been working on for, well over a decade, this or the dietary guidelines.

39 "Catherine de Ronde" (3284608512)
00:13:24.799 --> 00:13:44.799
And you know, those are really regulation keeping up with what a lot of folks already knew and trends that we were seeing in consumer preferences already. But nonetheless, those were two really good wins that I think are supporting the dairy, the dairy market moving forward. GLP ones i'll throw in that same general.

40 "Catherine de Ronde" (3284608512)
00:13:44.799 --> 00:14:04.799
Category of health and wellness, but these, you know, really have taken our world by storm and the industry by storm and really serving as a catalyst to drive some trends that we're seeing in the food space, particularly in dairy. We'll talk in some of my comments about just the protein craze.

41 "Catherine de Ronde" (3284608512)
00:14:04.799 --> 00:14:24.799
If you're on a GLP one or if you're paying attention to some of these health and wellness trends, proteins protein is incredibly important. Dairy is benefiting from that. We have a great story to tell, you know, really conscious protein products that we have. So this is really playing into things, we'll talk.

42 "Catherine de Ronde" (3284608512)
00:14:24.799 --> 00:14:43.859
About that a little bit more. But 2nd bucket I think is really important from the demand side is just the export demand. So, here at home, domestically speaking, things are going just fine. We're, work sort of flat to a little bit above when it comes to domestic demand, but where we've seen.

43 "Antonia Giuliano" (3119036160)
00:14:43.859 --> 00:14:45.397
The US really shine.

44 "Catherine de Ronde" (3284608512)
00:14:45.397 --> 00:14:47.959
Has been on international.

45 "Antonia Giuliano" (3119036160)
00:14:47.959 --> 00:14:49.464
And so we're gonna talk a lot about.

46 "Catherine de Ronde" (3284608512)
00:14:49.464 --> 00:15:12.079
About that and Christine kind of teed it up for me. We are, the US dairy industry is well positioned to be a global powerhouse. She showed you in a previous slide, those major export excuse me, major production areas of of the world where we're seeing a lot of that milk come in. And for us, I think this is a really good story for us to tell. It's really.

47 "Catherine de Ronde" (3284608512)
00:15:12.079 --> 00:15:40.819
Really positions the US for a successful future. But what it also does, is, you know, put us more, you know, local farms being very much dependent upon global markets. And so what you'll hear in my comments as we talk about individual commodities is that in general, what we're seeing in the dairy space is that commodity prices are converging to the global market prices. And so to.

48 "Catherine de Ronde" (3284608512)
00:15:40.819 --> 00:16:00.819
Next time I think what we're seeing here today and we'll continue to see in the future is that milk checks are gonna be more driven on those global factors and less what's going on in our local and national economies. All right, next slide please. So I'm gonna take us through our four major pricing commodities.

49 "Catherine de Ronde" (3284608512)
00:16:00.819 --> 00:16:20.819
And I'm starting with a class four side of things. Class four prices have been a lot more exciting to watch than the class three side of things. So I'll focus my comments here. 1st starting with butter. Christine walked you through some of those milk production trends as well as the component trends that we are seeing. So we.

50 "Catherine de Ronde" (3284608512)
00:16:20.819 --> 00:16:40.819
We have NO shortage of butterfat thanks to producers, really making a huge focus in terms of genetics and otherwise to produce more fat and benefit their milk checks there. So we have plenty of butterfat that's making its way into butter production. You can see production is up 4.5 % in the latest report.

51 "Catherine de Ronde" (3284608512)
00:16:40.819 --> 00:17:08.149
From USDA. What I think is really interesting and kind of just calling out one big thing in each of these commodities is looking at, you know, again, talking about convergence of global prices and the importance of exports. With all of this excess production that we've had, we've had more production than what we consume, can consume domestically. And so we've been able to balance the market with exports.

52 "Catherine de Ronde" (3284608512)
00:17:08.149 --> 00:17:28.149
And in order to do that, we need to have a really healthy price gap when it comes to butter. So the US butter price has been far below that of our global competitors and that's been able to keep at that export product moving. Now, I will say, you know, part of that export success is that it's kept in.

53 "Catherine de Ronde" (3284608512)
00:17:28.149 --> 00:17:48.149
Inventories in check. You can see that inventories are down throughout this year, about eight and a half percent versus the prior year. I do wonder if this data is completely accurate. You know, sometimes quite often USDA has revisions to their data and I do wonder if perhaps those inventory numbers are.

54 "Catherine de Ronde" (3284608512)
00:17:48.149 --> 00:18:26.240
A bit lower than they should be. But nonetheless, I think our ability to export butter triple digits higher than we were

doing last year is a success story and it is keeping butter moving. From a price perspective, this is the typo here, looking out at the futures market for the remainder of 2026 butter prices are anticipated to be in the dollar 70 range. If you were to look out into 2027, what that's where we see a little bit more support and it goes up to a dollar 80. But noneth nonetheless, plenty of butter and price is staying low to make sure we can continue to.

55 "Antonia Giuliano" (3119036160)
00:18:26.240 --> 00:18:30.406
Export butter. Moving on to the next slide.

56 "Catherine de Ronde" (3284608512)
00:19:02.549 --> 00:19:22.549
Last time I looked at those percentages was going going overseas. So when it comes to non fat prices, the vast majority of the time the US price is going to be right at equal libram with what the global price is. There are times in history, 2025Q 42024 early 2025.

57 "Catherine de Ronde" (3284608512)
00:19:22.549 --> 00:19:42.549
Where, as an example when we had HPAI significant impact in California drove non fat production down, you know, there are blips in the screen or time periods where the US price can get out of sync with the global equilibrium price, but it never lasts too long. So when it came to 2020.

58 "Catherine de Ronde" (3284608512)
00:19:42.549 --> 00:20:02.549
Six, you can see the blue line there. The US price just took off. And so, you know, it stayed up longer than I think a lot of people were expecting, and I'll talk about that just a little. But nonetheless, when you see that sort of price movement when it comes to non fat, while it can be exciting, if you're watching the dairy markets, you know that it's probably.

59 "Catherine de Ronde" (3284608512)
00:20:22.549 --> 00:20:42.549
Fundamental reasons I think why we sell less non FAT being produced for a time period, but you can see that production has just been very, very strong as of recently up almost 10 %. But what really drove that, that price spike had to do with a major product recall, that took.

60 "Catherine de Ronde" (3284608512)
00:20:42.549 --> 00:21:02.549
A significant volume of non fat products off of the market. So in doing so that got us from the dollar 50 range kind of global market price up to $2.30. So this was significant to the marketplace drove class four prices up much higher than class three for a time period. There was.

61 "Catherine de Ronde" (3284608512)
00:21:02.549 --> 00:21:22.549
About a $5 gap there. But as I said, what's, you know, whenever this gets out of whack, it's only a matter of time and where we sit today, we are just about at that global market price with a little bit more to go into fall. So, do expect that we will be settling at the world market price. The futures have us in that dollar 55 range.

