

# CHEESE MARKET NEWS®

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



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## Study outlines opportunities, obstacles in whey processing

By Alyssa Sowerwine

**LA CROSSE, Wis.** — A new report released this week outlines obstacles and prospects for growth in whey processing in the Wisconsin dairy industry. The report was presented by representatives of the Wisconsin Whey Opportunities Working Group during the 2013 Wisconsin Cheese Industry Conference (WCIC), held this week in La Crosse, Wis.

The working group — which consists of the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP), USDA's National Agricultural Statistics Service, the University of Wisconsin-Madison College of Agricultural and Life Sciences,

Wisconsin Center for Dairy Research (CDR), Wisconsin Cheese Makers Association, Wisconsin Economic Development Corp. and the Wisconsin Milk Marketing Board — began meeting monthly at DATCP one year ago. The group surveyed cheese plants and visited whey processors in Wisconsin to identify current limitations as well as strategies to capture the value of whey.

The working group conducted an in-depth survey of nearly three-fourths of Wisconsin's 121 whey processors, personal interviews with 15 of the largest whey processing companies and reviewed four specific return on investment (ROI) models for cheese manufacturers considering processing whey.

In a session at WCIC Thursday titled "Which Whey to Go? Today's Challenges and Opportunities," working group representatives highlighted key findings of the "Wisconsin Whey Study," including recommendations that the dairy industry can take to further develop opportunities presented by whey.

As the largest cheese producer in the nation, Wisconsin also is the largest whey processor, the study notes. On a statewide level, the whey

production and processing sub-sector accounts for more than 16,300 jobs per year, with indirect economic benefits extending to surrounding rural communities, as most producers and processors are located in rural areas, the study says.

"Whey has transitioned from a dairy processing waste product to a valuable food and feed source that is marketable around the world," says Ben Brancel, DATCP secretary.

Norm Monsen of DATCP notes that demand for whey is growing.

However, according to Monsen, 1,399 tanker loads of whey are dumped in Wisconsin every year, which is about 0.3 percent of the total amount of whey produced in the state annually.

There are 22 plants in Wisconsin that currently are dumping whey, Monsen says, and they are primarily small- to mid-size plants that are facing challenges in getting rid of the product as well as barriers to gaining higher returns on whey.

Richard Scheuerman, veteran dairy CEO and CFO of RS Strategic Consulting LLC, Verona, Wis., notes that whey is a valuable source of proteins. As part of the study, Scheuerman interviewed whey processors in

the state and did ROI analysis to explore ways for processors to maximize returns from their whey stream.

"A cheese plant receiving two loads of milk per day, five days a week produces 2.6 million pounds of cheese and 1.4 million pounds of whey solids annually," he says. Whey accounts for roughly 90 percent of cheesemilk pounds, more than 40 percent of milk solids and 9 percent of farmers' milk checks in Wisconsin, he adds.

Scheuerman notes that better whey commands better pricing, and most purchasers of food grade whey products demand high-quality whey products.

"Cheesemakers should consider investments in whey handling," he says.

The report notes that unfortunately, as cheese plants range in size, not all plants share the same value from whey processing, and smaller cheese plants in particular face significant barriers to entering the whey processing business.

John Lucey, CDR director, notes seven key recommendations in the study for next steps that can be taken to further develop economic opportunities for whey in Wisconsin:

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## Bipartisan group of senators files immigration reform bill

**WASHINGTON** — A bipartisan group of senators this week introduced legislation dealing with comprehensive immigration reform. Those offering the proposal include Sens. Charles Schumer, D-N.Y., John McCain, R-Ariz., Dick Durbin, D-Ill., Lindsey Graham, R-S.C., Robert Menendez, D-N.J., Marco Rubio, R-Fla., Michael Bennet, D-Colo., and Jeff Flake, R-Ariz.

"Our immigration system is broken and it is time for a national conversation about how to fix it," the senators say in a joint statement released Wednesday. "We believe common-sense immigration reform is vital in order to secure America's borders, advance our economic growth, and provide fuller access to the American dream. Our bipartisan proposal is a starting point, and will be strengthened by good-faith input and ideas from across the ideological spectrum. We look forward to multiple Senate hearings on this bill, an open committee process with amendments, and a full and fair debate in the Senate."

The bill covers a range of immigration reforms under four broad areas that include border security, immigrant visas, interior enforcement and reforms to non-immigrant visa programs.

President Obama met with Sens. Schumer and McCain Tuesday as they briefed him on the immigration reform bill. He has urged the Senate to quickly move the bill forward and says he is willing to do whatever it takes to make sure that comprehensive immigration reform becomes a reality as soon as possible.

"This bill is clearly a compromise, and no one will get everything they wanted, including me. But it is largely consistent with the principles that I have repeatedly laid out for comprehensive reform," Obama says in a statement released Tuesday. "This bill would continue to strengthen security at our borders and hold employers more accountable if they knowingly hire undocumented workers. It would provide a pathway to earned citizenship for the 11 million individuals who are

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## U.S. Championship Cheese auction raises \$181,420

**LA CROSSE, Wis.** — Bidders raised \$181,420 Wednesday evening during the 2013 U.S. Championship Cheese Contest auction, held during this week's Wisconsin Industry Cheese Conference (WCIC) in La Crosse, Wis.

The auction is part of the biennial WCIC, hosted by the Wisconsin Cheese Makers Association (WCMA) and the Wisconsin Center for Dairy Research (CDR). Funds raised go toward support of future cheese contests, WCMA scholarships and a Member Education Initiative instituted by WCMA.

Each item for bid at the auction placed first in its class at the U.S. Championship Contest, held last month at Lambeau Field, Green Bay, Wis. Some of the award winners were combined into one category for bid.

Ivarson Inc., Milwaukee, placed the winning bid of \$135 per pound, or a total of \$9,720, on a combined 72 pounds of Gouda

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## FDA attempts to clear confusion on label petition

**WASHINGTON** — In February, FDA asked for public comments on a petition submitted by the International Dairy Foods Association (IDFA) and the National Milk Producers Federation (NMPF) that requested FDA change the standard of identity for flavored milk and other dairy products so that the use of non-nutritive sweeteners

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# MARKET INDICATORS



## Chicago Mercantile Exchange Cash prices for the week ended April 19, 2013

	Monday April 15	Tuesday April 16	Wednesday April 17	Thursday April 18	Friday April 19
<b>Cheese Barrels</b>					
Price	\$1.7675	\$1.7575	\$1.7600	\$1.7600	\$1.7700
Change	+1 1/4	-1	+1/4	NC	+1
<b>Cheese 40-lb. block</b>					
Price	\$1.8700	\$1.8700	\$1.8850	\$1.8850	\$1.8800
Change	+3 1/4	NC	+1 1/2	NC	-1/2

Weekly average (April 15-19): Barrels: \$1.7630(+.0245); 40-lb. Blocks: \$1.8780(+.0690).  
Weekly ave. one year ago (April 16-20, 2012): Barrels: \$1.4600; 40-lb. Blocks: \$1.5030.

	Monday April 15	Tuesday April 16	Wednesday April 17	Thursday April 18	Friday April 19
<b>Extra Grade NDM</b>					
Price	\$1.6900	\$1.7000	\$1.7000	\$1.7000	\$1.7000
Change	+1	+1	NC	NC	NC
<b>Grade A NDM</b>					
Price	\$1.7800	\$1.7850	\$1.7850	\$1.7850	\$1.7850
Change	NC	+1/2	NC	NC	NC

Weekly average (April 15-19): Extra Grade: \$1.6980(+.0600); Grade A: \$1.7840(+.0370).

	Monday April 15	Tuesday April 16	Wednesday April 17	Thursday April 18	Friday April 19
<b>Grade AA Butter</b>					
Price	\$1.7600	\$1.7700	\$1.7800	\$1.7875	\$1.7875
Change	+2	+1	+1	+3/4	NC

Weekly average (April 15-19): Grade AA: \$1.7770(+.0430).

Class II Cream (Major Northeast Cities): \$2.1155(+.1181)-\$2.2542(+.1736).

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## Weekly Cold Storage Holdings April 15, 2013

	On hand Monday	Week Change	Change since April 1 Pounds	Percent	Last Year Pounds	Change
<b>Butter</b>	13,850	+484	+1,565	+13	8,778	+5,072
<b>Cheese</b>	111,907	-364	-1,385	-1	130,168	-18,261

(These data, which include government stocks and are 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
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	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93									

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## CHEESE FUTURES for the week ended April 18, 2013

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

	Fri., April 12	Mon., April 15	Tues., April 16	Wed., April 17	Thurs., April 18
APR13	1.726 1,087	1.726 1,087	1.733 1,099	1.733 1,099	1.733 1,099
MAY13	1.855 872	1.860 881	1.873 930	1.900 931	1.900 931
JUN13	1.899 629	1.893 635	1.893 640	1.920 639	1.929 637
JUL13	1.901 503	1.886 498	1.889 501	1.908 501	1.910 502
AUG13	1.880 412	1.880 409	1.885 418	1.899 420	1.895 425
SEP13	1.881 381	1.876 383	1.876 394	1.888 394	1.898 394
OCT13	1.866 394	1.853 397	1.859 413	1.868 419	1.868 419
NOV13	1.838 455	1.838 457	1.838 484	1.845 490	1.845 490
DEC13	1.818 422	1.806 425	1.806 431	1.813 432	1.813 432
JAN 14	1.792 11	1.787 13	1.787 13	1.787 13	1.787 13
FEB 14	1.792 12	1.792 14	1.792 14	1.792 14	1.792 14
MAR14	1.800 8	1.800 8	1.800 8	1.800 8	1.800 8
APR 14	1.794 6	1.794 6	1.794 6	1.794 6	1.794 6
MAY 14	1.794 8	1.794 8	1.794 8	1.794 8	1.794 8
JUN 14	1.794 2	1.794 2	1.794 2	1.794 2	1.794 2
Total Contracts Traded/ Open Interest	47/5,202	113/5,223	257/5,361	73/5,376	24/5,380

