US Cheese Output Posted Third Straight Monthly Decline In March

Cheese Production In First Quarter Of 2019 Was Down 0.3% From A Year Earlier; Cheddar, Butter, Dry Whey Output Fell In March

Washington—US cheese production during March totaled 1.101 billion pounds, down 0.7 percent from March 2018 and the third straight decline in monthly cheese production, USDA’s National Agricultural Statistics Service (NASS) reported Thursday.

January cheese production was initially estimated by NASS to be 1.1 billion pounds, up 0.4 percent from January 2018. Since the original estimate, both January 2018 and January 2019 cheese production have been revised, and the new estimate for January 2019, 1.098 billion pounds, is down fractionally from January 2018.

February’s cheese production was initially estimated to be 991.4 million pounds, up 0.5 percent from February 2018. February 2019 output was revised down slightly, to 991.3 million pounds, while February 2018 output was revised up by about 6.9 million pounds. With those revisions, February cheese production was down 0.7 percent from February 2018.

With these revisions, US cheese production during 2019’s first quarter, at 3.19 billion pounds, was down 0.3 percent, or 9.2 million pounds, from 2018’s first quarter.

Regional cheese production during March, with comparisons to March 2018, was: Central, 507.4 million pounds, down 0.7 percent; West, 460.1 million pounds, down 0.6 percent; and Atlantic, 133.1 million pounds, down 0.8 percent.

March cheese production in the states broken out by NASS, with comparisons to March 2018, was: Wisconsin, 293.3 million pounds, down 0.7 percent; California, 209.1 million pounds, down 3.1 percent; Idaho, 89.7 million pounds, up 4.2 percent; New Mexico, 77 million pounds, up 1 percent; Minnesota, 62.5 million pounds, down 1.4 percent; Pennsylvania, 58.5 million pounds, up 3.8 percent; Iowa, 28.4 million pounds, up 18 percent; South Dakota, 23.4 million pounds, down 7.8 percent; Ohio, 19 million pounds, down 6.1 percent; Oregon, 18.1 million pounds, up 5.7 percent; Vermont, 9.8 million pounds, down 19.4 percent; Illinois, 6.4 million pounds, down 15.4 percent; and New Jersey, 5.1 million pounds, down 2 percent.

American-type cheese production during March totaled 435.1 million pounds, down 1.8 percent from March 2018. January-March American-type cheese output totaled 1.265 billion pounds, down 2.5 percent from the same period last year.

March production of American-type cheese in the states broken out by NASS, with comparisons to March 2018, was: Wisconsin, 85.5 million pounds, down 4.1 percent; California, 54.7 million pounds, down 0.1 percent; Idaho, 52.6 million pounds, up 0.2 percent; Minnesota, 49.8 million pounds, down 3.3 percent; Oregon, 18.1 million pounds, up 5.7 percent; and Iowa, 15.4 million pounds, up 20.5 percent.

Cheddar cheese production during March totaled 309.9 million pounds, down 3.2 percent from March 2018 output.

New Centralized Database Contains All Known Bovine Milk Compounds

Washington—Scientists recently reported in the American Chemical Society’s Journal of Agricultural and Food Chemistry a comprehensive, centralized database of all known bovine milk compounds.

At the macronutrient level, bovine milk is typically composed of water (85 to 87 percent), fats (3.8 to 5.5 percent), proteins (2.9 to 3.5 percent) and carbohydrates (5 percent), the study noted.

At a micro-nutrient level, bovine milk contains many bioactive compounds, including vitamins, minerals, biogenic amines, organic acids, nucleotides, oligosaccharides, and immunoglobulins.

The precise nature and relative abundance of these compounds is a function of many internal and external factors, the study explained. These factors include the metabolic activity within the cow’s mammary tissues, general udder health conditions, the type of feed given to the cow, the activity and abundance of certain microbes in the cow’s ruminal fluid, as well as the microbial activity and enzymatic reactions occurring within the raw milk.

Milk composition also varies with the cattle breed, stage of lactation, level of parity, number of viable pregnancies, as well as milk quality control and processing procedures after milk collection.

Historically, most milk composition studies have been performed using targeted chemical analyses aimed at characterizing specific classes of compounds.

‘New Era Of Smarter Food Safety’ Announced By FDA Leaders

Silver Spring, MD—A “New Era of Smarter Food Safety” was announced Tuesday by Ned Sharpless, acting commissioner of the US Food and Drug Administration (FDA), and Frank Yiannas, deputy FDA commissioner.

“We expect to see more innovation in the agriculture, food production, and food distribution systems in the next 10 years than we’ve seen in the past 20, which will continue to provide an even greater variety of food options and delivery conveniences to American consumers,” Sharpless and Yiannas said. “With this ever-changing landscape, we know we must continue preparing to take advantage of new opportunities that have remained unsolved for decades,” said US Rep. David Rouzer (R-NC), the subcommittee’s top Republican.

“Today’s dairy farmers face challenges on multiple fronts, but also great opportunities,” said Andrei Mikhailovsky, president and CEO of California Dairies, Inc. (CDI).

International trade is a “critical component” of the US dairy economy, Mikhailovsky pointed out; 16 percent of US milk production is exported.

“Due to the dependence on exports and world prices our dairy farm incomes are highly entwined with trade policy matters, meaning that expanding exports are vital to the health of our farms,” said Jim Costa (D-CA), the subcommittee’s chairman.

House Subcommittee Hearing Focuses On Dairy Economy; Importance Of Trade Highlighted

Washington—The House Agriculture Committee’s livestock and foreign agriculture subcommittee held a hearing here Wednesday to review the state of the US dairy economy.

“America’s dairy industry is in crisis, and today’s hearing is just one part of this subcommittee’s continued effort to respond to the challenges facing dairy farmers across this country,” said US Rep. Jim Costa (D-CA), the subcommittee’s chairman.

“Dairymen across the country have faced a multi-year period of low milk prices and trade uncertainty, along with labor challenges that have remained unsolved for decades,” said US Rep. David Rouzer (R-NC), the subcommittee’s top Republican.

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Class 3 and Class 2 Milk Price x 10

Average CME Prices**

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EDITORIAL COMMENT

DIck Groves
Publisher / Editor
Cheese Reporter
e: dgroves@cheesereporter.com
tw: @cheesereporter

Another Reminder

That Federal Order Reforms Are Overdue

Last month, a request to reduce shipping requirements and increase diversion limits in the Upper Midwest federal milk marketing order was approved by Vic Halverson, the order’s market & administrator. The request, as well as comments received on the request, provide some of the latest evidence that another round of federal order reforms is long overdue.

It’s actually been about 23 years since the last round of federal order reforms started. Under the 1996 farm bill, which was signed into law by President Bill Clinton in early April of that year, USDA was required to, among other things, reduce the number of federal orders to no more than 14 and no less than 10 (USDA ultimately settled on 11 federal orders) and to look into different ways to set classified prices.

That was one federal order system, which includes class prices established by product price formulas, went into effect on Jan. 1, 2000. So by the end of this year the dairy industry will have had 20 years of experience with the current system. That alone should warrant a new look at federal orders.

But there are at least a couple of other (and probably several more) compelling reasons why federal order reforms need to settle on 11 federal orders: one of which was spelled out by Dean Foods Company in its letter opposing the shipping percentage and diversion limit changes on the Upper Midwest order.

Dean Foods is, of course, a Class I milk bottler. In its letter opposing the Upper Midwest order changes, the company noted that the request will “once again increase the reserve supply of milk” in the Upper Midwest order “at a time when the amount of milk needed for Class I purposes is declining.”

From a uniform pricing perspective, a federal order “cannot be effective” with only a 6 percent shipping requirement, the company noted that the order’s shipping percentages and make diversion limits as “anything but a short-term band-aid solution to a long-term issue” in the federal order system, Dean Foods noted.

Two years ago, in response to a similar request to reduce shipping percentages, Dean Foods had commented that, by “not addressing the cause of that issue with the claim that is the decline in fluid milk consumption, we will continue to face this exact issue in the years ahead.”

Two years later, here we are, addressing the same issue.

This issue is not confined just to the Upper Midwest order. In what now seems to be an annual undertaking, Queensboro Farm Products, an operator of a supply plant under the Northeast federal order, has requested that the order’s shipping percentages be reduced from 20 percent to 10 percent for the months of September, October and November. One of the reasons cited in Queensboro’s request is declining Class I utilization.

That trend continues here in 2019. The addition of the new California federal order late last year can complicate an analysis of Class I utilization, for two reasons: first, California’s Class I utilization during the last few years of its old state order was under 15 percent; and second, more than 1 billion pounds of milk is being depoled from the California order every month. While Wal-mart has pushed the Class I utilization up above 20 percent, still, as AMS reported recently, Class I utilization in March decreased from last year in nine of the 11 federal orders, including by 15.5 percent on the Upper Midwest order (to 7 percent), and by 7.8 percent on the Northeast order (to 31 percent).

So at some point, the dairy industry is going to have to take a close look at the current federal order system in the context of declining Class I use. There are few guarantees in today’s dairy business, but continuing declines in Class I use seems to be one of them.

Meanwhile, make allowances in federal order product price formulas haven’t been adjusted for a while (the current make allowances have been in effect since late 2008), while manufacturing costs for cheese and other dairy product manufacturers continue to increase.

To just cite one example: the current make allowance for cheese is 20.03 cents per pound. The most recent California Department of Food and Agriculture study of processing costs (covering 2016) found an average manufacturing cost for Cheddar cheese of 24.54 cents. The CDFA is no longer conducting processing cost studies, but it seems like the current make allowance for cheese (as well as make allowances for butter and nonfat dry milk) will remain woefully inadequate in the future.

Granted, increasing make allowances now might be a tough sell for dairy producers (because higher make allowances mean lower minimum federal order milk prices), but maybe it’s time to rethink the whole idea of using product price formulas in federal orders.

It’s been almost 20 years since the last round of federal order reforms went into effect. Myriad changes since then, as well as experience with the current federal order system, means another round of order reforms is overdue.

Cheese Reporter welcomes letters to the editor. Comments should be sent to Dick Groves, at dgroves@cheesereporter.com.

There are few guarantees in today’s dairy business, but continuing declines in Class I use seems to be one of them.
Boston, MA—Comments are being sought on a recent request to lower the shipping percentage on the Northeast federal milk marketing order for the months of September, October, and November from 20 percent to 10 percent until further notice.

In each of those months, such shipments and transfers, by supply plants or qualified cooperative association handlers, to distributing plants must equal not less than 20 percent of the total quantity of milk that is received at the plant or diverted from it during the month. Under the Northeast order’s rules, the applicable shipping percentages may be increased or reduced by the market administrator if it is determined that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments.

After reviewing milk utilization data for the Northeast order, the market administrator’s office is commencing a formal assessment of milk supplies and market conditions relative to the demand for milk utilized as Class I and, in particular, for the upcoming months of September, October, and November.

The market administrator is inviting the submission of comments, data, or views on this request, a copy of which can be found on the Northeast order website, at www.fmmone.com. Comments should be submitted by June 28, to: Northeast Marketing Area, 302A Washington Avenue Ext., Albany, NY 12203, Attention: Brian Riordon; email briordon@fmmone.com.

Queensboro Farm Products, Inc., submitted the request to reduce the shipping percentage from 20 percent to 10 percent for pool supply plants in the Northeast order for the months of September, October, and November.

As one of the two pool supply plants remaining in the Northeast Order, Queensboro said it has had “zero calls for Class I milk in years.” The company feels that the 10 percent shipping requirement has been a “virtually impossible” task, Queensboro continued. “In the current economic climate, any additional cost to either the producers or to a small company, such as Queensboro, could jeopardize both our viabilities.”

In 2005, when the federal order was amended to have year-round supply plant shipping standards, handlers with multiple supply plants set up their own supply plant systems, which “certainly reduces our options and increases the cost of the movement of the milk,” the company said.

Comments Sought On Request To Cut Northeast Order Shipping Requirements

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In the context of the entire Northeast order, the volume is “not noteworthy, but it has a big impact on our company,” Queensboro noted. In order to fulfill the 20 percent shipping requirement, the company would have to seek out Class I customers in order to reach the 20 percent shipping requirement.

In addition, this year, as in other recent years in the Northeast, milk and skim milk will have to be dumped due to lack of plant capacity, Queensboro said. Class IV, the balancing class in the order, is ever increasing due to higher milk production and ever decreasing Class I sales in the Northeast order.

Figures for February 2018 indicate that the Class I volume was the lowest ever for the month and the Class IV volume among the highest for the month, Queensboro said.

This imbalance in supply and demand “will continue throughout the next ten years and for the foreseeable future.”

Another difficulty Queensboro has encountered is the fact that many of the remaining pool distributing plants in the Northeast order have established full supply arrangements with cooperatives, which “certainly reduces our options and increases the cost of the movement of the milk,” the company said.
When the New York Times says your industry faces extinction, it’s time to pump the brakes on the hype and assess the situation. On April 26, the Times offered a long-form piece entitled “Stung by Trump’s Trade Wars, Wisconsin’s Milk Farmers Face Extinction.” That same day, block Cheddar sold for $1.63 at the Chicago Mercantile Exchange – higher than every monthly average price in the last 17 months.

