



CENTER FOR
Dairy EXCELLENCE

2018-19 | ANNUAL SUMMARY

MISSION

Empower and support Pennsylvania dairy families and businesses to thrive.

VISION

Serve as a catalyst for a vibrant Pennsylvania dairy industry.

FINDING THE PATH **FORWARD**



A Partner, Champion, and Advocate for Pennsylvania Dairy

In the midst of an uncertain marketplace, the Center for Dairy Excellence is committed to helping

dairy farm families find a path forward. As a public private partnership and a catalyst for collaboration across the industry, we believe in the power of dairy. Over the past year, we have worked to find opportunities for perseverance and growth in an industry that's filled with stress and uncertainty. Leveraging funds from the Commonwealth of Pennsylvania, we have provided resources and restored hope at the farm level. We have forged partnerships and advocated for support to help develop processing throughout Pennsylvania. We have provided industry professionals with tools and resources to pursue innovation and enhance profitability. No matter what the market is like, dairy farmers continue to be the backbones of our communities—driving economic revenue, caring for animals, and being stewards of our natural resources. As we look to the future, we will continue to be partners, champions, and advocates for Pennsylvania dairy.

—Jayne Sebright, Executive Director

"The Center is working in many arenas to ensure the best path forward in the Pennsylvania dairy industry. We are educating all levels of government to address the restrictions that exist in the marketplace, and we are working with many different industry partners to coordinate and collaborate resources. In the current market conditions, I think one of the most valuable things the Center is doing is providing funding and connecting people to help dairies evaluate their current status and make decisions on what their next move will be."

—Mark Mosemann, Chairman of the Board of Directors



Dairy Farm Uses Team Approach to Navigate a Challenging Marketplace

When Renee and Gerald Gruber started their dairy 6 ½ years ago, they realized they needed a team around them with a wide range of expertise to help make decisions. As they considered whether to install an ear tag system or how to manage a loss of milk, the Center for Dairy Excellence's On-Farm Resource program helped them establish a Dairy Profit Team with a trusted group of advisors.



"Our Dairy Profit Team meetings helped us pull back and see our farming business from a distance instead of getting caught up in the day-to-day grind,"

Renee said. "Having a Profit Team and an outside perspective helped us get a bigger glimpse of our dairy, whether it was looking at the financial books, talking to a nutritionist, or working with a veterinarian on breeding."

The Dairy Profit Team provided the Grubers with a whole-farm approach to improving profitability, enhancing performance, and pursuing future opportunities. Their team of advisors not only brought a diverse array of ideas and experiences—they also helped them realize there was more than one way to solve a problem.

"When you bring in a team [of advisors] that work on so many farms, you get a lot of diversity and ideas about what does and doesn't work," Renee said. "It brings a huge pool of wisdom that you just can't get with two people."

With a facilitator designated to manage workflow, and farms being able to receive up to \$2,000 in reimbursements for paid team members and discovery-related costs, the Dairy Profit Teams have become a path forward for dairy farms that are looking for a team approach to decision-making.

ON-FARM RESOURCE PROGRAMS | 2018-19

59

Dairy families with on-farm resource teams

83

Dairy families with dairy decision consultant

8

Dairy families with discussion groups

365

Annual Dairy Summit participation



Risk Management Becomes the Path Forward for Pennsylvania Dairy

When you look at Pennsylvania's dairy industry, most farmers

can agree – the future feels uncertain. For Joe of Somerset, Pa., becoming educated and informed has lessened some of his uncertainty.

After analyzing his dairy farm's financial picture, Joe decided to use risk management resources to protect the farm against milk price volatility. The Center for Dairy Excellence's risk education manager, Zach Myers, visited his farm to help Joe and his team take control through risk management and begin constructing a path forward.

"I thought it was important to educate myself, connect with people who are educated on risk management programs, and pull from those resources to help me make better decisions on what to do," Joe said.

