Serving the World's Dairy Industry Weekly
Since 1876

CHEESE REPORTER

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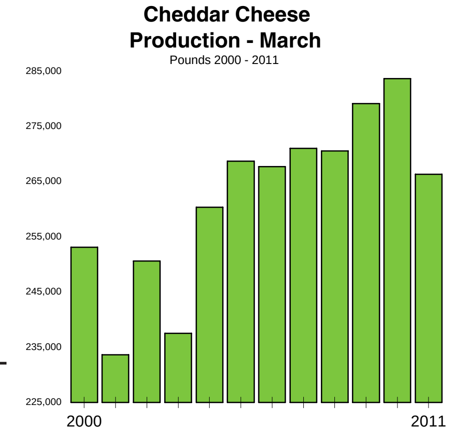

March Cheese Production Sets New Monthly Record Despite 6.1% Drop In Cheddar Output; Wisconsin Also Sets Monthly Record

Washington—US cheese production during March totaled 915.9 million pounds, up 2.4 percent from March 2010, USDA's National Agricultural Statistics Service (NASS) reported Monday.

That's a new monthly cheese production record, and marks just the second time ever that US cheese production has topped 900 million pounds in a single month. The first time was in December 2010, when output was 908 million pounds.

Historically, monthly US cheese production peaks in one of four months: March, May, October or December (as it did in 2010).

Thus, it's possible that the monthly record set in March won't last very long.

Cheese production during the first quarter of 2011 totaled 2.61 billion pounds, up 3.8 percent from the first quarter of 2010.

March cheese production in the three regions, with comparisons to March 2010, was as follows: Central, 414.2 million pounds, up 4.4 percent; West, 388.0 million pounds, up 2.9 percent; and Atlantic, 113.7 million pounds, down 5.8 percent.

Wisconsin set a new monthly cheese production record in March; at 231.3 million pounds, the state's cheese output was up 2.7 percent from March 2010 and about 3.0 million pounds higher than the state's previous monthly cheese production record of 228.3 million pounds, which was set in August of 2009 (last year, Wisconsin's monthly

• See **Record Output,** p. 6

Study: Policies That Advise Cutting Salt Intake May Be Harmful To Health

Separate Study Finds Limiting Fat Intake May Not Help Patients Suffering From Heart Failure

Chicago, IL, and Cleveland, OH—Findings fromseparate scientific studies released this week appear to contradict conventional wisdom when it comes to the health impacts of dietary sodium and fat intake.

Policies that advise restricting sodium (salt) intake to reduce the risk of hypertension might not provide the anticipated cardiovascular benefits and may even be detrimental to health, researchers reported in an article in this week's *Journal of the American Medical Association* (JAMA).

In the study, researchers categorized the 3,681 study participants according to sodium intake.

At a median of nearly eight years later, participants in the group with the lowest sodium intake at the beginning of the trial were significantly more likely than the other two groups to die of cardiovascular disease.

Researchers also found that these three groups had the same risk of developing hypertension, regardless of initial sodium intake.

They did find in a subgroup of 1,499 study participants who had sodium intake measured at the beginning and at the end of the study that an increase in sodium intake was associated with an increase in systolic (but not diastolic) blood pressure.

However, this relationship did not result in a higher risk of complications from hypertension or cardiovascular disease, such as heart attack or stroke.

Asked if he was surprised by the study results, Jan A. Staessen, MD, professor of medicine at the University of Leuven in Belgium and one of the study's authors, responded: "Not so much. We started this research more than 25 years ago, and in all our studies, it was almost impossible to find an association between blood pressure and 24-hour sodium excretion.

"We were a bit surprised to see an inverse relationship between sodium intake and cardiovascular death," Staessen added.

Staessen isn't sure why lowering sodium intake possibly increases cardiovascular risk, but noted that, "if you decrease sodium intake a lot, you activate some of the systems that conserve sodium and they are known to have a negative influence on cardiovascular outcomes."

Regarding the issue of mandating sodium restriction in foods to improve health, Staessen commented: "One should be very careful when one wants to implement (sodium restriction), as it is based on short-term studies mainly in hypertensive populations.

"Whether one can extrapolate these short-term results over the long term remains to be seen, especially as our study and two previous studies have shown an inverse association between sodium intake and mortality," he added.

The new study was welcomed by the Salt Institute, a salt industry trade association.

"We now know conclusively that the US government's war on salt consumption will cause harm," said Lori Roman, president of the Salt Institute. "This study confirms previous research indicating that reduc-

• See **Cutting Salt Is Bad,** p. 11

Listeria In Dairy Products Ranks Among Top 10 Pathogen-Food Combinations

Ranking Is Driven Mainly By Outbreaks Associated With Queso Fresco Made From Raw Milk; Dairy Ranks 7th Among Foods

Gainesville, FL—Listeria monocytogenes in dairy products is ranked fifth in a new report that identifies the top 10 riskiest combinations of foods and disease-causing microorganisms.

The report, *Ranking the Risks: The 10 Pathogen-Food Combinations with the Greatest Burden on Public Health*, was released late last week by the University of Florida Emerging Pathogens Institute (EPI). The report is described as the first comprehensive ranking of pathogen-food combinations that has been computed for the US.

To provide a means of comparing the risks posed by different pathogen-food combinations in the US, EPI researchers developed a comparable set of estimates of disease burden for 14 leading pathogens across 12 food categories (168 pathogen-food combinations).

These 14 pathogens represent over 95 percent of the annual illnesses and hospitalizations, and almost 98 percent of the deaths, estimated by the Centers for Disease Control and Prevention (CDC) due to 31 foodborne pathogens.

For each pathogen, EPI researchers estimate health impacts in monetary cost of illness and loss of Quality Adjusted Life Years (QALYs), a measure of health-related quality of life.

Both cost of illness and QALY loss are integrated measures of disease burden that allow researchers to compare pathogens with very different rates of incidence, hospitalization and death, as well as different symptoms and long-term chronic conditions. The report's authors attribute these illnesses to

• See **Pathogens & Food,** p. 10

Judge Grants Preliminary Approval To Revised Dean Foods-Northeast Dairy Farmers Settlement

Burlington, VT—Federal Judge Christina Reiss on Wednesday granted preliminary approval to a revised settlement reached late last year between Dean Foods Company and Northeast dairy farmers in a class action lawsuit.

Reiss noted that preliminary approval "is merely the first step in a multi-step process" in which the Dean settlement will be scrutinized by both the court and class members. It deprives no party or non-party of any procedural or substantive rights, and provides a mechanism through which class

• See **Preliminary OK,** p. 8

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EDITORIAL COMMENT

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Really, if a kid comes home from school and wants to snack on a couple of cheese sticks, a container of full-fat yogurt or a glass of whole milk, is that really a problem?

More Nutrition-Related Nonsense From The US Government

In its ongoing effort to make Americans healthier, the federal government continues to increase its involvement in the food business. Unfortunately, it looks like a couple of its recently announced initiatives have the potential to do more harm than good, to both consumers and to the dairy industry.

The most recent of these initiatives, reported on our front page last week, is a set of proposed voluntary principles that the food industry can use as a guide for marketing food to children. There are two principles, both of which are troublesome.

First, advertising and marketing should encourage kids to choose foods that make meaningful contributions to a healthful diet from food groups including fat-free or lowfat milk products.

So, yet again, the government is recommending fat-free or lowfat milk products instead of regular, full-fat products. This push toward dairy products with less fat has been going on for decades now, and the result has been painfully obvious: Americans, including young Americans, are getting fatter.

Yet the government keeps pushing this failed policy. It's been reducing, or trying to reduce, the fat content of dairy products in school meals for a number of years, and now it wants to reduce the fat content of dairy products marketed to kids when they're not in school.

Really, if a kid comes home from school and wants to snack on a couple of cheese sticks, a container of full-fat yogurt or a glass of whole milk, is that really a problem? Of course not, especially when those nutrient-dense full-fat dairy products are chosen instead of, say, a Hostess Twinkie or a Pop Tart.

Further, by singling out fat-free or lowfat dairy products, the proposal practically eliminates cheese, since the vast majority of "better-for-you" cheeses are reduced in fat, but not low in fat or fat-free. Kids could find more flavor in their pencil erasers than in some of the lowfat and fat-free cheeses that have been developed over the years.

The second principle is, the saturated fat, trans fat, added sugars and sodium in foods marketed to kids should be limited. Here, at least, the government got it half right.

How is that? Well, we're hard-pressed to find any nutrition authority who has anything good to say about trans fat (the artificial kind, anyway), so any reduction in marketing of these foods to kids would be a good thing.

And the same thing applies to added sugars. Yes, this might be a bit of a problem for products such as yogurt and flavored milks, but both industry and kids will be better off, in the long run, if less sugar is added to these products.

But the government also wants industry to limit the saturated fat and sodium in foods marketed to children. Our first thought here is: so much for marketing pizza to kids, especially pizza with extra cheese and maybe sausage and/or pepperoni.

Our second thought here is: this is a simplistic, short-sighted approach by the government. The ultimate goal for sodium is 140 milligrams per RACC (Reference Amount Customarily Consumed).

How many cheese snack-type products, such as String cheese, can achieve that? Perhaps a better way to word this question is: How many cheese snack-type products can achieve that goal and still retain some semblance of flavor and safety?

As far as saturated fat is concerned, we remain, after all these years, unconvinced that saturated fat is the dietary villain it has been made out to be by the federal government (among others). There is recent, and growing, evidence that saturated fat not only isn't a villain, it might even offer some health benefits.

Of course, saturated fat is a very complex nutrient. The problem with proposing limits on saturated fat intake is that it's simplistic. Yet that's the policy the government has pursued for decades.

The other recently announced government initiative that looks like it could do more harm than good concerns labeling. More specifically, it concerns two recent FDA proposals that would require calorie labeling on menus and menu boards in chain restaurants, retail food establishments and vending machines.

In its defense, FDA has no choice but to develop and implement these regulations, because the mandate was part of the health care reform law signed by President Obama in 2010.

And in a way, it's not such a bad idea. After all, knowing the calorie count of, say, a double cheeseburger versus a grilled cheese sandwich might sway some consumers to choose the grilled cheese.

But there are several problems with FDA's proposals (although, again in FDA's defense, it's doing what Congress mandated). First and foremost, FDA is also required to make available additional nutrition information for standard menu items in a written form, available on the premises.

And what might that "additional nutrition information" include? Among other useless pieces of information, it includes calories derived from total fat, plus saturated fat and cholesterol.

Again, this is the same failed policy the government has been pursuing for years. All it does is single out certain foods, including many traditional dairy products that happen to be relatively high in saturated fat, cholesterol and calories derived from total fat, as being bad for you.

Meanwhile, this policy completely ignores the nutrient density of foods. Dairy products are by far the leading dietary source of calcium, and also provide healthy amounts of everything from phosphorus and riboflavin to magnesium and potassium.

But consumers will never know this if they request nutrition information at a restaurant. Instead, they'll find the same one-sided information (that is, nutrients to avoid) that's been provided on food labels for 30 years.

That policy hasn't worked on food labels, and it probably won't work in restaurants, either.

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FDA Issues Final Rules On Administrative Detention Of Food, Prior Notice Of Imports

Interim Rules Are First From FDA Under New Food Safety Modernization Act

Washington—The US Food and Drug Administration (FDA) on Thursday published two interim final rules that are the first to be issued by the agency under the FDA Food Safety Modernization Act (FSMA), which was signed into law by President Obama in early January.

Both of these interim final rules are effective July 3, 2011. Interested persons may submit comments on the interim rules until August 3, 2011.

Under the first interim final rule, FDA is changing the criteria for odering administrative detention of human or animal food. Under the new criteria, FDA can order administrative detention if there is reason to believe that an article of food is adulterated or misbranded.

Decisions regarding whether FDA has a “reason to believe” a food is adulterated or misbranded would be made on a case by case basis because such decisions are fact-specific.

The Bioterrorism Act of 2002 provided FDA the authority to order the detention of any article of food if, during an inspection, examination, or investigation an FDA officer or qualified employee finds there is credible evidence or information indicating that the article of food presents a threat of serious adverse health consequences or death to humans or animals.

The Bioterrorism Act also made it a prohibited act to move an article of food in violation of a detention order or to remove or alter any mark or label required by a detention order that identifies an article of food as detained.

In the Federal Register of June 4, 2004, FDA issued the final rule establishing the procedures for administrative detention, including, among other provisions, the criteria for ordering administrative detention. This interim final rule amends those regulations.

Since FDA has had administrative detention authority, the agency has never administratively detained an article of food.

Under the new criteria, FDA believes that it is more likely to use administrative detention against articles of food in situations which include, among others, where the use of, or exposure to, a violative product may cause temporary or medically reversible adverse health consequences or where the probability of serious adverse health consequences is remote. These situations are analogous to the situations for ordering Class II recalls.

The second interim final rule requires an additional element of information in a prior notice of imported food. This change requires a person submitting prior notice of imported food, including food for animals, to report the name of any country to which the article has been refused entry.

Requiring notice of prior refusals allows FDA to better identify imported food shipments that may pose safety and security risks to US consumers, the agency said. This additional knowledge can further help FDA to make better informed decisions in managing the potential risks of imported food shipments into the US.

A provision in the Bioterrorism Act created the requirement that FDA receive certain information about imported foods before arrival in the US. It also provided that an article of food imported or offered for import is subject to refusal of admission into the US if adequate prior notice has not been provided to FDA.

A prior notice interim final rule published in October of 2003 required that prior notice be submitted to FDA electronically using either the US Customs and Border Protection (CBP) Automated Broker Interface (ABI) of the Automated Commercial System (ACS) or the FDA Prior Notice System Interface (PNSI). The 2003 interim final rule also set forth the timeframes within which prior notice must be submitted.

