

# Idaho Dairy Focus

IDAHO DAIRYMEN'S ASSOCIATION

Protecting Idaho's dairy industry through environmental, legal, and legislative efforts since 1924.

# Q4

# 2022



# Contents

**Q4 2022**

IDAHO DAIRYMEN'S ASSOCIATION

4 **An Eventful 2022 on Federal Legislation Comes to a Close in Washington, D.C.**

Charlie Garrison  
Idaho Dairymen's Association

6 **IDA Election Results**

Rick Naerebout  
Idaho Dairymen's Association

8 **Land Board Approves \$23 Million Investment in Idaho Center**

John O'Connell  
University of Idaho

10 **Status Update CAFO Improvement Fund**

Tanya Hibler  
IDA Consulting Services

12 **Impact of a Volatile Block-Barrel Spread**

Dustin Winston  
Stone X

16 **Sawtooth Offices Adds Two Attorneys**

David Claiborne  
Sawtooth Law Offices, PLLC

18 **Protecting Your Most Valuable Asset: Employees**

Daniel Golightly  
PayneWest

20 **The Heart of the Dairyman**

Ellissa Clark  
IDA Consulting Services

22 **Continuing Carbon Accounting**

Dairy Management Team  
Dairy Management Inc.

24 **FARM Presented 2022 Excellence Awards**

Rachel Ravencraft  
National Milk Producers Federation

26 **End of the Year Checklist**

Valene Cauhorn, P.E. & Matthew Thompson, P.E.  
AGPROfessionals

28 **Partner Spotlight WCF Insurance**

Ellissa Clark  
IDA Consulting Services

30 **District Meetings**

Event Announcement  
Idaho Dairymen's Association

32 **Dairy Convention**

Event Announcement  
Dairy West



# An Eventful 2022 on Federal Legislation Comes to a Close in Washington, D.C.

**Charlie Garrison**

IDAHO DAIRYMEN'S ASSOCIATION

The midterm elections are behind us, the last Senate seat was decided in the runoff in Georgia on December 6th and Congressional Republicans and Democrats are gradually working their way through the organizational decisions for next year. Democrats will retain control of the U.S. Senate next year, even picking up a seat for a 51-49 majority. That will result in a return to extra members from the majority on committees as well as a smoother path for the approval of Biden Administration nominees for federal judgeships. The impact of the switch of Arizona's Senator Kyrsten Sinema from Democrat to Independent on the flow of legislative activity in the U.S. Senate isn't fully known yet. While she no longer plans to caucus with the Democrats, it has been reported that she will retain her current committee assignments.

The leadership team for the Senate Democrats remains the same next year with Chuck Schumer (D-NY) as Majority Leader and Richard Durbin (D-IL) the Majority Whip. For the Republicans, Mitch McConnell (R-KY) won reelection as Minority Leader and John Thune (R-SC) returns as Minority Whip. Senator Debbie Stabenow (D-MI) will still chair the Agriculture Committee and John Boozman (R-AR) continues as the Ranking Republican.

Republicans will have a very narrow majority in the U.S. House of Representatives during the next Congress. They have picked their leadership team with the exception of the Speaker of the House which is a position elected by a vote of all 435 members. That will be one of the first orders of business after the House convenes for the new session on January 3rd. Representative Kevin McCarthy (R-CA), from the Bakersfield, California area, is expected to win that election to be the Speaker for the 118th Congress, although his nomination has drawn opposition from a handful of members within the GOP.

The House leadership team for the Democrats will include several new faces as Speaker Nancy Pelosi (D-CA) and Majority Leader Steny Hoyer (D-MD) both declined to seek their party positions next year. The Minority Leader will be Hakeem Jeffries (D-NY) and Katherine Clark (D-MA) will be the Minority Whip.

House Republicans made it official this week with the Steering Committee's election of Glenn 'GT' Thompson (R-PA) to chair the Agriculture Committee. He represents a dairy-heavy district in west central Pennsylvania. He knows dairy policy well and has been a leader on issues like the use of dairy terms on plant-based products in violation of standards of identity and expanding school milk options to include all of the fat levels. He also voted in favor of the Farm Workforce Modernization Act. Current Agriculture Committee chairman, David Scott (D-GA) is expected to be the Ranking Democrat on the panel next year.

## **Congress is Still Closing Out Business This Year**

The 117th Congress is still in session with the holidays fast approaching. Agreement on funding for the full Fiscal Year 2023, which started this past October 1st, has proven elusive and may slide again until after the new Congress convenes in early January. Bipartisan legislation is proving difficult as Republicans and Democrats have different spending priorities. Options at this point are a bill that would fund federal government agencies at new levels through September 30th, an extension of current spending for the same period or a short-term extension of current spending levels into the first few weeks of next year with a try for a new appropriations bill for the rest of the year at that time. The question now is, will that vote take place before Christmas or will the U.S. Congress be forced to return to Washington, D.C. to finish the session before New Year's Day?

While farmworker visa reform has been the top federal legislative priority of the Idaho Dairywomen's Association for well more than a decade, the weeks since the midterm election have seen an unprecedented level of activity as Senator Mike Crapo has been the lead Republican negotiator, really the only Republican negotiator, on an improved version of the "Farm Workforce Modernization Act."

Senator Crapo, citing a lack of progress after several weeks of back-and-forth negotiations, ended his discussions toward a bill with

Senator Michael Bennet (D-CO) last week. The Idaho Dairywomen's Association commends Senator Crapo and his staff for all of their efforts to try to negotiate a bill that would provide stability for our members and for the workers on our dairies. His efforts paid off with new understanding about, and appreciation for, the need for the ability of the current farm workforce and their immediate family to adjust their status and what a new program for temporary workers for nonseasonal jobs like those on dairies should look like.

