

Upcoming Value Added 101 Workshop

Designed for the Jersey owner asking, "Should I process my own milk?"

At different times, Jersey owners have contemplated processing their own milk and marketing products direct to consumers. There are a variety of motivations, such as:

- the prospect of earning profits greater than simply selling commodity milk;
- a way to expand the dairy operation without adding more cows or farming more acres;
- capitalizing on the growing consumer interest to "eat local."

Numerous Jersey producers are already processing their own milk, and more are beginning to explore the potential. Given this, at its November 2016 meeting, the NAJ Board directed staff to organize a seminar covering the various aspects of starting an on-farm processing business. After a positive response from previous workshop participants, NAJ is hosting a fourth edition of the event.

Scheduled for March 24 and 25 in Bettendorf, Iowa, the day-and-a-half forum is designed to be the proverbial "101" introductory level course.

Participants will hear from Jersey producers who are successfully processing their own milk and marketing their products, tour an on-farm processing facility and learn from industry-leading consultants about the process and approach needed to establish a successful enterprise.

Three Will Share Their Stories

Jersey Value-Added 101 kicks off Tuesday morning, March 24, with the **Kilgus Farmstead** story from Matt and Jenna Kilgus. The farm in Fairbury, Illinois, started bottling and distributing the herd's Jersey milk in 2009. They seasonally graze the 160-cow herd to produce a rich, non-homogenized Queen of Quality™ labeled milk. The milk is marketed within a 150-mile radius along with their home-grown Jersey beef, Berkshire pork, and Boer goat meat.

Wednesday morning will begin with the **Marcoot Jersey Creamery** story. The Marcoot Family has owned Jerseys since the mid-1800s and are currently milking 120 cows with robots. It's been ten years since the seventh generation of the family, Amy and Beth Marcoot, made their first wheel of Jersey milk cheese. Located east of St. Louis in Greenville, Ill., they supply Queen of Quality™ labeled cheese to top St. Louis restaurants, while also selling directly to consumers at their farm store and online. The Marcoots have been growing their business with the addition of their new product, "Extreme Ice", a whey snack offering 20 grams of protein.

Tour

On March 24, the value-added group will be visiting **Cinnamon Ridge Farms**, in Donahue, IA. Cinnamon Ridge milks 220 Jerseys with robots and started doing tours in 1997. Now more than 6,000 people visit each year. Cinnamon Ridge started making cheese in 2013 and also sells Jersey beef. Hear from the Maxwells as they share their experiences operating a value-added dairy.

Planning For Success

A successful business start-up is built on a process of investigation, analysis and planning. Jersey Value-Added 101 will draw upon the experience and advice of these recognized experts:

Neville McNaughton, founder and President of CheezSorce and Sanitary Design Industries, St. Louis, Mo., has worked in some of the industry's top dairy plants. Neville has also judged some of the world's most prestigious cheese competitions.

James D. Gage, a consultant based in Waterloo, Wis., specializes in value-added dairy and local foods business development. Jim has worked on business and marketing issues with over 250 clients over the last 14 years.

They will pull no punches as they talk about evaluating farm and human resources, consumer demand, product options, how to set up a facility, food safety, and product marketing. For a complete list of presentations, visit <http://bit.do/ValueAdded101>.

If You Want Answers ...

you will want to attend Jersey Value-Added 101.

Tuesday, March 24: 7:00 a.m. – 5:30 p.m., includes breakfast and lunch, bus transportation to Cinnamon Ridge Farms, evening on your own

Wednesday, March 25: 7:00 a.m. – 1:00 p.m., includes breakfast and break

Members of National All-Jersey Inc. can register for \$300 per person. The non-member registration fee

is \$400 per person. The fee includes all workshop sessions, materials, tour bus, lunch at Cinnamon Ridge Farms, and breakfast both days.

The workshop will be held at the Isle Casino Hotel Bettendorf, Bettendorf, IA. The hotel is just 6 miles north of the Quad City International Airport, which is served by Allegiant, American, Delta, and United.

