Panel: Dairy industry can help meet global food challenges

CHICAGO — As the world population grows, so do challenges in providing adequate and nutritious foods in many areas of the globe. The dairy industry has an opportunity as well as a responsibility to provide a solution to these challenges, according to presenters who spoke this week at the 2015 annual conference of the American Dairy Products Institute (ADPI) and American Butter Institute (ABI).

According to the Food and Agriculture Organization of the United Nations (UN), one in seven people in the world are undernourished and face problems caused by chronic malnutrition.

JUDGE RULES LAWSUIT AGAINST VERMONT GMO LAW CAN STAND

BURLINGTON, Vt. — A federal judge in the District Court of Vermont this week issued a decision denying some counts but granting other counts in the state’s motion to dismiss a lawsuit challenging Act 120, which would require labeling for foods with genetically modified ingredients (GMOs) that are sold in Vermont.

The decision also denies a request for a preliminary injunction by the plaintiffs — which include the International Dairy Foods Association (IDFA), Grocery Manufacturers Association (GMA), the Snack Food Association and the National Association of Manufacturers — which sought to prevent the GMO labeling requirement from going into effect during the lawsuit. The law is scheduled to take effect July 1, 2016. (See “GMA, IDFA, others file lawsuit over Vermont GMO law” in the June 13, 2014, issue of Cheese Market News.)

The decision by the district court says the plaintiffs are likely to succeed on several of their claims in court, but the motion for preliminary injunction was denied because the court says the plaintiffs failed to show irreparable harm caused to them by implementing portions of Act 120.

“While IDFA would have preferred to have had the motion for a preliminary injunction granted, we are encouraged that the district court found us likely to succeed on several of our claims,” says Clay Hough, senior group vice president and general counsel, IDFA. “We respect and support the freedom of choice that our member companies give shoppers when they provide information on their labels and believe companies should have the choice to label things that differentiate their products.”

GMA also says it is disappointed by the court’s decision to deny the request for a preliminary injunction to block the law on the grounds that the manufacturers have not yet shown a sufficient need to include specific nutrition programs to specifically address micronutrient deficiencies in mothers and children under age five.

As one of nature’s most nutrient-dense whole foods, dairy has many qualities that can help groups at-risk for malnutrition. Andersen notes that whole milk and dairy ingredients help provide high-quality protein, which enhances muscle mass/recovery, promotes lean body growth and has unique effects on growth stimulation; vitamins and minerals, including potassium, phosphorus, magnesium, zinc, B12 and other important growth minerals; and essential long-chain fatty acids and phospholipids that are important for cognitive development and performance.

He highlighted ways in which dairy and dairy proteins can help bring specialized nutrition to food aid programs, such as ready-to-use therapeutic and supplementary foods, fortified blended foods and lipid-based nutrition supplements designed especially for children, pregnant and lactating women and malnourished or chronically ill individuals.

Cheese production in U.S. totals 11.45 billion lbs. in 2014

WASHINGTON — U.S. cheese production, excluding cottage cheese, totaled 11.45 billion pounds in 2014, according to the U.S. Dairy Products 2014 Summary released this week by USDA’s National Agricultural Statistics Service (NASS). This is an increase of 3.1 percent above 2013 production. It’s also an upward revision from the

Judge rules lawsuit against Vermont GMO law can stand

Construction underway on new Ponderosa Dairy plant

By Chelsey Dequaine

KEWAUNEE, Wis. — J. John Pagel, owner of Pagel’s Ponderosa Dairy LLC, Canary Market LLC and Ron’s Wisconsin Cheese, has announced construction is underway for Ponderosa Dairy Products LLC, a 1,600-square-foot cheese manufacturing plant in Kewaunee, Wisconsin.

Pagel hired master cheesemaker Steve Hurd, who began May 1 as plant manager, who will oversee the plant’s two open vats and pasteurizer. Pagel expects the cheese manufacturing equipment will be delivered in June. He says production volume will depend on the market.

“We have a number of Cheddar-based flavors,” Pagel says. “And we plan to experiment with other flavors.”

Cheese production in U.S. totals 11.45 billion lbs. in 2014

WASHINGTON — U.S. cheese production, excluding cottage cheese, totaled 11.45 billion pounds in 2014, according to the U.S. Dairy Products 2014 Summary released this week by USDA’s National Agricultural Statistics Service (NASS). This is an increase of 3.1 percent above 2013 production. It’s also an upward revision from the

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### Chicago Mercantile Exchange

**Cheese Barrels**

<table>
<thead>
<tr>
<th>Monday, April 27</th>
<th>Tuesday, April 28</th>
<th>Wednesday, April 29</th>
<th>Thursday, April 30</th>
<th>Friday, May 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>$1.6200</td>
<td>$1.6175</td>
<td>$1.6175</td>
<td>$1.6175</td>
</tr>
<tr>
<td>Change</td>
<td>NC</td>
<td>-1/4</td>
<td>NC</td>
<td>NC</td>
</tr>
</tbody>
</table>

**Cheese 40-lb. block**

<table>
<thead>
<tr>
<th>Monday, April 27</th>
<th>Tuesday, April 28</th>
<th>Wednesday, April 29</th>
<th>Thursday, April 30</th>
<th>Friday, May 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>$1.6100</td>
<td>$1.6100</td>
<td>$1.6100</td>
<td>$1.6100</td>
</tr>
<tr>
<td>Change</td>
<td>NC</td>
<td>NC</td>
<td>NC</td>
<td>NC</td>
</tr>
</tbody>
</table>

#### Weekly Average (April 27-May 1):
- Barrels: $1.6180(-.0040); 40-lb. Blocks: $1.6160(+.0075).

### Weekly Cold Storage Holdings

#### April 27, 2015

<table>
<thead>
<tr>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheese</td>
<td>13,476</td>
<td>-485</td>
<td>27</td>
<td>30,441</td>
<td>-6,965</td>
</tr>
</tbody>
</table>

#### Grade A

<table>
<thead>
<tr>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>$0.9300</td>
<td>$0.9300</td>
<td>$0.9325</td>
<td>$0.9375</td>
<td>$0.9375</td>
</tr>
<tr>
<td>Change</td>
<td>NC</td>
<td>+1/4</td>
<td>NC</td>
<td>+1/2</td>
<td>NC</td>
</tr>
</tbody>
</table>

#### Grade A Butter

<table>
<thead>
<tr>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>$1.8600</td>
<td>+2</td>
<td>$1.8600</td>
<td>+1</td>
<td>$1.8600</td>
</tr>
<tr>
<td>Change</td>
<td>NC</td>
<td>NC</td>
<td>NC</td>
<td>NC</td>
<td>NC</td>
</tr>
</tbody>
</table>