The House bill, the Farm Workforce Modernization Act, was set in motion by Idaho Congressman Mike Simpson reaching across the aisle to one of his colleagues nearly four years ago. It passed the House once in late 2019 and again in early 2021 with his strong support and that of nearly 30 other Republican members. He has continued to advocate for the bill as the Senate worked on its changes. The Idaho Dairywomen's Association thanks Congressman Simpson for his tireless support for the industry's top federal legislative priority.

## **A New Farm Bill in 2023**

A new year always brings new challenges. Chief among them will be a new Farm Bill. The current Farm Bill expires September 30th. Conservation programs in the Farm Bill like the Environmental Quality Incentives Program (EQIP) are very important tools in the toolbox for Idaho dairy producers as they work to protect and improve air and water quality on and around their operations. The program is significantly oversubscribed and dollar amount limits on funding projects curtail its effectiveness for the dairy industry in the state.

We are also expecting major initiatives to help farmers continue to lead on reducing greenhouse gas emissions from agriculture. There is considerable interest on Capitol Hill in adding incentives for reducing emissions and removing carbon from the atmosphere. Keys for making programs like that work are emphasizing technology that is effective and keeping the programs voluntary and affordable for farmers. The Conservation Title and climate programs in the next Farm Bill will be high priorities for the IDA in Washington, D.C. next year.



**Charile Garrison**  
cgarrison@thegarrisongroupllc.com



# IDA ELECTION RESULTS

IDAHO DAIRYMEN'S ASSOCIATION

**Rick Naerebout**

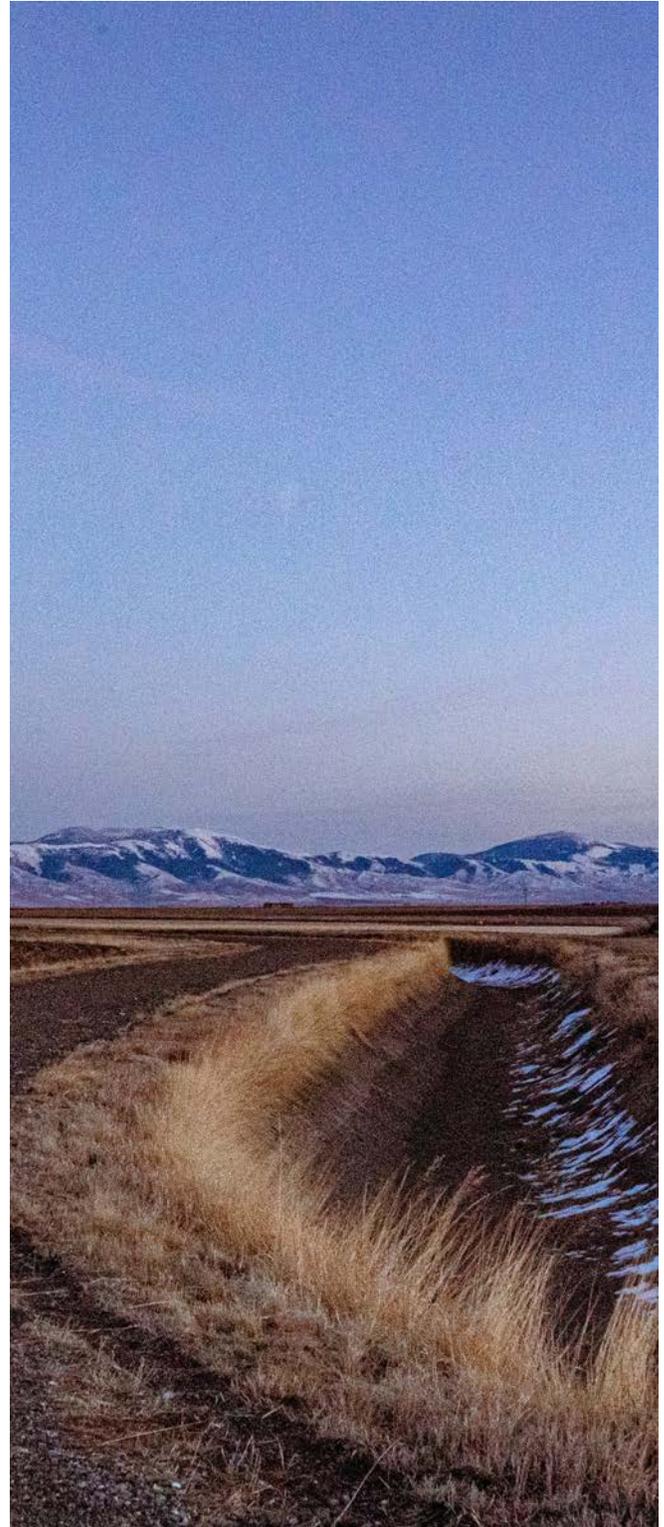
Earlier this fall IDA conducted its annual Board of Directors and Resolutions Committee elections. The Resolutions Committee had no contested elections with Pete Doornenbal, Don Gaalswyk and Alan Reed all being reelected for another term.

The IDA Board of Directors elections had one contested race. Willie Bokma ran for reelection against Hank Hafliger in District II. Willie was able to prevail in that race to serve another term along with Ted VanderSchaaf and Allan Swainston in uncontested races.

We did see some turn over on the IDEAL Board of Directors this fall. Those positions are appointed by the IDA Board of Directors every November. Don Taber retired from the IDEAL Board this year after 9 years of service. We will miss Don and the steady leadership he provided to IDEAL. He was always willing to open his facility to tours and different research projects, working closing with the IDA staff over the years to help advance the dairy industry. Don's presence will be missed in the boardroom, but we know we will always be able to find him on his dairy and can lean on him to continue to assist IDA when we need access to a facility.

