

Dairyman

OCTOBER 2007



the ultimate sports drink.





welcome
DON DESJARLAIS
to the Management Team

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Swiss Valley Farms
Cooperative
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Swiss Valley Farms, Co. will produce, distribute and sell value-added, quality products for our:

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Owner/Members
Workforce

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Don Desjarlais, the new Vice President of Procurement and Finance for Swiss Valley Farms, brings almost 20 years of dairy industry experience to your cooperative's Management Team.

Don began his career in the dairy industry with Alto Dairy in 1988. Since that time, he has served as CFO for Alto Dairy and Lucille Farms, as well as CEO of Family Dairies and, most recently, CFO of Tillamook Cheese in Oregon.

During these years, Don is amazed at the amount of consolidation he has seen in the dairies, and, for that matter, the rest of the U.S. business culture. "The size of the dairy farms has changed significantly. They just keep getting bigger."

Most of the dairies Don has worked for have been cooperatives. "Dairy cooperatives are good for America because they keep milk prices competitive. They also provide a consistent, dependable market for everyone's milk," he says. Eighty percent of America's dairy farmers belong to a dairy cooperative.

Co-CEO J. Gordon Toyne thinks that Don's years of experience will be a great addition to the co-op's Management Team. "I am looking forward to incorporating his ideas into our goals and action plan."

Don and his wife Gail moved to the small town of LeClaire, Iowa. They raised twins: a son Marc and a daughter Jamie, 23.

During the few short weeks Don has been at Swiss Valley Farms, he finds all the people to be very good to work with. "Now I am looking forward to



DON DESJARLAIS

meeting the co-op members at the December district meetings."

Speaking of District Meetings

Get the jump on winter by turning to Page 11 and checking out the Swiss Valley Farms 2007 District Meeting Schedule.

Find your district meeting date and time and mark it down on your calendar now. Your annual district meeting is a time set aside for you to meet your cooperative Management Team and listen to the financial reports for the past year. It is also your opportunity to ask any questions or make suggestions.

We hope to see you there.



IT'S IN THE GAME

by ron schroder



The next generation of sports drinks has arrived! No, it's not the new product called Accelerade or a new flavor of Gatorade. It's Chocolate Milk!

Scientific research has proven that chocolate milk is the ultimate sports drink! It is almost twice as effective as sports drinks in refueling exhausted muscles (source: J. Karp, International Journal of Sports Medicine and Exercise Metabolism, 2006). The reason is that chocolate milk contains an optimal ratio of carbohydrates (sugars) to protein. So it's perfect after a workout because it rebuilds muscle mass faster than sports drinks, such as Gatorade®, Powerade® and Accelerade®. Of course milk also contains calcium, vitamins A&D, potassium and B vitamins to give athletes what they need.

Based on the results of scientific study, it is recommended that athletes drink 16 oz. of chocolate milk 15 minutes after practice or competition. It is also effective for refueling between double practice sessions or closely scheduled competitions, such as a weekend soccer tournament or gymnastics meet. It's recommended to consume a high carbohydrate meal two hours after competition or practice.

Sports programs at universities around the country have taken notice and are adopting new habits that include dairy products. The University of Washington now requires that their players drink chocolate milk after workouts. On September 15, the sports network ESPN ran a 3-minute segment on the University of Washington's program that makes chocolate milk

mandatory. Some of the players thought it was strange to include chocolate milk in their workout regimen, but now they understand its importance and they have found they like the taste! When asked how much leeway players have in drinking chocolate milk vs. other beverages, Coach Tyrone Willingham smiled and said, "None". The TV broadcast also visited a dairy farm in Washington. If you would like to view this ESPN segment, visit the following internet link:

<http://sports.espn.go.com/broadband/video/videopage?videoId=3021076&n8pe6c=3>

At the University of Wisconsin, a unique dairy beverage has been developed that is a mandatory part of the workout routine. The drink's main ingredient is protein derived from dried whey and it's available in Strawberry and Orange flavors. It is manufactured on campus and has been supplied to the football team, as well as the men's and women's baseball and hockey teams, since mid 2006. Players are drinking one to two bottles a day.

During the coming year, Swiss Valley will be communicating the message about chocolate milk as a sports drink to our consumers and retailers. Examples of that communication include sponsorship of several hockey teams, including the Waterloo Black Hawks (see cover), continued sponsorship of the Bix 7 running race in Davenport after tremendous success in 2007 and print advertising in various newspapers and magazines (see inset).