#### Weekly Average (April 27-May 1):
- Grade A: $0.9355(+.0065).

### Cheese Futures®

**for the week ending April 30, 2015**

#### Grade A NDM

<table>
<thead>
<tr>
<th>APR15</th>
<th>MAY15</th>
<th>JUN15</th>
<th>JUL15</th>
<th>AUG15</th>
<th>SEPT15</th>
<th>OCT15</th>
<th>NOV15</th>
<th>DEC15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change</td>
<td>$1.1850</td>
<td>$1.1644</td>
<td>$1.6771</td>
<td>$1.7095</td>
<td>$1.7721</td>
<td>$1.7805</td>
<td>$1.7780</td>
<td>$1.7780</td>
</tr>
<tr>
<td>Price</td>
<td>$16.18</td>
<td>$16.05</td>
<td>$16.91</td>
<td>$16.41</td>
<td>$17.40</td>
<td>$17.45</td>
<td>$17.04</td>
<td>$17.04</td>
</tr>
</tbody>
</table>

### DRY WHEY FUTURES®

**for the week ending April 30, 2015**

### CLASS III PRICE

<table>
<thead>
<tr>
<th>APR15</th>
<th>MAY15</th>
<th>JUN15</th>
<th>JUL15</th>
<th>AUG15</th>
<th>SEPT15</th>
<th>OCT15</th>
<th>NOV15</th>
<th>DEC15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change</td>
<td>-495</td>
<td>-14,969</td>
<td>-6,965</td>
<td>-1,850</td>
<td>2,840</td>
<td>27</td>
<td>192</td>
<td>211</td>
</tr>
<tr>
<td>Price</td>
<td>$18.77</td>
<td>$17.38</td>
<td>$19.40</td>
<td>$17.18</td>
<td>$17.22</td>
<td>$17.94</td>
<td>$17.41</td>
<td>$17.41</td>
</tr>
</tbody>
</table>

### DRY PRODUCTS®

#### NONFAT DRY MILK

<table>
<thead>
<tr>
<th>Central &amp; East:</th>
<th>West:</th>
</tr>
</thead>
<tbody>
<tr>
<td>low/medium heat</td>
<td>mostly $.9200-$.9900.</td>
</tr>
<tr>
<td>mostly $.9500-$.10250.</td>
<td></td>
</tr>
<tr>
<td>high heat</td>
<td>mostly $.9200-$.9900.</td>
</tr>
</tbody>
</table>

### WHOLE MILK POWDER

<table>
<thead>
<tr>
<th>Central &amp; East:</th>
<th>West:</th>
</tr>
</thead>
<tbody>
<tr>
<td>mostly $.3900-$.4500.</td>
<td></td>
</tr>
<tr>
<td>mostly $.3600-$.4150.</td>
<td></td>
</tr>
</tbody>
</table>

### WHOLE PROTEIN CONCENTRATE

<table>
<thead>
<tr>
<th>(FOB) Central &amp; East:</th>
<th>(FOB) West:</th>
</tr>
</thead>
<tbody>
<tr>
<td>mostly $.2700-$.3500.</td>
<td></td>
</tr>
<tr>
<td>mostly $.3000-$.3750.</td>
<td></td>
</tr>
</tbody>
</table>

#### WHOLE MILK POWDER (National):

- $1.0000-$1.5400.

### EDDIBLE LACTOSE

**FOB** (Central and West):

- $1.7600-$2.3560; mostly $2.0000-$2.7250.

### WHEY POWDER

**Central:**

- nonfat nonproliferative $1.3500(-1)-$1.5075(-3/4); mostly $3.9350-$4.4500.
- nonfat nonproliferative $3.5000-$3.8500.

**West:**

- nonfat nonproliferative $3.5000-$3.8500.
- extra grade $4.4000-$4.8600.

**(FOB) Northeast:**

- mostly $4.2550-$4.9050.

### ANIMAL FEED WHEY

**Central:**

- Whey spray milk replacer $2.5000-$3.8600.

### WHOLE PROTEIN CONCENTRATE (34 percent):

- mostly $3.8000-$4.1000; mostly $3.8400-$4.0200.

### DRY BUTTERMILK

**(FOB) Central & East:**

- $1.8000-$2.0150.

**(FOB) West:**

- $1.8200(-3)-$2.0150; mostly $1.8400(-3)-$1.8800.

### CASEIN

- Benuen $1.5350-$2.8000; Acid $3.5300-$4.1000.
Murray Goulburn acquires Caboolture cheese

MELBOURNE, Australia — Australian dairy cooperative Murray Goulburn (MG) recently announced it has acquired Caboolture, a leading cheese brand in the foodservice market, as well as some processing equipment from United Dairy, one of Australia’s largest independent milk supply companies.

The strategic integration of the Caboolture brand into our growing foodservice business will strengthen MG’s position in this segment,” says Gary Helou, managing director, MG. “The acquisition of the Caboolture brand forms part of our strategy to diversify our portfolio to supply value-added dairy foods, with the goal of providing sustainably higher farmgate prices to MG suppliers.” CMN

### MARKET INDICATORS

#### Are You Really Cutting It?

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### News/Business

**Murray Goulburn acquires Caboolture cheese**

The strategic integration of the Caboolture brand into our growing foodservice business will strengthen MG’s position in this segment,” says Gary Helou, managing director, MG. “The acquisition of the Caboolture brand forms part of our strategy to diversify our portfolio to supply value-added dairy foods, with the goal of providing sustainably higher farmgate prices to MG suppliers.” CMN

### Market Indicators

#### CME Futures

<table>
<thead>
<tr>
<th>Class III Milk*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frid., Apr. 24</strong></td>
</tr>
<tr>
<td>184.00</td>
</tr>
</tbody>
</table>

**Frid., May 1, 2015**

| **Western Europe** |
| **Butter** | **90 percent butterfat $3.25 (25)-$3.35 (50)** |
| **Skim Milk Powder** | **1.25 percent butterfat $1.25 (25)-$1.35 (50)** |
| **Whole Milk Powder** | **2 percent butterfat $2.00 (50)-$2.50 (100)** |

**Oceania**

| **Butter** | **90 percent butterfat $2.90 (30)-$3.60 (150)** |
| **Cheddar Cheese** | **30 percent maximum moisture $3.20 (50)-$3.70 (100)** |
| **Skim Milk Powder** | **2.00 percent (50)-$2.50 (100)** |

**Source:** Dairy Market News. Prices reported in U.S. dollars per metric ton; FOB port. To convert to price per pound, divide price by 2.048 pounds.

#### National Daily Products Sales Report

<table>
<thead>
<tr>
<th>For the week ended:</th>
</tr>
</thead>
</table>

**Cheese 40-lb. Blocks**

| Average price1 | $1,025.00 | $1,025.00 | $1,025.00 |
| Sales volume2 | 11,052,351 | 11,052,351 | 11,052,351 |

**Cheese 500-lb. Barrels**

| Average price1 | $1,260.00 | $1,260.00 | $1,260.00 |
| Sales volume2 | 9,540,000 | 9,540,000 | 9,540,000 |

**Butter**

| Average price1 | $1,757.00 | $1,757.00 | $1,757.00 |
| Sales volume2 | 3,388,456 | 3,388,456 | 3,388,456 |

**Nonfat Dry Milk**

| Average price1 | $0.9527 | $0.9527 | $0.9527 |
| Sales volume2 | 36,823,920 | 36,823,920 | 36,823,920 |

**Dry Whey**

| Average price1 | $0.6787 | $0.6787 | $0.6787 |
| Sales volume2 | 7,299,719 | 7,299,719 | 7,299,719 |

1. Revised. 2. Prices weighted by sales volume. 3. Sales reported by participating manufacturers. Reported in pounds. More information is available by calling AMS at 202-220-2202.