The IDA Board filled Don's seat with Alan Branch from the eastern part of the Magic Valley. Alan is a member of IDA's Resolutions Committee, participated in Dairy West's Ambassador Program and has been an active member at IDA District Meetings and other IDA events. We are looking forward to working with Alan and the perspectives he brings as a younger dairy producer. The IDA Board also reappointed Arie Roeloffs to the IDEAL Board as the Board representative from District II.

If you have interest in serving in leadership within IDA please reach out. My email is [rick@idahodairymens.org](mailto:rick@idahodairymens.org) and my cell is 208-308-3383. Our election processes happens every fall and we encourage dairymen to get and stay involved to be certain IDA maintains its purpose as a producer governed trade association representing Idaho's dairymen.



**Rick Naerebout**  
[rick@idahodairymens.org](mailto:rick@idahodairymens.org)



# Land Board Approves \$23 Million Investment in Idaho Center

UNIVERSITY OF IDAHO

**John O'Connell**

For the state's dairy producers and processors, the forthcoming Idaho Center for Agriculture, Food and the Environment (Idaho CAFE) promises to expand markets, bolster the skilled labor pipeline and help the industry operate sustainably into the future, with a unique research focus on the arid West.

University of Idaho's grandiose vision of opening Idaho CAFE – planned to be the nation's largest research dairy – took another monumental step forward in September, when the Idaho Board of Land Commissioners agreed to invest \$23.25 million toward the project.

The funds were generated by the November 2021 sale of 282 acres of endowment land in Caldwell owned by U of I's College of Agricultural and Life Sciences (CALs) and no longer used for experimental agriculture. With its recent unanimous vote, the Land Board committed to buying 638 acres of farmland north of Rupert owned by U of I, providing capital for the university to build a state-of-the-art milking parlor serving a 2,000-head dairy herd.

U of I originally purchased the land in March 2019 in partnership with Idaho Dairymen's Association and will lease it back from the Land Board.

"This development of CAFE will yield good returns for students today and well into the future," said Idaho Gov. Brad Little. "The important research will help the dairy producers, manufacturers, and University of Idaho agricultural students and future veterinarians who will assist with the vast spectrum of research. It will ensure our industry thrives, adding to Idaho's diverse and vibrant economy, as well as preparing students to thrive in this industry."

Idaho's dairy industry, which ranks third in the nation for milk production, strongly supports U of I's CAFE project. Industry has donated more than \$8.5 million to the project to date. Their investment will pay dividends by integrating animal and agronomy research, resulting in improved strategies for forage production and nutrient management. Research at CAFE will also help develop strategies to mitigate greenhouse gas emissions from animals, housing areas, waste systems and in-field applications, advancing the dairy industry's nationwide net zero initiative.

The facility will even seek markets for dairy manure, which may be made into valuable byproducts such as bioplastics and transportable fertilizers.

The Land Board determined buying the property and investing in the milking infrastructure as part of the CAFE project is in the best long-term interest of the beneficiary.

"Agriculture remains Idaho's No. 1 industry with livestock production accounting for more than 60% of the state's agricultural cash receipts," said U of I President C. Scott Green. "This facility will serve our students well, preparing them to work on the cutting edge of agribusiness and dairy sciences. Economically, CAFE opens doors for U of I to receive millions of dollars in grant funding for research, unleashing new ideas and innovative solutions for Idaho's and the nation's dairy industry."

The dairy site also includes farmland acres for a water and soil health demonstration farm, which will accommodate complementary agronomic research, feed production and nutrient management. In addition to the nearly \$9 million in private donations, the project received \$10 million of state funding thanks to Idaho lawmakers in 2017 that was released to the project in the fall of 2019. The project has already generated over \$13 million in grant activity and supports the work of more than 30 graduate students and numerous undergraduates hired as research assistants.

Bids for construction of the dairy will be opened in January 2023. Interested parties can contact Tammie Newman of McAlvain Construction at [tammien@mcalvain.com](mailto:tammien@mcalvain.com) or (208) 908-5978. Plans call for construction to officially begin in 2023 with the goal of milking cows onsite by the end of 2024.

Please visit <https://www.uidaho.edu/cafe> to learn more about the Idaho CAFE project and its many benefits for Idaho's producers, students and economy.



**John O'Connell**  
[joconnell@uidaho.edu](mailto:joconnell@uidaho.edu)



STATUS UPDATE

# CAFO Improvement Fund

IDA CONSULTING SERVICES

**Tanya Hibler &  
Megan Satterwhite**

In October the CAFO Improvement Fund Committee met, ranked applications, and selected the awarded projects. A total of 13 projects were funded out of the 35 applications received. One hundred percent of the five million dollars in the fund was spent on the selected projects. Funded projects included one or more of the components from the list below.

Unfortunately, there were many excellent applications that weren't funded. The fund was very competitive, and the committee was impressed with many of the projects. The successful applicants were able to demonstrate a significant improvement in current operations and ranked highest in both water and air quality protection categories. If you applied and have specific questions about your project, please reach out.

IDA is actively engaged in conversations about another appropriation to the fund for 2023. Please look for additional updates in the future.