In the Federal Register of November 7, 2008, the Department of Health and Human Services (HHS) and the Department of Homeland Security (DHS) published a final rule that made a number of changes to the 2003 interim final rule, including changes to certain provisions containing definitions, submission timeframes, and the information that must be submitted in a prior notice. The final rule went into effect on May 6, 2009.

In calendar year 2010, 10,116,018 prior notices were submitted, 8,570,497 of which were submitted through the CBP system with the remaining 1,545,521 being submitted through the FDA system.

Before prior notice was required, FDA received almost no advance notice information about food products entering the US from foreign sources, or the location of the food’s anticipated port of arrival, the agency pointed out.

With the information required by prior notice, FDA does know what articles of food are being imported or offered for import before they arrive at the port. In the event of a credible threat for a specific product or a specific manufacturer or processor, for example, the agency will be able to mobilize and assist in the detention and removal of products that may pose a serious threat to humans or animals. r

Senate OKs Legislation To Strengthen Penalties For Companies That Knowingly Sell Adulterated Foods

Washington—The US Senate last month unanimously approved legislation to strengthen criminal penalties for companies that knowingly violate food safety standards and place tainted food products on the market.

The Food Safety Accountability Act would increase criminal penalties for any individual or corporation that knowingly endangers lives by contaminating the food supply by distributing misbranded or tainted food products.

The legislation would increase the offense from a misdemeanor to a felony, establishing fines and giving law enforcement the ability to seek prison sentences of up to 10 years for such offenses.

The bill now moves to the House, where it has been referred to a subcommittee. r

WCMA PERSPECTIVES

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IDFA's Deep Dairy Reforms

Dairy producers that want to eliminate end-product pricing in federal milk marketing orders don't know the half of it.

While producers gripe about make allowances embedded in these federal milk pricing formulas, another aspect of the formulas is currently punishing many manufacturers.

Producers receive a value for dry whey in the Class 3 milk price formula, even if their cheese processing plant doesn't make dry whey. That dry whey value is up, way up, to $1.71/cwt. in April, and the average for the first four months of 2011 is $1.46 in milk checks, significantly higher than the 10-year average of $0.83/cwt.

These flaws in milk price formulas — make allowances that take three years and an Act of God to adjust and pay-outs to farmers for products like dry whey that most cheese plants don't even produce — have placed reform of federal orders squarely in the center of dairy reforms for the upcoming 2012 US farm bill.

Weeks ago, International Dairy Foods Association (IDFA) released policy recommendations for the farm bill on the heels of the recommendations from National Milk Producers Federation (NMPF).

Last month, this column vetted NMPF's "Foundation for the Future" plan against three reform principles offered by Wisconsin Cheese Makers Association, namely:

- US government involvement in dairy should diminish over time.
- Prescriptive government policies and programs should be replaced with free market tools that place business decisions and business risk in the hands of dairy producers and processors.
- Any remaining government functions for the dairy industry should be less complicated, less opaque and interfere less in the natural evolution of the global dairy industry.

The NMPF reforms for federal milk marketing orders didn't fare well against these WCMA principles. Their complex proposals for milk pricing and pooling did not diminish the role of government over time, did not replace government oversight with a free market system and did not make government intervention in dairy easier to understand and easier to adjust.

> ...make allowances that take three years and an Act of God to adjust and pay-outs to farmers for products like dry whey that most cheese plants don't even produce — have placed reform of federal orders squarely in the center of dairy reforms for the upcoming 2012 US farm bill.

IDFA, in its "Dairy Policy Recommendations" document (www.idfa.org) released April 20 has a dim view of federal orders: "This program keeps milk from moving to its highest value use and stifles product innovation; instead it results in the manufacture of dairy products based on regulations rather than market demand, which also results in greater dairy price volatility."

The dairy processor organization proposes to end all federal milk price formulas, shifting the US dairy industry away from minimum federal order pricing and toward the free market, that is, processors would pay whatever price is necessary to procure milk. IDFA proposes a USDA survey to learn and publish the competitive prices processors pay for milk each month.

The last remaining federal pricing structure in IDFA's plan would be the price differentials that milk bottlers pay for Class 1 (fluid) milk. This extra money from bottlers would continue to be pooled in existing federal milk marketing orders.

But this differential would be phased out over five years. After one year with today's differentials, the dollar value of differentials would drop 20 percent a year for four years, then be dropped entirely.

The IDFA plan addresses each WCMA principle proposed above. Government involvement certainly diminishes over time. The free market is offered in place of government programs, and compared to today's impenetrably dense federal order rules, IDFA's plan is clean capitalism.

Like NMPF, the dairy processors at IDFA offer additional reform ideas for the 2012 farm bill. These include:

- Farm savings accounts. Dairy farms could make unlimited contributions to tax-deferred savings accounts. IDFA argues that producers today use tax-avoidance strategies in high income years such as prepaying expenses, purchasing equipment or funding expansion, and these strategies enhance milk price volatility. A tax-deferred savings account offers an alternative to milk production-enhancing strategies.
- Margin Insurance. Without noting a specific level where insurance may kick in, IDFA supports "risk insurance coverage to assist dairy producers when margins fall well below acceptable levels." The US government would subsidize a base or 'catastrophic' level of coverage, and producers could purchase higher margin coverage.
- Improve USDA Programs. IDFA proposes more funds for USDA's Livestock Gross Margin program and adding dairy to the agency's Livestock Risk Protection program. Milk forward contracting would be continued in the new Farm Bill and opened to all milk (currently Class 1 bottlers cannot forward contract for milk). And USDA would initiate risk management education for dairy producers and a credit program to cover margin deposits required on contracts for risk management between milk buyers and producers.
- IDFA calls for the elimination of the Dairy Price Support Program and DEIP, the Dairy Export Incentive Program.

These additional IDFA reform ideas perform well against the WCMA principles proposed here. Risk management is shifted to dairy farmer control, and market distorting programs like price supports and DEIP end.

The 2012 farm bill is a unique opportunity to unleash the free-market potential of the dairy industry. WCMA offers its three principles to guide the drafting and compromising to come.

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FROM OUR ARCHIVES

50 YEARS AGO

May 5, 1961: Shawano, WI—Accelerated growth by large private dairy companies is presenting a serious challenge to Wisconsin milk producers, said George Rupple, general manager of Consolidated Badger Cooperative, this week. Such companies are interested in Wisconsin milk only so long as they get it at the lowest price, Rupple said.

Washington—Rep. Vernon Thomson is chiding Secretary of Agriculture Freeman for not taking a position on legislation to permit the flow of milk in interstate commerce. Thomson and other members of Congress from dairy states are sponsoring bills to outlaw state and local regulations which impede the free movement of milk.

25 YEARS AGO

May 9, 1986: Washington—The Soviet nuclear disaster last week has spurred dairy industry concerns along several fronts, including possible contamination of dairy products imported from Europe, possible domestic milk contamination from nuclear fallout, and efforts to get USDA to donate surplus dairy and other food products to countries affected by the disaster.

Marshfield, WI—The Marshfield Chamber of Commerce recently bestowed the 1985 "Firm of the Year" honor to Arpin Dairy of Arpin, WI. The company is the first industry to ever be selected from outside the Marshfield city limits in the 30 years the award has been presented. Arpin Dairy has, however, been a key factor in the area's industrial growth.

10 YEARS AGO

May 4, 2001: Storrs, CT—Fluid milk processors and retailers "clearly used" the Northeast Interstate Dairy Compact implementation "to elevate and stabilize their margins," a study released by the University of Connecticut this week concludes. Since July 1997, the Northeast Dairy Compact Commission has set a minimum Class I milk price of $16.94 per hundredweight, or $1.46 per gallon.

Fairfax, VA—The Food Allergen Consumer Protection Act, which addresses the current confusion regarding hidden allergens in food labeling, was introduced this week. Recent studies show more than half of manufacturers could not confirm that the information on the ingredient statement matched the ingredients within the package.

Separate, Bipartisan Bills Would Eliminate Or Reduce Federal Ethanol Subsidies, Tariff

Washington—Separate bipartisan bills introduced in the US Senate this week would eliminate or reduce federal ethanol subsidies and repeal an import tariff on foreign ethanol.

US Sens. Dianne Feinstein (D-CA) and Tom Coburn (R-OK) introduced the Ethanol Subsidy and Tariff Repeal Act, which would fully eliminate the Volumetric Ethanol Excise Tax Credit (VEETC) and fully repeal the import tariff on foreign ethanol. Co-sponsors of the bill include Sens. Ben Cardin (D-MD), Richard Burr (R-NC), Jim Webb (D-VA), Susan Collins (R-ME) and James Risch (R-ID).

The VEETC is described as a de facto cash subsidy that directs 45 cents to refiners for every gallon of ethanol they blend with gasoline. The VEETC costs taxpayers approximately $6 billion a year.

The ethanol tariff is comprised of a .54 cent most favored nation duty and a 2.5 percent ad valorem tax.

Over 40 dairy, food, taxpayer, environmental and other organizations have endorsed the Coburn/Feinstein legislation.

Dairy and food groups supporting the measure include Milk Producers Council, California Dairy Campaign, Dairy Producers of New Mexico, Dairy Producers of Utah, Idaho Dairymen's Association, Nevada Dairy Commission, Oregon Dairy Farmers Association, Washington State Dairy Federation, California Dairies, Inc., Southeast Milk, Inc., Northwest Dairy Association, American Frozen Food Institute, American Meat Institute, Grocery Manufacturers Association, National Restaurant Association, Snack Food Association, National Cattlemen's Beef Association, National Council of Chain Restaurants, Center for Food Safety, and American Bakers Association.

Other organizations backing the legislation include Taxpayers for Common Sense, World Wildlife Fund, National Wildlife Federation, Competitive Enterprise Institute, Council for Citizens Against Government Waste, Environmental Working Group, Friends of the Earth, National Audubon Society, National Taxpayers Union, Natural Resources Defense Council, Sierra Club, Oxfam America and the Union of Concerned Scientists.

"Conventional ethanol is due to receive some $6 billion in refundable tax credits this year. Continuing to subsidize oil companies to blend ethanol — which they are already required to do by the Renewable Fuels Standard — is wasteful and unnecessary," the organizations said in a letter to Coburn and Feinstein.

"Ethanol is the only industry that benefits from a triple crown of government intervention: its use is mandated by law, it is protected by tariffs, and companies are paid by the federal government to use it," Feinstein said. "It's time we end subsidies that we cannot afford and tariffs that increase gas prices."

"As our nation faces a crushing debt burden, rising gas prices and the prospect of serious inflation, continuing our parochial ethanol policy that increases the cost of energy and food is irresponsible," Coburn said.

Meanwhile, US Sens. Kent Conrad (D-ND) and Chuck Grassley (R-IA) introduced the Domestic Energy Promotion Act of 2011, which would reduce tax incentives for ethanol.

The bill would extend, through 2016, at descending levels, the VEETC (also known as the blenders' credit). It would also extend, through 2016, the alternative fuel refueling property credit; the cellulosic producers' tax credit; and the special depreciation allowance for cellulosic biofuel plant property.

The bill has five original co-sponsors: US Sens. Mike Johanns (R-NE), Amy Klobuchar (D-MN), Al Franken (D-MN), Tom Harkin (D-IA) and Tim Johnson (D-SD).

The Domestic Energy Promotion Act is endorsed by, among others, the National Corn Growers Association (NCGA), American Coalition for Ethanol (ACE), Growth Energy, Renewable Fuels Association (RFA), and the Advanced Ethanol Council.

"Our nation is spending more than $850 million every day on imported energy," Conrad said. "We need to do more to boost domestic energy production, especially from alternative fuels such as ethanol."

"Now more than ever, it's time to ramp up production of traditional energy sources here at home and to expand alternative fuels and renewable energy sources," Grassley said.

"This legislation rightfully recognizes budget constraints by reforming the ethanol tax credit and significantly reducing its cost," Growth Energy, NCGA, ACE and RFA said in a statement. "Additionally, this bill would improve current tax credits for the installation of blender pumps offering higher level ethanol blends and provide Americans more choice when they fill up.

"Critically, this legislation would also ensure progress made to commercialize advanced ethanol technologies utilizing new feedstocks such as grasses and municipal solid waste is accelerated," the groups added.

USDEC Awarded Over $5.1 Million Under USDA Export Promo Programs

Washington—The US Dairy Export Council (USDEC) has been awarded a total of $5,125,210 under two export promotion programs administered by USDA's Foreign Agricultural Service (FAS).

US Secretary of Agriculture Tom Vilsack announced last Friday that FAS had awarded fiscal year 2011 funding to approximately 70 US agricultural organizations, including USDEC, under the two export promotion programs.

Under the Market Access Program, FAS will provide a total of $194.4 million to 68 nonprofit organizations and cooperatives, including $4,529,746 to USDEC.

Other organizations that were awarded funding include: Food Export Association of the Midwest USA, $10.9 million; Food Export USA Northeast, $8.2 million; National Association of State Departments of Agriculture, $2.8 million; Western United States Agricultural Trade Association, $10.9 million; Southern United States Trade Association, $5.8 million; Organic Trade Association, $435,293; National Confectioners Association, $1.7 million.

Under the Foreign Market Development Program (FMD), FAS will allocate a total of $31.7 million to 22 trade organizations that represent US agricultural producers, including $595,464 to USDEC.

The organizations, which must contribute a minimum 50-percent cost share, will conduct activities that help maintain or increase demand for US agricultural commodities overseas.

The US agricultural trade balance is projected to set a record surplus of $47.5 billion in fiscal 2011.

Record Output

(Continued from p. 1)

cheese production peaked at 227.9 million pounds in May).

