

CHEESE MARKET NEWS[®]

The Weekly Newspaper Of The Nation's Cheese And Dairy/Deli Business

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Dietary Guidelines urge more intake of lowfat, fat-free dairy

WASHINGTON — After much anticipation from the food industry, U.S. Agriculture Secretary Tom Vilsack and Health and Human Services (HHS) Secretary Kathleen Sebelius this week released the 2010 Dietary Guidelines for Americans, which include recommendations for increased consumption of lowfat and fat-free dairy products.

The new guidelines recommend that Americans increase their intake of lowfat and fat-free dairy products to reach three servings of dairy for adults,

2.5 servings of dairy for children between ages 4-8 and two servings for children ages 2-3. The number of servings for children ages 4-8 was increased from the previous two servings a day.

The guidelines also highlight foods and nutrients that Americans should limit, including sodium, solid fats — such as saturated fat and trans fat — cholesterol and added sugars. In addition, Vilsack and Sebelius note that to help curb the obesity epidemic and improve health, the guidelines encourage people to consume nutrient-rich foods, decrease overall calorie intake and increase physical activity.

The Dietary Guidelines for Americans are the official recommendations of the federal government about how Americans should eat. Federal programs, including school meals, are required to align with the current version of the Dietary Guidelines, which could affect the foods served in those programs, Vilsack notes.

Specifically, the guidelines recommend that Americans reduce daily sodium intake to less than 2,300 milligrams and further reduce intake to 1,500 milligrams among people age 51 and older and those of any age who are African-American

or have hypertension, diabetes or chronic kidney disease.

The guidelines also encourage Americans to consume less than 10 percent of calories from saturated fatty acids by replacing them with monounsaturated and polyunsaturated fatty acids, and consume less than 300 milligrams per day of dietary cholesterol.

The recommendations were praised by the Institute of Food Technologists (IFT) as a “landmark opportunity” to ensure Americans focus on healthier food choices and increased physical activity.

“The new Dietary Guidelines set high standards that will require a concerted effort among numerous scientific disciplines to gradually change consumer behavior,” says Roger Clemens, IFT president-elect and member of the Dietary Guidelines Advisory Committee. “In addition, it is extremely important that we ensure that the current food system, from farm to fork, has the capacity to meet future needs and that the food industry continues its efforts to develop healthier food choices that appeal to consumers.”

Clemens notes IFT will hold a webcast titled “Implications of the 2010 Dietary Guidelines for

Americans” on Feb. 11 at 12 p.m. Central. The webcast will discuss the 2010 Dietary Guidelines and provide an industry perspective on developing food-based solutions that increase consumers’ understanding and adoption of the current dietary guidance.

The International Dairy Foods Association (IDFA) notes that USDA’s food patterns define milk and milk productions (also referred to as dairy products) to include all milks, lactose-free and lactose-reduced products, yogurts, frozen yogurts, dairy desserts, cheeses and fortified soy beverages. However, cream, sour cream and cream cheese were not included as part of the dairy group due to their low calcium content.

Although the guidelines say most choices should be fat-free or lowfat, practical strategies for implementing the recommendations acknowledge that when selecting cheese, reduced-fat versions are included, IDFA says. Similar to the 2005 Dietary Guidelines, this version states that one serving of dairy is equivalent to one 8-ounce cup of milk or yogurt, 1.5 ounces of natural cheese,

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Super Bowl provides chance for more cheese consumption

By Alyssa Sowerwine

MADISON, Wis. — Cheeseheads will get their day in the spotlight this Sunday as The Green Bay Packers take on the Pittsburgh Steelers in Super Bowl XLV, and the dairy industry is seizing the opportunity to highlight the array of cheese products available in America’s Dairyland.

While the Super Bowl always is a time of increased pizza — and therefore cheese — consumption. The Packers’ spot in the game is driving Wisconsin retailers and manufacturers alike to gear up to showcase the state’s more than 600 types, styles and varieties of cheese.

“From the cheese on your head to the cheese on your plate, Wisconsin is America’s Dairyland, producing nearly 45 percent of all specialty cheese in the nation,” boasts the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) website.

Lora Klenke, director of DATCP’s agricultural market development bureau, notes that as family and friends gather to watch the game on Sunday, Wisconsin is encouraging them to buy locally-grown and locally-produced products to benefit the state’s communities and economy.

It’s not just Wisconsin that’s taking note of the Packers-cheese association. In fact, an ESPN crew last week visited Pagel’s Ponderosa Dairy, Kewaunee, Wis., as part of a segment for its Super Bowl coverage.

According to John Pagel, owner of Pagel’s Ponderosa Dairy, the segment is expected to air sometime between noon and 5 p.m. Central on Sunday.

The ESPN crew also stopped at a foam Cheesehead hat factory during its time in Wisconsin.

•Retail displays, promotion

The Wisconsin Milk Marketing Board (WMMB) has “all kinds of things” lined up to promote cheese consumption during the big game, according to Heather Porter Engwall, director of national product communications, WMMB.

“Cheese is traditionally part of Super Bowl festivities,” Porter Engwall says. “Last year, total retail cheese volume sales soared 27 percent higher than average in the week leading up to Super Bowl Sunday. Since the Packers are in the big game this year, cheese sales are expected to increase even more.”

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Cheese, butter production climb in December 2010

WASHINGTON — Total U.S. cheese production, excluding cottage cheese, in December was 904.4 million pounds, up 4.7 percent from December 2009, according to preliminary production data released this week by USDA’s National Agricultural Statistics Service (NASS). (*All figures are rounded. Please see CMN’s Dairy Production chart on page 11.*)

When adjusted for the length of the months, December cheese production was down 0.9 percent on an average daily basis compared to November 2010’s 883.0 million pounds.

December’s preliminary production data brings 2010 U.S. cheese production to 10.445 billion pounds, up 3.3 percent from 10.109 billion pounds in 2009.

Mozzarella was the most-produced cheese in December with 308.8 million pounds, up 6.9 percent from December 2009. At 3.495

Turn to NASS, page 11 ⇨

States propose raw milk bills amid legal battles

MADISON, Wis. — As lawmakers have reconvened for the new year, several states are considering new or updated legislation regarding the legalization of raw milk for human consumption. Meanwhile, legal battles continue for raw milk producers whose products have been linked to outbreaks over the past year. Government organizations also

Turn to RAW, page 11 ⇨

MARKET INDICATORS



Chicago Mercantile Exchange Cash prices for the week ended February 4, 2011

	Monday Jan. 31	Tuesday Feb. 1	Wednesday Feb. 2	Thursday Feb. 3	Friday Feb. 4
Cheese Barrels					
Price	\$1.7250	\$1.7250	\$1.7250	\$1.7550	\$1.7750
Change	+2	NC	NC	+3	+2
Cheese 40-lb. block					
Price	\$1.7550	\$1.7575	\$1.7825	\$1.7875	\$1.8100
Change	+2	+1/4	+2 1/2	+1/2	+2 1/4

Weekly average (Jan. 31-Feb. 4): Barrels: \$1.7410(+.0965); 40-lb. Blocks: \$1.7785(+.1050).
Weekly ave. one year ago (Feb. 1-5, 2010): Barrels: \$1.4740; 40-lb. Blocks: \$1.4990.

	Monday Jan. 31	Tuesday Feb. 1	Wednesday Feb. 2	Thursday Feb. 3	Friday Feb. 4
Extra Grade NDM					
Price	\$1.6500	\$1.6650	\$1.6650	\$1.6900	\$1.6900
Change	+5	+1 1/2	NC	+2 1/2	NC
Grade A NDM					
Price	\$1.6675	\$1.6900	\$1.7200	\$1.7200	\$1.7200
Change	+1	+2 1/4	+3	NC	NC

Weekly average (Jan. 31-Feb. 4): Extra Grade: \$1.6720(+.1170); Grade A: \$1.7035(+.1115).

	Monday Jan. 31	Tuesday Feb. 1	Wednesday Feb. 2	Thursday Feb. 3	Friday Feb. 4
Grade AA Butter					
Price	\$2.1000	\$2.1000	\$2.1000	\$2.1000	\$2.1000
Change	NC	NC	NC	NC	NC

Weekly average (Jan. 31-Feb. 4): Grade AA: \$2.1000(NC).

Class II Cream (Major Northeast Cities): \$2.5724(+.1574)–\$2.7300(+.1050).

California Minimum Prices

Released January 31, 2011

	Butterfat	SNF	Equivalent
Class 4a	\$ 2.0945/lb.	\$ 1.0523/lb.	\$ 16.49/cwt.
Class 4b	\$ 2.0945/lb.	\$ 0.5932/lb.	\$ 12.49/cwt.

Weekly Cold Storage Holdings

January 31, 2011

	On hand Monday	Week Change	Change since Jan. 1 Pounds	Percent	Last Year Pounds	Change
Butter	4,438	+913	+910	+26	8,498	-4,060
Cheese	127,232	+511	+10,150	+9	121,257	+5,975

(These data, which includes government stocks and is reported in thousands of pounds, are based on reports from a limited sample of cold storage centers across the country. This chart is designed to help the dairy industry see the trends in cold storage between the release of the National Agricultural Statistics Service's monthly cold storage reports.)