## Funded Projects

- DariTech Biolyнк water recycling system
- Screw presses
- Centrifuge
- DariTech DT 360 presses
- Sloped screens
- Separation building
- New lagoon construction
- Reverse Osmosis System
- Pump for lagoon to additional acreage for lagoon water application
- Advanced distillation
- Pipeline to additional acreage for lagoon water application



**Megan Satterwhite**  
[megan@idahodairymens.org](mailto:megan@idahodairymens.org)



**Tanya Hibler**  
[tanya@idahodairymens.org](mailto:tanya@idahodairymens.org)



A SHIFTING TIDE IN THE DAIRY INDUSTRY

# Impact of a Volatile Block-Barrel Spread

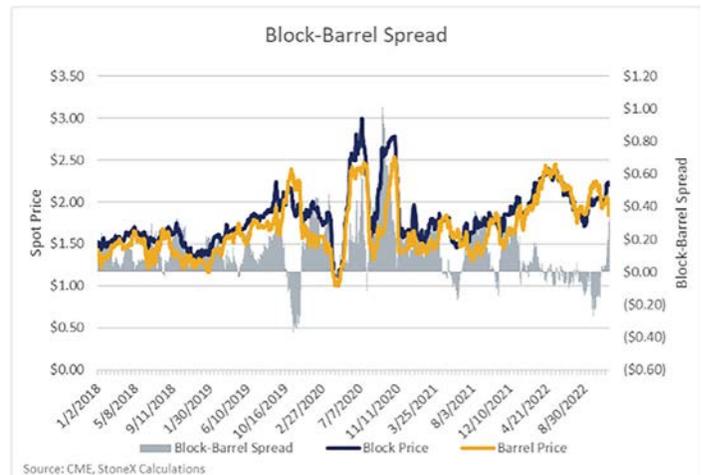
STONE X

Dustin Winston

When we talk about pricing systems, the U.S. system is often admired. We have active and transparent spot markets, government mandated price reporting for certain products, and clear formulas that tie milk prices to dairy product prices. However, there is always room for tweaks and improvements. It has been more than 20 years since the U.S. did a large overhaul of the pricing system, and trade groups for the processors (IDFA) and the farmers (NMPF) are working through various potential changes to the system.

Over the last few years dairy prices have faced significant volatility as a result of one “black swan event” after another. Prices as we now are developed -in the market. We have seen Class III prices reach new all-time highs and establish a change in structure from the accepted “normal” as input prices have surged limiting the supply side of that equation.

Class III prices are a factor of milk flowing into cheese and whey production. One issue that the market is currently struggling with is an increase in volatility leading to changes in the block-barrel spread, effecting the cheese side of that equation. Currently the FMMO cheese price is the volume weighted average of the 40-pound block Cheddar and 500-pound barrel Cheddar with the weighting determined by reported weekly sales of bulk cheese. While blocks and barrels are packaged differently, colored differently and usually used differently, their prices stayed within a tight range from 2000 to 2015. The cheese price calculation in the FMMO formulas assume that barrels average 3 cents less than blocks, which lined up well with the market from 2000 to 2015 which averaged 3.4 cents





The spread has also been much more volatile than it used to be with barrels trading up to 40 cents above blocks, and for a day in 2020 they were more than a \$1.00/pound below blocks. That means the average block price and average barrel price for the month ended up being significantly different than the weighted average of the two different prices. For a cheese buyer trying to hedge their block or barrel purchases using the cheese futures, this volatility is a problem. For a dairy producer being priced off of some combination of blocks and barrels, this volatility is also a problem.

For farmers, what is a possible solution? Removing barrels from the cheese price calculation altogether has some appeal. No one has to report their confidential prices or production volumes to the USDA. Over the past five years it would have raised the average cheese price and Class III price, which farmers would have liked, and it would have improved the hedging basis on cheese, at least for anyone who is hedging block cheese against the cheese futures.

The maximum potential upside for farmers from dropping barrels from the cheese price/Class III calculation averages \$0.37/cwt. over the past five years. That upside would be reduced by milk shifting out of barrels and into other products. By our calculations the amount of milk shifting out of barrels would be relatively small, maybe equivalent to 50 million pounds per year. If that shifted into blocks or butter/NFDM it wouldn't knock more than 5 cents off the Class III/IV prices, so removing barrels from the calculation is still likely a net gain of \$0.30 cents/cwt. for farmers. But the impact from changes like this are hard to model and sometimes have large unintended consequences.

Please feel free to reach out to discuss risk management tools and our unique Market Intelligence: ProfitView, which is tailor-made specifically for dairy producers. For a free trial go to [StoneX Free MI Trial](#)

**StoneX will be hosting an Ag and Dairy Outlook in Las Vegas, NV on February 27 - March 1, 2023. This event will provide valuable information and insight of all aspects of the Dairy supply chain from dairy producers to end users. We would love for you to join us, you can register at [REGISTER NOW](#).**

**This material should be construed as the solicitation of trading strategies and/or services provided by the FCM Division of StoneX Financial Inc., or StoneX Markets LLC (“SXM”) as noted in this presentation.** These materials have been created for a select group of individuals, and are intended to be presented with the proper context and guidance. Information contained herein was obtained from sources believed to be reliable, but is not guaranteed as to its accuracy. These materials represent the opinions and viewpoints of the author, and do not necessarily reflect the viewpoints and trading strategies employed by the FCM Division of StoneX Financial Inc. or SXM. The trading of derivatives such as futures, options, and over-the-counter (“OTC”) products or “swaps” may not be suitable for all investors. Derivatives trading involves risk of loss and past financial results are not necessarily indicative of future performance. Any hypothetical examples given are exactly that and no representation is being made that any person will or is likely to achieve profits or losses based on those examples. The FCM Division of StoneX Financial Inc. is not responsible for any redistribution of this material by third parties, or any trading decisions taken by persons not intended to view this material. This material does not constitute an individualized recommendation, or take into account the particular trading objectives, financial situations, or needs of individual customers. Contact designated personnel from the FCM Division of StoneX Financial Inc. for specific trading advice to meet your trading preferences or goals. All references to and discussion of OTC products or swaps are made solely on behalf of SXM, a member of the NFA and provisionally registered with the CFTC as a swap dealer. SXM's products are designed only for individuals or firms who qualify under CFTC rules as an ‘Eligible Contract Participant’ (“ECP”) and who have been accepted as customers of SXM. Reproduction without authorization is forbidden. © Copyright 2021. All rights reserved.