March cheese production in the other leading states, with comparisons to March 2010, was as follows: California, 193.0 million pounds, up 3.3 percent; Idaho, 73.3 million pounds, up 1.2 percent; New Mexico, 65.6 million pounds, up 6.2 percent; New York, 58.6 million pounds, down 9.4 percent; Minnesota, 53.5 million pounds, down 3.4 percent; Pennsylvania, 35.3 million pounds, down 6.2 percent; South Dakota, 22.4 million pounds, up 22.4 percent; Iowa, 21.2 million pounds, up 3.6 percent; and Ohio, 18.4 million pounds, up 7.5 percent.

American-type cheese production during March totaled 365.1 million pounds, up 0.3 percent from March 2010. During 2011's first quarter, American-type cheese production totaled 1.053 billion pounds, up 1.8 percent from 2010's first quarter.

March production of American-type cheese in the leading states, with comparisons to March 2010, was as follows: Wisconsin, 65.8 million pounds, down 10.3 percent; Idaho, 55.4 million pounds, down 5.0 percent; California, 50.5 million pounds, down 4.6 percent; Iowa, 17.0 million pounds, up 8.6 percent; and Oregon, 12.8 million pounds, down 10.3 percent.

Cheddar production during March totaled 266.3 million pounds, down 6.1 percent from March 2010 and the lowest level for March Cheddar production since 2004 (when it was 260.3 million pounds). Cheddar output during the January-March period totaled 784.1 million pounds, down 1.6 percent from the same period in 2010.

Italian-type cheese production during March totaled 400.2 million pounds, up 5.1 percent from March 2010. Italian-type cheese output during the first quarter of 2011 totaled 1.14 billion pounds, up 6.3 percent from the first quarter of 2010.

March Italian-type cheese production in the leading states, with comparisons to March 2010, was as follows: California, 123.0 million pounds, up 5.9 percent; Wisconsin, 119.2 million pounds, up 11.5 percent; New York, 31.6 million pounds, down 3.8 percent; and Pennsylvania, 21.9 million pounds, down 10.3 percent.

Mozzarella output during March totaled 311.0 million pounds, up 3.6 percent from March 2010. Mozz output during the first quarter totaled 892.7 million pounds, up 5.9 percent from the first quarter of 2010.

March production of other Italian cheese varieties during March, with comparisons to March 2010, was as follows: Provolone, 31.2 million pounds, up 5.4 percent; Parmesan, 24.5 million pounds, up 11.7 percent; Ricotta, 23.6 million pounds, up 5.6 percent; Romano, 4.8 million pounds, up 67.0 percent; and other Italian types, 5.2 million pounds, up 27.7 percent.

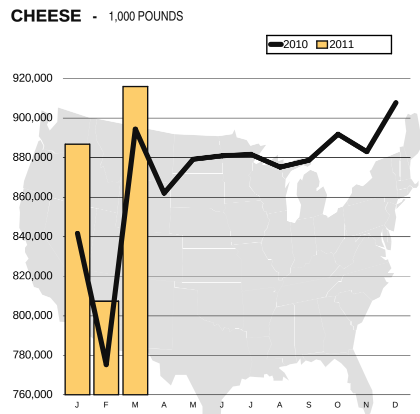
Production of other cheese varieties during March, with comparisons to March 2010, was as follows:

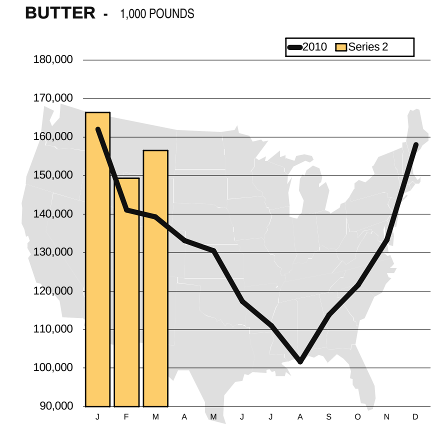
- Swiss cheese: 29.3 million pounds, up 6.8 percent.
- Brick and Muenster: 12.2 million pounds, up 14.0 percent.
- Cream and Neufchatel: 60.2 million pounds, down 6.6 percent.
- Hispanic cheese: 20.8 million pounds, up 2.5 percent.
- All other types of cheese: 28.0 million pounds, up 5.7 percent.

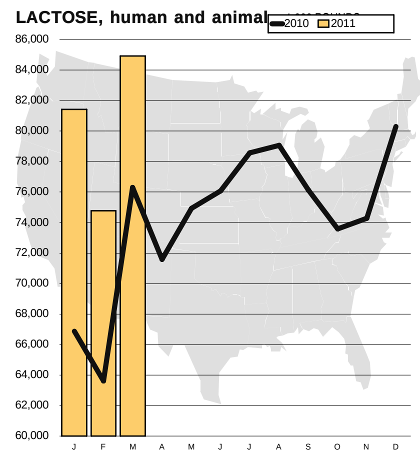
Whey Products Output

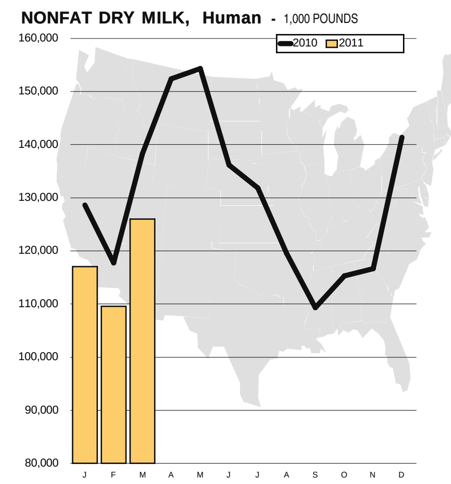
March production of dry whey, human, totaled 83.1 million pounds, down 4.5 percent from March 2010.

March Dairy Production - 2010 vs. 2011









Manufacturers' stocks of dry whey, human, at the end of March totaled 48.5 million pounds, up 2.6 percent from a year earlier and up 4.3 percent from a month earlier.

Lactose production, human and animal, during March totaled 84.9 million pounds, up 11.3 percent from last March. Manufacturers' stocks of this product, at the end of March totaled 74.2 million pounds, up 9.6 percent from a year earlier.

March production of whey protein concentrate, human and animal, totaled 37.2 million pounds, down 1.4 percent from March 2010. Manufacturers' stocks of WPC, human and animal, at the end of March totaled 31.7 million pounds, down 18.0 percent from a year earlier and down 4.3 percent from a month earlier.

Production of whey protein isolates during March totaled 5.0 million pounds, up 17.0 percent from March 2010. Manufacturers' stocks of whey protein isolates at the end of March totaled 4.2 million pounds, down 60.6 percent from a year earlier and down 0.7 percent from February.

Record March Butter Production

March butter production totaled 156.5 million pounds, up 12.4 percent from March 2010. That's a new record for March butter output, topping the previous record of 149.9 million pounds, set in 2008.

Butter production during the first quarter of 2011 totaled 472.3 million pounds, up 6.8 percent from the first quarter of 2010.

March butter production in the three regions, with comparisons to March 2010, was as follows: West, 83.6 million pounds, up 9.6 percent; Central, 57.2 million pounds, up 17.1 percent; and Atlantic, 15.7 million pounds, up 11.0 percent.

Nonfat dry milk production during March totaled 126 million pounds, down 8.9 percent from March 2010. January-March NDM output totaled 353.4 million pounds, down 8.7 percent from a year earlier.

Manufacturers' shipments of NDM during March totaled 122.8 million pounds, down 12.6 percent from March 2010. Manufacturers' stocks of NDM at the end of March totaled 123.9 million pounds, down 17.5 percent from a year earlier but up 0.2 percent from a month earlier.

March production of other dry milk products, with comparisons to March 2010, was as follows: skim milk powder, 42.0 million pounds, up 51.3 percent; milk protein concentrate, 8.9 million pounds, up 10.5 percent; dry whole milk, 7.1 million pounds, up 9.1 percent; and dry buttermilk, 9.4 million pounds, up 31.8 percent.

Rare Decline For Yogurt Production

March production of yogurt, plain and flavored, totaled 396.4 million pounds, down 0.7 percent from March 2010 and the first decline in monthly yogurt output since November of 2008.

Yogurt production during the first quarter of 2011 totaled 1.106 billion pounds, up 3.5 percent from the first quarter of 2010.

March sour cream production totaled 106.3 million pounds, down 3.0 percent from March 2010. January-March sour cream output totaled 289.9 million pounds, down 1.7 percent from the same period last year.

Cream cottage cheese production during March totaled 28.5 million pounds, down 4.6 percent from March 2010. Lowfat cottage cheese output during March totaled 36.4 million pounds, up 0.3 percent from March 2010.

Regular ice cream production during March totaled 74.7 million gallons, down 5.7 percent from March 2010. Lowfat ice cream output during March totaled 35.9 million gallons, up 1.5 percent from March 2010. r

Prolamina Corporation Announced As New Name By Packaging Solutions Holdings

Wisconsin Plant Location Selected; Veteran Team Of Executives Added

Lake Forest, IL—Packaging Solutions Holdings, Inc., has selected Prolamina Corporation as the company's new name, and the company this week announced the addition of several key executives as well as the location of its new plant in Wisconsin.

"We are excited about the future as we are implementing our plan to create a leading packaging company in our selected markets," said packaging industry veteran Harold Bevis, chairman and chief executive officer of Prolamina, who founded the company last year with Wellspring Capital Management.

Veterans added to Prolamina's leadership team include:

Dairy market manager: Mark Butler will lead the specialty lamination commercial efforts in the dairy market. Butler joins Prolamina from Printpack LLC and has also worked at Reynolds Flexible Packaging, American Plastics Company and Curwood Bemis Packaging.

Vice president of technology and innovation: Chad Perre will lead the company's product development activities. Perre joins Prolamina from Schreiber Foods, Inc. where he was director packaging sourcing. Perre has also worked at Alcan Packaging as a product development manager and research engineer.

Vice president of operations: Scott J. Fleming will lead Prolamina's operations team in Neenah, WI. Fleming was previously director of manufacturing at Exopack/Alcan and led SJFleming Engineering.

Director of R&D: Dr. Hesam Tabatabaei will lead R&D efforts for the company. Tabatabaei was formerly a chemical engineering postdoctoral fellow at the University of Montreal Polytechnique's department of chemical engineering and worked with the Industrial Material Institute of the Canadian National Research Council.

Prolamina also announced that its new state-of-the-art packaging plant will be located in Neenah, WI. Production is slated to begin in August 2011.

The plant will serve as a redundant production location for its Montreal and Westfield locations.

Packaging markets to be served will include cheese packaging, pouch materials, and snack food packaging, among others.

For more information, visit www.prolamina.com.

US Foodservice Acquires Wisconsin Based Food Distributor Cerniglia Products

Rosemont, IL—US Foodservice, one of the largest US foodservice distributors, on Tuesday announced the purchase of Cerniglia Products, a distributor of Italian specialty foods to the southern Wisconsin market.

Cerniglia Products, currently located in Middleton, WI, will become part of the US Foodservice-Milwaukee division. Vito Cerniglia, former owner of Cerniglia Products, will join US Foodservice-Milwaukee as a consultant.

"Vito Cerniglia and his team joining US Foodservice will dramatically enhance our ability to serve the growing Italian and Mediterranean restaurant markets," said Tim Hart, division president, US Foodservice-Milwaukee.

"This acquisition gives US Foodservice-Milwaukee customers access to Cerniglia's broad selection of Italian specialty foods, and Cerniglia customers now have access to more than 9,000 US Foodservice national brand and private label products," Hart added.

Cerniglia's product line includes a wide variety of domestic and imported cheeses, appetizers, pizza and related products, as well as dairy products such as butter, yogurt, sour cream, cottage cheese, milk and cream, as well as ice cream and other frozen desserts.

Vito Cerniglia said he is "especially excited that Cerniglia customers will have access to more products and resources that will help them grow their business."

Separators, Inc., Sold By Monument Capital Partners And Management

Indianapolis, IN—Monument Capital Partners (MCP), along with partners John Campbell and Joe Mansfield, have completed the sale of Separators, Inc., to a strategic buyer.

Founded in 1985, Indianapolis-based Separators, Inc., specializes in servicing and remanufacturing industrial centrifuge equipment used in the dairy, beverage and other industries.

MCP had acquired Separators, Inc., in June of 2005, with Campbell and Mansfield. Campbell has served as CEO and Mansfield served as COO/CFO since the acquisition. They will continue in their roles with the strategic buyer.

"We are pleased and look forward to working with our new parent in continuing our mission to be the leading service provider for centrifuges in the markets we serve," Campbell said.

Monument Capital Partners is a private equity fund based in Indianapolis, IN.

Cheese Systems Inc. And Saber Controls Agree To Merge Specialties

Marshfield, WI—Cheese Systems Inc. (CSI), and Saber Controls announced this week their agreement to merge in order to better offer turnkey solutions to the industry.

CSI is a full-service equipment provider of cheesemaking equipment and dry dairy product equipment.

The company combines cutting-edge technology with a team of dairy experts from around the world, to provide custom fabricated solutions.

Saber Controls, LLC is an electrical engineering firm specializing in process controls for the food and dairy industry.

"The Saber name is widely recognized in the dairy industry for more than 10 years and has a long list of satisfied customers," said Roger Ochsner, president of Cheese Systems Inc. "This merger allows them to use CSI for their manufacturing, engineering and installation needs and us to Saber's automation expertise."

Located in Cokato, MN, Saber Controls designs plant automation and other custom systems and MCC systems tailored to customer needs and desires.

Saber also offers PLC and HMI programming capabilities and has many dairy industry systems in place.

"The merger allows us to continue to do large turnkey jobs by maximizing each company's strengths," Ochsner said.

Formed nearly two years ago, CSI is a complete turnkey equipment manufacturer and has a team of people with over 100 years of combined dairy industry experience.