Move over Gatorade. Chocolate milk is in the Game!

Mark & Jill Lamborn

OUTSTANDING YC WINNER

by karen bohnert



YC winners Jill & Mark Lamborn. The couples' two boys, Brock and Blake, love to help grandpa Larry feed calves.

The 2007 Outstanding Young Cooperative Contest winners are Mark and Jill Lamborn, Luana, Iowa. They are now making preparations to represent Swiss Valley Farms at the 2007 NMPF annual Dairy Summit, held this winter in Orlando, Florida.

Beyond this, they will be representing their co-op and will travel to Washington D.C. next summer to help plan the YC portion of the 2008 NMPF Dairy Summit, which will be held in Nashville, Tennessee.

“Once a farm boy, always a farm boy.” This saying certainly holds true for Mark Lamborn. He represents the sixth generation of dairy farming on Lamborn Dairy. The farm was first established in 1857 by Nathan Lamborn. Mark has been dairy farming all of his life—his love for the farm and for dairy cows was established at a very young age. “I would watch my parents and grandfather milk the cows in the 32-cow stanchion round barn with buckets,” Mark said. “My responsibilities at a young age were to clean, bed and feed the livestock.” While doing his daily chores, he constantly asked questions pertaining to the cows and to the farm. “He



kept us on our toes,” his mother Jane said. Mark is the youngest of three children for Larry and Jane. Larry and Jane have a total of nine grandchildren, with the 10th to be added in November.

Mark graduated high school in 1996 and chose to attend Northeast Iowa Community College (NICC) in Calmar, where he studied Farm Implement Mechanics. “I did my work study with Bodensteiner Implement in Elkader and continued to work there until the fall of 2002,” Mark said. Throughout his college years and John Deere mechanic job, Mark continued working at his family farm.

In 2000, Mark was able to buy a 215-acre farm a mile and half from the home farm. In September 2002, Mark came back home to dairy with his parents full-time. “This was my ultimate goal and I’m living my dream life,” Mark said.

When Mark graduated high school, Lamborn’s were milking 85 cows. They have seen expansion since then. In 1988, a 70-stall free-stall barn was added. Two years later, they put in a parlor, a single-eight parallel, with plans to expand after Mark came back to the dairy. In 2004, the parlor was expanded to a double-eight parallel parlor, along with a new milk house, maternity pens and utility room. In 2006, an additional free-stall barn was built, which included 78 stalls in half of the barn and the other half is open housing. “Additional stalls can be added if needed in the years to come,” Mark said. “Also a 120 x 12 feet deep pit was built to



The Lamborn family. L-R: Jill, Avery, Blake, Brock, Mark, Larry and Jane.

accommodate the expansions.”

Lamborn Farms LLC was founded in 2005. This included Mark and his wife Jill buying into the dairy operation. Today, Lamborn Farms LLC milks 170 Holstein cows twice a day. Their rolling herd average is 22,156 with a 3.3% butterfat and 2.9% protein. The farm is primarily run by Mark and his parents, Larry and Jane. They also have a pre-vet college student who helps out on a daily basis between classes at NICC. Mark is the primary milker.

The farm’s 170 cows are split into two groups—the older cows are rotationally grazed and the younger cows are housed in the new free-stall barn. “The younger cows are in the new barn, which has mattresses with

wood shavings,” said Mark. “We rotationally graze the older cows to keep them healthy and keep their feet in good shape.” Lamborn’s mature cows also have the option of staying in the old free-stall barn, which has sand bedding, if they choose. All the Lamborn heifers are bred using a bull, while the mature cows are all bred A.I. “We use Genex semen and mainly focus on longevity, udder and feet and legs,” Mark said.

Much expansion has occurred at Lamborn Farms LLC in the last ten years. “We are always looking ahead,” said Mark. In the next five years, Lamborns would like to add a new building for breeding-age heifers. “We will need this in order to keep all heifers on our farm,” Mark said.

The Lamborns currently custom raise their breeding age heifers out.

In the next ten years, Lamborn Farms will hopefully have a better look at the next generation. "We are unsure whether our kids will show any interest in the dairy farm, only time will tell," said Mark.