**CME Futures**

For the week ended April 30, 2015

<table>
<thead>
<tr>
<th>Class III Milk*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frid., Apr. 24</strong></td>
</tr>
<tr>
<td>184.00</td>
</tr>
</tbody>
</table>

**CME Futures**

For the week ended April 30, 2015

<table>
<thead>
<tr>
<th>Class IV Milk*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frid., Apr. 24</strong></td>
</tr>
<tr>
<td>184.00</td>
</tr>
</tbody>
</table>

**Cash-settled NDM* |

For the week ended April 30, 2015

| **Fri., Apr. 24** | **Mon., Apr. 27** | **Tues., Apr. 28** | **Wed., Apr. 29** | **Thurs., Apr. 30** |
| 184.00 | 184.00 | 184.00 | 184.00 | 184.00 |

**Cash-settled Butter**

For the week ended April 30, 2015

| **Fri., Apr. 24** | **Mon., Apr. 27** | **Tues., Apr. 28** | **Wed., Apr. 29** | **Thurs., Apr. 30** |
| 184.00 | 184.00 | 184.00 | 184.00 | 184.00 |
**GUEST COLUMNIST**

**Perspective: Dairy Markets**

Tiffany LaMendola is senior director/risk management solutions for Blumling and Associates Inc.*, a Madison, Wisconsin-based research, analysis and consulting firm. She contributes this column exclusively for Cheese Market News®.

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**The California conversation**

Size alone almost always puts California dairy industry performance on the market discussion top-10 list. Now, four years into a major drought, conditions in the Golden State have moved to the front and center.

Water issues in California defy easy explanation, with distribution running through a tangled web of water districts, storage facilities and rights schemes — all in an emotionally charged conservation, business and political environment. But, in simplest terms, the state relies on three basic sources to hydrate the land. But, in simplest terms, the state relies on three basic sources to hydrate the land. But, in simplest terms, the state relies on three basic sources to hydrate the land.

**Storage** facilities and rights schemes through a tangled web of water districts, storage facilities and rights schemes — all in an emotionally charged conservation, business and political environment. But, in simplest terms, the state relies on three basic sources to hydrate the land. But, in simplest terms, the state relies on three basic sources to hydrate the land. But, in simplest terms, the state relies on three basic sources to hydrate the land.

**Snowpack** most annual precipitation arrives as snowfall in the winter months in the Sierra Nevada. Runoff, as it melts, supplies a third of water needs. Today, snowpack is at 5 percent of normal, the lowest measured in history.

**Reservoirs** storage accounts for between 10-20 percent of the state’s water supply. Currently, statewide reservoir levels are at about 70 percent of average, with much lower supplies in the Central Valley.

**Wells** water pumped from underground accounts for 40 percent of supply on average, and up to 60 percent in dry years. Most dairy producers facing curtailed (or cut off) irrigation supply will rely on groundwater for their crops this summer. Since 2011, about 700,000 acres of farmland without access to groundwater have been left fallow.

Speaking with dairy producers about the situation, challenges and solutions vary widely. We do, however, find a few common themes:

- **Cows come first:** Based on our conversations, we cannot envision livestock going without water. Producers will truck water pumped from their fields to the cows, even fallowing the land, if necessary. Indeed, some in the South Valley did just that last summer when some shallow wells (100 feet deep) went dry.

- **Drilling deeper:** Anecdotal reports and state data point to many new wells drilled in the Central and South Valley throughout 2014. We count more than 350 new wells drilled in both Fresno and Tulare counties. As one producer told us, “It feels like race to the bottom….” It is not clear how far the quest will go or whether it will yield enough water. Possibilities include varying across the state, with some aquifers depleted more than others. Our impression is that South Valley producers, for example, seem much more concerned than their peers in the North.

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“Today, with milk prices down considerably and with longer-run forces in the mix, it should not be a surprise to see output altering, even before considering the drought.”

Tiffany LaMendola

BLUMLING AND ASSOCIATES INC.

- Farming practices: Some have turned to drought-tolerant crops such as sorghum as an alternative. On corn, many are planning to plant early or use quickly maturing varieties to limit water usage.

- Creativity: Many by-products (such as almond hulls) are available, and producers will be considering how forages such as alfalfa and corn silage can be replaced.

- Recycling: Misting/sprayer/spin-raker systems are critical during the summer, but in most instances, farms use recycled water.

- What does all mean for milk production going forward? When considering the possibilities, it would help to ignore some long-run trends coinciding with the drought. For one thing, the California dairy industry has seen ongoing consolidation: fewer dairies producing more milk. Output growth, however, has not come from more cows (as was the case for nearly two decades leading up to 2008). Focus has shifted to per cow productivity and diversification.

Consider what happened last year. In the past, the high margins prevailing in 2014 would have spurred growth — perhaps massive growth. Rather than expanding, producers paid down debt, invested in cow comfort systems, pre-purchased feed, accelerated repairs and pursued solar energy. Producers also reportedly deferred milk checks into 2015. They also continued to diversify, not least into almonds. How popular has almond farming been? Acres have moved from 590,000 acres in 2005 to 840,000 in 2013 (up 42 percent).

Today, with milk prices down considerably and with longer-run forces in the mix, it should not be a surprise to see output altering, even before considering the drought. In our estimation, to this point, slack California output so far in 2015 has had little to do with the drought. Strong first quarter 2014 performance was just simply hard to beat.

With 2014 comparisons getting easier in the months ahead, output could begin to measure up better. That said, during the second half of 2015 on into 2016, drought conditions could start altering decisions in ways ultimately curtail milk flow.

- Forage availability and altered rations. Many producers are still working off pre-purchased feed but at some point that buffer goes away. Will necessary corn silage get produced? Will alfalfa output suffer? Can/will rations be maintained in a way to avoid hits to productivity?

- Culling levels. Anecdotal reports suggest dairymen are already leaning on heavier culling to supplement income. If high beef prices hold and margins stay squeezed, activity could ramp up further.

For now, there are more questions than there are answers. Much will depend on how groundwater resources hold up throughout the summer. While hot weather is a threat each summer, any extreme heat would be an unwelcome sight for a system already under stress.

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

*Futures, options and OTC swaps trading involve substantial risk of loss and are not necessarily appropriate for all persons. Past results are not necessarily indicative of future results.*

**ENTRIES NOW OPEN**

**Wisconsin State Fair Cheese & Butter Contest**

Entry materials are now available for the 2015 Wisconsin State Fair Cheese & Butter Contest at: http://www.wistatefair.com/competitions/dairy-promo-board.

The contest will take place on June 25 at Wisconsin State Fair Park. The judges will select the blue ribbon entry in each of 28 classes, with the overall winner, the Grand Master Cheese Maker, to be announced at the Blue Ribbon Cheese & Butter Auction on Thursday, August 13.