"We can take advantage of CSI expertise in engineering, manufacturing and installation in the cheese/dairy market by offering our customers' evaporators, dryers, vats and other complementary sanitary equipment," said Mike Lawyer of Saber Controls.

"We are very excited being in on the beginning of a job and helping design the customer's requirements that allows the customer to maximize his investment and results. This will enhance our customer relationship and make it easier for the customer to point to one person/company on these large jobs," Lawyer added. r

Preliminary OK

(Continued from p. 1)

members who object to the Dean settlement can voice those objections.

Plaintiff dairy farmers in October of 2009 had brought the class action on behalf of themselves and other Northeast dairy farmers against Dean Foods, Dairy Farmers of America (DFA) and Dairy Marketing Services (DMS). The plaintiffs allege that defendants engaged in anticompetitive conduct in the dairy industry. Defendants deny the plaintiffs' allegations.

The settlement agreement reached late last year between Northeast dairy farmers and Dean Foods included $30 million in monetary damages and injunctive relief that called for Dean Foods to buy a portion of its raw milk from multiple Northeast sources.

In January, DFA and DMS filed opposition to the proposed settlement, and a number of dairy farmers had also submitted their own affidavits challenging the fairness of the settlement, according to DFA (for more details, please see *DFA, DMS File Opposition To Proposed Dean Foods-Northeast Farmers Settlement*, on page 1 of our January 21, 2011 issue).

Since a hearing last month, plaintiffs and Dean have modified the Dean settlement in several "material respects," Reiss noted. First, they eliminated the injunctive relief of the settlement, advising the court that Dean planned to alter its business practices with or without the injunctive relief.

Second, they have clarified the ambiguity the court identified in the definition of the proposed settlement class.

Finally, they have revised their proposed notices to settlement class members to include additional financial information, permitting those class members to better evaluate their individual recoveries as a result of the Dean settlement based upon a sliding scale of potential attorney's fee awards.

The Dean settlement satisfies the requirements for preliminary approval, Reiss stated.

Plaintiffs and Dean represent that the Dean settlement was reached after vigorous, arm's-length negotiations between highly experienced counsel.

Plaintiffs and Dean contend that, in preparation for the negotiations, they conducted a comprehensive examination of the facts, reviewed voluminous documents produced in discovery, and briefed and argued defendants' motions to dismiss, Reiss noted.

In addition, plaintiffs represent that their research reveals that the $30 million settlement is the largest reported antitrust settlement in the history of the District of Vermont, Reiss continued.

In evaluating whether a settlement of $30 million is sufficient, the court has considered both the strengths and weaknesses of plaintiffs' claims against Dean.

Moreover, were the court to deny preliminary approval to the Dean settlement, it would be depriving settlement class members of the right to even consider the Dean settlement, Reiss pointed out.

It would also force Dean Foods, a party that is willing to settle on terms plaintiffs consider favorable, to proceed with "costly and protacted litigation," she added.

Neither the controlling case law nor the applicable rules and status favor such an approach, Reiss mentioned.

The Dean settlement thus satisfies the "relatively low threshold" required for preliminary approval, Reiss added. r

Kusel Equipment Hosts Post-Soviet States Dairy Delegation

David Smith (center) of Kusel Equipment, leads a tour for cheese and dairy manufacturers from the Former Soviet Union(FSU), of the company's equipment manufacturing facility.

Watertown, WI-An international delegation of cheese and dairy manufacturers from the former Soviet Union visited Kusel Equipment here this week on the last leg of their month-long tour of dairy manufacturing and related companies and organizations.

David Smith, Gary Smith and Jim Szollar of Kusel discussed the company's complete line of cheesemaking equipment and cottage cheesemaking lines.

Todd Martin of Johnson Industries International also provided a discussion of the Johnson cheesemaking line.

Bob Bradley, food science professor emeritus at the University of Wisconsin-Madison, provided an overview of 3-A sanitary requirements.

The delegates began their dairy industry tour in Washington, meeting with officials from the US Department of Agriculture (USDA) for special HACCP training.

They also met with staffs of the National Milk Producers Federation (NMPF), International Dairy Foods Association (IDFA), and the Maryland & Virginia Milk Producers Cooperative Association.

Delegates toured the HP Hood dairy plant in Winchester, VA, and met with officials from Agri-Service.

The following week, members traveled to Vermont and toured the Vermont Creamery in Websterville, VT; the facilities of Agri-Mark, Inc. and Cabot Creamery Cooperative; Ben & Jerry's Homemade, Inc.; and the University of Vermont.

For the third week, delegates traveled to Chicago for the joint annual meeting of the American Dairy Products Institute (ADPI) and the American Butter Institute (ABI).

From there, they toured the facilities of Fair Oaks Farm in Fair Oaks, IN, and The Frain Group, Inc., headquartered in Franklin Park, IL.

Heading north to Wisconsin, delegates toured the operations of Foremost Farms USA in Baraboo, Cedar Grove Cheese in Plain, Sassy Cow Creamery in Columbus, and the Babcock Institute at the UW-Madison.

Members also met with representatives from the Wisconsin Milk Marketing Board (WMMB), visited the Historic Cheesemaking Center in Monroe, and toured the facilities of SPX in Delavan and Kusel.

Nelson-Jameson Launches New E-Commerce Website

Marshfield, WI—Nelson-Jameson, Inc., this week announced the launch of its newly designed website, www.nelsonjameson.com.

The new website features a shopping cart for easier ordering with improved navigation and search function of the company's extensive product lines.

With its customers in mind, Nelson-Jameson's main focus was to create a website that the company says is user-friendly.

"In everything we do at Nelson-Jameson, we strive to make our customers' lives easier. Our new website is just a natural extension of that philosophy," said Adam Nelson, vice president of technology, Nelson-Jameson, Inc.

An element new to the website is the Learning Center, which helps users stay on top of the latest food industry product innovations, regulations and news.

Fully integrated with social media, the company's blog, "The Wide Line," is connected with the new site, along with Facebook and Twitter.

For more information, visit www.nelsonjameson.com. r

Global Foundations Launch Initiative To Tackle Long-Term Food, Ag Policy Issues

Initiative Is Launching As World's Population Grows, Pressures Mount On Land Use, Water Quality

Washington—Eight leading foundations on Tuesday launched AGree, an initiative that intends to tackle long-term food and agriculture policy issues confronting the US and the world as the population continues to grow and resources become more and more constrained.

AGree is launching at a key moment for food and agriculture policy. Over the next four decades, there are expected to be an additional 2.6 billion people on the planet to feed, in addition to the 925 million people who currently suffer under-nutrition and hunger.

Reflecting this point, also on Tuesday, the United Nations released new population projections indicating that the world's population of nearly 7.0 billion could reach 10.1 billion by 2100.

Simultaneously, the world faces a limited amount of easily accessible arable land, increasing pressures on freshwater quality and availability and accelerating environmental degradation.

Solutions to these challenges, AGree noted, will require best-in-class research, comprehensive analysis and cross-sector dialogue — resources productively brought together for the first time under the AGree initiative. AGree intends to fill a void in current agriculture research and discussions that frequently do not consider solutions across multiple sectors such as environment, energy, rural economies, and health.

AGree is funded by the Ford Foundation, Bill & Melinda Gates Foundation, The William & Flora Hewlett Foundation, The David and Lucile Packard Foundation, W.K. Kellogg Foundation, The McKnight Foundation, Rockefeller Foundation, and The Walton Family Foundation.

Leaders of the AGree initiative include Gary Hirshberg, chairman, president and "CE-Yo" of Stonyfield Farm; Dan Glickman, who served as US secretary of agriculture under President Clinton and prior to that was a congressman from Kansas; Jim Moseley, former deputy secretary of agriculture under President George W. Bush and an Indiana farmer for over 40 years; and Emmy Simmons, former assistant administrator for economic growth, agriculture, and trade at the US Agency for International Development (USAID) and a board member of several organizations engaged in international agriculture and global development.

"Our current food system is broken for farmers, consumers and the environment," Hirshberg said. "We must move beyond the political knee-jerk defense of traditional agriculture and face the need for change armed with real-world, scientific facts and analysis that AGree can provide."

"Agriculture issues need to be at the top of the United States' and world's agenda, alongside energy, health care and national security," Glickman said. "AGree will elevate the agriculture and food policy conversation.

"We will make it clear to leaders and policymakers that, while difficult, solving food and agriculture issues is of utmost importance and can help solve other pressing problems including public health and the need for economic growth," Glickman added.

"Agriculture has evolved from simply producing food to feed people and now has numerous demands placed on it. As a result the current discussion on agriculture and food policy is having problems focusing on what is really important; stakeholders talk past one another and often fail to comprehend policy implications beyond a specific sector," Moseley commented.

"The key to solving these diverse policy questions is through dialogue across sectors," Moseley continued. "AGree will promote these conversations and help us find the right balance on these conflicts to meet the broader public demands we are experiencing."

"We face a world where nearly a billion people already go hungry everyday; those numbers will continue to rise if we do not address underlying issues of quantity and quality of the world's food systems," Simmons said. "AGree can help align our domestic policies with the growing needs in developing countries for food security, nutrition and equitable development."

The past 20 years have created competition and division among stakeholders on priorities such as the environment, production, economy and nutrition, creating an impasse as lawmakers try to develop food and agriculture policies in the US and internationally, AGree noted. But the world can no longer afford to stay disjointed and uncompromising, shying away from the hard decisions needed to address these problems.

AGree said it is uniquely qualified to foster these necessary answers by starting with an open mind to new solutions and by convening a diverse set of stakeholders, including conventional and organic farmers, ranchers, nutritionists, energy experts, environmentalists, financiers, international aid veterans and public health specialists.

AGree will provide the first steps of genuine dialogue and insightful data that will enable effective decisions about food and agriculture policy. For more information, visit www.foodandagpolicy.org.

NCIMS Rejects Proposal To Reduce Maximum Somatic Cell Count In Milk

Baltimore, MD—A proposal to reduce the maximum level of somatic cell counts (SCC) in milk was rejected this week by the National Conference on Interstate Milk Shipments (NCIMS).

National Milk Producers Federation (NMPF) had asked the NCIMS voting delegates to reduce the maximum threshold of allowable somatic cells in milk at the farm level from the current 750,000 cells per milliliter to 400,000, starting in 2014. The proposal was also supported by the National Mastitis Council, among others.

But on a vote of 26-25, the voting delegates rejected the proposal, meaning that the status quo threshold of 750,000 cells per milliliter will remain, NMPF reported.

"Since it's been nearly 20 years since the current standard was established, we believed it was time to make changes that improve the nation's milk supply," said Jamie Jonker, NMPF's vice president of scientific and regulatory affairs.

"It's regrettable that this approach isn't the one taken by NCIMS," Jonker continued. "However, we're confident that the trend towards lower somatic cell counts will continue, regardless of the vote today."

USDA's Agricultural Research Service recently reported that national average test-day somatic cell count has declined every year since 2005 and every year from 1995 through 2010 except once since 2001. Nationally, average test-day herd SCC during 2010 was 228,000 cells per milliliter, which was down 5,000 cells from 2009's average.

The percentage of herd test days that exceeded 750,000, 600,000, 500,000, and 400,000 cells per milliliter during 2010 was 2.7, 5.7, 10.0 and 18.09, respectively, which was lower for three of the four levels than during 2009 (please see *Somatic Cell Count in Milk From DHI Herds Has Fallen Every Year Since 2005*, on page 7 of our April 29, 2011 issue).

Jonker noted that legislation to reduce the somatic cell count level in milk to 400,000 has been introduced in the US Senate (the Milk Quality Standards Act of 2011, introduced earlier this year by US Sen. Kirsten Gillibrand, a New York Democrat), and that international buyers are also looking at US somatic cell count levels with greater scrutiny.

Those pressures "may result in changes to SCC limits being forced by a process outside of the NCIMS, which would be unfortunate if it results in regulations that are not as workable for dairy farmers," Jonker said.

Pathogens & Food

(Continued from p. 1)

foods based on an analysis of 11 years of foodborne outbreak data.

The report estimates that 14 foodborne pathogens caused $14.1 billion in cost of illness, and loss of over 61,000 QALYs per year. More than 90 percent of this health burden is caused by five pathogens: Salmonella, Campylobacter, Listeria monocytogenes, Toxoplasma gondii and norovirus.

A limited number of pathogen-food combinations are estimated to be responsible for most of the foodborne illness caused by the 14 pathogens included in this study. The top 50 pathogen-food combinations account for more than 90 percent of illnesses, hospitalizations and deaths examined in the study.

The top 10 pathogen-food combinations are responsible for over $8 billion in costs of illness annually or almost 37,000 lost QALYs, reflecting nearly 60 percent of the impacts estimated across all 168 combinations. Campylobacter in poultry is ranked first in both QALYs and dollars, followed by Toxoplasma gondii from pork, Listeria in deli meats and Salmonella in poultry.

Listeria monocytogenes in dairy products ranks fifth among pathogen-food combinations. Almost all of this risk is due to soft-ripened cheeses, with much of it driven by Queso Fresco.

The report describes Queso Fresco as a traditional fresh cheese, usually made with unpasteurized milk, common in Mexican cuisine. Problems associated with its production, storage, and handling have been found associated both with legitimate, regulated companies as well as by unregistered home producers.

Other pathogen-dairy product combinations in the report's ranking of the top 50 pathogen-food combinations by combined QALY/dollar rank: Salmonella and dairy products, 15th; Campylobacter and dairy products, 19th; Toxoplasma and dairy products, 37th; Yersinia and dairy products, 48th; and Norovirus and dairy products, 50th.

Rankings Of Food Categories

The report also ranks the disease burden by food category. Poultry ranks first, causing over $2.4 billion in estimated costs of illness annually and loss of 15,000 QALY a year.