Striving for continued improvement in their operation has helped the Lamborns establish goals. Their three main goals for the farm are to increase their herd average to 24,000 pounds of milk, keep somatic cell count to a minimum and improve genetics on the farm.

Mark and Jill have three children: Brock, 5; Blake, 3, and Avery, 7 months. "The children love helping grandpa feed calves and of course, like dad, they are full of questions," said Jill. She works as a Radiologic Technologist/Mammographer at



Dustin Payne

the Gundersen Lutheran clinic in Decorah. "The rest of my spare time is caring for the children," Jill said.

"We feel honored to have been chosen YC winners and look forward to the learning experience. We are lucky that Swiss Valley Farms supports

YC'ers in this way," said Jill.

The Second Place winner of the 2007 Young Cooperator Contest is Dustin Payne of Eastman, Wisconsin.

Dustin was active in FFA with both dairy cattle judging and showing.

As a new and young dairy farmer, Dustin would like to see small farms thrive. "I want this not only because I hope to prosper and become successful in my chosen business, but also to keep the tradition going that my father and many other farmers before him worked so hard for."

Just a reminder that the 2008 YC Spring Break is set for March 28-29 in Dubuque, Iowa. It will be held at the Best Western Midway Motor Lodge and is sure to be packed with lots of educational and fun activities. Mark your calendar now!

MARK YOUR CALENDARS

MARCH 28-29, 2008

**BEST WESTERN MIDWAY MOTOR LODGE
DUBUQUE, IOWA**



SPRING BREAK

RICH PAST, BRIGHT FUTURE



Randy Schaefer, District 13 Director, dairies with his family. Above, Randy stands with son Rhett. Wife Kathy is seated next to son Rick. Above right, Rhett bikes over to feed the calves.

The Vice President of Swiss Valley Farms Board of Directors has dairy roots that go back to the founding of this cooperative. Randy Schaefer of Blue Grass, Iowa, moved to the farm he is on now when he was 2 years old. His father Elmer was milking 80 cows, which was a huge dairy for that time. Elmer was one of the first members of Mississippi Valley Milk Producers when it was formed in 1958. He has since passed on, but Randy's mother, Marcella Schaefer, lives near by and never misses her son's district meeting or a Swiss Valley Gals meeting.

Like his father, Randy milks 75 to 80 Holsteins with his wife Kathy at his side. They farm on 660 acres, growing corn, soybeans and alfalfa. Kathy then works the rest of the day at a local pre-school and also sells

her excellent baked goods at a local farmers' market. They have three sons. The youngest, Rhett, 15, is a football playing high schooler who helps out when he can. Rick, 25, is a recently married accountant who still lends a hand in the dairy. The eldest, Ryan, 26, is in his last year of vet school at Ames.

"I've seen a lot of changes in the 16 years I've been on the Board," Randy says.

He feels Swiss Valley has made some really good acquisitions during that time, such as Tri State Milk Producers, Old Wisconsin Cheese, Rochester Cheese and, most recently, the Shullsburg properties. "Spinning off our Ag Service Division was also a good thing to do." Randy wants to see our co-op continue to grow, stay diversified and still be a good

investment for our retained earnings.

In his role as Vice President, Randy was chairman of the Board's Governance Committee, which spent months working on the co-op's new incorporation and recharter in Iowa. "That job was a lot harder than I thought it was going to be, but I enjoyed it for sure," he says.

Iowa co-op laws are more advantageous for co-ops. Swiss Valley Farms was the first co-op to charter in Iowa under the new 501A Co-op law that went into effect in 2005. "This new law is more innovative and offers a great deal more flexibility than the older co-op laws did," Randy says.

"The dairy industry has changed more in the past five years than in the previous 30 years," Randy says. "These changes involve how profit margins have slimmed down, as well as how large some dairies are getting. Also it's very much a global economy now and the U.S. has become a major exporter of dairy products."

"One issue that doesn't seem to be going away anytime soon is rBGH," he says. "Consumer issues such as this keep coming up and the dairy industry must be pro-active instead of re-active. It's better to put a fire out when it first starts burning than wait until it is a full-blown bonfire."

TRUCKS FOR SALE



Place your order now to receive the new collectible Swiss Valley Farms die-cast model. These die-cast models are available through First Gear, located in Peosta, Iowa. First Gear is a leading supplier of high quality die-cast models to collectors throughout the world.

