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US Cheese Production Hit Record High Of 13.2 Billion Pounds In 2020

Record Achieved Despite 1.7% Drop In Mozz Production; Butter Output Tops 2 Billion Pounds

Washington—US cheese production during 2020 totaled a record 13.2 billion pounds, up 0.4 percent, or 53.3 million pounds, from 2019, according to figures released Thursday by USDA's National Agricultural Statistics Service (NASS).

US cheese production has yet to decline in the 21st century. In fact, cheese output hasn't decreased since 1991, when production of 6.055 billion pounds was down about 4.6 million pounds from 1990.

Last year was the second straight year in which the increase in cheese production was less than 100 million pounds. Last year's 53.3-million-pound increase and 2019's 99.9-million-pound rise followed cheese production increases of 397.4 million pounds in 2018 and 458.4 million pounds in 2017.

Cheese production in December totaled 1.18 billion pounds, up 0.5 percent from December 2019.

Regional cheese production in December, with comparisons to December 2019, was: Central, 524.8 million pounds, up 3.3 percent; West, 465.7 million pounds, down 2.5 percent; and Atlantic, 137.1 million pounds, up 0.3 percent.

December cheese production in the states broken out by NASS, with comparisons to December 2019, was as follows: Wisconsin, 279.3 million pounds, up 1.2 percent; California, 208.5 million pounds, down 4.1 percent; Idaho, 85.5 million pounds, down 3.8 percent; New Mexico, 82.8 million pounds, up 0.3 percent; New York, 69.7 million pounds, up 2.1 percent; Minnesota, 66 million pounds, up 4.1 percent; South Dakota, 40.2 million pounds, up 18.7 percent; Pennsylvania, 38.3 million pounds, down 3 percent; Iowa, 29.1 million pounds, down 0.6 percent; Ohio, 21.7 million pounds, up 5.8 percent; Oregon, 20.4 million pounds, up 11.4 percent; Vermont, 12.7 million pounds, up 1.6 percent; Illinois, 5.8 million pounds, down 15.5 percent; and New Jersey, 5.3 million pounds, down 2.6 percent.

American-type cheese production during December totaled 461.1 million pounds, up 1 percent from December 2019.

American-type cheese production for all of 2020 totaled 5.34 billion pounds, up 2.1 percent from 2019.

December production of American-type cheese in the states broken out by NASS, with comparisons to December 2019, was: Wisconsin, 91.4 million pounds, up 3.8 percent; Minnesota, 53.6 million pounds, down 3.1 percent; California, 51.6 million pounds, up 2.7 percent; Idaho, 51.4 million pounds, down 3.6 percent; Oregon, 20.3 million pounds, up 11.3 percent; Iowa, 17.4 million pounds, down 7.3 percent; and New York, 11.9 million pounds, up 1.6 percent.

Cheddar cheese production in December totaled 334.2 million pounds, up 1.2 percent from December 2019.

For all of 2020, Cheddar cheese production totaled a record 3.84

• See **Record Production,** p. 6

Value Of US Dairy Exports In 2020 Was $6.5 Billion, Up 9% From 2019; Cheese Exports Fell 0.1%

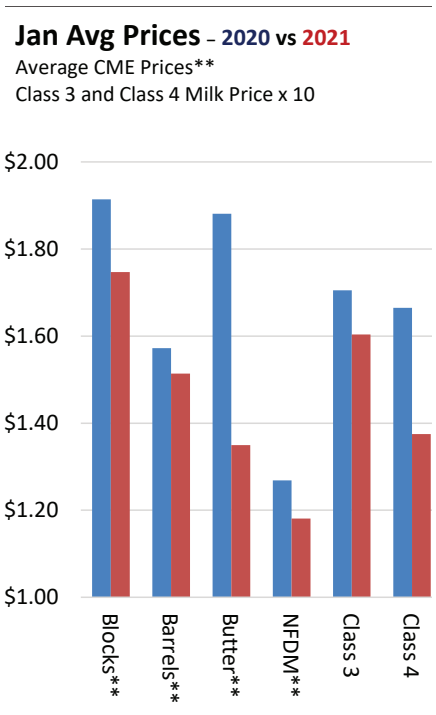
Washington—The value of US dairy exports in 2020 was $6.45 billion, up 9 percent from 2019 and the highest value since 2014, according to figures released today by USDA's Foreign Agricultural Service (FAS).

At $6.45 billion, the value of US dairy exports in 2020 was the third-highest ever, trailing only 2013's $6.7 billion and 2014's record-high $7.1 billion. Last year was also just the third time the value of US dairy exports topped $6 billion.

Just in December, US dairy exports were valued at $500.6 million, down 3 percent from December 2019.

Leading markets for US dairy exports in 2020, on a value basis, with comparisons to 2019, were: Mexico, $1.4 billion, down 8 percent; Canada, $676 million, up 1 percent; China, $539.1 million, up 45 percent; Philippines, $409.9 million, up 50 percent; South Korea, $370.5 million, up 12 percent; Indonesia, $351.6 million, up 47 percent; Japan, $322.3 million, up 14 percent; Vietnam, $184.9 million, up 9 percent; Australia, $170.4 million, up 15 percent; Malaysia, $156.9 million, up 44 percent; Colombia, $128 million, down 12 percent; New Zealand, $123.3 million, up 19 percent; and

• See **Exports Up 9%,** p. 11



USTR Urged To Secure Firm Commitments On Future Use of Generic Food Names

Washington—The Office of the US Trade Representative (USTR) is being urged to secure firm and explicit commitments assuring the future use of specific generic food and beverage terms targeted by or at risk of European Union (EU) monopolization efforts by several US organizations.

Each year, the USTR conducts a review to identify countries that deny adequate and effective protection of intellectual property (IP) rights or deny fair and equitable market access to US persons who rely on IP protection. The deadline for submitting written comments to the USTR as part of

• See **Generic Food Names,** p. 5

Volume Of Milk Pooled On Federal Orders Fell 18.7 Billion Pounds In '20

Northeast Order Led All Orders In Milk Volume; Class III Use Fell to 23.9%

Washington—The volume of milk pooled on federal milk marketing orders in 2020 totaled 137.8 billion pounds, down 18.7 billion pounds, or 11.9 percent, from 2019, according to figures released late last week by USDA's Agricultural Marketing Service (AMS).

That's the lowest level of milk pooled on federal orders since 2017, when the volume totaled 135.5 billion pounds. In 2018, when the new California federal order was in effect for the final two months of the year, the volume of milk pooled on federal orders totaled 141.7 billion pounds.

US milk production last year totaled a record 223.1 billion pounds; thus, about 61.8 percent of all milk produced last year was pooled on one of the federal orders. By comparison, in 2019, about 71.7 percent of all milk produced in the US was pooled on a federal order.

In 2020, more milk was pooled on the Northeast order than on any other order. Specifically, 26.8 billion pounds of milk was pooled on the Northeast order last year, up 0.3 percent, or 72.2 million pounds, from 2019.

In the California order, in its second full year, ranked second on producer milk receipts last year, at 23.0 billion pounds,

• See **Federal Order Milk,** p. 10

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...it doesn't really appear that the EU currently stands for "open and fair trade," nor has that been the case "always."