Pork and complex (multi-ingredient) foods tied for second, though pork's ranking may be too high, as the estimates are driven by attribution estimates for Toxoplasma gondii that may be outdated. Produce, beef, and deli/other meats rank fourth, fifth and sixth, respectively.

Dairy products ranked seventh, causing $1.2 billion in estimated costs of illness annually and loss of 5,410 QALY per year. Following dairy products in the rankings, and rounding out the top 10 food categories, are seafood, game, and eggs, respectively.

One noticeable pattern, the study noted, is that food categories commonly associated with numerous pathogens (poultry, pork, produce) rank much higher than those ordinarily associated with few pathogens (eggs, seafood). Eggs are particularly noteworthy in this respect, for although Salmonella in eggs ranks within the top 10 pathogen-food combinations, eggs are one of the lowest ranking categories overall.

FDA- vs. USDA-Regulated Foods

Consumption of FDA-regulated foods is estimated to cause about half of the overall national burden of foodborne disease, the study noted.

Although attribution data are imperfect, the analysis suggests that poultry, pork and beef, all regulated by USDA, cause about $5.7 billion or loss of 30,000 QALYs in disease burden annually, while dairy products, produce, seafood, breads, beverages and multi-ingredient complex foods (such as non-meat dishes served in restaurants, other establishments or homes, as well as processed foods such as peanut butter) cause about $6.0 billion, or 24,000 QALYs in disease burden.

Deli meats and eggs cause an additional $1.8 billion or loss of 7,000 QALYs. This can be viewed as a shared USDA/FDA responsibility; although FSIS regulates deli meat manufacture and processing, FDA has federal responsibility for developing model statutes for food handling in foodservice and retail food establishments where contamination often occurs, the study noted.

Other findings from the study:

- Four of the top 10 pathogen-food combinations represent significant risks to pregnant women and developing fetuses. The analysis suggests that current efforts at reducing these risks may not be sufficient, particularly with respect to Listeria monocytogenes in deli meats and in dairy products (such as Queso Fresco made and consumed in Latino communities from raw milk) and Toxoplasma gondii in meats.
- Considerable burden of disease is caused by food handling and preparation problems in foodservice and retail settings. In this analysis, complex multi-ingredient dishes, often prepared by restaurants, deli counters and other establishments, are the third leading food group in terms of associated burden of disease.
- E. coli 0157:H7 and non-0157 STECs cause about $300 million or loss of 2,000 QALYs in disease burden annually. Although the overall burden of disease is not as high as the top five pathogens, individual cases of illness are devastating both physically and financially.
- Salmonella causes more disease burden than any other foodborne pathogen, and is one of the few pathogens that has not significantly declined over the past 10 years. r

AWARDS

Alesha Radke Receives ADPI's 2011 Jim Page Scholarship

Chicago—Alesha Radke, a part-time employee at the retail store of Ellsworth Cooperative Creamery, Ellsworth, WI, is this year's recipient of the Jim Page Memorial Scholarship sponsored by the American Dairy Products Institute (ADPI).

The award was presented to Radke here last week at the joint annual meeting of ADPI and the American Butter Institute (ABI).

The scholarship is awarded to the dependent of an employee or to an employee of an ADPI member.

Radke is pursuing a double major in physics and chemistry with a biochemical emphasis at the University of Wisconsin-River Falls. She has been on the Dean's List for all five semesters at UW-River Falls, where she has maintained a GPA of 3.9 and worked part-time at Ellsworth Creamery.

JILL HOLLINGSWORTH, senior vice president of food safety with the Food Marketing Institute (FMI), received the 2011 NSF Food Safety Leadership Award for Lifetime Achievement at the recent Food Safety Summit in Washington, DC. Hollingsworth has been leading FMI's food safety initiatives for nearly 15 years. She also serves as the head of the newly established Center of Excellence for Food Safety and Protection. Prior to joining FMI, Hollingsworth worked at the USDA for 15 years.

MARGARET LAWSON, vice president of science and innovation at D.D. Williamson, was named fellow by the Institute of Food Science & Technology (IFST). The title is awarded to those who have demonstrated a sustained level of professionalism and who have made important achievements in relation to food. Lawson is a past president of the Institute of Food Technologists (IFT), member of the Research Chefs Association, and serves on the University Industrial Advisory Board for UC-Davis and the board of advisors for Xengaru Fun Foods.

JENNIFER BROWN has joined the Science & Innovation Team at the Global Support Center of D.D. Williamson as an application scientist. In this role, Brown will focus on color solutions for customers' formulation challenges in bakery, snack and savory applications. She brings a decade of food science experience in ingredient manufacturing and packaged food processing. Her responsibilities have ranged from product development and applications to technical sales support.

Proposed USDA Rule Would Require Periodic Residue Testing Of Organically Produced Agricultural Products

Washington—USDA's National Organic Program (NOP) is requesting public comments on a proposed rule that would require that certifying agents conduct periodic residue testing of organically produced agricultural products.

The proposed rule would amend NOP regulations to make clear that accredited certifying agents must conduct periodic residue testing of agricultural products that are to be sold, labeled, or represented as "100 percent organic," "organic," or "made with organic" ingredients.

The proposed rule would expand the amount of residue testing of organically produced agricultural products by clarifying that sampling and testing are required on a regular basis. The proposed rule would also require that certifying agents, on an annual basis, sample and conduct residue testing from a minimum of 5 percent of the operations that they certify.

Under the Organic Foods Production Act (OFPA) of 1990, the NOP is authorized to implement regulations that require accredited certifying agents to conduct residue testing of organically produced agricultural products.

The OFPA also requires that the NOP include provisions for periodic residue testing by certifying agents of agricultural products produced or handled in accordance with the NOP.

Residue testing plays an important role in organic certification by providing a means for monitoring compliance with the NOP and by discouraging the mislabeling of agricultural products, USDA said. Testing of organically produced agricultural products is promulgated in the NOP regulations.

The regulations provide that USDA, state organic programs, and certifying agents may require preharvest or post-harvest testing of any agricultural input used or agricultural product to be sold, labeled, or represented as "100 percent organic," "organic," or "made with organic" ingredients, when there is reason to believe that the agricultural input has come into contact with a prohibited substance or has been produced using excluded methods.

The proposed rule would clarify the requirement for residue testing under the NOP by requiring residue testing by certifying agents on a regularly occurring basis, in addition to residue testing when there is reason to suspect contamination with a prohibited substance.

Comments on this proposed rule, which was published in the Federal Register last Friday, should be submitted by June 28, 2011.

Cutting Salt Is Bad

(Continued from p. 1)

tions in sodium lead to an increased risk of disease and death.

"Therefore, we call on government agencies to stop their population-wide sodium reduction agenda and amend the Dietary Guidelines on sodium," Roman added. "We simply ask them to 'first, do no harm'."

Not so fast, says The Nutrition Source from the Harvard School of Public Health (HSPH), which said the study's conclusions "are most certainly wrong."

The study "has several weaknesses," chief among which is "its modest size," The Nutrition Source said. And the study's findings are "inconsistent with a multitude of other studies" conducted over the past 25 years that show a clear and direct relationship between high salt intakes and high blood pressure, and in turn, cardiovascular disease risk.

"Take this study with a huge grain of salt, and then dispose of it properly," said Dr. Walter Willett, chair of the nutrition department at HSPH. "This study should not influence recommendations about sodium intake in any way."

Fat Good For Damaged Hearts

Contrary to what consumers have been told, eliminating or severely limiting fats from the diet may not be beneficial to cardiac function in patients suffering from heart failure, a study at Case Western Research University School of Medicine in Cleveland reports.

Results from biological model studies conducted by assistant professor of physiology and biophysics Margaret Chandler, Ph.D., and other researchers, demonstrate that a high-fat diet improved overall mechanical function, in other words, the heart's ability to pump, and was accompanied by cardiac insulin resistance.

"Does that mean I can go out and eat my Big Mac after I have a heart attack?" Chandler asked. "No, but treatments that act to provide sufficient energy to the heart and allow the heart to utilize or to maintain its normal metabolic profile may actually be advantageous."

The research, published in the *American Journal of Physiology-Heart and Circulatory Physiology*, suggests that for a damaged heart, a balanced diet that includes mono- and polyunsaturated fats, and which replaces simple sugars (sucrose and fructose) with complex carbohydrates, may be beneficial.

In a healthy person, the heart uses both fats and carbohydrates to obtain the energy it needs to continue pumping blood 24/7. Ideally, fats are utilized because they yield more energy.

However, if a person develops heart failure, or suffers from a lack of blood supply, the heart seems to prefer using glucose for fuel, because glucose requires less oxygen to produce energy.

While heart disease remains the leading cause of death in the US, more people are surviving heart attacks than ever before. Survivors, though, pay a price for this improved survival, living with a damaged heart that usually progresses to heart failure. And medications and procedures have yet to "cure" heart failure, or halt the deterioration of heart function.

Upon initiation of these dietary intervention studies, researchers previously thought a high-fat diet fed to animal models that have suffered a heart attack, would overload their tissues with fat, which in turn would have a toxic effect on their hearts.

Surprisingly, the heart's pump function improved on the high-fat diet, researchers noted. Through further testing, the researchers found that animal models suffering from heart failure and receiving a lowfat diet were able to produce insulin and take up glucose from the blood, just as healthy hearts do.

> "...we call on government agencies to stop their population-wide sodium reduction agenda and amend the Dietary Guidelines on sodium."
>
> —Lori Roman,
> Salt Institute

However, the biological models with heart failure that were fed high-fat diets showed signs of insulin resistance, exhibited by a decreased amount of glucose taken up by the heart, as might be expected in a diabetic patient.

One of the main implications of these findings is that, contrary to previously held beliefs, a state of insulin-resistance might actually be beneficial to a failing heart. The hypothesis, according to Chandler, is that because the heart is being provided with excess amounts of fats, it is forced to utilize its preferred energy source.

After suffering an injury that leads to failure, the heart cannot do this on its own, so the researchers have to manipulate its metabolism to use the energy source that maximizes or maintain its function as near to "normal" as possible.

"We want to provide an environment for the heart which allows it to be as effective and efficient a pump as possible, regardless of the damage it has undergone," Chandler said.

COMING EVENTS

www.cheesereporter.com/events.htm

Latest Food Trends Spotlighted At Dairy-Deli-Bake Show & Sell Center

Anaheim, CA—Creative new merchandising concepts and the latest food trends will be highlighted at the Show & Sell Center at the International Dairy-Deli-Bakery Association's (IDDBA) 47th annual Dairy-Deli-Bake here June 5-7.

The 10,000 square-foot model store focuses on four areas: cheese, meals, deli and bakery. The Show & Sell Center is put together by industry volunteers.

Show & Sell merchandisers seek out new ideas and products, create merchandising programs, and teach retailers how to use these concepts to sell more products and satisfy customers.

Attendees will be offered how-to instructions, idea sheets, and photos of finished products.

Some of the latest food trends to be highlighted at this year's Show & Sell Center include:

■ Wellthy Eating. Diets are out, and healthy eating is in as consumers embrace the idea that eating well is the key to better health and longevity across all age groups.

■ Food That Moves. Consumers are relying more on mobile devices for meal planning, purchasing, recipes and price comparisons. Smart phone apps offer instant discounts, advance ordering and delivery.

■ Cross-Cuisine. Consumers are also becoming more open and willing to try new and unusual foods. Ethnic dishes that jump countries and cultures are seeing new growth lines along with favorites like Italian, Mexican and Asian.

■ Art & Health. Artisan foods are finding a new appreciation by home cooks, and men are no longer relegated to the grill. The economic downturn that sent families back to the dinner table has shifted focus to family night and more home cooking.

■ My Way. Consumers want to know where their food came from and how it was grown. Natural, organic, and locavore trends will continue to gain ground.

■ Right-Sized. Consumers are making dietary trade-offs that allow them to indulge in bite-sized sweets and confections.

Attendees can sign up for a free photo CD with roughly 700 photos that highlight the Center's displays and merchandising ideas.

Registration is currently available online at www.iddba.org.

For more information, contact the International Dairy-Deli-Bakery Association at (608) 310-5000.

UW-Madison Applied Dairy Chemistry Short Course Scheduled For May 17-18

Madison—The University of Wisconsin-Madison is hosting the Applied Dairy Chemistry Short Course here May 17-18 at Babcock Hall on the UW-Madison campus.

The two-day course covers the chemistry of milk and milk products as they relate to specific dairy processing and control functions.

The course is designed to provide attendees a better understanding of the chemical and physical changes taking place during the processing and storing of dairy products, and how these may impact overall quality.

The first day of the workshop will cover milk composition; water, acids and bases; the chemistry and properties of milkfat; milkfat flavors; milk enzymes; the chemistry and properties of lactose; and a milkfat property lab.

The second day of the course will focus on milk protein, the physical properties of milk products, minerals and salts.

A registration fee of $335 covers instructional materials, lab supplies, dairy chemistry text, and lunch on Tuesday.

For more details or to register, contact CALS Conference Services at (608) 263-1672.

PLANNING GUIDE

May 15-17: 2011 National Dairy Producers Conference, Embassy Suites Omaha, Omaha, NE. For more information, visit www.nmpf.org/NPDC.

•

June 5-7: IDDBA Seminar & Expo, Anaheim Convention Center, Anaheim, CA. For more information or to register online, visit www.iddba.org.

•

June 11-14: 2011 IFT Meeting & Expo, New Orleans Morial Convention Center, New Orleans, LA. For more information, visit www.ift.org.

•

July 10-11: WDPA Dairy Symposium, Landmark Resort, Door County, WI. For more information, visit www.wdpa.net.

•

July 10-14: ADSA Annual Meeting, New Orleans Ernest N. Morial Convention Center, New Orleans, LA. For more information, visit www.adsa.asas.org.

•

July 31-Aug. 3: 2011 IAFP Annual Meeting, Milwaukee, WI. For more details or to register online, visit www.foodprotection.org.

