

Dairyman

JULY 2007



PASSING THE FARM
TO THE NEXT
GENERATION



cooperative's rechartering VOTING RESULTS

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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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Donald Peterson.....Cashton, WI
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Eugene Smith.....Clinton, WI
William Strief.....Farley, IA

a message from **J. Gordon Toyne** co-CEO



This past spring, all Swiss Valley Farms members were asked to vote on the rechartering of this cooperative. Information packets were sent out along with ballots that members needed to return voting either "Yes" or "No" on this important issue.

The necessary number of ballots was returned, which was at least 75% of the membership, and the Governance Committee of the Board convened to count them.

I am pleased to announce that the rechartering passed by an overwhelming majority.

Now that the voting is complete, we will move forward with the merger, which will become official on October 1, 2007. At that time, our co-op's name will change from Swiss Valley Farms, Co. to Swiss Valley Farms Cooperative. However, we will continue to operate, as before, under the name of Swiss Valley Farms. Most people will not notice any change.

Also on October 1, the on-time, \$100 common stock purchase will be transferred from each member's equity account and put into each member's new stock account.

I want to thank all the members who took the time to read over the information they received on this issue and then return their ballots. That is what cooperative members are supposed to do — take an interest in their cooperative and participate in its governance by exercising their right to "one vote per member".

Member participation like this is why cooperatives are thriving in the United States and around the world.

Now, Swiss Valley Farms is set to do business well into the 22nd Century!

Good job, Member Relations Team!

The Cooperative Communicators Association (CCA) recognized our cooperative's outstanding communications work at their annual CCA Institute in Williamsburg, Virginia last month. Swiss Valley Farms was awarded the following awards: First Place for the new design of the Procurement convention booth; First Place for the DAIRYMAN magazine; Second Place for the new, improved Swiss Valley Farms website; and Honorary Mention for the Fluegel Brothers photo that Nancy Feeny took (appeared in the October 2006 DAIRYMAN).

The 2007 CCA contest winners came from 592 entries from cooperatives across the country. This is a great honor for Swiss Valley Farms, and kudos go out to Nancy Feeny, Karen Bohnert and Scott Peake for all their hard work

young cooperators explore the NATION'S CAPITOL

It was a busy time to be in the nation's capital. The Immigration Bill was being debated on the Senate floor and the new Farm Bill was being hashed over in committee and in the Congressional hallways.

Tom and Julie Kaiser's trip to Washington DC in June came with a full schedule. The Swiss Valley Farms YC couple from Cuba City, Wis., participated in the National YC Advisory Council planning session, where they helped plan the upcoming NMPF YC program for the winter Dairy Summit. The Kaisers are the YC Secretary Couple for the '07 Council. This planning session was followed by dinner with the NMPF staff and a question and answer session. The rest of the day was filled with a walking tour on the National Mall to view the monuments after dark.

The next morning was legislative briefings by NMPF staff and an afternoon spent running around Capitol Hill visiting legislative aides



Tom and Julie Kaiser, Swiss Valley Farms Young Cooperators from Cuba City, Wisconsin, made several visits to Congressional offices while they participated in the NMPF National Advisory Board meeting in Washington DC.

and attending a packed Dairy Days on the Hill reception where legislators and their aides sampled award-winning cheeses from dairy cooperatives across the country, including Swiss Valley Farms.

The final day included observing the NMPF Summer Board Meeting and then attending a YC wrap up session where the group reported on their Hill visits and final plans were laid for the national YC meeting.

While attending the NMPF Summer Board Meeting, The Kaisers heard a presentation by Rep. Colin Peterson, D-Minnesota, who is Chairman of the House Agriculture Committee. Rep. Peterson said he hoped to have a Farm Bill on the Senate floor by mid-July. "A lot of people are gunning for us (agriculture) from different directions," he said.

"Conservation and nutrition people are pushing for more money for their programs out of the Farm Bill, which may take money away



Congressman Ron Kind, left, of LaCrosse, Wis., chatted with fellow Wisconsinites Julie and Tom Kaiser and Don Peterson of Cashton, during the NMPF Dairy Reception on the Hill.

Continued on page 11

TRANSFERRING THE FAMILY FARM

by karen bohnert

Who will take over the family farm? How do you go about it? These questions have surely been asked one time or another. In this roundtable, four Swiss Valley Farms members talk about how they transferred their family farm from the family's older generation to its younger generation. They openly talk about their experiences in the hope of helping you and others to start thinking about planning for your farms future. I encourage you to take the time to read this roundtable, talk to your family and start to consider the steps you can take to provide for the eventual transfer of your farm. Most importantly of all, begin the discussion today. Farmers work too hard to leave the future of their

families, their farms and our agricultural industry up to chance.

The four Swiss Valley Farms participants in this roundtable are: Joe Heinrich, Maquoketa, Iowa; Mike & Russ Lehmann, Epworth, Iowa; Hofa Park Dairy Farm LLC, Seymour, Wis.; and Second Look Holsteins LLC, Eden, Wis.

Please, explain your dairy operation (# of milking cows, rolling herd average, operation set-up, etc).