62 "Catherine de Ronde" (3284608512)
00:21:43.099 --> 00:22:03.099
Which one of us said, anyone have anything exciting to say about the cheese market and none of us did. It's really been quite status quo. So you can see production has been up on a total cheese basis and you know, domestically speaking demand has been about flat, but just like.

63 "Catherine de Ronde" (3284608512)
00:22:03.099 --> 00:22:26.044
The butter story sheet's exports have been driving the market and keeping inventories in check and just making sure that

she's just continues to flow overseas. You can see in the graphic on the right blue is in excuse me on the left, 2024 is in blue, 25 is in orange and you can see really starting in about Q2 2025, exports.

64 "Antonia Giuliano" (3119036160)
00:22:26.044 --> 00:22:28.124
Really started to.

65 "Catherine de Ronde" (3284608512)
00:22:28.124 --> 00:23:03.099
Take off and in 2026 they have not slowed down. So we're looking at about we've had some record exports when it has come to cheese, so this is really a great story to tell, but going back to my original comments and about demand, we need to make, you know, cheese prices are settling to that global market price. And what we've seen particularly when it comes to cheese, just like butter is that in order to keep those exports flowing, the US needs to be at a fairly significant discount to the global price somewhere in the 25 to 35 cent diff.

66 "Catherine de Ronde" (3284608512)
00:23:03.099 --> 00:23:23.099
Discount to really sustain demand. So, you know, last year we did see quite a bit of volatility when it came to cheese prices as we sort of figured out where we needed to be priced globally speaking. I think we've sort of learned what our sweet spot is. Unfortunately this is keeping US cheese.

67 "Catherine de Ronde" (3284608512)
00:23:23.099 --> 00:23:43.259
Prices fairly low, you know, today in the dollar 40 range, so not a great st great great story from the stance of pricing and how this impacts milk chests checks, but nonetheless, we are moving a significant amount of volume and keeping the market balance due to these exports.

68 "Catherine de Ronde" (3284608512)
00:23:43.259 --> 00:24:03.259
Last slide here, going to the next one is our last commodity pricing commodity looking at way, and this really gets to that bucket of health and wellness and this incredible craze for protein. We just can't get enough of it. It's in our lotte that's Tarbucks, it's in our, you name it.

69 "Catherine de Ronde" (3284608512)
00:24:03.259 --> 00:24:25.579
It's even in our chips sometimes. So what we see when it comes to milk checks is, it's dryway that is the pricing commodity that goes into milk checks and I don't think there's too much exciting when it comes to the fundamentals of dryway. We're seeing quite a bit of it being produced up almost 9.9 %.

70 "Catherine de Ronde" (3284608512)
00:24:25.579 --> 00:24:45.579
But what we're seeing is just great support Prices have been in this high, you know, between 65 and $0.70, really being supported by the entire way complex and the entire craze for protein. And so, you know, really great and incredible record high prices for high.

71 "Catherine de Ronde" (3284608512)
00:24:45.579 --> 00:25:13.669
High protein products such as WPC AD and WPI. You know, at this point in time, I would say there it's expected that at some point we will reach a tipping point where those prices can NO longer go higher. People start making decisions and, you know, changing formulations and and changing protein products and, you know, price, these high prices sort of kill off some demand. But at this point, I don't think there's an expectation that that demand.

72 "Catherine de Ronde" (3284608512)
00:25:13.669 --> 00:25:33.669

Going to dry off anytime soon. So prices look to be quite consistent again in that sort of 65 to 70 cent range for the foreseeable future, so feel pretty good about this commodity here. Alright, so I'm going to take a breath and I'm gonna hand it over to Jody to.

73 "Catherine de Ronde" (3284608512)
00:25:33.669 --> 00:25:41.178
Talk a little bit about how this protein phrase is showing up closer to home. Thanks catherine.

74 "Antonia Giuliano" (3119036160)
00:26:30.139 --> 00:26:50.139
And in producer pay. And so what we're looking at here is order one's class two utilization, which includes many of those high protein beverages and culture dairy products like yogurt, greek yogurt, and, and other high protein items that's in that fresh cultured space.

75 "Antonia Giuliano" (3119036160)
00:26:50.139 --> 00:27:10.139
And so the reason we, you know, I took the opportunity to include this here is that our order's actually seen new records be set, I believe in the last two months for that utilization number and so again something that class two which is sort of a steady issue goes for a very long time. This chart goes back to 2013I think you can see some.

76 "Antonia Giuliano" (3119036160)
00:27:10.139 --> 00:27:35.119
Similar, a little bit lower if you go back further in our history. But as we move towards these higher protein beverages and other high protein products, then those landing in class two at times can both be a support to the price or it can be a discount to the price depending on the market signals in the in the month that we're talking about. And so really this it probably warrants.

77 "Antonia Giuliano" (3119036160)
00:27:35.119 --> 00:27:55.119
Conversation from the organ, the different industry, and that's why I'm bringing it up here around, you know, what does this look like in the future? And so if you want to move to the next slide, the other kind of long term impact on order one as we start to think more broadly about kind of the markets here is in a.

78 "Antonia Giuliano" (3119036160)
00:27:55.119 --> 00:28:17.959
Apologies for the font sizes. What you're looking at here is what I like to talk about is manufacturing milk, and so it's manufacturing milk or class two, three, and four as a percentage of the overall order one utilization. And so when I 1st started, and I basically sound like the old person in the Room when I 1st started 16 years.

79 "Antonia Giuliano" (3119036160)
00:28:17.959 --> 00:28:46.309
Years ago, the class one utilization in order one was probably in the high mid to high forties percentage. We've actually set new lows over the past twelve to 18 months on what that utilization looks like. And so really sort of thinks longer term, like what are the what's the outcome or what's the the anticipated outcome from additional class two in our order, but also the decline in class one on the market and how does that interplay with the orders that are next to us and the competitive dynamics.

80 "Antonia Giuliano" (3119036160)
00:28:46.309 --> 00:29:07.879
More promptly. With that, there's already been a couple other wildcards that we've talked a little bit about droughts, energy prices I'll touch on again, but since we're talking a little bit about federal orders for something that also has been fairly steady state, has had a very large amount of conversation over the last five years and that conversation.

81 "Antonia Giuliano" (3119036160)

00:29:54.949 --> 00:30:24.509
It bears a wildcard. It could be something, it could be nothing, but these are the types of things that are are worth kind of monitoring and being aware of. And because of some of the conversations around protein and the impact of protein on producer pay and these other things that are happening with national federal order discussions, the national producers that a lot of us worthwhile mentioning that they're reconvening kind of their federal order task force to start to.