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

## DRY WHEY FUTURES for the week ended April 18, 2013

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

	Fri., April 12	Mon., April 15	Tues., April 16	Wed., April 17	Thurs., April 18
APR13	58.50 261	58.50 261	58.50 263	58.50 265	58.40 266
MAY13	57.23 244	57.23 245	57.23 254	57.00 253	56.75 253
JUN13	58.88 173	59.25 176	59.25 176	60.50 181	59.03 182
JUL13	60.78 154	60.25 159	60.25 162	60.25 162	59.50 163
AUG13	60.53 150	60.55 159	60.25 164	60.25 165	60.25 165
SEP13	60.50 141	60.53 147	60.03 149	60.25 150	60.25 150
OCT13	60.50 115	60.53 117	60.75 119	60.75 119	60.75 119
NOV13	59.45 121	60.00 122	60.50 122	60.50 122	60.50 122
DEC13	58.03 112	58.03 112	58.03 112	58.08 114	58.08 114
Total Contracts Traded/ Open Interest	12/1,471	56/1,498	36/1,521	40/1,531	7/1,534

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

## Dry Products\*

April 19, 2013

### NONFAT DRY MILK

#### Central & East:

low/medium heat \$1.5725(+2 1/4)-\$1.8000(+5);  
mostly \$1.5725(+2 1/4)-\$1.7100(+5).

#### West:

high heat \$1.6125(-1 1/4)-\$1.7150(+3).  
low/medium heat \$1.5125(+1/4)-\$1.7600(+4 1/4);  
mostly \$1.5400(+1)-\$1.6800(+6).  
high heat \$1.5625(+1/4)-\$1.7100(+1).

Calif. manufacturing plants: extra grade/grade A weighted ave. \$1.4763(+.0112)  
based on 18,699,013 lbs. Sales to CCC: 0 lbs.

### WHOLE MILK POWDER (National):

\$1.8000(+5)-\$1.9300.

### EDIBLE LACTOSE

(FOB)Central and West: \$.4500-\$.7500; mostly \$.5800-\$.7100.

### DRY WHEY

#### Central:

nonhygroscopic \$.4700-\$.6375;  
mostly \$.5200-\$.5650(+1/2).

#### West:

nonhygroscopic \$.5300(-1/2)-\$.6200(+1 3/4);  
mostly \$.5350-\$.5950(+1/2).

#### (FOB) Northeast:

extra grade/grade A \$.5400(+2)-\$.6375(+3/4).

**ANIMAL FEED (Central):** Whey spray milk replacer \$.4050(+1/2)-\$.5400(+2).

**WHEY PROTEIN CONCENTRATE (34 percent):** \$1.1700(+1)-\$1.4000;

mostly \$1.2200-\$1.2550(+1/2).

### DRY BUTTERMILK

(FOB)Central & East: \$1.4625(+3 3/4)-\$1.5025(+1/4).

(FOB) West: \$1.4300(+2 1/2)-\$1.5100(+2); mostly \$1.4400(+3)-\$1.4725(+4 1/4).

### CASEIN:

Rennet \$4.3000-\$4.7000; Acid \$4.5500-\$4.9500.

\*Source: USDA's Dairy Market News

## RETAIL PRICES (Consumer Price Index\*)

	March 2013	1 mo.	6 mo.	1 year	2 years
Cheese & related products	222.883	-0.4	+1.3	-1.3	+7.3
Dairy & related products	218.123	-0.6	+1.3	-0.5	+5.8
All Food	236.332	+0.0	+0.9	+1.5	+4.9

\*Source: U.S. Department of Commerce. For index, prices during 1982-84 = 100.

# NEWS/BUSINESS



## Most cheese retail advertising prices rise

WASHINGTON — National cheese retail advertising volume decreased 4 percent vs. two weeks ago, but prices of the most popular package sizes are up, according to USDA's Agricultural Marketing Service (AMS) in the latest biweekly National Dairy Retail Report released Thursday.

The most advertised cheese category, conventional 8-ounce shreds, has a weighted average advertised price of \$2.27, up from \$2.14 two weeks ago and up from \$2.26 a year ago.

The second-most advertised cheese category, 8-ounce blocks, had a weighted average advertised price of \$2.21, down from \$2.25 two weeks ago and \$2.34 a year ago.

This week, 1-pound cheese shreds had a national weighted average advertised price of \$4.16, up from \$3.18 two weeks earlier and \$3.69 one year ago.

One-pound cheese blocks had a national weighted average advertised price this week of \$4.20, up from \$3.79 two weeks earlier and \$3.97 one year ago.

Two-pound cheese blocks had a national weighted average advertised price of \$7.41, up from \$6.56 two weeks earlier and \$5.42 one year ago.

AMS says this week 1-pound blocks of conventional butter had a national weighted average advertised price of \$2.75, up from \$2.46 two weeks earlier but down from \$2.86 one year earlier. CMN

## California hearing on 4b bill rescheduled

SACRAMENTO, Calif. — The California Assembly Agriculture Committee has postponed its hearing on AB 31, previously scheduled for April 17, to May 1.

AB 31, introduced by California Assemblyman Richard Pan, D-Lodi, seeks to align the state's Class 4b milk price more closely with the Federal Order Class III price.

Producer groups, including Western

United Dairymen and Milk Producers Council, support the bill, saying that it will ensure that prices paid are fair and competitive. The Dairy Institute of California, which represents the state's processors, has campaigned against the bill, saying it will arbitrarily inflate the cost of milk, force many cheese-makers out of business or to leave the state, and prevent others from expanding. CMN

### Advanced Prices and Pricing Factors

	May 2013	April 2013
Base Skim Milk Price for Class I <sup>1</sup> :	\$11.89/cwt.	\$12.07/cwt.
Advanced Class III Skim Milk Pricing Factor:	\$11.24/cwt.	\$11.27/cwt.
Advanced Class IV Skim Milk Pricing Factor:	\$11.89/cwt.	\$12.07/cwt.
Advanced Butterfat Pricing Factor <sup>2</sup> :	\$1.7955/lb.	\$1.7189/lb.
Class II Skim Milk Price:	\$12.59/cwt.	\$12.77/cwt.
Class II Nonfat Solids Price:	\$1.3989/lb.	\$1.4189/lb.
<b>Two-week Product Price Averages:</b>		
Butter:	\$1.6542/lb.	\$1.5909/lb.
Nonfat Dry Milk:	\$1.5021/lb.	\$1.5219/lb.
Cheese:	\$1.6803/lb.	\$1.6402/lb.
Dry Whey:	\$0.5797/lb.	\$0.6094/lb.

**Note:** The Class I price equals the Class I skim milk price times 0.965 plus the Class I butterfat price times 3.5, rounded to the nearest cent.

**For information only:** The Class I base price is \$17.76.

<sup>1/</sup> Higher of advanced Class III or IV skim milk pricing factors. The Class I skim milk price equals this price plus applicable Class I differential.

<sup>2/</sup> The Class I butterfat price equals the price plus applicable Class I differential divided by 100.

Data provided by USDA

## National Dairy Products Sales Report

For the week ended:	4/13/13	4/6/13	3/30/13	3/23/13
<b>Cheese 40-lb. Blocks:</b>				
Average price <sup>1</sup>	\$1.6932	\$1.6593	\$1.6217	\$1.6109
Sales volume <sup>2</sup>	10,544,614	10,410,803	8,713,094	10,125,726
<b>Cheese 500-lb. Barrels:</b>				
Average price <sup>1</sup>	\$1.7476	\$1.7277	\$1.7311	\$1.7007
Adj. price to 38% moisture	\$1.6673	\$1.6412	\$1.6499	\$1.6182
Sales volume <sup>2</sup>	10,427,967	10,435,677	10,046,749	9,463,323
Moisture content	35.01	34.73	34.95	34.84
<b>Butter:</b>				
Average price <sup>1</sup>	\$1.6618	\$1.6446	\$1.6586	\$1.6295
Sales volume <sup>2</sup>	6,351,212	5,046,600	5,058,133	5,157,586
<b>Nonfat Dry Milk:</b>				
Average price <sup>1</sup>	\$1.5113	*\$1.4918	\$1.5068	\$1.5100
Sales volume <sup>2</sup>	32,218,357	*28,598,567	*30,810,512	*29,875,321
<b>Dry Whey:</b>				
Average price <sup>1</sup>	\$0.5721	*\$0.5867	\$0.5797	\$0.5912
Sales volume <sup>2</sup>	6,379,168	*6,833,636	9,070,343	7,101,544

<sup>1/</sup> Revised. <sup>2/</sup> Prices weighted by volumes reported. <sup>3/</sup> Sales as reported by participating manufacturers. Reported in pounds. More information is available by calling AMS at 202-720-4392.