Heinrich: We milk 50 head of Holstein cows and have sold to Swiss Valley Farms since it was Mississippi Valley Milk Producers. In addition to our dairy herd, we also have a cow-calf beef operation, as well as raise hay, oats, cash corn and

soybeans. The Joe and Shelley Heinrich Family are the siblings who operate the land along with a nephew who farms with them. The land itself is owned by a family limited liability company (Hei-View Farms, LLC) which is owned by Joe, brother Paul, sister Judy, mother Marie and brother in-law, Jerry Hoyle.

Hofa Park Dairy Farm: We milk in a 40-stall stanchion barn and cows go out on pasture the majority of the year. The herd average is 65 lbs of milk.

Lehmann: We milk 85 Holstein cows in a double-six parabone parlor that we installed in June 2005. The cows are housed in a free-stall barn (half with sand bedding, the other half with mattresses and sawdust).

Second Look Holsteins: Our business is divided into two entities. Second Look Holsteins, LLC manages the dairy portion of the business, while Peniel Acres, Ltd. Manages the cropping portion including feeding the animals, raising the crops and nutrient management. We are currently milking 730 cows, 3x/day in a double 10 rapid exit herringbone parlor. The milk cows are bedded in sand free-stalls, while prefresh and maternity are in bedded straw packs. All are fed outside. Our rolling herd average is 26,500 pounds of milk and SCC is at 130,000. Our herd is 100% registered with the Holstein Association.

How was it decided that the younger generation would come back to the family farm?

Heinrich: Joe was the youngest sibling and came back to the operation in 1981 after attending Kirkwood Community College.

Hofa Park Dairy Farm: Cheryl always wanted to take over the farm. Len finally decided to semi-retire at 62. He ended up with a broken ankle just after transferring the family farm, which helped make the full change faster than expected.

HEINRICH FAMILY *maquoketa, iowa*



Joe, Marie, Judy and Jerry transferred the family farm in the 1980's. (Paul is not pictured.) The Heinrichs milk 50 cows and also run a cow-calf beef operation, along with various crops. Joe and his wife Shelly were past Swiss Valley Farms YC winners. Joe states, "We actually got the idea from a speaker at a YC Spring Break conference."

Lehmann: I am one of five kids and the only child interested in the dairy. The barn was due for remodeling and dad didn't want to invest more money in it and I did, so we decided it was time to transfer the farm.

Second Look Holsteins: After working off the farm for the first two years of our marriage ('95-'97), we realized that farming was Corey's real passion. We started talking about buying into ownership in late 1998—it took nearly a year to get the business set up.

Did you openly talk about the family farm's goals for the future? Were your goals similar to your parents?

Heinrich: Communication between all family members has been the key. As we knew each others' long term goals, we were able to adapt how we wanted to transfer the land.

Hofa Park Dairy Farm: We did openly discuss it for about a year and our ideas seemed to be somewhat similar, until the transfer happened. Then it seemed to change. Future goals (in the next five years) including retrofitting an old corn crib into a heifer facility to raise our own heifers (they currently go to a heifer raiser); put in a stationary TMR mixer and new conveyors; replace the 1½ inch pipeline with a 2-inch, replace the vacuum pump and the milking system with updated versions. As for now, no parlor has been incorporated into the goals.

Lehmann: Yes, we talked openly about our plans. We are planning on staying about the same size with the dairy and continue raising our own crops for now.

Second Look Holsteins: We did talk openly about our goals. We try to be consistent with our breeding philosophy and cow management. Long range goals have been a moving target because both our family and our cow numbers have continued to grow. Having the herd

HOFA PARK DAIRY FARM LLC *seymour, wis.*



Len, Betty, Zeke, Cheryl & Dave recently transferred the family farm. Hofa Park Dairy Farm LLC milks in a 40-stall stanchion barn. Hofa Park's biggest challenge with the farm transition has been "communication amongst the generations with each person's ideas of where the farm is going and what needs to get done first and how."

growth has provided opportunity we never could have predicted initially.

What were the expectations of you all working together? (e.g. who would be 'boss' and what roles others would take? Was this all in writing or just a verbal agreement?)

Heinrich: After we talked about it, Joe and Marie (mother) were appointed managing members. Over time, Joe became sole managing member. Any changes with managing members or percentage ownerships, etc. are all in writing.

Hofa Park Dairy Farm: We had a verbal agreement to the roles everyone would

take on the farm, but certain roles were in writing (Cheryl as manager and Betty as bookkeeper). Regarding the cows, land and machinery, everything is in writing.

Lehmann: We just had a verbal agreement. I will take care of the dairy and dad will take care of raising the steers.

Second Look Holsteins: When we first started in 2000, Corey's parents ran most of the operation. Over the years, our involvement has progressed as the operation needed it to. When low milk prices hit in 2003, we changed our AI breeding program from being hired out to Corey managing it. We also had to let our bookkeeper go, which Tammy took

ROUNDTABLE

continued...

RUSS & MIKE LEHMANN *epworth, iowa*



Russ & Mike Lehmann milk 85 Holsteins in a double parabone parlor that was installed in June 2005. The farm was transferred to Russ in January 2005. "For us, the key was not getting too big and doing the work ourselves and a little extra help for some seasonal field work," Russ said.

over. Things just evolved from there. When Corey's parents bought Broken Bow Dairy in Nebraska in 2005, we took over the daily operations management here in Wisconsin.