82 "Antonia Giuliano" (3119036160)
00:31:04.509 --> 00:31:24.509
Into that region and so the strength played an important role in that. So a cost of exporting to those areas and even whether you could actually get product in those areas stands to be a continued risk to navigate through what that looks like. Al, can you advance to the next slide, please? Thank you.

83 "Antonia Giuliano" (3119036160)
00:31:24.509 --> 00:31:44.509
Another wildcard that certainly people on this call might be better suited to speak to than I am, but we have seen increased detection of H five and one coming through the system again, particularly in the West California. There's some particular notes as we kind of navigate what this.

84 "Antonia Giuliano" (3119036160)
00:31:44.509 --> 00:32:04.509
Landscape is I think we understand kind of the impacts and what that is. I don't see it as a huge concern to the overall market for where we are, but there have been some increasing comments around how it's impacting cabs and off screen, so I think that for the longer term is something that does bear monitoring for the overall outlook for the marketplace.

85 "Antonia Giuliano" (3119036160)
00:32:04.509 --> 00:32:22.109
And I would have to imagine that everyone in this room and on the call has heard new world's screw warm we talked about. I originally asked Jane Johnker from National if I could use one of his slides and I was gonna put Helix particularly graphic images of what this whole situation can look like.

86 "Antonia Giuliano" (3119036160)
00:32:22.109 --> 00:32:42.109
But the reason I wanted to include it here today and I did not to include those photos, you're welcome. Thank you. Is that USDA has gone through an emergency use authorizations and it's worth note that there aren't any particularly good treatment options for dairy for infected animals.

87 "Antonia Giuliano" (3119036160)
00:33:26.299 --> 00:33:47.179
Quicker than normal path of of movement for foot and mouth across different parts for a subs where I'm gonna get outside my depth like the a certain type of that variant of that disease and so those just all things that may not ever necessarily hit us here at home but certainly could have.

88 "Antonia Giuliano" (3119036160)
00:33:47.179 --> 00:34:11.149
Risk to overall marketplace impacts. Thank you. Catherine already alluded to it a little bit ago, but the dietary guidelines, that protein market certainly playing a role here. I'll put a category together and there's probably a lot that lives in etcetera here about a couple things that bear mentioning.

89 "Antonia Giuliano" (3119036160)
00:34:31.149 --> 00:34:51.149
We've been what I would call somewhat steady state for a little while, but I believe that that's because the administration's been doing their homework to put together studies and investigations that support section three oh one tariffs and those are the type of tariffs that have legally been more of able to stick through the course.

90 "Antonia Giuliano" (3119036160)
00:34:51.149 --> 00:35:11.149
System, we've certainly seen three oh one and 02:32 investigation tariffs stick across administrations, so they seem more well founded and well supported through the course system that those become likely. We've seen those on manufacturing excess capacity and on forced labor and both of.

91 "Antonia Giuliano" (3119036160)
00:35:11.149 --> 00:35:28.259
Those are due to be finished those studies in mid July, which created a scenario where we could find ourselves in a scenario of increased uncertainty around what the terriff landscape could look like as we move kind of into the in the summer and in fall.

92 "Antonia Giuliano" (3119036160)
00:35:28.259 --> 00:35:47.729
We certainly had a huge win with whole milk for healthy kids. We've talked about in our last meeting. I think we're still not entirely sure what that landscape looks like and we won't know for sure until we get into the next school session. But I did include school lunch programs here because the dietary guidelines have really strict.

93 "Antonia Giuliano" (3119036160)
00:35:47.729 --> 00:36:07.729
Rules around added sugars. There is a risk to flu flavored milk in schools and it's I believe the the rule is the milk can only have 10 g of added sugar. Most flavored milks have a four added sugars to them.

94 "Antonia Giuliano" (3119036160)
00:36:07.729 --> 00:36:26.519
And I think when you're looking at four in the total of ten, it becomes a scenario that could be right to say, this is an easy opt out option. But I think we're working to talk to folks on Capital Hill and USDA to try to make sure they understand that the nutrient profile that comes along with that. But.

95 "Antonia Giuliano" (3119036160)
00:36:26.519 --> 00:36:46.519
As we move from the passage of homebelt for healthy kids and the passage of the dietary guidelines, they're going through the process, the regulatory process of updating the school launch program regs and so continued monitoring to make sure that we continue to keep flavored milk as an option in the school.

96 "Antonia Giuliano" (3119036160)
00:36:46.519 --> 00:37:07.098
Lunch program. And with that, I got the easy stuff for the most part this month, this time around, but I think I'll pass it over to either Christine or Catherine to talk a little bit more about kind of look when you pass through all these pieces in together. Actually Catherine. Oh perfect. All right.

97 "Catherine de Ronde" (3284608512)
00:37:28.869 --> 00:37:48.869
So, you know, very clearly you can see that we are anticipating that, you know, May June is really going to be the peak of our prices and then we're going to see a market correction. So really if you took any thing from my comments earlier, it should be the correction in the non FAT market, and that's what's showing up here.

98 "Antonia Giuliano" (3119036160)
00:38:29.929 --> 00:38:48.600
They were a year ago. I mean you heard can go through a wide variety of things that are putting things around some of the risks and the washouts out there. And so we have on the risk management that's been relatively busy as people are kind of trying to take advantage of that. But I think it's actually maybe.

99 "Antonia Giuliano" (3119036160)

00:38:48.600 --> 00:39:08.600
More interesting than even what's available today is reflecting on just that there are a good number of producers across the Northeast and truly across the country who saw markets in March and April that were quite strong and took advantage of pricing for the rest of the year. So there's a there's.

100 "Antonia Giuliano" (3119036160)
00:43:04.700 --> 00:43:35.226
But, and how it fits into their overall menu structure, but we have seen as a class one we've seen more schools than normal have that product on just on the bids, which is. It has to be there to be able to even order it because of the minimum requirements. Are we now able to have any? Hi.

101 "andrew Novakovic" (4062975232)
00:43:35.226 --> 00:43:57.020
I I hope I just heard Richard say it's ok for Andy to talk now. I was just wondering if anybody in the room certainly any of the the previous speakers or anybody else for that matter might have a comment to make about the level of stress on.

102 "Antonia Giuliano" (3119036160)
00:46:10.890 --> 00:46:30.890
Person that's hitting out of the park and doing great or someone else that's just hanging out by their fingernails. You know, even, you know, the, the middle belows kind of moves up and down with markets, but there's always those outliers. So with the appropriate weasel words in there, I would say that there's, there's.

103 "Antonia Giuliano" (3119036160)
00:47:08.600 --> 00:47:32.090
I think the investment tax credit is driving some of that and I don't know for sure, but I think there's also a little bit of like front loading of that expense, like I think some farmers are concerned that that ITC might not last. So they're spending a little bit earlier than they might otherwise do it, you know, because their budgets are gonna get touched at some point.