CLASS III PRICE

(Dollars per hundredweight, 3.5% butterfat test)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2005	14.14	14.70	14.08	14.61	13.77	13.92	14.35	13.60	14.30	14.35	13.35	13.37
2006	13.39	12.20	11.11	10.93	10.83	11.29	10.92	11.06	12.29	12.32	12.84	13.47
2007	13.56	14.18	15.09	16.09	17.60	20.17	21.38	19.83	20.07	18.70	19.22	20.60
2008	19.32	17.03	18.00	16.76	18.18	20.25	18.24	17.32	16.28	17.06	15.51	15.28
2009	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
2011	13.48											

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CHEESE FUTURES for the week ended February 3, 2011

(Listings for each day by month, settling price and open interest)

	Fri., Jan. 28	Mon., Jan. 31	Tues., Feb. 1	Wed., Feb. 2	Thurs., Feb. 3
JAN11	1.407 469	1.407 469	1.407 469	1.407 469	1.407 469
FEB11	1.676 379	1.702 379	1.702 379	1.686 375	1.697 373
MAR11	1.743 281	1.800 281	1.839 285	1.810 284	1.821 286
APR11	1.686 215	1.734 207	1.766 207	1.730 209	1.770 209
MAY11	1.646 138	1.694 138	1.721 138	1.721 138	1.733 140
JUN11	1.631 126	1.638 126	1.665 126	1.670 138	1.670 138
JUL11	1.640 89	1.645 89	1.667 89	1.667 89	1.667 89
AUG11	1.648 87	1.648 90	1.656 90	1.656 90	1.656 90
SEP11	1.669 78	1.669 82	1.674 82	1.674 82	1.674 82
OCT11	1.690 127	1.690 127	1.690 127	1.690 127	1.692 131
NOV11	1.675 93	1.670 97	1.670 97	1.670 97	1.670 97
DEC11	1.660 94	1.670 94	1.670 94	1.670 94	1.670 94
Total Contracts Traded/ Open Interest	136/2,176	31/2,179	5/2,183	22/2,192	18/2,198

Daily market prices are available by visiting CME's online statistics sites at <http://www.cmegroup.com>.

DRY WHEY FUTURES for the week ended February 3, 2011

(Listings for each day by month, settling price and open interest)

	Fri., Jan. 28	Mon., Jan. 31	Tues., Feb. 1	Wed., Feb. 2	Thurs., Feb. 3
JAN11	39.55 494	39.55 494	39.48 494	39.48 494	39.48 494
FEB11	42.50 484	43.50 490	43.50 490	43.50 490	43.00 490
MAR11	50.00 292	51.25 301	52.00 300	51.50 300	51.50 301
APR11	53.00 258	54.00 257	53.03 270	54.00 272	54.50 279
MAY11	52.50 228	54.00 227	54.00 228	55.00 230	55.00 228
JUN11	52.50 177	54.00 178	54.75 178	53.25 180	53.50 177
JUL11	53.00 90	54.00 92	54.00 92	52.50 94	52.50 94
AUG11	50.50 89	52.00 92	52.00 92	52.00 92	52.00 92
SEP11	49.00 92	49.25 94	49.25 94	49.25 94	49.25 95
OCT11	46.75 96	46.75 97	46.75 97	46.75 97	46.73 98
NOV11	45.25 94	45.25 94	45.50 97	45.50 97	45.25 97
DEC11	45.25 84	45.25 84	45.25 85	45.25 85	45.25 85
Total Contracts Traded/ Open Interest	144/2,478	102/2,500	34/2,517	40/2,525	50/2,530

Daily market prices are available by visiting CME's online statistics sites at <http://www.cmegroup.com>.

Cheddar Cheese and Dairy Product Prices

For the week ended: 1/29/11 1/22/11 1/15/11 1/8/11

Cheese 40-lb. Blocks:

Average price ¹	1/29/11	1/22/11	1/15/11	1/8/11
Minn./Wis.	\$1.5342	\$1.4976	\$1.4464	\$1.4422
Other states	\$1.4524	\$1.3849	\$1.3378	\$1.3378
U.S.	\$1.4580	\$1.3949	\$1.3472	\$1.3457

Sales volume²

	1/29/11	1/22/11	1/15/11	1/8/11
Minn./Wis.	695,379	969,797	996,255	870,397
Other states	9,462,937	9,933,225	10,459,741	10,680,158
U.S.	10,158,316	10,903,022	11,455,996	11,550,555

Cheese 500-lb. Barrels:

Average price ¹	1/29/11	1/22/11	1/15/11	1/8/11
Minn./Wis.	\$1.5685	\$1.5113	\$1.4496	\$1.4488
Other states	\$1.5115	\$1.4742	\$1.4528	\$1.4439
U.S.	\$1.5383	\$1.4908	\$1.4513	\$1.4465

Adj. price to 38% moisture

	1/29/11	1/22/11	1/15/11	1/8/11
Minn./Wis.	\$1.4996	\$1.4429	\$1.3810	\$1.3845
Other states	\$1.4367	*\$1.4001	\$1.3767	\$1.3671
U.S.	\$1.4662	\$1.4191	\$1.3787	\$1.3762

Sales volume²

	1/29/11	1/22/11	1/15/11	1/8/11
Minn./Wis.	4,384,750	4,142,659	4,980,601	5,611,063
Other states	4,921,814	5,139,784	5,626,534	5,102,337
U.S.	9,306,564	9,282,443	10,607,135	10,713,400

Moisture content

	1/29/11	1/22/11	1/15/11	1/8/11
Minn./Wis.	35.15%	35.06%	34.92%	35.12%
Other states	34.77%	*34.72%	34.57%	34.52%
U.S.	34.95%	34.87%	34.74%	34.83%

Butter:

Average price ¹ U.S.	1/29/11	1/22/11	1/15/11	1/8/11
	\$2.0674	\$1.9954	\$1.8065	\$1.6702
Sales volume ² U.S.	2,461,028	4,629,057	3,564,811	3,323,243

Nonfat Dry Milk:

Average price ¹ U.S.	1/29/11	1/22/11	1/15/11	1/8/11
	\$1.2842	*\$1.2607	*\$1.2549	*\$1.2237
Sales volume ² U.S.	24,643,145	*19,143,082	*22,753,131	*17,010,134

Dry Whey:

Average price ¹ U.S.	1/29/11	1/22/11	1/15/11	1/8/11
	\$0.3996	\$0.3953	\$0.3956	\$0.3870
Sales volume ² U.S.	10,534,092	11,280,503	11,391,213	10,376,569

*Revised. ¹Prices weighted by volumes reported. ²Sales as reported by participating manufacturers. Reported in pounds. More information is available by calling NASS at 202-690-2424.



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MARKET INDICATORS



Class & Component Prices

	January 2011	December 2010
Class III:		
Price	\$ 13.48/cwt.	\$ 13.83/cwt.
Skim Price	\$ 6.63/cwt.	\$ 7.82/cwt.
Class IV:		
Price	\$ 16.42/cwt.	\$ 15.03/cwt.
Skim Price	\$ 9.67/cwt.	\$ 9.06/cwt.
Class II:		
Price	\$ 16.79/cwt.	\$ 15.77/cwt.
Butterfat Price	\$ 2.0309/lb.	\$ 1.8022/lb.
Component Prices:		
Butterfat Price	\$ 2.0239/lb.	\$ 1.7952/lb.
Nonfat Solids Price	\$ 1.0743/lb.	\$ 1.0068/lb.
Protein Price	\$ 1.7590/lb.	\$ 2.1706/lb.
Other Solids Price	\$ 0.2002/lb.	\$ 0.1852/lb.
Somatic Cell Adjustment Rate	\$ 0.00070/1,000 sec	\$ 0.00073/1,000 sec
Product Price Averages:		
Butter	\$ 1.8428/lb.	\$ 1.6539/lb.
Nonfat Dry Milk	\$ 1.2530/lb.	\$ 1.1848/lb.
Cheese	\$ 1.4076/lb.	\$ 1.4606/lb.
Dry Whey	\$ 0.3935/lb.	\$ 0.3789/lb.

International Dairy Markets

February 4, 2011

Western and Eastern Europe

Butter: 82 percent butterfat \$5,250(+400)-\$5,500(+375);
99 percent butterfat \$5,950(+300)-\$6,300(+400).
Skim Milk Powder: 1.25 percent butterfat \$3,500(+300)-\$4,000(+550).
Whole Milk Powder: 26 percent butterfat \$4,500(+575)-\$4,750(+375).
Sweet Whey Powder: Nonhygroscopic \$1,200(+125)-\$1,400(+200).

Oceania

Butter: 82 percent butterfat \$4,500-\$5,200(+400).
Cheddar Cheese: 39 percent maximum moisture \$4,300-\$4,500.
Skim Milk Powder: 1.25 percent butterfat \$3,500-\$4,100(+450).
Whole Milk Powder: 26 percent butterfat \$3,975(+200)-\$4,200(+250).

*Source: Dairy Market News. Prices reported in U.S. dollars per metric ton, F.O.B. port. To convert to price per pound: divide price by 2,204.6 pounds.

Dry Products

February 4, 2011

NONFAT DRY MILK

Central & East: low/medium heat \$1.3300(+1/2)-\$1.7000(+15);
mostly \$1.3900(+5)-\$1.6500(+17).
high heat \$1.3700(+1/2)-\$1.7000(+10).
West: low/medium heat \$1.2400-\$1.6700(+16);
mostly \$1.3000(+3)-\$1.6000(+18).
high heat \$1.3200(+2)-\$1.4550(+3).
Calif. manufacturing plants: extra grade/grade A weighted ave. \$1.2495(+.0186)
based on 19,137,866 lbs. Sales to CCC: 0 lbs.