**Dustin Winston**

**[dustin.winston@stonex.com](mailto:dustin.winston@stonex.com)**



# Sawtooth Law Offices Adds Two Attorneys in Twin Falls

SAWTOOTH LAW OFFICES, PLLC

**David Claiborne**



### **Kelsea Donahue**

Sawtooth Law Offices is pleased to announce that Kelsea Donahue has joined the firm as an associate attorney. Growing up in Idaho taught Kelsea a deep appreciation for Idaho's natural resources and communities. This exposure drove Kelsea to pursue a law degree with the University of Idaho College of Law. Kelsea graduated from the University of Idaho in May 2022. Before law school, Kelsea completed undergraduate degrees in English and environmental studies and graduated with honors from Boise State University. Throughout law school, Kelsea was an extern for the Idaho Attorney General's Office, Department of Environmental Quality Section, an intern for the Idaho Cattle Association, and an extern for the James A. & Louise McClure Center for Public Policy Research.

Kelsea is committed to representing, advocating, and collaborating with Idaho communities involved in agriculture and natural resources. In her free time, Kelsea enjoys spending time with her family and exploring Idaho's great outdoors. Kelsea may be contacted at (208) 969-9585 or by email at [kelsea@sawtoothlaw.com](mailto:kelsea@sawtoothlaw.com).



### **Thomas Larsen**

Sawtooth Law Offices is pleased to announce that Thomas Larsen has joined the firm as an associate attorney. Thomas came to the firm after graduating Law School from the University of Idaho in 2022. He recognizes the great importance agriculture has within Idaho and is excited to learn and work within this area. Before law school, he earned his undergraduate degree in Political Science from Brigham Young University in 2018. Thomas grew up in Meridian, Idaho and thanks to the Boy Scouts of America, spent his youth exploring and recreating in Idaho's beautiful wilderness.

Through those experiences he came to love Idaho and the outdoors. Even though his family relocated to another state while he was in high school, Thomas has always considered Idaho his home and knew he would come back to live here. When not in the office, Thomas enjoys spending his time with his wife and their two sons. Thomas will assist the Twin Falls office where he hopes to become a valued asset to agricultural clients and associated industries. Thomas may be contacted at (208) 969-9585 or by email at [thomas@sawtoothlaw.com](mailto:thomas@sawtoothlaw.com).



**David Claiborne**

[david@sawtoothlaw.com](mailto:david@sawtoothlaw.com)



# Protecting Your Most Valuable Asset: Employees

PAYNEWEST

**Daniel Golightly**

As a dairy farmer, you can't do the work without your team. Following best practices for employment and making sure your coverages are sufficient for current risks are vital to maintaining a successful and viable operation.

"We're finding right now that most dairies are underinsured," said Daniel Golightly, who serves dairy farmers within PayneWest Insurance's Agribusiness practice. "The rise of inflation and increase in size of employee lawsuits and even workplace violence incidents are leaving many dairies extremely vulnerable. We get asked all the time, don't my general liability and workers' comp policies fully protect me? The answer is NO."

While you may have general liability and workers' compensation coverages, there are several areas that are unique to dairies and other agricultural operations due to the high level of exposure. And when owners and employees both work and live on a farm property, the risk of employee-related issues rises substantially.

Here are two exposures often overlooked that dairy owners should consider.

## Employee Discrimination Charges and Lawsuits

Considering the heightened litigation targeted at U.S. dairy operations and employers in all industries, dairy owners are at increased risk of employment-related lawsuits.

According to workplace discrimination statistics, three out of five U.S. employees said that at some point they've either experienced or witnessed discrimination based on age, race, religion, or gender.

Over the last 20 years, employee lawsuits have increased by 400%. In its 2021 fiscal year, the U.S. Equal Employment Opportunity Commission reported 61,331 workplace discrimination charges filed with the agency, with \$485 million in payouts.

Employment practices liability insurance can help protect your farm from employment-related lawsuits, such as discrimination, retaliation, wrongful termination, harassment, failure to promote and offensive work environment. Some policies may also include risk management measures including templates for HR policies, training programs for owners and staff, and legal advice

## Workplace Violence

Unfortunately, workplace violence has become an ever-present issue. Mental illness, substance abuse and other factors can contribute to hostile and violent incidents. Most states exclude workers' compensation injuries arising from drug and alcohol use or intentional injury or harm of employees, leaving employers extremely vulnerable if not properly covered.

According to the National Crime Victimization Survey, 1.5 million assaults occur in the workplace annually. Workplace violence statistics also show that 251 fatal work injuries happen due to violence.

A 2022 analysis by career information provider Zippia estimated that U.S. businesses lose an average of \$250 – 330 billion annually to violent incidents. The costs arise from lost work time and wages, reduced productivity and turnover, higher health care costs, workers' compensation and disability insurance premiums, and legal and security expenses.

Workplace violence and active shooter coverages may cover items, such as legal expenses from lawsuits resulting from a covered event, business interruption expenses, death benefits to survivors, and the costs of counseling, security, and public relations experts. Policies may also provide resources for preventing and dealing with workplace violence.

With many dairy employees working and living on the farm, a rigorous insurance plan that includes employer protections is best suited for today's industry and cultural risks.



**Daniel Golightly**

**[dgolightly@paynewest.com](mailto:dgolightly@paynewest.com)**



# The Heart of the Dairyman

IDA CONSULTING SERVICES

Ellissa Clark

---

One of the great privileges of my job is visiting dairymen on their farms. My main purpose for stopping by is typically to train employees. While employees are completing their training on iPads, I usually find myself chatting with a dairy owner or manager about their operation, safety mishaps we've each encountered, and life experiences.

I'm continually impressed by the good dairymen do. This year I spoke with dairy producers going out of their way to organize English, Spanish, finance, and self-reliance classes for their employees. I've seen dairymen invest countless hours helping their workers legally bring their families to our country. In some situations, these dairymen even find themselves picking up a shift or two in the parlor to cover for an employee while he travels to his home country to escort his family here.