104 "Antonia Giuliano" (3119036160)
00:47:32.090 --> 00:48:02.700
And like will the ITC be that on the shopping block that, you know, who knows, but there's definitely a big investment in technology that I think is being partially driven by ITC and partially driven by industry optimism and processing expansion and, you know, any number of factors. So I don't know if that answers the question or contributes to it. There's obviously a lot of interest and expansive.

105 "Antonia Giuliano" (3119036160)
00:48:18.630 --> 00:48:35.310
And two that just sold the track of land another cows. Yeah, one or the other. Sure.

106 "Antonia Giuliano" (3119036160)
00:48:50.340 --> 00:49:10.340
I think the other part that's driving it is just the labor thing. I know in our neighborhood, at least we're getting as a custom operator, we're getting a lot of calls to backfill for people because they don't have people to perform. Yeah. So.

107 "Antonia Giuliano" (3119036160)
00:49:10.340 --> 00:49:33.530
How would you characterize like who are those folks or what characterizes actually commentaries in that group would be larger heard sizes, more north and west in the state of New York. Progressive management mentality.

108 "Antonia Giuliano" (3119036160)
00:53:09.090 --> 00:53:26.910
Talking about that for decades and finally it's, it seems to be here, right? So what does that mean for a hurt? And again putting that environmental hat back on, ok, state has these goals for greenhouse gas reductions.

109 "Antonia Giuliano" (3119036160)
00:53:26.910 --> 00:53:46.910
You know, couple hundred thousand more counters might have some impact on that and what about the water quality in the lake? So I I started coming at it from the environmental perspective. Yeah, thanks Elizabeth for getting me going. So this is a national man from IDFA with everag. There's some plants missing on there, but you can.

110 "Antonia Giuliano" (3119036160)
00:54:10.070 --> 00:54:44.270
Here is what's going on the additional investment at the farm. So it'd be really cool to get a little better handle on that to be able to help frame up that, that economic argument. Go ahead, next slide. And this also right Christine and Catherine and and Jody talked about this a little bit, right? Components are up and fat and protein will be correct on production for fat and protein, right? Which is an element of overall components. This is New York's melt Percow going back to 2016.

111 "Antonia Giuliano" (3119036160)
00:54:44.270 --> 00:55:08.870
You know the cow is in the orange, so volume is going up, but the the fat protein corrective melt is going up faster than volume. And we're seeing some of that also in in the plants and and and paychecks hopefully. Can we go to the next slide. This is a graph, another way of talking about components going up.

112 "Antonia Giuliano" (3119036160)
00:55:08.870 --> 00:55:28.870
This is from Jason Kars is the program, 47 identical diaries, two years, and the orange line or the rust line is 2024 components by month. And then the the black or dark blue line in the middle there is their 2025.

113 "Antonia Giuliano" (3119036160)
00:56:57.150 --> 00:57:14.040
Here what I'm apologies for the for the size. This is Mel Percow, three states, right? Our our neighbors from Pennsylvania, and going back to 1980 and you could see for about 25 years or so from on new York Pennsylvania, we were basically.

114 "Antonia Giuliano" (3119036160)
01:01:57.470 --> 01:02:18.890
And his team to run three different scenarios for production over the next five years rejecting out. One with the business as usual. Hey note goes up a couple hundred pounds per cow every year, little more fat, getting more protein, let's correct that for, you know, for energy and.

115 "Antonia Giuliano" (3119036160)
01:02:47.580 --> 01:03:02.940
As I said maybe a stretch goal. I assume it's gonna take two acres per cow Ford application and that's gonna stay, and I assume a copy of the efficiency are both gonna go up a little bit and so we're gonna offset. We're not gonna need a lot more acres per cow.

116 "Antonia Giuliano" (3119036160)
01:08:30.030 --> 01:08:50.030
Oh, to Kelly about the solar thing because if it's, you know, if it's the part next to you that you wanted to go very for a job to solar, I'm not diminishing that. That's a big that's a big deal. So I'm really not looking at this from a local perspective. It's more of air perspective. Go ahead.

117 "Antonia Giuliano" (3119036160)
01:13:21.570 --> 01:13:41.570
That mentality of being a good member of the community and and thinking that through when your farm is looking at a growth or expansion project, we are trying to get the message out to producers too, to, you know, don't just, you know, throw that next farm up and then worry about, you know, when you were storage or.

118 "Max Finberg" (500296448)
01:14:25.684 --> 01:14:52.483
Very much and yeah thank you Carl. Max Femberg with Chiobani and curious as to some of the recommendations you would have on the policy mechanisms to get to that moderate or high scenario you were describing. What are the steps that need to be taken across the board, not just on an individual farm level to get us there? Yeah.

119 "Antonia Giuliano" (3119036160)
01:41:13.039 --> 01:41:44.546
Alright, so we are off mute now. People can hear us. Virtual attendees, we are gathering just below the screen where we can see you all in this room to take a group photo. If you'd like to come on camera, then be part of our photo, please do that now. Casey I see you laughing. Casey, you're not allowed to go off photo, sorry laugh cause the commissioner.

120 "Casey McCue" (3793340160)
01:41:44.546 --> 01:41:54.684
Tells us Hollywood squares when we're on these and I really feel like that is exactly what will be in that picture is a room and then Hollywood squares.

121 "Antonia Giuliano" (3119036160)
01:41:54.684 --> 01:42:13.039
They probably as much. I'm.

122 "Antonia Giuliano" (3119036160)
01:42:13.039 --> 01:42:33.039
Everyone.

123 "Antonia Giuliano" (3119036160)
01:42:33.039 --> 01:42:49.069
Back me up.

124 "Antonia Giuliano" (3119036160)
01:42:49.069 --> 01:43:09.069
Got it. Before you go back to your seats. Yes. Sorry for everyone joining virtually. We have melcome. No worries. Thanks.

125 "Antonia Giuliano" (3119036160)
01:43:09.069 --> 01:43:28.388
I do apologize.

126 "Casey McCue" (3793340160)
01:43:28.388 --> 01:43:38.527
Because we know the meeting's important, but it's all about making the trip now, isn't it? Alright.

127 "Antonia Giuliano" (3119036160)
01:43:38.527 --> 01:43:42.367
So Kathy, you're good to start. Are you back to recording.

128 "Casey McCue" (3793340160)
01:43:42.367 --> 01:43:49.943
Or you're not doing that, and then we pause it, we all work as a team to make sure we go back on the recordings. Recording is our.

129 "Antonia Giuliano" (3119036160)
01:43:49.943 --> 01:43:52.405

You're good to go.

130 "Casey McCue" (3793340160)
01:43:52.405 --> 01:44:19.999
All right. Great to meet with everyone. I just have a quick update on the dairy modernization program funding. There were up to three rounds. Super excited about that. For those that aren't as familiar, right? So the goal is to enhance the dairy supply chain efficiency and and prevent milk dumping during emergencies. That was round one went out $21.6 million alone.