How was it decided what time was taken off by different parties involved and what income levels each party would receive?

Heinrich: Since the livestock and grain operation is separate from the land company, this has not been an issue. Income to the LLC is divided by percentage ownership.

Hofa Park Dairy Farm: With Dave's (Cheryl's husband) family living in Illinois, it was already stated that we

would need three or four weekends a year off to go visit his family. Len & Betty just need to give notice, so Cheryl & Dave can arrange baby-sitting for Zeke and their work schedules. We are fortunate enough to have a friend who is considered a hired hand, who will milk and help out with other chores on the farm. As far as income levels, the farm just needs to support Len & Betty through rent-to-own payments and the farm needs to pay for itself. Cheryl milks and does herd management for "free" with the hopes her labors will give her the herd of cows after four years. Thankfully, I'm still employed at Swiss Valley Farms.

Lehmann: The only time that I ask

off is when I go snowmobiling out in Wyoming for five days a year. Dad takes time off whenever he wants. My income comes from the cows and dad's income comes from the steers.

Second Look Holsteins: We take equal draws from the LLC. I guess it was based on our family's cost of living and our partners agreed to take the same amount. Taking the same draw each year helps keep the books more accurate. Time off is flexible, we really don't have a plan in place for that.

Was their an outside team that you worked with to help with transferring the farm? (e.g. accountant, lender, attorney, etc.)

Heinrich: We actually got the idea from a speaker at a Swiss Valley Farms YC Spring Break conference. After this, we worked with a lawyer who specialized in estate planning.

Hofa Park Dairy Farm: We had Troy Schneider as our attorney, who specializes in farm transfers and he recommended an accountant who was there at any meetings to take into account any tax ramifications. Needless to say, everything we had figured out changed dramatically.

Lehmann: We talked with our accountant and with our banker. It's nice to get a second opinion when your figuring out your financial future.

Second Look Holsteins: We worked extensively with a team of consultants including our lender, tax advisor, accountant, attorney and an independent business consultant. Meeting with all of them together at the same table was very beneficial in the setup of our entity.

How & when did you transfer your family farm?

Heinrich: My father died in 1983, so after this I started buying livestock and machinery from my mother, Marie, to come into the operation. The LLC was

set up in 1998. Since we were just starting to farm at the time and did not yet have very much equity built up, we decided to take a term life insurance policy out on Marie in case anything would happen to her. If something would have happened to her, this would have allowed us to keep the operation going.

Hofa Park Dairy Farm: We transferred the farm effective January 1, 2006.

Lehmann: I bought the farm from dad January 2005. We transferred the dairy (cows, heifers, barns and land); dad still owns the equipment.

Second Look Holsteins: We started the LLC on January 1, 2000 as four equal partners, each holding 25% of the equity. The corporation, Peniel Acres, Ltd. was started by Corey's grandfather then bought by his parents. In 2002, we started using some of our equity growth from the LLC to purchase 5% of that stock each year. We currently hold 25%.

What has been the biggest challenge of the farm transition?

Heinrich: We always need to be aware of any concerns or issues between family members. This requires a very good line of communication between family members.

Hofa Park Dairy Farm: Communication amongst the generations with each person's ideas of where the farm is going and what needs to get done first and how.

Lehmann: I would say the biggest challenge for me has been taking on the financial aspect of the farm. I used to pay very few of the bills and now I pay a majority of them.

Second Look Holsteins: With four owners, communication is crucial, but also a huge challenge. Often things get discussed between some owners but following through so all owners are informed is challenging and sometimes doesn't get done.

What advice would you give to others who are considering transferring the
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farm?

Heinrich: Be sure to know what everyone in the family is thinking and how they want to be or not be involved in the operation. The next thing is to get an experienced and reputable estate planning person to help work through it.

Hofa Park Dairy Farm: Make sure you have an attorney and accountant present at all meetings when writing up the agreements. Make sure all of you talked and talked about everything so you are on the same wave length when going into it. Communication is the absolute key factor!

Lehmann: It's a good idea to keep the

farm in the family if you can work well together.

Second Look Holsteins: Having a team of consultants was key for us. Also, write everything down! Often we would hold meetings and the four of us would leave thinking we heard four different things. Now we are implementing taking notes at every meeting, each owner reviews and edits them until we are certain we are all on the same page. Because we didn't have any capital to invest, our partners brought in debt instead. If your new business can cash flow with the debt, it's a great way to start building equity for the younger partners. Because there were no monetary

SECOND LOOK HOLSTEINS LLC eden, wis.



Corey & Tammy Hodorff and their four daughters: Kayli, 11; Kalista, 8; Kaianne, 5 and Kaydence, 18 months; and Doug and Linda Hodorff all represent Second Look Holsteins LLC. They milk 730 cows 3x/day in a double-10 rapid exit herringbone parlor. "With four owners, communication is crucial, but also a huge challenge. Often things get discussed between some owners but following through so all owners are informed is challenging and sometimes doesn't get done."

ROUNDTABLE

continued...

gifts given, we were able to avoid siblings feeling they were treated unfairly. They all have the same opportunity to become part of the business, if they so choose.

