Global Dairy Trade Prices Surge Again; US Dairy Prices Also Rise

GDT’s Skim Milk Powder Prices Jump 27.8%; US Grade A NDM Price Rises To Almost $1.70 A Pound

Auckland, New Zealand—Recent predictions that global dairy product prices would remain strong for the next several months appear to be coming to fruition.

At this week’s semi-monthly Global Dairy Trade (GDT) online trading event, the GDT-TWI index surged 14.2 percent from the previous trading event, held two weeks ago.

This was the third straight double-digit percentage increase in the GDT-TWI index; the two previous increases were 14.8 percent during the week of March 22 and 10.4 percent during the week of March 8.

Meanwhile, US spot market dairy product prices were up for all dairy products traded daily at the CME Group.

Cheedar 40-pound blocks ended the week at $1.7625 per pound, while 500-pound barrels ended the week at $1.6925 a pound. Both prices increased three cents today, and both price increases were due to unfilled bids for two cars. There were no sales of either blocks or barrels today.

Butter and both grades of nonfat dry milk also increased at the CME this week; it was the first price increase for Extra Grade NDM since last fall.

Leading the increases at this week’s Global Dairy Trade trading event was skim milk powder, the average price of which jumped 28.7 percent, to $5.142 per metric ton ($2.33 per pound) from the previous trading event.

The average winning price for Contract 1 (May) skim milk powder (this is DairyAmerica’s skim milk powder) was $3,888 per ton, up 10.0 percent; and the average winning price for Contract 2 (June) skim milk powder (this includes DairyAmerica, Arla and Fonterra SMP) was $4,777 per ton, up 24.5 percent from the previous trading event.

Average winning prices for Contracts 3 through 6 (July through October), which were all Fonterra’s skim milk powder, with changes from the previous trading event, were, respectively: $6,025 per ton, up 37.3 percent; $5,562 per ton, up 27.8 percent; $5,623 per ton, up 33.4 percent; and $5,537 per ton, up 42.3 percent.

Results for other dairy products in this week’s Global Dairy Trade online trading event, with comparisons to the trading event held two weeks ago, were as follows:

**Cheddar cheese:** The average winning price was $4,622 per metric ton, up 6.6 percent. Average winning prices were: Contract 2, $4,344 per ton, up 4.4 percent; and Contract 3, $5,180 per ton, up 10.3 percent.

**Whole milk powder:** The average winning price was $5,100 per ton, up 7.0 percent. Average winning prices were: Contract 2, $5,998 per ton, up 12.8 percent; Contract 3, $5,943 per ton, up 10.7 percent; Contract 4, $5,119 per ton, up 18.6 percent; Contract 5, $4,796 per ton, down 7.9 percent; and Contract 6, $4,622 per ton, up 7.7 percent.

**Butter:** The average winning price was $4,425 per ton, down 2.7 percent (that was the only price decline on Global Dairy Trade this week).

For a complete list of winning prices, please see the chart on page 46. A complete winning price list is available for purchase from the Global Dairy Trade. Contact globaldairytrade.online@globaldairytrade.co.nz.

NASS To Provide Partial US Milk Production Estimates For Rest Of Fiscal 2013

Washington—USDA’s National Agricultural Statistics Service (NASS) announced Wednesday that it will provide an estimate of US milk production each month through September of 2013, which is the end of federal fiscal year 2013.

Last month, NASS had announced that it was suspending its monthly “Milk Production” report for the remainder of the fiscal year due to reduced funding caused by government sequestration.

Both National Milk Producers Federation (NMPF) and the International Dairy Foods Association (IDFA) had expressed concern about the report being suspended.

For more details, please see NASS To Suspend Monthly Milk Prod-

Cheese Production Fell Slightly In February Without Adjusting For Extra Day In 2012; American-Type Cheese Output Increased

Washington—US cheese production during February totaled 857.4 million pounds, down slightly from February of 2012, when an extra day due to leap year, USDA’s National Agricultural Statistics Service (NASS) reported Thursday.