131 "Casey McCue" (3793340160)
01:44:19.999 --> 01:44:39.999
That equated to a hundred and three, projects for farms and cooperatives. The those projects range from 50000 to $250000 per farm or cooperative. 90 % of those are underway or complete and 30 of those have been to break it down a little bit further.

132 "Casey McCue" (3793340160)
01:44:39.999 --> 01:44:56.869
30 are done, 63 are currently underway. Everyone can imagine we're in the northeast, right? Gotta to wait for that frost to come out of the ground logistics et cetera, so, pretty excited to see those, those finalized, you know, plans and projects coming in.

133 "Casey McCue" (3793340160)
01:44:56.869 --> 01:45:16.869
Future funding. So round two is another eight and a half million. Those applications will be available for later on the summer will be reaching out. And then in the 26 and 27 budget, there's another 13 million to to support the.

134 "Casey McCue" (3793340160)
01:45:16.869 --> 01:45:39.439
Three farmers further, we're excited about that. The focus for one and two has been towards critical on farm improvements, storage tanks, tankers for transport, pipelines, farm, milk loading systems, and then round three, we're super excited is now going to also include milking equipment.

135 "Casey McCue" (3793340160)
01:45:39.439 --> 01:45:59.439
So that's, that's a nice twist there. Very excited to see where that goes, just from where I sit overseeing the grant, everything from a, you know, plate cooler to a chiller system, to load out sampling systems to very large silo installations, all extreme.

136 "Casey McCue" (3793340160)
01:45:59.439 --> 01:46:19.439
Really impactful to the individual facilities, just really, really excited to see where this goes. I know earlier, I think Chris mentioned the Northeast Area Business Innovation Center monies. We're very proud of this and again excited to see where it'll go in round three with that new inclusion of milk.

137 "Casey McCue" (3793340160)
01:46:19.439 --> 01:46:27.098
Being equipment. And that's really all I have for an update unless there's any questions. Casey, with you.

138 "Antonia Giuliano" (3119036160)
01:46:27.098 --> 01:46:32.556
We Anticipate round three would be announced? Application period? Oh, we got new round two.

139 "Casey McCue" (3793340160)
01:46:32.556 --> 01:46:37.245

The 1st round twos later this summer. Later this summer. Thank you. Yeah.

140 "Casey McCue" (3793340160)
01:46:38.082 --> 01:46:40.329
And as soon as that does go.

141 "Antonia Giuliano" (3119036160)
01:46:40.329 --> 01:46:53.719
Similar to what we did in round one, we'll make sure that this group is included so you will receive direct email for those folks that may know individuals interested for that, my apologies are repeating.

142 "Antonia Giuliano" (3119036160)
01:46:53.719 --> 01:47:12.003
For the round three obviously and we're working round one, round two, you would be excluded, but round three, you'd be welcome to reapply specifically for them. So really looking forward to that going out on the street. Casey will the minimum and.

143 "Catherine de Ronde" (3284608512)
01:47:12.003 --> 01:47:16.969
Maximum awards be the same? I I know what.

144 "Casey McCue" (3793340160)
01:47:16.969 --> 01:47:24.284
And round two yes, I have not seen round three that's still on a napkin. Okay.

145 "Casey McCue" (3793340160)
01:47:26.364 --> 01:47:32.606
I'm joking, but we haven't had that conversation.

146 "Antonia Giuliano" (3119036160)
01:47:32.606 --> 01:47:53.199
That's where a lot of farm starts like yes Julie wrote a comment saying that's exciting, thinking of the labor conversation, I'm assuming robotic milking equipment will be eligible for around three. Yes. Yeah, I believe the language you'll find in the budget.

147 "Antonia Giuliano" (3119036160)
01:47:53.199 --> 01:48:07.999
We talked about milking efficiency and that's kind of with the idea, right? We know that there are a lot of farms right now that are expanding that are bringing in those robotic or rotary. So we do believe that this will help a number of farms across the United States.

148 "Antonia Giuliano" (3119036160)
01:48:07.999 --> 01:48:27.229
You mentioned that you're working on round two now so round one is over and done with. Yep. How oversubscribed was it? Like how significantly so was it was it three to one or, you know, like applications?

149 "Antonia Giuliano" (3119036160)
01:48:27.229 --> 01:48:47.229
Like two and a half to one, two and a half roughly ok. Just curious. Yeah. Yeah, and we're anticipating that a number of the farms. So one of the things, you know, you'll see a lot of the criteria is very much the same in round two versus round one, so those farms that, you know, may have already applied that have been you know denied. I know that there's been some outreaches.

150 "Antonia Giuliano" (3119036160)

01:48:47.229 --> 01:49:05.499
As far as why, you know, start to get a head start already on preparing that material so that when that goes live, we'll be ready to get set. Any other questions on this? I was just gonna say to.

151 "Casey McCue" (3793340160)
01:49:05.499 --> 01:49:16.445
Chris's point though, we're super excited to see what the subscription is going to be on the milking equipment side. It's kind of a new area.

152 "Antonia Giuliano" (3119036160)
01:49:16.445 --> 01:49:33.489
Yeah it's not gonna last long especially if they put some robots in there goes quick. Casey and online team, I think the color you missed there was Chris is having a large thumbs up about the director.

153 "Antonia Giuliano" (3119036160)
01:49:33.489 --> 01:49:38.886
Of that subscription. Thanks Miles. Thank you for that.

154 "Antonia Giuliano" (3119036160)
01:49:43.843 --> 01:50:07.369
Hey, it's yours. It's fine. What is yours? This is just a follow up to our last conversation that we've had in I believe December now, where we were talking again about New York as the sustainable dairy state. You know, one of the things that we fundamentally get asked is, well, what is New York gonna be number four for dairy to production that for pound.

155 "Antonia Giuliano" (3119036160)
01:50:07.369 --> 01:50:27.369
Right, but overall ultimately my our focus and something on New commissioner right referenced quite a bit is the focus really is to make sure that new York is the most sustainable dairy state and sustainable beyond just environmental sustainability but right we want to make sure that we have dairies for generations to come, right? Leading a matter of making sure that we have.

156 "Antonia Giuliano" (3119036160)
01:50:27.369 --> 01:50:42.439
That next generation. So with that in mind, we are gonna go through what we talked about last during our last meeting, do a high level overview. This will be provided, I believe it is online now, but we will send you the link after to kind of go through in more detail.

157 "Antonia Giuliano" (3119036160)
01:50:42.439 --> 01:51:02.439
But we really want to kind of take away the opportunity to say, in the different categories that are laid out, what is the number one ask in that category, right? Looking at all the different recommendations that are if you have the magic one, right, to be able to change one thing today, what would it be? So.