A block of hotel rooms has been reserved at \$89 per night, plus tax, through March 15, 2020. Use group code NAJ320 and make reservations online or by calling 800/843-4753. <http://bit.do/Islehotel> Group Code “NAJ320”

The registration deadline is Monday, March 9, 2020. Space is limited. Register online at <http://bit.do/ValueAdded101> or mail in form below.

JERSEY VALUE-ADDED 101 WORKSHOP Presented by National All-Jersey Inc. March 24-25, 2020 Isle Casino Hotel Bettendorf, Iowa	
Email address	
Registration Type	SELECT ONE: <input type="checkbox"/> NAJ Member, \$300/person <input type="checkbox"/> Non-member, \$400/person
FIRST NAME	
LAST NAME	
ADDRESS 1	
ADDRESS 2	
CITY	
STATE/PROVINCE	
ZIP (POSTAL CODE)	
DAYTIME PHONE	
Payment Type: Required by March 8.	<input type="checkbox"/> CHECK ENCLOSED payable to National All-Jersey Inc. <input type="checkbox"/> Call me for Credit Card information.
NOTE: Registration fee is non-refundable.	<input type="checkbox"/> CHARGE CREDIT CARD. Enter cardholder name, card type, card number, expiration date and security code here:
SIGNATURE	
CLOSING DATE FOR REGISTRATION: Monday, MARCH 9, 2020	
MAIL TO NATIONAL ALL-JERSEY INC., 6486 E. MAIN ST., REYNOLDSBURG, OH 43068-2362	

The NAJ Equity Newsletter is Published for Supporters of and People Interested In Equitable Milk Pricing

NAJ Milk & Component Outlook - 2019 Prices through December

2019 AVERAGE STATISTICAL BLEND PRICE FOR EACH FEDERAL ORDER		2019 MILK VOLUME (Million #)		2019 AVERAGE JERSEY REGULATED BLEND PRICE	
Northeast (Boston)	\$18.32	Northeast (Boston)	26,752	Northeast (Boston)	\$22.93
Appalachian (Charlotte)	\$19.38	Appalachian (Charlotte)	5,327	Appalachian (Charlotte)	\$22.71
Southeast (Atlanta)	\$19.75	Southeast (Atlanta)	4,903	Southeast (Atlanta)	\$23.14
Florida (Tampa)	\$21.39	Florida (Tampa)	2,510	Florida (Tampa)	\$24.92
Mideast (Cleveland)	\$17.20	Mideast (Cleveland)	18,942	Mideast (Cleveland)	\$21.47
Upper Midwest (Chicago)	\$16.70	Upper Midwest (Chicago)	32,310	Upper Midwest (Chicago)	\$21.32
Central (Kansas City)	\$16.70	Central (Kansas City)	15,259	Central (Kansas City)	\$21.09
California (Los Angeles)	\$16.90	California (Los Angeles)	24,189	California (Los Angeles)	\$18.49
Southwest (Dallas)	\$17.40	Southwest (Dallas)	12,900	Southwest (Dallas)	\$21.45
Arizona (Phoenix)	\$17.23	Arizona (Phoenix)	4,840	Arizona (Phoenix)	\$20.57
Pacific Northwest (Seattle)	\$16.74	Pacific Northwest (Seattle)	8,496	Pacific Northwest (Seattle)	\$20.47
ALL FMMO MARKET AVERAGE	\$17.97	ALL FMMO MARKET TOTAL	156,427	ALL FMMO MARKET AVERAGE	\$21.69

Prices reflect Federal Order minimum blend prices for city shown.

Total Grade A milk volume sold under FMMO.

Prices reflect FMMO minimum prices at Jersey component values.