What has been your key to success in the whole transferring process?

Heinrich: Keeping everyone informed on what is going on. Also regularly making sure the estate planning and LLC paperwork is updated.

Hofa Park Dairy Farm: Not giving up—persistence and stubbornness to make the whole idea work. And...Len & Betty did not have a lot of debt on the farm.

Lehmann: For us, the key was not getting too big and doing the work ourselves and just getting a little extra help for some seasonal field work.

Second Look Holsteins: We have tried to look at our partnership the same way we look at our marriage. There are going to be disagreements and you might not want to like each other for a few days, but you have to be willing to compromise and keep trying each day. You need to stay passionate about your business, and remind yourself why you love it in the first place. Also, respect the fact that your partners love it and want to be successful just as much as you do.

Any other information that you would like to share?

Heinrich: A bit of advice, do not put off making a transfer plan. At first, it is uncomfortable talking about it, but it is really worth the time and effort to have it in place and to know how things are in place for the future.

Hofa Park Dairy Farm: Communication is the key to a successful transfer. Put agreements in writing, so if there is any question about an issue that arises, you can look at your agreement to settle the problem. Be aware, family members may be in agreement going into the transfer, but once you start the process with your attorney and accountant, everything can

and will change. You do what you've got to do to make it all work.

Lehmann: Don't get bigger than your family can handle. Family members are more reliable than hired help.

Second Look Holsteins: When setting up your entity, have a formal agreement written up and signed by all partners. We discussed as many possible "what if" situations as we could think of. (i.e., what if...someone dies, gets divorced, a sibling wants to join the business, etc.) Discussing these touchy types of issues before they happen and deciding protocol for each situation was difficult, but if any of them do occur we will have a plan in place that will save us a lot of grief during an already emotional ordeal.

ON THE COVER



Kaianne Hodorff graces the cover of the July DAIRYMAN. Kaianne is one of four daughters of Corey & Tammy Hodorff of Second Look Holsteins, Eden, Wis.

The five-year-old just graduated kindergarten and will be busy this summer showing her calves. Along with her sisters, Kaianne has been busy taking care of her show calves, morning and night since March. This will be Kaianne's first year of showing, so she is very excited.

FARM TRANSFER resources

Illinois:

Jim Endress
Extension Educator
Farm Business Management & Marketing
417 Ware Ave, Suite102
Rockford, IL 61107-6412
815-397-7714 (phone)
815-397-8620 (fax)
jendress@uiuc.edu

Iowa:

Jim Baker
Farm On - Beginning Farmer Center
Iowa State University Extension
10861 Douglas Avenue, Suite B
Urbandale, IA 50322
515.727.0656 (phone)
515.252.7829 (fax)
jrbaker@iastate.edu

Minnesota:

Karen Stettler
Land Stewardship Project
Farm Beginnings
P.O. Box 130
Lewiston, MN 55952
507.523.3366 (phone)
stettler@landstewardshipproject.org

Wisconsin:

Roger James
Farmers Assistance Program Coordinator
Wisconsin Farm Center
P.O. Box 8911
Madison, WI 53708
608.224.5049 (phone)
608.224.5107 (fax)
Roger.James@datcp.state.wi.us

Publication

Your Land is Your Legacy
This publication offers practical estate planning advice for landowners and their financial advisors. American Farmland Trust also conducts estate planning workshops around the country.
Cost: \$13.95
202-331-7300, ext. 3011 (phone)

COOPERATIVE HONORED BY *midwest dairy association*

Midwest Dairy Association selected Swiss Valley Farms to be Iowa's Honorary Chair for June Dairy Month 2007. Swiss Valley Farms was recognized on Thursday, June 7 at Midwest Dairy's Iowa Division board meeting in Waverly.

"We are thrilled to recognize Swiss Valley Farms as our 2007 Iowa Honorary Chair for June Dairy Month," said Kevin Stiles, senior vice president of MDA. "They have been a terrific partner for many years, bringing new products to schools and the grocery dairy aisle."

As a leader in dairy product innovation, Swiss Valley Farms provides milk to a significant number of schools, and is currently running a promotion with Garfield the Cat on the cartons. They were one of the first processors to adopt the 3-A-Day of Dairy logo and offer milk in the new 8 oz. plastic bottles. They participated in the first-ever test of 3-A-Day of Dairy vending machines in schools, and were the first in the Midwest to offer cash to school for collecting



Swiss Valley Farms Board of Director members Jim Schmitt, Sherrill; G. Joe Lyon, Toledo; Pam Bolin, Clarksville; and Randy Schaeffer, Blue Grass, all were on hand to receive the MDA Award on behalf of Swiss Valley Farms, Co.

milk caps, a program known as "Cash for Caps."

Ron Schroder, Director of Marketing for Swiss Valley, said the co-op is pleased to be recognized in honor of June Dairy Month. Board President, Pam Bolin of Clarksville, Iowa, represented the co-op in accepting the award. Bolin is the first female president of a major dairy cooperative in the United States.

"Pam is a tireless promoter of dairy products. She's covered all the

bases in the dairy industry and is one of the finest advocates for dairy in the Midwest," said Schroder.

In addition to serving on the Board, Bolin runs a family dairy farm with her husband, Dave, and is active in numerous organizations that promote the dairy industry.