EU Seems Pretty Adept At This Trade Deal Thing

Over the years, and decades for that matter, the European Union's trade policies have generated plenty of controversy around the globe. This is especially true in the dairy sector, where the EU tends to run healthy dairy trade surpluses with many countries, most notably the US.

There are, from a dairy industry perspective, a couple of reasons why the EU's dairy trade policies generate controversy around the globe: because they help boost EU dairy exports, and because they help limit EU dairy imports. These points were illustrated in a study released last week by the European Commission.

The study, as reported on our front page last week, considers free trade agreements recently concluded or implemented by the EU, including those with Canada, Japan, Mercosur, and Vietnam, the modernization of an agreement with Mexico, as well as trade agreements under negotiation with Australia, New Zealand, Malaysia, the Philippines and Thailand.

There were several aspects of the EU's study that grabbed our attention. For example, there's this observation: "The EU dairy sector is very competitive and enjoys a substantial tariff protection, which leads to limited imports."

That's an interesting observation for at least one major reason. That is, the EU is regularly criticized for its policies that limit dairy imports; these policies include tariffs but go far beyond that.

Maybe the best way to put this in perspective is to look over comments submitted to the Office of the US Trade Representative last October by the US Dairy Export Council and National Milk Producers Federation. The USTR was seeking input to assist in preparation of its annual National Trade Estimate report.

The comments submitted by USDEC and NMPF ran some 37 pages, covering countries ranging from Australia to Vietnam, as well as regions such as Central America and global organizations such as Codex.

Some of the comments submitted by USDEC and NMPF run all of one paragraph, while others run roughly one page. But the section on the EU runs an impressive nine pages, and delves into issues ranging from import licensing procedures and somatic cell counts to dairy certificate requirements and geographical indications.

What all these issues result in, according to USDEC and NMPF, is that the US ran a "remarkable" $1.5 billion dairy trade deficit with the EU in 2019, despite the fact that the US itself is a "major dairy exporter."

Meanwhile, close to one-third of the comments submitted to the USTR by the International Dairy Foods Association dealt with non-tariff barriers that are limiting US dairy exports to the EU.

US dairy organizations aren't the only ones noting some issues with the EU's policies that limit dairy imports. Last July, the World Trade Organization released a "Trade Policy Review" of the EU.

According to that WTO report, the EU agricultural sector "stands out in the tariff analysis, due to significantly higher rates, wide tariff range, use of non-ad valorem rates, and use of tariff quotas." The highest tariff rates in agriculture are concentrated in the animal and animal products, dairy, and sugar and confectionary sectors. The dairy sector "continues to be one with the highest levels of protection, with high tariffs that are all non-ad valorem duties and no duty-free lines."

With these points in mind, we had to chuckle at a couple of quotes included in the European Commission's press release regarding the release of its study on trade agreements.

"The EU has always stood for open and fair trade, which has enormously benefitted our economy, including agricultural producers," said Valdis Dombrovskis, the EU's trade commissioner.

Well, it doesn't really appear that the EU currently stands for "open and fair trade," nor has that been the case "always." For example, in 1973, a report from USDA's Foreign Agricultural Service noted that the European Community's Common Agricultural Policy "has affected the United States primarily because the surpluses generated have been exported with a disruptive effect on world markets including the American market."

Dombrovskis continued: "This study shows that we have been able to strike the right balance between offering more export opportunities to EU farmers, while protecting them from potential harmful effects of increased imports."

That quote reminded us of criticism levied on the EU last June by the Dairy Companies Association of New Zealand, which said a reported EU offer, comprised of miniscule quota volumes and high in-quota tariffs, could never credibly form part of a free trade agreement between the EU and New Zealand.

"This falls short of even paying lip-serve to free trade. It is unashamed protectionism from the world's largest dairy exporter," said Malcolm Bailey, DCANZ chairman.

The frustrating things here are that the EU study not only looks at trade agreements that have been recently concluded or implemented, but also trade agreements under negotiation; and that some of these agreements, such as deals with Canada, Japan and Vietnam, are being gradually phased in.

In other words, the EU dairy trade balance will continue to benefit from these trade agreements in the coming decade, even as complaints about EU trade policy continue and quite possibly even increase. Much to the frustration of its competitors, the EU appears to be pretty adept at negotiating favorable trade agreements.

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Global Dairy Trade Price Index Rises 1.8%; Only Skim Milk Powder Falls

Fonterra, ASB Bank Hike Farmgate Milk Price Forecasts

Auckland, New Zealand—The price index on this week's semi-monthly Global Dairy Trade (GDT) dairy commodity auction increased 1.8 percent from the previous auction, held two weeks ago.

That was the sixth consecutive increase in the GDT price index.

In this auction, which featured 181 participating bidders and 103 winning bidders, prices were higher for Cheddar cheese, whole milk powder, butter, anhydrous milkfat, lactose and buttermilk powder; and lower for skim milk powder. An average price wasn't available for sweet whey powder.

Results from this week's GDT auction, with comparisons to the auction held two weeks ago, were:

Cheddar cheese: The average winning price was $4,178 per metric ton ($1.89 per pound), up 2.3 percent. Average winning prices were: Contract 1 (March), $4,239 per ton, up 4.2 percent; Contract 2 (April), $4,148 per ton, up 1.6 percent; Contract 3 (May), $4,160 per ton, up 1.4 percent; Contract 4 (June), $4,185 per ton, up 3.1 percent; and Contract 5 (July), $4,281 per ton, up 1.3 percent.

Skim milk powder: The average winning price was $3,198 per ton ($1.45 per pound), down 1.5 percent. Average winning prices were: Contract 1, $3,249 per ton, down 3.8 percent; Contract 2, $3,136 per ton, down 1.3 percent; Contract 3, $3,231 per ton, down 1.3 percent; Contract 4, $3,308 per ton, down 0.7 percent; and Contract 5, $3,282 per ton, down 1.9 percent.

Whole milk powder: The average winning price was $3,458 per ton ($1.57 per pound), up 2.3 percent. Average winning prices were: Contract 1, $3,449 per ton, up 2.3 percent; Contract 2, $3,447 per ton, up 2.5 percent; Contract 3, $3,462 per ton, up 2.7 percent; Contract 4, $3,486 per ton, up 1.9 percent; and Contract 5, $3,484 per ton, up 0.2 percent.

Butter: The average winning price was $5,028 per ton ($2.28 per pound), up 6.2 percent. Average winning prices were: Contract 1, $5,020 per ton, up 4.1; Contract 2, $5,020 per ton, up 6.6 percent; Contract 3, $5,045 per ton, up 6.7 percent; Contract 4, $5,035 per ton, up 6.8; and Contract 5, $5,010 per ton, up 5.1 percent.

Anhydrous milkfat: The average winning price was $5,463 per ton ($2.48 per pound), up 1.3 percent. Average winning prices were: Contract 1, $5,572 per ton, up 4.3 percent; Contract 2, $5,420 per ton, down 0.3 percent; Contract 3, $5,448 per ton, down 0.3 percent; Contract 4, $5,487 per ton, up 3.2 percent; and Contract 5, $5,483 per ton, up 3.8 percent.

Lactose: The average winning price was $1,217 per ton (55.2 cents per pound), up 3.8 percent. That was for Contract 2.