WHOLE MILK POWDER (National): \$1.6100-\$1.9200(+17).

EDIBLE LACTOSE

(FOB)Central and West: \$.3000(-2)-\$.4550(+3/4); mostly \$.3300-\$3.900(+1).

DRY WHEY

Central: nonhygroscopic \$.3550-\$4.300;
mostly \$.3600-\$4.100(+1).
West: nonhygroscopic \$.3900-\$4.425;
mostly \$.4050(+1/2)-\$.4350(+1/4).
(FOB) Northeast: extra grade/grade A \$.3950-\$4.250.

ANIMAL FEED (Central): Whey spray milk replacer \$.2600-\$3.800.

WHEY PROTEIN CONCENTRATE (34 percent): \$1.0000(+1)-\$1.2000(+9);
mostly \$1.0200(+2)-\$1.0700(+1).

DRY BUTTERMILK

(FOB)Central & East: \$1.2400(+1)-\$1.4500.
(FOB) West: \$1.2000(+5)-\$1.4000(+8); mostly \$1.2500(+2 1/2)-\$1.2800(+1 1/2).

CASEIN: Rennet \$4.1400(+4)-\$4.4500; Acid \$4.2800(+6)-\$4.5000.

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CME FUTURES for the week ended February 3, 2011

Class III Milk**

	Fri., Jan. 28	Mon., Jan. 31	Tues., Feb. 1	Wed., Feb. 2	Thurs., Feb. 3
JAN11	13.50 5,138	13.49 5,127	13.50 5,128	13.49 5,128	13.50 5,126
FEB11	16.43 5,658	16.70 5,660	16.65 5,565	16.47 5,477	16.63 5,413
MAR11	17.44 5,559	18.19 5,558	18.44 5,561	18.04 5,487	18.37 5,551
APR11	17.10 4,283	17.69 4,484	18.12 4,627	17.74 4,789	18.08 4,815
MAY11	16.75 3,569	17.25 3,781	17.64 3,972	17.45 4,016	17.71 4,126
JUN11	16.33 2,900	16.74 2,951	16.99 3,049	16.80 3,061	17.03 3,211
JUL11	16.38 2,089	16.70 2,130	16.87 2,179	16.73 2,182	16.90 2,213
AUG11	16.40 2,006	16.70 2,049	16.78 2,108	16.65 2,118	16.80 2,122
SEP11	16.40 1,934	16.74 1,972	16.87 2,027	16.70 2,053	16.79 2,069
OCT11	16.50 1,889	16.66 1,922	16.66 1,980	16.45 1,978	16.53 1,998
NOV11	16.26 1,782	16.46 1,819	16.45 1,891	16.30 1,897	16.33 1,909
DEC11	16.25 1,696	16.48 1,729	16.44 1,775	16.25 1,809	16.24 1,816
JAN12	15.75 96	15.80 100	15.88 106	15.78 106	15.73 106
FEB12	15.95 76	15.92 76	15.92 83	15.78 84	15.95 90
MAR12	15.91 66	15.88 66	15.88 73	15.93 76	15.93 76
APR12	15.98 36	15.98 36	16.00 45	15.95 45	15.95 45
MAY12	15.95 28	15.92 28	15.92 28	15.90 28	15.90 28
Total Contracts Traded/ Open Interest	2,192/38,851	2,212/39,534	3,518/40,243	2,365/40,380	2,021/40,760

Class IV Milk*

	Fri., Jan. 28	Mon., Jan. 31	Tues., Feb. 1	Wed., Feb. 2	Thurs., Feb. 3
JAN11	16.50 32	16.50 32	16.50 32	16.50 32	16.50 32
FEB11	18.19 39	18.15 40	18.15 41	18.15 41	18.15 44
MAR11	19.60 141	19.60 142	19.60 156	19.60 156	19.60 159
APR11	19.30 148	19.40 152	19.50 195	19.50 195	19.50 198
MAY11	19.29 155	19.39 160	19.51 190	19.51 190	19.60 195
JUN11	19.24 165	19.40 174	19.49 206	19.00 206	19.50 219
JUL11	19.28 130	19.40 134	19.40 156	19.00 156	19.50 168
Total Contracts Traded/ Open Interest	35/1,087	96/1,143	185/1,319	23/1,320	83/1,384

Cash-Settled NDM*

	Fri., Jan. 28	Mon., Jan. 31	Tues., Feb. 1	Wed., Feb. 2	Thurs., Feb. 3
JAN11	126.00 283	126.00 283	126.00 283	126.00 283	126.00 283
FEB11	138.48 293	137.00 289	137.00 289	137.00 289	137.00 289
MAR11	157.98 227	156.50 227	155.00 227	155.00 227	154.98 227
APR11	156.00 188	156.50 190	155.50 187	155.50 187	157.00 180
MAY11	158.00 157	158.00 159	157.05 162	157.05 162	158.00 169
JUN11	156.75 107	158.50 110	158.00 119	157.75 119	158.50 131
JUL11	156.00 60	158.50 68	157.50 76	157.00 76	157.25 86
AUG11	152.25 44	154.00 51	153.50 54	153.50 54	153.50 58
SEP11	146.50 30	147.00 34	147.00 34	147.00 34	147.00 34
OCT11	145.00 29	145.00 31	145.00 31	145.00 31	145.00 31
NOV11	138.00 30	138.00 30	138.00 30	138.00 30	138.00 30
Total Contracts Traded/ Open Interest	23/1,482	51/1,506	64/1,526	0/1,526	45/1,552

Cash-Settled Butter

	Fri., Jan. 28	Mon., Jan. 31	Tues., Feb. 1	Wed., Feb. 2	Thurs., Feb. 3
JAN11	182.53 434	182.53 434	182.53 434	182.75 431	183.08 431
FEB11	202.00 389	202.00 387	203.00 387	203.00 387	203.75 387
MAR11	197.35 364	197.35 367	201.00 398	196.00 409	198.00 409
APR11	194.48 382	194.50 390	198.00 397	195.53 406	195.53 406
MAY11	191.98 289	191.25 292	195.75 290	194.00 295	193.75 296
JUN11	190.00 182	190.00 189	193.75 202	193.13 202	192.75 208
JUL11	190.00 94	190.00 96	194.18 104	192.53 106	192.53 108
AUG11	192.75 68	191.25 76	193.45 79	192.03 78	192.03 78
SEP11	195.00 46	194.00 50	194.00 50	194.00 50	194.00 50
OCT11	194.75 56	194.75 56	194.75 58	194.75 58	194.75 58
NOV11	195.00 44	195.00 44	195.00 44	195.00 44	195.00 44
DEC11	191.25 42	191.25 42	191.25 44	191.25 44	191.25 44
Total Contracts Traded/ Open Interest	99/2,390	64/2,423	232/2,487	83/2,510	11/2,519

Daily market prices are available by visiting CME's online statistics sites at <http://www.cmegroup.com>.
*The total contracts traded for Class III milk includes electronically-traded contract volumes.
**Total Contracts Traded/Open Interest reflect additional months not included in this chart.

WCMA UPDATE



Perspective: WCMA

John Umhoefer is executive director of the Wisconsin Cheese Makers Association. He contributes this column monthly for *Cheese Market News*®.

An overbuilt foundation

Credit National Milk Producers Federation (NMPF) for building and marketing a plan to radically change federal dairy policy. The concepts found in the co-op organization's "Foundation for the Future" are driving the dairy policy debate as the 2012 U.S. Farm Bill looms in our industry's future.

At the U.S. Dairy Forum in January, NMPF's leader, Jerry Kozak, joined Connie Tipton from the International Dairy Foods Association (IDFA) in describing the groups' mutual agreement on several parts of the Foundation plan as a "historic occasion." That's only a slight exaggeration.

The Foundation plan calls for replacing the outdated Dairy Product Price Support Program, and ending MILC (Milk Income Loss Contract), in favor of a Dairy Producer Margin Protection Program. It also seeks the improbable dream of reforming federal milk marketing orders to spur product development and simplify milk pricing and payment. All good ideas.

But complete alignment between the nation's top dairy lobbying organizations is unlikely. NMPF's Foundation is overbuilt because it also includes a "Dairy Market Stabilization Program" that is, in essence, supply management. Unlike other supply management ideas that use a government board to predict and control the nation's milk supply, the NMPF plan uses a computed price margin for dairy farms: As margins are squeezed, farmers' monthly milk payments are reduced by 6 percent to 8 percent.

Less money means less milk, the NMPF plan assumes.

Processor groups such as IDFA and Wisconsin Cheese Makers Association fundamentally abhor an artificial construct designed to curb the nation's milk supply. Wisconsin, in particular, has more than adequate dairy processing capacity and buyer demand to accept more fresh farm milk, not less.

A Dairy Market Stabilization plan is nothing more than an imposition on the free market. The marketplace would see milk prices decline if supplies become burdensome. But the Dairy Market Stabilization plan piles onto that market reaction — adding cuts to farm milk checks in addition to a decline in classified milk prices.

Interestingly, the Dairy Market Stabilization plan cuts more sharply than free markets: This program will cut milk check payments if rising feed grain prices trim dairy producer margins. In other words, farms may see their paychecks cut even when their milk output is stable.

