AMPI members and employees responded to the call for selfies for the 2016 AMPI Annual Report. These candid shots provide a glimpse into the lives of AMPI owners and employees, on the farm and in the plant. Each image reflects the pride each have in being a member of the AMPI “family.”

Pictured on the cover, from left to right, top to bottom: Matthew, Isaac and Aaron Peterson, Boyd, Wis.; Andy Brady and Royce Brenerman, Freeman, S.D.; Mark and Jon Qual, Lisbon, N.D.; Denny Dalen, Sanborn, Iowa; Scott Schmidt, Amanda Hunt and Mike Zea, New Ulm, Minn.; Dustin and Anna Dobberstein, New Richland, Minn.; Rita Vander Koil, Worthington, Minn.; Sarah and Harvey Brandt, Waverly, Iowa; Larissa Neugebauer, Dimock, S.D.; Maranda Westra, Primghar, Iowa; Jesse Dereee and Jamie Fahey, New Ulm, Minn.; Jeannie Chambers and Stephen Mack, Sanborn, Iowa; Steven Bossman, Parker, S.D.; Deanna Haselhuhn, Amy Evjen, Charlie Hovorka and Maggie Swanson, Jim Falls, Wis.; Kaitlyn and Carli Schaap, Woodstock, Minn.; Marshall, Carly and Jennifer Reece, Courtland, Minn.; and Jon Schmidt, Owatonna, Minn.

Page 2: Kim and Madi Murphy, Owatonna, Minn.; Steve Voss, Drew Dewitz and Larry Inman, Rochester, Minn.; Seena and Dan Glossing, Waverly, Minn.; Russell and Kerry Hoffman, New Ulm, Minn.; Melody White, Jemi Varzaru, Shirley Perry, Janet Hartman, Becky Reid and Tamra Fischer, Portage, Wis.; Pat Bakeberg and fiancé JoAnna Kusilek, Waverly, Minn.; James Gleissner, Arlington, Iowa; Karissa Windschitl, New Ulm, Minn.; Mike Rathe, Dunkerton, Iowa; and Mike Zimanski, Jill Peterson, Christina Clobes and Nickie Sabo, New Ulm, Minn.

Page 3: A milk truck arrives at the AMPI cheese and whey manufacturing plant in Paynesville, Minn.

Back cover: Don Seurer and Cindy Schaefer, Hoven, S.D.; Jenny Ramage, Silver Lake, Minn.; Darrel and Lisa Maus, Freeport, Minn.; Mike Hinrichsen, Jim Falls, Wis.; Glenn Simkins, Sanborn, Iowa; Jeff Leuthold, Ellsworth, Minn.; Amanda Sommers, Waseca, Minn.; Sarah Schmidt, New Ulm, Minn., and Steve Schlangen, Albany, Minn.; Joe Hoffman, New Ulm, Minn.; Kate Courtinage, Arlington, Iowa; Chad Mergen and Tyler Wolters, Paynesville, Minn.; Ella and Marcie Peterson, Black River Falls, Wis.; and Ron Solberg, Blair.
We are AMPI.

We are the 2,100 member-owners and 1,250 employees of Associated Milk Producers Inc., a cooperative business owned by dairy farmers.

We produce high-quality milk on dairy farms scattered across six Upper Midwest states. In 10 manufacturing facilities, skilled employees turn that milk into cheese, butter and powdered dairy products which are recognized as some of the world’s best.

We are hard-working Americans who make nutritious, wholesome dairy products. By any measure, we are truly genuine by nature.
We are driven by our collective vision.

We retooled the cooperative’s vision statement in 2016. The updated declaration now tells the world what drives us at AMPI: We make the dairy products that make the brand.

The vision, developed by the AMPI Board of Directors, is the result of stakeholder input. Through a series of exercises, co-op directors, employees and customers provided opinions and perspective. To support the new vision, a strategic business plan was developed.

The plan’s goals include strengthening the cooperative’s financial performance, improving operational efficiency, increasing market share, developing AMPI team members and employing an innovative mindset.

The AMPI management team then identified objectives to reach those goals. The result is a detailed road map to secure a long-term market for members’ milk through growing the business.

The success of the plan will be measured in terms of:
- Thriving members
- Engaged employees
- Satisfied customers
- Enriched communities
- Profitable growth

The plan will be achieved with our core values intact. These values — commitment to quality, responsibility to others and determination to succeed — guide us in all we do.

At AMPI, we know who we are and why we are here.

Clockwise from top: AMPI Vice President of Plant Services Kevin Skelly and Rich Shermock, controller, identify business objectives to support the cooperative’s new strategic plan. AMPI Paynesville Cheese Plant Superintendent Steve Vaske and Danielle Wegner, patron payroll administrator, take part in a strategic planning session. AMPI Director Mark Sipma, Boyden, Iowa, participates in the AMPI Directors’ Conference. During the conference, director Calvin Graber, Hurley, S.D., discusses what AMPI is known for with fellow directors, including Todd Leiding, Fountain, Minn., Directors Aaron Radermacher, Brooten, Minn., left, and Josh Dickmann, Pierz, Minn., consider as part of a small group exercise, “What will AMPI look like in five years?”
What we’re made of is as important as what we make.
We make the dairy products that make the brand.
We make products that are second to none.

Combining superior milk from member farms, with the expertise of co-op employees, AMPI consistently makes the quality dairy products our customers seek and consumers crave. In 2016, our dedication to everyday excellence was recognized when AMPI-made cheeses were named the industry’s best in three prestigious contests.

AMPI cheesemakers made history at the National Milk Producers Federation Championship Cheese Contest when they did what had never been done before: earning championships in both the Cheddar and Italian divisions in a single year. The Medium Cheddar, made at AMPI’s Blair, Wis., manufacturing plant, was also named the overall best cheese in the competition. The Italian winner, a Parmesan, was crafted at the Hoven, S.D., plant.