Buttermilk powder: The average winning price was $3,180 per ton ($1.44 per pound), up 10.7 percent. Average winning prices were: Contract 1, $3,500 per ton, up 16.9 percent; Contract 2, $3,066 per ton, up 11 percent; Contract 3, $3,405 per ton, up 14.6 percent; Contract 4, $3,100 per ton, up 4 percent; and Contract 5, $3,085 per ton, up 2.3 percent.

Following this week's GDT auction, Fonterra lifted its 2020/21 forecast farmgate milk price range to $6.90 to $7.50 per kilogram of milk solids, up from $6.70 to $7.30 per kilogram of milk solids. The midpoint of the range, off of which dairy farmers are paid, has increased to $7.20 per kilogram of milk solids.

Miles Hurrell, Fonterra's CEO, said the increase in the 2020/21 forecast farmgate milk price range is a result of strong dairy demand, which is demonstrated by the continued rise in GDT prices since Fonterra last revised its milk price at the beginning of December 2020.

"In particular, we've seen strong demand from China and South East Asia for whole milk powder and skim milk powder, which are key drivers of the milk price," Hurrell said.

"Now that we're through the peak of the 2021 milking season, the impact of any changes in global market dynamics is reducing and our view of the season is firming up," Hurrell continued.

ASB Bank of New Zealand noted following the GDT auction that whole milk powder prices are now trading around the highest level in five years, and that that strength is across all contract periods, indicating solid demand.

The overall strength at this week's GDT auction, combined with the steady gains recorded at the preceding auctions, prompted ASB Bank to lift its milk price forecast for the season from $7.00 per kilogram of milk solids to $7.40 per kilogram of milk solids.

WCMA PERSPECTIVES

Vaccination Varies in Dairy States

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Vaccination of dairy plant workers remains a priority in most leading dairy states, but questions abound among manufacturers reaching out to state and county health officials. Here's a snapshot overview of vaccination eligibility and rollout in leading cheesemaking states.

Most states, with the notable exception of New York, have maintained a high priority for food and agriculture workers, with many explicitly noting dairy or food processing in that category.

This ranking was grimly supported by a University of California, San Francisco, study released January 22 looking at excess mortality in Californians under age 65 in occupational sectors. "During the COVID-19 pandemic, working age adults experienced a 22% increase in mortality compared to historical periods," the report states. "Relative excess mortality was highest in food/agriculture workers (39% increase), transportation/logistics workers (28% increase), facilities (27% increase) and manufacturing workers (23% increase)."

A common concern among processors is how states will verify the occupation and documentation of essential workers such as dairy plant workers. As one solution, processors across the country have reported seeking permission from county health officials to host vaccination events at plant sites, but no plan has been authorized to date. It is unclear at this time if vaccination events will come to the workforce, or workers will sign up for appointments at clinics and pharmacies.

New York

The dairy and food industry in New York suffered a setback in January when the state abruptly dropped its plan to include agricultural and food industry workers in its current 1B group for vaccinations.

Alex Walsh, VP Regulatory Affairs with Northeast Dairy Foods Association, described a coalition of food and beverage manufacturers, farm organization and dairy processors organized to bring clarity to the essential workers list proposed for vaccinations beginning January 11. This group presumably achieved its goal of elevating these workers to 1B status, but on the evening of January 10, the coalition got disappointing news: only grocery workers would be included in the 1B list ready set to roll out the next day.

The vaccination status of agricultural and food workers remains unclear in New York State.

This week, Gov. Cuomo added additional categories to 1B, but again not the food and agriculture sector.

Dairy manufacturers are offering to host vaccinations to aid in efficient distribution, Walsh said, but plans for dairy workers are now in limbo.

Wisconsin

On January 26, the Wisconsin Department of Health Services approved its second group of residents (Phase 1B) eligible to receive COVID-19 vaccinations. "Dairy plant employees" are explicitly named under the category Food Supply Chain in this second group. Others in the Food Supply Chain group include all farm employees and owners, meat plant employees, and fruit and vegetable plant employees.

Grocery store staff, including convenience stores and gas stations are also in this group.

This entire "second wave" group will be eligible to begin receiving vaccinations on March 1, 2021.

Wisconsin is currently immunizing frontline health care workers, residents in nursing and long-term care facilities, emergency service providers, corrections staff and all state adults over age 65.

Dairy plants in Wisconsin have reached out to county health departments with offers to host plantwide vaccinations. Wisconsin Cheese Makers Association has joined a small working group organized by the state's Department of Health Services to provide ideas on the rollout of vaccines March 1 to Food Supply Chain groups.

California

California recently opened up its second group of eligible residents – known as Phase 1B, Tier One –including food and agriculture workers. This group follows initial vaccination of more than three million health care workers and long-term care residents in California.

This first tier in Phase 1B is large – 8.5 million people – beginning with Californians over 65 years old and moving to education and child care workers and emergency service personnel alongside food and agriculture workers "at risk of exposure at work."

Bill Schiek, executive director at Dairy Institute of California, recently updated members with news that priority status remained for dairy manufacturers – part of the food and agriculture sector. After dairy and other essential service sectors are served, California will move to entirely age-based eligibility.

Vaccination logistics for essential industries remain unclear. Larger dairy plants in the state have offered to host on-site vaccination days, Schiek notes, but counties will create systems for occupation-based immunization and no clear plan has yet been announced.

Idaho

Idaho has slotted food and agriculture workers (including food processor workers) in its Group 2.3, following health care workers, first

• See **Umhoefer**, p. 10

FROM OUR ARCHIVES

50 YEARS AGO

Feb. 5, 1971: Greenwood, WI—Rolf Christopherson, developer of flavored butter for the John Wuethrich Creamery here, will be a guest on the "What's My Line" television show this month. Wuethrich's Mountain Meadow Flavored Butter features Garlic, Orange, Maple, Honey, Cinnamon and Chocolate flavors.

San Francisco, CA—Heart disease researcher Meyer Friedman of Mount Zion Hospital here blasted scientific committees urging American people to change their diets and exercise for fear of heart disease, when behavioral research found those who suffer from emotional stress are more likely to have a heart attack.

25 YEARS AGO

Feb. 2, 1996: Columbus, OH—The state of Ohio is trying to work out a deal with federal regulators that may help Amish farmers maintain milk refrigeration standards without using electricity. In regard to religious beliefs, Amish dairy farmers do not have electricity and cool their milk with water. Cooling requirements have some Amish producers concerned that they might be forced out of business.

Madison—Although less than 1 percent of consumers have stopped buying milk in response to commercial use of BST/BGH, about 8 percent report decreasing their milk consumption. The primary consumer demand response to this technology has been to choose milk known to have come from an untreated herd.

10 YEARS AGO

Feb. 4, 2011: Washington—The *2010 Dietary Guidelines for Americans* recommend, among other things, consumers increase their intake of fat-free and low-fat dairy products, reduce their intake of saturated fat, sodium and added sugars, consume only enough calories to meet their needs, and focus on nutrient-dense foods and beverages.

St. Paul, MN—Companion bills introduced in the Minnesota House and Senate would legalize direct farm-to-consumer sales of raw milk at farmers markets, as well as deliveries to private homes and buying clubs. Current law allows sales of raw milk only at the farms that produce it.