"This honor shows that Swiss Valley is a co-op that is a strong player in the Iowa market region, and committed to providing quality dairy products," said Bolin.

CLASSIFIED ADS

FOR SALE: 2 Registered Holstein serviceable age bulls. If interested, call Larry Finch, Castalia, Iowa at 563.567.8484.

FOR SALE: 2-13' Round Crib Roofs with doorways. JD-300 3-row corn picker, has new elevator chain. If interested, call 920.822.3620.

FOR SALE: 1499 Haybine. 1000 hours, excellent condition. New a/c, fenders, guards, flip plates and sickles ready to go. Asking \$16,000. Call 715-842-7076 if interested.

welcome NEW MEMBERS

Jerry & Stephanie Kauffman

Farley, Iowa

Laverne Thill

Winona, Minnesota

Thomas & Jane Lensmire

Cleveland, Wisconsin

John & Marilyn Goedken

Earlville Iowa

Ronald & Barbara Weber

Farley, Iowa

THE BIG DIPPER

by ron schroder



Last year Swiss Valley Farms reduced the size of most dip packaging from 16 oz. to 8 oz., with the exception of best-selling French Onion, which remained available in the 16 oz. package. It was believed this would increase consumer satisfaction because they would need to throw away fewer partially-used containers, and it would encourage trial of more flavors (since the normal retail price was reduced to around \$0.99 per package). Some of our competitors have been highly successful with the 8 oz. size in the dips category.

The plans to grow our dip

business with a smaller package size did not materialize. Apparently it is important for most consumers to purchase dips in the traditional 16 oz. size. We know that dips are often purchased for parties, and many consumers may believe that a 16 oz. package is needed to ensure enough product is available.

In response we are relaunching our dip line beginning the first week of July. The new line will include the larger 16 oz. packaging for all flavors, a new package design, and a new Jalapeño flavor to capture the growing demand for Hispanic flavors.

Consumers will still get the great

taste from real sour cream dip that they expect from Swiss Valley Farms. It's hard to believe, but some of the best selling dips in the category (including Dean's and Kraft) are made in a vegetable fat base, as companies have tried to reduce cost by removing dairy ingredients. That is why the product description on the front of our package is being changed to Sour Cream Dip.

The relaunch will be supported with a variety of marketing activity including coupons in the Sunday newspaper, coupons sent by direct mail, billboards, newspaper and magazine ads, and shelf signage in stores.

smithsonian acquires ADVERTISING ICON

The Smithsonian's National Museum of American History received a collection of personal memorabilia documenting the Borden Company's participation in the 1939 New York World's Fair in commemoration of Borden's 150th anniversary last month. The donation includes yearbooks, photographs, personal scrapbooks and other materials. A selection of the Borden-related collection will be on temporary display in the museum's "Treasures of American History" exhibition at the Smithsonian's National Air and Space Museum beginning July 12.

Jim Cavanaugh, Chester Steen

men cared for the animals, kept careful statistics on milk production and demonstrated dairy operations to the public. Today, the three men once again accompanied "Elsie the Cow" to a major event, this time in the nation's capital.

"Back then, Elsie was a sensation, and we knew we were a part of something special and wanted to preserve our memories," said Cavanaugh, who helped select the first "real" Elsie after visitors to the World's Fair inquired as to which of the cows was the one featured in the company's advertisements.

"The Borden brand and Elsie



American icon Elsie the Cow with original cow handler. Borden Boy and retired Executive Secretary of The American Jersey Cattle Association and National All-Jersey Inc., Jim Cavanaugh, 90.

(PRNewsFoto/Borden brand) Jun/7/2007

and Herbert Petree were among the 60 "Borden Boys" — young agriculture and dairy college students recruited to handle the 150 cows at the Borden pavilion at the 1939 New York World's Fair, "The Dairy World of Tomorrow." The exhibit was designed as a showcase for the most modern, sanitary methods used in the dairy industry. These young

have not only played major roles in popular culture and advertising in American history, but they also reflect the importance of the development of the dairy industry," said Brent D. Glass, director of the National Museum of American History. "We're pleased that the personal memorabilia of the 'Borden Boys' will be preserved in the museum's archives center."

yses in dc CONTINUED

Continued from page 3

from dairy." He said he is trying to unite all agriculture interests to present a solid front with the Farm Bill on the Senate floor. "Right-wing



Republicans want to get rid of the Farm Bill all together," he said. "But we want a Farm Bill that works for production agriculture. Our society is more urban and has no clue where food comes from. If we could cut their food off for a couple of days, it would get their attention."

District 16 Director Donald Peterson, Cashton, Wis., attended the NMPF Summer Board meeting as the co-op's representative. Co-CEO Don Boelens also attended the two days of Board sessions and committee meetings.

Swiss Valley Farms will hold an Outstanding Young Cooperator Contest over the noon hour on Tuesday, September 11 in Prairie du Chien, Wisconsin.

To enter the contest, fill out the form on page 15, write your essay and send them both into the Swiss Valley Farms Corporate Headquarters.

FIELD REP CELEBRATES

50 years in the dairy business

When Jim Murphy waved to the crowd while riding down Vine Street as grand marshal of the West Union Dairy Day Parade on June 1, he was not just waving to the crowd, but saluting what he calls “50 wonderful years” in the dairy business.