For more information about the contest, contact Brian Bolan at brian.bolan@wistatefair.com or 414-266-7050.

For more information please email brian.bolan@wistatefair.com

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USDA proposes changes to organic standards for dairy heifers; comments due July 27

WASHINGTON — USDA’s Agricultural Marketing Service in Tuesday’s Federal Register proposed changes to the organic standards that outline how dairy heifers must be raised to produce certified organic milk. These changes, which are based upon recommendations made by the National Organic Standards Board, intend to clarify the national organic standards and promote consistent interpretation of the law.

The proposal would change the organic regulations for raising dairy heifers to require that all new animals be managed according to organic standards from at least the last third of gestation. Additionally, the proposal specifies that farmers could transition their conventionally raised herd to organic only once.

AMS says the proposed rule will allow all organic farmers to operate on a level playing field, but some have expressed concern.

“If we appreciate USDA’s efforts to clarify the organic livestock program, we are concerned that the proposed changes have the potential to limit options for dairy companies sourcing organic milk so that they can provide consumers a choice in the dairy aisle,” says Emily Lyons, director of regulatory affairs and counsel for the International Dairy Foods Association.

Comments on the proposed rule are due July 27. For more information, contact Andrew Perry, director, Standards Division, at 202-720-3252. CMN

Greek yogurt to be in school lunch program

WASHINGTON — Starting this fall, Greek yogurt will be among items available nationwide through the USDA National School Lunch Program.

U.S. Sen. Charles E. Schumer, D-N.Y., says a Greek yogurt local pilot program he worked to launch will officially be added as an option to the USDA foods list for school meals across the country. Previously, the Greek yogurt pilot program was available in schools across 12 states. Following the success of the program, USDA concluded that there was high demand for Greek yogurt and that it should be offered nationwide.

Schumer notes he has worked with New York companies including Chobani, Upstate Niagara, Fage, Alpina and Muller Quaker on advancing the popularity and availability of Greek yogurt in New York and across the country.

“Starting this fall students across the nation will have the option to balance nutritious and protein-rich Greek yogurt on their lunch trays,” Schumer says. “In the last few years, New York has quickly become the Greek yogurt capital of the country, and Upstate New York dairy farms from western New York to the North Country to the Hudson Valley benefited from that growth. So the USDA’s decision to include Greek yogurt, permanently, in their nationwide school lunch program is a nutritional benefit to our kids, an affordable option for local school boards and a boon to New York dairy farmers and yogurt producers; it will increase demand for Greek yogurt across the country, while at the same time providing another healthy food option in the lunchroom.” CMN

Butter ads up 127 percent over prior week

WASHINGTON — National conventional butter in 1-pound packs saw strong growth last week over the previous week, with ad numbers increasing 127 percent, says USDA’s Agricultural Marketing Service (AMS) in its weekly National Dairy Retail Report released April 24.

The weighted average advertised price for butter in 1-pound packs was $2.86 last week, down from $3.26 one week earlier but up from $2.05 one year earlier, AMS says.

AMS says national conventional varieties of natural cheese in 8-ounce blocks last week had a weighted average advertised price of $2.38, up from $2.22 one week earlier and $2.21 one year earlier.

Bottles of希腊酸奶 from Chobani. The company has been praised for its growth and commitment to New York dairy farmers.

For more information please visit www.johnsonindint.com
FSMA sanitary transportation of human, animal foods rules seminar is May 14-15

CHICAGO — Global Compliance Risk (CDR) plans to offer a two-day seminar on new FDA Food Safety Modernization Act (FSMA) rules on the sanitary transportation of human and animal foods May 14-15 at the Four Points by Sheraton Chicago O’Hare Airport.

On day one, attendees will hear a review of FDA’s proposed rules on the sanitary transportation of human and animal foods; a review of international transportation food safety guidance and laws; the meaning of adulteration; and a review of Standards GAP analysis. Attendees will learn what happens during cold chain food transportation as well as learn about record keeping, shipment, and transportations and recall.

On day two, attendees will hear lectures on issues facing food importers and those buying from them; return on investment and marketing advantages; and future technologies (trans-oceanic, satellite, etc.). During the afternoon a practical “establishing an initial plan to implement your auditable system,” will be held.

John Ryan, president, TransCert.com, Qualilty NF FoodSafety.com and RyanSystems.com, will be the event speaker. Ryan’s quality systems career has spanned the manufacturing, food, transportation and Internet industries over the past 30 years.

Price of the seminar is $1,295 per attendee. To register, or for more information, visit www.globalcompliancepanel.com/control/globalseminars?product_id=900212 SEMINAR?channel=mailer&AdGroup=JOHN_ RYAN_MAY14-15_APR21_PART3. CDR

CDR plans to offer Dairy Plant Worker Certificate Program online course this fall

MADISON, Wis. — The Wisconsin Center for Dairy Research (CDR) at last week’s Wisconsin Cheese Industry Conference (WCIC) here announced a new Dairy Plant Worker Certificate Program online course will be offered this fall.

The course aims to provide industry training focused on practical understanding of key aspects of processing for dairy plant workers via online learning modules, says John Lucey, director, CDR.

An industry steering committee has been established, consisting of members of the Wisconsin Cheese Makers Association (WCMA) as well as a representative from the Wisconsin Department of Agriculture, Trade and Consumer Protection.

A WCMA Advisory Group will assist CDR on outlining program content and needed resource materials, and Dairy Plant Worker Certificate Program modules will include key resources such as regulatory standards, reference guides and videos, Lucey notes.

In addition, CDR has contracted with Ranee May, who is retired from the University of Wisconsin-River Falls, to develop online teaching materials, and anew/Dairy Training Facilitator position at CDR has been advertised.

For more information, contact John Lucey at 608-265-1195, or Lucey@cdr.wisc.edu or Marianne Smukowski at 608-265-6346, email msukowski@cdr.wisc.edu.

The University of Minnesota Extension Food Safety Team HACCP training set for May

ST. PAUL, Minn. — The University of Minnesota Extension Food Safety Team is offering a HACCP Analysis Critical Control Point (HACCP) workshop May 20.

The workshop will offer training to guide attendees through the steps to develop and implement a science-based HACCP program. The workshop instructor will be Dr. Jocelyn Fairgib, associate professor, University of Minnesota Food Science and Nutrition Department, and food safety specialist, University of Minnesota Extension.

Attendees will work in small groups to practice HACCP concepts such as creating hazard analysis, critical control limit definition and process flow charts needed to develop HACCP plans.

The registration fee is $300 per person and includes instructional materials, refreshments and lunch. The registration deadline is May 13. For more information, contact Connie Schwartau, Extension Food Safety coordinator, at schwa047@umn.edu, or 507-337-2819.

Artisan cheesemaking series offered by Sterling College, Cellars at Jasper Hill

CRAFTSBURY, Vt. — Sterling College and the Cellars at Jasper Hill are collaborating to offer a series of cheesemaking classes. Led by cheesemaker and educator Ivan Larcher, the classes are designed to provide students the practical and scientific knowledge involved in creating small-scale artisan cheese.