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# MARKET INDICATORS



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## CME FUTURES for the week ended April 18, 2013

### Class III Milk

	Fri., April 12	Mon., April 15	Tues., April 16	Wed., April 17	Thurs., April 18					
APR13	17.58	3,296	17.61	3,279	17.64	3,260	17.66	3,195	17.65	3,099
MAY13	18.85	4,350	18.86	4,419	19.01	4,423	19.29	4,388	19.27	4,322
JUN13	19.37	2,936	19.34	2,930	19.47	3,005	19.72	3,014	19.64	3,064
JUL13	19.30	2,589	19.25	2,576	19.37	2,585	19.52	2,619	19.48	2,619
AUG13	19.28	2,398	19.25	2,412	19.33	2,426	19.40	2,450	19.40	2,487
SEP13	19.22	1,964	19.20	1,962	19.25	1,958	19.34	1,960	19.32	1,998
OCT13	19.08	1,588	19.00	1,622	19.05	1,627	19.09	1,653	19.02	1,694
NOV13	18.80	1,538	18.76	1,543	18.80	1,551	18.85	1,560	18.84	1,571
DEC13	18.40	1,452	18.33	1,465	18.43	1,466	18.45	1,473	18.45	1,481
JAN14	18.02	413	17.88	416	18.00	417	18.00	417	18.00	418
FEB14	17.67	296	17.58	304	17.62	304	17.62	304	17.62	304
MAR14	17.51	208	17.35	214	17.40	214	17.40	214	17.45	214
APR14	17.30	47	17.30	51	17.30	51	17.30	51	17.35	59
MAY14	17.20	12	17.20	12	17.20	12	17.20	12	17.20	12
JUN14	17.01	8	17.01	8	17.10	8	17.12	8	17.14	8
JUL14	16.50	1	16.50	1	16.50	1	16.50	1	16.50	1
AUG14	16.50	1	16.50	1	16.50	1	16.50	1	16.50	1
SEP14	16.45	1	16.45	1	16.45	1	16.45	1	16.45	1
OCT14	16.35	1	16.35	1	16.35	1	16.35	1	16.35	1
NOV14	16.25	1	16.25	1	16.25	1	16.25	1	16.25	1
DEC14	16.25	1	16.25	1	16.25	1	16.25	1	16.25	1
Total Contracts Traded/										
Open Interest	1,012/23,101	1,507/23,219	1,297/23,313	1,798/23,324	1,268/23,356					

### Class IV Milk\*

	Fri., April 12	Mon., April 15	Tues., April 16	Wed., April 17	Thurs., April 18					
APR13	18.30	286	18.30	286	18.30	284	18.30	284	18.30	284
MAY13	18.93	300	18.95	300	18.95	300	19.05	303	19.05	305
JUN13	20.03	242	20.20	251	20.30	265	20.28	263	20.35	268
JUL13	20.37	203	20.37	203	20.37	217	20.50	234	20.50	236
AUG13	20.26	201	20.30	202	20.30	212	20.50	233	20.50	234
SEP13	20.30	172	20.34	179	20.34	189	20.42	219	20.42	219
OCT13	20.08	164	20.08	164	20.04	164	20.04	170	20.00	172
NOV13	19.90	175	19.88	175	19.79	175	19.79	181	19.73	182
DEC13	19.50	176	19.50	176	19.48	176	19.48	181	19.43	187
JAN14	18.55	13	18.55	19	18.55	19	18.60	28	18.60	29
Total Contracts Traded/										
Open Interest	76/1,969	35/2,004	48/2,052	137/2,145	36/2,165					

### Cash-Settled NDM

	Fri., April 12	Mon., April 15	Tues., April 16	Wed., April 17	Thurs., April 18					
APR13	153.03	287	153.03	287	153.03	287	153.03	287	153.03	287
MAY13	158.00	240	158.00	240	158.00	240	158.00	240	157.95	240
JUN13	171.00	267	170.75	271	171.25	286	171.25	286	170.63	290
JUL13	173.00	127	173.00	132	172.25	133	172.50	139	172.75	139
AUG13	172.25	106	172.25	114	172.25	120	173.00	125	172.50	126
SEP13	172.50	70	172.45	75	172.43	75	172.90	84	171.25	83
OCT13	169.03	61	169.00	64	169.00	64	168.98	64	168.88	72
NOV13	166.00	59	166.00	59	166.00	59	166.00	59	166.00	67
DEC13	164.40	46	164.00	46	164.00	46	164.00	46	164.00	54
Total Contracts Traded/										
Open Interest	16/1,263	36/1,288	32/1,310	46/1,330	35/1,358					

### Cash-Settled Butter

	Fri., April 12	Mon., April 15	Tues., April 16	Wed., April 17	Thurs., April 18					
APR13	169.95	396	170.03	396	170.03	396	170.05	399	170.05	400
MAY13	179.50	505	182.25	509	182.50	533	184.10	555	185.50	561
JUN13	180.50	577	182.00	578	182.55	595	184.75	608	185.00	639
JUL13	181.00	578	182.50	581	182.75	592	185.00	605	187.00	604
AUG13	180.00	552	183.00	566	183.00	581	184.50	594	185.00	593
SEP13	181.50	473	182.50	476	183.00	480	184.25	482	185.00	482
OCT13	182.00	458	182.00	458	183.00	461	184.00	470	184.00	475
NOV13	182.90	400	182.90	403	182.90	403	184.00	402	184.00	409
DEC13	178.00	254	180.00	255	179.65	255	180.00	261	180.00	263
Total Contracts Traded/										
Open Interest	69/4,193	119/4,222	107/4,296	141/4,376	177/4,426					

Daily market prices are available by visiting CME's online statistics sites at <http://www.cmegroup.com>.  
\*Total Contracts Traded/Open Interest reflect additional months not included in this chart.

## GUEST COLUMNIST



CMN Exclusive!



## Perspective: Dairy Markets

Dave Kurzawski is a senior broker with INTL FCStone, Chicago. He contributes this column exclusively for *Cheese Market News*®.

## Dairy has gone global ... again

The dairy market has put us all on our toes again. Just when we thought we knew what makes prices tick, they tock. The price of milk has risen between 5 and 10 percent in just the past four weeks. And, in my opinion, this is just the beginning of higher prices to come.

It's not news to say that advances in export demand over the past half-decade are the linchpin of growth for our U.S. dairy industry. Stemming from a confluence of a weaker U.S. dollar, global weather-related production problems and the world's desire for high quality dairy foods, the U.S. dairy export market has more than doubled since 2007 to somewhere close to 13 percent of total

U.S. production.

The growth has not come easy, however, as ebbs and flows in both seasonality and taste preferences of other nations have made for tumultuous swings in the supply/demand margin and prices. And as we've focused on the U.S. milk "flush" over the past few months, that global seasonality reared its head and is taking center stage here and now.

Sometime in early March, discussions of drier weather in New Zealand went from "what if" scenarios to a more serious "we have a problem" reality. Chatter reached a fevered pitch and global prices responded by rising rapidly as buyers focused their concern on the

impacts of long-term drought. Earlier forecasts of year-over-year milk production growth in Oceania dried up with the pasture. China and other major world buyers turned a worried eye to the jeopardy this places on next milking season. U.S. buyers followed suit, and the U.S. dairy markets adjusted higher and how.

Ironically the rally that started in the powder markets and has quickly spread to encompass the entire dairy complex comes not only during the "flush" but also on the heels of some robust domestic dairy product production data. For example, U.S. nonfat dry milk (NDM) production registered at more than 137 million pounds in February of this year. While this is down some 20 percent from 2012, it is still well above the five-year average production of nonfat. USDA also reported that commercial stocks of NDM are around 16.5 percent higher than they were when we made all that powder last year. Similar production and inventory situations arise across the board for dairy products.

Although seasonally U.S. American cheese production was down from January, the USDA figures marked a record 346 million pounds for the month of February. This is particularly daunting as we see these overall strong product production figures during what is typically a very challenging time period for domestic dairy demand. If you look at our current supply/demand situation from a domestic lens, you'd have a hard time making a reasonable argument

that prices should go higher. Yet, dairy prices are on the rise.

In April of last year, block cheese prices were in the low \$1.50s and Class III hovered around \$15.00/cwt. two months out. Today block cheese is at \$1.87 and Class III futures are \$19.00-\$19.60 two months out. Many 2013 Class IV prices are north of \$20. To many in the industry this doesn't make much sense given the domestic picture. But it's the futures markets for dairy that have led the charge higher. There has been a shift in both our dairy product export volume specifically and our focus to the uncertainty of market conditions ahead in general. The futures markets have reacted.

While it would be short-sighted to think both spot and futures markets will continue to move higher without any momentary downward correction or calm weeks ahead, it appears as though we will be sorting out these recent "bullish" supply/demand changes for several months to come. And that can lead to higher prices still ahead. Moving forward, keep in mind that the best hedging decisions are made when you acknowledge that market movements are largely unpredictable and that a hedge should always seek to minimize — not add — physical price risk first and foremost. 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



### Milk Specialties Global now offers casein

**EDEN PRAIRIE, Minn.** — Milk Specialties Global, which produces high-quality milk and whey proteins, announced this week that it is adding casein to its product portfolio. Production began March 6 at its Norfolk, Neb., facility, and the company says it is the first U.S. casein production in more than 50 years.

Markets include ready-to-drink nutritional beverages, sports nutrition powders, protein bars, yogurts, processed cheeses, chocolates and candy baking goods, coffee creamers, spreads, ice creams, frozen desserts, soups and gravies.

The United States is the major world market for casein consumption, yet it has been entirely dependent on imports of this commodity, Milk Specialties Global says. The company estimates its initial production to be more than 5 million pounds annually.

Casein proteins are the major portion of milk proteins and are known for sustained release and satiety-enhancing properties, says Suvash Kafley, director of research and development, Milk Specialties Global.

"With growth in casein awareness and demand of milk proteins, we are producing caseins, caseinates, native

micellar caseins and low-grit micellar caseins. Additionally, our caseins are customizable to sodium caseinate or calcium caseinate," Kafley says.