As a kid growing up on a dairy farm near Wadena, Jim would haul cream into town for his mom and dad, Betty and Dutch Murphy.

Waiting at one of Iowa’s first cheese plants, the Wadena Cheese and Butter Co., was manager Harold Halverson. Jim would take a job at the plant after he graduated from Wadena High School in 1957.

The hiring would mark the beginning of a long and illustrious history of dairy knowledge and experience gained by the now 67-year-old.

Murphy moved away from home after five years to manage a similar plant in Ridgeway before accepting a job with Meinerz Creameries in Fredericksburg as a farm representative and inspector.

Swiss Valley Farms

After Beatrice bought out Meinerz and went to one-source buying, Jim concluded 29-plus years with that firm. Retirement only lasted a short time, as he accepted a field rep job with Swiss Valley Farms, which he has enjoyed the past seven years.

A true friend to the farmers, it’s Murphy’s job not only to make sure that milk is the best it can be for consumers, but also to make sure the farmers get top dollar for their product.

“My job starts at the farm and ends when the milk truck is unloaded and washed,” said Murphy, who inspects eight to 10 farms on a daily average.

He added, “I can’t count the number of farms I’ve been on during my 37 years of inspecting, but I can tell you the area’s milk producers are doing a great job.

“And milk haulers have contributed a lot to today’s successful dairy industry. Life is easy when you have good milk haulers as partners.”

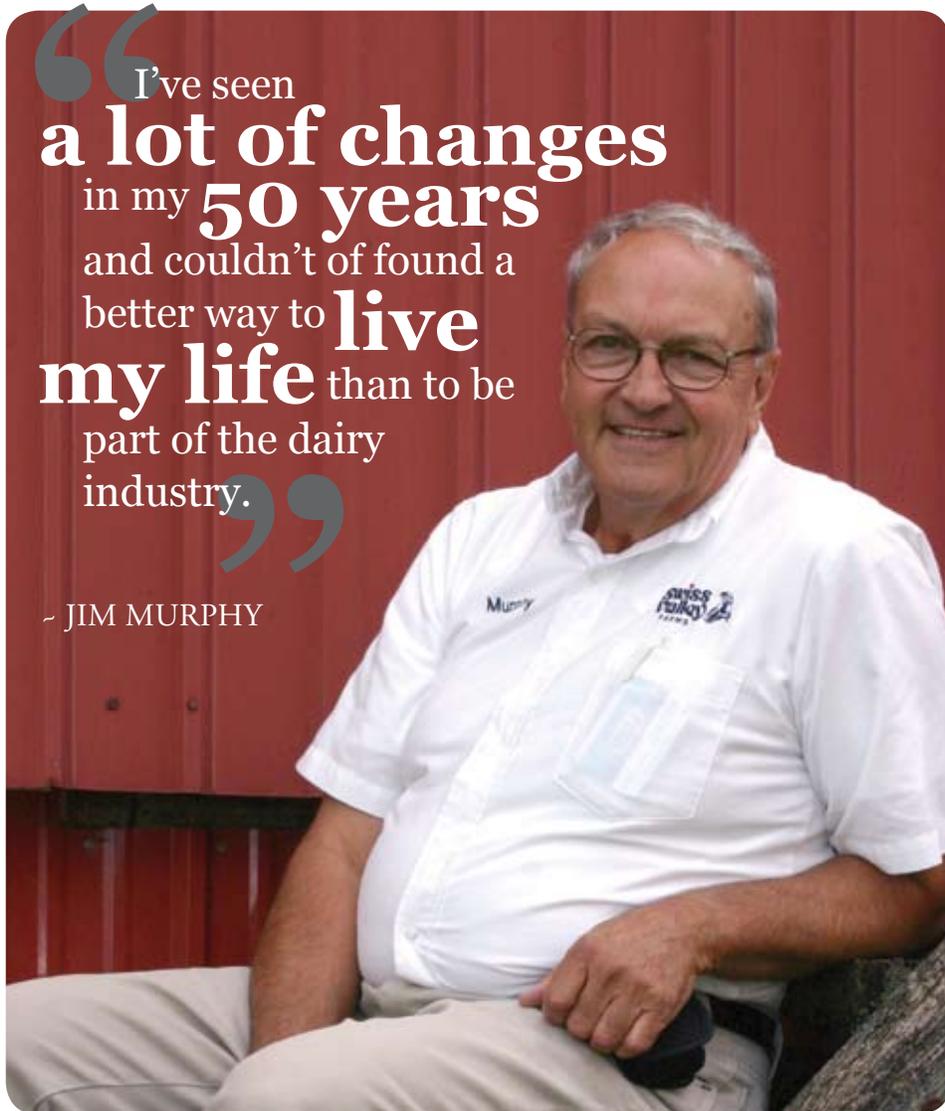
Jim emphasized, “And one of the nicest things to happen in the 1980s was the 911 addressing. Finding a farm suddenly became a whole lot easier.”

Murphy’s visit to a farm is unannounced, but his visit is welcomed as he treats each farmer with the respect due to Swiss Valley Farms customers who produce the finest in quality products.