In the previous Cheese I course, Sterling College says students learned the full process of cheesemaking, from milk production, lactic technology and coagulants to salting, tasting, ripening and cheese quality.

Sterling College says the Cheese II courses are primarily for experienced cheesemakers, or those who have taken Fundamentals of Artisan Cheesemaking at Sterling College.

Cheese II: Blue Cheesemaking, July 22-25: Students will learn more about lactic cheeses including the various steps of production and critical parameters at each stage, aging procedures and adjustments according to

For more information, visit www.sterlingcollege.edu/academics/con tinuing-education/artisan-cheese-program/, or call 802-586-7711.
ADPI awards two J im Page scholarships

ELMHURST, ILL. — American Dairy Products Institute (ADPI) recently announced the two recipients of the 2015 J im Page Memorial Scholarship: Carley Bill of Reedsburg, Wisconsin, and Lauren Sipple of Denmark, Wisconsin.

Currently, Bill studies clinical laboratory science at the University of Wisconsin-LaCrosse while also working part-time at Foremost Farms USA as a human resource associate. Bill has maintained a 3.63 GPA while working two jobs and playing both hockey and summer recreation softball, ADPI says. “Bill is a driven young lady and a very conscientious person who brightens the day of those who come across her path daily,” says ADPI. “She has a bright future ahead of her and is equipped to have great success in her chosen field.”

Sipple is studying food science at the University of Wisconsin-Madison, where she is on the Dean’s List with a GPA of 4.0 and also is a member of the Food Science Club.

Sipple worked at the Agropur plant in Luxemburg, Wisconsin, within the Cheese and Ingredients Division for one year. ADPI says she observed cheese and whey protein production and became familiar with different aspects of food production and safety.

Currently, Sipple assists as a sensory panelist at the Wisconsin Center for Dairy Research (CDR). ADPI says working for CDR has provided Sipple with training on how to analyze dairy product attributes, including flavor, body/texture and appearance. Once trained, she will analyze panels of dairy products, particularly cheese.

This summer, ADPI says Sipple will be serving as a quality control intern at The J M Smucker Co. She will inspect and grade product, monitor Hazard Analysis and Critical Control Points (HACCP) plans and maintain quality control records.

Sipple’s objective is to become a scientist in research and product development for a leading company within the dairy industry. ADPI says her goal is to lead a lab that creates new dairy-based products or discovers innovative ways to utilize dairy ingredients such as whey protein.

The J im Page Memorial Scholarship is awarded to the dependent of an employee or to an employee of an ADPI member. Scholarship applicants must be in good academic standing at a nationally accredited college or university, pursuing a course of study that will lead to a bachelor’s degree, have completed at least one full semester and maintain a GPA of at least 3.0 using the standard 4.0 scale.

According to ADPI, the J im Page Memorial Scholarship was created in memory of James J. Page, who served the dairy industry. ADPI says her goal is to lead a lab that creates new dairy-based products or discovers innovative ways to utilize dairy ingredients such as whey protein.

Kaepernick recipient of ADPI Award of Merit

ELMHURST, ILL. — American Dairy Products Institute (ADPI) recently announced Rick Kaepernick as the 2015 Award of Merit recipient.

Kaepernick is senior vice president, growth and development, Hilmar Cheese Co. Before joining Hilmar in 1987, he worked for Borden Dairy for 17 years.

According to ADPI, Kaepernick’s first job with Hilmar was helping establish the company’s protein production facility. Since then, he has had a hand in nearly every aspect of Hilmar’s cheese and ingredients endeavors, including the acquisition of Proliant Dairy Ingredients and the successful establishment of Hilmar Ingredients.

ADPI says Kaepernick continues to help Hilmar stake out new territory, coordinating construction of the company’s third production site and entry into the milk powder business. Having held several vice president roles, Kaepernick has been a member of Hilmar’s Steering Team since its inception.

In addition, ADPI says Kaepernick is past president of the California Cremery Operators Association; a member of the California Dairy Institute Association; and on the board of the Dairy Science Advisory Council and Masters of Professional Studies at California Polytechnic State University. He also is a past president and board member of ADPI, where he currently is a member of the Center of Excellence Task Force.

When Kaepernick retires in one, ADPI says he will donate time to church activities and to his son Colin’s charities and sports business. Kaepernick also will spend time with his wife Teresa; son, Kyle; daughter, Devon; and grandson Ezekiel.

Comings and goings ... comings and goings ...

Cherney Microbiological Services, Ltd., Green Bay, Wisconsin, has announced the addition of Michael Timmer as sales manager. Timmer joins Cherney’s team with 12 years of experience in sales and marketing. Timmer is responsible for expanding Cherney’s customer base and target marketing throughout the country. “Mike’s addition to Cherney’s Business Development team will strengthen and add experience to support our focus on reaching more companies who may not be familiar with the services that Cherney has to offer,” says Brian Van De Water, president, Cherney.

Muracoda Protein Products, Muscoda, Wisconsin, has announced the retirement of Dale Sleiter. Sleiter has worked as plant manager for the last 24 years. Sleiter began his career in the dairy industry specializing in whey as a shift supervisor with Foremost Farms in Plover, Wisconsin. He went on to work for Purity Cheese in Mayville, Wisconsin, as a shift supervisor and whey manager; Lynn Dairy in Marshfield, Wisconsin, as whey plant manager; and Sylvania Whey in Juta, Wisconsin, as plant manager.

Whitehall Specialties Inc., Whitehall, Wisconsin, recently hired two regional sales managers and restructured its sales teams. Brian Lenz has been named western regional sales manager and will lead internal sales employees, brokers and distributors in serving customers in the western half of the country. Lenz has more than 13 years of experience in the food/dairy industry, most recently serving as a director of national accounts for Thiel Cheese and Ingredients. Working with Lenz on the western regional team as inside sales manager will be Autumn Tallman, a 12-year veteran of Whitehall Specialties. Lenz and Tallman will be further supported by an inside sales assistant. Mark Miller has been named eastern regional sales manager and will lead a similar team for the eastern half of the country. Miller has 25 years of experience in the food/dairy industry, most recently as a director of national accounts for Thiel Cheese and Ingredients. Kory Solberg, with 17 years of experience at Whitehall, will work with Miller as inside sales manager for his region. The team also will be supported by an inside sales assistant, Steven Lutzke, who joined Whitehall in 2013 as technical sales manager, will provide technical sales support to both teams while also managing national accounts. In addition to Lutzke, Whitehall’s research and development and product development teams will support regional sales teams and customers.

Obituary

Donald J ohn Van Wagenen

MONROE, Wis. — Donald John Van Wagenen, 87, of Monroe, Wisconsin, died April 22.

The former Trump Cheese Co. CEO was a World Championship Cheese Contest judge and also was honored at the 2008 Green County Cheese Days parade in Monroe. Van Wagenen is survived by his wife of 62 years, Jean, and his children Mike, John, Tom, and Lori Wild.

To send condolences visit www.shriner111.com.
California raw milk dairy faces lawsuits

PAICINES, Calif. — A lawsuit has been filed against Claravale Farm Co. on behalf of a Santa Cruz, California, resident who became ill with Campylobacter jejuni after drinking the company's raw milk.