Rather than extinction, dairy farmers have faced a prolonged milk price recession that has stressed families and finances and forced many to make the painful decision to sell their cows.

Wisconsin began 2018 with 8,801 dairy farms and saw 691 cease milking by year’s end. Since January 2015, nearly 2,000 farms have stopped milking in the state – about 20 percent of the dairy farming community.

But slowly firming cheese prices – a key piece of the milk price paid to farms – are joined by other indicators that point to tightening milk supplies that could lift milk prices in 2019. Dairy cow numbers are rising and USDA reported the national dairy herd held 50,000 fewer cows in March than the same month last year.

Nationwide milk production took a historic turn in March, down 0.1 percent compared to the previous year – the first monthly reduction in milk in 62 straight months. (The negative report in February 2017 wasn’t really a reduction in milk, it was comparing a 28-day February to a 29-day February the year before.)

In April, USDA raised its 2019 forecast for the all-milk price to a range of $17.25 to $17.75 cwt, up 25 cents on the low end of the range and 15 cents on the top side. Wisconsin’s all-milk price in March was $17.30 per hundredweight, up $1.00 from February.

Behind these rising indicators is steadily improving production per cow in Wisconsin, housing technology and feeding regimens that make cows healthier and more comfortable than ever, and a cheese industry that continues to innovate into products that add value to milk.

Nationally, there’s additional positive developments.

In June, dairy farms can sign up for the Dairy Margin Coverage program found in the farm bill. This support program is a clear improvement over the previous margin protection program, with higher margins covered – up to $9.50 per hundredweight, lower premium costs, and payments that will be retroactive to January 1, 2019.

Domestic demand for cheese is trending well, with IRI sales data showing natural cheese sales at retail up 2.5 percent this year through March 24. But it’s on the export front that dairy processors have heroically held onto cheese sales, which takes us back to the New York Times.

Lower milk prices have coincided with Mr. Trump’s sweeping tariffs on foreign steel and aluminum, which were intended to help American manufacturers but have set off retaliatory tariffs from Mexico, Canada, Europe and China on American dairy products. Most painful for Wisconsin’s dairy farmers has been a 25 percent tariff that Mexico placed on American cheese, which is made with a significant portion of the state’s milk production,” Times reporter Alan Rappeport stated.

It’s true that dairy is unfairly in the crossfire of an international trade dispute over steel, aluminum and intellectual property. But US cheese exports to Mexico have held on – up 9 percent in February and up slightly (+0.5 percent) in 2018 overall, although in the second half of last year, cheese into Mexico dipped 1 percent. Cheese makers have held onto volume by taking a hit on income, paying this 25 percent tariff or sharing that burden with their buyer in Mexico.

Low milk prices have caused real pain for dairy farm families in Wisconsin and around the US. But market indicators point to milk supplies tightening. In addition, new production facilities in the Upper Midwest will require millions of pounds of milk per day, such as the Glanbia Nutritional Mega-cheese plant in St. Johns, MI, coming in the fall of 2020.

For more information, visit www.ivarsoninc.com
Restaurant Performance Index Rose 0.9% In March As Same-Store Sales, Traffic Rose

Washington—The National Restaurant Association’s Restaurant Performance Index (RPI) stood at 101.9 in March, up 0.9 percent from February, the association reported Tuesday.

The RPI is constructed so that the health of the restaurant industry is measured in relation to a neutral level of 100. Index values above 100 indicate that key industry indicators are in a period of expansion, while index values below 100 represent a period of contraction for key industry indicators.

The RPI consists of two components: the Current Situation Index and the Expectations Index. The Current Situation Index, which measures current trends in four industry indicators (same-store sales, traffic, labor and capital expenditures), stood at 101.8 in March, up 1.5 percent from February.

A majority of restaurant operators reported positive same-store sales in March for the sixth consecutive month. Some 60 percent of operators reported a same-store sales increase between March 2018 and March 2019, up from 52 percent in both January and February. Only 22 percent of operators reported a sales decline in March, down from 32 percent in February.

Restaurant operators also reported stronger customer traffic levels in March. Some 48 percent of operators reported an increase in customer traffic between March 2018 and March 2019, up from 37 percent in February and the highest level in more than a year. Some 30 percent of operators reported a decline in customer traffic in March, down from 44 percent in February.

The Expectations Index, which measures restaurant operators’ six-month outlook for four industry indicators (same-store sales, employees, capital expenditures and business conditions), stood at 102.1 in March, up 0.3 percent from February.

Restaurant operators remain generally optimistic about sales growth in the months ahead. Some 47 percent of operators expect to have higher sales in six months (compared to the same period in the previous year), down from 50 percent who reported similarly in February.

Only 3 percent of operators expect their sales volume in six months to be lower than it was during the same period in the previous year, while 50 percent of operators think their sales volume will remain about the same.

By contrast, restaurant operators are not as bullish about the direction of the overall economy. Only 12 percent of operators said they expect economic conditions will improve in six months, the lowest reading in almost three years. Some 13 percent of operators think economic conditions will worsen in six months, while 75 percent expect conditions to remain about the same.

Ontario Cheese Co-op Gets Government Funding To Help Modernize

St. Albert, Ontario—Marie-Claude Bibeau, Canada’s minister of agriculture and agri-food, announced an investment of up to $1.5 million under Canada’s Dairy Processing Investment Fund to St-Albert Cheese Cooperative.

The funding will be used to modernize equipment that will help the company improve its productivity and competitiveness.

The investment is part of an upgrade to St-Albert Cheese’s facilities, which will include state-of-the-art equipment that will enhance plant operations and help optimize the value of its by-products. This new equipment will help reduce the impact of power outages and effectively manage the performance of ventilation and humidity levels so refrigeration in the warehouses runs efficiently, enabling the company to increase the volume of milk product it processes while reducing production costs.

“The subsidy provides essential support for our cooperative, contributing to the considerable investments needed to enhance our performance and competitiveness so that we can prepare for the many challenges ahead and seize new opportunities in the context of open markets and the consolidation of the dairy industry,” said Eric Lafontaine, general manager, St-Albert Cheese Cooperative.

“We will now be able to continue to produce and distribute our exceptionally high-quality and flavorful St-Albert cheeses made with 100 percent pure Canadian milk, maintain and create jobs for skilled and dedicated workers and continue to invest in our community as we have been doing for the past 125 years,” Lafontaine added.

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Cheese Output Falls
(Continued from p. 1)

March 2018. During the first quarter of this year, Cheddar output totaled 913.9 million pounds, down 4.2 percent from the first quarter of last year.

Production of other American-type cheeses during March totaled 125.2 million pounds, up 1.9 percent from March 2018. Italian-type cheese production during the first three months of 2019 totaled 1.405 billion pounds, up 1.4 percent from the first three months of 2018.

March production of Italian cheese in the states broken out by NASS, with comparisons to March 2018, was: Wisconsin, 152.4 million pounds, up 1.2 percent; California, 134.6 million pounds, down 2.7 percent; Idaho, 31.2 million pounds, up 11.2 percent; Pennsylvania, 22.8 million pounds, down 0.2 percent; and Minnesota, 12.4 million pounds, up 6.4 percent.

Production of other Italian cheese varieties during March, with comparisons to March 2018, was: Parmesan, 37.9 million pounds, down 8.7 percent; Provolone, 32.4 million pounds, down 4.2 percent; Ricotta, 23.7 million pounds, up 2.3 percent; Romano cheese, 4.2 million pounds, down 23.3 percent; and other Italian types, 7.3 million pounds, up 14.3 percent.

March production of other cheese varieties, with comparisons to March 2018, was as follows:

- Swiss cheese: 27.8 million pounds, down 3 percent.
- Cream and Neufchatel: 73.8 million pounds, up 1.5 percent.
- Brick and Muenster: 15.4 million pounds, up 1.9 percent.
- Hispanic cheese: 29.3 million pounds, up 14.3 percent.
- Blue and Gorgonzola: 7.8 million pounds, down 3.9 percent.
- Feta: 11.4 million pounds, up 2 percent.
- Gouda: 4.3 million pounds, down 28.1 percent.

All other types of cheese: 12.1 million pounds, down 15.1 percent.

Whey Products Output
March production of dry whey, human, totaled 77.3 million pounds, down 13.9 percent from March 2018. Manufacturers’ stocks of dry whey, human, at the end of March totaled 79.4 million pounds, up 6 percent from a year earlier and up 16.5 percent from a month earlier.

Lactose production, human and animal, during March totaled 110.1 million pounds, up 9.2 percent from March 2018.

Manufacturers’ stocks of lactose, human and animal, at the end of March totaled 98 million pounds, down 11.7 percent from a year earlier and down 4.6 percent from a month earlier.

Production of whey protein concentrate, human and animal, during March totaled 42.3 million pounds, down 16.1 percent from March 2018.

Manufacturers’ stocks of WPC, human and animal, at the end of March totaled 60.4 million pounds, down 23.5 percent from a year earlier and down 4.1 percent from a month earlier.

March production of whey protein isolates totaled 7.9 million pounds, down 24.5 percent from March 2018.

Manufacturers’ stocks of whey protein isolates at the end of March totaled 21.2 million pounds, down 19.4 percent from a year earlier but up 3.8 percent from a month earlier.

Butter, Dry Milk Products
March butter production totaled 174.8 million pounds, down 3.9 percent from March 2018. Butter output during the first quarter of 2019 totaled 529 million pounds, down 0.5 percent from the first quarter of 2018.

Regional butter production during March, with comparisons to March 2018, was: West, 85.9 million pounds, down 5.8 percent; Central, 71.7 million pounds, up 0.6 percent; and Atlantic, 17.2 million pounds, down 11.1 percent.

Nonfat dry milk production during March totaled 163.7 million pounds, down 8 percent from March 2018. NDM output during the first three months of this year totaled 490.2 million pounds, down 0.8 percent from the first three months of last year.

Manufacturers’ shipments of nonfat dry milk during March totaled 173.5 million pounds, up 1.9 percent from March 2018. Manufacturers’ stocks of nonfat dry milk at the end of March totaled 288.8 million pounds, down 2.9 percent from a year earlier and down 7 percent from a month earlier.

Production of other dry milk products during March, with comparisons to March 2018, was as follows: skim milk powder, 49.6 million pounds, up 17.9 percent; dry whole milk, 18.6 million pounds, down 15.1 percent; milk protein concentrate, 14.5 million pounds, up 9.4 percent; and dry buttermilk, 9.8 million pounds, down 20.4 percent.

Yogurt, Other Dairy Products
March production of yogurt, flavored and unflavored, during March totaled 398.6 million pounds, up 2.2 percent from March 2018.

Yogurt output during the first quarter of this year totaled 1.124 billion pounds, down 1.3 percent from the first quarter of last year.

Sour cream output during the first three months of 2019 totaled 329.8 million pounds, down 1.7 percent from the first three months of 2018.

Cream cottage cheese production during March totaled 30.7 million pounds, down 6.1 percent from March 2018.

Lowfat cottage cheese output during March totaled 29 million pounds, down 7.5 percent from March 2018.

Production of regular ice cream, hard, during March totaled 65.6 million gallons, up 3.2 percent from March 2018.

Lowfat ice cream output during March totaled 41.7 million gallons, up 1.5 percent from a year earlier.
Idaho Milk Products Expects To Complete Expansion Project By August

Jerome, ID—Idaho Milk Products’ expansion at its Jerome, ID, facility that began last October is right on track for completion by August, the company announced this week. Through this $30 million project, Idaho Milk Products will expand its warehouse and staff facilities and build a new research and development building to include a pilot plant. This will contain customer facilities, meeting rooms, a Microthermics unit for ready-to-drink (RTD) testing, a homogenizer for yogurt applications, membrane systems and bench top space for other applications.

The processing plant will increase throughput by close to 25 percent by adding membrane systems, silos and dryer upgrades, according to the company. “There are many moving parts to accomplish the process upgrade while maintaining our current milk throughput. The team has done an outstanding job working with contractors and all plant personnel to accomplish this. We expect to be commissioning all process equipment in the second half of July and have the capability to be at full capacity by the first week in August,” commented Dave Anderson, vice president of operations, Idaho Milk Products.

When completed, Idaho Milk Products will increase its milk volumes from 3.4 million pounds per day to 4.4 million pounds per day, the company reported. Some 30 additional positions will be created, growing the number of employees to around 180. This includes research & development, quality assurance, administration, warehousing, maintenance, production and transportation personnel.

Idaho Milk Products is a privately held, vertically integrated international milk processor, supplying milk protein concentrate (MPC), milk permeate, and cream derivatives to customers around the world. The company is owned by local Idaho dairy farmers.

For more information on Idaho Milk Products, visit https://idahomilkproducts.com.
and trade conflicts that limit our ability to sell products around the world are extremely damaging,” Mikhalevsky said. “It is a fact that a much-needed recovery in US milk prices was halted in 2018 due to trade retaliation tariffs with Mexico and China.”

Farmers “are acutely aware of trade policy developments because today, their livelihoods increasingly depend upon global markets opportunities,” Mikhalevsky said. “It is particularly damaging from a dairy perspective that the US has fallen behind in negotiating trade agreements,” especially compared to trade agreements negotiated by the EU and New Zealand, the primary US competitors.