Japan Agrees To Protect Several More EU Cheese GIs

Brussels, Belgium—The Joint Committee established under the European Union (EU)-Japan Economic Partnership Agreement (EPA) has agreed to several improvements to the agreement, including the protection of 28 additional geographical indications (GIs) for each side.

According to the European Commission, this is a major development, as it is the quickest expansion of a list of GIs under a free trade agreement (FTA).

EU cheese GIs that will now be protected in Japan include Vorarlberger Bergkase from Austria; Laguiole from France; Kasseri and Kefalograviera from Greece; and Telemea de Ibanesti from Romania.

The EU-Japan Economic Partnership Agreement went into effect two years ago. Under the original agreement, more than 200 EU GIs were protected by Japan, including a number of cheeses.

"This agreement is a great example of trade benefitting both sides as a result of mutual trust and close cooperation, in particular for the agri-food sector," said Janusz Wojciechowski, the EU's agriculture commissioner. "This deal is very positive for Japanese and European farmers and will continue to be.

"After only two years since the entry into force of the agreement, an extra 28 geographical indications on both sides are now protected in our respective markets. These products have real added value, reflecting authenticity and quality, while further rewarding our farmers," Wojciechowski continued.

"The EU-Japan Economic Partnership Agreement is one of our most important deals. Together, the EU and Japan make up for a quarter of the world's GDP and our bilateral trade reaches some 170 billion euros a year," said EU Trade Commissioner Valdis Dombrovskis.

"This deal has made trading easier and cheaper for both EU and Japanese producers; it has helped farmers and manufacturers alike," Dombrovskis added. "Our strong cooperation is now bearing even more fruit, with 28 more traditional quality agri-food products now protected from imitation."

A year ago, the European Commission reported that, in the first 10 months following the implementation of the EPA, EU exports to Japan increased by 6.6 percent compared to the same period the year before. Dairy exports during that period were up by 10.4 percent (including a 47 percent increase in butter exports).

Generic Food Names

(Continued from p. 1)

this review was Jan. 28, 2021.

Too many US trading partners continue to put in place trade restrictions on the use of common food and beverage terms in ways that run counter to these trading partners' WTO and/or free trade commitments "and often flout the integrity of their intellectual property system procedures," according to the Consortium for Common Food Names (CCFN).

Although public comment periods are now routinely used by most countries evaluating EU geographical indications (GIs) considered as part of a trade agreement, these procedures are conducted as pro forma exercises to simply determine which terms merit grandfathering vs. phase-out vs. immediate protection, CCFN said. Decisions on the EU's requested GIs are now made at the negotiating table, not by impartial IP examiners.

"This reality of where and how the decision-making on GIs sought by the EU government in its negotiation is taking place is abundantly clear from the increasing use of grandfathering and phase-out tools (which by themselves clearly indicate common usage of a term in a market) and by public remarks given by government officials from the EU and its trading partners regarding process in their negotiations. In light of this dynamic of how GIs are dealt with in practice, we strongly urge the US government to pursue a more targeted approach to effectively dealing with the abuse of geographical indications to create barriers to trade," CCFN added.

To that end, CCFN asked the Biden administration to support US companies' desire to compete fairly in foreign markets by securing firm and explicit commitments assuring the future use of specific generic food and beverage terms targeted by or at risk of EU monopolization efforts.

"If the US does not add this tactic specifically focused on preserving market access rights for our exporters to the US government's tool kit for tackling GI issues, US exporters will continue to face more and more barriers to their products around the world, gradually choking off the growth and opportunities needed to best support American jobs and the production of Made-In-America foods and beverages," CCFN continued.

When it comes to GIs and common food and beverage terms, the "predatory practices plaguing US companies are not the work of rogue foreign firms but instead are the result of an international strategy by one of the world's most powerful governments to use their political influence and treasury to establish unique monopoly benefits for producers of common food and beverage products in EU countries," CCFN stated. "The US private sector has neither the financial means nor the policy incentives necessary to effectively combat this foreign government pressure and spending.

"Without a shift in US policy to treat the misuse of GIs as the defacto non-tariff trade barrier they are and protect our market access rights in a concrete manner, we are David battling Goliath — without the benefit of a sling," CCFN added.

The National Milk Producers Federation (NMPF) and US Dairy Export Council (USDEC) expressed their "strong support" for the comments submitted by the CCFN.

"US dairy exporters are grappling with the deepening impacts of the EU's misuse of GI policies to create non-tariff agricultural trade barriers to our products," NMPF and USDEC said. "US dairy companies rely on the use of food names that long ago entered into the public domain as generic terms used to market their American-made products not only here in the US but also around the world.

"When countries prohibit their usage in response to requests to do so by the EU government, it creates a deeply uneven playing field that makes it much more difficult to successfully export the products that American workers have created using milk from US farms," NMPF and USDEC added.

In their comments, NMPF and USDEC underscored the reality of two factors that make the challenges the dairy industry faces distinct from those encountered by most other US stakeholders in the IP arena:

—The barriers to US products are primarily put in place as a result of the pursuit of GI registrations by a foreign government, not through the actions of individual GI applicants. This creates a "deeply imbalanced" power and funding dynamic that augments the greater challenge that opponents face in most IP systems vs. the advantages provided to applicants.

—With "very rare exceptions," these government-filed GI applications are not dealt with objectively through an impartial and objective process. Public records and the results of EU trade agreements are entirely clear: even where a public opposition process is conducted, the decisions about how (not whether, as none appear to receive rejection notices) to register the EU's requested GIs are conducted at the trade negotiating table. The public comment process merely serves as an information gathering exercise for the EU to narrow the scope of GIs in contention during negotiations.

"These dynamics have all the harbingers of the type of agricultural trade barriers our industry regularly encounters in other contexts – they are driven by the government, not private sector actors, and resolution demands specific government to government solutions to remove or pre-empt the barrier," NMPF and USDEC said.

Record Production

(Continued from p. 1)

billion pounds, up 2.7 percent from 2019.

Production of other American-type cheeses in December totaled 126.9 million pounds, up 0.7 percent from December 2019.

Italian-type cheese production in December totaled 484.7 million pounds, up 0.3 percent from December 2019. Italian cheese output for all of 2020 totaled 5.6 billion pounds, down 1.2 percent from 2019.

December Italian cheese production in the states broken out by NASS, with comparisons to December 2019, was: Wisconsin, 138.2 million pounds, up 0.5 percent; California, 136.4 million pounds, down 7.4 percent; New York, 30.3 million pounds, up 4.3 percent; Idaho, 29.5 million pounds, down 4.9 percent; Pennsylvania, 24 million pounds, up 6.9 percent; Minnesota, 12.1 million pounds, up 56.1 percent; and New Jersey, 3.1 million pounds, down 4.4 percent.

Mozzarella production during December totaled 373.1 million pounds, down 2.8 percent from December 2019.

For all of 2020, Mozzarella cheese production totaled 4.4 billion pounds, down 1.7 percent from 2019.

December production of other Italian cheese varieties, with comparisons to December 2019, was: Parmesan, 42.2 million pounds, up 24.4 percent; Provolone, 33.7 million pounds, up 12 percent; Ricotta, 23.3 million pounds, up 1.7 percent; Romano, 5.8 million pounds, up 9.3 percent; and other Italian types, 6.6 million pounds, down 6.9 percent.