The California Department of Public Health (CDPH) in March announced a statewide recall and quarantine of Claravale Farm’s raw milk, raw nonfat milk and raw cream after the confirmed detection of Campylobacter in samples collected and tested by CDPH. The samples were collected as part of an investigation of illnesses that may have been associated with Claravale Farm raw milk. (See “Raw milk products recalled in California” in the March 27, 2015, issue of Cheese Market News.)

The lawsuit, filed on behalf of John Surbridge by Seattle-based food safety law firm Marler Clark and San Francisco-based Rains, Lucia, Stern, FC, says on or around March 19, Surbridge drank Claravale Farms unpasteurized raw Jersey milk which was purchased by his roommate at a local farmers’ market. A few days later, Surbridge fell ill and eventually was hospitalized for three days. Soon after being discharged, Surbridge was informed he had tested positive for Campylobacter, and after additional tests, it was confirmed that his illness stemmed from the raw milk he drank from Claravale Farm.

“There’s an assumption that raw milk is better for you, but the reality is that whatever benefits there might be are eliminated by the fact that it can kill you,” says Bill Marler, principal of Marler Clark, who has represented numerous victims of raw milk contamination. “There’s a reason pasteurization is the norm — so that people aren’t putting their lives and health at risk by enjoying a glass of milk.”

Clark says even after recovering from Campylobacter infection, victims can experience side effects for months or years. Surbridge is being seen by doctors to monitor his recovery. He continues to suffer pain and numbness in his arms, legs and fingers, has had difficulties holding onto silverware, cups and his cell phone, and continues to struggle with shortness of breath and now has difficulty digesting milk, the law firm says.

In an update posted this week on its website, Claravale Farm says its skim milk is pre-screened by the California Department of Food and Agriculture to test for Legionella, Campylobacter, and Salmonella. The company also notes that its website is that it is facing legal action unrelated to the recall, with two employees suing the dairy in the amount of $500,000 over alleged labor law violations.

Heluva Good! closes N.Y. cheese plant, enters licensing agreement with Schreiber

By Chelsey Dequaine

LYNNFIELD, Mass. — HP Hood LLC recently announced the decision to license its Heluva Good! cheese business to Schreiber Foods Inc. The Heluva Good! (Sodus, New York, cheese manufacturing plant and retail store will be closed June 26, with warehouse delivery operations ending July 31. Seventy jobs will be lost.

According to HP Hood, the two locations are closing as a result of the licensing deal to Schreiber, which is headquartered in Green Bay, Wisconsin. Schreiber will be producing and distributing the hard cheese products under the Heluva Good! name.

“The hard cheese category is very competitive, particularly with price,” says Sarah Barow, senior communications manager, HP Hood. “We know Heluva Good! is a strong brand, but we haven’t been able to realize the margins on cheese manufacturing. Schreiber is well-positioned to innovate in the hard cheese business more than we are.”

Andrew Tobisch, director of communications, Schreiber Foods, says the location of where Heluva Good! cheese will be manufactured remains flexible.

“We are looking for ways to deliver quality products and be as efficient as possible,” Tobisch says. “It’s one of the advantages we bring as a company. We have the ability to best meet the market demand.”

While Tobisch is unsure if the licensing will create any new jobs for Schreiber, he says it’s an opportunity for the company to expand its footprint.

“We have a history of partnering with HP Hood; that relationship continues to be strong,” Tobisch says. “We are looking to support and help HP Hood grow the Heluva Good! brand.”

HP Hood has owned the Sodus, New York, cheese manufacturing plant since 2004. The company owns 14 other facilities and manufactures chips, dips and condiments.

Agricultural sector has mixed reactions to House passage of Death Tax Repeal Act

WASHINGTON — The U.S. House recently passed the Death Tax Repeal Act of 2015, authored by Rep. Kevin Brady, R-Texas. The legislation would repeal the estate and generation-skipping transfer taxes and make permanent the maximum 35 percent gift tax rate and lifetime gift tax exemption. It also provides for an inflation adjustment to such exemption amount.

“As a CPA, I know from experience that the Death Tax hurts individuals who have worked hard and saved all of their lives in order to build up a nest egg for themselves and their families,” said K. Michael Conaway, R-Texas, chair of the House Agriculture Committee, following House passage of the bill.

“Farmers and ranchers are hit especially hard because their assets are primarily land and equipment. When a farmer or rancher passes away, even though he has already paid taxes on everything he owns, the sons and daughters who want to carry on the family tradition will first have to get over the hurdle of a whopping tax penalty that can reach as high as 60 percent,” Conaway says. “Why would we do that to young people wanting to stay on the farm or ranch? The Death Tax hurts not only that next generation of farmers and ranchers, but it hobbles an important sector of our economy that creates economic activity and jobs. A repeal of the Death Tax is long overdue.”

National Milk Producers Federation President and CEO,团, says the move would place the death tax penalizing the transfer of farms between generations of family members,” Mulhern says. “The Death Tax Repeal Act banishes the specter of the estate tax from the same business people that we should be encouraging to invest in the future of America’s food production. We encourage the Senate to pass similar legislation to help our family farmers.”

However, Roger J. Johnson, president of the National Farmers Union (NFU) opposed the House vote to repeal the estate tax, saying the move would place a larger tax burden on American family farmers and ranchers.

“Repeal of the estate tax puts a larger tax burden on those that are currently exempted from the tax,” J Johnson says. “Over 99 percent of small farms do not face the tax, as estates under $5.43 million, $10.86 million for couples, are exempted from it. As a result, NFU opposes completely eliminating the tax.”

J Johnson notes that Congress has repeatedly decreased the tax rate and increased the exemptions, making it increasingly unlikely for family farms to face the tax.

USDA estimates that only 0.6 percent of farms have to pay an estate tax and that another 2.1 percent would have to file returns but would not owe any taxes, J Johnson adds.

“Nothing is the estate tax that hurts family farmers,” he says. “It is repealing the tax that would give them an increased share of the overall tax load.”
Kraft net revenues down, cheese up in Q1

NORTHFIELD, Ill. — Kraft Foods Group Inc. this week announced financial results that reflected the impact of significant pricing actions taken over the past year, as well as a favorable shift in Easter-related shipments vs. the prior year.

“Our first quarter results reflected a solid start to 2015,” says Kraft Chairman and CEO John T. Cahill. “We’ve stepped up our focus on execution, our pricing actions over the past year are coming through, and we’re benefiting from a disciplined approach to marketing. There is clearly more work ahead of us, but we will continue to build on this momentum to delight our consumers and customers, and prepare us for the next chapter ahead.”

Kraft reported net revenues were down 0.2 percent from the previous year, including a negative impact from currency, to $4.352 billion. Organic net revenues were up 1.1 percent driven by a 1.2 percentage point increase from the carryover impact of price increases in previous quarters. Volume/mix was essentially flat, and included an approximate 1.0 percentage point benefit from Easter-related shipping, compared to the prior year quarter.