•

Aug. 3-6: American Cheese Society's Annual Conference, Palais des Congrès de Montréal, Montréal, Canada. For more information, visit www.cheesesociety.org.

•

Aug. 11-12: Idaho Milk Processors Association's Annual Meeting, Sun Valley Resort, Sun Valley, ID. For more information, visit www.impa.us.

•

Sept. 18-21: International Whey Conference, Chicago Marriott Downtown, Chicago, IL. For more information, visit www.iwc-2011.org.

•

Sept. 19-21: Second Annual International Dairy Show, Georgia World Congress Center, Atlanta, GA. For more information, visit www.dairyshow.com.

•

Oct. 10-11: Global Cheese Technology Forum, Reno, NV. For more information, visit www.globalcheesetechnologyforum.org.

•

Oct. 12-13: NCCIA Annual Conference, DoubleTree Hotel, Rochester, MN. For more details or to register, visit www.northcentralcheese.org.

2012 IDF Cheese Ripening Technology Symposium To Be May 21-24 In Madison

Madison—The sixth Cheese Ripening and Technology Symposium sponsored by the International Dairy Federation (IDF) will be held here May 21-24, 2012 at the Monona Terrace.

The event is being hosted by US-IDF and the Wisconsin Center for Dairy Research (CDR).

The symposium's scientific program will focus on three areas: ripening and flavor, physical properties and performance, and health and wellness.

The first day of the event will cover ripening and flavor, focusing on the science necessary to understand microbial ecology, flavor formation, sensory perception and the control of cheese ripening.

Ross Holland from the Fonterra Research Center will highlight the key concepts of cheese ripening control.

James Steele of the University of Wisconsin-Madison will talk about the microbial ecology of cheese and flavor formation, and Eddy Smid of Wageningen University in The Netherlands will discuss metabolic modeling of flavor formation.

Finally, Wim Engels of NIZO Food Research will talk about sensory and flavor optimization.

The second day will focus on the physical properties and performance of cheese – so important in consumer acceptance. Speakers will highlight how cheese products are perceived by consumers.

Fred van de Velde of NIZO and Mark Auty of Teagasc will discuss a material science approach to the development of cheese structure and texture.

Teagasc's Tim Guinee will talk about the impact of biopolymers in cheese texture, and North Carolina State University's Allen Foegeding will discuss oral processing and the sensory texture of cheese.

Mark Johnson of the University of Wisconsin Center for Dairy Research will wrap up the day with a discussion on low fat/ low sodium cheeses.

The third day of the program will address the natural health benefits of cheese. Michael Zemel of the University of Tennessee-Knoxville, will discuss the influence of cheese in disease risk prevention.

Guy Vergeres of the Agroscope Liebefeld-Posieux Research Station will talk about nutrigenomics and personalized food, and North Carolina State University's Todd Klaenhammer will cover probiotics and prebiotics in cheese.

The IDF is also issuing a call for papers and poster presentations for the event.

The deadline for submission of oral presentations is Nov. 1, 2011 and poster submissions must be received by March 1, 2012.

Those interested in attending the event can pre-register online at www.idfcheeseus2012.com.

Formal registration will begin October 2011, and conference fees are expected to be roughly $800 per person.

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MARKET PLACE

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1. Equipment for Sale

FOR SALE: New and used cheese making equipment. Including moulds, cultures, rennet, curd knives, presses, books and other necessary supplies. See us at www.bobwhitesystems.com. Call 802 763-2777 or email Tim@bobwhitesystems.com

FOR SALE: Three Stoelting cheddaring tables. 1-42 feet long and 2-46 feet long. Call **Ullmer's Dairy Equipment** at (920) 822-8266

FOR SALE: MSA200 WESTFALIA SEPARATOR: Frame and dome only. Excellent back-up machine or spare parts unit. Only $19,500. Call Dave Lambert, **Great Lakes Separators** at (920) 863-3306 or e-mail drlambert@dialez.net.

SEPARATOR NEEDS - Before you buy a separator, give us a call. Top quality, reconditioned machines at the lowest prices in the industry. Call Dave Lambert, **GREAT LAKES SEPARATORS** at (920) 863-3306 or e-mail drlambert@dialez.net.

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

FOR SALE: 1500 AND 1250 cream tanks. Like new. (800) 558-0112. (262) 473-3530.

FOR SALE: 2 MRPX 418 ALFA-LAVAL SEPARATORS: — just arrived. Call Dave Lambert, **Great Lakes Separators** at (920) 863-3306 or e-mail drlambert@dialez.net

FOR SALE: 6000 pound per hour HTST - skid mounted. Two-30,000 gallon silo's loaded price. Call **Ullmer's Dairy Equipment** at (920) 822-8266.

2. Equipment Wanted

WANTED: 40 pound block hoops and pins. Call **Ullmer's Dairy Equipment** at (920) 822-8266

WANTED TO BUY: A-Frame cheese presses and horizontal 2 row and single row. Call **Ullmer's Dairy Equipment** at (920) 822-8266.

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 e-mail drlambert@dialez.net.

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WANTED: Used Artisan Cheese Making Equipment. 50-200 gallon Vat Pasteurizers. Small Make Vats. Don't let your old equipment sit there doing nothing! See us at www.bobwhitesystems.com. Call 802 763-2777 or email Tim@bobwhitesystems.com

3. Supplies

4. Walls, Flooring

EXTRUTECH PLASTICS Sanitary POLY BOARD© panels provide bright white, non-porous, easily cleanable surfaces, perfect for non-food contact applications. CFIA and USDA accepted and Class A for smoke and flame. Call **EPI at 888-818-0118.**

EPOXY OR FIBERGLASS floors, walls, tank-linings, and tile grouting. Installed by **M&W Protective Coating Co. LLC**. Call (715) 234-2251

5. Real Estate For Sale

USDA CHEESE PLANT FOR SALE- SAN DIEGO, CA. 73,000 square feet, built in 2007. 3000 amp/480 v power waste water treatment. 10" chemical/hot water sewer line. High pressure gas line. Freezer/Cooler. Please contact: Linda Greenberg, (858) 677-5343; or email: linda.greenberg@colliers.com

6. Help Wanted

FREE 3 MONTH SUBSCRIPTION: Have you been recently downsized and looking to stay in the dairy industry? Contact Cheese Reporter at info@cheesereporter.com for a free three month subscription. Or call Cheese Reporter at 608-246-8430 to request your subscription. Stay in touch with current positions by visiting www.cheesereporter.com/helpwanted.htm

7. Positions Wanted

PROMOTE YOURSELF - By contacting Tom Sloan & Associates. Job enhancement thru results oriented professionals. We place cheese makers, production, technical, maintenance, engineering and sales management people. Contact Dairy Specialist David Sloan, Tom Sloan or Terri Sherman. **Tom Sloan & Associates, Inc**. PO Box 50, Watertown, WI 53094. Call: (920) 261-8890 or FAX: (920) 261-6357; or email: tsloan@tsloan.com.

8. Consultants

Advertise your consulting services here. Call 608-246-8430 or email us at info@cheesereporter.com.

9. Contract Services

"CUSTOM 6" DELI HORN production and conversion services available - your milk or ours. **Harmony Specialty Dairy**, www.harmonyho.com; ralph@harmonyspecialty.com or call (715) 687-4236.

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

10. Dairy Products For Sale

DAIRY PRODUCTS MARKETING: Cheese sales specialists in all types of cheese. Visit our **NEW** website: www.dairyproductsmarketing.com and call (920) 921-9449

12. Warehousing Facilities

REFRIGERATED WAREHOUSING AVAILABLE: Cooler-Frozen-Dry Located off major 4-lane highway. Flexible shipping, receiving hours. Contact: **Mid-Wisconsin Warehousing,** Beaver Dam WI; 800-336-7249 Ext 140 Willie Or Cell 920-948-4741.

13. Reconditioning Services

DIVISION MANAGER

Associated Milk Producers Inc. (AMPI), a leading Upper Midwest dairy cooperative, is seeking a division manager for its largest cheese plant located in Jim Falls, Wisconsin.

This position is responsible for the overall plant operations and milk procurement for the Jim Falls Division in northwest Wis.

Qualifications include ten or more years of service in cheese/dairy manufacturing (non-bottling), experience in procurement, working and managing in a union environment, negotiating union contracts and a degree in dairy/food science or an equivalent. The successful candidate will possess technical, analytical, planning, decision-making, and exceptional communications and social skills.

AMPI offers a competitive wage and benefits package including health insurance and 401K plan.

Candidates should submit resumes and salary requirements by:
Wed., May 18, 2011 to:
Associated Milk Producers Inc.
Attn: Human Resources
P.O. Box 455 • New Ulm, MN 56073

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Sales Opportunity

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Increase corporate profits through professional, coordinated, and cost effective marketing and sales promotion efforts of our industrial food processing packaging line. Work cooperatively with vendors to improve their products, new lines and new vendors as needed to increase sales and profitability. Coordinate team members and vendor personnel to select and execute a promotional strategy utilizing field sales personnel and appropriate media advertising.

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Mail, fax, or email resume, including wage requirements, or request application from:

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Nelson-Jameson, Inc.
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Telephone: 715/387-1151 • Fax: 715/387-8746
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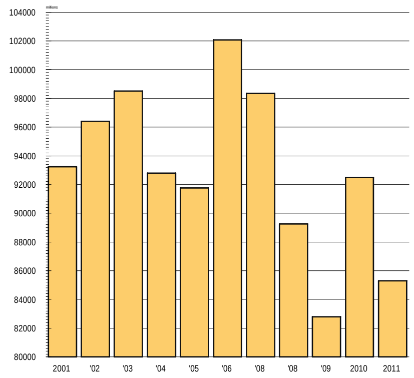
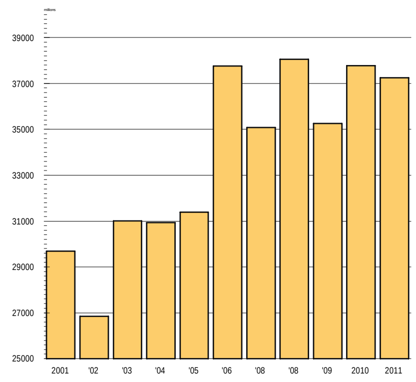
Royko Enterprises LLC
Steve Royko, Broker #54908-90
608-770-1009, sroyko@roykoenterprises.com
United States Bankruptcy Court Western District of Wisconsin, Case No. 10-18550

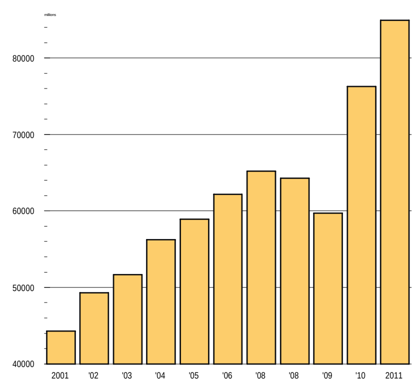
Dry Whey (Total) Production
March - Since 2001



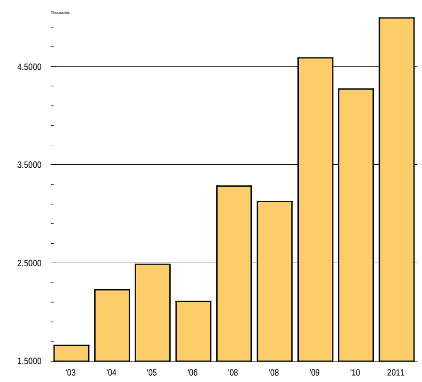
WPC (Total) Production
March - Since 2001



Lactose (Total) Production
March - Since 2001

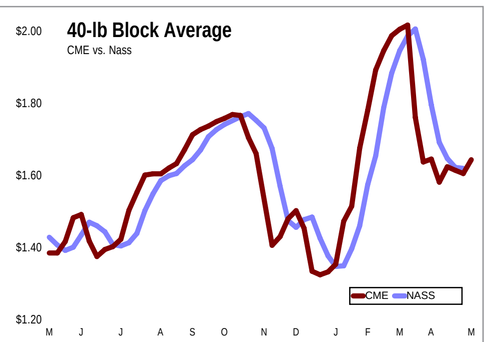


Whey Protein Isolate - 90% or more
March - Since 2001



DAIRY PRODUCT PRICES

May 6—NASS,USDA. Prices included are provided each week by manufacturers. Prices collected are for the (wholesale) point of sale for natural, unaged Cheddar; boxes of butter meeting USDA standards; Extra Grade edible dry whey; and Extra Grade and USPH Grade A nonfortified NFDM. A transaction is complete when the product is "shipped out" and title transfers. •Revised



Style and Region	WEEK ENDING April 30	April 23	April 16	April 9
40-Pound Blocks				
Average Price		Dollars/Pound		
MN/WI	1.7061	1.7330	1.7178	1.7743
Other States	1.6082	1.6122	1.6384	1.6827
US	1.6173	1.6202	1.6453	1.6897
Sales Volume		Pounds		
MN/WI	1,024,637	694,942	967,335	990,207
Other States	9,953,508	9,899,170	10,281,393	11,883,935
US	10,978,145	10,594,112	11,248,728	12,874,142
500-Pound Barrels				
Average Price		Dollars/Pound		
MN/WI	1.7109	1.7085	1.6725	1.7502
Other States	1.7067	1.7032	1.7235	1.8049
US	1.7084	1.7059	1.7021	1.7787
Price Adj. to 38% Moisture		Dollars/Pounds		
MN/WI	1.6337	1.6336	1.6074	1.6800
Other States	1.6152	1.6107	1.6319	1.7124
US	1.6225	1.6222	1.6217	1.6970
Sales Volume		Pounds		
MN/WI	3,561,549	4,238,260	4,460,968	4,264,334
Other States	5,349,112	4,178,663	6,152,446	4,649,633
US	8,910,661	8,416,923	10,613,414	8,913,967
Moisture Content		Percent		
MN/WI	35.07	35.16	35.49	35.41
Other States	34.49	34.44	34.52	34.65
US	34.72	34.80	34.93	35.01
Butter				
Average Price		Dollars/Pound		
US	2.0071	1.9880•	1.9730	2.0036
Sales Volume		Pounds		
US	4,191,051	6,019,091•	5,703,959	4,740,812
Nonfat Dry Milk				
Average Price		Dollars/Pound		
US	1.5987	1.5717•	1.5762•	1.5617
Sales Volume		Pounds		
US	11,938,993	17,337,763	20,501,933	17,286,487
Dry Whey Prices				
Average Price		Dollars/Pounds		
US	0.4764	0.4807	0.4838	0.4673
Sales Volume		Pounds		
US	11,101,179	9,061,311	10,305,511	6,321,475

California 4a & 4b Milk Prices

April 2011 with comparisons to April 2010

California Class 4a & 4b Prices — **Minimum Prices per cwt**

Class	Lb. Fat	Lb. SNF	2010	2011
4a	$2.1722	$1.3622	$13.49	$19.45
4b	$2.1722	$0.7743	$12.30	$14.34

Commodity Market Prices

Product	2010	2011
Cheese, US 40-block, CME	$1.4144	$1.6136
AA Butter, CME	$1.5239	$1.9971
Nonfat Dry Milk (low/med. heat), West, USDA	$1.0750	$1.5320

CHEESE REPORTER
READER RESPONSE CARD

For information about the advertisements or new product information, circle the number below which corresponds to the ad or article in which you are interested.