I met a dairyman last winter whose story touched my heart. He had an employee who was a single father from Peru. This employee unexpectedly passed away leaving his 6-year-old daughter behind. The dairyman took in his employee's daughter as his own, raised her, and supported her as she pursued her dream of becoming a lawyer.

As I reflect on the many uplifting examples I see in the dairy industry, I can't help but realize that the heart of the dairyman greatly resembles the heart of the Good Shepherd, Jesus Christ.

When there is a person to be helped or a hand to be offered, dairymen don't flinch. They stand ready to give their time, attention, and resources to those in need.

The producers who make up our industry sometimes have strong differences of opinion or completely opposite ways of doing things. Circumstances faced in life or business can easily divide people and cause strife. However, when push comes to shove, I've witnessed that the Idaho dairy industry is one where good people are plentiful and support is supplied freely—despite differences.

During his ministry Christ taught that "...Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me." May we all remember this Christmas season that caring for our neighbor is one of the greatest gifts we can offer the Good Shepherd. As I look back on what I've observed over the last couple years, I realize I'm blessed to work on behalf of so many people whose hearts are in the right place.



**Ellissa Clark**  
[ellissa@idahodairymens.org](mailto:ellissa@idahodairymens.org)



CONTINUING

# Carbon Accounting

DAIRY MANAGEMENT INC.

Dairy Management Team

## Exploring Carbon Accounting for U.S. Dairy

As businesses seek to reduce their greenhouse gas (GHG) emissions, the discussion about carbon markets and the opportunities they present continues to gain traction. In a recent article, the Innovation Center for U.S. Dairy provided a high-level overview of carbon accounting for dairy farmers. Now the Innovation Center will offer an overview of calculating GHG emissions, examples of current markets and how to count credits.

## Calculating Dairy Farm GHG Emissions

An essential first step in GHG accounting (often referred to as carbon accounting) is the ability to calculate and track a farm's GHG emissions. Dairy farmers and cooperatives can calculate baseline emissions and track emissions reductions using tools such as the National Milk Producers Federation (NMPF) Farmers Assuring Responsible Management Environmental Stewardship (FARM ES) tool.

**FARM ES** is the unifying industry platform for emissions tracking and reporting and helps track and communicate a farm's environmental achievements and set a path for continuous improvement. FARM ES data represents life cycle-based, cradle-to-farmgate emissions.

Presently, NMPF and the Innovation Center are collaborating to update the model that powers the FARM ES program. With the launch of FARM ES Version 3.0 in 2024, the program will transition to a "process-based" model through work with **Ruminant Farm Systems (RuFaS)** – a next-generation, open-source whole-farm model that simulates dairy farm production and environmental impact. Process-based models are more comprehensive than the empirical models that FARM ES and other farm-level greenhouse gas accounting tools use today.

## Market-Based Incentive Programs

The previous newsletter article noted that carbon markets exist because companies voluntarily seek to meet aggressive GHG reductions or need to meet specific regulated reductions. Many companies are seeking solutions to help green their portfolios and meet ambitious climate commitments. Companies or private individuals can purchase credits to offset their carbon footprint through a carbon market which facilitates the trading of carbon offset credits between entities.

Carbon credits and market-based programs can play an essential role in providing financial incentives and benefits for farmers to invest in adopting sustainable practices and technologies. However, there is no nationally regulated compliance GHG program or marketplace. Only a handful of states such as California have market-based incentive programs. The **California Air Resources Board** (CARB) LCFS program is intended to reduce the carbon footprint of transportation fuels. Through the LCFS program, California awards credits to producers of low-carbon fuels such as renewable natural gas (RNG) that replace carbon-intensive fuels.

Dairy farms are currently eligible to sell RNG as a part of the LCFS program. RNG qualifies for credits, regardless of the state of origin, if the fuel is conveyed to California via pipelines and used to replace conventional transportation fuel in California. Similar voluntary carbon market opportunities are available to dairy farmers for either manure management practices that avoid, limit or control methane emissions and field management activities that sequester carbon in conjunction with feed production.



## The Risks of Double Counting

Without a nationally regulated compliance GHG program, companies are increasingly making voluntary GHG reduction commitments. In turn, accounting and communication of emissions reductions have become increasingly complex. Voluntary actions are not subject to a consistent set of standards, creating a potential risk of inappropriate double counting.

Double counting can occur if the same carbon credit is credited twice toward achieving a farm, company or industry GHG target. If the credit is funded and claimed within the supply chain and a farm or its buyer funds a reduction, that credit stays in the supply chain and the farm, coop, processor and customer can all claim the reduction. However, when a dairy farm sells a credit to an entity outside the dairy supply chain, the farm cannot use those credits to claim the associated GHG reduction. While double counting is not allowed, that farmer can still celebrate their positive impact on the environment. For instance, a farm that sells RNG can celebrate contributing clean energy to the grid each year.

In the next and final installment of this series on carbon accounting, the Innovation Center will explore sustainable practices that are currently or potentially will generate offset credits eligible for transaction in carbon markets and offer resources for learning even more.

If you have any questions, please reach out to Annie Kramer, [annie.kramer@dairy.org](mailto:annie.kramer@dairy.org).

**The Innovation Center for U.S. Dairy**<sup>®</sup> is a forum that brings together the dairy community to address the changing needs and expectations of consumers through a framework of shared best practices and accountability. Initiated in 2008 by dairy farmers through the dairy checkoff, we collaborate on efforts that are important both to us and our valued customers in areas like animal care, food safety, nutrition and health, the environment and community contributions. Through the Innovation Center, the U.S. dairy community demonstrates its commitment to continuous improvement from farm to table, striving to ensure a socially responsible and economically viable dairy community.