Cheese production during the first two months of 2013 totaled 1.793 billion pounds, up 1.4 percent from the first two months of 2012. (Editor’s note: the percentage changes that follow are not adjusted for the extra day in February of 2012.)

Regional cheese production during February, with comparisons to February of 2012, was: Central, 391.5 million pounds, up 1.5 percent; West, 354.2 million pounds, down 2.0 percent; and Atlantic, 111.7 million pounds, up 1.3 percent.

February cheese production in the leading states, with comparisons to February of 2012, was: Wisconsin, 219.9 million pounds, up 3.7 percent; California, 175.2 million pounds, down 5.2 percent; Idaho, 63.9 million pounds, up 1.8 percent; New York, 59.4 million pounds, up 1.6 percent; New Mexico, 57.6 million pounds, down 2.3 percent; Pennsylvania, 34.7 million pounds, up 3.3 percent; South Dakota, 21.7 million pounds, down 3.6 percent; Iowa, 21.5 million pounds, up 10.1 percent; and Ohio, 15.2 million pounds, down 5.6 percent; and Vermont, 1.9 million pounds, down 10.2 percent.

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Mite Infestation

Continued from p. 36

it’s one of the biggest kept secrets of the industry. No one wants any-
one to know they’ve got an insect infestation,” Aschebrock said. “It’s kind of a cancer on the industry.”

Smaller plants need to be their
own watchdogs using the tools of
temperature and humidity – that’s
the key to keep these things from
spreading, Aschebrock continued.

“However, in a curing room you
don’t want the air real dry or the
temperature low because the
cheese won’t age properly,” he said.

Retailers need to closely moni-
tor their coolers as well, Asche-
brock said. When you’re selling at
retail and you’re really infested, the
only thing you can do is wash each
cheese with a brush.

“You can get them scraped off,
but you won’t get 100 percent, no
matter how hard you scrub, espe-
cially on an open-surface cheese
like Gorgonzola or Brick where the
mites can get down into the
cheese,” he said.

Cheese mites also have the
propensity to multiply, and can
number in the tens of thousands
on cheese surfaces that are unpro-
tected.

“Years ago, we used to have a lot
of wooden boxes. You’d take your
cheese to a warehouse and get used
boxes back, dragging the mites
back and forth,” Aschebrock said.

“Once you’ve got them in a cooler, it doesn’t take long to multiply.”

Harm To Consumers, Handlers

Not only does cheese quality suffer from infestation of cheese mites, but the health of consumers and
cheese handlers may also be at risk.

The presence of cheese mites
may result in a number of aller-
genic diseases like asthma, atopic
dermatitis and allergic rhinitis that
can cause workers and customers
temporal and mental health prob-
lems, Wendorff and Coudé wrote.

Mites have been reported to
have caused severe skin irritation
in cheese handlers, as well as gas-
trointestinal disorders in consum-
ers.

An investigation by researchers
in 1975 involving 214 cheese plant
workers in central France showed
55 positive reactions caused by
cheese mites.

In some European countries,
however, cheese makers have a
laissez faire attitude about the pests.

Several years ago, Aschebrock and
a team of researchers made a trip
to Germany and Switzerland, dis-
covering mites in coolers and some
plants with heavy infestations.

“Cheese on shelves had piles
of residue – brown or gray dust
around and on the cheese,” Asche-
brock said. “When asked about
how they controlled the mites, we
were told they didn’t try. The mites
had holes bored into the sides of
Swiss wheels.”

“One person said mites gave the
cheese a distinct flavor,” he said.

Two cheeses that intentionally
use mites in the aging process are
the French cheeses Tomme and
Mimolette, and Milbenkase, a
German cheese.

Getting Rid Of Them

The cost of ridding a cheese
plant of mites can cost well over
$10,000, according to Aschebrock.

One company in Minnesota spent
$50,000 to fumigate its cooler, he
said.

Exterminators use methyl bro-
mide, an odorless, colorless gas
that has been used as a structural
fungicidal to control pests across a
wide range of agricultural sectors.