158 "Antonia Giuliano" (3119036160)
01:51:02.439 --> 01:51:28.059
With that in mind, asking the question again, right? How do we be the most sustainable dairy estate? And the focus is again to achieve that vision of the most sustainable dairy estate. What are our top priorities as a group, and what is the ask, right? How do we move that vision into our reality? So again, this is just the slides that we talked about during our December meeting.

159 "Antonia Giuliano" (3119036160)
01:51:28.059 --> 01:51:48.059
With a variety of topics including workforce development and labor shortages. We've already heard a little bit about that

today. The supply chain readiness and infrastructure means sustainability and environmental practices. Again, we've touched a little bit about some of the today. Policy regulation, and innovation, market access and product develop.

160 "Antonia Giuliano" (3119036160)
01:51:48.059 --> 01:52:21.759
Development, so let's just jump jump right in into that workforce development conversation. So this is very tiny, I will read off the major points cause I can't even read another, so my apologies on that. So writing up 1st and the concerns that we heard during the meeting and again if any of this is inaccurate, needs to be amended, please let us know. But 1st and foremost write that shortage of CDL drivers. We we touched on this already that is a significant concern right now about qualified truck drivers that really impacts the entire supply chain.

161 "Antonia Giuliano" (3119036160)
01:52:21.759 --> 01:52:47.319
That time commitment required through training that has been seen as a barrier. Aging workforce across the farms and again, who's gonna be our future of labor, right? Who, where is that available now and going forward? Difficulty in gaining experience, right? How do new workers are new to dairy gain that valuable experience especially around specialized roles, something like crop leadership, right? How does somebody.

162 "Antonia Giuliano" (3119036160)
01:52:47.319 --> 01:53:07.319
Start the process. Qualified worker shortage in processing. So we did hear that processes are experiencing a shortage of qualified personnel sometimes leading to inaccurate results and wasted resources, right? It takes time to train, and if they're just gonna walk out, that doesn't do anybody service.

163 "Antonia Giuliano" (3119036160)
01:53:07.319 --> 01:53:39.849
In immigration policies, I'll leave it there. I think we all are familiar with what those concerns are. Some of the recommendations. I would suggest you change that to guest worker policies rather than immigration. Okay. Just sends a different signal. Absolutely. Okay, so going on to recommendations, one of the recommendations we've heard was to expand the CDL training programs, right? Having it more accessible and more comprehensive.

164 "Antonia Giuliano" (3119036160)
01:53:39.849 --> 01:54:00.969
Promoting agricultural careers and this is something that maybe we touched on last time, but talking about how are we able to change the perception around agriculture, right? Some of those more traditional roles that it is beyond just that and talking with few programs like FFA for.

165 "Antonia Giuliano" (3119036160)
01:54:00.969 --> 01:54:20.969
Build that course pipeline. Recommendations, right? How are we attracting and retaining talent? There's a need, you know, particularly in trucking and dairy careers to be more appealing, talking about work life balance, we know it is a lifestyle, but how do we balance that work life a little bit more, and addressing potential barriers.

166 "Antonia Giuliano" (3119036160)
01:54:20.969 --> 01:54:44.679
For those wanting to enter the business. Other recommendations is to enhance that training and skilled development, right? Getting them skilled workers for processing facilities, including those with knowledge of food safety and quality control, supporting training initiatives, you know, potentially through institutions like Cornell, what are those? How do we enhance them? And then guest worker reform, right? A strong setter to fix.

167 "Antonia Giuliano" (3119036160)
01:54:44.679 --> 01:55:06.769
What's happening at the federal level to allow year round H2E status for jerry immigration workers, the great works. Those are our recommendations. That's quite a lot, and I know each of them have the development sensitivities to them,

but right talking as a group, what do we think would have the most meaningful or immediate impact?

168 "Antonia Giuliano" (3119036160)
01:55:06.769 --> 01:55:26.769
To fixing the workforce development and labor shortages. What I guess I'm curious if you and commissioner Ball have heard from other commissioners what feelings around the country are on the securing agriculture.

169 "Antonia Giuliano" (3119036160)
01:55:26.769 --> 01:55:46.129
There's Workforce Act that we anticipate going out next week from GT Thompson. Well clearly it's not the it's not the whole it's not the comprehensive fix that we've been working for for a long time. Feels like a step in the right direction.

170 "Antonia Giuliano" (3119036160)
01:55:46.129 --> 01:56:03.469
Oh of the commissioners haven't talked about it yet because it's kind of breaking news. You still have some of the same players in the white house.

171 "Antonia Giuliano" (3119036160)
01:56:03.469 --> 01:56:20.629
Sending him up here that needs to be dealt. I guess there's a little bit of optimism that things are moving in the right direction there. But several people pointed out.

172 "Antonia Giuliano" (3119036160)
01:56:20.629 --> 01:56:36.709
Biggest the main factor we have to growth the state right now is gonna be I guess worker program the legal. So I think we're gonna watch very closely to see what comes out of that in Washington. We know they want to e verify.

173 "Antonia Giuliano" (3119036160)
01:56:36.709 --> 01:56:52.759
We've always in the industry for 30 years how We're verifying, give us give us guest workers, give us a program, just don't come in and tell us after workers. So I think that's still probably should.

174 "Antonia Giuliano" (3119036160)
01:56:52.759 --> 01:57:12.759
So I haven't heard a whole lot from the industry yet. This was kind of I hate to even bring this up with the CDL H two way issue.

175 "Antonia Giuliano" (3119036160)
01:57:12.759 --> 01:57:31.579
It's still, still hanging out there, I means that if you've done any analysis, but conversations are happening in New York. I guess you know about that.

176 "Antonia Giuliano" (3119036160)
01:57:31.579 --> 01:57:51.579
Something different independent of the I don't know. We've asked the attorney too. What do you think? Yeah, I think it's hard to that's kind of where my mind is going with a couple of these things is like what's the state role versus.

177 "Antonia Giuliano" (3119036160)
01:57:51.579 --> 01:58:11.579
Is what's limited by what's going on federally. So where should the state spend its time to get the most value out of that that investment? But I I do think that kind of the the underlying issue of kind of ag labor at the federal level and guessworker program.

178 "Antonia Giuliano" (3119036160)

01:58:36.849 --> 01:58:56.849
Program and want to move into it will, will all the federal agencies who need to be involved have enough staff to process the numbers that Dairy is going to bring to it and other, other ag sectors that have more year round needs? So I think it's really scary for employers and employees.

179 "Antonia Giuliano" (3119036160)
01:58:56.849 --> 01:59:21.199
To think about, but I think there's finally realization by more people that something has to change or elsewhere we're heading to a place where we can't produce food for our communities. Yeah. I was very confident that we were having changer because it wasn't, I mean it was we know it was gonna be sticky wicked.

180 "Antonia Giuliano" (3119036160)
01:59:21.199 --> 01:59:41.199
But you could see the pathway for at least I could. And we had Christy Oslo down there helping them out, we got close to the 1st administration actually there were conversation. So I think that's great. I think.