# FARM Presented 2022 Excellence Awards

NATIONAL MILK PRODUCERS FEDERATION

Rachel Ravencraft



The FARM Program announced the winners of the second annual FARM Excellence Awards in October at the 2022 Joint Annual Meeting of the National Dairy Board, the National Milk Producers Federation and the United Dairy Industry Association in Aurora, Colorado.

Through these awards, the FARM Program recognized three farms and one evaluator who go above and beyond industry standards through their commitment to innovation and continuous improvement. The 2022 FARM Excellence Award recipients are:

- Animal Care & Antibiotic Stewardship — MVP Dairy, LLC (Danone North America)
- Environmental Stewardship — Kibler Dairy Farms, Inc. (Dairy Farmers of America)
- Workforce Development — Double A Dairy, LLC (Glanbia Nutritionals) Evaluator of the Year — Ruth McCuin (Agri-Mark, Inc.)

Information on each of the winners is available on the **FARM Program website**.

## New FARM Resources Available

The **Milk & Dairy Beef Drug Residue Prevention Reference Manual (2022-2023)** and the **Everyday Biosecurity Manual** are available for download on the FARM website. Printed copies can be ordered on the FARM online store and shipped directly to you.

The **Milk & Dairy Beef Drug Residue Prevention Reference Manual** has been revised for 2022-2023. This manual is a quick resource to review antimicrobials approved for dairy animals and can also be used as an educational tool and resource for farm managers and employees to develop on-farm best management practices.

The FARM Biosecurity Program provides dairy farmers with the tools they need to protect their herds and employees. As a first step to prepare for an FAD outbreak, farms should start incorporating protocols in the new **Everyday Biosecurity Manual**. Many everyday biosecurity best practices, including for example, vaccines and utilizing different equipment for manure and feed handling, are already being performed on your farm.

## Animal Care Version 5

The Animal Care Version 5 open comment period closed Oct. 28. The Animal Care Task Force, Farmer Advisory Council, NMPF Animal Health and Wellbeing Committee will now review the submissions and consider all feedback before the final approval process with the NMPF Board of Directors early next year. **Watch the recording** of the Dec. 1 FARM Industry Town Hall for the latest updates. A summary of submitted responses will be available January 2023.



**Rachel Ravencraft**  
rravencraft@nmpf.org



# End of the Year Checklist

AGPROFESSIONALS

**Valene Cauhorn, P.E. &  
Matt Thompson, P.E.**

The end of the year is a great time for reflection and analysis of what 2022 has brought and what goals 2023 should have. Bankers and accountants are going to need financials and negotiations for feed contracts will start. One thing that is easy to forget in the end of year checklist is the nutrient and manure management of the facility. The more you plan, document, and organize your nutrient and manure management ahead of time, the easier it is to manage ponds, nutrient loadings of fields, and make the ISDA NMP reviews go smoothly. AGPROfessionals developed an end of year checklist to help in this process:

For your next ISDA NMP review you will need

- Crop harvest and yield data for each field/farm
- Soil samples of all the fields within your NMP where nutrients were applied
- Records of last year's land application
- What, when and how much manure/lagoon was applied to each field
- Solid and liquid samples of all applied manure sources
- Records of all third-party exports for this past year, source (lagoon, compost, solids), when and who nutrients were shipped to
- Check that all receivers are listed in your current EMP/NMP, if not have your planner update your third-party receiver list
- Pond inspection approvals for any new or relined ponds. Are ponds empty for the winter storage period. (Lagoon applications are to be completed by Nov. 15 of each year. If you were not empty and capacity for the winter period is in question, take barn water use conservation measures now. Inspect water tank shutoff values and overflows to make sure systems are operating efficiently for the winter period. If you don't expect to make storage last until April, then visit with your inspector for options.)

## Planning for Next Year

Crop rotation and planned yields for each field/farm

- Soil samples of all the fields you plan to apply nutrients
- Plan to take solid and liquid samples of all applied manure sources
- Plan land application rates of source and amount of manure/lagoon for each field
- Plan third-party exports, check that all planned receivers are listed in your current EMP/NMP, if not have your planner update your third-party receiver list
- Site Inspections
  - Do all corrals, feed areas, and manure storage areas flow to a lined pond or separation system
  - Where is the snow scraped and stored (if it has manure or feed in it, it should be stored in a place the drains to the pond system)

As each facility and operation is unique, we recognize that this is not an all-encompassing list and will need to be adapted to each operation, but it is a great starting point. If your facility has all the information for this checklist going into the New Year, you will be able to plan where your manure will go and at what time of the year, which helps plan labor, nutrient management reviews, and crop rotations/harvest. In addition to having the data, it is important to keep everything organized for easy accessibility for a swift ISDA record review.

If you need any help with your end of year checklist, do not hesitate to reach out to us at AGPROfessionals.



**Valene Cauhorn**

**Twin Falls Office: 208-595-5301**



**Matt Thompson**

**Twin Falls Office: 208-595-5301**



PARTNER SPOTLIGHT

# WCF Insurance

**Elissa Clark**

IDA CONSULTING SERVICES

---

Over the last few years, the Idaho Dairymen's Association has been impressed by the way WCF Insurance is working with dairy producers to tackle workers' compensation. WCF is proud of its focus on excellent service. This emphasis can be seen through best-in-state claims handling, access to safety consultants, and the ability to offer competitive pricing.

We recommend that dairymen interested in receiving premium discounts on workers' compensation reach out to WCF to discuss the benefits available to those participating in IDA's Worker Training & Safety Program.

