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Future-Proofing Your Dairy Farm:
How AI and Proactive Planning Offers a More Strategic Approach to Milk Marketing

[Fredric Ridenour] Total Farm Marketing began as Stewart-Peterson in 1985. Over the course of its history, Total Farm Marketing's family of companies has focused on helping farmers across the country manage commodity price volatility. They specialize in comprehensive strategies and recommendations on commodities that span a producer's operation. Total Farm Marketing offers two services to help dairy farmers optimize operations. TFM360, a product of Stewart-Peterson Inc., is an AI-powered, rules-based system that provides data-driven recommendations for managing price risk on milk, feed, and fuel. Dairy Revenue Protection insurance (DRP), offered through SP Risk Services LLC, secures a safety net against market downturns. Whether using TFM360 to guide milk marketing decisions or DRP for price protection, Total Farm Marketing provides the experience and technology to support farmers' financial success. Futures and options involve risk, and are not suitable for everyone. SP Risk Services LLC is an insurance agency and an equal opportunity provider.

Brad Peterson is the Vice President of Sales for Total Farm Marketing. Brad lives up to his pedigree, which includes successful farmers and business entrepreneurs with a deep love of agriculture. Brad understands the challenges that farmers face and uses that knowledge to help farmers and the companies that serve them find the right farm marketing solution for their operation. Brad has been part of the Total Farm Marketing team since 2014. Brad, welcome to the program.

[Brad Peterson] Hi, thank you. Great to be here.

[Fredric Ridenour] Brad, let's start with the basics. Who is Total Farm Marketing?

[Brad Peterson] Total Farm Marketing started in 1985 as Stewart-Peterson. Around 2019, we rebranded as Total Farm Marketing to better represent our holistic, whole-farm approach to helping grain and dairy producers market their production and manage risk. Our family of companies offers a continuum of service offerings to fit producers' different needs: Stewart-Peterson Inc. is our publishing company. Stewart-Peterson Group Inc. is our brokerage firm. And SP Risk Services is our insurance agency.

Today, we offer two primary services to help dairy farmers optimize operations. TFM360, a product of their publishing company Stewart-Peterson Inc., is an AI-powered, rules-based system that provides data-driven recommendations for managing price risk on milk, feed, and fuel. Dairy Revenue Protection insurance (DRP), offered through SP Risk Services LLC, secures a safety net against market downturns. Whether using TFM360 to guide milk marketing decisions or DRP for price protection, we provide the experience and technology to support farmers' financial success.

[Fredric Ridenour] You mentioned TFM360. Can you expand a bit on TFM360, and how it fits into the broader strategy of milk marketing?

[Brad Peterson] Absolutely. TFM360 is a comprehensive farm marketing system. It uses artificial intelligence and a rules-based approach to help dairy farmers make more informed, more strategic decisions. We take an unemotional, data-driven approach, helping producers lock in favorable prices for milk and other key inputs, like feed and fuel. It’s about taking the guesswork out of market decisions and providing proactive, long-term strategies that help ensure stability, even in uncertain times.

The risk management philosophy behind TFM360 is grounded in the belief that the most powerful approach for any farm marketing strategy is to lock in favorable prices incrementally. Because a market surprise can have such a negative impact on farms, TFM360 assesses potential scenarios across a range of market conditions to help prepare operations for a variety of market outcomes. Recommendations are analyzed thoroughly before being made.

To account for various levels of risk tolerance farmers may have, TFM360 offers two risk models for farms with exposure to any combination of Class III and Class IV risk, giving them the flexibility to choose the risk level that aligns with their operation’s needs. The DairyFixed model uses lower-risk tools like options, offering price transparency with lower capital requirements and less potential reward. The DairyFlex model includes additional tools such as milk plant contracts and futures, providing higher potential rewards but with greater risk and capital requirements.

[Fredric Ridenour] Brad, how do you communicate with TFM360 customers? Do they receive emails or texts? Are they able to go online for information that comes with the service?

[Brad Peterson] The answer to those questions is “all of the above.” We believe that regular, consistent communication is key to successfully implementing your farm marketing strategy. Customers receive TFM360 recommendations and market insights through various formats, including email, text, and video. They also get to choose how they receive the information. Plus, they have access to the TFM360 customer portal, where they may view their sales, purchases, and any futures or options positions, providing a calculated weighted average price for their operation and displaying official recommendations for easy comparison. They also receive market reports and strategic insights three times per week to help them stay informed and make timely decisions.

[Fredric Ridenour] Some producers lack the time or interest to monitor the markets closely and prefer some level of personal guidance with milk marketing. Is that offered with TFM360?

[Brad Peterson] You know, an important part of being a good marketer is applying the recommendations to your specific operation, and that typically requires professional guidance and discipline. TFM360 customers may have a brokerage relationship already for this, or they can choose to work with Stewart-Peterson Group Inc., our brokerage firm. Or they can go at it alone and still use TFM360’s intelligent and AI-powered system. We want them to have that flexibility to take an approach that best fits their needs; however, the vast majority of our customers find it easier and beneficial to work with our brokerage firm because of the discipline, structure and convenience.