These semi-trailers are the double units and have working doors on the cab and trailers. The reproduction of the Swiss Valley Farms truck graphics is outstanding.

Price per unit is \$34.99 plus shipping and handling, which is charged as listed below:

- 1 unit, \$9.25
- 2 units, \$9.75
- 3 units, \$10.25
- 4 units, \$10.55

Please quote the stock number 60-0015M when ordering the semi-trailers to ensure you receive the special pricing that is being offered to Swiss

Valley Farms members and employees. The price is significantly below the normal retail price for a die-cast model of this style and quality.

To place an order, call First Gear direct at either one of the following phone numbers:

1-888-771-5576
563-582-2071



RETHINK your sports drink



Tom Tegeler is no stranger to the dairy industry, nor the Swiss Valley Farms' field representative team. He started with the farmer-owned cooperative in 1990 as a field representative in northeast Iowa, but his involvement in the dairy industry goes back much further.

Tom grew up on a dairy farm in Dyersville where they milked 40 Holstein cows with bucket milkers. "We did not have a barn cleaner or a silo unloader. Every thing was shoveled by hand," he said.

Tom has an associate degree in ag business from Ellsworth Community College in Iowa Falls and also a bachelors degree in business management from Clarke College in Dubuque.

From 1982 to 1990, Tom worked for his cousins at Tegeler's Dairy in Dyersville. He hauled milk in from the local farms and bottled milk in plastic jugs, cartons and juice in glass bottles. Tom also has made ice cream in cartons and three-gallon tubs. "I delivered milk and ice cream to stores, restaurants, food services and schools," he said.

Eight years after first becoming a field rep for Swiss Valley Farms, Tom was named field supervisor. He covers Illinois, and parts of Iowa and Wisconsin. He currently supervises six field reps and 31 contract milk haulers. "My main duty is to provide the cooperative with an abundant supply of good quality milk," Tom says. He helps coordinate milk delivery schedules to 15 milk processing plants. In addition, he



Tom Tegeler

serves as a field representative for Swiss Valley Farms members south of Interstate 80 in Iowa. "I like to travel around and meet new people," Tom says. "The dairy business operates 24 hours a day, seven days a week. There are always problems to solve or questions to be answered."

"Because of Tom's experience, he has a very thorough understanding of the dairy industry," says J. Gordon Toyne, Co-CEO. "This experience is how Tom is able to help producers and haulers with the everyday changes and problems that occur. Tom is a huge asset to Swiss Valley Farms and its many member owners."

Tom also belongs to several dairy

associations including National Mastitis Council, Professional Dairy Producers of Wisconsin and Wisconsin Field Reps Association. In addition, he serves as vice president of the Iowa Association of Food Protection and is the secretary of the Illinois Dairy Field Reps and Sanitarians Association.

Tom and his wife Kim reside in Dyersville. Kim is a personal banker at Premier Bank in Dubuque. They have two daughters: Jamie, who lives in Denton, Texas and Cassie, who is a freshman at UNI in Cedar Falls, Iowa. In their spare time, they like to visit their kids and attend sporting events.

FIELD PERSONNEL & STATS

Field Department & Procurement Division Directory

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DON DESJARLAIS

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Seymour, WI 54165 Mobile: 563.663.1306

BOB ZIELSDORF

309 North Street Office: 608.366.1770
Sparta, WI 54656 Home: 608.269.5452

During the Month of August,
these Swiss Valley Farms
Members averaged below
100,000 for their
somatic cell count.

Deetz Bros	94,000
Larry Gilbertson	58,000
Hendel Farms	87,000
Hodson-Dirksen Farms LLC	80,000
Robert & Patricia Horst	93,000
Cheryl Meier	85,000
Mike Meier	85,000
Oat Hill	98,000
Jeffrey Schaefer	93,000
Kurt Schaefer	93,000
Susan Schaefer	93,000
Harry Weier	61,000
Leighton Yoder	75,000

welcome

NEW MEMBERS

Todd Fischer

Bagley, WI

Thomas White

Platteville, WI

Daniel & Annette Kime

Waucoma, IA

Kvigne Boma Farms LLC

Ferryville, WI

Somatic Cell Range % of A Farms

0 - 100,000.....	2%
100,001 - 200,000.....	13%
200,001 - 300,000.....	21%
300,001 - 400,000.....	23%
400,001 - 500,000.....	16%
500,001 and above.....	25%