“The US has not completed and passed a new trade deal in well over a decade,” Mikhalevsky noted. The EU has trade agreements completed or in process with nine of the top 10 dairy importing countries while the US has four. New Zealand has trade agreements with most Asian countries where demand is growing rapidly.

“The US trade agreements that are in place today were negotiated before other agreements, and do not always place the US on a level playing field with our competitors, putting the dairy industry at a comparative disadvantage,” he noted.

Dairy industry priorities in US trade agreements are fairly straightforward, Mikhalevsky said. First and most importantly, “a fair and level playing field is critical.”

Second, any trade agreement should include robust access for the “whole bucket of milk” — all dairy products across the board, Mikhalevsky said. Too often, trade agreements isolate dairy market access to a limited subset of dairy products, typically cheese and whey. The US dairy industry needs market access for products made from all components in milk.

A key to improving both the short and long-term outlook for US dairy farmers is expanding the number of trade agreements that include increased dairy market access, Mikhalevsky said. This includes congressional approval of the United States-Mexico-Canada Agreement (USMCA), concluding administrative negotiations with China and Japan, and expanding further opportunities in the EU and other South Pacific countries.

Adding Solids To Fluid Milk

Another policy proposal that Mikhalevsky said has “great potential” for improving the state of the US dairy industry is establishing a national enhanced standard for fluid milk products. This proposal, which has been discussed over the years, would add nonfat milk solids to fluid milk products that have had some or all of the milkfat removed.

“This ensures that consumers drinking these reduced/low/nonfat milk products are getting a whole-some product with additional non-fat nutrients replacing the milkfat that has been removed,” Mikhalevsky said. “This would provide the consumer with a better tasting and healthier product and, secondarily, would increase demand for milk solids resulting in a higher price for US dairy farmers.”

The federal milk marketing order program “is also in need of modernization,” he added. Key areas of focus include more accurate price collection signals back to farmers on global pricing and marketing conditions through USDA’s National Dairy Product Sales Report. Adjustments could also be made to encourage new processing capacity to adequately handle growing domestic milk production.

“It is a fact that a much-needed recovery in US milk prices was halted in 2018 due to trade retaliation tariffs with Mexico and China.”

—Andrei Mikhalevsky, California Dairies, Inc.

Dr. Scott Brown of the University of Missouri discussed the new Dairy Margin Coverage (DMC) program, which is meant to protect against low milk prices and/or high feed costs. The DMC margin is calculated on a national basis using the most commonly used national prices for milk, corn, alfalfa and soybean meal.

“It appears the DMC program will provide a needed boost to the dairy safety net” and builds on the new policy direction laid out in the old Margin Protection Program (MPP). Brown said.

“The combination of lower premiums, added flexibility in production history covered and higher margin protection levels results in a much more effective safety program than the dairy industry has had for some time,” Brown said. “Dairy producers, regardless of size, must examine how the DMC program fits into their overall risk management plan.”

Dave Smith, a Pennsylvania farmer and executive director of the Pennsylvania Dairymen’s Association, offered several policy priorities for consideration, including: ratifying the USMCA; reviewing the federal order program and how milk is priced across the US; the need for a guest worker program; for year-round dairy operations; and the need for the US FDA to vigorously enforce food standards regarding the labeling of dairy products and prohibit the misleading and deceptive labeling of nut and plant-based beverages as “real milk”; and allowing whole milk in school lunches.

“Without the option of having a full-bodied beverage to satisfy an appetite, our children are seeking sugar-based drinks,” Smith said.
Eucolait Details US Non-Tariff Barriers That Hamper EU Dairy Exporters

Brussels, Belgium—There are a number of regulatory, non-tariff barriers in place in the US, which removal would pave the way for easier and smoother movement of European Union (EU) dairy products in the “lucrative” US market, according to Eucolait, the European Association of Dairy Trade.

Eucolait offered its observations in response to a recent request by the European Commission for comments on potential areas for regulatory cooperation with the US.

Last July, US President Donald Trump and European Commission President Jean-Claude Juncker reached an agreement to launch a new phase in the trade relationship between the US and the EU. Last month, the European Council adopted negotiating directives for trade talks with the US.

Those directives cover potential agreements with the US, one of which is a trade agreement strictly focused on industrial goods, excluding agricultural products. Another agreement would be on conformity assessment (for more details, please see European Council Adopts Negotiating Directives For Trade Talks With US, on page 7 of our April 19th issue).

The US is a major importer of EU dairy products, Eucolait noted. With the US dairy exports to the US were valued at over 1.2 billion euros last year. The greatest part of this was cheese; the US is the leading importer of EU cheese.

In its comments, Eucolait listed several US non-tariff barriers in place that it would like to see removed, including:

**Grade A equivalency:** The Grade A Pasteurized Milk Ordinance (PMO) sets out “very prescriptive rules” for the production and processing of milk and fresh dairy products and ingredients used in the US; Eucolait “positively received the news” in 2014 that three EU member countries (Ireland, France and the Netherlands) were being audited with a view to Grade A equivalency being offered to milk and dairy products produced in those countries.

An initial decision on the outcome of those audits was expected during the first half of 2015; however, it was delayed and subsequently the move towards equivalency has been “put on ice,” Eucolait said.

Other EU countries expressed interest in being included in a second wave of equivalency audits, but those can’t begin until the initial process with Ireland, France and the Netherlands has been completed.

Eucolait still considers this matter to be “very important despite years of no movement,” and urged the European Commission to call on the European Commission to call on the US Food and Drug Administration to complete the equivalency process and to declare the EU member countries’ production process as being on par with the requirements set out in the PMO.

**Systems recognition under the Food Safety Modernization Act (FSMA):** One particular element of the FSMA, the Foreign Supplier Verification Program (FSVP), places the onus on the importer to the US to demonstrate that the foreign supplier from which the imported food is sourced produces to a standard which is in line with US food safety standards.

Eucolait said it has received comments from members that the food safety systems of Canada and New Zealand have been recognized as providing comparable food safety outcomes; products imported from these countries to the US are not subject to any additional safety checks.

Currently, there is no mutual recognition for the EU food safety system, EU imports do not benefit from this exemption and the US importer has to demonstrate with documented verification that the products comply with FSVP requirements. This places a “burdensome cost” on US importers of EU dairy products, Eucolait said.

As the EU advances in its engagement with the US, Eucolait called on the European Commission to see mutual recognition for the EU food safety system from FDA so that imports can take place on an equal footing with products from competitor countries.

**Wisconsin’s butter grading system:** The State of Wisconsin has its own unique grading system for butter. This system applies to all butter sold in Wisconsin and the requirement applies to producers operating within as well as outside of Wisconsin, Eucolait noted.

Under Wisconsin’s rules, butter can be categorized as Grade AA, A, B, or “under grade” (failing to meet the requirements for Grade B). Only Wisconsin-licensed graders can grade this butter.

“This restriction on grading acts as an impediment to trade. Eucolait would therefore propose that this requirement be reconsidered in the spirit of promoting trade,” Eucolait said.

**Restrictions on the import of raw milk cheeses:** US regulations allow for the sale, and import, of raw milk cheese, provided that it has been ripened for a minimum of 60 days. No such restriction is applied by the EU to US raw milk products; the US can ship raw milk products without restriction to the EU, according to Eucolait.

**Organic equivalency for dairy:** The EU-US agreement on organic equivalency has been in force since June 1, 2012, but it is still not possible to export dairy and meat under this agreement. Eucolait would like to see this changed so that EU organic dairy products can be permitted to bear an organic seal on the US market.

Under the agreement, organic livestock must be raised without antibiotics for their products to qualify under the US-EU equivalency agreement. There are certain thresholds for antibiotic use that provides for a greater degree of flexibility. It would be a positive development if this flexiblity could be included in an application of the agreement to dairy, Eucolait said.
The Wisconsin Cheese Makers Association honored industry contributors last month during the Cheese Industry Conference held in Madison, WI, April 17-18. From left to right are Rusty Bishop, John Lucey, Dale Baumgartner, Terry Lensmire, Lou Gentine, John Epprecht, Dave Fuhrmann, Ron Kremer, and John and Joe Koss.

**Wisconsin Cheese Makers Association Recognizes Ten For Industry Contributions**

Madison, WI—The Wisconsin Cheese Makers Association (WCMA) honored 10 industry leaders for their outstanding achievements in the dairy manufacturing industry here last month during the Cheese Industry Conference (CIC).

Receiving the 2019’s WCMA’s Cheese Industry Champion award were Dave Fuhrmann, retired from Foremost Farms USA; and Lou Gentine, chairman of Sargento Foods.

The Cheese Industry Champion award is given to dairy industry leaders who, through their everyday business decisions, have created tremendous opportunity for others and have spurred industry growth.

The association also honored John Epprecht of Great Lakes Cheese with the Wisconsin Cheese Makers Association Life Member Award for contributions to the association.

The WCMA Life Member Award was first awarded to E.L. Aderhold in 1918.

Receiving the Wisconsin Cheese Makers Association’s Vanguard Award were Dale Baumgartner, retired from Tillamook Cheese; and Terry Lensmire, recently retired from Agropur USA.

The Vanguard Award is designed to pay tribute to cheese makers and cheese manufacturing employees who are considered pioneers.

The association also honored three contributors with the Distinguished Service Award.

This award recognizes supplier partner members who have played a significant role in building the success of the United States dairy industry, contributing innovations in dairy manufacturing, food quality, safety, marketing or sales.

This year’s honorees were John and Joe Koss, recently retired co-founders of Koss Industrial; and Ron Kremer, retired from Kerry Ingredients.

Dr. Rusty Bishop, who spent 17 years at the Wisconsin Center for Dairy Research, and Dr. John Lucey, currently the CDR’s director, both received the association’s Babcock Award.

The Babcock Award is named for Stephen Babcock — the famed agricultural chemist and University of Wisconsin professor credited with developing a method to determine the butterfat content of milk.

The Babcock Award recognizes those, like Stephen Babcock, whose contributions in research and education have advanced our industry.

The WCMA recognizes industry individuals for the five awards every year.

For more information or to nominate someone for a WCMA award described above, contact the Wisconsin Cheese Makers Association at 608-286-1001, or visit www.wischeesemakersassn.org.

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New Biervesa Now Available From The Mozzarella Co.

Dallas, TX—A new ale-washed, cow’s milk cheese from the Mozzarella Company is out for 2019, the company announced.

The recently-released Biervesa cheese is described as having an earthy, fruity flavor and a creamy, soft texture. It’s bathed daily in ale during its aging period to create a golden rind, reminiscent of monastic European washed-rind cheeses.

Washing the outside of the cheese as it ripens keeps the rind from cracking and exposing the interior, while promoting the growth of Brevibacterium linens, which produces the meaty, pungent flavors.

For full details and buying information on Biervesa, visit Mozzarella Company at www.mozzco.com.
Wisconsin Senate Bill Would Create Dairy Innovation Hub in UW System

Madison—A bill introduced late last week in the Wisconsin Senate would require the Board of Regents of the University of Wisconsin System to create a UW Dairy Innovation Hub. The bill provides $7.9 million each year to the UW System to fund the requirements under the bill, according to an analysis by the Legislative Reference Bureau.

The Dairy Innovation Hub would include operations at UW-Madison, UW-Platteville, and UW-River Falls. It would also include disciplines in four separate sectors to accomplish the following objectives:
- Enrich human health and nutrition;
- Ensure animal health and welfare;
- Steward land and water resources; and
- Grow farm businesses and communities.

Under the legislation, the Board of Regents would have to allocate funding as follows: 52 percent to create positions and infrastructure at UW-Madison; 24 percent to create positions and provide support for research facilities and infrastructure at UW-Platteville; 24 percent to create positions and provide support for research facilities and infrastructure at UW-River Falls.

The legislation was endorsed by five Wisconsin dairy and farm organizations, including the Wisconsin Cheese Makers Association (WCMA), Dairy Business Association (DBA), Professional Dairy Producers of Wisconsin (PDPW), Wisconsin Farm Bureau Federation and Wisconsin Farmers Union.

The groups said the proposal is vital to ensuring a robust future for the state’s dairy community while maintaining UW’s prominence in dairy research around the world. “The hub strategy will build a world-class team of creative problem-solvers who can provide interdisciplinary solutions to the complex challenges before us,” the groups said in a joint statement after a press conference Wednesday at the State Capitol. The bill was the subject of a Senate Agriculture Committee public hearing Wednesday.

The legislation was introduced by State Sen. Howard Marklein and State Reps. Gary Tauchen, Rob Summerfield, Travis Tranel, and Shannon Zimmerman.

“Increased investments in the University of Wisconsin System’s dairy initiatives will provide a much-needed boost to an industry challenged by international trade conflicts and a severe workforce shortage,” commented John Umhoefer, the WCMA’s executive director.

“As faculty researches new value-added products and trains the next generation of farmers and cheese makers via the Dairy Innovation Hub, they will truly be working to ensure Wisconsin retains its title as America’s Dairyland for decades to come,” Umhoefer added.

“As a global leader in dairy research, the University of Wisconsin System has long pointed the way toward innovative solutions that kept America’s Dairyland thriving,” said Tom Crave, president of the DBA. “Today, the challenges facing our farmers, processors and others are increasingly complex and the stakes could not be higher. It’s critical that we remain at the forefront through next-generation research that would come from the Dairy Innovation Hub.”