Name ______________________
Title ______________________
Company ______________________
Address ______________________
City/St/Zip ______________________
E-Mail ______________________
Phone/FAX ______________________

Issue Date: 5/06/11

1	2	3	4	5	6	7
8	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	32	33	34	35	36
37	38	39	40	41	42	43
44	45	46	47	48	49	50
51	52	53	54	55	56	57
58	59	60	61	62	63	100
101	102	103	104	105	106	107
108	109	110	111	112	113	114
115	116	117	118	119	120	121
122	123	124	125	126	127	128
129	130	131	132	133	134	135
136	137	138	139	140	141	142

TYPE OF BUSINESS:
___Cheese Manufacturer/Processor
___Cheese Packager
___Other dairy processor (butter, cultured products, ice cream, .
___Whey processor
___Food processing/Foodservice

JOB FUNCTION:
___Company Management
___Plant Management
___Plant Personnel
___Laboratory (QC, R&D, Tech)
___Packaging
___Purchasing

Circle, copy and FAX to (608) 246-8431 for prompt response

DAIRY FUTURES PRICES

SETTLING PRICE — *Cash Settled

Date	Month	Class III*	Class IV*	Dry Whey*	NDM*	Butter*	Cheese*
4-29	May 11	16.41	20.09	48.700	160.500	203.000	1.6300
5-2	May 11	17.39	20.09	48.500	160.500	203.000	1.6250
5-3	May 11	17.38	20.09	47.750	160.500	203.000	1.6330
5-4	May 11	17.29	20.09	47.750	160.500	203.000	1.6510
5-5	May 11	16.27	20.09	48.000	160.500	203.000	1.6400
4-29	June 11	17.33	20.40	49.500	162.500	206.000	1.7280
5-2	June 11	17.80	20.50	49.250	162.500	202.000	1.7090
5-3	June 11	17.75	20.50	47.250	162.500	202.000	1.7320
5-4	June 11	17.75	20.60	48.000	162.500	203.000	1.7400
5-5	June 11	17.18	20.40	49.000	162.000	205.000	1.7230
4-29	July 11	17.73	20.46	49.000	162.500	208.000	1.7550
5-2	July 11	18.04	20.45	49.050	160.775	203.000	1.7850
5-3	July 11	17.97	20.54	45.250	162.000	203.000	1.7900
5-4	July 11	18.00	20.50	46.500	162.000	204.000	1.7900
5-5	July 11	17.60	20.46	48.500	162.500	206.000	1.7830
4-29	August 11	17.97	20.53	48.000	162.500	208.000	1.8000
5-2	August 11	18.16	20.53	48.125	160.500	205.000	1.8120
5-3	August 11	18.10	20.60	45.500	162.000	204.250	1.8250
5-4	August 11	18.10	20.60	45.500	162.500	206.000	1.8250
5-5	August 11	17.86	20.53	47.775	162.500	207.000	1.8080
4-29	September 11	18.02	20.30	48.000	159.500	210.000	1.8230
5-2	September 11	18.02	20.30	45.500	157.500	206.250	1.8300
5-3	September 11	17.97	20.46	45.500	157.500	206.250	1.8300
5-4	September 11	18.00	20.46	45.500	159.500	207.500	1.8300
5-5	September 11	18.00	20.30	48.500	159.500	209.000	1.8300
4-29	October 11	17.89	20.00	48.975	156.500	210.000	1.7920
5-2	October 11	17.50	20.00	45.000	154.500	206.500	1.8070
5-3	October 11	17.50	20.30	45.000	154.500	206.500	1.8070
5-4	October 11	17.50	20.30	45.000	154.500	209.000	1.8070
5-5	October 11	17.83	19.96	48.375	156.000	208.750	1.8070
4-29	November 11	17.34	19.60	48.375	153.000	205.000	1.7500
5-2	November 11	17.07	19.60	45.500	150.000	204.500	1.7400
5-3	November 11	17.00	19.65	45.500	150.000	204.000	1.7450
5-4	November 11	17.05	19.65	45.500	152.000	205.000	1.7450
5-5	November 11	17.34	19.60	46.500	153.000	205.000	1.7500
4-29	December 11	16.93	18.86	46.000	149.000	196.000	1.7200
5-2	December 11	16.50	18.86	44.000	146.000	195.000	1.7200
5-3	December 11	16.52	19.07	44.000	146.000	194.000	1.7200
5-4	December 11	16.51	19.09	44.000	147.000	195.000	1.7200
5-5	December 11	16.96	18.86	44.500	149.000	196.000	1.7200
4-29	January 12	16.43	17.25	43.000	131.000	182.000	1.6600
5-2	January 12	16.31	17.25	43.000	129.000	178.000	1.6660
5-3	January 12	16.31	17.35	43.000	129.000	178.000	1.6660
5-4	January 12	16.30	17.75	43.000	131.000	180.000	1.6660
5-5	January 12	16.48	17.25	43.000	131.000	182.000	1.6660
4-29	February 12	16.16	16.75	42.000	126.000	168.000	1.6580
5-2	February 12	16.23	16.75	42.000	125.500	165.000	1.6480
5-3	February 12	16.24	16.85	42.000	125.500	165.000	1.6480
5-4	February 12	16.24	17.10	42.000	125.500	166.000	1.6480
5-5	February 12	16.16	16.75	42.000	126.000	168.000	1.6480
4-29	March 12	16.87	15.52	37.000	124.500	167.000	1.6600
5-2	March 12	16.47	15.52	37.000	124.500	167.000	1.6600
5-3	March 12	16.46	15.52	37.000	124.500	167.000	1.6600
5-4	March 12	16.52	15.52	37.000	124.500	167.000	1.6600
5-5	March 12	16.80	15.52	37.000	124.500	167.000	1.6600
Open Interest - May 5		**35,734**	**4,339**	**1,962**	**2,281**	**2,780**	**2,062**

DAIRY PRODUCT MARKETS

AS REPORTED BY THE US DEPARTMENT OF AGRICULTURE

WHOLESALE CHEESE MARKETS

NATIONAL - APRIL 28: The cheese market seems to be settling into a trading range on the CME Group cash market. Some cheese operations are seeing improved sales while others remain sluggish and continue to build inventory. Buyers based on monthly averages will see a 20-plus cent decline based on the lower April CME Group averages, likely enough to stimulate orders. Cheese production remains seasonally active as overall milk volumes continue to increase. Also, 2010 milk components through March have remained above recent years, generating improved cheese yields.

NORTHEAST - MAY 4: Cheese prices were mixed Tuesday as barrels were unchanged and closed at $1.6175, while blocks advanced $.0125 and closed at $1.6350. The weekly average prices were also mixed with barrel advancing and blocks declining, resulting in a $.0050 increase in wholesale prices for Process 5-pound sliced cheese and a $.0075 decline in Cheddar and Muenster. Wholesale prices for Swiss Cuts increased $.2650 following the Class III price release Friday. The beginning of the spring flush has increased milk supplies, prompting increases in cheese production. Cream cheese production is seasonally steady. Orders and sales of Mozzarella, Provolone and aged Cheddar remain good with little being added to current inventories.

Wholesale prices, delivered, dollars per/lb:			
Cheddar 40-lb blocks:	$1.9225 - $2.1975	Process 5-lb sliced:	$1.7000 - $2.0100
Muenster:	$1.9425 - $2.1475	Swiss Cuts 10-14 lbs:	$3.6675 - $3.9900

MIDWEST AREA - MAY 4: Current orders seem steady to occasionally improved from recent weeks. A few more buyers are trying to build inventory at current prices. Process interest has improved for more processors, typical for spring. Natural orders are occasionally improved but not for all product lines and packagers. Overtime still seems limited though with recent added packaging capacity, less overtime is likely. Some tightening of bulk supplies is occurring but current production is still strong. The price spread between Class III and IV has kept milk flowing toward butter/powder where possible. Cheese yields remain solid, seasonally. Overall milk intakes are increasing seasonally, causing plant operating schedules to also advance. In March, NASS estimated Cheddar production was below March 2010 (down 6.1 percent) while total American output was higher (up 0.3 percent), meaning plants had better orders for other varieties and did not make as much Cheddar that provides more age options. March production was also heavier for Italian type cheese (up 5.1 percent), particularly Parmesan (up 11.7 percent). Hard Italian varieties need to be aged for several months for the usually stronger cold weather consumer demand.

Wholesale prices delivered, dollars per/lb:		Process 5# Loaf:	$1.9525 - $2.2400
Brick/Muenster 5# Loaf:	$2.1150 - $2.3300	Cheddar 40# Block:	$2.1150 - $2.8650
Monterey Jack 10#:	$2.0775 - $2.8650	Blue 5# Loaf:	$2.4325 - $3.0500
Mozzarella 5-6# (LMPS):	$1.9475 - $2.9650	Grade A Swiss 6-9#:	$2.9500 - $3.3300

WEST - MAY 4: Western cheese prices are mostly steady with a firm undertone noted. Wholesale Swiss prices firmed as new Class III prices were announced. Cheese production continues to surpass year ago production levels. Increased milk intakes in the West are keeping facilities busy. Inventories are described as manageable. The bulk of production is dedicated to contract fulfillment.

Wholesale prices delivered, dollars per/lb:		Process 5# Loaf:	$1.7175 - $1.9750
Cheddar 40# Block:	$1.7325 - $2.0850	Cheddar 10# Cuts:	$1.9125 - $2.1325
Monterey Jack 10#:	$1.9225 - $2.0825	Grade A Swiss Cuts 6 - 9#:	$3.2450 - $3.6750

FOREIGN -TYPE CHEESE - MAY 4: The weekly average block price declined, resulting in a $.0075 decrease in wholesale prices for all domestic varieties. Swiss cuts increased $.2650 following Friday's release of the Class III price. Prices for imported varieties remained unchanged.

Wholesale selling prices, delivered, dollars per/lb:	Imported	Domestic
Blue:	$2.6400-4.6900	$2.0625-3.5500
Gorgonzola:	$3.6900-6.3900	$2.5650-2.8250
Parmesan (Italy):	0	$3.1800-3.5950
Provolone (Italy)	$3.4400-6.2900	$2.1050-2.2625
Romano (Cows Milk):	0	$3.2525-5.3950
Sardo Romano (Argentine):	$2.8500-3.6900	0
Reggianito (Argentine):	$3.2900-3.8300	0
Jarlsberg (Brand):	$2.9500-4.8900	0
Swiss Cuts Switzerland:	0	$3.7600-4.0825
Swiss Cuts Finnish:	$2.5900-2.8500	0

OCEANIA CHEDDAR & BUTTER MARKETS

OVERVIEW - APRIL 28: Milk receipts are generally up slightly in New Zealand for the season, but not as high as originally forecast. While not as strong as anticipated early in the season and through the peak, better weather later in the season provided a good tail after a slow start. Current manufacturing centers on covering commitments until next season and for priority customers' late orders. Spot supplies will be very limited until the next season with most deliveries from product already in storage. Overall, current prices are fairly steady.

CHEDDAR CHEESE - APRIL 28: The Cheddar market is generally steady with production at light seasonal levels. Other products, such as whole milk, are generally prioritized higher than cheese at this point in time. By the new season, cheese inventory is expected to be minimal though possibly just slightly above the end of the previous season. Preparations continue to add industrial cheddar cheese to the g/DT auction platform in July.

39% MAXIUMUM MOISTURE: 4,300 - 4,600

BUTTER - APRIL 28: The butter market is fairly steady. Spot supplies will be limited until the new season. Manufacturing is light, reflecting late season milk intakes and the still strong demand for whole milk powder. Most shipments will originate from storage with spot availability limited until the new season.