There are regulations in place to
eventually phase out the use of
methyl bromide over the next two
years.

“You leave the cheese in the
cooler, gas the room, let it sit
overnight, and then let it air out,”
Aschebrock said. “That’s where
the problem comes with using methyl bromide – it’ll kill a human if you
get a whiff of it.”

It usually takes two courses of
fumigation to completely rid a
cooler of mites.

“You get the adults first, wait a
few days, then give them another
blast to get the eggs that have
hatched,” Aschebrock said.

Since the use of methyl bromide
has been banned due to human
health hazards associated with its
use in food plants, other findings
suggest that the food coating REA-
DOM CBR can effectively control
mite populations in cheese, Wen-
dorf and Coudé wrote.

However, a major concern asso-
ciated with use of this product is
the modification of the external
appearance of the cheese, which
could affect consumer appeal.

For the smaller infestations, I’ve
seen positive results using lye soap
and water, Aschebrock said. But
if you’ve got dust on cheese or on
your shelves, you’ve got an infesta-
tion and you’ll probably have to
fumigate, he said.

“I don’t know how you can fumi-
gate a cave, though,” Aschebrock
added. “That could be a pretty
tough assignment.”

To prevent cheese mites, the
curing room should be kept clean,
and shelves washed thoroughly
with a caustic cleaner.

The ceiling, walls and floor
should also be cleaned at least
three times a year, Wendorff and
Coudé advised.

Old cheese should not be permit-
ted to stay in the aging room unless
properly paraffined, and scraps of
times like bandages, grain or dried
fruit – anything that might serve as
food for cheese mites – should not
be allowed in the curing room.

Also, cheese boxes that are
suspected of infection should be
scrubbed, scalded and dried before
they’re used for cheese in a clean
room.

Likewise, workers who handled
infected cheese must not enter
the aging room or handle the
paraffined cheese until they have
washed thoroughly and changed
clothes.

The article on the control of
cheese mites during the aging pro-
cess by Coudé and Wendorff will
be published in its entirety in the
June issue of CDR’s Dairy Pipeline.
Robert Aschebrock, cheese authority and former cheese grader with the US Department of Agriculture (USDA), saw his first case of mites when he was 16 years-old.

“After making cheese for seven years, I started work with USDA. During my early years, most cheeses handled by processors and warehouses were bandaged-style cheeses,” Aschebrock said. “Mites were everywhere.”

“They found them in coolers, on rusted-out areas of steel-jacketed cheese vats, and on any moist area in a plant with butterfat or whey residue on the equipment,” Aschebrock said.

“They were so common that at one processor’s plant, railcars used for shipping cheese were fumigated on a regular basis with methyl bromide,” he said. “Canisters of the chemical were tossed into the railmide,” he said. “Canisters of the chemical were tossed into the railcar with the US Department of Agriculture (USDA), saw his first case of mites when he was 16 years-old.

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“They were so common that at one processor’s plant, railcars used for shipping cheese were fumigated on a regular basis with methyl bromide,” he said. “Canisters of the chemical were tossed into the railcar. The conditions are ideal for breeding and transporting mites,” Aschebrock continued.

During routine USDA inspections, the floor of the cheese cooler is dusted and the sweepings placed on a white sheet of paper. After an hour at room temperature, cheese mites will move if present.

“They move a lot faster in warmer temperature than they do at 35 or 40 degrees,” Aschebrock said. “When they get warm, they scoot around pretty fast and they’re easy to spot.”

At USDA, we were trained to make a plant infested with mites ineligible for sale to the Commodity Credit Corporation (CCC), Aschebrock said.

“You take a look with your mite light and if you see them, the plant is automatically ineligible,” he said. “I reconfirmed that with the Washington office and they still have the same policy.”

Even if you don’t find mites on cheese – if they’re on a storage rack or a crate – the plant is deemed ineligible for government purchase, he said. However, the plant can still sell to retailers.

“I hate to say this, but I think...

For more information, circle #34 on the Reader Response Card on p. 54