181 "Antonia Giuliano" (3119036160)
01:59:41.199 --> 02:00:03.939
All those things that have been kicked around. I could see that, I could see a pathway to that. It fixes part of the problem is you know that we still the workers that are here that are speak foreign language what do we do there? That's much harder, much more difficult, still really important.

182 "Antonia Giuliano" (3119036160)
02:00:03.939 --> 02:00:28.149
There were two other than so we got a couple of fixes on one half of that's good. The dynamic in Washington is so fast that when they get ready to go on break, so you don't get to go on break again.

183 "Antonia Giuliano" (3119036160)
02:00:28.149 --> 02:00:56.379
So it's still a little bit of, I think we what we hear on the producer side, the concerns are just gonna be the touch back and always got years of investment training just.

184 "Antonia Giuliano" (3119036160)
02:00:56.379 --> 02:01:17.379
These guys in Mexico. Sure. So probably the most important aspect of.

185 "Antonia Giuliano" (3119036160)
02:01:17.379 --> 02:01:37.809
More so even the technology I think and right now if you were offered a touch back, I think that would frame back, I don't know any of them because when they changed the.

186 "Antonia Giuliano" (3119036160)
02:01:37.809 --> 02:01:46.519
You know, our way. So I think that trust has been around the most. So.

187 "Antonia Giuliano" (3119036160)
02:01:46.519 --> 02:02:01.969
Just sit here and moment this. Yeah, but I know there's about eight bills comprehensive guessworker. Sorry.

188 "Antonia Giuliano" (3119036160)
02:02:01.969 --> 02:02:18.829
Aspects we'll see. It's frustrating having been part of this for like 30 years to just see those jobs, which was long time ago.

189 "Antonia Giuliano" (3119036160)
02:02:18.829 --> 02:02:37.609
So I'm not sure other than we gotta keep grinding that. That's not just agriculture was a big deal back then because they needed but it was just that we realized we couldn't do it alone.

190 "Antonia Giuliano" (3119036160)
02:02:37.609 --> 02:02:54.889
Just. And if we wanted it to be successful, we had the business.

191 "Antonia Giuliano" (3119036160)
02:02:54.889 --> 02:03:11.479
In Chicago a couple of weeks before.

192 "Antonia Giuliano" (3119036160)
02:03:28.399 --> 02:03:48.399
Yeah, you know, as I look at a lot of those, there's, those are the ones in the middle, the three in the middle are all long term investments really if you look at them and and I don't think we can deny that we need to do those, but certainly the expanded CDL training programs would also be beneficial.

193 "Antonia Giuliano" (3119036160)
02:04:07.639 --> 02:04:27.639
Thank you for that. Okay, moving on to supply chain readiness and infrastructure. Some of the concerns that were raised last time, it was logistics and holding challenges, right? Concerns about the efficiency and safety of trucking operations including the impact of regulations and potential.

194 "Antonia Giuliano" (3119036160)
02:04:27.639 --> 02:04:49.059
There was infrastructure gaps, this is talking really a lot about the three phase power availability and costs in role areas. I know particularly as we talk about expansions, those new robotics they need. And then broadband and connectivity issued lack of reliable broadband cellular service hindering the adoption of new.

195 "Antonia Giuliano" (3119036160)
02:05:17.139 --> 02:05:33.109
Being able to improve those in the rural areas to support farm operations. And last is that three phase power access, so addressing the challenges of accessing three phase power and rural areas, which is again crucial for modern funding.

196 "Antonia Giuliano" (3119036160)
02:05:33.109 --> 02:05:49.340
I think all of them are important, but I'm just I'll close it to the group if there's any one of those four that stands out above the rest. I think the three face power stands out for me, but I'm curious.

197 "Antonia Giuliano" (3119036160)
02:05:49.340 --> 02:06:05.780
What can be done? Like, are there actionable solutions? We're ready to help and get behind those and make it happen, but I just, I I'm always a little bit at a loss of how to tackle that issue.

198 "Antonia Giuliano" (3119036160)
02:06:05.780 --> 02:06:24.770
I would add to Allison's comments, I think I might have brought this up last time and I've been probably expanded from dairy farms to processing and availability of energy for expansions and just.

199 "Antonia Giuliano" (3119036160)
02:06:44.770 --> 02:06:50.690
Environment, put it in their own sets because.

200 "Antonia Giuliano" (3119036160)
02:07:08.090 --> 02:07:28.090
Yeah, in reality I think if you look at the farm modernization, you could almost incorporate the last two on an individual basis into that. Yep. You know, so the individuals could deal with it because in a lot of cases.

201 "Antonia Giuliano" (3119036160)
02:07:28.090 --> 02:08:02.290
Three pace power has been dealt with on individual case basis. I am concerned about the overall infrastructure and whether we'll really have power or we'll start seeing brownouts with because new new farms with new technology and cal comfort require more power than both farms so I've heard producers, so I, I really want to bucket the bottom one into two because I think doug's comment is fair around kind of individual farm.

202 "Antonia Giuliano" (3119036160)
02:08:02.290 --> 02:08:24.070
On the power piece, on the grid infrastructure I think that's a different conversation, but warrants its own bullet. I we've had producers that have talked about generating their own energy for different reasons. That's not always possible.

203 "Antonia Giuliano" (3119036160)
02:08:24.070 --> 02:08:45.820
Warranty issues and other things play a role in that and willingness to give up those warranties by generating your own power, but also generating power requires assurance of other resources available and the one I'm thinking of if.

204 "Antonia Giuliano" (3119036160)
02:10:22.210 --> 02:10:42.590
And be ready to, ok, kind of level the playing field maybe a little bit. What do we do? Let's make sure that gaining efficiencies in that we don't use them to make sure we focus on that.

205 "Antonia Giuliano" (3119036160)
02:10:57.650 --> 02:11:17.650
That'll be opportunities there. There's NO room for it in this budget but taping the weight to do that is what I would say. To your point is talking about beyond the farm, right? What.

206 "Antonia Giuliano" (3119036160)
02:11:17.650 --> 02:11:41.050
Is the processing needs as we're getting more melt, we know that there's gonna be more power that's gonna be required to to support the expansions and making sure that this is able to do so. Okay. Going on to our 3rd topic sustainability and environmental practices. So again being thoughtful.

207 "Antonia Giuliano" (3119036160)
02:13:00.730 --> 02:13:21.320
What kind of action items are we looking at there? I will share Julie's comment in the chat and she says well going for the obvious laugh in this wonderful group but also being a bit serious about it in light of Carl's presentation, research and development in this year area seems important too, and maybe an action item as Doug just mentioned.

208 "Antonia Giuliano" (3119036160)
02:13:21.320 --> 02:13:36.560
Oh, there in those 1st two is where it has quite a handle on a lot of that working to.