## WCF's Involvement in Dairy

- Sponsor of the Dairy West Annual Meeting in Boise since 2019
- Board-certified safety professionals (4) that have completed the Dairy Worker Training & Safety Program
- Facilitation of training alongside IDA in Twin Falls, Idaho Falls, and Preston
- Providing safety materials relevant to dairy and farming operations including videos, safety checklists, and tailgate topics
- Free app that gives policyholders direct access to a safety professional, safety resources, and the ability to file a claim

If you have any questions, please visit this link to find an agent near you: <https://www.wcf.com/find-agent/>



**Ellissa Clark**  
[ellissa@idahodairymens.org](mailto:ellissa@idahodairymens.org)



# District Meetings

EVENT ANNOUNCEMENT

**Idaho Dairymen's Association**

---

IDA will be hosting dinner meetings in each of the districts. Similar to our meetings last year, please join us for an evening meeting with a steak supper. As staff, we plan to give you an update on the latest topics and join you in conversation to help answer policy questions. The meetings will start at 5:30pm with drinks and appetizers. While dinner is being served an industry update will be given. Conversation with staff will continue over dinner. We hope you leave with your bellies full, thoughts shared, and questions answered.

Our meeting in the Preston area will be held at lunchtime to minimize interference with farm schedules. The meeting will follow the same flow as the others so please save room for food. Be sure to note the time difference in your calendars. Below are a list of dates and meeting places. Please expect a formal invite in your mailbox soon.

## Please RSVP

RSVP Megan Satterwhite at least one week prior to the meeting you plan to attend.

[megan@idahodairymens.org](mailto:megan@idahodairymens.org)

208-420-6795

### Treasure Valley

**January 10, 2023 @ 5:30pm**

Beside Bardenay  
610 W. Grove St.  
Boise, ID 83702

### Magic Valley

**January 26, 2023 @ 5:30pm**

Wick's Steakhouse  
18 E. Main St.  
Declo, ID 83323

### Magic Valley

**January 31, 2023 @ 5:30pm**

Stone House and Co.  
330 4th Ave. S  
Twin Falls, ID 83301

### Eastern Idaho

**February 7, 2023 @ 5:30pm**

Sandpiper  
750 Lindsay Blvd  
Idaho Falls, ID 83402

### Eastern Idaho

**February 8, 2023 @ 11:30am**

Robinson Building  
186 West 2nd North  
Preston, ID 83263



# Dairy Convention

EVENT ANNOUNCEMENT

Dairy West

Celebrate the new year with Dairy West January 11 & 12, 2023 at the Dairy Convention in Provo, Utah. The Dairy Convention will kick-off with dinner on January 11th and a keynote address from Olympic gold medalist, Rulon Gardner. On January 12th, farmers will have the opportunity to hear from and ask questions of to the Dairy West and Dairy Producers of Utah teams. Our afternoon will feature workshops on succession planning, charcuterie board making and answering difficult questions.

Register to attend at <https://dairywest.swoogo.com/2023DairyWestDairyConvention>

Farmers who register before December 31 will receive a \$150 reimbursement upon their arrival at the event.

Book your hotel room with this link [Book Your Group/Corporate Rate | Marriott International](#)



# IDAHO IDA

## dairymen's association

195 River Vista Place  
Suite #308  
Twin Falls, Idaho 83301

### IDA/IDEAL Board of Directors

Pete Wiersma, President (Buhl, ID)  
Arie Roeloffs, Vice President (Wendell, ID)  
Ted Vander Schaaf, Secretary/Treasurer (Kuna, ID)  
Allan Swainston (Preston, ID)  
Christopher Stevenson (Jerome, ID)  
Kim Wolfley (Blackfoot, ID)  
Willie Bokma (Twin Falls, ID)  
Rudi DeWinkle (Melba, ID)  
Alan Branch (Malta, ID)  
Kim Korn (Terreton, ID)  
Lynn Keetch (Montpelier, ID)  
Ed DeGroot (Mountain Home, ID)  
Derek Whitesides (Rupert, ID)  
Pete Doornenbal (Caldwell, ID)  
Rick Naerebout, CEO

### IDPC Board of Directors

Don Gaalswky, Chairman (Castleford, ID)  
Brian Esplin, Vice Chairman (Shelley, ID)  
John Brubaker, Secretary (Buhl, ID)  
Kallan Rex (Malta, ID)  
Pete Doornenbal (Caldwell, ID)  
Tom Kasper (Melba, ID)  
Devin Boehme (Geneva, ID)  
Joel Boschma (Kuna, ID)  
Kim Korn (Terreton, ID)  
Karianne Fallow, CEO

### Dairy West Board of Directors

Chace Fullmer, Chairman (Sigurd, UT)  
John Brubaker, Vice Chairman (Buhl, ID)  
Siska Reese, Treasurer (Melba, ID)  
Matt Leak, Secretary (Cornish, UT)  
Tom Kasper (Melba, ID)  
Josh Webb (Declo, ID)  
Kim Korn (Terreton, ID)  
Jeff Hardy (Brigham City, UT)  
Don Gaalswky (Castleford, ID)  
Winfield Anderson (BlackFoot, ID)  
Pete Wiersma (Buhl, ID)  
Deb Easterday-Reeves (Buhl, ID)  
Karianne Fallow, CEO

### Upcoming Events

#### January 9<sup>th</sup>

67th Idaho Legislature convenes

#### January 11<sup>th</sup>

Ag All Star Banquet - Boise, ID

#### January 11<sup>th</sup>

IDA/IDEAL Board Meeting - Boise, ID

#### February 20<sup>th</sup> - 21<sup>th</sup>

Larry Branen Legislative Strolling  
Dinner/Summit - Boise, ID

#### March 16<sup>th</sup> - 17<sup>th</sup>

IDA/Dairy West Board Meeting &  
Legislative Banquet - Boise, ID

### District Meetings

#### January 10<sup>th</sup>

IDA District Meeting - Boise, ID

#### January 26<sup>th</sup>

IDA District Meeting - Declo, ID

#### January 31<sup>st</sup>

IDA District Meeting - Twin Falls, ID

#### February 07<sup>th</sup>

IDA District Meeting - Idaho Falls, ID

#### February 08<sup>th</sup>

IDA District Meeting - Preston, ID