

Foremost Farms USA and Michigan Milk Producers Association Announce Strategic Alliance

Foremost Farms USA®, Baraboo, Wis., and Michigan Milk Producers Association (MMPA), Novi, Mich., announced in July the two cooperatives have formed a strategic alliance for the purpose of balancing and adding value to their members' milk supplies in Michigan, Indiana and Ohio.

Collectively, the two cooperatives are initially investing nearly \$10 million in the region's dairy industry, a necessary investment to keep pace with the growing dairy production in this area. The strategic alliance will allow greater opportunities for both cooperatives to leverage their respective milk supplies, reduce operating costs and maximize returns for their farmer-members.

Foremost Farms has purchased and is installing reverse osmosis technology at MMPA's Constantine, Mich. milk processing plant located in south-central Michigan. The technology, Foremost Farms' first physical processing asset in Michigan, will concentrate three loads of milk into one by removing water and concentrating the milk solids in order to reduce the cost of long-haul milk transportation by two-thirds. The installation work began the week of July 28 and the first phase is expected to be complete by the end of this year.

Dave Fuhrmann, president of Foremost Farms, says, "For the past year, Foremost Farms has been transporting surplus milk from this region back to our own cheese plants in Wisconsin. This has resulted in a tremendous cost burden for our members. This investment allows us to reduce those cost burdens, improve transportation efficiencies, provide market stability for our members' growing milk supply and utilize the milk solids to make cheese."

"Michigan's milk supply is growing at a rate of 3 to 4 percent per year, so investing in reverse osmosis equipment at our Constantine plant helps us keep pace with the growing milk production in our region. This new venture will also improve efficiencies in transportation and give us more flexibility in the market," Joe Diglio, MMPA's general manager, said.

"This strategic alliance is a great example of the true spirit of a cooperative — working together for the betterment of all. We are hopeful this venture will serve as a framework for future opportunities to join forces to strengthen the dairy industry and ultimately better serve our farmer-members. It's a win-win for the Michigan dairy industry," Diglio added.

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