Somatic Cell Range % of B Farms

0 - 100,000.....	2%
100,001 - 200,000.....	8%
200,001 - 300,000.....	16%
300,001 - 400,000.....	18%
400,001 - 500,000.....	12%
500,001 and above.....	44%

2007 DISTRICT MEETING SCHEDULE

plan now to attend your co-op meeting

Wednesday Dec 5	<p>Time 12:00 Noon District 22 Meeting Director Jim Oelfke</p> <p>Hillcrest Cafe Norwood, MN</p>	<p>Time 12:00 Noon District 6 Meeting Director G. Joe Lyon</p> <p>Reinig Center Toledo, IA</p>	<p>Time 7:30 pm District 21 Meeting Director Pam Bolin</p> <p>Doc's Clarksville, IA</p>	
Thursday Dec 6	<p>Time 12:00 Noon District 5 Meeting Director Bill Strief</p> <p>KC Hall Cascade, IA</p>	<p>Time 12:00 Noon District 16 Meeting Director Don Peterson</p> <p>Club 16 Sparta, WI</p>	<p>Time 7:30 pm District 4 Meeting Director Jim Schmitt</p> <p>New Vienna Community Hall New Vienna, IA</p>	
Friday Dec 7	<p>Time 12:00 Noon District 19 Meeting Director Eugene Smith</p> <p>Ponderosa Steakhouse Beaver Dam, WI</p>			
Monday Dec 10	<p>Time 12:00 Noon District 13 Meeting Director Randy Schaefer</p> <p>Der Sommerkuche Kalona, IA</p>	<p>Time 12:00 Noon District 23 Meeting Director Jeff Nimtzt</p> <p>Cardinal Country Inn Brodhead, WI</p>	<p>Time 7:30 pm District 3 Meeting Director Don Berlage</p> <p>Buck's Barn Thomson, IL</p>	<p>Time 7:30 pm District 1 Meeting Director Pat Schroeder</p> <p>Eagle Creek Inn Fennimore, WI</p>
Tuesday Dec 11	<p>Time 12:00 Noon District 15 Meeting Director Loyde Beers</p> <p>Father Baer Hall Eastman, WI</p>	<p>Time 12:00 Noon District 17 Meeting Director Dale Humpal</p> <p>Community Presbyterian Church Postville, IA</p>	<p>Time 7:30 pm District 2 Meeting Director Francis Leibfried</p> <p>Banfield's Swiss Haus Cuba City, WI</p>	<p>Time 8:00 pm District 20 Meeting Director Steve Klug</p> <p>Good Times Restaurant Caledonia, MN</p>

CELEBRATE CO-OP MONTH

Co-op Month has been celebrated in one form or another since 1930.

Cooperative businesses generate hundreds of thousands of jobs and billions in income for their communities while also supporting local causes ranging from education to the environment, according to a series of case studies compiled to help mark October as National Co-op Month.

According to a study by the National Co-op Month Planning Committee, co-ops take a back seat to no other sector when it comes to making economic and charitable contributions to their communities. Among the highlights:

- Nearly 3,000 farmer cooperatives account for as many as 300,000 jobs nationwide and a total payroll of more than \$8 billion.



- Some 270 local, consumer-owned telecommunications cooperatives employ an average of 47 people each and generate more than \$2 billion in revenues annually.

- Just through their Cash for Caps program, Swiss Valley Farms Cooperative donated \$55,000 last year to area schools in their distribution area.

Is no coincidence that co-ops show a special loyalty to their communities. As member-controlled enterprises, co-ops are run largely by the people who live and work in the

communities they serve.

Cooperatives serve 120 million members, or four in 10 Americans. They fall into four categories: consumer, producer, worker and purchasing/shared services. They operate in virtually every industry and range in size from small storefronts to Fortune 500 companies.

Despite this diversity, co-ops have some things in common. They are owned and democratically controlled by the people who use their services or buy their goods. They are motivated by service to their members, not by profit. "These characteristics give co-ops an uncommon loyalty and commitment to the communities in which they are located," said Roger Eldridge of the National Milk Producers Federation, chair of the 2007 Co-op Month Planning Committee.



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