“The entire world looks to Wisconsin as the dairy industry’s leader. However, America’s Dairyland is at the brink of crisis and we need help if we’re going to continue to lead the world in important research and relevant discoveries,” said Shelly Mayer, the PDPW’s executive director.

“The dairy and food world is moving so fast – we’re in dire need of researchers at the UW level to answer not only the questions of today but also to solve tomorrow’s issues. The time is now to invest in the Dairy Innovation Hub,” Mayer added.

“Our state is America’s Dairyland because we are a leader for the dairy industry. In order for Wisconsin’s $43.4 billion industry to continue to be a world leader we must enhance our research capabilities,” said Jim Holte, president of the Wisconsin Farm Bureau.

“Wisconsin’s dairy industry blossomed in the late 19th century because of forward-thinking research and outreach from the University of Wisconsin,” noted Darin Von Rueden, president of the Wisconsin Farmers Union.

Belton Farm Highlights New Line From Atalanta’s British Cheese Brand

Elizabeth, NJ—British cheese company Belton Farm and partner Atalanta Corporation here have launched a new line of six regional British cheeses. Belton Farm is an award-winning, handcrafted cheese with real character and subtle complexity, said Atalanta Corporation.

The Beckett family have been making cheese at Belton Farm since 1972.

Belton Farm is a family-run business, located in the countryside of Shropshire, England, and are passionate about making great tasting classic and contemporary British Cheese.

Available in 6.3-ounce packages, the Belton Farm Great British Cheese Brand includes Cheshire, Double Gloucester, Sage Derby, Double Gloucester Onion & Chive, Port Wine Derby, and Saxonshire: a layered combination of five regional cheeses: Cheddar, Derby, Double Gloucester, Red Leicester and Cheshire.

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KRYSTA HARDEN, former deputy secretary of the US Department of Agriculture (USDA), has been named executive vice president of global environmental strategy at Dairy Management Inc. (DMI). In her new position, Harden will collaborate with DMI and Innovation Center leadership to further execute for US dairy’s environmental commitment. She will also provide executive leadership on the Innovation Center’s Environmental Stewardship Committee. Harden most recently served as senior vice president of external affairs and chief sustainability officer for Corteva Agriscience, an agriculture division of DowDuPont. Harden spent nearly three years as deputy secretary for USDA Agriculture Secretary Tom Vilsack, helping to shape food and agriculture policy.

MARK LEASURE has joined Charkit Chemical Company as business development manager for Charkit Chemical of Norwalk, CT.

DEATHS

Former Senator Richard Lugar (R-IN), 87, died Sunday, April 28, 2019 at the Inova Fairfax Heart & Vascular Institute in Falls Church, VA. Lugar served as mayor of Indianapolis, IN, from 1968 to 1975. His career in the Senate spanned from 1977 to 2013, during which he served as chair of the Senate Ag Committee from 1995 to 2001. Lugar then led the Lugar Center, a non-profit organization focusing on global food security and other global issues, since 2013 as founder and president.

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Food Safety

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and address potential risks.”

At FDA, “we’ve already made great strides modernizing and fur- ther safeguarding the US food sup- ply chain with implementation of the FDA Food Safety Moderniza- tion Act (FSMA),” Sharpless and Yiannas stated. Since FSMA was signed into law, FDA has proposed and finalized “critical regulations” that have established science- and risk-based standards for the production and transportation of domestic and imported foods.

FDA has also had “great suc- cess” leveraging technology to advance food safety, especially in the use of new analytical tools, they continued. For example, FDA developed and led the effort to build a network of laboratories that can sequence the genomes of foodborne pathogens and then upload the genomic sequence and the geographic location from which the pathogen was gathered, into a publicly accessible database. Known as the GenomeTrakr Net- work, this new tool is a paradigm- changing development to facilitate foodborne outbreak investigations.

While these new regulations and developments have enhanced FDA’s oversight of the food supply and its safety, “we recognize that it’s time to look to the future of food safety once again, with a view that builds on the progress we’re making with our regulatory frame- work, but also leverages the use of new and emerging technologies to create a more digital, traceable and safer system,” Sharpless and Yiannas said.

That’s why they announced the “New Era of Smarter Food Safety” to augment the agency’s efforts implementing important FSMA requirements while also leverag- ing, among other things, the use of new and emerging technologies. To kick off this new focus, FDA intends to develop a “Blueprint for a New Era of Smarter Food Safety,” which will address several areas, including traceability, digi- tal technologies and evolving food business models.

While FDA has new tools that can more rapidly identify what foods may be causing illnesses, “we know that food safety is a never- ending race to detect and respond to problems, while continually assessing better ways to prevent them,” Sharpless and Yiannas said.

When it comes to food traceabil- ity, many in the food system uti- lize a largely paper-based system of taking one step forward to identify where the food has gone and one step back to identify the source.

“When you look at how other industries digitally track the movement of planes, ride sharing and delivery of packaged goods, it becomes clear that we must explore how these types of tech- nologies could improve tracking when it comes to food,” they said.

The use of digital technologies may play a pivotal role in tracing the origin of a contaminated food to its source in minutes, or even seconds, instead of days or weeks, when contamination does occur, Sharpless and Yiannas said. Access to information during an outbreak about the origin of contaminated food will help FDA conduct more timely root cause analysis and apply these learnings to prevent future incidents from happening in the first place.

To help accomplish this goal, FDA’s new era of smarter food safety work will explore opportuni- ties and specific actions to evaluate new technologies and upgrade the agency’s abilities to rapidly track and trace food through the supply chain. This work will support and be aligned with other track and trace efforts at the agency.

Tracing is only one area where technology can enhance food safety, according to Sharpless and Yiannas. FDA will also be looking at how to leverage emerging tech- nologies and other approaches that are being used in society and busi- ness, such as distributed ledgers, sensors, the Internet of Things and artificial intelligence. FDA will assess how these technologies could create a more digital, trans- parent and safer food system while also addressing consumer demands for quick access to information about where their foods come from, or if the food is the subject of an ongoing recall.

To this end, the FDA officials shared that the agency plans to conduct a pilot that will lever- age artificial intelligence and machine learning to explore ways to enhance the agency’s review of imported foods to ensure they meet US safety standards. This pilot will build upon FDA initiatives already under way, which are also look- ing at how these new technologies may be able to help FDA continue meeting its public health mission.

As consumers are increasingly asking for food to be delivered to their homes, there are methods, packaging materials, temperature control approaches and nodes (such as “last mile” delivery in cars and bikes) in the e-commerce food delivery system. These evolving business models present food safety challenges, Sharpless and Yiannas noted.

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Milk Compounds

(i.e., fats only, sugars only). With the development of quantitative, targeted metabolomics approaches, it has been possible to achieve far more comprehensive chemical coverage of foods, biofluids, and tissues, the study noted.

Many studies looking into bovine milk composition have been conducted in recent years, but none have attempted to comprehensively identify and quantify bovine milk using more than two analytical techniques, according to the study. Further, many of these studies have not made their reported experimental findings publicly available.

The study’s central aim was to identify and quantify all the chemicals (both endogenous and exogenous) detectable in commercial cow’s milk using both a comprehensive, quantitative experimental approach and a literature mining approach. Four different types of commercially available bovine milk of varying fat content were analyzed in the study, including skim milk, 1 percent milk, 2 percent milk, and 2 percent with added milk fat.

All the detected/identified/quantified compounds have been deposited into a freely accessible database called the Milk Composition Database (MCDB). The MCDB contains a complete list of milk chemicals including their names, their structures, their reference spectra, along with literature citations for all (to the best of the researchers’ knowledge) of the milk compounds that have ever been identified, quantified, or reported either in this study or in the existing scientific literature.

The Milk Composition Database can be accessed at [http://www.mcdb.ca](http://www.mcdb.ca).

The MCDB contains 2,355 metabolite entries including both water- and lipid-soluble metabolites as well as metabolites that would be regarded as either abundant or relatively rare. Each metabolite entry contains more than 90 data fields and many of them are hyperlinked to other databases.

The total number of chemical compounds in MCDB is not a number that will remain unchanged, the study pointed out. As technology and instrument sensitivity improve, it is anticipated that this number will increase as other, lower abundance metabolites will be detected and will be added to future version of the MCDB.

Inspection of the MCDB’s data reveals that the chemical composition of commercial cow’s milk is dominated by carbohydrates (primarily lactose, glucose, and galactose), inorganic ions (potassium and calcium), organic acids (citrate), and amine-containing compounds (creatine, choline, and urea). Lesser quantities of vitamins, triglycerides (the dominant lipid components), di- and mono-glycerides, fatty acids, short chain fatty acids, amino acids, and other small bioactive compounds are also evident.

Milk also contains a number of macromolecules, including DNA, RNA, and several proteins such as the bovine casein peptides beta-lactoglobulin and alpha-lactalbumin. While the measurement of macro-molecules was not an objective of this study, they are included in the MCDB for completeness.

The MCDB provides both concentration averages and concentration ranges for 479 quantified milk metabolites or metabolite species. This corresponds to 1,318 lipids with unique structures as well as 334 nonlipid compounds.

Other than lactose and a variety of inorganic ions or minerals such as potassium, calcium, phosphorus, sodium and magnesium, the most abundant organic metabolites reported in milk are citrate, creatine, D-glucose, choline, and myo-inositol.

The least abundant compounds in milk include several vitamins, such as vitamin D3, vitamin D2, vitamin OH D3, as well as several trace elements including neodymium, lanthanum, cerium and thallium.

A number of other low-abundance compounds detected in bovine milk include veterinary antimicrobial agents such as tetracycline, lincomycin, tylosin, amoxicillin, penicillin G, and oxolinic acid. Antibiotics are commonly given to dairy cows to treat diseases such as mastitis; hence, varying amounts of antibiotic residues can be found in milk, the study noted.

FrieslandCampina Acquires Cheese Packaging Company, Sells Cream Liqueur Manufacturer

Amersfoort, Netherlands—Cheese wholesaler Zijerveld, part of FrieslandCampina Dairy Essentials, has taken over W Bakker Kaashandel B.V., which specializes in cutting and packaging cheese.

The activities will be integrated into Zijerveld. Bakker Kaashandel is established in Bodegraven, Netherlands, and has about 80 employees.

Zijerveld serves both national and international retail, out-of-home, online, wholesale businesses and industrial clients. Its product range includes North Holland cheese, farmhouse cheese, goat’s milk cheese and foreign cheese.

“As an autonomous cheese wholesaler within FrieslandCampina, we serve our customers with advice aimed at growing the total category of fresh cheese. Based on the specific formula principles of our customers, we develop innovative, customized concepts,” said Sander Koststall, director, Zijerveld.

“A fast, excellent translation to the store and online is of great importance. This requires flexibility and excellent logistics services,” Koststall continued.

Meanwhile, FrieslandCampina has sold cream liqueur manufacturer Creamy Creation to the Dutch investment company Wagram Equity Partners.

The transaction includes the production of cream liqueurs in Rijkevoort, the Netherlands, and sales office in Paramus, NJ.
EU Court, In Manchego Case, Says Use Of Figurative Signs May Be Unlawful

Luxembourg—The use of figurative signs evoking the geographical area with which a protected designation of origin (PDO) is associated may constitute an unlawful evocation of that designation, the Court of Justice of the European Union (EU) ruled Thursday.

Industrial Quesera Caquerrera SL (IQC) markets three of its cheeses using labels with an illustration of a knight similar to the usual depictions of Don Quixote ridden by Don Quixote de La Mancha, a bony horse and landscapes with windmills and sheep, as well as the words “Quesos Rocinante” (Rocinante cheeses), the court noted. Those images and the word “Rocinante” refer to the novel Don Quixote de La Mancha by Miguel de Cervantes, Rocinante being the name of the horse ridden by Don Quixote.

The cheeses in question are not covered by the protected designation of origin (PDO) “queso manchego,” which covers cheeses made in the region of La Mancha (Spain) from sheep’s milk in accordance with the requirements of the product specification of that PDO, the court explained.

The Tribunal Supremo (Supreme Court, Spain), seised of the case, asked the EU Court of Justice to establish that the labels used to identify and market those cheeses evoke the region of La Mancha but not necessarily the cheese “queso manchego” covered by the PDO.

The Spanish courts of first and second instance held that the signs and names used by IQC to market those cheeses evoke the region of La Mancha but not necessarily the cheese “queso manchego” covered by the PDO.

The Tribunal Supremo (Supreme Court, Spain), seised of the case, asked the EU Court of Justice, first, whether a registered name may be evoked through the use of figurative signs and, second, whether the use of such signs evoking the geographical area with which a PDO is associated may constitute evocation of that designation, including where such figurative signs are used by a producer established in that region, but whose products are not covered by the PDO.

The Court noted, first of all, that the regulation provides that registered names must be protected against “any evocation” and that the use of the word “any” reflects the intention to protect registered names, as evocation is deemed possible through the use of a word element or figurative element.

The decisive criterion for establishing whether an element evokes a registered name is whether that element is capable of triggering directly in the consumer’s mind the image of the product whose designation is protected. The court added that the objective of ensuring that the consumer has clear, succinct and credible information regarding the origin of the product is further guaranteed if the registered name cannot be evoked through the use of figurative signs.