2019 AVERAGE JERSEY BLEND WITH ESTIMATED PROTEIN OR CHEESE YIELD PREMIUMS		2019 AVERAGE DOLLAR DIFFERENCE: JERSEY MILK WITH PREMIUMS VS. STATISTICAL BLEND PRICE		2019 AVERAGE PERCENT DIFFERENCE: JERSEY MILK WITH PREMIUMS VS. STATISTICAL BLEND PRICE	
Northeast (Boston)	\$23.16	Northeast (Boston)	\$4.84	Northeast (Boston)	26.4%
Appalachian (Charlotte) (includes protein prem.)	\$23.07	Appalachian (Charlotte)	\$3.50	Appalachian (Charlotte)	17.9%
Southeast (Atlanta)	\$23.14	Southeast (Atlanta)	\$3.25	Southeast (Atlanta)	16.4%
Florida (Tampa)	\$24.92	Florida (Tampa)	\$3.66	Florida (Tampa)	17.2%
Mideast (Cleveland) (includes protein premium)	\$22.09	Mideast (Cleveland)	\$4.87	Mideast (Cleveland)	28.2%
Upper Midwest (Chicago) (includes cy premium)	\$21.57	Upper Midwest (Chicago)	\$4.61	Upper Midwest (Chicago)	27.1%
Central (Kansas City)	\$21.09	Central (Kansas City)	\$4.29	Central (Kansas City)	25.5%
California (Los Angeles)	\$18.49	California (Los Angeles)	\$1.59	California (Los Angeles)	9.3%
Southwest (Dallas)	\$21.45	Southwest (Dallas)	\$4.00	Southwest (Dallas)	22.9%
Arizona (Phoenix) (includes protein)	\$20.93	Arizona (Phoenix)	\$3.63	Arizona (Phoenix)	21.1%
Pacific Northwest (Seattle)	\$20.47	Pacific Northwest (Seattle)	\$3.71	Pacific Northwest (Seattle)	22.1%
ALL FMMO MARKET AVERAGE	\$21.85	ALL FMMO MARKET AVERAGE	\$3.81	ALL FMMO MARKET AVERAGE	21.3%

Includes a protein premium of \$0.05 for every 0.01% increase in protein over the market average.

Prices reflect difference between Jersey price with premiums, and the statistical blend price.

Percent difference in Jersey price with premiums, over the statistical blend price.

ESTIMATED JERSEY MILK COMPOSITION	2019	REGULATED MILK PRICES	2019	AVERAGE JERSEY PRICE ADJUSTMENT PER CWT:	2019
Butterfat	5.03	FMMO Milkfat	\$2.5088	FMMO Milkfat Adjustment	\$2.91
TRUE Protein	3.83	FMMO True Protein	\$2.3796	FMMO True Protein Adjustment	\$1.53
Other Solids	5.73	FMMO Other Solids	\$0.1864	FMMO Other Solids Adjustment	(\$0.01)
Solids Not Fat (SNF)	9.56				
Cheese Yield (90% Fat Recovery, 38% Moisture)	13.25				
CME Block Cheese Price	\$1.78				

NAJ Milk & Component Outlook - December 2019 Jersey Price Comparisons

<u>DEC'19(STATISTICAL BLEND PRICE</u>		<u>DEC'19 MONTHLY MILK VOLUME</u> (Million #)		<u>DEC'19 JERSEY REGULATED BLEND PRICE</u>	
Northeast (Boston)	\$19.28	Northeast (Boston)	2,250	Northeast (Boston)	\$24.49
Appalachian (Charlotte)	\$21.11	Appalachian (Charlotte)	459	Appalachian (Charlotte)	\$23.86
Southeast (Atlanta)	\$21.63	Southeast (Atlanta)	392	Southeast (Atlanta)	\$24.50
Florida (Tampa)	\$23.18	Florida (Tampa)	220	Florida (Tampa)	\$26.49
Mideast (Cleveland)	\$18.44	Mideast (Cleveland)	1,529	Mideast (Cleveland)	\$23.10
Upper Midwest (Chicago)	\$18.97	Upper Midwest (Chicago)	1,798	Upper Midwest (Chicago)	\$24.01
Central (Kansas City)	\$18.08	Central (Kansas City)	1,046	Central (Kansas City)	\$22.74
California (Los Angeles)	\$17.60	California (Los Angeles)	1,880	California (Los Angeles)	\$19.76
Southwest (Dallas)	\$18.22	Southwest (Dallas)	871	Southwest (Dallas)	\$22.44
Arizona (Phoenix)	\$18.71	Arizona (Phoenix)	385	Arizona (Phoenix)	\$21.60
<u>Pacific Northwest (Seattle)</u>	<u>\$17.77</u>	<u>Pacific Northwest (Seattle)</u>	<u>626</u>	<u>Pacific Northwest (Seattle)</u>	<u>\$22.04</u>
ALL FMMO MARKET AVERAGE	\$19.36	ALL FMMO MARKET TOTAL	11,457	ALL FMMO MARKET AVERAGE	\$23.19

Prices reflect Federal Order minimum blend prices for city shown.