Production of other cheese varieties during December, with comparisons to December 2019, was:

Swiss cheese: 27.6 million pounds, up 0.2 percent.

Cream and Neufchatel: 82.6 million pounds, up 4.3 percent.

Brick and Muenster: 13.1 million pounds, down 13.4 percent.

Hispanic cheese: 28.6 million pounds, up 8.2 percent.

Blue and Gorgonzola: 4.7 million pounds, down 28.8 percent.

Feta: 8.6 million pounds, down 12.6 percent.

Gouda: 3.8 million pounds, down 8.1 percent.

All other types of cheese: 12.9 million pounds, down 8 percent.

Whey Products Output

December production of dry whey, human, totaled 80.4 million pounds, up 2.2 percent from December 2019.

Manufacturers' stocks of dry whey, human, at the end of December totaled 65 million pounds, down 7.8 percent from a year earlier and down 1.8 percent from a month earlier.

Lactose production, human and animal, during December totaled 96.6 million pounds, up 3.2 percent from December 2019. Manufacturers' stocks of lactose, human and animal, at the end of 2020 totaled 122.3 million pounds, up 10.6 percent from a year earlier and 9.9 percent higher than a month earlier.

Production of whey protein concentrate, human, totaled 42.4 million pounds in December, down 0.4 percent from December 2019. Manufacturers' stocks of WPC, human, at the end of December totaled 61.9 million pounds, down 6 percent from a year earlier and down 4.7 percent from a month earlier.

December production of whey protein isolates totaled 10.9 million pounds, up 15.7 percent from December 2019.

Manufacturers' stocks of whey protein isolates at the end of December totaled 15.6 million pounds, down 4.6 percent from a year earlier but up 9.3 percent from a month earlier.

Butter Output Sets Record

December butter production totaled 205.5 million pounds, up 11.8 percent from December 2019.

For all of 2020, butter output totaled a record 2.1 billion pounds, up 6.6 percent from 2019. Last year was the first time that US butter production topped 2 billion pounds.

Regional butter production in December, with comparisons to December 2019, was: West, 104.1 million pounds, up 9.3 percent; Central, 83.6 million pounds, up 20.7 percent; and Atlantic, 17.8 million pounds, down 7.5 percent.

Nonfat dry milk production during December totaled 204.5 million pounds, up 24.1 percent from December 2019.

NDM output for all of 2020 totaled 1.94 billion pounds, up 5 percent from 2019.

Manufacturers' shipments of nonfat dry milk during December totaled 154.5 million pounds, up 23.2 percent from December 2019. Manufacturers' stocks of NDM at the end of December totaled 283.3 million pounds, up 14.5 percent from a year earlier and up 13.8 percent from a month earlier.

Production of other dry milk products during December, with comparisons to December 2019, was: skim milk powder, 40.9 million pounds, down 36.9 percent; dry whole milk, 12.2 million pounds, up 36.7 percent; milk protein concentrate, 18.7 million pounds, up 27.3 percent; and dry buttermilk, 11.9 million pounds, up 0.7 percent.

Yogurt, Other Dairy Products

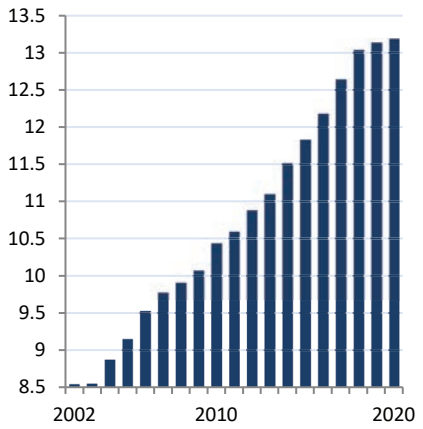
December production of yogurt, plain and flavored, totaled 355.5 million pounds, up 1.9 percent from December 2019. Yogurt output for all of 2020 totaled 4.5 billion pounds, up 2.4 percent from 2019.

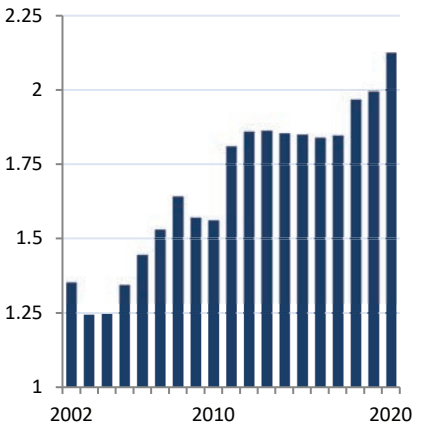
Sour cream production during December totaled 130.5 million pounds, up 0.3 percent from December 2019. Sour cream output during all of 2020 totaled 1.5 billion pounds, up 2.8 percent from 2019.

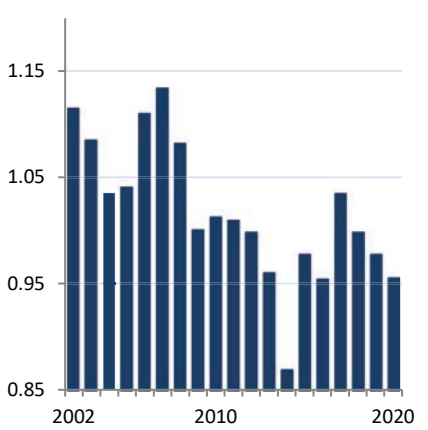
Cream cottage cheese production during December totaled 30.3 million pounds, up 6.5 percent from December 2019. Lowfat cottage cheese output in December totaled 24.6 million pounds, up 3 percent from a year earlier.

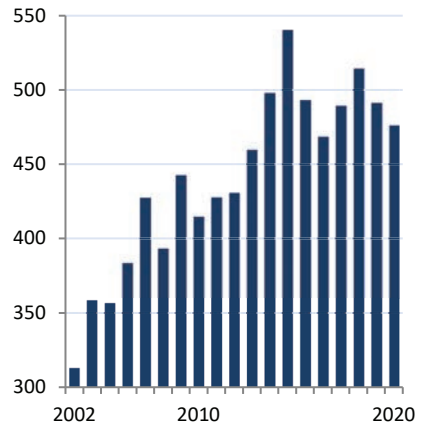
Regular ice cream production during December totaled 52.4 million gallons, up 11.4 percent from December 2019.

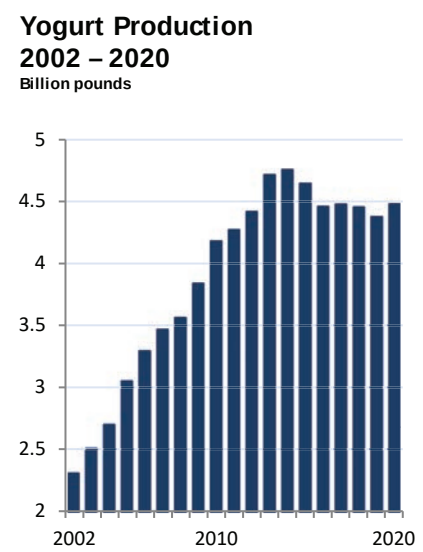
Lowfat ice cream output in December totaled 29.1 million gallons, up 3.7 percent from December 2019.