"Our caseins are produced by using membrane filtration to isolate casein, from milk, in its native state," Kafley adds. "Traditional processing methods use acid to drop the pH of milk and precipitate it out. This precipitated casein is washed and decanted to yield what is known as acid casein. This method denatures the casein structure and strips out the naturally occurring minerals that are found in milk."

Milk Specialties Global CEO David Lenzmeier says the company is excited about this cleaner process.

"Dual-step membrane filtration isolates the casein protein to the functional level that caseinates are desired for, while producing a better quality, intact protein," he says. "You can taste the difference; our native micellar casein has a nice, clean flavor. We're also thrilled to be able to add domestic casein to the U.S. marketplace for our customers."

For more information, contact Steven O'Reilly at [soreilly@milkspecialties.com](mailto:soreilly@milkspecialties.com), or visit [www.MilkSpecialties.com](http://www.MilkSpecialties.com). **CMN**

### Dairy.com announces agreement to acquire Blimling and Associates, sister companies

**FRISCO, Texas** — Dairy.com, provider of cloud-based dairy supply chain solutions and bulk commodity trading, this week announced it has signed a definitive agreement to acquire Blimling and Associates Inc. and its two sister companies. The analysts at Blimling and Associates have provided market insight and intelligence to dairy businesses for two decades.

"Over the years, like many in the industry, Dairy.com has looked to Blimling and Associates for its unique insights," says Scott Sexton, CEO, Dairy.com. "The team is passionate about dairy markets, as demonstrated by its track record and reputation. That's why so many of today's leading dairy enterprises — from farm to plate — partner with Blimling to understand market dynamics and to mitigate market volatility. We're excited to combine those talents with our technology."

The Blimling Companies — comprised of Blimling and Associates Inc., Roger W. Blimling Inc. and Blimling Management Services Inc. — offer a range of services including research publications, ongoing market consultations, customized training and educational programs. Roger W. Blimling Inc.

is a licensed commodity brokerage firm introducing business to ADM Investor Services Inc.

"Joining forces with Dairy.com is a significant milestone in our quest to provide world-class clients with world-class services," says Blimling President and CEO Phil Plourd. "Our long-standing professional and personal relationships with Dairy.com give us great confidence that our clients and other stakeholders will reap 'right team, right technology' benefits."

Plourd says the combination with Dairy.com creates a powerful platform that will help provide broader service offerings, additional coverage depth and increased convenience, but from a day-to-day perspective, things will be the same. Under the new structure, Plourd will continue to lead a team of 11 experienced professionals from his company's base in Madison, Wis., and three other locations across the United States. Leadership and staff will remain in place, phone numbers will not change, and brokerage affiliations will continue.

For more information, visit [www.dairy.com/blimling-acquisition/](http://www.dairy.com/blimling-acquisition/). **CMN**

## NEWS/BUSINESS



## Study looks at short-term impact of Goodlatte-Scott, Dairy Security Act policy proposals

**MADISON, Wis.** — A paper by a group of university economists that examines potential short-term impacts of two major dairy policy proposals recently was published by the Midwest Program on Dairy Markets and Policy.

“Goodlatte-Scott vs. the Dairy Security Act: Shared Potential, Shared Concerns and Open Questions” was published April 15 by the program’s 2013 Farm Bill Dairy Analysis Group. Authors of the paper include: John Newton, Ohio State University; Marin Bozic, University of Minnesota-Twin Cities; Mark Stephenson and Brian Gould, University of Wisconsin; and Christopher Wolf, Michigan State University.

The report includes analysis which compares the effectiveness and short-run impacts of the Dairy Security Act (DSA) and Goodlatte-Scott dairy safety net

policy proposals. The authors say results suggest that both DSA and Goodlatte-Scott, which allow farmers the option to enroll in margin insurance at various coverage levels, are very effective in providing catastrophic risk insurance for stable and growing dairy farms.

One key difference between the two is that DSA includes the Dairy Market Stabilization Program (DMSP), while Goodlatte-Scott does not.

“The DMSP is a supply management-type program designed to enhance milk prices by occasionally and temporarily reducing the milk supply when IOFC (income-over-feed-cost) margins fall below a specified threshold,” the report says. “The DMSP aims to reduce milk supply and thereby enhance milk prices by imposing income penalties on dairy farmers shipping milk over their assigned

production level.”

The paper notes that DSA has come up against significant resistance by consumer groups, dairy food manufacturers and their trade associations. As a result, an alternative dairy policy reform proposal, Goodlatte-Scott, was developed to include a standalone margin protection program and exclude the DMSP.

With high enough participation rates in the DSA program and low enough price elasticity in milk demand, the study says the DMSP has the potential to reduce government costs and accelerate recovery when margins are low. It adds the DMSP is not likely to provide long-term obstacles to growth for participating farms with an aggressive growth plan unless generous margin insurance induces a long-term oversupply of milk.

The authors say their analysis suggests that under the provisions of Goodlatte-Scott, effective catastrophic margin insurance for aggressively growing farms is limited due to the fixed production history. However, more complete margin risk protection may still be possible using private risk markets to complement government-provided insurance.

“Both programs share contract design features that may result in strategic annual supplemental margin protection sign-up and reduce demand for private risk insurance products—inadvertently increasing policy cost,” the report says. “Under DSA, this problem is somewhat reduced as DMSP provides disincentives for forfeiting supplemental margin insurance in years when anticipated margins are moderately above long run average.”

The primary focus of the study is on the short-term effects of these programs. The authors say the long-term impacts on the growth of milk supply, dairy exports and liquidity of private dairy risk markets

are among important open questions that they do not attempt to address.

The National Milk Producers Federation (NMPF) says this new analysis demonstrates that the DSA, which NMPF advocates for the farm bill, provides the most effective economic safety net for farmers.

“This new report provides independent corroboration of why the DSA is the best choice for saving dairy farmers while protecting taxpayers,” says Jerry Kozak, NMPF president and CEO. “Congress needs to heed this report and pass the Dairy Security Act in 2013 as part of the farm bill.”

Kozak says in particular, the report “debunks any concerns that the DSA’s market stabilization element will hinder the growth of our industry or detrimentally affect the future of the dairy business. This says those fears are unfounded.”

The International Dairy Foods Association (IDFA), which supports Goodlatte-Scott, says the study clearly shows consumers and taxpayers will bear the brunt of bad dairy policy.

“Goodlatte-Scott is a more responsible approach to a government-funded farm bill,” says Jerry Slominski, IDFA senior vice president of economic and legislative affairs. “It provides an effective safety net, according to the Congressional Budget Office, without also imposing an anti-consumer ‘growth management’ program on the dairy industry. The reality is that farmers can have effective risk management tools without the government getting involved in limiting production and forcing consumers to pay more for dairy products, a key provision of the (DSA).”

The full study is available at [dairy.wisc.edu](http://dairy.wisc.edu). **CMN**

## FDA requesting budget increase for FSMA

**WASHINGTON** — FDA is requesting a fiscal year 2014 food safety budget of \$1.5 billion, \$296 million above the fiscal 2012 level, for FDA to protect the U.S. food supply through the implementation of the Food Safety Modernization Act (FSMA).

The Obama administration released its fiscal 2014 budget proposal last week. The resources in FDA’s fiscal 2014 food safety initiative will allow the agency to expand critical activities for implementing FSMA to transform its food and feed safety program, including ensuring the safety of the growing volume of imported food and feed, says Margaret A. Hamburg, FDA commissioner.

“These are tight budget times, and the FDA budget request reflects this reality,” Hamburg says. “Our budget increases are targeted to strategic areas that will benefit patients and consumers, and overall strengthen our economy.”

Overall priorities for modernizing and transforming the FDA food and feed safety program in fiscal 2014 are:

- Developing and implementing preventive control standards.

- Increasing the frequency and accuracy of domestic and foreign inspections. Additional resources for domestic inspections will allow FDA to modernize inspection approaches and compliance programs.

FDA also will use risk information to identify high-risk firms, prioritize firms for inspections, and determine and increase the frequency of inspections. In addition, FDA will conduct microbiological surveillance in strains such as *Salmonella* and monitor high-priority commodities.

- Training of FDA, state and other regulatory partners in new inspection protocols required to ensure uniform compliance with preventive controls requirements.

- Continuing to build the capacity of FDA state partners in order to leverage their programs and resources.

- Implementing FDA’s new FSMA import authorities to ensure the efficient entry of safe imported foods and feeds.

The Obama administration will propose legislation to allow FDA to collect a fee for food establishment registration and inspection. The additional resources will generate an estimated \$59 million to support food safety modernization activities.

Revenue would target new and improved activities required by FSMA, most significantly funding to modernize FDA’s inspection system, by increasing the effectiveness of inspection through adoption of preventive controls and by training of personnel to inspect against the new prevention standards as well as developing new ways of educating and informing industry.

The administration also will propose legislation to allow FDA to collect a fee for food imports, which will generate an estimated \$166 million to support FDA’s food safety efforts. The fee will have exemptions for small importers and a maximum charge for large importers.

FDA has statutory responsibility for the safety of all food contact substances in the United States. To ensure the safety of these products, the Food and Drug Administration Modernization Act (FDAMA) of 1997 established a premarket notification process for food contact substances, known as the Food Contact Notification (FCN) Program.

Food contact substances include components of food packaging and food processing equipment that come in contact with food.

FDA is proposing a new user fee to assure that the Food Contact Notification program operates more predictably by providing a stable, long-term source of funding to supplement budget authority appropriations.