Part of his decision-making process involved working with Myers to understand new programs offered by the USDA, including Dairy Margin Coverage (DMC) and Dairy Revenue Protection.

"I felt I needed to work with someone who could analyze my situation and help me make the educated decision on what to do next year," Joe added.

While we can't predict what the next five years will bring, Joe continues to work with the Center to mitigate financial losses in the short term and become more financially stable in the long term.



Developing Partnerships that Unite Consumers and Advance the Industry

To support dairy processors and retailers throughout Pennsylvania, the Center works closely with the Pennsylvania Department of Agriculture on several key partnerships. As partners for the Choose PA Dairy campaign and PA Preferred™ program, we work to educate consumers about the benefits of dairy and encourage them to support local dairy farmers.

The Center also works to advance Pennsylvania dairy by encouraging processing and advocating for support from legislators. Our goal is to help align the dairy industry and provide constituents with opportunities to learn from one another.

RISK MANAGEMENT PROGRAMS | 2018-19 TOTAL REACH

Presentations, meetings and discussions =

+4,200
Dairy Farmers

Financial and risk management conference =

109
Number of Attendees

Professional and producer roundtable meetings =

162
Number of Attendees

Weekly newspaper columns =

+3,500,000
Impressions



"The Center understands the value of bringing different constituents together. Through events like the Dairy Summit,

they bring together processors and check-off organizations so we can hear what companies

are doing and learn from one another. With the Center and the Department of Agriculture's help, it feels like processors, dairy farmers, and cooperatives are on the same page and supporting each other."

– Chuck Turner, Center for Dairy Excellence Board member

Private industry partners stepped up in 2018-19 to increase both their financial and in-kind support of the Center for Dairy Excellence, enabling the Center to document a 1:1 match between the public side and the private side. This demonstrates the Center's true purpose as a public:private partnership benefiting Pennsylvania's dairy industry.

Center for Dairy Excellence Board Members

Chairman: Mark Mosemann, Warfordsburg, Pa.
Vice Chairperson: Phoebe Bitler, Fleetwood, Pa.
2nd Vice Chairperson: Andrea Karns, Mechanicsburg, Pa.
Treasurer: Michael Hosterman, Chambersburg, Pa.
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Diane Hartman, Sinking Spring, Pa.
Matt Haan, Leesport, Pa.
Representative Mark Keller, New Bloomfield, Pa.
Secretary Russell Redding, Harrisburg, Pa.
Jeff Harding, State College, Pa.

2018-19 Allies for Advancement Contributors

Gold Level (\$10,000+)

The Pennsylvania Department of Agriculture
Bureau of Market Development
The Pennsylvania Dairymen's Association
AgChoice Farm Credit/MidAtlantic Farm Credit

Silver Level (\$5,000-\$9,999)

Farmshine *
Lancaster Farming *
Pennsylvania Association of Milk Dealers
Progressive Dairyman *
Land O' Lakes Inc.

Bronze Level (\$1,000-\$4,999)

Acuity Advisors and CPAs, LLP
Agricultural Veterinary Associates
BB&T
Fulton Bank
Lancaster DHIA
Mt. Joy Farmers Co-Op Association

Friends of the Center for Dairy Excellence (\$500-\$999)

Agri-Applicators Inc.
Dehm Associates, LLC
Herbein & Company, Inc.
Kauffman's Fruit Farm
MSC Business Services
PNC Bank
Salem Company, LLC
Simon Lever



(* indicates in-kind contribution)

FUNDING SOURCES TOTAL

External Grants	\$122,543
CDE Foundation of PA	\$121,417
Industry Support	\$67,882
PA Preferred	\$44,176
Agriculture Excellence Line	\$1,076,000

ALLOCATION OF EXPENSES TOTAL

Administration Operations	\$127,018
Partnerships	\$218,442
Fundraising	\$36,538
Events	\$21,214
Programs	\$960,518

(The financial statements are unaudited)



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