“I am as proud as the farmers are to be part of the Swiss Valley operation, which has some pretty high standards

“I’ve seen
a lot of changes
in my **50 years**
and couldn’t find a
better way to **live**
my life than to be
part of the dairy
industry.”

- JIM MURPHY



to meet,” Murphy continued.

“Many farms have my phone number on speed dial. I’m on call 24-7 with some farms now milking 24 hours a day.”

\$200 a month

The only paychecks Jim Murphy has endorsed on the back have had milk written someplace on the front. He made \$200 a month at his first job, dumping canned milk and making cheese the hard way by hand a half century ago in Wadena.

“The 40-lb. Cheddar rounds I helped make went to Borden’s,” remembered Jim. “The place where I first worked is now a welding shop.”

In the 1960s Jim saw many small plants start to disappear because of Grade A milk and the expense of updating waste facilities.

Plants in Wadena, Ridgeway, Frankville, Sly and Ludlo are now only memories.

The dairy business has not only provided Murphy with a lifelong career, it provided him the opportunity to meet the love of his life, Ila Ann Ross, the 1960 Fayette County Dairy Princess, the fourth such royalty in county history.

“She was the prettiest thing I ever laid my eyes on,” Jim smiled. “Ila was from Arlington but went to school in Maynard.”

“A friend of mine in the milk business introduced me to Ila, and we started dating. I guess it was love at first sight, because we got married in 1961.”

Moving to West Union

The Murphys moved to West Union in 1975 and purchased 28



Jim Murphy and his youngest daughter, Rana pose for a quick picture during the West Union Dairy Day Parade, where Jim was honored with being the Grand Marshall.

acres on the southwest edge of the city limits on Linden Street. Fourteen acres are in the city and 14 are in the country.

“It was just what we wanted,” Jim said. “The house was on a hill, we had trees, and we had a creek. We couldn’t have found a better place to raise our children, Lisa, Jeremy, Thad and Rana.”

Ila’s presence is still felt in the Murphy home, which has been a gathering ground for dairy memorabilia that Jim has collected over the years.

Farmers’ trust

Jim Murphy has had the experience in both the production of milk and manufacturing of milk

into dairy products. Farmers trust his judgment and his assistance to solve problems producers may have concerning all phases of milk production and marketing.

He ended, “West Union and its dairy farmers have been good to my family, and I am honored to be thought of to be part of the big parade. I have had many highlights in my life, and this will be one of them.”

Murphy says retirement is not on his “things to do” list. He has seen a lot of changes in his 50 years and says he couldn’t have found a better way to live his life than to be part of the dairy industry.

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FIELD PERSONNEL & STATS

Field Department & Procurement Division Directory

J. GORDON TOYNE V.P.

MEMBERSHIP & PROCUREMENT

LeClaire, IA 52753 Office: 563.468.6644
Home: 563.289.3535

NANCY FEENEY MEMBER RELATIONS

Bettendorf, IA 52722 Office: 563.468.6640
Home: 563.359.9100

KAREN BOHNERT MEMBER RELATIONS

East Moline, IL 61244 Office: 563.468.6641
Mobile: 563.320.2895

TIM GENTHE LAB & SAFETY MANAGER

803 S. School St. Office: 563.583.7669
Cuba City, WI 53807 Home: 608.744.3515

MARV THOMPSON

RAW MILK SALES & TRANSPORTATION

617 Monroe St. Office: 608.366.1770
Sparta, WI 54656 Home: 608.269.4850

RON BRENNER FIELD SUPERVISOR

204 Goddard St. Office: 608.366.1770
LaCrosse, WI Home: 608.782.0012

THOMAS TEGELER FIELD SUPERVISOR

1320 1^{1/2} St. S.W. Office: 563.583.7669
Dyersville, IA 52040 Home: 563.875.2059

DOUGLAS ANDERSON

149 Wildwood Ct. Home: 608.375.2690
Boscobel, WI 53805 Mobile: 608.375.2690

RANDY HEISEL

259 E. Lakeview Dr. Home: 608.625.2045
LaFarge, WI 54639

MIKE HOWALD

7105 N. Freeport Rd Home: 815.938.2651
Forreston, IL FAX: 815.938.9151

FRED IMDIEKE

36356 Roanoke Lane Home: 320.256.4932
Melrose, MN 56352

KARA KOOPMANN

6142 Roller Coaster Rd. Plant: 563.583.7669
Epworth, IA 52045 Home: 563.876.3900

ROGER LENIUS

319 9th St. Office: 319.352.5463
Waverly, IA 50677 Home: 319.352.5015

KEN LEY

225 S. Clifton Plant: 608.348.3932
Livingston, WI 53554 Home: 608.943.6240

LYNNE MELCHERT

117 Culver Rd. N.E. Office: 563.926.2363
Hopkinton, IA 52237 Home: 563.926.2794

JIM MURPHY

430 Linden Home: 563.422.5789
West Union, IA 52175 Mobile: 563.380.0393

JIM SCHMITZ

202 Bechner St. Office: 563.925.2321
Greeley, IA 52050 Home: 563.925.2015

CHERYL ZABLOCKI-WAGNER

W1919 Hofa Park Dr Office: 920.822.2887
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 May,
these Swiss Valley Farms
Members averaged below
100,000 for their
somatic cell count.