This scenario (margins lowered by rising feed costs) plays out with disturbing impact in the Upper Midwest. Up here in corn country, dairy farms produce a greater percentage of their own feed grains and silage and are less concerned with higher grain prices.

A recent study commission by IDFA (*"Regional and Farm Level Impacts of the Foundation for the Future's Dairy Market Stabilization Program"* available at www.idfa.org) puts numbers to this concern. The report overlays the proposed Dairy Market Stabilization plan from NMPF over recent years and executes the math, noting: "In 2009, the worst financial year on record for dairy farmers, \$390 [million] would have been withheld [from farm milk checks], with the majority of it, \$236 million, coming from just five states; Wisconsin, New York, Minnesota, Pennsylvania, and Michigan."

In fact, in 2009 Wisconsin would have seen a \$104 million dollar reduction on milk checks, dwarfing all other states, according to the IDFA report. Over the period 2000-2009, IDFA found the program would have kicked in (due to low margins) four times and overall Wisconsin is the biggest loser:

America's Dairyland would surrender \$150 million in milk check money to the program in this 10-year time span. New York State lands a distant second with \$63 million in withheld dollars.

It's a punishing outcome for Wisconsin, a state that has spent a decade clawing back from the brink of decline to rebuild a proud, efficient dairy industry.

Where will this money go? Looking across 2000-2009, the IDFA study found the proposed Dairy Market Stabilization program would have taken in \$626 million from producer paychecks (24 percent of that from Wisconsin). The recipient of that cash would be a new industry board which would purchase dairy products for food assistance programs, encourage dairy products in school nutrition programs, promote dairy exports and develop new uses for dairy products.

These ideas have a familiar ring to those familiar with programs at Dairy Management Inc. (dairy's check-off dollars) and the Export Assistance Program run by CWT (Cooperatives Working Together). The CWT program, operated by NMPF, is specifically cited in this discussion on using the Dairy Market Stabilization dollars.

NMPF describes Foundation for the Future as an indivisible package of reforms. But the Dairy Market Stabilization piece isn't necessary. The Foundation proposal for an insurance-like Margin Protection Program will supplement farm income when margins are low. NMPF's Foundation for the Future, without the supply management piece, could provide the foundation for a historic agreement among all parties in the dairy industry. **CMN**

The views expressed by CMN's guest columnists are their own opinions and do not necessarily reflect those of Cheese Market News®.

NEWS/BUSINESS



Republican lawmakers unveil debt-reduction proposals targeting elimination of MAP, FAS

WASHINGTON—A group of Republican lawmakers recently unveiled legislation which they say begins to address the rapidly growing national debt by making substantial spending cuts immediately and throughout the next decade.

"The national debt has grown from \$8.6 trillion four years ago to more than \$14 trillion today," says Rep. Jim Jordan, R-Ohio. "This mountain of debt, nearly the size of our entire economy, threatens to create a whole new financial crisis. Every day we refuse to change course and instill some fiscal responsibility, the problem grows even larger. Unless Washington acts soon to cut spending, massive tax hikes, economic stagnation, and national bankruptcy will rob our children of the opportunity to reach for the American Dream."

Jordan and Rep. Scott Garrett, R-N.J., along with Sen. Jim DeMint, R-S.C., are proposing a new bill called the Spending Reduction Act, which would, among other things, eliminate USDA's Market

Access Program (MAP), sugar program and national organic certification cost-share program.

Lawmakers note that for fiscal year 2010, MAP allocated approximately \$197 million, providing cost-share assistance to 66 nonprofit U.S. trade organizations and small-sized entities to help create, expand and maintain foreign markets for U.S. agricultural commodities and products. The U.S. Dairy Export Council received \$4.5 million under MAP in fiscal year 2010.

According to Garrett, the Spending Reduction Act "gives us a \$2.5 trillion head start in the race to preserve the fiscal stability of the United States."

He notes that compared to current projections, the Spending Reduction Act would save taxpayers \$2.5 trillion through 2021. It starts by keeping House Republicans' pledge to take current spending back to 2008 levels and repeal unspent funds from the stimulus.

At the beginning of the next fiscal year on Oct. 1, 2011, spending is further

reduced to 2006 levels and frozen there for the next decade. To help achieve these savings, the bill shrinks the size and cost of the civilian federal workforce and specifically targets more than 100 budget items and spending reforms.

The proposal also would eliminate USDA's sugar program, which costs consumers \$1.9 billion annually in increased prices, according to lawmakers. The program maintains price controls by loaning money to sugar producers and, if necessary, directly purchasing sugar during periods of low prices to raise the price to preset levels.

In addition, eliminating the national organic certification cost-share program would save \$22 million over five years, the lawmakers note.

"This bill represents the first step in the process, not the last," Garrett says. "To achieve long-term fiscal stability, we must finish the race by making the tough decisions Congress has put off for far too long. Only after we tear down barriers

to job creation and make reforms to our entitlement programs can we truly resolve our debt crisis."

In related news, last week Rep. Michele Bachmann, R-Minn., called on Congress to "do the hard work of making real and necessary cuts in federal spending" and put a list of potential spending cuts and estimated savings on the table for discussion.

Pertaining to agriculture, Bachmann is proposing \$20 billion in spending cuts, including replacing farm subsidies with farmer savings accounts, eliminating USDA's Foreign Agricultural Service (FAS) and funding USDA's Food Safety and Inspection Service with user fees. The dairy industry generally has opposed legislation that includes new user fees for the industry.

Bachmann also notes that repealing the recently-passed Food Safety Modernization Act would save \$1.4 billion, and she also proposed eliminating the International Trade Commission. **CMN**

NEWS/BUSINESS



Bravo Farms resumes production, distribution after recall; Feds seize raw milk cheeses

By Rena Archwamety

TRAVER, Calif. — As Bravo Farms is resuming production and distribution of pasteurized-milk cheeses after an *E. coli* outbreak forced a recall and hiatus in production at the end of last year, U.S. marshals last week seized more than 100,000 pounds of raw milk cheeses that had been held under quarantine at Bravo Farms following the outbreak.

Bravo Farms recalled all of its cheese last November following an outbreak of *E. coli* infections across five states that were linked to cheese from Bravo Farms served at Costco sampling events in those states. (See "Bravo Farms expands recall to all cheese," Nov. 26, 2010, in the archives at www.cheese-marketnews.com.)

On Jan. 27, U.S. marshals seized 105,000 pounds of raw milk cheese

under a warrant issued by the U.S. District Court for the Eastern District of California, according to an FDA spokesperson.

Dutch-style Gouda, Edam, Cheddar and Jack raw milk cheeses were seized, FDA says, because the products were adulterated due to having been prepared, packed and held under conditions that may have allowed them to become contaminated with filth or harmful bacteria. The seized cheese was cheese that had been held under a quarantine by the California Department of Food and Agriculture (CDFA) during the investigation following the outbreak.

CDFA now has cleared Bravo farms to resume making cheese from pasteurized milk, and this is the cheese that currently is being distributed. The raw milk cheese that FDA seized

was made before the break in production late last year and was not set for distribution.

According to Ryan Davis, manager at Bravo Farms, production of cheese using pasteurized milk started Jan. 1, and sales to retailers and distributors started again Jan. 15.

"We're excited about being able to get our product back on shelves," Davis says. "We have had a very positive response from all distributors and buyers, and our buyers have been very supportive throughout this process."

Prior to the hold FDA put on the quarantined cheese last week, Davis says Bravo Farms had worked with CDFA to go through the facilities, clean, and test and retest the cheese. He says they never were able to find the source of the outbreak.

FDA also says it is not known for certain what caused the contamination linked to the outbreak, but the FDA spokesperson says the raw milk Bravo Farms was using was the likely source of the *E. coli* O157:H7 contamination. An investigation also uncovered *Listeria monocytogenes* contamination in environmental and cheese samples, which FDA says was likely due to insanitary conditions in the manufacturing facility.

According to the federal complaint filed Jan. 21, during an inspection of Bravo Farms between Nov. 4 and Dec. 1, FDA investigators reported adequate measures were not being taken to destroy or prevent the growth of undesirable microorganisms, and the firm lacked the controls necessary to assure that cheese manufactured from raw milk is aged for the minimum requirement of 60 days.

Equipment was not handled ad-

equately and effective measures were not taken to exclude pests from the processing areas to protect against contamination, the complaint says, adding that at least 50 flies were observed in the processing areas of the firm, a rabbit was seen leaving the room where packaging material for the finished product is stored, and gaps were observed around doors leading into the processing areas.

The investigators also observed employees not washing hands thoroughly and sanitizing to protect against contamination. One employee was observed dipping his hands in the utensil sanitizing bath and then mixing in-process cheese with his bare hands, and one scratched his chin and then mixed the milled cheese with his bare hands without washing or sanitizing his hands.

An environmental sample FDA took from a food contact surface and 15 out of 24 finished product samples collected by CDFA were found positive for *Listeria monocytogenes*. The samples, representing Cheddar, Edam, Gouda and Jack, came from cheese produced over a four-month period. One CDFA sample of Cheddar was found positive for *E. coli* O157:H7, and after analysis FDA found it to be indistinguishable from the strain associated with the outbreak. The recall and quarantine imposed Nov. 22 by CDFA on Bravo Farms cheeses was a result of these positive samples. The outbreak did not include any reported illnesses from *Listeria*.