It will be for the national court to assess specifically whether the figurative signs in question are capable of triggering directly in the consumer’s mind the products whose names are registered.

Next, the Court of Justice found that the use of figurative signs evoking the geographical area with which a designation of origin is associated may constitute evocation of that designation, including where such figurative signs are used by a producer established in that region, but whose products, similar or comparable to those protected by the designation of origin, are not covered by the PDO.

The regulation does not provide that a producer established in a geographical area corresponding to the PDO and whose products are not protected by the PDO but similar or comparable to those protected by it is to be excluded from its scope, the Court of Justice noted. Accordingly, it is for the Tribunal Supremo to establish whether there is sufficiently clear and direct “conceptual proximity” between the figurative signs used by IQC and the PDO “queso manchego,” which refers to the geographical area with which it is associated, namely the region of La Mancha.

For more information, visit www.evapdryertech.com
Fiscal 2020 AMS Fees For Dairy Grading, Other Services Unchanged

Washington—USDA’s Agricultural Marketing Service (AMS) on Tuesday announced the fiscal year 2020 rates it will charge for voluntary grading and other services for dairy products, and those fees will all be unchanged from fiscal 2019.

Specifically, dairy fees for fiscal year 2020, which starts Oct. 1, 2019, will be as follows:

Continuous resident grading service: regular fee, $76.00 per hour; overtime, $90.92 per hour; and holiday, $107.24 per hour.

Non-resident and intermittent grading; state graders: equipment review: regular fee, $82.00 per hour; perimeter, $96.76 per hour; and holiday, $116.64 per hour.

Non-resident services 6:00 p.m. to 6:00 a.m. (10 percent night differential): regular fee, $90.20 per hour; overtime, $106.44 per hour; and holiday, $128.32 per hour.

Export certificate services: regular fee, $82.00 per hour; night differential: $90.20 per hour; overtime, $106.44 per hour; and holiday, $116.64 per hour.

Fax charge: $4.00 per page.

Derogation application: $123.00 per hour.

In November 2014, AMS published a final rule that established standardized formulas for calculating the fees charged by AMS user-funded programs. Every year since then, AMS has published a notice announcing the rates for its user-funded programs.

The rates reflect direct and indirect costs of providing services. Direct costs include the cost of salaries, employee benefits and, if applicable, travel and some operating costs. Indirect or overhead costs include the cost of program and agency activities supporting the services provided to the industry.

The formula used to calculate the rates also includes operating reserve, which may add to or draw upon the existing operating reserves.

AMS adjusts its rates to cover all of its expenses and to provide for reasonable operating reserves. AMS grading and certification, audit and accreditation, plant process and equipment verification, and laboratory approval services are voluntary tools paid for by the users on a fee-for-service basis. The agriculture industry can use these tools to promote and communicate the quality of agricultural commodities to consumers.

AMS is required by statute to recover the costs associated with these services.

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Martin Warehousing Opens Second Utah Cheese Storage Facility

Martin Warehousing has opened up its second warehousing facility in Utah. A new 90,000 square foot cold and freezer storage facility centrally located to their major customers.

Madison, WI—Martin Warehousing recently announced the construction of a new 95,000 square foot warehouse in St. George, UT.

Located on the border of Utah and Arizona, the new facility will be the second warehouse in Utah for Martin Warehousing.

The Utah location is centrally located between California, Clovis, NM, and Jerome, ID, said Mark Foley, manager for the Martin warehouse in St. George.

“We needed more space out there,” Foley said. “Our current customers were growing and we’re growing our customer base. To support that business, we needed to grow along with them.”

The new facility will have roughly 60,000 square feet of refrigerated space for cheese and other products; 20,000 square feet of -20 degree freezer space for ice cream storage; and 10,000 square feet of 0 degree freezer space.

This is the 13th facility for Martin, but Foley said number 14 is already being constructed in Sparta, WI.

“We just broke ground in Sparta, WI, on a 100,000 square foot warehouse,” said Bob Smith, operations manager at Martin.

Martin’s multiple warehouses are located in Sparta, WI, Wilton, WI, La Crosse, WI, Tomah, WI, Kendall, Ontario, and St. George, UT.

“Martin is a third generation family business started in 1932. The company started as Martin’s Milk Service, hauling milk and dairy products.

Today the company owns over 200 trucks with 500 trailers, hauling products to 48 states throughout the US and Canada.

In 2000, Martin’s Milk Service expanded its services to include Martin Warehousing by building a 88,000-square-foot facility in Wilton, WI, to use as a distribution center for its products and a 30,000-square-foot dry dairy products storage facility in Kendall, Ontario.

Martin’s Milk Service is also affiliated with MBM Logistics in Winona, MN, a brokerage company that arranges freight transportation.

“Our ability to haul and house products is a major convenience for our customers who are looking for a single delivery system,” Smith said. “We have a great customer base who require trucking and transportation services, as well as warehousing and logistical services.”

For details on Martin Warehousing or Martin’s Milk Service, visit www.martinmilk.com.

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For more information, visit www.kuselequipment.com
Artisan Cheese, Dairy, Butter Makers Earn sofi Awards For Top Products

San Francisco, CA—A number of cheese, butter and dairy manufacturers were lauded here this week with the announcement of the 2019 sofi Awards hosted by the Specialty Food Association (SFA).

This year, the sofi Awards honored 148 specialty food products across 39 categories with Gold, Silver, Bronze, and Best New Product awards. Winners were chosen from nearly 2,000 entries in a blind tasting done over 12 days by a national panel of industry experts.

The sofi Award Product of the Year, given to the product that received the highest cumulative score in judging; will be announced during the SFA’s Summer Fancy Food Show June 23-25, 2019 at the Javits Center in New York.

Cheese, Yogurt & Dairy Products

In the Cow’s Milk Cheese category, Bellwether Farms of Petaluma, CA, won a Gold medal for its Whole Milk Ricotta.

Rogue Creamery of Central Point, OR, earned a Silver medal for its Organic Oregon Blue Cheese, and a Bronze medal for its Organic Cavenham Blue.

Cabot Creamery Cooperative of Watsfield, VT, earned the award for Best New Product in the Cow’s Milk Cheese category for its Cabot Centennial Cheddar.

“Of the things I noticed this year was that there was a lot of organic entries,” said cheese judge Sarah Masoni, director of product development at Oregon State University’s Food Innovation Center.

In the Non-Cow Milk/Mixed Milk Cheese category, the top award went to Vermont Creamery of Websterville, VT, for its Cou-pole.

Nettle Meadow Farm & Artisan Cheese, Warrensburg, NY, took second place with Amber Kunik, and Vermont Creamery won the Bronze medal for Bijou.

Cypress Grove of Arcata, CA, earned the award for Best New Product in the Non-Cow Milk/Mixed Milk Cheese for its Straight Up in the Cheese entry.

“Overall, I think it was a greater mix than ever for this category,” said cheese judge and expert Max McCalman.

“It was an easy category to go through rather quickly, because a lot of hard work goes into crafting these cheeses. The flavors popped,” McCalman said.

“I thought the cheeses were all clean and fresh-flavored,” Masoni added. “I found it really easy to judge through and enjoy tasting everything.”

In the Dairy, Yogurt & Dairy Alternative category, the Gold went to Vermont Creamery for its Cultured Butter with Sea Salt Crystals.

The Silver medal went to Cowgirl Creamery of Point Reyes Station, CA, for its Creme Fraiche, and the Bronze medal was won by Dahllicious, LLC of Torrance, CA, for Lassi India-Style Drinkable Yogurt Alphonso Mango.

The award for Best New Product in the Dairy, Yogurt & Dairy Alternative category was given to Pyrotechnic Foods, LLC, of Boulder, CO, for Fireworks Finishing Butter Honey Lavender Sea Salt.

“I noticed some mixed milk in the dairy alternatives,” said Megan Ercole, retail manager/buyer for Adams Fairacre Farms. “Where we’d seen single origin – maybe oat or cashew – sometimes those are blended together now, adding texture and diversity.”

Ice Cream, Confections & Sauces

Atalanta Corporation of Elizabeth, NJ, won a Gold medal in the Dessert Sauce, Topping or Syrup category for its Deca & Otto Dolce de Leche, while Bequet Confections took home the Silver award for its Caramel Sauce.

Run Amok Maple earned Best New Product honors for its Organic Vermont Maple Cream.

Caramels swept the Confectionery category with Katherine Anne Confections winning a Gold medal for Rosemary Sea Salt Caramels; and Little Apple Treats earning a Silver for Apple Cider Caramels with Toasted Almonds, and a Bronze for Apple Cider Caramels with Rose Petals & Coco Nibs.

In the Ice Cream, Gelato & Frozen Treats category, TEA*RIFFIC took home a Gold medal for its Masala Chai entry, and the Silver and Bronze medals went to Clementine’s Ice Cream Co. for its Gooey Butter Cake Ice Cream and Salted Crack Caramel Ice Cream, respectively.

For the entire list of winners, visit www.specialtyfood.com.
Supplied New Products, Acquisition & Expansion News

RELCO, Bioscan Partner To Offer Non-Dye Inspection Technology, Repairs

Willmar, MN—RELCO, LLC, and Bioscan Ltd. are partnering to globally promote non-dye inspections and repairs for the food and beverage industry.

The focus for non-dye inspections is largely on spray dryers; however, the services offered will also cover cheese vats, finishing and repair services, the partnership of RELCO and Bioscan will ensure clients’ requirements meet industry standards and audits, the companies said.

By jointly offering the latest non-dye inspection technology which is able to electronically detect defects, food and beverage manufacturers will now be able to safely and accurately receive inspection and repair services without the necessity to introduce dyes or chemicals into their production zones, both companies explained.

Combining the technology with the unique gantry access system for spray dryers also safely eliminates the requirement for scaffolding, the companies said.

For more information, visit www.relco.net or email Al Dresow of RELCO at adresow@relco.net; or visit www.bioscanltd.co.uk or email Samuel Peppin at sales@bioscanltd.co.uk.

Provisur Introduces SX380 Cheese Slicer Featuring Flexible Configuration And Open Design

The newest addition to Provisur Technologies, Inc.’s cheese slicing offerings is the SX380 Slicer, featuring a flexible configuration and open design that assures easy access for fast, thorough sanitation, according to Brian Sandberg, Provisur’s global product manager of slicing.

"The Formax SX380 is game-changing technology," Sandberg said. "The SX380 combines superior performance, the highest level of hygienic design and true flexibility to accommodate a wide range of products, all in a compact footprint.”

Some of the benefits of SX380 include enhanced product control at the blade for industry-leading yields, flexibility to handle various cheese log sizes, an open, hygienic design with tool-free dis-assembly and an optional remote mounted electrical control cabinet, Sandberg noted. The SX380 also features a small footprint, big throughput, and rigid, durable construction.

“We’re looking for a high level of portion control as well as high yield,” he said. “We want to make sure we get every last slice out of a log of cheese. If logs vary in size, we can feed them independently to make sure to get very accurate portion control — something that’s unique to our slicers.”

Also, Provisur offers a 3D Product Scanning System that ensures precise portion control even with irregularly shaped cheese logs. Sandberg said that interleavers, which put small pieces of paper between cheese slices, also can be added to the slicing machines. They can be custom-formulated to meet customers’ unique needs.

In this process, sometimes sheets of paper break — but Provi- sur designs its equipment to make it easy to fix the machine and start up again, Sandberg said.

He noted that an aspect of sliced products is how to handle the sliced portions after they come off the slicer.

While Provisur does not supply cheese packaging machines, the company works with various pack-aging companies and interfaces with them to fully meet customer needs.

Provisur also offers its customers a state-of-the-art technology center in Mokena, IL, where they can see and test the full offerings of the company’s latest technology.

The center features a 20,000-square-foot fully functioning and equipped food processing facility, a preparation and test kitchen with industry standard cooking equipment, a food lab with comprehensive testing and evaluation capabilities and conference facilities.

Provisur is a wholly owned sub-sidiary of CC Industries and was formed in 2009 to consolidate the company’s latest technology.

For more information, visit www.provisur.com.

Ultimately, processors will now be able to significantly reduce the amount of shutdown time required for inspection and repair services and increase overall productivity, according to the two companies.

With Bioscan’s expertise in inspections and RELCO’s knowl-edge of repair and fabrication, food and beverage manufacturers receive the most professional and reliable non-dye inspections and repairs service currently available, the companies said.

Call 608-246-8430 or email: info@cheesereporter.com to subscribe or for questions regarding the Cheese Reporter App.
Weigel’s, one of Tennessee’s largest milk processors, will feature the Tennessee Milk logo, created to help consumers identify milk that has been entirely produced, processed, and bottled in Tennessee. The branding is administered by the Tennessee Dairy Products Association (TDPA). The Middle Tennessee State University Creamery, Sunrise Dairy, Hatcher Family Dairy, and G & G Family Dairy are also using the Tennessee Milk logo.

For more information about the Tennessee Milk logo, contact Dan Withers, at Danny.Withers@tn.gov; or phone (615) 741-1750.
Black River Valley Gains Success In Flavored Butter Niche Market

Lyons Falls, NY—A new artisan dairy company is finding prosperity and ample room to grow within the uncongested, specialty flavored butter category.