The administration’s budget proposal also includes \$49 million for the Centers for Disease Control and Prevention’s (CDC) food safety activities, an increase of \$176 million above fiscal 2012. **CMN**

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## NEWS/BUSINESS



Photo by Alyssa Sowerwine/Cheese Market News

**CHAMPION BID** — Lennie Ivarson (left), founder of Ivarson Inc., Milwaukee, and his son Glenn Ivarson (right), president of Ivarson Inc., placed the winning bid on a lot of award-winning Gouda made by Marieke Penterman (center) of Holland's Family Cheese, Thorp, Wis., during the U.S. Championship Cheese Contest Auction Wednesday evening. The combined 72-pound lot included Marieke Gouda Mature, the U.S. Champion Cheese, as well as Marieke Gouda Belegen, Marieke Gouda with Foenegreek and Marieke Smoked Belegen. Ivarson placed a winning bid of \$135 per pound, for a total of \$9,720.

## AUCTION

Continued from page 1

made by Marieke Penterman of Holland's Family Cheese, Thorp, Wis. The lot consisted of Marieke Gouda Mature, the 2013 U.S. Championship Cheese Contest Grand Champion, as well as Marieke Gouda Belegen, Marieke Gouda with Foenegreek and Marieke Gouda Smoked Belegen.

Masters Gallery Foods Inc., Plymouth Wis., placed the largest "per pound" bid of the night on 13 pounds of Whole Milk Mozzarella made by Pat Doell of Agropur, Luxemburg, Wis., for \$710 per pound, or a total of \$9,230. The largest total bid of the night was placed by Kraft Foods, Glenview, Ill., on a combined lot of 40 pounds of cheese made by Agropur, Weyauwega, Wis., for \$500 per pound, or

a total of \$20,000.

All winning bids for top cheeses from the contest included:

- **Item 1: Amazing Agropur** — Kraft Foods, Glenview, Ill., purchased a combined 40 pounds of Medium Cheddar (Second Runner Up to the U.S. Champion) made by Cracker Barrel Cheese Team, Agropur Weyauwega for Kraft Foods, Glenview, Ill., as well as a Mild Cheddar and Feta made by Terry Lensmire, Agropur, Weyauwega, for \$500 per pound, or a total of \$20,000.
- **Item 2: Oh Golly Eau Galle** — Sargento Foods, Plymouth, Wis., purchased 20 pounds of Parmesan made by Eau Galle Cheese Factory Team, Eau Galle Cheese Factory, Durand, Wis., for \$220 per pound, or a total of \$4,400.
- **Item 3: Grand Glanbia** — Chr. Hansen, Milwaukee, purchased a combined 40 pounds of Mild Bandaged Cheddar,

Monterey Jack and Reduced Fat Cheddar made by Edhem Cucic, Ahmet Maksic and Joey Pittman, respectively, of Glanbia Foods Inc., Twin Falls, Idaho, for \$140 per pound, or a total of \$5,600.

- **Item 4: Empire Strikes Back** — Custom Fabricating and Repair, Marshfield, Wis., purchased a combined 16 pounds of Smoked Provolone and String made by Steven Scott, Empire Cheese Inc. (Great Lakes Cheese), Cuba, N.Y., for \$200 per pound, or a total of \$3,200.

- **Item 5: Cadillac Carr Valley** — ProActive Solutions, Green Bay, Wis., purchased a combined 34 pounds of Hot Pepper Jack, Cave Aged Marisa Sheep's Milk Cheese and Caso Bolo Mella Mixed Milk Cheese made by Carr Valley Cheese Makers, Carr Valley Cheese Co., LaValle, Wis., for \$130 per pound, or a total of \$4,420.

- **Item 6: Awesome AMPI** — Cherney Microbiological Services, Green Bay, Wis., purchased 10 pounds of Process American Cheese Loaf made by the Process Loaf Team of Associated Milk Producers Inc. (AMPI), Portage, Wis., for \$260 per pound, or a total of \$2,600.

- **Item 7: King Karoun** — *Cheese Market News*, Middleton, Wis., purchased 10 pounds of Oaxaca Hispanic Melting Cheese made by Jaime Graca of Karoun Dairies Inc., Sun Valley, Calif., for \$70 per pound, or a total of \$700.

- **Item 8: Tremendous Tillamook** — T.C. Jacoby and Co., St. Louis, purchased a combined 40 pounds of Sharp Cheddar, White Cheddar and Colby Monterey Jack made by Tillamook County Creamery Association (TCCA), Tillamook, Ore., for \$300 per pound, or a total of \$12,000.

- **Item 9: Mighty Middlefield** — Great Lakes Cheese, Hiram, Ohio, purchased 200 pounds of Baby Swiss made by Jeffrey Helm, Middlefield Cheese, Middlefield, Ohio, for \$50 per pound, or a total of \$10,000.

- **Item 10: Eminent Emmi Roth** —

R. Mueller Service and Equipment Co., Monroe, Wis., purchased a combined 27 pounds of Roth GranQueso Hispanic Cheese and Roth Five Peppercorn Raclette made by Team Emmi Roth USA, Emmi Roth USA, Monroe, Wis., for \$120 per pound, or a total of \$3,240.

- **Item 11: Foremost's Finest** — Ivarson Inc., Milwaukee, purchased a combined 37 pounds of Mozzarella made by Team Appleton, Foremost Farms USA, Appleton, Wis.; Mild Provolone made by Team Clayton, Foremost Farms USA, Clayton, Wis.; and Salted Butter made by Foremost Farms Shift 1, Foremost Farms USA, Reedsburg, Wis., for \$250 per pound, or a total of \$9,250.

- **Item 12: Regal Red Barn** — State-line Dairy Products, Freeport, Ill., purchased 13 pounds of Heritage Weis Reserve Sharp Bandaged Cheddar made by Wayne Hintz, Red Barn Family Farms, Appleton, Wis., for \$170 per pound, or a total of \$2,210.

- **Item 13: Klondike Gold** — Milk Specialties Global, Eden Prairie, Minn., purchased a combined 40 pounds of Mediterranean Herb Feta in Brine made by Steve Buholzer; Havarti and Fat Free Feta in Brine made by Adam Buholzer; and Dill Havarti made by Dave Buholzer, all of Klondike Cheese Co., Monroe, Wis., for \$210 per pound, or a total of \$8,400.

- **Item 14: Beau Bel Brands** — B Team, Colby, Wis., purchased 10 pounds of Sharp Cheddar Cold Pack Cheese Spread made by Anjan Reddy, Bel Brands USA, Little Chute, Wis., for \$210 per pound, or a total of \$2,100.

- **Item 15: Masterful Masters Gallery** — Wisconsin Aging and Grading Cheese Inc., Little Chute, Wis., purchased 10 pounds of Shredded Italian Five-Cheese Blend made by Masters Gallery Team, Masters Gallery Foods, Plymouth, Wis., for \$265 per pound, or a total of \$2,650.

- **Item 16: Sumptuous Sartori** — GEA Westfalia Separator Group, Northvale, N.Y., purchased a combined 40 pounds of Sartori Reserve Extra-Aged Asiago and Sartori Reserve Espresso BellaVitano made by Mike Matucheski, Sartori Co., Antigo, Wis., for \$180 per pound, or a total of \$7,200.

- **Item 17: Golden Graf** — Ivarson Inc., Milwaukee, purchased 10 pounds of Creamery Unsalted Butter made by Team Graf, Graf Creamery Inc., Bonduel, Wis., for \$70 per pound, or a total of \$700.

- **Item 18: Holey Guggisberg!** — Chr. Hansen, Milwaukee, purchased a 200-pound Swiss block made by Team Guggisberg Sugarcreek, Guggisberg Cheese, Millersburg, Ohio, for \$25 per pound, or a total of \$5,000.

- **Item 19: Majestic Great Lakes** — Kelley Supply Inc., Abbotsford, Wis., purchased 40 pounds of Aged Cheddar made by Timothy Elmer, Great Lakes Cheese, Adams, N.Y., for \$210 per pound, or a total of \$8,400.

- **Item 20: Magnifique Montchevre** — Winona Foods, Green Bay, Wis., purchased 10 pounds of Mini Cabrie Goat's Milk Cheese made by Jim Donahue, Montchevre-Betin Inc., Belmont, Wis.,

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## NEWS/BUSINESS



### BIDDERS

*Continued from page 6*

for \$115 per pound, or a total of \$1,150.

- Item 21: Super Southwest — Kelley Supply Inc., Abbotsford, Wis., purchased a 40-pound Colby block made by Southwest Cheese B Crew, Southwest Cheese Co., Clovis, N.M., for \$140 per pound, or a total of \$5,600.

- Item 22: Zimmermania — GEA Westfalia Separator Group, Northvale, N.Y., purchased a combined 22 pounds of Muenster and Reduced Sodium Muenster made by Walter Hartwig, Zimmermann Cheese Inc., South Wayne, Wis., for \$150 per pound, or a total of \$3,300.

- Item 23: Best in Blues — Dupont, Wilmington, Del., purchased a combined 25 pounds of Gorgonzola made by Team Mindoro, Swiss Valley Farms, Mindoro, Wis., and St. Pete's Select Cave Aged Blue Cheese made by Caves Team, Caves of Faribault, Faribault, Minn., for \$150 per pound, or a total of \$3,750.

- Item 24: Bellissimo BelGioioso — GEA Westfalia Separator Group, Northvale, N.Y., purchased a combined 52 pounds of BelGioioso Sharp Provolone made by Bill Kocha, BelGioioso Burrata Fresh Mozzarella made by Edoardo La Torre, BelGioioso Mascarpone made by Bill Codr and BelGioioso Romano made by Bill Sikorski, all of BelGioioso Cheese Inc., Green Bay, Wis., for \$130 per pound, or a total of \$6,760.