The complaint says seizure of the cheese is necessary to prevent further distribution into consumer channels.

FDA says Bravo Farms is cooperating with FDA and CDFA to help resolve the situation. **CMN**

CWT assists with 19 requests, 4.5 million pounds of cheese export sales in January

ARLINGTON, Va. — During the month of January, Cooperatives Working Together (CWT) accepted 19 requests for export assistance from Darigold, Foremost Farms, Dairy Farmers of America, and Land O'Lakes for a sales total of 2,019 metric tons (4.45 million pounds) of Cheddar, Gouda and Monterey Jack cheese to customers in North Africa, the Middle East, Central America and Asia. The product will be delivered January 2011 through May 2011.

The CWT export assistance program was reactivated in March 2010. In 2010,

it assisted members in making export sales of Cheddar, Monterey Jack and Gouda totaling 35,183 metric tons (77.6 million pounds) to 27 countries on four continents, and butter and anhydrous milkfat totaling 14,968 metric tons (33.0 million pounds) to nine countries on three continents. One-third of the cheese and half of the butterfat are scheduled to ship in the first six months of 2011.

CWT will pay export bonuses to the bidders when delivery of the product is verified by the submission of the required documentation. **CMN**

FDA sends warning letter to Minn. DFA plant

WINTHROP, Minn. — A Dairy Farmers of America (DFA) plant in Winthrop, Minn., received a warning letter from FDA dated Jan. 24 regarding food safety violations observed during an inspection last summer.

During the FDA inspection, which took place Aug. 16-Sept. 2, 2010, FDA investigators identified *Salmonella senftenberg* in the facility and determined that food products at the plant were adulterated in that they were "prepared, packed or held under insanitary conditions whereby they may have been rendered injurious to health," the letter states.

The presence of *Salmonella senftenberg* was found in three environmental swabs taken throughout the processing facility during the inspection. Also, significant violations reported by the inspectors included failure to clean and sanitize equipment in a manner that protects against contamination of food and food contact surfaces, failure to clean and sanitize food contact surfaces of equipment and non-food contact surfaces with sufficient frequency to prevent contamination of food, and failure of employees to wash and sanitize hands thoroughly in an adequate

hand-washing facility at times when their hands may have become soiled or contaminated.

FDA acknowledged letters DFA sent in September and October describing corrective actions taken. However, FDA says DFA did not provide documentation of the corrections, such as the implementation of the revised "Pathogen Environmental Monitoring" program or the modified "Sanitation Standard Operating Procedures." DFA has 15 working days from the receipt of the warning letter to notify FDA of steps taken to correct these violations and prevent their recurrence.

DFA officials say that in September FDA conducted another inspection of the facility and no further corrective action was required, so they were surprised to receive the January warning letter.

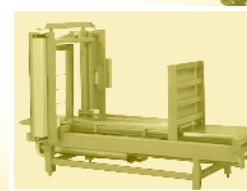
"We are cooperating with the FDA to understand exactly what additional information and action are needed to permanently close this matter," DFA says in a statement. "All product provided by DFA to its customers has and continues to meet DFA's strict quality standards, customers' specifications and all applicable regulatory requirements." **CMN**

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PEOPLE



Comings and goings ... comings and goings

U.S. Sen. Pat Roberts, R-Kan., has been elected ranking member of the Senate Committee on Agriculture, Nutrition and Forestry. Roberts served as House Agriculture Committee chair from 1995-1997 when he served in Congress, and he has been a member of the Senate Agriculture Committee since 1997. In addition to his new role, Roberts will continue his work as a member of the Senate Finance Committee, the Health Education Labor and Pensions Committee, the Rules Committee and the Ethics Committee.

Smart Balance Inc., Paramus, N.J., recently announced Terry Schulke has been named executive vice president and general manager of commercial

operations. He will oversee the commercial team combining sales and marketing for Smart Balance brand products. Schulke joined Smart Balance in 2007 as executive vice president and chief customer officer. Under Schulke's leadership, Ken Messick, who joined Smart Balance in 2008 and has served as vice president business development, sales and business development, has been promoted to senior vice president, sales and business development, and John Becker, who previously served as vice president of marketing for healthy food holdings and the Breyers Yogurt Co., has joined Smart Balance as vice president and general manager, Smart Balance marketing. CMN

NEWS/BUSINESS



Court denies Kraft request for preliminary injunction in dispute with Starbucks Coffee

NORTHFIELD, Ill. — Kraft Foods Inc. recently announced that the U.S. Court for the Southern District of New York has denied Kraft's request for a preliminary injunction against Starbucks Coffee Co. Kraft says it intends to appeal the decision to the U.S. Court of Appeals for the Second Circuit on an expedited basis.

The injunction would have stopped Starbucks from its attempt to unilaterally end its strategic partnership with Kraft before the conclusion of an arbitration process that is required under the companies' long-standing contract, Kraft says. (See "Kraft seeks

preliminary injunction in dispute," Dec. 10, 2010, in Cheese Market News' article archive at www.cheesemarketnews.com.)

That arbitration process will continue over the next several months and is not affected by the court decision, Kraft notes.

"We're disappointed the judge decided not to grant a preliminary injunction," says Marc Firestone, executive vice president of corporate and legal affairs and general counsel for Kraft. "While we've always acknowledged that there are certain legal hurdles for obtaining a preliminary injunction, we avidly believe this case justifies an injunction and will argue that point vigorously on appeal."

Firestone adds that the decision is not a ruling on the core question of whether Starbucks can terminate its contract with Kraft without compensating Kraft as the contract requires, a question that will be decided in arbitration.

"Without proof of material breach, Starbucks' only legitimate termination mechanism is to pay Kraft fair market value for the business, plus a premium," Firestone says. "We believe more strongly than ever that such a payment is the appropriate outcome in this dispute." CMN

No international shipping required for ACS entries

DENVER — The American Cheese Society (ACS) has announced that international shipping and customs forms will not be required for entries submitted for the 2011 ACS contest Aug. 3-6 that will take place in Montreal.

ACS will send out entry materials in April, and U.S. cheesemakers will ship cheeses to a UPS facility in Plattsburgh, N.Y., where ACS has arranged receiving space for the competition. All packages will be logged and moved immediately onto dedicated refrigerated trucks that will be standing by at the UPS facility. The trucks then will drive directly to the Palais des Congrès convention center in Montreal, about two hours away from Plattsburgh, N.Y., where the competition will be held.

ACS says it has arranged with Canadian border officials for a blanket customs clearance for the conference and competition to ensure that the cheeses arrive promptly and in good condition.

Canadian cheesemakers will have the option of shipping cheese directly to the convention center or delivering cheeses in person.

For more information, contact Michelle Lee, director of programs and operations, ACS, 720-328-2788 ext. 302, or e-entries@cheesesociety.org. CMN

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NEWS/BUSINESS



Photo courtesy of BelGioioso Cheese Inc.

SCORE SOME CHEESE — Central Markets, Fort Worth, Texas, worked with BelGioioso Cheese and the Wisconsin Milk Marketing Board to display a goalpost made of BelGioioso Provolone in one of its Fort Worth stores. The goalpost project became even more exciting for Green Bay, Wis.-based BelGioioso after the Green Bay Packers beat the Chicago Bears Jan. 23, earning a spot in this weekend's Super Bowl. The goalpost, made of more than 400 pounds of aged BelGioioso Provolone, will be displayed at Central Market through the Super Bowl this Sunday.

GAME

Continued from page 1

Retailers such as Hy-Vee, Madison, Wis., are capitalizing on this trend with in-store promotions and demonstrations.

According to Patrick Tinder, deli manager at Hy-Vee, one such promotion includes a Green Bay Packers display featuring discounted cheese from Saxon Homestead Creamery, Cleveland, Wis. Jerry Heimerl, owner of Saxon Homestead Creamery, also will be available on Thursday and Friday to hand out cheese samples.

Fromagination, a specialty cheese shop in Madison, Wis., is featuring an "Everything But the Game" promotion in which customers can stop by Friday and Saturday to sample cheeses and pick up "everything you need for the Big Game!" according to Ken Monteleone, Fromagination owner.

WMMB also has several Super Bowl-related publicity activities in the works, Porter Engwall says, including a cheese recipe e-mail blast to consumer media around the country; posting a Super Bowl blog on the Wisconsin Cheese Talk blog site at <http://wisconsincheesetalk.com>; and contributing Wisconsin cheese to chefs participating in the "Taste of NFL"

dinner, an annual event held on the eve of the Super Bowl. Chefs from each NFL city represent their state's team, and a percentage of the proceeds benefit food banks in NFL cities. The event typically attracts about 3,000 people.

In addition, WMMB's national cheese promotion toolbox features five separate in-store promotion kits highlighting a football theme. WMMB retail marketing managers work with retail supermarkets to set up and conduct in-store promotions on a year-round basis in markets throughout the United States. During this week, retailers across the nation are conducting 1,370 football-themed in-store Wisconsin cheese promotions, highlighting the fact that award-winning Wisconsin cheese goes great with every game day spread, Porter Engwall says. More than 270 of these promotions are taking place in stores throughout Texas and neighboring southern states.

WMMB also has extended sponsorship of its milk and dairy-related advertising messages during the Mike McCarthy Show through this Sunday. The weekly 30-minute TV program featuring the Green Bay Packer head coach and players airs on the Packer Television Network throughout the season in Green Bay, Milwaukee, Wausau,

Turn to PROMOTION, page 10 ⇨

Creamery takes space at former Saputo site

By Rena Archwamety

HINESBURG, Vt. — Two businesses recently signed letters of intent to occupy space in a former Saputo plant here, including an upstart organic creamery.