After making small-batch butter for just over one year, Black River Valley Natural products are now available in New York state restaurants and health food stores, with plans to hit area Walmart shelves in a matter of weeks.

Headquartered here, Black River Valley Natural is owned and operated by Bethany Munn, director of sales and marketing, and her husband, James Munn, general manager.

My husband was from this area, and he always wanted to go back and make a change, Bethany Munn said. He also has 17 years of manufacturing experience, and understands how the process works.

About two years ago, the Munns began working with representatives from the Lewis County Industrial Development Agency, who suggested the couple go into dairy processing.

“We left our corporate positions, sold our house and built a dairy processing plant in Lyons Falls,” Munn said. “We changed our whole lives.”

The facility started out as a shell of a building, with the Munns buying used equipment from other dairy processing outfits. The familiar issues of time, money and adhering to strict regulations were among the biggest start-up challenges.

“Cornell Cooperative Extension has been instrumental, and we had quite a few people help guide us,” Munn said. “It’s really a completely new profession for us – learning all the regulations, getting our milk licensed and our operation certified. There’s no step-by-step book on how to do this, and there’s a very large learning curve on what you have to do to get something like this in place.”

“We’re still learning every day,” she continued. “Maybe we’ll make our own manual.”

Black River Valley Natural has the capacity to make 300 pounds of butter per day. Our butter is its own niche product, Munn said. We just made a trial run of Lemon Zest Butter that sold out within the first day. Other flavors include Cinnamon Sugar, Garlic & Herb, Maple Brown Sugar, and Honey Sriracha.

Since it’s a high-end, niche product, our customers are ones that usually cook quite a bit and are looking for new flavors in their food, Munn said.

“Men are interested in the Honey Sriracha and the Garlic to put on their steak or chicken, and women like to use the butter in their baking,” she said. “We’ve got some really great recipes using butter on our website.”

“We’re also in a restaurant that does brunch, and they use the flavored butters with bagels and muffins,” she said.

With cream going to butter production, Black River Valley also makes a Farmer’s Cheese or bottles milk post-separation. The company made a maple-flavored milk this week.

“We also bottle real butter milk – fresh from the churn. We re-pasteurize that, and it doesn’t taste like the sour stuff you find at the grocery store,” Munn said. “It’s actually creamy and kind of sweet.”

Product distribution and awareness has been growing steadily since the new plant opened.

“We’re in our first school, in a couple of restaurants, health food stores, and we’ll be in local Walmarts within the next four weeks,” Munn said. “We’re very excited about that,” she said. “Working with larger grocery stores takes time.”

Black River Valley is always looking for new products, and is currently investigating a creamy cheese butter – mixing butter with cream cheese in various flavors.

“There’s so much you can do with butter,” Munn said. “The sky’s the limit.”

Co-Packing Now Available

The Black River Valley plant also offers co-packing to fellow producers. There’s a farmer that makes products using his or her own cow’s milk – provided the milk still meets Black River Valley qualifications – the facility is available for use.

“Our name and our plant needs to be associated with high quality milk,” Munn said. “We made a cream line chocolate milk last week with a local farmer, and that sold out within two days.”

The specialty dairy sector throughout New York State is also being served through Taste NY store – a $6.2 million government-funded effort that ushered in six new Taste NY Markets in Welcome Centers across the state.

Taste NY aims to create new opportunities for food and beverages – including dairy products – grown, produced, or processed in New York State through events, retail locations, and partnerships.

These are wonderful ways to get your name out there, Munn said. “We’re in about eight stores now.” Rather than setting up its own on-site retail store, BRVN prefers to work with existing markets.

This growing trend for local foods runs in tandem with consumers looking for new products.

“People are always looking for something new,” Munn said. “For the longer term, we’re looking at making multiple flavored milks – lavender milk, tea milk – items you wouldn’t normally see in the average grocery store.”

“I think the dairy industry needs that change, because milk prices are low, and farmers unfortunately are going out of business,” Munn said. “If we can’t do the basics, we need to try something else – something different.”

For more information, visit www.blackrivervalleynatural.com or contact Bethany Munn connect@blackrivervalleynatural.com.
Mailbox Milk Price Averaged $15.72 In 2018, Lowest Level Since 2009

Washington—The mailbox milk price for selected reporting areas in federal milk marketing orders averaged $15.72 per hundred-weight last year, down $1.59 from 2017 and the lowest average since 2009's $12.82 per hundred, according to figures released recently by USDA's Agricultural Marketing Service (AMS).

The AMS "Mailbox Milk Price Report" for December 2018 does not include mailbox prices for November or December 2018 for the state of California. The new California federal order became effective on Nov. 1, 2018. Prior to then, the California mailbox price was calculated by the California Department of Food and Agriculture.

Therefore, no 2018 mailbox milk price average for California is provided.

The mailbox milk price is defined as the net price received by dairy producers for milk, including all payments received for milk sold, and deducting costs associated with marketing the milk.

Included in all payments for milk sold are: over-order premiums; quality, component, breed, and volume premiums; payouts from state-run over-order pricing pools; payments from super pool programs offering seasonal production bonuses; and, monthly distributions of cooperative earnings. Annual distributions of cooperative profits/earnings or equity repayments are not included.

Included in costs associated with marketing milk are: hauling charges; cooperative dues, assessments, equity deductions/capital retains, and re-blends; the federal milk order deduction for marketing services; federally mandated assessments such as the National Dairy Promotion Program and budget deficit reduction; and advertising/promotion assessments above the national program level. Other deductions, such as loan, insurance or feed mill assignments, are not included.

For all markets, the mailbox price is reported at the handlers' average butterfat test (i.e., no adjustment to 3.5 percent). During 2018, the average monthly mailbox milk price for all federal orders ranged from a low of $14.81 per hundred in February to a high of $16.97 per hundred in October.

For the 10 months for which California mailbox milk prices are available (January-October 2018) the average monthly mailbox price ranged from a low of $14.31 per hundred in February to a high of $16.37 per hundred in October.

During those 10 months, California's mailbox milk prices were below the federal order average every month, by anywhere from 15 cents per hundred in August ($15.43 average for federal order areas, $15.28 price for California) to $1.19 per hundred in January ($15.88 average for federal order areas, $14.67 price for California).

Among the 19 selected federal order reporting areas, average mailbox milk prices in 2018 ranged from a high of $17.74 per hundred for Florida to a low of $13.78 per hundred for New Mexico. Florida was the only reporting area with an average mailbox price above $17.00 per hundred last year, while New Mexico was the only reporting area with an average mailbox price under $14.00 per hundred last year.

In addition to Florida, states and regions that last year had average mailbox milk prices above the $15.72 per hundred average for all federal orders were: New England states (Vermont, Connecticut, Maine, Massachusetts, New Hampshire and Rhode Island), $16.97 per hundred; New York, $15.84; Eastern Pennsylvania, $15.59; Appalachian states (Kentucky, North Carolina, South Carolina, Tennessee and Virginia), $16.28; Southeast states (Alabama, Arkansas, Georgia, Louisiana and Mississippi), $16.18; southern Missouri, $16.14; western Pennsylvania, $15.84; Wisconsin, $16.27; Minnesota, $16.21; Iowa, $16.26; Illinois, $16.28; and Northwest states (Oregon and Washington), $16.24.

States or regions with average 2018 mailbox milk prices under the federal order average of $15.72 per hundred included: Ohio, $15.64 per hundred; Indiana, $15.16; Michigan, $14.17; Corn Belt states (Kansas, Nebraska, and northern Missouri), $14.79; and Western Texas, $15.38.

Mailbox Milk Price Averaged $15.72 In 2018, Lowest Level Since 2009


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Researchers Develop Yeast Strain That Metabolizes Lactose Into Tagatose

Champaign, IL—Researchers at the University of Illinois have developed a strain of yeast that can metabolize lactose into tagatose, a natural sweetener with less than half the calories of table sugar. Yong-Su Jin, a University of Illinois professor of food science and human nutrition, led the research team that engineered the yeast strain, which produces tagatose in much larger quantities than traditional enzymatic manufacturing techniques and could help make tagatose a cost-effective alternative to sugar or high-fructose corn syrup.

The researchers published their work in the journal Nature Communications.

“Tagatose is a sweetener that exhibits almost identical tastes and textures of sucrose, or table sugar. However, tagatose has many fewer calories than sucrose, about 42 percent of sucrose,” Jin said. Tagatose doesn’t increase blood glucose levels as much as sucrose or fructose.

In spite of its benefits, tagatose has a high manufacturing cost that has kept it from wide commercial use, Jin said. Although it is naturally present in dairy products and fruits, the concentrations are too low to isolate tagatose effectively.

The traditional manufacturing method involves a multi-step enzymatic process that turns galactose, a component of lactose, into tagatose. Unfortunately, the enzyme reaction is so inefficient that only 30 percent of galactose is converted into tagatose, forcing manufacturers to use an expensive process to remove the tagatose from the galactose mixture.

Jin’s team used the internal machinery of yeast cells as tiny tagatose factories, much like how ethanol manufacturers use yeast to produce fuel from corn. The researchers engineered a strain of yeast that produces tagatose from lactose by making two genetic tweaks. They took out a gene that lets the yeast use galactose as cellular fuel during lactose metabolism. They added two genes that convert galactose into tagatose.

“Another advantage is that our yeast-based process can use whey directly,” Jin continued. “Due to the recent popularity of Greek yogurt, the disposal of whey is an issue in the dairy industry. We hope our process can be used to resolve the surplus whey problem.

Excessive Intake Of Branched-Chain Amino Acids Found To Have Negative Health Impacts

Sydney, Australia—Amino acids have long been touted by the fitness and bodybuilding communities for their muscle-building benefits, but protein’s popularity has also meant that less attention has been paid to researching its potentially negative side effects, according to researchers at the University of Sydney.

New research led by academics from the University of Sydney, published recently in Nature Metabolism, suggests that while delivering muscle-building benefits, excessive consumption of branched-chain amino acids (BCAAs) may reduce lifespan, negatively impact mood and lead to weight gain.

BCAAs are a group of three essential amino acids — leucine, isoleucine and valine — and are most commonly found in dairy products and red meat.

Whey protein, the most popular form of fitness protein, contains high levels of BCAA, researchers stated.

“What this new research has shown is that amino acid balance is important; it’s best to vary sources of protein to ensure you’re getting the best amino acid balance,” explained Dr. Samantha Solon-Biet, one of the research leaders.

The research examined the impacts that dietary BCAAs and other essential amino acids such as tryptophan had on the health and body composition of mice.

“Supplementation of BCAAs resulted in high levels of BCAAs in the blood which competed with tryptophan for transport into the brain,” said Prof. Stephen Simpson, the other research leader.

“Tryptophan is the sole precursor for the hormone serotonin, which is often called the ‘happiness chemical’ for its mood-enhancing effects and its role in promoting sleep. But serotonin does more than this, and therein lie the problem,” Simpson said.

“This then lowered serotonin levels in the brain, which in turn was a potent signal to increase appetite. The serotonin decrease caused by excess BCAA intake led to massive overeating in our mice, which became hugely obese and lived shorter lives,” Simpson explained.

Mice were fed double the normal amount of BCAAs (200 percent), the standard amount (100 percent), half (50 percent) or one-fifth (20 percent) for life. Mice that were fed 200 percent BCAAs increased their food intake, resulting in obesity and a shortened lifespan.

For more information, visit www.drtechinc.com
Web-Based Tool Available To Help Dairy Producers With Margin Coverage Program Options

Washington—US Secretary of Agriculture Sonny Perdue on Tuesday announced the availability of a new web-based tool, developed in partnership with the University of Wisconsin, to help dairy producers evaluate various scenarios using different coverage levels through the new Dairy Margin Coverage (DMC) program.

The 2018 farm bill authorized the DMC, a voluntary risk management program that offers financial protection to dairy producers when the difference between the all milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

Sign-up for this USDA Farm Service Agency (FSA) program opens on June 17, 2019. The University of Wisconsin launched the decision support tool in cooperation with FSA and funded through a cooperative agreement with the USDA Office of the Chief Economist.

The tool was designed to help dairy producers determine the level of coverage under a variety of conditions that will provide them with the strongest financial safety net. It allows farmers to simplify their coverage level selection by combining operation data and other key variables to calculate coverage needs based on price projections.

The decision tool assists producers with calculating total premium costs and administrative fees associated with participation in DMC. It also forecasts payments that will be made during the coverage year.

“The new Dairy Margin Coverage program offers very appealing options for all dairy farmers to reduce their net income risk due to volatility in milk and feed prices,” said Dr. Mark Stephenson, director of dairy policy analysis at the UW-Madison.

“Higher coverage levels, monthly payments, and more flexible production coverage options are especially helpful for the sizable majority of farms who can cover much of their milk production with the new 5 million pound maximum for Tier 1 premiums,” Stephenson continued. “This program deserves the careful consideration of all dairy farmers.”

For more information, the decision tool can be accessed at fsa.usda.gov/dmc-tool. For DMC sign-up, eligibility and related program, visit fsa.usda.gov, or contact your local USDA service center.

To locate your local FSA office, visit farmers.gov/service-locator.

USDA Announces Trade Mitigation Cheese Awards, Will Buy Fluid Milk

Washington—The US Department of Agriculture (USDA) has announced this week, the purchase contract awards for natural Cheddar cheese and process cheese being purchased under USDA’s trade mitigation food purchase program.