Total Grade A milk volume sold under FMMO during month.

Prices reflect FMMO minimum prices at Jersey component values.

<u>DEC '19 JERSEY BLEND WITH ESTIMATED PROTEIN OR CHEESE YIELD PREMIUMS</u>		<u>DEC'19 DOLLAR DIFFERENCE: JERSEY MILK WITH PREMIUMS VS. STATISTICAL BLEND PRICE</u>		<u>DEC'19 PERCENT DIFFERENCE: JERSEY MILK WITH PREMIUMS VS. STATISTICAL BLEND PRICE</u>	
Northeast (Boston)	\$24.77	Northeast (Boston)	\$5.49	Northeast (Boston)	28.5%
Appalachian (Charlotte) (includes protein prem.)	\$24.26	Appalachian (Charlotte)	\$3.15	Appalachian (Charlotte)	14.9%
Southeast (Atlanta)	\$24.50	Southeast (Atlanta)	\$2.87	Southeast (Atlanta)	13.3%
Florida (Tampa)	\$26.49	Florida (Tampa)	\$3.31	Florida (Tampa)	14.3%
Mideast (Cleveland) (includes protein premium)	\$23.81	Mideast (Cleveland)	\$5.37	Mideast (Cleveland)	29.1%
Upper Midwest (Chicago) (includes cy premium)	\$24.29	Upper Midwest (Chicago)	\$5.32	Upper Midwest (Chicago)	28.1%
Central (Kansas City)	\$22.74	Central (Kansas City)	\$4.66	Central (Kansas City)	25.8%
California (Los Angeles)	\$19.76	California (Los Angeles)	\$2.16	California (Los Angeles)	12.3%
Southwest (Dallas)	\$22.44	Southwest (Dallas)	\$4.22	Southwest (Dallas)	23.2%
Arizona (Phoenix) (includes protein)	\$21.99	Arizona (Phoenix)	\$3.28	Arizona (Phoenix)	17.6%
<u>Pacific Northwest (Seattle)</u>	<u>\$22.04</u>	<u>Pacific Northwest (Seattle)</u>	<u>\$4.27</u>	<u>Pacific Northwest (Seattle)</u>	<u>24.0%</u>
ALL FMMO MARKET AVERAGE	\$23.37	ALL FMMO MARKET AVERAGE	\$4.01	ALL FMMO MARKET AVERAGE	21.0%

Includes a protein premium of \$0.05 for every 0.01% increase in protein over the market average.

Prices reflect difference between Jersey price with premiums, and the statistical blend price.

Percent difference in Jersey price with premiums, over the statistical blend price.

<u>ESTIMATED JERSEY MILK COMPOSITION</u>	<u>Dec-19</u>	<u>REGULATED MILK PRICES</u>	<u>Dec-19</u>	<u>AVERAGE JERSEY PRICE ADJUSTMENT PER CWT:</u>	<u>Dec-19</u>
Butterfat	5.21	FMMO Milkfat	\$ 2.1952	FMMO Milkfat Adjustment	\$2.64
TRUE Protein	3.89	FMMO True Protein	\$ 3.6515	FMMO True Protein Adjustment	\$2.27
Other Solids	5.73	FMMO Other Solids	\$ 0.1341	FMMO Other Solids Adjustment	(\$0.00)
Solids Not Fat (SNF)	9.62				
Cheese Yield (90% Fat Recovery, 38% Moisture)	13.47				
CME Block Cheese Price	\$ 1.88				