Operating income of $740 million and diluted earnings per share of $0.62 included a non-cash loss of $77 million ($0.08 per diluted share) from market-based impacts to post-employment benefit plans. Results also included $38 million ($0.04 per diluted share) in spending on cost savings initiatives, $17 million ($0.02 per diluted share) in costs related to the proposed merger with H.J. Heinz and $2 million in unrealized gains from hedging activities.

Excluding the impact of these factors in both years, operating income grew at a mid-single-digit rate and EPS grew at a high single-digit rate. This was primarily driven by a planned reduction in advertising and consumer spending as well as lower overhead costs. EPS growth was further enhanced by lower net interest expense and average shares outstanding vs. the prior year quarter.

In the company’s Cheese business, first quarter net revenues of $1.020 billion increased 1.3 percent, driven by the carryover impact of price increases in previous quarters as well as the timing of Easter-related shipments and the ongoing success of last year’s Philadelphia soft cream cheese reinvention, the company says. These gains were partially offset by the negative impact to volumes from price increases, particularly in natural cheese and sandwich cheese. Operating income in the segment increased 19.8 percent primarily reflecting better alignment of prices and input costs vs. the year-ago quarter.

G. Willi-Food, Arla enter 5-year agreement

YANE, Israel — G. Willi-Food International Ltd., a global company that specializes in the development, marketing and international distribution of kosher foods, recently announced that its wholly-owned subsidiary Gold Frost Ltd. has entered into a new five-year exclusive distribution agreement with Danish dairy company Arla Foods Amba.

Under the agreement, Arla grants Gold Frost an exclusive and non-transferable right to import, export, market and distribute cheese and butter products manufactured by Arla in Israel. The agreement includes more cheese and butter products under distribution exclusively with G. Willi-Food than under the companies’ original agreement, which expires in June.

“Aafter 10 years of cooperation with us, Arla has agreed to provide us with an additional five years of exclusivity in distributing their cheese and butter products in Israel,” says Zvi Williger, chairman of the board, G. Willi-Food.

PONDEROSA

Continued from page 1

Pagel is a Wisconsin Center for Dairy Research (CDR) representative on the Wisconsin Milk Marketing Board (WMMB). He has been working with CDR on new cheese flavors since 2010.

“They have developed recipes we can use to make our own Ponderosa-flavored cheeses,” Pagel says. “They have been great to work with and helped us a lot. They have been able to give us options for the direction we wanted to go.” Pagel’s Ponderosa Dairy milks 5,000 cows, and Pagel says he and his team have been thinking of building a cheese manufacturing plant for a number of years. After buying Ron’s Cheese more than a year ago, Pagel was ready.

“By owning Ron’s we have a marketing strategy to get to farmers,” he says. “It was time to go into farmstead cheesemaking on our own where the traceability comes back to the cow.”

Pagel says he is eager to manufacturer cheese that has traceability and transparency to his farm and dairy products. In addition, he is raising Limousin-Limousin cattle for fresh meat.

“We are excited to be able to provide the cheese and beef for Canarly Market in downtown Green Bay,” Pagel says.

Pagel says he believes it will work well to connect the dots and have one business fuel the other. He hopes his facilities will become a one-stop destination.

“People can see cows being milked, cheese being made and electricity being generated from our methane digester,” Pagel says. “People can watch a number of technologies happen all in the same location.”
Haystack Mountain, Colo. — Haystack Mountain Goat Dairy recently announced it has leased an additional 8,800-square-foot at its operations facility in Longmont, Colorado, to meet an increase in consumer demand and to expand its line of cheeses.

“We have seen consumer demand shift from imported to domestic, and now to hyper local,” says Chuck Hellmer, president and general manager, Haystack Mountain. “By supporting our company, consumers are supporting the long-term sustainability of their local food system. We believe this is a long-term shift in consumer consciousness, not a fad.”

According to Haystack Mountain, the new facility will allow the company to double its production capacity to 300,000 pounds of cheese per year over the next five years. Expansion construction began the last week of April. Additionally over the next five years, Haystack plans to hire five full-time employees.

“We are excited about the momentum underway in the domestic cheese industry and look forward to expanding within this vibrant segment of the specialty food market,” says John Scaggs, director of sales and marketing, Haystack Mountain.

The new facility will be in addition to the current location at 1221 Colorado Avenue in Longmont, which opened in 1994.

“We look forward to having more room to make and age existing cheeses and to experiment with new cow’s milk cheeses such as Cheddar, Gouda and an Alpine-style cheese,” Scaggs says. “While goat’s milk cheeses will remain our primary focus, cow’s milk cheeses will help keep us busy in winter when we have less goat’s milk and they will offer us new opportunities within popular segments of the cheese market.”

Continued from page 1

Representing the Global Alliance for Improved Nutrition (GAIN), Dominic Schofield, director Canada and senior technical adviser for policy and programs, presented strategies to build partnerships and fight malnutrition on a large scale.

He described the Scaling Up Nutrition movement, which supports national governments in their plans to design, resourcing strategies through a multi-stakeholder approach involving business, United Nations agencies, donors and civil society.

He also used the GAIN Nordic Partnership as an example of a multi-sector platform focused on developing affordable, attractive, nutritious products for low-income customers in countries in East Africa and Southeast Asia through sustainable and scalable business models. The founding core group of this partnership includes GAIN, Arla Food Ingredients, Tetrapak, Confederation of Danish Industry and Dan Church Aid.

To help reduce hunger and malnutrition, as well as to meet a growing world demand for dairy products, world dairy production needs to grow at a faster pace than it is now, according to panelist Dennis Schaffler, doctor of veterinary medicine for Elanco.

According to estimates from Global Dairy Platform Inc., there currently are about 6 billion consumers of milk and dairy products. Schaffler says. Demand is forecast to grow at 2 percent or 15-20 million tons per year, which would require a significant number of additional cows (about 60-80 million) based on current global productivity rates, he says.

The challenge is that demand is outpacing supply on a global level, he says. Dairy productivity has doubled in the past 50 years, but it’s not keeping pace with population growth. Globally, there is 14 percent less milk per person now than there was in 1961.

Throughout history, technology — from artificial insemination to freestall housing to rbST — has helped increase U.S. milk production to meet demand, Schaffler says. He adds that the ability to produce more milk per cow through technologies such as rbST is the most sustainable choice, requiring fewer cows, less feed, less land, less water and fewer carbon dioxide equivalent emissions.

Some consumers are wary of milk produced with rbST, but Schaffler stresses that the composition of conventional milk does not differ from that of milk labeled rbST-free or organic.

“Milk labeled rbST-free or organic simply refers to a management system used by the dairy farmer,” he says. “No test is capable of determining whether milk was produced with rbST or not.”

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U.S. cheese imports subject to licensing requirements increase 44 percent vs. year ago

WASHINGTON — Cheese imports subject to licensing requirements totaled 18.0 million pounds in March, up 44 percent from a year ago, according to the most recent data from USDA’s Foreign Agricultural Service. January-March licensed cheese exports totaled 43.6 million pounds, up 25 percent from the first three months of 2014. (The figures released by USDA are in kilograms; Cheese Market News has converted the data to pounds by multiplying by 2.2046.)