The USDA awarded a contract to Masters Gallery Foods for a total of 2,016,000 pounds of yellow shredded Cheddar cheese, 6/2-pound package, for delivery from July 1 through September 30, 2019.

The price range was $2,082.4 to $2,404.99 per pound; the total price was $4,521,014.40.

The USDA awarded contracts to two companies for a total of 2,178,000 pounds of regular process cheese, 6/5-pound loaves, for delivery from July 1 through Sept. 30, 2019.

The price range was $2,001.8 to $2,180.00 per pound; the total price was $4,616,714.52.

Process cheese contracts were awarded as follows:

- **Associated Milk Producers, Inc.**: a total of 594,000 pounds, at a total price of $1,223,271.72.
- **Bongards’ Creameries**: a total of 1,584,000 pounds, at a total price of $3,393,442.80.
- **Baker Cheese Factory**: a total of 300,000 pounds, at a total price of $633,928.93.
- **Charter Act for the Food Purchase Program**: a total of 223,074 pounds, at a total price of $479,647.98.

For more information, visit www.sanchelimaint.com

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Denmark To Host Global Symposium On Milk Genomics & Human Health

Aarhus, Denmark—The 16th International Symposium on Milk Genomics and Human Health has been set for Nov. 12-14 at the Radisson Blu Scandinavia Hotel here. The three-day event is presented by the International Milk Genomics Consortium (IMGC) under the organization of the California Dairy Research Foundation (CDRF), and the local organizing committee.

It brings together international experts in nutrition, genomics, bioinformatics and milk research to discuss and share the outcomes and implications of the latest discoveries in scientific research on lactation and milk.

The annual event also features scientific research related to milk and human health throughout the world.

A pre-symposium program on dairy’s impact on lifelong health will take place on Monday, Nov. 11, hosted by the Arla Food for Health & Danish Dairy Research Foundation.

A workshop on dairy protein biochemistry and proteomics co-hosted by Aarhus University and Wageningen University & Research has been set for Nov. 14-15.

Online registration will be open soon, and the early registration deadline is Oct. 11. Cost to sign up before the deadline is $595 per person and $695 after Oct. 11. Reduced student rates are also available. For agenda, registration or hotel details, visit www.milkgenomics.org.

Speakers will cover sustainability, comparative biology and genomics, inherent milk characteristics and functionalities, and the matrix effects of milk and milk components.

The conference offers a balance of technical and commercial contributions, informing dairy researchers of the needs of whey processors and end users.

Conference speakers will present the latest scientific findings and processing technologies, addressing current challenges facing the whey processing industry.

The early registration deadline is June 12, 2020. For more details or to sign up online, visit www.internationalwheyconference.com.

Registration For WCMA Golf Outing, Trap Shoot Is May 21

Madison—Registration for the highly anticipated golf and trap shoot outing hosted by the Wisconsin Cheese Makers Association (WCMA) will open Tuesday, May 21 at 9 a.m. Central time.

On Wednesday, July 17, golfers will enjoy four courses in central Wisconsin: two at Lake Arrowhead Resort in Nekoosa; Castle Course at Northern Bay in Arkdale; and Bull’s Eye Country Club in Wisconsin Rapids. Registrants may request their preferred course, though WCMA cannot guarantee placement.

Names of individual golfers are not required at registration—only a requested number of golfers and payment is needed.

This scramble tournament will begin with a shotgun start at 10:30 a.m. at Northern Bay and Bull’s Eye Courses, and 11 a.m. at the Lake Arrowhead courses. Attendees are encouraged to arrive early to hit complimentary range balls and pick up cart gifts.

Also on July 17, WCMA’s trapshooting event will be held at the Wisconsin Trapshooting Association’s Homeground Facility, located just a short drive minutes from Lake Arrowhead Resort. Registration is open to 50 shooters. Instructors, ammunition and ear and eye protection will be provided. Participants are encouraged to bring their own gun; limited quantities are available for day use. First-timers will get personal instruction offered by Wisconsin Trapshoot Association volunteers.

Golfers and trap shooters will be treated to lunch courtesy of BMO Harris Bank NA and are invited to come together at Lake Arrowhead Resort following their day of activities for a social hour, catered dinner, and cash bar.

To sponsor dinner, hole prizes, or cart gifts, contact WCMA events manager Caitlin Peirick at cpeirick@wischeesemakers.org. All other questions can be directed to WCMA events manager Kirsten Strohmenger at kstrohmenger@wischeesemakers.org.

Full details and online registration are available at WisCheeseMakers.org.
8. Promotion & Placement

**CHEVRÉ PLANT MANAGER - MALONE, WI**

Chevre Plant Manager - Malone, WI

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Manage all Chevre operations, product safety, quality, consistency and standardizing production process. Direct safety program, production efficiency and assist with expansion projects. Meet customer expectations and sales volumes.

**Preferred experience:**
Experience in managing Chevre operations. Experience leading and supervising others. Knowledge of cheese affinage process, food safety controls and sanitation programs. Familiar with FMO/FDA compliance and State and Federal regulations. Working knowledge of lean production, shrink reduction, and pasteurization concepts and regulatory requirements.

If interested, please send resumes to:
Mosaic Meadows, LLC
Attn: Human Resources
Mosaic Meadows, LLC
PO Box 50, Watertown, WI 53094
Or apply online at: www.indeed.com by searching Chevre Plant Manager in Malone, WI

Mosaic Meadows, LLC and its subsidiaries will consider applicants for any position without regard to any applicant’s race, color, religion, creed, gender, national origin, age, disability, marital or veteran status, sexual orientation, or any other legally protected status.

10. Cheese & Dairy Products

**AGED CHEDDAR FOR SALE:** 4 year old Sharp White Cheddar 40# blocks. Produced August-December 2014 in Wisconsin. Available in full truckload or pallet quantities in Wisconsin. Please call 847-573-4982 or email s.doyle@hoogwegts.com with inquiries.

**KEYS MANUFACTURING:**
Dehydrators of scrap cheese for the animal feed industry. Contact us for your scrap at (217) 465-4001 or email keysmgf@aol.com.

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**MARKET PLACE**

The “Industry’s” Market Place for Products, Services, Equipment and Supplies, Real Estate and Employee Recruitment

Classified Advertisements should be placed by Thursday for the Friday issue. Classified ads charged at $0.75 per word. Display Classified advertisements charged at per column inch rate. For more information, call 608-316-3792 or email kthome@cheesereporter.com

1. Equipment for Sale

FOR SALE: 1500 and 1250 cream tanks. Like new. (800) 538-0112. (262) 473-3530.

WESTFALIA SEPARATORS: New arrivals! Great condition. Model numbers 120, 130, 170 and 200. All water savers. Call GREAT LAKES SEPARATORS (920) 863-3306 or e-mail dlambert@dialez.net.

ALFA-LAVAL SEPARATOR: Model MPX 518 HGV hermetic separator. Can be set up for warm or cold. Call GREAT LAKES SEPARATORS at (920) 863-3306 or e-mail dlambert@dialez.net.

FOR SALE: Car load of 300-400-500 late model open top milk tanks. Like new. (262) 473-3530.

SEPARATOR NEEDS - Before you buy a separator, give Great Lakes a call. TOP QUALITY, reconditioned machines at the lowest prices. Call Dave Lambert, Great Lakes Separators at (920) 863-3306; dlambert@dialez.net for more information.

2. Equipment Wanted

WANTED TO BUY: Westfalia or Alfa-Laval separators. Large or small. Old or new. Top dollar paid. Call Great Lakes Separators at (920) 863-3306 or email dlambert@dialez.net.

3. Hard-to-Find Products

Kelley Supply, Inc. is a B2B distributor, located in the heart of Wisconsin, that provides solutions to the Food and Dairy industries in the United States. For over 60 years, we have provided food ingredients, automation, packaging, safety wear, chemicals and a variety of other products from coast to coast. Kelley supplies products to the food processing, meat, poultry, dairy, printing, packaging and other industries.

We are looking for enthusiastic technical and application expert with expertise in business leadership to include technical sales, selling all food ingredients with an emphasis in cultures, enzymes and colors.

If you feel you qualify and would like to be part of the Kelley leadership team please send your resume and cover letter to: jobs@kelleySupply.com subject: Food Ingredients

For details **CLICK HERE**

800-782-8573
Mail to: Human Resources
P.O. Box 100, Kelley Supply, Inc. Abbotsford WI 54405

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**Agropur inc.** is a wholly-owned subsidiary of Agropur Cooperative, which is a North American dairy industry leader founded in 1938. With sales of nearly $6.0 billion in 2016, Agropur is a source of pride to its 3,345 members and 8,300 employees. Agropur processes more than 12 billion pounds of milk per year at its 39 plants across North America.

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**CHEESE REPORTER**

May 3, 2019

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**Food Ingredients**

**Product Manager**

Kelley Supply, Inc.

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**Now Hiring**

**Product Development Specialist**

Appleton, WI

This Product Development Specialist assists the Regional Product Development Manager as well as the cheese and whey teams on specific projects focused on new product development, enhancements of existing product lines and optimization of plant startups and application of current products.

**Interested in applying?**

Apply online at www.agropurcareers.us Or submit your resume to myrish.klug@agropur.com

---

**CLASSIFIED ADVERTISING**

phone: (608) 246-8430  fax: (608) 246-8431

e-mail: classifieds@cheesereporter.com
Class Milk & Component Prices
April 2019 with comparisons to April 2018

<table>
<thead>
<tr>
<th>Class III</th>
<th>Cheese Milk Price</th>
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<tbody>
<tr>
<td>2018</td>
<td>$14.47</td>
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<td>2019</td>
<td>$15.96</td>
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<tr>
<th>SKIM PRICE (per hundredweight)</th>
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<td>2018</td>
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<td>2019</td>
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Class II - Soft Dairy Products

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<th>Price (per hundredweight)</th>
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<td>2018</td>
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<td>2019</td>
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<tr>
<th>BUTTERfat PRICE (per pound)</th>
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<td>2018</td>
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<th>SKIM MILK PRICE (per hundredweight)</th>
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Class IV - Butter, MP

<table>
<thead>
<tr>
<th>Price (per hundredweight)</th>
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<td>2018</td>
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<tr>
<th>BUTTERfat PRICE (per pound)</th>
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<tr>
<th>NONFAT SOLIDS PRICE (per pound)</th>
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<tr>
<th>PROTEIN PRICE (per pound)</th>
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<th>Weighted Moisture Content Percent</th>
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<th>Weighted Price</th>
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<th>Sales Volume</th>
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<th>Nonfat Dry Milk</th>
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<tr>
<th>Average Price</th>
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<th>Sales Volume</th>
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DAIRY FUTURES PRICES

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<thead>
<tr>
<th>SETTLING PRICE</th>
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<tbody>
<tr>
<td>2018</td>
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<tr>
<th>Class III</th>
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<th>Class IV</th>
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<td>2018</td>
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<table>
<thead>
<tr>
<th>Dry Whey*</th>
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<tbody>
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<table>
<thead>
<tr>
<th>NDM*</th>
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<td>2018</td>
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<table>
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<tr>
<th>Butter*</th>
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<td>2018</td>
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<thead>
<tr>
<th>Cheese*</th>
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<tbody>
<tr>
<td>2018</td>
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DAIRY PRODUCT SALES

May 1, 2019—AMS National Dairy Products

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<tr>
<th>Supplier to dairy processor</th>
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<tbody>
<tr>
<td>2018</td>
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<table>
<thead>
<tr>
<th>Food processing/Foodservice</th>
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<tr>
<td>2018</td>
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<table>
<thead>
<tr>
<th>Whey processor</th>
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<tr>
<td>2018</td>
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<table>
<thead>
<tr>
<th>Cheese Marketer(broker, distributor, retailer</th>
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<tbody>
<tr>
<td>2018</td>
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<th>JOB FUNCTION:</th>
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<tr>
<th>CME vs AMS</th>
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<tr>
<th>Grade A nonfortified NFDM.</th>
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<th>Dodge WR 100 vs. Dodge WR 800</th>
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CHEESE REPORTER
May 3, 2019

WHOLESALE CHEESE MARKETS

NATIONAL - APRIL 26: Milk supplies into Class II facilities are steady in the East and Mid- West, but lighter than in previous years. Out West, milk is plentiful for cheese produc- tion. Midwestern spot milk prices ranged from $1 under to $1 over Class III. Western contacts said butter is doing well, but buyers are hesitant to take on extra spot loads. Midwestern demand is mixed. After comparatively positive reports in recent weeks, some buyers are pulling back. However, spot butter was slowly recovering ordering this week. Ordering was stable to higher. Inventories are long nationwide, but a number of producers suggest stores are manageable to balance. Cheese markets are continuing to keep contacts satisfied, particularly when compared to the bearish months in mid-2018 and early 2019.

MIDWEST AREA - MAY 1: Milk has been available for cheese makers in the Midwest. Historically, May has been busy during spring when the amount of milk being handled by cheese makers has been steady to higher. Beneficial weather is enough to keep cheese makers busy in the region. Spot milk prices are slightly lower on average than last week, from $1 over to $1.50 under Class III. Cheese demand reports remain mixed week over week. Some cheese makers have seen improved sales figures throughout April and expect similar results for May. Others have said orders are slow, and they point to plentiful cheese stores in storage as a bullish pull on current orders. Cheese market tones are maintaining that bullish push from early in the year.