- Item 25: Biery's Best — Pacific Cheese, Hayward, Calif., purchased 10 pounds of Naturally Smoked Pasteurized Process Cheddar made by Joe Wilson, Biery Cheese Co., Louisville, Ohio, for \$150 per pound, or a total of \$1,500.

- Item 26: Lactalis Fantastique — DSM Food Specialties USA, Menomonee Falls, Wis., purchased a combined 20 pounds of Galbani Marinade Soft Cheese made by Lactalis American Group, Tipton, Calif.; Brie Light made by Belmont Wisconsin Team, Lactalis American Group, Belmont Wis.; and Rondele Gourmet Spreadable Cheese with Blue made by Keith Turzinski, Lactalis USA Inc., Merrill, Wis., for \$150 per pound, or a total of \$3,000.

- Item 27: Red Rock & Roelli — MCT Dairies, Millburn, N.J., purchased 10 pounds of Red Rock Blue Veined Cheese made by Chris Roelli, Roelli Cheese, Shullsburg, Wis., for \$210 per pound, or a total of \$2,100.

- Item 28: Greater Decatur — R. Mueller Service and Equipment Co., Monroe, Wis., purchased 10 pounds of Havarti with Pepper made by Matt Henze, Decatur Dairy Inc., Brodhead, Wis., for \$300 per pound, or a total of \$3,000.

- Item 29: Sensational Spring Brook — MCT Dairies, Millburn, N.J., purchased a combined 35 pounds of Tarentaise (First Runner Up to the U.S. Champion), a Vermont Alpine cheese, and Reading, a Vermont Artisan Raclette, made by Farms For City Kids Foundation/Spring Brook Farm, Reading, Vt., for \$40 per pound, or a

total of \$1,400.

- Item 30: Stunning Henning — ProActive Solutions, Green Bay, Wis., purchased 40 pounds of Chipotle Pepper Cheddar made by Kerry Henning, Henning's Cheese, Kiel, Wis., for \$150 per pound, or a total of \$6,000.

- Item 31: Edelweiss Excellence — KOSS Industrial, Green Bay, Wis., purchased 10 pounds of Butterkase semi-soft cheese made by Team Edelweiss, Edelweiss Creamery, Monticello, Wis., for \$240 per pound, or a total of \$2,400.

- Item 32: Burnished Burnett — D.R. Tech, Grantsburg, Wis., purchased 12 pounds of Alpha's Morning Sun with Rosemary made by Bruce Willis, Burnett Dairy Co-op, Grantsburg, Wis., for \$340 per pound, or a total of \$4,080.

- Item 33: Awesome Agropur —

Masters Gallery Foods Inc., Plymouth, Wis., purchased 13 pounds of Whole Milk Mozzarella made by Pat Doell, Agropur, Luxemburg, Wis., for \$710 per pound, or a total of \$9,230.

- Item 34: Perfect Pine River — Novak's Cheese, De Pere, Wis., purchased 12 pounds of Swiss and Almond Cold Pack Cheese Food made by Harold Patzke, Pine River Prepack, Newton, Wis., for \$330 per pound, or a total of \$3,960.

- Item 35: Mill Creek Marvel — R. Mueller Service and Equipment Co., Monroe, Wis., purchased 10 pounds of Smoked Brick cheese made by John Pitman, Mill Creek Cheese, Arena, Wis., for \$100 per pound, or a total of \$1,000.

- Item 36: Oro por Nuestro — R. Mueller Service and Equipment Co.,

Monroe, Wis., purchased 10 pounds of Queso Fresco made by Team Nuestro Queso, Nuestro Queso LLC, Kent, Ill., for \$110 per pound, or a total of \$1,100.

- Item 37: Heavenly Heartland — Dairy Connection, Madison, Wis., purchased 10 pounds of Chevre with cranberries and pecans made by Heartland Creamery, Newark, Mo., for \$30 per pound, or a total of \$300.

- Item 38: Holland's Champion — Ivarson Inc., Milwaukee, purchased a combined 72 pounds of Marieke Gouda Mature (U.S. Champion), Marieke Gouda Belegen, Marieke Gouda with Foenegreek and Marieke Gouda Smoked Belegen made by Holland's Family Cheese team, Holland's Family Cheese, Thorp, Wis., for \$135 per pound, or a total of \$9,720. CMN

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## NEWS/BUSINESS



## California Milk Advisory Board receives national PR awards for Real Seal Appeal program

**SOUTH SAN FRANCISCO, Calif.** — The California Milk Advisory Board (CMAB), in conjunction with public relations agency Ketchum, recently was recognized with two national public relations awards for its Real Seal Appeal schools program.

The campaign was named community relations campaign of the year by *PRWeek* and corporate social responsibility (CSR) community affairs program of the year by *PRNews*. The

campaign also was nominated as one of five finalists for best overall campaign of the year.

Launched in the fall of 2011, Real Seal Appeal was part of an integrated marketing program in support of California milk and dairy in 10 Southern California counties spanning from San Luis Obispo to San Diego. The program provided nutrition education information to classrooms and enlisted elementary school teachers, children

and families to collect Real California Milk seals from dairy products in order to participate. The seal collection program reached about 100 school districts and engaged families by asking them to submit the seals to their local classrooms for a chance to win cash, books and school supplies for their districts.

"The Real Seal Appeal program

was a collaborative effort of families, teachers and dairy farmers all coming together to give much needed resources and supplies to local schools while building a better understanding of the important role dairy families and dairy products play in the community and in health," says Jennifer Giambroni, director of communications, CMAB. CMN

## Sartori Co. donates \$28,000 to Make-A-Wish

**GREEN BAY, Wis.** — Sartori Co., Plymouth, Wis., recently announced the results of its 2012 sponsorship of Mason Crosby and the Green Bay Packers Radio Network in support of the Make-A-Wish Foundation. Sartori Co. pledged to donate \$1,000 to Make-A-Wish for every successful pre- and regular season field goal and \$1,500 for each post-season field goal made during the 2012 season.

Sartori Co. CEO Jim Sartori and his wife Jan, along with Mason and Molly Crosby, on April 11 presented the Make-A-Wish Foundation with a check for \$28,000 from the 2012 season. Crosby

was among team leaders in scoring for the sixth straight year, converting four successful pre-season kicks, 21 regular season kicks and two post season kicks.

"Mason is an outstanding athlete and member of our community," Sartori says. "Our team members at Sartori are proud to be able to donate \$28,000 to Make-A-Wish. We know the money contributed will help bring real joy into the lives of those who need it most. I hope we're able to continue to build our relationship with Make-A-Wish, Mason and the Packers Radio Network moving into the future." CMN

## Deadline for NMPF's scholarship is May 3

**ARLINGTON, Va.** — The deadline is May 3 for applications for National Milk Producers Federation's (NMPF) National Dairy Leadership Scholarship Program.

Graduate students actively pursuing research that will directly benefit milk marketing cooperatives and dairy producers are encouraged to apply. Applicants do not need to be members of NMPF to qualify.

Scholarship recipients will be se-

lected by NMPF's board of directors in June. The top scholarship applicant will be awarded the Hintz Memorial Scholarship, which was created in 2005 in honor of Murray Hintz, former board chairman, Cass-Clay Creamery. Hintz was instrumental in establishing NMPF's scholarship program.

For an application or more information visit [www.nmpf.org](http://www.nmpf.org) or call 703-243-6111. CMN

## SMP falls, others increase at GDT auction

**AUCKLAND, New Zealand** — The trade weighted index increased 0.6 percent, and average prices for most commodities saw modest increased Tuesday following the latest auction on GlobalDairyTrade (GDT), Fonterra's internet-based sales platform.

The average price achieved across all contracts and contract periods for skim milk powder fell 3.2 percent Tuesday to US\$4,757 per metric ton FAS (\$2.1577 per pound).

Average prices for other commodities offered were up Tuesday. The average prices and percent increase are as follows:

- Rennet casein: US\$10,060 per metric ton FAS (\$4.5631 per pound),

up 7.2 percent.

- Butter: US\$4,721 per metric ton FAS (\$2.1414 per pound), up 6.8 percent.

- Anhydrous milkfat: US\$4,964 per metric ton FAS (\$2.2516 per pound), up 5.9 percent.

- Cheddar: US\$4,753 per metric ton FAS (\$1.8062 per pound), up 3.4 percent.

- Whole milk powder: US\$5,245 per metric ton FAS (\$2.3791 per pound), up 2.4 percent.

- Buttermilk powder: US\$3,982 per metric ton FAS (\$1.8062 per pound), up 1.3 percent.

The next trading event will be held May 1. For more information, visit [www.GlobalDairyTrade.info](http://www.GlobalDairyTrade.info). CMN

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## PEOPLE



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

**Data Specialists Inc.**, (DSI), Elkhorn, Wis., has announced the addition of two new employees. **David Alderman** has been hired as business & process manufacturing analyst and **Sharon Boushon** has been hired as quality assurance engineer. Alderman is a 30-year veteran of large-scale manufacturing industries, including dairy bottling, distribution, military aerospace electronics and composites. He has focused on ERP manufacturing software technology, operations analysis and process engineering. In his new role, Alderman will work with DSI customers to provide software and operations assistance. Boushon has background in IT, including 15 years as a programmer/analyst before moving into quality assurance testing. As quality assurance analyst, she will assess DSI's new software development projects and programming quality

assurance.