Saputo had closed the Mozzarella, specialty cheese and shred facility in October 2008 after a fire had damaged the plant earlier that fall (see "Saputo closes fire-damaged Vermont plant," Oct. 24, 2008, in the archives at www.cheesemarketnews.com).

Green Mountain Organic Creamery and Vermont Smoke and Cure have signed letters of intent and are expected to move into the space by June, says Doug Nedde, partner and co-owner of the commercial development firm Redstone. The creamery will occupy about 10,000 square feet, and the smoke and cure business will oc-

cupy about 37,000 square feet. Nedde says there still is another 40,000-50,000 square feet of space available in the facility.

Green Mountain Organic Creamery, owned by organic dairy farmers Cheryl and J.D. DeVos, will produce bottled milk and other value-added dairy products to distribute throughout Vermont and New England. The company could not be reached for comment by press time.

Nedde says Green Mountain does not manufacture cheese but that the owners were hoping to have a cheese or yogurt manufacturer take the space next to them. He adds that the space would be ideal for another cheese, dairy or ice cream company, with a lot of different floor plans, sewer and water capacity, power and some refrigeration.

For more information on the facility, Nedde can be reached at 802-343-4110. CMN

Foremost distributes cash to farmer-members

BARABOO, Wis. — Foremost Farms USA has issued cash payments totaling \$31.8 million during 2009 and 2010 to dairy producers who are current and former members of the cooperative.

Of the total, \$6 million was paid in 2009 in cash patronage and equity revolvments. The remaining \$25.8 million was issued in 2010, including \$6.7 million of cash patronage and the balance representing the revolvment of equities held by dairy produc-

ers who marketed milk through Foremost Farms and its predecessor cooperatives.

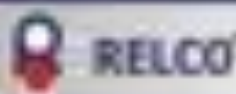
"The distribution of equities is based upon the cooperative's healthy performance," says Dave Fuhrmann, co-op president. "We have repositioned our business and have been profitable despite marketplace volatility and a challenging national and global economy."

In 2009, Foremost Farms revenues were \$1.14 billion. CMN

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EVENTS



WISCONSIN'S BEST — Ken Monteleone of Madison, Wis.-based Fromagination showcased a Blue cheese from Seymour Dairy Products, Seymour, Wis., paired with figs, Wisconsin honey and crostini at last weekend's Isthmus Beer & Cheese Fest held in Madison, Wis. The festival featured more than 70 exhibits of Wisconsin artisan cheeses and beers in addition to meats, snacks, informational booths and pairing sessions.

NDPC Conference held in Omaha, Neb., will focus on future of America's dairy industry

OMAHA, Neb. — The National Dairy Producers Conference (NDPC) will be held May 15-17 at the Embassy Suites Hotel in Omaha, Neb.

The conference is intended for dairy producers, dairy cooperative executives and directors, dairy processors, suppliers and consultants to the dairy industry, state and federal regulators, promotion organization executives and academics.

Meeting topics will include potential changes in future dairy policy, the outlook for dairy trade in 2011 and beyond, how dairy farmers can cope with rising feed costs, the impact of the increased scrutiny of animal welfare practices and upcoming environmental regulatory challenges.

Event coordinators note sponsorship opportunities are available for companies that provide products and services to dairy producers, dairy cooperatives or dairy processors.

General sponsorship is available for a minimum contribution of \$750. Benefits include company recognition and logo placement on pre- and post-NDPC press releases, the NDPC webpage, the final program and recognition during the general session.

Event sponsorship also is available, and includes all the benefits of the general sponsorship along with the additional benefits outlined with each event.

Additional sponsorship information is available by contacting Anuja Miner at 703-243-6111, e-mail: aminer@nmpf.org.

Registration is not yet available. When ready, information will be posted at nmpf.org.

For additional conference information, contact Louise Kamali at 703-294-4349, e-mail: lkamali@usdec.org or Sarah Olson at 703-243-6111, e-mail: solson@nmpf.org. **CMN**

Family Dairies annual meeting is Feb. 11-12

WISCONSIN DELLS, Wis. — Family Dairies USA will hold its 39th annual member meeting Feb. 11-12 at the Kalahari Resort & Convention Center in Wisconsin Dells, Wis.

The meeting will begin Feb. 11 with an early bird session featuring Tom Earleywine, director of nutritional services, Land O'Lakes, who will present "Don't Lose Your Future – Keep Your Calves Alive & Healthy." In addition, Michelle Birschbach, partner, Steimle Birschbach LLC, will present "Planning Your

Future: Farm Succession & Transition," and Gary Siporski, dairy development manager, Vita Plus Corp., will present "Building a Future with Lessons from the Past."

Feb. 12 will begin with an early bird session featuring Adam and Teena Buholzer of Klondike Cheese Co., who will discuss "Timeless Art of Cheese Making: Breaking New Ground," followed by the annual member meeting.

For more information, contact Family Dairies USA at 608-244-3373. **CMN**

Dairy Financing Conference in California to discuss working with banks, lenders

VISALIA, Calif. — Strategies for California dairy producers working with banks and lenders will be discussed at the Dairy Financing Conference Feb. 22 at the Visalia Marriott Hotel in Visalia, Calif.

According to event coordinators, the dairy market in California continues to be volatile with high input costs and improving, but historically low, dairy prices. Banks are working with current and prospective dairy customers as they adjust their strategies to this new economic environment.

The conference will explore the 2011 outlook for the California dairy

industry, ways to improve cash flow and predictability, how to better manage banking relationships and renegotiate loans, what it means to be in "special assets" and what dairy processors are looking for from dairy operators.

Information will be presented by 20 banks, consultants and dairy specialists including Bank of the West, Rabobank, Food Partners, Land O'Lakes, Walter Wilhelm and others.

For more information, contact David Frost, The Food Partners, at 262-248-8727, e-mail: dfrost@frostpartners.com. **CMN**

Claims and Litigation Conference for food, beverage companies to be held Feb. 22-24

Scottsdale, Ariz. — The 2011 Food Claims and Litigation Conference will be held Feb. 22-24 in Scottsdale, Ariz.

The conference is intended for food, beverage and consumer product companies, defense attorneys, restaurants, foodservice suppliers, distributors and retailers. It will allow attendees to improve their product and food litigation skills as well as learn about practical strategies designed to help resist unfounded product liability litigation.

Featured sessions will include "Peanut Corporation of America: A Case Study." According to event coordinators, the company's *Salmonella* outbreak

and recall was one of the largest in U.S. history, involving almost 4,000 products and resulting in congressional hearings and potential criminal charges. The session will discuss the history of the PCA recall and litigation, explore the supply-chain management implications for the food industry and compare the recall with the recent recalls of eggs.

The registration fee for Grocery Manufacturers Association (GMA) members is \$995 and \$1,195 for non-members.

For additional information, contact Steven Leslie at 202-639-5950, e-mail: sleslie@gmaonline.org. **CMN**

IDFA symposium on milk, cultured dairy to feature recent developments, new products

ROSEMONT, Ill. — The International Dairy Foods Association (IDFA) will hold its Milk and Cultured Dairy Products Symposium here at the InterContinental Chicago O'Hare, March 21-23.

IDFA invites all executives, marketing, product development personnel, plant managers, research and development/quality assurance professionals, plant engineers and operations staff to attend this symposium focusing entirely on milk and cultured dairy products.

The symposium will feature the most recent developments in ingredients, processing technology, market trends

and packaging, as well as a look at a wide variety of new products in the development pipeline, IDFA says. Industry peers and respected experts will present new ideas, and there will be table top exhibits.

The registration fee is \$795 for IDFA members and \$995 for non-members. Table top exhibits cost \$500, and this price does not include the cost of registration.

For more information, contact Mackenzie Costello, IDFA meetings registrar, at registrar@idfa.org, or visit www.idfa.org. **CMN**

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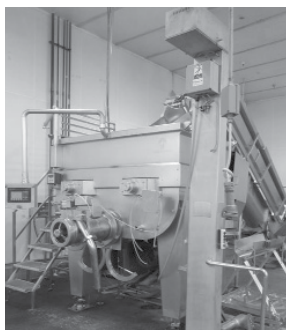
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NEWS/BUSINESS



DIET

Continued from page 1

and 2 ounces of processed cheese or 1 cup of fortified soy beverage.

Cary Frye, IDFA vice president for regulatory and scientific affairs, notes that dairy foods are some of the top sources of calcium, vitamin D and potassium, which are identified by the Dietary Guidelines as nutrients of concern in the American diet. The guidelines stress the importance of nutrient-rich foods, defined as foods without added sugar and with low levels of sodium and solid fat.

For practical implementation, fat-free chocolate milk is mentioned as an example of a good way of using added sugar to increase the palatability and consumption of a nutrient-rich food, Frye adds. Another recommendation encourages a gradual switch to lower-fat versions of dairy products, which would include fluid milk, yogurt and cheese.

"The recommendation that individuals should increase intake of fat-free or lowfat milk and milk products, such as milk, yogurt and cheese, as part of a healthy eating plan is a very positive message for the dairy industry," Frye says. "The new guidance provides a framework for healthy eating that limits sodium, saturated fat and added sugars in the daily diet but still provides for many dairy product options."