For the third consecutive year, a Mild Cheddar made at the Sanborn, Iowa, plant topped its category at the World Dairy Expo Championship Dairy Product Contest. The three-peat is unprecedented in this highly competitive class of the contest. AMPI’s entries in both cheese and whey classes captured nine of the top awards presented at the contest that names North America’s best.

An international panel of judges awarded two gold medals to AMPI entries in the 2016 World Championship Cheese Contest. A Colby Jack made by cheesemakers at AMPI’s Jim Falls, Wis., plant was honored as the world’s best marbled curd cheese. An American Swiss sliced cheese entry from the Portage, Wis., plant received the pasteurized process cheese gold medal.

Making award-worthy dairy products is the daily standard at AMPI. The multiple awards earned in 2016 confirm what we — and our customers — have known all along: AMPI’s products are second to none.
World full of milk
Global milk production increased for the eighth consecutive year, creating a worldwide glut of milk. Growing dairy product inventory levels placed pressure on global prices for much of the year. The Class III price for May was $12.76 — the lowest mark since September 2009. Prices reversed course to end the year at $17.40 in December. Production in dairy-exporting regions such as the European Union and New Zealand began to slow, while U.S. production continued to climb.

More cheese, please
Americans like Jazmine Dickmann, the daughter of AMPI member Josh Dickmann of Pierz, Minn., and Linda Dickmann, enjoyed more cheese than ever in 2016. On average, they consumed an extra pound of cheese per person as domestic demand jumped 4 percent. AMPI kept pace, making 645 million pounds of cheese at its network of seven cheese plants. AMPI specializes in the production of Cheddar, Colby, Pepper Jack, Hard Italian and pasteurized process American cheese.

Portage plant improved
AMPI completed reconstruction of the dry goods and ingredient warehouse at its consumer-packing cheese plant in Portage, Wis. The area damaged by a December 2014 fire was rebuilt to improve overall plant efficiencies and better respond to growing orders from foodservice customers. A new cooler was installed, expanding total storage capacity at the plant. The rebuilt area includes larger freight elevators, an expanded sprinkler system, energy-efficient lighting and an improved ammonia system.

2016 Highlights

- **Members**: 2,100
- **Milk Volume (lbs.)**: 5.5 billion
On the menu
Whether an independently owned restaurant serving Mexican fare or a popular quick service food chain, AMPI products are on the menu. Foodservice sales, which accounted for nearly 80 percent of AMPI’s consumer-packaged cheese and butter sold in 2016, were up 8 percent. A record 225 million pounds of cheese was produced for foodservice customers at the Portage, Wis., plant. Sales of processed cheese (slices and loaves) and natural shredded cheese also climbed 8 percent.

Biotech bill passes
As a member of the Senate Ag Committee, U.S. Sen. John Hoeven of North Dakota was involved in conversations leading up to the passage of a landmark federal food biotechnology label disclosure law. AMPI, alongside hundreds of food and agriculture organizations, advocated for a consistent standard of labeling requirements for foods produced with biotechnology. The bill creates a national, mandatory system to disclose the use of biotech ingredients, preempting state GMO (genetically modified organism) labeling laws.

Touring for 10 years
AMPI Portage Quality Control Supervisor Christina Slatky shares information with AMPI members Dylan and Melissa Herr, Twin Lakes, Minn., during the 10th Annual AMPI Young Cooperator (YC) Summer Tour. The tour is the centerpiece of the YC program, which provides cooperative education to members age 40 and under. The event attracted nearly 100 participants from throughout AMPI’s six-state region. During the two-day event in Wisconsin, YCs also toured ABS Global and the farms of fellow AMPI members.

Sales
$1.6 billion
Cheese (lbs.)
645 million
Butter (lbs.)
155 million
Powder (lbs.)
165 million
Making cheese

Careful management of milk volume and plant operations resulted in optimum production efficiency at the cooperative’s cheese manufacturing plants in 2016. Total cheese production — natural and processed — reached 645 million pounds. At the same time, customer demand continued to grow. Cheese accounted for 58 percent of the cooperative’s total sales. Efficient production, coupled with strong demand, resulted in total co-op earnings of $9 million, before taxes.

Planning for growth

The average daily production on AMPI member farms now tallies 8,729 pounds, up 30 percent in five years. A survey of members indicated this growth trend is expected to continue. With this data, the AMPI Board of Directors and management team analyzed the business and developed a detailed course of action for the years ahead.

Working together

The cooperative’s strategic business plan is focused on achieving smart growth — balancing milk production on member farms with the expansion of manufacturing capabilities in their plants. The plan represents the largest overall growth in internal processing capacity since AMPI was formed. Strong financial performance will make smart growth possible. This will result in a more productive AMPI — yielding a higher return on your cooperative investment.

With the planning phase complete, it’s now time to execute. Working together — members and employees — we will hit our targets in the years ahead. We are all AMPI, and we make the dairy products that make the brand.
Brad Nevin  Rice Lake, Wis.  Treasurer

Jerry Geisler  Bruce, Wis.  Secretary

Bruc Brockshus  Ocheyedan, Iowa  Secretary

Douglas Carroll  Ryan, Iowa  Vice Chairman

Tom Jandt  West Salem, Wis.

Tom Hoscheit  Caledonia, Minn.

Doug Temme  Wayne, Neb.  Vice Chairman

Paul Landon  Lancaster, Wis.

Bruce Maas  Walnut Grove, Minn.

Alan Qual  Lisbon, N.D.

Michael Schiller  Freeport, Minn.

Calvin Graber  Hurley, S.D.