**Proliant Dairy Ingredients**, Ankeny, Iowa, has announced the addition of **Daniel Landero** and **Zahid Mozaffar** to its management team. Landero has been hired as regional manager for Latin America. He will lead Proliant's new office in Queretaro, Mexico, and direct the development of markets for the dairy ingredient VersiLac in Central and South America. Previously, Landero worked in product development, applications research and business development in Mexico. Mozaffar, who has a Ph.D., has previous experience in enzymology and protein fractionation, including work in both dairy and soy protein and protein byproducts. In his new role, Zahid will be responsible for leading Proliant's efforts targeting new product development, continuous quality improvement, and technical market support. CMN



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## NEWS/BUSINESS



## United States welcomes Japan's TPP participation; dairy organizations commend decision

WASHINGTON — The United States last Friday announced its approval of Japan's participation in the Trans-Pacific Partnership (TPP) negotiations, pending a consensus agreement among the current TPP members. Japan will become the 12th member once it joins the TPP, which in addition to the United States also includes Australia, Brunei Darussalam, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

Acting U.S. Trade Representative Demetrios Marantis says Japan's entry into the TPP will help it to deliver significant economic benefits to the United States, Japan and the Asia-Pacific region.

"Since November 2011, the United States has been engaged in consultation with Japan focused on Japan's readiness to meet the TPP's high standards for liberalizing trade and investment, and to address specific bilateral issues of concern in the automotive and insurance sectors, as well as other Japanese non-tariff measures," Marantis says, adding that the United States and Japan now have successfully completed these

consultations with a robust package of actions and agreements.

Dairy industry organizations have commended the United States' decision to include Japan, which is the fifth largest market for U.S. dairy exports.

"The addition of Japan greatly expands the scope of the TPP, and that market is a significant opportunity for U.S. dairy exports," says Clay Hough, senior group vice president, International Dairy Foods Association (IDFA).

Japan's economy is second only to China's in the region, and it is the United States' fourth-largest agricultural export market overall, despite maintaining substantial import barriers, IDFA notes. U.S. food and agricultural exports to Japan in 2012 were valued at \$13.5 billion.

U.S. suppliers shipped \$284 million worth of cheese, whey proteins, milk powder and other dairy products to Japan in 2012, the U.S. Dairy Export Council (USDEC) says.

"Japan greatly enhances the potential value of the TPP to U.S. dairy producers and processors," says Jaime Castaneda, senior vice president for

strategic initiatives and trade policy, USDEC and National Milk Producers Federation (NMPF). "Japan is the third-largest economy in the world and already a major dairy importer. Reducing excessive tariffs and removing non-tariff barriers to trade will significantly increase U.S. dairy export opportunities, which helps drive overall U.S. dairy industry growth."

Castaneda adds that U.S. negotiators need to secure in the ongoing talks effective disciplines on sanitary and phytosanitary (SPS) measures, strong defense of common food names and meaningful competition policy changes in New Zealand's dairy sector.

The 17th round of TPP negotiations takes place May 15-24 in Lima, Peru. **CMN**

## IMMIGRATION

*Continued from page 1*

already in this country illegally. And it would modernize our legal immigration system so that we're able to reunite families and attract the highly-skilled entrepreneurs and engineers who will help create good paying jobs and grow our economy."

Last Friday, before the introduction of the Senate bill proposal, the Agriculture Workforce Coalition (AWC) and United Farm Workers (UFW) reached an agreement on a framework for immigration reform with the help of U.S. Sens. Rubio, Bennet, Dianne Feinstein (D-Calif.) and Orrin Hatch (R-Utah).

The National Milk Producers Federation (NMPF), a founding member of AWC, says the framework and objectives of this agreement represent a positive step toward providing America's dairy farmers access to a legal workforce now and in the future.

"The coalition is committed to including an agricultural guest worker program and supporting the general framework negotiated in any final immigration reform package," Kozak says.

"For many farmers across the country, finding a sufficient number of workers to harvest crops or care for animals is the biggest challenge they face in running their businesses," Kozak adds. "There is a shortage of U.S. workers willing and able to perform farm work. Securing a reliable and competent workforce for our nation's farms and ranches is essential to ensuring that American consumers continue to enjoy abundant and affordable food on their grocery store shelves."

Western United Dairymen (WUD) and the American Farm Bureau Federation (AFBF), also members of AWC, last week praised the AWC-UFW agreement and say they look forward to working with House and Senate leaders as immigration reform legislation moves through Congress.

In an AWC press conference Wednesday, NMPF President and CEO Jerry Kozak thanked the bipartisan group of senators for hearing the industry's concerns over immigration reform and said NMPF has made fixing the broken immigration system one of its highest priorities over the past decade.

"What we're working with lawmakers to do is not merely fixing a broken

system, but scrapping an old set of unworkable rules and replacing it with something better," Kozak said during the press conference. "The approach in this agreement is better for employers, better for employees, better for law enforcement, better for the economy — better for America."

Kozak pointed to four items essential to dairy farmers that he says any eventual deal on immigration reform must contain:

- Establishment of a blue card for experienced agricultural workers, which provides a means for farmers to keep their existing workforce;
- Creation of a new visa system for future workers that is easy to use and affordable;
- Assurance of the future flow of new workers as the economy and jobs shift and evolve, as dairy farmers must have a means to recruit and hire new dairy workers for a long period of time; and
- Elimination of the seasonality element of any ag visa program such as H2A, which prevented U.S. dairy farmers from using it.

The National Restaurant Association released a statement Tuesday commending the eight senators who introduced the immigration reform bill this week. The organization says it believes the proposal has the right framework to tackle its three key priorities, which include a pathway to legal work status, a national employment verification system and improved border security that would help prevent illegal border crossings while encouraging legitimate travel and tourism.

"We look forward to working with legislators to address some deficiencies in the guest worker program framework, and to improve the employment verification component of the legislation," says Dawn Sweeney, president and CEO, National Restaurant Association. "However, we again commend the 'Gang of Eight' for their bipartisan efforts moving a comprehensive immigration reform package forward."

Kozak says while much of the work on comprehensive immigration reform has been done, there still is more to do. Negotiations will continue as members of the Senate debate the legislation, and the discussion also begins in the House of Representatives.

The 844-page immigration reform proposal is available at [www.schumer.senate.gov/forms/immigration.pdf](http://www.schumer.senate.gov/forms/immigration.pdf). **CMN**

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# NEWS/BUSINESS



## Licensed cheese imports total 13.1 million pounds in March, 36.0 million pounds YTD

WASHINGTON — March U.S. imports of cheese subject to licensing requirements totaled 13.1 million pounds, up 7 percent from March 2012, according to the latest data released by USDA's Foreign Agricultural Service. January-March licensed imports of cheese totaled 36.0 million pounds, up 3 percent from the same period last year. *(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 Emmentaler with eye formation totaled 3.6 million pounds in March, up 11 percent from a year earlier. January-March licensed imports of these cheeses totaled 9.7 million pounds, up 6 percent from January-March 2012.

Edam and Gouda imports subject to licensing requirements totaled 1.0 million pounds in March, up 31 percent from March 2012. January-March licensed imports of these cheeses totaled 2.4 million pounds, up 15 percent from the same period last year.

March licensed Cheddar imports totaled 958,020 pounds, up 109 percent from a year earlier. January-March licensed Cheddar imports totaled 2.8 million pounds, up 14 percent from January-March last year.

Licensed imports of Italian-type cheeses in March totaled 868,723 pounds, down 23 percent from March 2012. January-March licensed imports of these cheeses totaled 2.3 million pounds, down 22 percent from the first three months of 2012.

March licensed imports of Blue mold cheeses totaled 475,567 pounds, up 30 percent from March 2012. January-March licensed imports of Blue mold cheeses totaled 1.2 million pounds, up 5 percent from the same months last year.

Processed Gruyere imports subject to licensing requirements totaled 532,620 pounds in March, up 21 percent from March 2012. January-March licensed imports of processed Gruyere totaled 1.1 million pounds, down 8 percent from January-March 2012.

Licensed imports of other cheese not-specifically-provided-for (NSPF) totaled 5.6 million pounds in March, down 4 percent from a year earlier. January-March licensed imports of other cheese NSPF totaled 16.5 million pounds, up 4 percent from the first three months of 2012.

Licensed imports of other lowfat cheese NSPF totaled 7,209 pounds in March, compared with no imports of this cheese category in March 2012. January-March licensed imports of other lowfat cheese NSPF also totaled 7,209 pounds, up from no imports of these cheeses during the same 2012 period.

Butter imports subject to licensing requirements in March totaled 974,570 pounds, up 92 percent from March 2012. January-March licensed butter imports totaled 2.5 million pounds, up 53 percent from the same period last year.

Licensed imports of butter substitutes totaled 989,698 pounds in March, down 9 percent from a year earlier. January-March licensed imports of butter substitutes totaled 1.7 million pounds, up 28 percent from the same period last year.

January-March imports of high-tier cheese and other dairy products totaled 7.0 million pounds, down 6 percent from January-March 2012. Italian-type cheeses lead high-tier imports for this period at 3.1 million pounds, down 19 percent from a year earlier. Following this category is "Other Cheese NSPF" at 1.5 million pounds exported January-March, up 2 percent from the same period last year. **CMN**

## Roberts Dairy to market milk, dairy products under Hiland Dairy label beginning in May

SPRINGFIELD, Mo. — Roberts Dairy recently announced it will begin marketing its milk and dairy products under the Hiland Dairy Foods label beginning in May. Roberts Dairy has been a division of Prairie Farms - Hiland Dairy since 1981. Hiland Dairy has been producing milk and dairy products, serving the Midwest for more than 75 years.