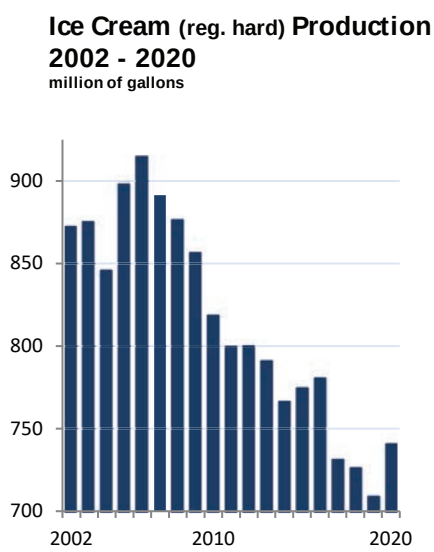


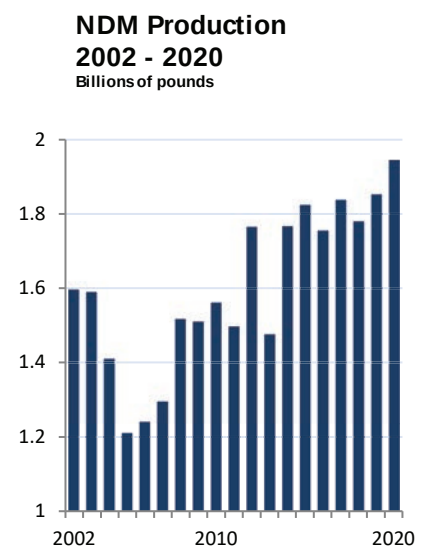


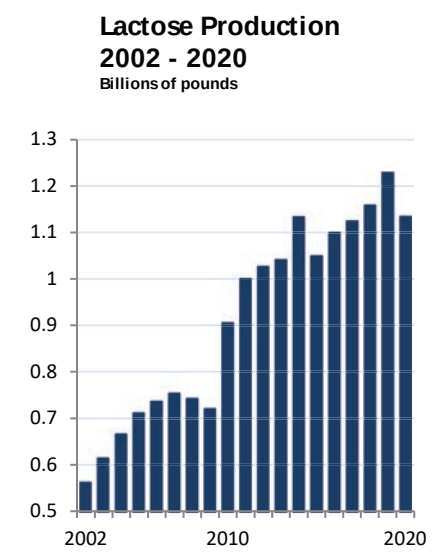












UK To Develop New Dairy Code Of Conduct; Aim Is To Increase Fairness

London, England—The UK government, working in collaboration with the Devolved Administrations, will develop a new statutory code of conduct for the dairy sector, delivering on the government's promise to increase fairness in the supply chain and help farmers become more competitive.

Last year, the UK Department of Environment, Food, and Rural Affairs (DEFRA) conducted a public consultation exploring contractual relationships in the UK dairy sector.

The consultation aimed to understand whether contract reform could provide greater certainty to both dairy producers and processors, by ensuring that clear terms and conditions are established in contracts.

Based on the evidence shared as part of the consultation, the new statutory code will seek to provide guiding framework, establishing minimum standards but also providing businesses with the flexibility to adapt contracts to their individual circumstances.

Evidence gathered during the Groceries Code Adjudicator Call for Evidence in 2016 highlighted how unfair practices have persisted in the dairy industry. Last year's consultation looked at whether regulations could be introduced to ensure farmers are treated fairly within the supply chain.

This evidence suggested unfairness in the supply chain has sometimes been caused by milk buyers having the power to set and modify the terms of a contract, often with little modification. This leads to uncertainty and ambiguity that can be unfair to farming businesses.

Government officials will continue to engage with industry representatives of both producers and processors as they design the new code to ensure it delivers fairness and transparency for the entire supply chain across the UK.

"Dairy UK is supportive of the introduction of a mandatory Code of Conduct to ensure a level playing field on contracts, as we set out in our consultation response," said Judith Bryans, chief executive of Dairy UK. "We look foward to seeing more detail on the Code and to working closely and constructively with DEFRA and the Devolved Administrations on how the Code will translate into contract working for the industry, and to play our part in helping to ensure its successful implementation into the market."

"For too long, dairy farmers have borne far too much of the risk in the dairy supply chain and inappropriate contract terms are often at the root of the problems. Contracts have been weighted too heavily in favor of the milk buyer who can change terms and pricing mechanisms, and even introduce price cuts without negotiation, while locking farmers into changes without recourse," farmer representatives of the four UK farming unions said in a joint statement.

"The UK farming unions have been fighting for years to change the structure of how the dairy sector operates. We want more sustainable, progressive and equitable relationships between farmers and processors, so we can collectively tackle the issues we face," the statement continued.

"We have been monitoring closely how contracts work around the world. Although we recognize that our dairy market has some differences, for example compared to Australia, we think there are lessons we can learn in building our own model. Even within the UK, there are clearly markets operating in different ways, such as Northern Ireland, and this will need to be taken into account when designing the new code," the statement said.

"We hope the whole industry will take on board the results of the government consultation and work collaboratively to find a positive way forward," the unions added. "It's essential that the UK dairy market is fit for purpose for all parts of the supply chain, supporting innovation and resilience in UK dairy, and supplying quality dairy products for the public to enjoy."

"It is only right that any contracts drawn up between farmers and processors deliver fair conditions across the board, for an industry that works hard year-round to provide the dairy products for which we are world-renowned," said DEFRA Farming Minister Victoria Prentis.

"This new Code of Conduct will crack down on unfair practices within the supply chain, supporting the dairy sector and ensuring that our dairy farmers remain competitive as they look to the future," Prentis added.

Virginia's Smiley's Ice Cream To Build New Manufacturing Facility, Retail Store

Richmond, VA—Smiley's Ice Cream, based in Mt. Crawford, VA, will build a new ice cream manufacturing facility and retail store in Rockingham county, investing more than $1.15 million and creating eight new jobs, Virginia Gov. Ralph Northam announced.

Established in 2001, Smiley's Ice Cream uses local ingredients, including milk and cream sourced exclusively from neighboring Mt. Crawford Creamery, to churn up more than 80 specialty flavors that are offered 16 flavors at a time.

Founder Derek Smiley has grown his operation from serving at the Harrisonburg Farmers Market using wooden ice cream buckets into a successful specialty ice cream and catering business serving the region. Building on this success, Smiley's opened its first brick-and-mortar facility next to Mt. Crawford Creamery in 2017.

Located less than a quarter mile from Bridgewater, the facility allows Smiley's to more than double production, increase storage and expand seating areas.

IFF Completes Merger With DuPont's Nutrition And Biosciences Business

Company Becomes A Leader In Cultures, Enzymes

New York—IFF this week completed the previously announced merger with DuPont's Nutrition and Biosciences (N&B) business.

The combined company will continue to operate under the name IFF (formerly International Flavors & Fragrances).

The combination of IFF and N&B creates a global leader in high-value ingredients and solutions for the food and beverage, health and wellness and other markets, according to the announcement.

The complementary portfolios give the company leadership positions within the cultures, enzymes, probiotics, taste, texture, scent, nutrition, and soy protein ingredient categories.