209 "Antonia Giuliano" (3119036160)
02:13:36.560 --> 02:13:54.530
Things like that, Sustainable sourcing, I know I got some arms up at my region that i've lost hundreds of acres to solar and I say finally.

210 "Antonia Giuliano" (3119036160)
02:13:54.530 --> 02:14:11.810
Just subsided good stuff so I think maybe the action plan there is some regulations around keeping our production, not in other.

211 "Antonia Giuliano" (3119036160)
02:14:55.700 --> 02:15:15.700
Along with the energy production at the risk of being a broken record, we've had producers that have attempted and there's not great space sufficient to take on the energy they could generate from a dual use solar environment, so not converting farmin but.

212 "Antonia Giuliano" (3119036160)
02:15:15.700 --> 02:15:40.510
Repurposing it from on top of rooftops or other ways, but they don't have the ability, the grid can accept the power they would generate and so it's like almost a couple of sub bullets under the energy production piece that is a larger piece of that state energy plan that's closer to. Yeah.

213 "Antonia Giuliano" (3119036160)
02:15:40.510 --> 02:16:00.670
Yeah to policy regulation and innovation. Concerns raised by our last meeting. Legislation outpacing innovation. So a concern that legislation may.

214 "Antonia Giuliano" (3119036160)
02:18:46.730 --> 02:19:02.300
And New York has kind of cracked down a little bit on some of those and I know some of our members are kind of scrambling as to what substitutes are available and and recipes that they need to adjust it so.

215 "Antonia Giuliano" (3119036160)
02:21:39.290 --> 02:21:58.130
Moving on to the last but certainly not least, market access and product development. Concerns raised in our last meeting with safety and quality.

216 "Antonia Giuliano" (3119036160)
02:22:18.130 --> 02:22:45.740
Category and food waste addressing food waste such as in schools and senior living facilities. Recommendations does promote varying products, very key highlight new york successes including cream cheese and production, focusing on quality and value emphasizing the importance of product quality, exploring opportunities for value added products and support for local products, right? Increasing the demand to locally produce stereo products in schools.

217 "Antonia Giuliano" (3119036160)
02:24:12.040 --> 02:24:34.310
It's I just know it's been a big headache for HR and managers with an already a stressed workforce. Okay, well thank you for that. It's very helpful.

218 "Antonia Giuliano" (3119036160)
02:24:34.310 --> 02:24:54.310
And there is a couple back and forth going on in the chat right now asking if USDA has issued its school milk guidance and yes, indeed they have and we just shared the link for everyone in the chat on that. Just for everyone, so everyone knows we're recording this meeting and all powerpoints will be.

219 "andrew Novakovic" (4062975232)
02:25:20.568 --> 02:25:21.563
Had an email earlier today.

220 "andrew Novakovic" (4062975232)
02:26:58.540 --> 02:27:17.917
You know, let's stick with we think that's better for our kids or if they're gonna say, gosh, i'd love to go to to 2 %, but wow, that makes some hard trade offs on chloric intake. I'm I'm kind of curious how that conversation is and I imagine for a lot of school districts.

221 "andrew Novakovic" (4062975232)
02:27:25.981 --> 02:27:36.958
Really, really minimum sample view of where I've actually talked to some folks suggests that there's quite a few people who are like oh really NO kidding now about that? I'm.

222 "Antonia Giuliano" (3119036160)
02:27:36.958 --> 02:27:37.763
Also really.

223 "andrew Novakovic" (4062975232)
02:28:02.530 --> 02:28:11.802
But again, that's a pretty small sample observation. Anyway, more questions than answers on my part for sure.

224 "Antonia Giuliano" (3119036160)
02:28:46.101 --> 02:28:49.949
He's not the dietary guidelines. Correct. Yes.

225 "Antonia Giuliano" (3119036160)
02:29:24.250 --> 02:29:44.210
Or we're reading between the lines, that's a bit of an interest level in in offering it. When it comes down to it, I think the requirements and then how the DGA piece of it is gonna get implemented will play a role, but also the cost feature it is more expensive, so if in the.

226 "andrew Novakovic" (4062975232)
02:31:21.310 --> 02:31:45.380
For their purchases for the next school year, I don't really know, you know, if you get some new guideline in September I'm not, I have NO idea how that works. I'm sure there's gonna be some conversation with schools about you know if if everything gets easier, well ok that's probably not so bad but it's kind of an awkward timing I think.

227 "Antonia Giuliano" (3119036160)
02:32:23.620 --> 02:32:31.910
Dallas was a big one. He's heard out in Texas and then Chicago also testing a small pilot.

228 "Antonia Giuliano" (3119036160)
02:33:32.920 --> 02:33:58.510
Are you guys still doing some loads there? I know Clover Farms is doing new York City out of Pennsylvania. Just curious. I don't think they're doable. They're having a hard time getting anyone just getting care of. Yeah, but they're still very interested in New York States 3 % of 15 %.

229 "Antonia Giuliano" (3119036160)
02:33:58.510 --> 02:34:22.430
So they got wasted. Yeah, 1st team is 2nd, so they've traditionally been controversial when they came to favorite and all that kind of stuff. We're still engaged to them still talking to them. So they're still not work.

230 "Antonia Giuliano" (3119036160)
02:36:15.200 --> 02:36:35.200
Will we be required to go to a, you know, alright, here's information industry that will have a hearing followed byndum every time this comes out or you know something else. So right now based on current role, I mean, my assumption is,

well, think it stores bars and hearing in a parendum every time, you know, it's not necessarily fun.

231 "Antonia Giuliano" (3119036160)
02:41:46.745 --> 02:42:06.519
And and just to reference that you're in that survey, that, well currently you're in the pricing survey, and so you'd be in the cost manufacturing survey if you are making what more than a million pounds of that product in a given year, so you cross a certain threshold and then you are in that survey, I think that's the Exactly, you.

232 "Antonia Giuliano" (3119036160)
02:42:56.780 --> 02:43:16.780
Adjusted, you know, somebody would have to, you know, you'd have to shift to 10 % of the volume to a particular shipping plant that goes up to 20 % in the following months is September October, November. Over ten years now, you know, used to be years ago, this provision was there in cases which.

233 "Antonia Giuliano" (3119036160)
02:45:14.250 --> 02:45:34.250
Now that's what's we're doing in house there. And the only other thing I don't have information on but confirming yes, I saw that there's a we had our hearing on pricing provisions and there was a lawsuit a couple of them actually, but they're it's not unhurdle, we've seen lawsuits to decisions before, so.

234 "Antonia Giuliano" (3119036160)
02:53:35.630 --> 02:53:55.630
Yeah, thank you. I think the only thing we didn't talk about was new world screw where, and I'm not gonna offset up. I thought this was a good exercise that you did and see kind of putting it all in one place because it's pretty hard to prioritize those.