In addition to recommendations about specific foods and nutrients, the

Dietary Guidelines outline how consumers should put the principles of healthy eating into action in a variety of meal patterns, which include dairy foods, as part of the lacto-ovo vegetarian diet that includes milk and eggs and the Dietary Approach for Stopping Hypertension (DASH) diet. For Americans who need to avoid lactose, the guidelines also recommend reduced-lactose and lactose-free dairy products as the first choice for consuming the wide variety of nutrients provided by dairy.

"Overall, I think dairy fared very well in these recommendations — they finally are starting to get it," says Greg Miller, executive vice president of research, regulatory and scientific affairs, National Dairy Council (NDC). "They recommend kids drink more milk now, which lends itself to increased milk intake when they are adults. Adults aren't drinking enough milk."

Miller does note that cheese will continue to be under some pressure due to increased concerns with sodium intake, but he adds that innovations in developing reduced-sodium cheeses continue to evolve.

The restaurant and retail sector also responded positively to the recommendations released this week.

Joan McGlockton, vice president for industry affairs and food policy at the National Restaurant Association, notes there has been a growing trend of restaurants offering more whole grains and produce.

"We support the Dietary Guidelines'

recommendations around a total dietary meal pattern which focuses on increasing consumption of whole grains, fruits and vegetables," McGlockton says. "We look forward to continuing to work with restaurant operators and chefs to provide even more healthful menu options for adults and children."

Joy Dubost, director of nutrition and healthy living for the association, notes that the group also has played a significant role in helping to pass legislation that will soon provide consumers with nutrition information — and calories on the menu — in more than 200,000 restaurants nationwide.

"This information will provide even more opportunities for consumers to easily access information about the food they consume from restaurants," Dubost says.

Pamela G. Bailey, president and CEO of the Grocery Manufacturers Association (GMA), notes that the retail industry strongly supports First Lady Michelle Obama's goal of solving childhood obesity within a generation and is doing its part to promote a healthy

lifestyle in the marketplace, in schools and in the workplace.

She says that since 2002, GMA member companies have introduced more than 20,000 products with fewer calories and reduced fat, sugar and sodium. Through the Healthy Weight Commitment Foundation, food and beverage companies have pledged to remove 1.5 trillion calories from the food supply by 2015.

"The federal government's Dietary Guidelines for Americans serve as the foundation of our nation's dietary advice and are an invaluable tool for informing consumers about proper diet and nutrition," Bailey says. "Food companies take health and wellness very seriously and will continue to take great strides to provide consumers with food choices and information that will help them build diets," aligned with the guidelines.

Vilsack notes that more consumer-friendly advice and tools, including a next generation Food Pyramid, will be released by USDA and HHS in the coming months. **CMN**

PROMOTION

Continued from page 7

Madison, La Crosse and Eau Claire in Wisconsin and Marquette, Mich.

• **Pizza party**

Certainly not to be overlooked, pizza sales still are the leading way consumers are going to up their cheese intake this weekend.

"It's the biggest day of the year for us," says Chris Brandon, spokesperson for Domino's Pizza, based in Ann Arbor, Mich. "We expect about 33 percent more orders than a normal Sunday. Our stores get as amped up as the players do — we always have the day circled on our calendar."

Brandon notes that the chain anticipates delivering more than 9 million slices during the game.

Jim Montel, vice president of retail and channel development for Dairy Management Inc. (DMI), notes that the Super Bowl is a terrific time for the dairy industry.

He points to Domino's American Legends line and its Wisconsin Six-Cheese Pizza introduced late last year, featuring cheeses made with 100% real Mozzarella, Feta, Provolone, Cheddar, Parmesan, Asiago and sprinkled with oregano on a Parmesan and Asiago crust.

"I would think especially if the Packers win, there would be a marketing opportunity there," he says. "I'd be curious to see if sales of that variety grow more during the game than they initially were projected to grow."

Papa John's, based in Louisville, Ky., the Official Pizza Sponsor of the NFL and Super Bowl XLV, is offering a free large pizza to everyone in the United States if the game goes into overtime. Papa John's also has been offering a promotion for \$10 pizzas through Super Bowl Sunday.

"The Super Bowl is the largest stage

in all of sports, and being the official pizza sponsor, there's no better event or day to serve as a platform for our largest offer ever," says Andrew Varga, chief marketing officer, Papa John's. "We're going to be working overtime Super Bowl Sunday to make sure our customers have a great day with the highest-quality pizza, and we're hoping for an unprecedented overtime so that we can deliver on this offer for America."

To be eligible for a free large, up to three-topping pizza if the game goes into overtime, consumers can register for Papa John's online customer loyalty program, Papa Points, at www.papajohns.com from now until 11:59 p.m. ET Saturday, Feb. 5. If the game goes into overtime, the free pizza will be awarded to all Papa Points enrollees Monday, Feb. 7, in the form of 25 Papa Points, the amount needed to redeem a large, up to three-topping pizza. Consumers can redeem the 25 Papa Points for the free pizza anytime through June 30.

Papa John's also plans to give away a \$45 gift card for their pizza every 45 seconds during the game.

Beginning at 10 a.m. ET on Sunday, every customer who places an order online at www.papajohns.com will be eligible to win a free Papa John's gift card. The 45-second giveaway runs through 9:59 p.m. ET Sunday. Customers also can register for the giveaway on the website.

Obviously, increased pizza consumption is good news for cheesemakers as well.

Mike Reidy, senior vice president of procurement, logistics and business development, Leprino Foods, notes that as pizza sales go up, it's a positive for manufacturers of Mozzarella, like Leprino.

"We definitely see a pretty significant shift in sales volumes in the weeks leading up to the game," he says. **CMN**

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http://www.ohr.wisc.edu/pvl/pv_066419.html

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NEWS/BUSINESS



RAW

Continued from page 1

are continuing efforts to crack down on illegal raw milk sales and educate the public on the risks of consuming raw milk.

Raw milk legislation recently has been proposed in Texas, New Jersey, Minnesota, Massachusetts, Oregon and Washington.

- Texas lawmakers in January introduced state House and Senate bills that would allow the retail sale of raw milk or raw milk products by anyone with a permit either at the permit holder's place of business, the consumer's residence, or any other location where producers customarily sell their products directly to consumers, such as a farmers' market, farm stand, flea market, food cooperative or fair. The bill also would allow the permit holder to deliver raw milk or raw milk products to consumers. Current Texas regulations allow Grade A raw milk to be sold by the producer directly to the consumer only at the point of production.

- New Jersey's Assembly Ag Committee last week took testimony on a bill that would authorize the sale of raw milk in the state. No vote was taken,

and another hearing will be held before the bill will receive a vote. Most of the comments on the bill were favorable, according to the New Jersey Farm Bureau. The bill would allow the sale of raw milk directly to consumers and establish a raw milk permit program.

- In Minnesota, bills were proposed last week in both the state Senate and House that would ease restrictions on the sale of raw milk. Currently in Minnesota, raw milk sales are allowed only at the farm producing it. The proposed bill would allow raw milk sales at farmers' markets, farm stands, private buying clubs, consumer share groups, community fairs, or between an agent under the seller farmer's direct authority and the buyer or a buyer's agent.

- A bill recently was introduced in the Massachusetts Legislature that would allow licensed raw milk dairies to deliver raw milk directly to their customers, off-site from the farm, as long as there is a contractual relationship with the consumer. Milk could be delivered through a community supported agriculture (CSA) system, and the delivery could be made directly to the consumer's residence or to a pre-established receiving site. The sites could not be in a retail setting with the exception of CSA delivery, in which case the raw milk would be kept separated from retail items for sale and would not be accessible to the general public. Currently licensed on-farm sales or raw milk are legal in Massachusetts.

- In Oregon, a bill has been intro-

duced that includes proposals to expand a dairy's ability to sell raw milk and revise licensing requirements. The bill would allow licensing of facilities for processing and distribution of unpasteurized milk and authorize the Oregon Department of Agriculture to establish bacterial standards for pasteurized and unpasteurized fluid milk. Current Oregon law allows direct raw milk sales to consumers, but only by farms with three or less cows on a farm. Farms with three or less cows aren't required to be licensed under a small-farm exception in Oregon.

- In Washington, where both on-farm and retail raw milk sales by certified dairies are allowed, a bill has been proposed that would exempt small dairies from standard milk regulations. The proposed law would allow direct on-farm sales if the milk is not advertised for sale and the small farm has no more than two producing dairy cows, nine producing sheep or nine producing goats on the premises where milk is produced.

Proposals to legalize raw milk in Wyoming and in Humboldt County, Calif., recently were rejected.

The Wyoming House Ag Committee last month voted against the "Wyoming Food Freedom Act" that would have among other things legalized raw milk distributed through herd shares. The committee also last month defeated a bill that would have prohibited cow share programs. The Wyoming Food Freedom bill since has been reintroduced, but without the section that

would have exempted milk products from government oversight. Cow shares remain a gray area in the state, with no laws directly specifying whether these are legal or illegal.

Last year a proposal to legalize raw milk sales was brought before Humboldt County, one of three California counties that has banned the sale of raw milk to consumers. After hearing arguments for and against raw milk from parties including Mark McAfee, founder of raw milk dairy Organic Pastures, and the California Department of Health and Human Services, the Humboldt County Supervisors in January decided to keep the ban on raw milk sales.