In the dairy arena, the company's products include CHOOZIT® cheese cultures, HOLDBAC® protective cultures, Kefir-D cultures, PROBAT™ mesophilic cultures, and YO-MIX® yogurt cultures, as well as DuPont™ Danisco® dairy enzymes.

IFF's product portfolio for the dairy and food industry also includes, among others, emulsifiers and sweeteners, natural colors, inclusions, flavors, and protein, savory and functional solutions, the company said.

"We are thrilled to officially unite IFF and N&B, forging a leader in the global consumer goods and commercial products value chain that will redefine our industry and create a leading ingredients and solutions provider for our customers across a broad range of end-markets," said Andreas Fibig, IFF's chairman and chief executive officer.

"Our organizations have deep histories of creativity, innovation excellence and a shared commitment to care for our communities," Fibig continued. "With our combined platform, IFF is an essential partner for our customers, uniquely positioning us to address our customers' evolving needs, unlock long-term value creation and accelerate our pursuit of new, creative and integrated solutions."

"As a global industry leader of highly valued consumer ingredients, the new IFF is well-positioned to deliver growth and to unlock long-term value for shareholders, customers and employees," said Ed Breen, DuPont executive chairman and chief executive officer, who joins the IFF board of directors and will become lead independent director effective at the 2021 annual meeting of shareholders.

Also this week, IFF launched a new brand identity designed to propel the company's transformation and reinforce its leadership role in the global value chain for consumer goods and commercial products.

As part of the new brand identity, IFF has launched a new tagline, purpose, brand commitments, and cultural attributes and values, the company explained.

IFF announced its combined taste, food and beverage division will now be called Nourish. IFF's largest division, Nourish is composed of IFF's Taste division and N&B's Food and Beverage segment.

For more information about IFF, visit *www.iff.com*.

IDFA Names New Members Of Executive Council, Board Directors

Washington—The International Dairy Foods Association (IDFA) announced Thursday members of its Executive Council and new directors for the group's five Industry Segment Boards.

The IDFA Executive Council will be chaired by David Ahlem, CEO and president of Hilmar Cheese Company, Inc.

Patricia Stroup, senior vice president and chief procurement officer for Nestle, will serve as vice chair. Stan Ryan, president and CEO of Darigold, Inc., has been named secretary, and David Nelsen, group vice president of manufacturing for Albertsons Companies will serve as treasurer.

Dan Zagzebski, president and CEO of Great Lakes Cheese, is the immediate past chair. Other appointments include:

Fluid Milk Board: chair, Jeffrey Kaneb, HP Hood, LLC; and vice chair, Ed Mullins, Prairie Farms Dairy, Inc.

New directors include: Keith Collins, Milkco, Inc.; Tim Doelman, fairlife, LLC; Bob Kirchoff, Organic Valley/CROPP Cooperative; Dennis Roberts, Crystal Creamery; and Chuck Turner, Turner Dairy Farms, Inc.

Ice Cream Board: chair, Mike Wells, Wells Enterprises, Inc.; and vice chair, Rich Draper, The Ice Cream Club, Inc.

Directors are: Patrick Criteser, Tillamook County Creamery Association; Robin Galloway, DFA Dairy Brands; Richard Graeter, Graeter's Manufacturing; Greg Helbig, Hiland Dairy Foods; Keith Schroeder, High Road Craft Ice Cream; and Brett Tanttu, Saputo Dairy Foods USA

Cheese Board: chair, Louie Gentine, Sargento Foods, Inc.; and vice chair, Doug Simon, Agropur US Operations

New directors include: Roxanne Bernstein, Crystal Farms Dairy Company; William Beaton, Agri-Mark, Inc./Cabot; Mike Durkin, Leprino Foods; Ron Dunford, Schreiber Foods, Inc.; and Rick Pedersen, Ornua Ingredients North America

Yogurt & Cultured Products Board: chair, Philippe Caradec, Danone North America; and vice chair, Trevor Farrell, Americas, Schreiber Foods, Inc.

Rick Beaman of Hiland Dairy Foods Co., LLC, is a director.

Ingredients Board: chair, Terry Brockman, Saputo Dairy Division USA; and vice chair, Brad Anderson, California Dairies, Inc.

Director additions include: Joe Coote, Darigold, Inc.; Mike Durkin, Leprino Foods; Kimberly Fisk, Nestle; Dan LaMarche, Agropur US Operations; Uwe Schnell, FrieslandCampina Ingredients North America, Inc.; Patti Smith, DairyAmerica; and Íarlaith Smyth, Ornua Foods North America.

PERSONNEL

KEITH ORTMAN has been appointed director of product management for **Applied Biomimetric**. He joins the company from Tetra Pak, where he served 14 years in application and product management roles.

Eriez promoted JOHN BLICHA to the position of global senior director of marketing and brand management, responsible for leading the development and implementation of product standardization and communications. Blicha joined Eriez in 2012 as manager of marketing communications.

DEATHS

Longtime Leader Joe Lyon Dies

Joe Lyon, a longtime national and Iowa dairy leader, passed away on Jan. 22. He was 92 years old.

Lyon has been called a "Dairyman's Dairyman," and was active in many national and state dairy organizations. He was appointed in 1984 as a member of the inaugural National Dairy Board, and served as the first chairman of its Research Committee.

Lyon, along with his brothers and cousins, was able to develop a world-renowned breeding herd of dairy cattle. The Lyon Jersey herd came into prominence in 1958.

Lyon used this notoriety to embark on a lifelong passion of reforming the existing farm milk pricing system. His advocacy was instrumental in getting end product pricing installed throughout the federal milk pricing system.

He served as president of the American Jersey Cattle Club in 1970, All-Jersey Milk board, was a member of the American Dairy Association of Iowa and the Iowa Dairy Industries commission, and the board of Swiss Valley Farms cooperative. Among other positions, Lyon also served as president of the old Marshalltown Milk Producers Association and as a diretor of National Dairy Shrine.

Lyon often referred to himself as "The Husband of the Butter Cow Lady," being a proud supporter of his wife, Duffy Lyon, who gained world renown for her decades of sculpting the butter cow at the Iowa State Fair.

DBIA To Award $1 Million In Next Round Of Grants; Applications Are Due Apr. 30

Madison—The Dairy Business Innovation Alliance (DBIA), a partnership between the Wisconsin Cheese Makers Association (WCMA) and the Wisconsin Center for Dairy Research (CDR), will be distributing $1 million this spring in its next grant cycle.

Dairy enterprises, including processors, farmers, entrepreneurs and others, in Wisconsin, Illinois, Iowa, Minnesota and South Dakota, are eligible to apply for the grants.

Eligible projects include dairy farm diversification, the creation of value-added dairy products, and starting/increasing exports of dairy products. Grants of up to $50,000 will be awarded through a competitive process.

Grant applications will be available for download on the DBIA website starting Mar. 1, 2021, and are due Apr. 30, 2021.

The grant application will be posted at *www.cdr.wisc.edu/grant-program*.

DBIA staff expect to get a significant number of applications and encourages potential applicants to view the "Let's Get Started" webinar series prior to applying for a grant. The webinars share state and federal resources that can be helpful for dairy and farm businesses who wish to apply for a DBIA grant.