Licensed imports of Swiss and Emmenthaler with eye formation totaled 4.5 million pounds in March, up 15 percent from March of last year, USDA says. January-March licensed imports of these cheeses totaled 12.8 million pounds, up 19 percent from the same period last year.

In March, Italian-type cheese imports subject to licensing requirements totaled 1.3 million pounds, up 102 percent from March 2014. January-March licensed imports of Italian-type cheeses totaled 3.6 million pounds, up 105 percent from January-March last year. March licensed Cheddar imports totaled 1.1 million pounds, up 53 percent from March 2014. Year-to-date licensed Cheddar imports through March totaled 4.4 million pounds, up 85 percent from the first three months of 2014.

Licensed imports of Edam and Gouda totaled 1.1 million pounds in March, up 8 percent from a year earlier. January-March licensed imports of these cheeses totaled 2.6 million pounds, up 3 percent from January-March last year.

Imports of Blue mold cheeses subject to licensing requirements totaled 444,562 pounds in March, down 1 percent from a year earlier. January-March imports of Blue mold cheeses totaled 1.1 million pounds, down 4 percent from the same months last year.

March licensed imports of processed Gruyère totaled 423,376 pounds, down 10 percent from March 2014. Year-to-date licensed imports of processed Gruyère totaled 942,052 pounds through March, up 1 percent from the first three months of 2014.

Licensed imports of other cheese not-specifically-provided-for (NSPF) totaled 9.3 million pounds in March, up 74 percent from a year earlier. January-March licensed imports of cheese NSPF totaled 18.2 million pounds, up 18 percent from the same period in 2014.

March licensed butter imports totaled 2.6 million pounds, up 78 percent from March 2014. January-March licensed butter imports totaled 6.0 million pounds, up 67 percent from the same months last year.

Licensed imports of butter substitutes totaled 445,234 pounds in March, up from 72,300 pounds a year ago. January-March licensed imports of butter substitutes totaled 3.1 million pounds, up from 209,598 pounds in January-March 2014.

Imports of high-tier cheese and other dairy products totaled 19.4 million pounds January-March 44, up 44 percent from the first three months of last year. Leading the high-tier imports are Italian-type cheeses, with 4.1 million pounds imported year-to-date, up 40 percent from January-March last year. Following this category is other cheese-NSPF with 2.1 million pounds of high-tier product imported in the first three months of this year, up 36 percent from the first three months last year. CMN

Report details milk production value in 2014

WASHINGTON — Cash receipts from marketings of milk during 2014 totaled $49.3 billion, 22.5 percent higher than 2013, according to the “Milk Production, Disposition, and Income 2014 Summary” released by USDA’s National Agricultural Statistics Service (NASS) this week.

Producer returns averaged $24.07 per hundredweight, 19.7 percent above 2013. U.S. milk production was up 2.4 percent from the previous year to 206.05 billion pounds, and marketings totaled 205.90 billion pounds. Marketings include whole milk sold to plants and dealers as well as milk sold directly to consumers. An estimated 962 million pounds of milk were used on farms where produced, 1.5 percent less than 2013, NASS says. Calves were fed 90 percent of this milk, with the remainder consumed in producer households. Total 2014 milk production was valued at $27.9 billion.

According to the report, producers in Hawaii had the highest all-milk average returns per hundredweight at $35.40 in 2014. In the contiguous United States, Alabama had the highest all-milk average returns at $27.80.

In March, the nation’s leading milk-producing state, Wisconsin accounted for 39.6 percent of total cheese production with 2.91 billion pounds, 25.4 percent of the nation’s cheese production total. Wisconsin was the leading state in American-type cheese production at 4.53 billion pounds, 2.6 percent above 2013, and accounted for 39.6 percent of total cheese produced in 2014. Wisconsin was the leading state in American-type cheese production with 18.7 percent of the total.

U.S. butter production totaled 1.856 billion pounds in 2014, 0.3 percent below 2013, according to the NASS annual report. California accounted for 33.0 percent of the production.

In the report NASS says there were a total of 1,267 plants in the United States manufacturing one or more dairy products in 2014. This is up 2 plants from 2013 but still lower than the 1,283 plants in 2012. Wisconsin was home to 203 dairy plants in 2014, down 1 plant from a year earlier. California was at 116 plants, down 2 plants from a year earlier.

There were 536 cheese plants in the United States in 2014, up from 530 plants in 2013. CMN
by reducing regulatory costs and burdens just late last year of making all possible progress towards an agreement this year,” Dan Mullaney, U.S. TTIP chief negotiator, said in a press conference last Friday. He says negotiators made progress last week in a number of key areas, such as productive engagement on key regulatory areas and discussion on ways to remove technical barriers to trade by reducing regulatory costs and burdens while continuing to achieve high levels of consumer and environmental protection.

“Our discussion included a review of a new U.S. proposal that would provide opportunities for U.S. exporters of products to the EU to have their products tested and certified in the United States and vice-versa,” Mullaney says. “This is one example of how in TTIP we are seeking to reduce costs, eliminate duplicative testing requirements and to set a model for third countries.”

Meanwhile, Mullaney expressed disappointment over the European Commission’s proposal last week to amend EU legislation on genetically engineered food and feed products that would allow EU member states to “opt out” of importing or selling these products, even though they have been found safe by EU scientific bodies. (See “EU member states could opt out of allowing authorized GMOs under new EC proposal” in last week’s issue of Cheese Market News.)

However, EU Chief Negotiator Ignacio Garcia Bercero says the proposal changes nothing about the role of the European Commission in authorizing GMOs for food and feed on the basis of a risk assessment undertaken by the European Food Safety Agency.

“The proposal gives the possibility for member states to opt out for legitimate reasons unrelated to risks to human and animal health or the environment,” he says. “The proposal is consistent with our international obligations. Pending the approval of the new legislation, current procedures for the approval of GMOs for food and feed will continue to apply.”

The 10th round of negotiations is expected to be held in Brussels, Belgium, in mid-July.

Meanwhile, negotiators for the Trans-Pacific partnership (TPP) met April 23-26 in National Harbor, Maryland. Some negotiations on market access still are underway, including between the United States and Japan on automotive issues and several sensitive agricultural products, including dairy.

The International Dairy Foods Association (IDFA) says the meeting between Japan’s Prime Minister Abe and President Obama this past week once was seen as a possible turning point in bilateral negotiations between the United States and Japan, but with a pending vote on Trade Promotion Authority (TPA) in Congress, the two trading partners were unable to announce a final deal on outstanding issues.

Last week, the Senate Finance Committee and the House Ways and Means Committee approved “The Bipartisan Congressional Trade Priorities and Accountability Act of 2015” with amendments that covered U.S.-Israel commercial relations and human rights/good governance negotiating objectives.

“American businesses and their workers can compete against anyone else in the world when given the opportunity. The U.S. dairy industry in particular has the potential to benefit greatly from two trade agreements currently under negotiation — the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership,” IDFA says. “Trade Promotion Authority is critical to securing both agreements and ensuring that the United States has the opportunity to connect U.S. companies and their products with consumers around the globe.”

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