82% BUTTERFAT: 4,500 - 4,900

MILK EQUIVALENT, MILKFAT & SKIM SOLIDS

	Milkfat* Basis	Skim** Solids		Milkfat* Basis	Skim** Solids
Week of April 25 - April 29, 2011	0.0	0.0	Comparable period in 2010	0.0	0.0
Cumulative since Oct.1, 2010	0.0	0.0	Cumulative same period last year	0.0	1.5
Cumulative Jan. 1 - April 29, 2011	0.0	0.0	Comparable Calendar year 2010	0.0	0.0

WHOLESALE BUTTER MARKETS

NATIONAL - APRIL 28: Many butter producers and handlers are surprised at the strength of the current cash market, as many were anticipating that this price would ease following the Easter/Passover holiday. Although the cash price has a firm tone, many feel that the price will ease during the upcoming spring milk flush. Butter producers and handlers were quite pleased with butter sales during the past four to six weeks. Retail orders were heavier than anticipated, often stimulated by feature activity. Foodservice orders were also more active than anticipated. Many butter producers will be using current and near term butter production to enhance inventories that are much lower than last year at this time and lower than desired. Most have been hesitant to rebuild inventories at recent and current price levels, but some are now reevaluating their inventory management decisions. Cream demand has eased for cream based Class II needs, thus additional volumes are available for butter churns. Although in the early stages, some Class II cream buyers, especially ice cream and mix producers, are starting to establish workable inventories as the summer demand period nears.

NORTHEAST - MAY 4: The butter price increased $.0125 Tuesday and closed at $2.0875. In the last five trading sessions, butter prices have increased $.0850. Butter makers have attempted to limit production to current orders, remaining very hesitant to build inventories at the current price levels. Butter inventories expanded marginally this week as cream supplies were readily available. Butter future prices have moved into a positive position for those hedging portions of their current inventories. Some butter makers continue to lower bulk prices in hopes of stimulating additional sales. Cream multiples ranged from 121-132.

CENTRAL - MAY 4: Most butter producers and handlers continue to question the strength in the current cash price. Many anticipated that the price would ease following the holiday, but that is not occurring. Most were hoping that a lower price would help with inventory replenishment. Inventories continue to run well below last year and much lower than most butter handlers desire. Some butter producers are clearing more butter to inventory than prior to the recent holiday. Of those that are building inventories, many are stating that they are taking a gamble, but also state that they will have butter for future needs versus going without and then looking for butter stocks when needed in the future. Butter producers and handlers are projecting that butter prices will remain firmer than typically is the case for much of 2011. Cream volumes are readily available to Class II and IV users. Class II product production, especially ice cream, is strengthening, thus absorbing increasing volumes of cream, although sufficient volumes continue to clear to butter churns. Some butter producers are choosing to idle their churns for their needs and receiving cream and churning for other butter producers. Butter demand eased following the holiday, as buyers took inventory of carryover volumes. Also, some buyers pulled back from the market in anticipation of lower prices. In the past 10 days, inventory reviews were completed and the cash price has not eased, thus some buyers are returning to the market for current and near term needs.

WEST - MAY 4: Western butter prices are stronger. The market is adjusting to higher prices at a time that typically sees producers building inventory. Buyers are purchasing cautiously to beat further price increases. Churns are busy as cream is available. Transportation costs are affecting movement of cream out of the region.

DRY MILK PRICES - MAY 2 - MAY 6

Nonfat Dry Milk:

Central & East

Low/Med. Heat:	1.5900(+4) - 1.7000(-5)
Mostly:	1.5900(+4) - 1.6400(+2)
High Heat:	1.6500(+5) - 1.7500(-7)

Western

Low/Med. Heat:	1.5400(NC) - 1.6500(NC)
Mostly:	1.5900(+1) - 1.6100(+1)
High Heat:	1.6000(NC) - 1.8100(+1)

Whole Milk:

National: 1.9000(-5) - 1.9700(-2)

Buttermilk Powder:

Central & East: 1.4400 (+7½)- 1.6200(NC)

West: 1.5000 (NC) -1.5675(+¾)

Mostly: 1.5100 (NC) - 1.5400 (NC)

California Weighted Average NFDM:

Week Ending:	Price:	Total Sales:	Sales to CCC:
April 29	$1.5219	10,442,490	0
April 22	$1.5270	12,637,731	0

DRY WHEY

CENTRAL - APRIL 28: Production is steady at most locations, although plant maintenance schedules have prompted some shifting of farm milk intakes. Cheese orders are exerting an influence on some plant schedules, allowing an additional day or two of cheese/whey production during the week. Spot loads of dry whey are intermittently being offered from brokers and a few producers to mostly steady interest. Buyer interest is focused on near term needs. Some manufacturers offered hope of improved spot load availability over the next few weeks, as lags on contract load commitments near fulfillment.

WEST - APRIL 28: Western whey prices are mostly steady with some weakness reported at the top of the range. Spot activity is very light this week as many market participants attended a national dairy products conference. Additional cheese production is helping to source more whey. Manufacturers are hoping to catch up on some delayed contract deliveries. Whey supplies are described as tight. Demand remains good for available offered loads. According to NASS, the 2010 Dairy Products Summary reported total dry whey production at 1.01 billion pounds, up 1.2 percent from 2009.

ORGANIC DAIRY MARKET - OVERVIEW

ORGANIC OVERVIEW - APRIL 21: Total organic milk product sales for February 2011, 157 million pounds, were up 23.0% from February 2010 sales. Organic whole milk sales for February 2011, 38 million pounds, were up 30.3% compared with February 2010. Organic dairy weekly supermarket newspaper advertising levels continue to swing widely this period to the second lowest level of 2011. The Northeast region dominates other regions in organic dairy newspaper advertising, with 38.2% of total ads. The national weighted average advertised price for half gallons of organic milk increased 31 cents to $3.27. The top of the range increased 20 cents to $3.89 while the bottom declined 19 cents to $2.50. The national weighted average advertised price for organic gallons is $4.99, 6 cents lower than two weeks ago. Organic yogurt in 6-ounce containers has a weighted average advertised price of 62 cents, 29 cents below two weeks ago, with a range from 50 cents to $1.00. Yogurt ad numbers remained only slightly below last period's 919, at 863 this week; still the second highest level of 2011.

WEEKLY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT STOCKS

DATE	BUTTER	CHEESE
5/02/11	8,013	128,079
4/01/11	7,608	126,483
Change	405	1,596
Percent Change	5	1

CASH PRICES - APRIL 25 - APRIL 29, 2011 - CME

Visit www.cheesereporter.com for daily prices

	CHEDDAR BARRELS	40-LB. BLOCKS	AA BUTTER	GRADE A NFDM	EXTRA GRADE NFDM
MONDAY May 2	$1.6175 (+1½)	$1.6225 (+1)	$2.0750 (NC)	$1.6450 (NC)	$1.8000 (NC)
TUESDAY May 3	$1.6175 (NC)	$1.6350 (+1¼)	$2.0875 (+1¼)	$1.6450 (NC)	$1.8000 (NC)
WEDNESDAY May 4	$1.6400 (+2¼)	$1.6400 (+½)	$2.0950 (+¾)	$1.6400 (-½)	$1.7200 (-8)
THURSDAY May 5	$1.6525 (+1¼)	$1.6500 (+1)	$2.0950 (NC)	$1.6400 (NC)	$1.6800 (-4)
FRIDAY May 6	$1.6600 (+¾)	$1.6475 (-¼)	$2.0950 (NC)	$1.6400 (NC)	$1.6400 (-4)
Week's AVG Change	**$1.6375 (+0.0460)**	**$1.6390 (+0.0345)**	**$2.0895 (+0.0605)**	**$1.6420 (+0.0225)**	**$1.7280 (-0.0720)**
Last Week's AVG	**$1.5915**	**$1.6045**	**$2.0290**	**$1.6195**	**$1.8000**
2010 AVG Same Week	**$1.3780**	**$1.3830**	**$1.6110**	**$1.3155**	**$1.2840**

DIRECTLY FROM THE CME FLOOR - RICE DAIRY

Cheese made a steady grind to the upside this week with a handful of loads trading along the way. Starting the week out prices rallied in both blocks and barrels, up a penny in the block and 1 ½ in the barrel. Futures responded with a rally of their own across the board; call it a dime on average going out to June of 2012. The block market was the start of the show on Tuesday with size bids seen up to 1 ¼ cents higher on the day. Going out the market was a 1.6250 bid for 11 loads with no offer shown. Despite the size bids alongside the uptick in price, futures made a modest break across the majority of 2011.

The middle of the week saw a solid uptick in the barrel market with prices rallying 2 ¼ cents on a total of 7 loads trading. Similar to the previous day the futures market reacted with very light volume seen during the session. Buyers continued to show interest in the cheese market with both markets up about a penny on average. Futures throughout the week disagreed with the rally in cheese with Thursday's session being no different with about a 15 cent downtick.

Rounding out the week blocks broke by a ¼ cent while barrels made another slight uptick, ¾ cent up to 1.6600. Futures took a mixed opinion with prices drifting around UNCH.

www.ricedairy.com

WHEY MARKETS - MAY 2 - MAY 6, 2011

FOR THE PERIOD MAY 2 - MAY 6, 2011

Whey Protein Concentrate—Central and West:
Edible 34% Protein: 1.4200(+6) –1.7500(+17) Mostly: 1.4300(+4) –1.5100(NC)

Dry Whey—Central (Edible):
Nonhygroscopic: .4500(+1) – .5150(NC) Mostly: .4550(+1) – .5100(NC)

Dry Whey–West (Edible):
Nonhygroscopic: .4800(+2¾) – .5600(NC) Mostly: .4875(+3¼) – .5275(+1¼)

Dry Whey—Northeast: .4925(+3½) — .5775(+3½)

Lactose—Central and West:
Edible: .3600(NC) –.5600(NC) Mostly: .4300(NC) –.4800(NC)

Casein: Rennet: $4.7600(NC) – $5.1400(NC) Acid: $4.7000(NC) - $5.1200(NC)

Animal Feed Whey—Central: Milk Replacer: .3100(+½) –.4525(NC)

Visit www.cheesereporter.com for weekly prices

HISTORICAL MONTHLY AVERAGE BUTTER PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
98	1.1932	1.3918	1.3452	1.3788	1.5465	1.8618	2.0085	2.1730	2.7566	2.4089	1.7447	1.4131
'99	1.4222	1.3153	1.2927	1.0289	1.1289	1.4931	1.3444	1.3963	1.3393	1.1248	1.0725	0.9163
'00	0.9090	0.9245	1.0200	1.0691	1.2450	1.2440	1.1790	1.1933	1.1727	1.1462	1.6490	1.3700
'01	1.2531	1.3852	1.5708	1.8217	1.8713	1.9783	1.8971	2.0880	2.0563	1.4070	1.3481	1.2793
'02	1.3454	1.2427	1.2473	1.1712	1.0590	1.0427	1.0302	0.9752	0.9635	1.0315	1.0425	1.1175
'03	1.0815	1.0405	1.0915	1.0906	1.0919	1.1142	1.1985	1.1708	1.1731	1.1846	1.2057	1.2861
'04	1.4320	1.7132	2.135	2.2204	2.0363	1.9300	1.7458	1.5408	1.7656	1.6475	1.9238	1.7083
'05	1.5775	1.6145	1.5527	1.4933	1.4044	1.5313	1.6210	1.6861	1.6988	1.6204	1.4260	1.3552
'06	1.3368	1.1930	1.1663	1.1632	1.1755	1.1643	1.1645	1.3035	1.3170	1.3206	1.2915	1.2405
'07	1.2248	1.2187	1.3218	1.3725	1.4825	1.5019	1.4913	1.4464	1.3783	1.3020	1.3590	1.3190
'08	1.2246	1.2088	1.3454	1.3905	1.4750	1.5001	1.5385	1.6279	1.6973	1.7320	1.6165	1.2007
'09	1.1096	1.1097	1.1770	1.2050	1.2526	1.2235	1.2349	1.2000	1.2199	1.2830	1.5008	1.3968
'10	1.3950	1.3560	1.4641	1.5460	1.5896	1.6380	1.7787	1.9900	2.2262	2.1895	1.9295	1.6327
'11	2.0345	2.0622	2.0863	1.9970								

Prices Mixed On Fonterra's Dairy Product Auction; FAO's Monthly Dairy Price Index Declines

Wellington, New Zealand—On Fonterra's semi-monthly globalDairyTrade auction this week, the gDT-TWI price declined 0.1 percent from the previous trading event.

This would appear to indicate that global dairy prices have entered a period of relative stability, given that prices in the previous auction had increased 0.1 percent.

There were 111 participating bidders in this week's trading event, and 76 winning bidders.

Results by product in this week's auction, with comparisons to the auction held two weeks ago, were as follows:

Whole milk powder: The average price was US3,859 per metric ton FAS, down 1.7 percent.

Average prices for each contract period were: Contract 1 (July 2011), $4,008 per ton, down 0.1 percent; Contract 2 (August-October 2011), $3,930 per ton, down 1.5 percent; and Contract 3 (November 2011-January 2012), $3,742 per ton, down 2.7 percent.

Skim milk powder: The average price was US$3,909 per metric ton, up 2.8 percent.

Average prices for each contract period were: Contract 1, $4,374 per ton, up 11.5 percent; Contract 2, $3,806 per ton, down 0.1 percent; and Contract 3, $3,733 per ton, up 0.3 percent.

Anhydrous milkfat: The average price was US$5,670 per ton, down 4.6 percent.

Average prices for each contract period were: Contract 1, $5,669 per ton, down 4.9 percent; Contract 2, $5,682 per ton, down 4.6 percent; and Contract 3, $5,646 per ton, down 4.0 percent.

Meanwhile, the UN's Food and Agriculture Organization (FAO) announced Thursday that food prices remained virtually steady in April after falling in March following eight months of successive increases.

The FAO Dairy Price Index averaged 229 points in April, down 2.4 percent from March and the lowest level since January, when it was 221. A good start to the Northern Hemisphere season has kept prices from rising after seven months of steady growth, the FAO noted.

The FAO Dairy Price Index consists of butter, skim milk powder, whole milk powder, cheese and casein price quotations. The average is weighted by world average export trade shares for the 2002-2004 period. r

For more information, circle #32 on the Reader Response Card on p. 14