WEST - MAY 1: In the West, cheese inventories are building up above what buyers need. However, they are manageable. Milk output is plentiful for the making of cheese. As the result, cheese production is active. While some manufacturing facilities are running at full schedules, others are reducing their output to be in control of their supplies. Contractual volumes of cheese are moving steadily. On the other hand, customers are mostly getting what they need in the short-run while being careful about long term commitments. Some of the traditional customer accounts are building market conditions for making any major buying decision. International cheese sales are fair. The hope is that cheese demand will improve as the summer season gets near.

FOREIGN-TYPE CHEESE - MAY 1: German cheese demand is solid in both the domestic and export markets. There is a revival in Mozzarella sales as changing in the weather conditions. Furthermore, the retail sector increased its intakes of cheese prices as prices have declined a bit in recent days, and customers' requests are picking up. Cheese producers are now leaning on the German market for a recovery. Nevertheless, inventory inventories were enough to satisfy spot buyers' wants. Sliced cheese prices are stable. In the US, the prices for whey, cheese, and whey are strong, and Italy, Romania and crooked 0.175. The other cheese prices are the same as last week.

NDM - CENTRAL: Low-medium NDM prices were steady to slightly up on the top of the range. A majority of prices are topping $1.25 now. Some contacts expect the market to continue up into the $1.30s, while others point it is currently nearing the top of a range-bound state. Spot milk prices were a little slower than a bustling previous week. Some contacts suggest trade shows and upcoming industry conferences have some industry actors holding off somewhat. Production continues robustly, but dairy markets are running a lot conditioned through. Some dairies in recent weeks have started to take advantage of the bullish whole milk powder/ dry whole milk powder markets. High heat NDM prices shifted up, as supplies are scant and regional spot loads are difficult to locate.

DRY DAIRY PRODUCTS - MAY 1

RETAIL PRICES - CONVENTIONAL DAIRY - MAY 3

Commodity
US NE SE MI SC NV
Butter 1# 3.68 3.58 NA 3.19 3.99 4.15 3.70
Cheese 8 oz block 2.37 2.45 2.44 2.30 2.17 2.22 2.46
Cheese 1 block 3.90 2.99 4.27 3.48 NA 3.99 NA
Cheese 24 block 5.93 5.55 NA NA 6.99 5.42 6.64
Cheese 8 oz shred 2.31 2.42 2.28 2.25 2.39 2.18 2.11
Cream Cheese 40-lb block 2.18 2.50 2.21 2.00 1.99 1.84 1.69
Flavorized Milk is gallon 2.30 2.50 NA 2.50 NA 2.39 2.49
Flavored Milk gallon 2.92 NA NA 3.22 NA NA 1.99
Ice Cream 48-64 oz 2.93 2.89 2.94 2.73 3.39 2.99 2.82
Milk ½ gallon 1.61 1.79 .88 .88 1.77 NA NA
Milk 1 gallon 2.51 2.20 NA NA 2.62 2.89 2.49 1.99
Sour Cream 16 oz 1.54 1.64 1.59 1.15 1.41 1.29 1.47
Yogurt (Greek) 4-6 oz 1.95 1.95 2.47 2.10 3.00 2.57 2.96
Yogurt (Greek) 32 oz 4.20 4.22 4.02 4.99 3.54 3.94 3.99
Yogurt 4-6 oz 51 50 54 51 .49 50 .44
Yogurt 32 oz 2.39 NA NA NA NA 2.21 NA NA

US: National (NE): CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT; Southeast (SE): AL, FL, GA, MD, NC, SC, TN, VA, WV; Midwest (MI): IA, IL, KY, IN, MI, WI, NE, SD, ND; West (W): AK, CO, KS, LA, MO, NM, OR, TX; Southwest (SW): AZ, CA, NV, UT; Northwest (NW): ID, MT, OR, WA, WY

NDM - EAST: Low-medium NDM prices in the East region are mostly unchanged. Spot market activity is steady to a bit lower as some buyers are not purchasing at current price levels. Drying time is stable in manufacturers' operations. Supplies are fairly moderate. Market conditions are stable. High heat NDM prices have increased on the bottom of the range, but steady top on this week. Spot availability is limited. Some manufacturers are taking the time to dry high heat for immediate needs.

LACTOSE: Lactose prices held steady this week. Some observers noted a slight bump in the overall market this week due to some buyers' interest in the product. Some buyers are looking for prices under $1.50. Industry contacts report a wide range of market conditions. While some manufacturing units report consistent inventory levels, others are seeing their stocks grow. And while a number of processors have spot sales in the upper $.50s and strong interest from buyers, others are feeling the intensity of the market. Some sources report weak demand and building competition.

WHOLESALE BUTTER MARKETS - MAY 1

WEELY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT

NATIONAL - CONVENTIONAL DAIRY PRODUCTS

This week, retail ads for conventional dairy items increased by 33 percent, while organic dairy ads fell 18 percent. Conventional ad volume was 10 times that of organic dairy ads. Conventional ice cream in 48 to 64-ounce containers was the most advertised dairy item, increasing 34 percent.

Conventional cheese ad numbers increased by 29 percent. The average price for conventional 8-ounce block cheese is $2.37, up 16 cents from last week. The average price for conventional 8ounce cheese shreds is $2.31, an increase of 17 cents over last week. No organic cheese ads were reported this week.

Ads for conventional yogurt increased by 29 percent, while organic yogurt ads decreased 59 percent this week. The value of ads increased for both conventional and organic fluid milk products this week, down 2 percent for conventional and down 20 percent for organic. The national average advertised price for conventional milk half-gallons is $1.16, down 29 cents from last week. For organic milk in half-gallon containers, the national advertised price is $3.87, up 14 cents from the previous week. The resulting organic premium price is $2.71.

Organic dairy - Retail overview

NDM - CENTRAL: Low-medium NDM prices were steady to slightly up on the top of the range. A majority of prices are topping $1.25 now. Some contacts expect the market to continue up into the $1.30s, while others point it is currently nearing the top of a range-bound state. Spot milk prices were a little slower than a bustling previous week. Some contacts suggest trade shows and upcoming industry conferences have some industry actors holding off somewhat. Production continues robustly, but dairy markets are running a lot conditioned through. Some dairies in recent weeks have started to take advantage of the bullish whole milk powder/ dry whole milk powder markets. High heat NDM prices shifted up, as supplies are scant and regional spot loads are difficult to locate. Prompted by strong regional milk outputs. NDM requests from Mexican customers are solid. However, there are some reports that some Mexican manufacturers in the US are limited.

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LACTOSE: Lactose prices held steady this week. Some observers noted a slight bump in the overall market this week due to some buyers' interest in the product. Some buyers are looking for prices under $1.50. Industry contacts report a wide range of market conditions. While some manufacturing units report consistent inventory levels, others are seeing their stocks grow. And while a number of processors have spot sales in the upper $.50s and strong interest from buyers, others are feeling the intensity of the market. Some sources report weak demand and building competition.

May 3, 2019

Dairy Product Markets

As reported by the US Department of Agriculture
Cheese Comment: One car of blocks was sold Monday at $1.6750, an uncovered offer of 1 car at $1.6725 then the set price. No blocks were sold Tuesday, and the price remained at $1.6725. On Wednesday, 1 car of blocks was sold at $1.6625, which reduced the price. One car of blocks was sold Thursday at $1.6525, which lowered the price. A total of 22 cars of blocks were sold Friday, the last at $1.6750, which raised the price. The barrel price increased Friday on a sale at $1.6625. A total of 25 truckloads of barrels were traded this week on the CME.

Butter Comment: The butter price increased Monday on a sale at $2.2800, declined Tuesday on a sale at $2.2725, then rose Thursday on a sale at $2.2725.

NDM Comment: The price declined Tuesday on a sale at $1.0350, fell Wednesday on a sale at $1.0275, increased Thursday on a sale at $1.0300, and rose Friday on a sale at $1.0275. 11 total truckloads were traded this week on the CME, five coming on Thursday.

Dry Whey Comment: The price increased Monday on an unfilled bid at 34.75 cents, and rose Wednesday on a sale at 34.75 cents. There was a total of 10 truckloads of Dry Whey traded this week on the CME.

MARKET OPINION - CHEESE REPORTER

Cheese Comment:

- January 2019 was the warmest January on record and the second warmest March on record. Dry conditions continued across most of the North Island and parts of the South Island.
- New Zealand milk production was down 8 percent in March compared to March 2018, the report said. New Zealand recorded its second warmest March on record. Dry conditions continued across most of the North Island and parts of the South Island.
- New Zealand milk production for the 12 months to March was 3 percent higher than the previous year, which was a weak production year, the report noted.

WHEY MARKETS - APRIL 29, 2019

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<tr>
<th>Release Date</th>
<th>May 3, 2019</th>
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**Animal Feed Whey**, Central: Milk Replacer: 2500 (NC) - 3000 (NC)

**Buttermilk Powder**:
- Central & East: 1.0000 (NC) - 1.0750 (+4%)
- Mostly: 9900 (NC) - 1.0100 (NC)

**Casein**: Rennet: 2.9300 (NC) - 3.1075 (NC)
- Acid: $3.0950 (NC) - $3.2100 (NC)

**Dry Whey—Central (Edible)**:
- Nonhygroscopic: .3100 (-1) - .4300 (-3)
- Mostly: .3500 (NC) - .3975 (2)

**Dry Whey—West (Edible)**:
- Nonhygroscopic: .2775 (-1) - .4575 (NC)
- Mostly: .3300 (NC) - .4275 (NC)

**Dry Whey—Northeast**: 3500 (+1%) - 4250 (+1%)

**Lactose—Central and West**:
- Edible: 1.9500 (NC) - 4800 (NC)
- Mostly: 2600 (NC) - 4200 (NC)

**Nonfat Dry Milk—Central and East**:
- Low/Medium Heat: 1.0000 (-1) - 1.0700 (+4%)
- Mostly: 1.0100 (+1) - 1.0300 (NC)
- High Heat: 1.1150 (2%) - 1.1800 (NC)

**Nonfat Dry Milk—Western**:
- Low/Medium Heat: .9650 (+3%) - 1.0750 (NC)
- Mostly: 1.0000 (+1) - 1.0200 (NC)
- High Heat: 1.1200 (NC) - 1.2450 (+4%)

**Whey Protein Concentrate—Central and West**:
- Edible 34% Protein: .7200 (NC) - .0625 (NC)
- Mostly: .8300 (NC) - .9750 (NC)

**Whole Milk—National**:
- 1.5800 (-7) - 1.7000 (-5)

**Historical Milk Prices—Class III**

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<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
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Fonterra’s March Milk Collection Fell 9.2%; New Zealand Output Declined 8%

Wellington, New Zealand—Fonterra’s New Zealand milk collection in March was 130 million kilograms of milk solids, down 9.2 percent from March 2018, according to Fonterra’s April 2019 Global Dairy Update, released this week. Above-average temperatures and insufficient rainfall across regions continued to adversely affect milk production in March. Fonterra’s milk collection for the season to date reached 1.345 billion kilograms of milk solids, up 2 percent from a year earlier, due largely to favorable spring conditions which are now being offset by significant declines in February and March.

New Zealand milk production was down 8 percent in March compared to March 2018, the report said. New Zealand recorded its second warmest March on record. Dry conditions continued across most of the North Island and parts of the South Island.

New Zealand milk production for the 12 months to March was 3 percent higher than the previous year, which was a weak production year, the report noted.

Total New Zealand dairy exports increased by 27 percent, or 71,000 metric tons, in February compared to February 2018. This was primarily driven by whole milk powder and butter, up 39,000 metric tons. Other than a slight decline in whey protein concentrate and caseinate, all other products were up for the month, the report said.

New Zealand dairy exports for the 12 months to February were up 4 percent, or 131,000 metric tons, on the previous comparable period. This was primarily driven by anhydrous milkfat, fluid milk products, and whole milk powder, up a combined 135,000 metric tons.

China’s dairy import volumes increased 11 percent, or 20,000 metric tons, in February compared to February 2018, the report said. This was driven by increases across a broad range of products, particularly fluid milk products, skim milk powder, whole milk powder and lactose, up a combined 26,000 metric tons, but offset by whey powder which was down 7,000 metric tons.

China’s dairy imports for the 12 months to February were up 7 percent, or 204,000 metric tons, compared to the same period last year. Strong demand out of China continued with imports across all key categories, in particular whole milk powder, SMP and infant formula and lactose, which were up a combined 176,000 metric tons.

Put Urschel to the Test

As a valuable service to our customers, Urschel offers sample test cutting free-of-charge. This may assist with R&D, help explore different machines to decide on a capital purchase, or discover additional cutting capabilities for your existing Urschel machinery. As your partner in productivity, Urschel provides expertise, so you continue to succeed in this ever-changing, dynamic industry.

Turn to Urschel to provide valuable resources for all of your cutting requirements. Customers may schedule a visit to attend a test cutting of their product, or simply ship samples for test cutting. Visitors are also welcome to schedule a plant tour to learn more about Urschel state-of-the-art manufacturing practices.