A couple of legal battles involving raw milk products continue.

In December, a Minnesota dairy farm owned by Michael Hartmann, whose raw milk products state officials had linked to an *E. coli* outbreak earlier in the year, was ordered to destroy a number of its embargoed products (*see "Minnesota court rules raw milk from dairy caused E. coli outbreak, issues destroy order," Dec. 31, 2010, in the archives at www.cheesemarketnews.com*). Hartmann has maintained that his products were not responsible for the outbreak and that he should be allowed to continue selling to his customers. He was due in court this week for a contempt of court charge, but the hearing was postponed due to weather.

Missouri-based Morningland Dairy, which last summer recalled nearly

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NASS

Continued from page 1

billion pounds Mozzarella also was the most-produced cheese for the year, up 7.0 percent from 2009 production.

Cheddar was the next most-produced cheese. Cheddar production totaled 280.7 million pounds in December, up 6.7 percent from December 2009. For 2010, Cheddar production totaled 3.254 billion pounds, up 1.4 percent from 2009 production.

In December, Wisconsin led the nation's cheese production with 219.5 million pounds, down 0.8 percent from its production a year earlier. California followed with 190.3 million pounds, up 8.1 percent from its December 2009 production.

Other top cheese-producing states were Idaho with 74.7 million pounds, up 7.1 percent from its production a year earlier; New Mexico with 66.5 million pounds, up 16.6 percent; New York with 64.8 million pounds, up 8.1 percent; and Minnesota with 53.1 million pounds, down 3.0 percent.

NASS further reports U.S. butter production totaled 158.1 million pounds in December, up 4.8 percent from a year earlier. California led the nation's butter production with 53.6 million pounds, up 6.4 percent from its production in December 2009.

The preliminary December data puts U.S. butter production in 2010 at 1.562 billion pounds, 0.7-percent lower than in 2009.

NASS will release revised production data later this year. CMN

Dairy Product Production — December 2010

	Dec. 09	Dec. 10	% Change	YTD 2009	YTD 2010 ²	% Change
Cheese						
American types ¹	352,199	369,565	4.9	4,202,499	4,287,610	2.0
Cheddar	263,062	280,742	6.7	3,207,437	3,253,889	1.4
Other American	89,137	88,823	-0.4	995,062	1,033,721	3.9
Swiss	28,336	29,287	3.4	322,336	334,860	3.9
Brick & Muenster	9,731	11,104	14.1	124,818	123,253	-1.3
Cream & Neufchatel	61,010	58,576	-4.0	767,006	764,443	-0.3
Hispanic	17,961	19,075	6.2	206,474	210,610	2.0
Italian types	369,800	390,307	5.5	4,180,280	4,409,791	5.5
Mozzarella	288,779	308,841	6.9	3,267,306	3,494,809	7.0
Parmesan	21,233	17,831	-16.0	224,521	220,394	-1.8
Provolone	28,288	28,820	1.9	347,119	348,710	0.5
Ricotta	23,561	25,999	10.3	245,670	261,182	6.3
Romano	3,870	3,104	-19.8	46,715	32,744	-29.9
Other Italian	4,069	5,712	40.4	48,949	51,952	6.1
All other types	24,835	26,468	6.6	305,880	314,547	2.8
TOTAL CHEESE	863,872	904,382	4.7	10,109,293	10,445,334	3.3
Butter	150,837	158,082	4.8	1,573,481	1,562,264	-0.7
Cottage cheese - curd	32,377	31,697	-2.1	434,844	414,981	-4.6
Cottage cheese - creamed	25,064	23,761	-5.2	341,900	319,572	-6.5
Cottage cheese - lowfat	28,987	28,696	-1.0	387,657	375,369	-3.2
Sour Cream	107,081	114,094	6.5	1,148,009	1,180,521	2.8
Yogurt (Plain & Flav.)	310,056	339,471	9.5	3,831,971	4,171,421	8.9
Canned Evap. & Cond.	41,041	41,548	1.2	524,338	499,974	-4.6
Dry Whole Milk	7,079	5,354	-24.4	59,560	71,104	19.4
NDM - Human	126,720	139,500	10.1	1,509,111	1,558,555	3.3
Skim Milk Powders	22,601	27,184	20.3	221,910	253,804	14.4
Dry Skim - Animal	575	616	7.1	9,229	8,331	-9.7
Dry Buttermilk	8,718	9,775	12.1	74,514	82,182	10.3
Cond. Whey - Human	7,540	8,202	8.8	90,809	89,483	-1.5
Dry Whey - Human	80,069	84,367	5.4	950,654	966,723	1.7
Dry Whey - Animal	4,990	5,212	4.4	50,506	52,289	3.5
Lactose - Human & Animal	64,977	79,960	23.1	722,559	888,500	23.0
WPC - Human	31,462	33,456	6.3	375,336	388,468	3.5
WPC - Animal	3,323	2,722	-18.1	39,679	32,983	-16.9
WPC 25.0-49.9 Percent	20,394	20,138	-1.3	260,604	242,348	-7.0
WPC 50.0-89.9 Percent	14,391	16,040	11.5	154,411	179,103	16.0
Protein Isolates	4,391	6,453	47.0	51,878	61,221	18.0
Ice Cream, hard	49,098	52,317	6.6	856,703	836,991	-2.3
Ice Cream, lowfat, total	23,033	22,118	-4.0	381,455	399,162	4.6
Frozen Yogurt	4,388	3,851	-12.2	74,417	68,156	-8.4

Notes: Production reported in thousands of pounds, except frozen products, which are reported in thousands of gallons.

Source: USDA. All production percentages are rounded.

¹Includes, Cheddar, Colby, Monterey and Jack. ²YTD includes current plus revised previous months' data.

NEWS/BUSINESS



3-A announces exam for becoming certified conformance evaluator

MCLEAN, Va.—3-A Sanitary Standards Inc. (3-A SSI) has announced applications now are available for candidates interested in obtaining certification as a 3-A SSI Certified Conformance Evaluator (CCE).

Individuals who meet application requirements will be eligible to sit for the accreditation exam May 16 at the Wyndham Milwaukee Airport Hotel and Convention Center in Milwaukee. The exam will be held in conjunction with the 3-A SSI 2011 annual meeting and education programs.

The CCE designation is required for those interested in conducting third party verification (TPV) inspections of

dairy and food processing equipment covered by 3-A Sanitary Standards. Instituted in late 2003, the TPV inspection is required for equipment manufacturers or used equipment re-sellers to obtain or renew a 3-A Symbol.

3-A SSI expanded the TPV inspection program in late 2007 to include a new Replacement Part Qualification Certificate for parts used in equipment covered by 3-A Sanitary Standards and a 3-A Process Certificate for equipment that displays the new P3-A Symbol associated with conformance to new Pharmaceutical 3-A (P3-A) standards.

The basic qualification criteria for an individual to become a CCE include

a bachelor of science degree in science or engineering plus three years experience in relevant food or pharmaceutical processing, or high school graduation plus five years of experience in relevant food or pharmaceutical processing.

The new CCE application form and complete details on 3-A SSI inspection program requirements can be obtained on the 3-A SSI website at www.3-a.org/news/index.html or from the 3-A SSI office.

Complete CCE packages must be received by 3-A SSI no later than April 8.

For more details, contact Tim Rugh at 703-790-0295, e-mail: trugh@3-a.org. CMN

Prices rise in latest auction on globalDairyTrade

AUCKLAND, New Zealand — The trade weighted index (TWI) was up 7.2 percent following the latest auction Tuesday on globalDairyTrade, Fonterra's internet-based sales platform. Prices also were up for all commodities except for buttermilk powder, which was not offered this trading session.

The average price achieved across all contracts and contract periods for anhydrous milkfat was up 9.2 percent from last month's auction to US\$6,486 per metric ton FAS (\$2.942 per pound), while prices for skim milk powder were up 8.5 percent from Jan. 18 to US\$3,913 per metric ton FAS (\$1.7749 per pound).

In addition, the average price achieved across all contracts and contract periods for whole milk powder was up 5.7 percent from last month's auction to US\$3,995 per metric ton FAS (\$1.8121 per pound).

The next trading event will be held Feb. 15. For more information, visit www.globalDairyTrade.info. CMN

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LEGAL

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70,000 pounds of raw milk cheese after some products distributed in California tested positive for *Listeria*, had a trial last month to determine whether or not it would be required to destroy all its cheese. Morningland has contended that none of its cheese has been linked to any illnesses, and having to destroy it would essentially put the company out of business (see "Morningland dairy objects to order to destroy cheese," Oct. 15, 2010, in the archives at www.cheese-marketnews.com). Closing arguments in the case were expected last week, and a decision is expected soon.

Meanwhile, the U.S. Centers for Disease Control and Prevention last week launched a new website (<http://www.cdc.gov/foodsafety/raw-milk/raw-milk-index.html>) with information and testimonials on food safety and the dangers of consuming raw milk. The site includes video clips of "Real-Life Raw Milk Stories" featuring three people's experiences with illnesses after they brought raw milk into their homes. The site also outlines diseases commonly linked to raw milk and outbreaks of foodborne illnesses involving raw milk and raw milk products.

"Many people are trying to eat foods that are produced with minimal processing," the site says. "However, milk and products made from milk (including certain cheeses, ice cream, and yogurt) are foods that, when consumed raw, can pose severe health risks." CMN