Roger Aldinger	99,000
Darwin & Dulci Arends	76,000
Chad Breuckman	81,000
Don Brincks	90,000
George & Judy Cadden	79,000
Kevin & Donna Carolan	52,000
Deetz Bros	71,000
Richard & Vanessa Devore	44,000
Randy Dreier	81,000
Paul Fassbender	53,000
Jeff Fischels	75,000
Larry Gilbertson	62,000
Brent Hellenbrand	73,000
Hendel Farms	96,000
Hodson-Dirksen Farms LLC	69,000
Robert & Patricia Horst	95,000
Christa Jenson	74,000
Koty Laufenberg	85,000
Lester Leatherberry	93,000
Brian Lindsay	99,000
Cheryl Meier	88,000
Mike Meier	88,000
Oat Hill	97,000
Thomas & Joan Oberhaus	98,000
Brian Saunders	89,000
Kevin Saunders	89,000
Jeffrey Schaefer	76,000
Kurt Schaefer	76,000
Susan Schaefer	76,000
Kenneth & Marlus Schmitz	85,000
Philip Schneider	57,000
Walter Selke	91,000
William Selke	91,000
Kevin Statz	73,000
Titus Stauffer	57,000
Harry Weier	95,000
Joel & Jan Wormley	84,000
Charles Wright	96,000
Keith Wright	96,000
Leighton Yoder	63,000

Somatic Cell Range % of **A** Farms

0 - 100,000.....	5 %
100,001 - 200,000.....	22 %
200,001 - 300,000.....	28 %
300,001 - 400,000.....	21 %
400,001 - 500,000.....	13 %
500,001 and above.....	11 %

Somatic Cell Range % of **B** Farms

0 - 100,000.....	2 %
100,001 - 200,000.....	21 %
200,001 - 300,000.....	25 %
300,001 - 400,000.....	14 %
400,001 - 500,000.....	13 %
500,001 and above.....	25 %

CHECK OUT THE YC CONTEST

swiss valley farms 2007

YOUNG COOPERATOR CONTEST

application

Contest Rules

- 1) To be eligible to enter, contestants must be a member of the cooperative or in the immediate family of a member and active in the dairying operation or a full-time employee of a Swiss Valley Farms member dairy operation, be between the ages of 18 and must not have turned 41 before November 1, 2007.
- 2) To enter: Fill in the following form as completely as possible.
- 3) Entries must be submitted to Nancy Feeney at the Swiss Valley Farms Corporate Headquarters by Friday, August 31, 2007. Entries may be faxed to the Corporate Headquarters at 563.468.6613. Entrants will be interviewed by the Member Relations Committee on Tuesday, September 11, 2007 at Huckleberry's Restaurant in Prairie du Chien, Wis., where the final judging will take place. Please call 563.468.6640 to alert us that you have faxed your entry.

YC Contest Application Part 1 *Tell Us About Yourself*

Contestant's Name (s) _____ Phone # _____

Address _____

Birthdate _____ Age _____ Number of Years in Dairying _____

Community and Civic Activities (Also list spouse's activities, if applicable) Use additional sheet is necessary: _____

Agricultural related activities and organizations: _____

List Other Cooperatives in which you have memberships. (Indicate if director, etc.): _____

YC Contest Application Part II *Write Down Your Thoughts*

On a separate sheet of paper, write your thoughts on the following question.

"What do you see as the biggest challenge facing the dairy industry in the next 10 years?"

Please keep your answer to 250 words or less. Remember that we are looking for your opinions and ideas. There is no right or wrong answer to this question.

Mail your entry to: Swiss Valley Farms, Co., Outstanding YC Contest, c/o Nancy Feeney

PO Box 4493, Davenport, IA 52808

Entries must be in the SVF Corporate Headquarters by: Friday, August 31, 2007

Contestant # _____ (This # will be assigned by the Member Relations Committee)

SVF SCHOLARSHIPS AVAILABLE

Swiss Valley Farms is again offering four agriculture scholarships in addition to one scholarship for a non-ag major.

Co-op members who are studying agriculture-related majors can now compete for four scholarships . . . two for \$1,000 and two for \$500. These four scholarships are designed to promote the study of agriculture beyond the high school level. There is also offered a \$500 scholarship for students studying in any field.

To be eligible for any of these scholarships, an applicant must be a

co-op member or a son or daughter of a co-op member, or the manager or operator of a farm for a Swiss Valley Farms, Co. member, or a student whose family manages or operates a farm for a Swiss Valley Farms, Co. member at the time of submitting the scholarship application and when the cash awards are made.

Any high school graduate or any college student who meets the qualifications is eligible to apply for a scholarship. However, if you have won a Swiss Valley Farms scholarship in the past, you are ineligible to win

another.

The applicant must be enrolled full-time in an accredited university, college or vocational-technical institution for a degree program or short-course program.

To get an application, contact Donna Metcalf at 563.468.6600 or simply ask the Swiss Valley Farms, Co. phone receptionist for an application. Or e-mail nancy.feeney@swissvalley.com. All applications must be mailed back to Swiss Valley Farms, Co. by July 13th, 2007.



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