"This will be a great match of farmer-owned dairies," says Gary Aggus, president/general manager, Hiland Dairy. "Blending the Hiland and Roberts Dairy brands is a natural progression that ensures we'll continue to deliver the same fresh, high quality milk and tasty dairy foods that consumers have enjoyed for generations."

Hiland Dairy is an 11-plant operation with locations in Arkansas, Kansas, Missouri, Nebraska and Oklahoma. Hiland's

products include milk, ice cream, yogurt, cottage cheese, sour cream and dips, half and half, whipping cream, orange juice, butter and cheese. The dairy products will continue to be made with milk from cows not treated with antibiotics or artificial growth hormones, the company says. The company serves customers in several states, including Arkansas, Colorado, Iowa, Kansas, Missouri, Nebraska, Oklahoma, Texas and Wyoming.

"The only thing changing is the label on the package," Aggus says. "Under the Hiland brand, Roberts is still the same, local, farmer-owned dairy that has delivered wholesome products to its customers for more than 100 years and will continue to produce milk in Omaha and Kansas City."

For more information, visit [www.hilanddairy.com](http://www.hilanddairy.com). **CMN**

## LABEL

*Continued from page 1*

would not require additional description on the label. *(See "FDA to consider petition on flavored milk" in the Feb. 22, 2013, issue of Cheese Market News.)*

After thousands of responses from consumers who appeared to fear that non-nutritive sweeteners would no longer be listed anywhere on the label, FDA this week published a clarification in the "Consumer Updates" section of [www.fda.gov](http://www.fda.gov), explaining that the ingredients list would not be affected by the petition.

FDA has received more than 33,000 comments on the issue to date. The petition remains open for comment until May 21, 2013.

"Based on these comments, we're seeing a fair amount of confusion about what the labeling change would actually mean," says Mary Poos, deputy director of FDA's Office of Nutrition, Labeling and Dietary Supplements.

Among the comments publicly posted on [www.regulations.gov](http://www.regulations.gov) are several that focus on the use of the artificial sweetener aspartame and request that it not be added to milk without labeling it.

"Please keep aspartame out of milk!" comments Mary A. Williams of Delaware in a submission posted Feb. 27. "If this proposal is accepted and does not require labeling on the product, it means people with an intolerance to aspartame would have to avoid dairy as a food group! This is not acceptable!"

In another comment posted March 4, Patrick van Enschot of the Netherlands says, "The public has a right to know what it's ingesting to make an informed choice. What is in the product, should be on the package!"

The FDA clarification notes that people commenting in response to the Federal Register notice appear to be under the impression that the non-nutritive sweeteners will not be listed anywhere on the product, which is not the case. They would still be named in the ingredients list on the package.

The petition seeks to allow milk with non-nutritive sweeteners to be labeled without the use of "reduced calorie" or other such modifications to its name on the package's main display panel.

"If we granted the petition, a carton of chocolate milk made with non-nutritive sweeteners would simply say 'chocolate milk,' the same as a carton made with nutritive sweeteners, such as sugar," says Felicia Billingslea, director of FDA's Food Labeling and Standards staff. "You would need to read the ingredients list, which is typically on the back or the side of the product, in order to tell the difference between the two."

FDA says in particular it is interested in hearing if consumers believe the proposed change in FDA's milk regulations will provide sufficient information for consumers to understand what is in the milk they're buying and if it would create an increased burden for consumers who want to know whether a product contains a nutritive or non-nutritive sweetener.

The IDFA petition also states that flavored milk labels with descriptions such as "reduced calorie" are unattractive to children, so FDA says it would like to know if children's purchasing habits are affected by flavored milk labels that currently bear these descriptions.

Earlier this month, IDFA Vice President Cary Frye appeared on "The Dr. Oz Show" to discuss this issue and present the industry's position, reassuring consumers that all dairy products would continue to communicate ingredients on the ingredients label.

"We want to be able to compete with other beverages such as low-calorie sports drinks and diet sodas that have the exact same labeling that we're asking for," Frye said on the show.

She also stressed in her interview with Dr. Mehmet Oz that the petition would only affect sweetened dairy products and that sweeteners would not be added to white milk. She explained that all ingredients still would be listed on the label and that the petition is asking for flexibility to provide consumers with low-calorie options. **CMN**

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## NEWS/BUSINESS



## Investing in Innovation



Photo by Alyssa Sowerwine/Cheese Market News

**LA CROSSE, Wis.** — Donors who have contributed to the fundraising campaign for construction of a new University of Wisconsin Center for Dairy Research (CDR) and renovation of the Babcock Hall Dairy Plant were honored Wednesday at a luncheon during the 2013 Wisconsin Cheese Industry Conference (WCIC) in La Crosse, Wis.

More than \$17 million has been raised from private donors, including *Cheese Market News*, for the project. That amount surpasses the initial fundraising goal by more than \$1 million.

"Our industry needed a new Center for Dairy Research, and we (reached the fundraising goal) in less than a year; congratulations!" says John Umhoefer, executive director of the Wisconsin Cheese Makers Association, which along with CDR hosts the WCIC.

John Lucey, CDR director, notes that thanks to the donation efforts from across Wisconsin and the United States, the project is nearing the end of its first phase, and the design process is likely to begin this summer.

Dave Fuhrmann (left podium), president and CEO of Foremost Farms USA, is campaign co-chair. Lou Gentine (right podium), chair and CEO of Sargento Foods, Plymouth, Wis., and one of the fundraising campaign heads, notes the cheese industry is a community of camaraderie, friendship and support.

"This (raising funds for the project) was such an easy task, and it's representative of an industry that we all participate in and we all love," Gentine says. It was one year ago that CDR kicked off the fundraising campaign for the project.

For a listing of CDR project donors pledging more than \$10,000, visit [www.cdr.wisc.edu](http://www.cdr.wisc.edu). For more photos from this week's conference, visit *CMN's* Facebook page at [www.facebook.com/cheesemarketnews](http://www.facebook.com/cheesemarketnews). **CMN**

## WHEY

Continued from page 1

1. Create a long-term goal to eliminate land disposal of saleable whey or other co-products. Within 10 years, all saleable whey produced in Wisconsin should go to value-adding purposes, such as food, animal feed or energy production (returning at least the whey value inherent in the cheesemilk price), Lucey says.

2. The study notes that a lack of advanced technical knowledge on whey processing within some dairy companies is a barrier inhibiting their interest in producing valued-added products. The report recommends the creation of new supports for small and medium-sized cheese plants to move from whey disposal to minimal processing or to value-added processing of whey, such as:

- Education, including specific training programs on advanced whey processing and workforce development assistance.

- Financial, such as micro-grants to link whey producers with financial and technical advisors on possible options. Another option is capital investment grants, or access to capital, to help with the purchase of new equipment for cooling or membrane filtration. Partners could include Wisconsin state or local government, and regional economic development support, Lucey says.

- Industry awareness, such as statewide and regional workshops to explore technical and financial options for plants.

3. Research technical issues that affect maximum utilization of whey and whey permeate, including:

- Economically-viable cooling systems for whey from small plants.

- How to add flavors or spices to cheese without contaminating the whey

(best practices).

- How to color cheese without coloring the whey.

- How to handle difficult whey/co-products, such as acid whey or Greek yogurt whey and permeate.

- Options for handling small whey volumes, pooling, storage and delivery options.

- Finding economically-feasible options to process whey permeate into value-added products (food and fuel).

4. Compile statistics on the utilization of whey and whey permeate in Wisconsin to inform decisions on strategies to improve the whey sector and to delineate change over time. The study says this can be done by:

- Collecting annual statistics on the production of raw whey, processed whey products and byproducts such as whey permeate, for the Wisconsin whey industry.

- Cataloging resources available to cheesemakers and whey processing plants in the Wisconsin dairy industry.

5. Create best practice parameters for shipment of raw whey, with the ultimate goal to have all whey shipped at refrigeration temperature for best quality whey products and to minimize food safety concerns.

- The study recommends the dairy industry, CDR and DATCP's Division of Food Safety create parameters for safe shipment of warm whey. In the future, these parameters may be the basis for amending existing dairy plant regulations, the study says.

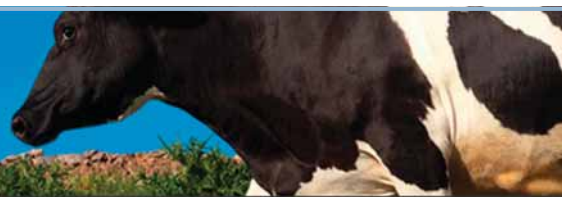
- Parameters could include time and temperature limits for non-refrigerated whey between whey generation at the shipping plant and whey processing or cooling at the receiving plant; pH of the whey and any processing steps that may prevent lactic acid production by bacteria present in the whey; processing steps that may reduce competing microbial levels and thereby increase the risk of staphylococcal enterotoxin formation in warm whey; sanitation steps taken to prevent contamination of whey with vegetative non-spore-forming pathogenic bacteria; and monitoring and documentation to verify safety.

6. Encourage partnership between dairy companies and local authorities to collaborate on the processing or treatment of whey or co-products for energy production. Potential partners include the Wisconsin Office of Energy Independence, Wisconsin Department of Natural Resources and DATCP, the study says.

7. Further investigate whey market opportunities and engage Wisconsin whey processors to identify common and potential needs. Specific inquiries could include technical knowledge, workforce training and human capital development; value of a Wisconsin whey brand; attraction strategies for whey value chain expansion locations within Wisconsin; and global market opportunities.

The full study is available online at <http://datcp.wi.gov> by searching "whey." **CMN**

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