If they do choose to work with our brokerage firm, they are paired with one of our experienced consultants who gets to know their operation and personal marketing style intimately. Together, they determine how frequently they connect—whether that's weekly, bi-weekly, or monthly. They are also available for call-in support during business hours. This two-pronged communication approach ensures they receive both data-driven insights from TFM360 and personalized guidance from their consultant, all tailored to their farm’s needs.

[Fredric Ridenour] One theme of our conversation today is how AI technology and proactive strategies can work together to streamline milk marketing and risk management. How exactly does AI play a role in TFM360's decision-making process?

[Brad Peterson] AI is at the core of what we do. We use advanced statistical analysis and AI technology to process vast amounts of data, which allows us to remove human bias from the decision-making process. The AI analyzes market conditions and provides objective recommendations that help farmers make informed decisions. This ensures that the strategy aligns with real-time market shifts and removes any emotional influence that can cloud judgment.

[Fredric Ridenour] You mentioned a "rules-based approach." Can you explain how that works and why it's so important in dairy marketing?

[Brad Peterson] Absolutely. The rules-based approach, or RBA, is all about consistency. In a volatile market, it's easy to get emotional and make decisions based on short-term fluctuations. Our RBA, combined with scenario planning, provides a systematic, structured method for decision-making. We model different market scenarios, so farmers know how to respond to a range of possible market conditions, giving them a plan for any situation.

[Fredric Ridenour] Scenario planning sounds like a key element. How does it help dairy farmers specifically?

[Brad Peterson] Scenario planning helps farmers be prepared for the unexpected. By modeling multiple market conditions, we're able to anticipate the impact of different price movements and market shifts. Whether it's a sudden dip in milk prices or an unforeseen rise in input costs, scenario planning helps our clients stay resilient, knowing in advance how to respond to these changes. It gives them a roadmap to navigate volatility with confidence.

[Fredric Ridenour] You've also mentioned Dairy Revenue Protection, or, DRP insurance. How can that be beneficial to producers, and how does Total Farm Marketing approach it?

[Brad Peterson] DRP is a critical tool for producers to protect their revenue in uncertain times. If a farm faces a price drop, DRP can help cover lost revenue, ensuring more financial stability. While TFM360 helps with pricing strategy, DRP provides a safety net to protect against significant market downturns. Our team of experienced agents at SP Risk Services works with our clients to use DRP in conjunction with the strategies provided by TFM360 to manage risk. And we apply the same proactive, technology-focused approach to DRP insurance by utilizing AI, RBA and scenario planning to analyze and track market conditions and trigger our recommendations when conditions are aligned.

[Fredric Ridenour] What sets Total Farm Marketing apart from other firms offering risk management tools?

[Brad Peterson] Great question. What really sets us apart is our focus on technology, consistency, and our holistic approach. Plus, we're immersed in the milk markets every day. We're not just reactionary; we're delivering ongoing, proactive, data-driven recommendations that help farmers stay disciplined and strategic. And as mentioned earlier, our brokerage team is available to offer personalized guidance and ensure that every farmer's strategy is fully customized. It's about partnership and long-term success, not just a quick fix. In fact, we have a 94% average renewal rate, so our customers show us with their checkbook that they believe our partnership is well worth their continued investment year-over-year.

[Fredric Ridenour] As we wrap up, a theme on many producers' minds these days are tariffs and what their impact could be on the dairy industry. What's your take on that subject?

[Brad Peterson] Well, your guess is as good as mine, or anybody's really, as to what may come next. But our team has been studying the global situation closely. In fact, our publishing division, Stewart-Peterson Inc., recently released a comprehensive article examining the potential impacts of tariffs on the U.S. dairy industry, and your listeners can read it for free at TotalFarmMarketing.com/Tariff. I'd encourage everyone to check it out as there's a lot of really insightful data and information to help make some sense out of the situation. But I'd say to the producers listening today the same thing I've said to others, now is a great time to make sure you are protected. Do you have dairy insurance? Do you have a marketing plan? Make sure you talk with your advisor to keep ahead of any market shifts. Stay alert and be prepared to act when the market demands it. Especially important, if you tend to turn your phone off by day, now might be a good time to be available for a call from your advisor.

[Fredric Ridenour] Last question for you. How can dairy farmers get started with TFM360 and/or DRP insurance?

[Brad Peterson] It's easy to get started. Anyone interested in learning more or signing up for TFM360 or DRP can reach out to us directly. We'll walk them through the process, explain how the services work, the costs, and help them determine the best plan for their operation. Our teams are here to support them every step of the way. Just visit our website TotalFarmMarketing.com or call me directly at 262-438-0325 to begin your journey toward more strategic milk marketing and risk management.