For example, if an applicant needs help developing a business plan (which is required for the DBIA grant applications) or a project budget, DBIA staff encourages them to contact their local Small Business Development Center.

In 2020, in its first phase, DBIA provided $230,000 to 13 dairy farms and businesses in all five of the participating states. Competition for grant dollars "was strong, with 77 applications requesting more than $1.5 million in support," according to John Umhoefer, the WCMA's executive director.

Announcements regarding DBIA grants and trainings can be found at *www.cdr.wisc.edu* and *www.WisCheeseMakers.org*.

In December, Congress passed a spending package that allocates $22 million in funding for USDA's Dairy Business Innovation Initiatives in 2021. The DBIA is one of three centers that are funded by the Dairy Business Innovation Initiatives.

The other two centers are the the Northeast Dairy Business Innovation Center, which is hosted by the Vermont Agency of Agriculture, Food and Markets; and an initiative that's led by the University of Tennessee.

Number Of Milk Goats In US Declines

Washington—The US milk goat inventory on Jan. 1, 2021, stood at 420,000 head, down 3.4 percent, or 15,000 head, from Jan. 1, 2020, according to the annual *Sheep and Goats* report, released by National Agricultural Statistics Service.

That's the first decline in the number of US milk goats since Jan. 1, 2014, when the number of milk goats, 360,000, was down 6,000 head from a year earlier. Despite the decline as of the first of this year, the number of milk goats in the US is 97,000 more than at the beginning of 2008.

All four of the leading states in milk goats reported a decrease in inventory over the past year.

Wisconsin continues to have more milk goats than any other state, but it also accounted for one-third of the total decline in milk goats over the past year. Specifically, Wisconsin as of Jan. 1, 2021, had 72,000 milk goats, down 5,000 head, or 6.5 percent, from Jan. 1, 2020.

There were 41,000 milk goats in California as of Jan. 1, 2021, down 4.7 percent, or 2,000 head, from a year earlier. Iowa had 27,000 milk goats as of Jan. 1, 2021, down 6.9 percent, or 2,000 head, from a year earlier. And Texas had 26,000 milk goats as of Jan. 1, 2021, down 10.3 percent, or 3,000 head, from a year earlier.

The New England region (which includes Vermont, Connecticut, Maine, Massachusetts, New Hampshire and Rhode Island) had 17,000 milk goats as of Jan. 1, 2021, 1,000 less than a year earlier.

Eight additional states had 10,000 or more milk goats as of Jan. 1, 2021. Those states, their milk goat inventory as of Jan. 1, 2021, and the change from a year earlier, were:

Indiana: 14,000 head, up 1,000 head.

Michigan: 12,500 head, up 500 head.

Minnesota: 12,000 head, down 2,000 head.

Missouri: 12,500 head, up 500.

New York: 13,100 head, down 200 head.

Ohio: 10,000 head, down 1,000 head.

Oregon: 13,500 head, down 400.

Pennsylvania: 14,000 head, unchanged.

Federal Order Milk

(Continued from p. 1)

down 5.2 percent, or 1.3 billion pounds, from 2019.

The Upper Midwest order, which is usually the largest federal order in terms of milk volume, fell to third place last year. Producer milk receipts on the Upper Midwest order in 2020 totaled 20.3 billion pounds, down 37.2 percent, or 12.0 billion pounds, from 2019.

A total of 18 billion pounds of milk was pooled on the Mideast order in 2020, down 5.1 percent, or 959.3 million pounds, from 2019. Producer milk receipts on the Central order in 2020 totaled 13.3 billion pounds, down 12.7 percent, or 1.9 billion pounds, from 2019.

The volume of milk pooled on the Southwest federal order last year totaled 11.7 billion pounds, down 9.4 percent, or 1.2 billion pounds, from 2019. A total of 7.7 billion pounds of milk was pooled on the Pacific Northwest order in 2020, down 9.6 percent, or 813.9 million pounds, from 2019.

A total of 5.3 billion pounds of milk was pooled on the Appalachian order last year, down 0.1 percent, or 4.7 million pounds. The volume of milk pooled on the Southeast order in 2020 totaled 4.7 billion pounds, down 4.1 percent, or 202 million pounds, from 2019.

Producer milk receipts on the Arizona order last year totaled 4.5 billion pounds, down 7.1 percent, or 343 million pounds. And the volume of milk pooled on the Florida order in 2020 totaled 2.5 billion pounds, down 1 million.

Class I Use Falls, Class II Rises

The volume of milk used in Class I products last year totaled 43.8 billion pounds, down 0.3 percent, or 116 million pounds, from 2019.

Class I products ranged from a low of 3.457 billion pounds in February to a high of 4.01 billion in March. Class I volumes in the 11 federal orders ranged from a high of 8.2 billion pounds on the Northeast order to a low of 1.25 billion pounds on the Arizona order.

Class I utilization was 31.8 percent, up from 28.0 in 2019 and the highest Class I utilization percentage since 2015's 32.7 percent. During 2020, Class I utilization ranged from a low of 22.4 percent in June to a high of 34.5 in October.

Class I utilization among the 11 federal orders last year ranged from a low of 13 percent on the Upper Midwest order to a high of 82.2 percent on the Florida order.

The volume of milk used in Class II products totaled 19.6 billion pounds, up 9.2 percent, or 1.7 billion pounds, from 2019. During 2020, the volume of milk used in Class II products ranged from a low of 1.3 billion pounds in April to a high of 1.9 billion pounds in August. Class II volumes in the 11 federal orders in 2020 ranged from a low of 330 million pounds in the Florida order to a high of 6.4 billion pounds in the Northeast order.

Class II utilization last year was 14.2 percent, up from 11.5 percent. During 2020, Class II ranged from a low of 9.5 percent in April to a high of 18.5 percent in August.

Among the federal orders, Class II utilization in 2020 ranged from a low of 6.45 percent in the Pacific Northwest order to a high of 23.9 percent in the Northeast order.

Class III Use Plummets

The volume of milk used in Class III products last year totaled 32.9 billion pounds, down 48.7 percent, or 31.3 billion pounds, from 2019.

During 2020, the volume of milk pooled in Class III ranged from a low of 1.26 billion pounds in November to a high of 4.6 billion pounds in January. By comparison, in 2019, the volume of milk pooled in Class III ranged from a low of 2.4 billion pounds in November to a high of 7.7 billion in March.

Class III volumes in the 11 federal orders in 2020 ranged from a low of 26 million pounds in Florida to a high of 13.96 billion pounds in the Upper Midwest order.

In 2020, Class III utilization was 23.9 percent, down from 41 percent in 2019. During 2020, Class III utilization ranged from a low of 12.7 percent in November to a high of 34.5 percent in May. By comparison, in 2019, Class III utilization ranged from a low of 23.2 percent in November to a high of 52.5 percent in March.

Class III utilization ranged from a low of 1.0 percent in Florida to a high of 68.8 percent in the Upper Midwest. By comparison, in 2019, Class III ranged from a low of 1.6 percent in Florida to a high of 84.2 percent in the Upper Midwest.

The volume of milk used in Class IV products totaled 41.5 billion pounds, up 36.3 percent.

The volume of milk pooled in Class IV ranged from a low of 3.025 billion pounds in June to a high of 4.15 billion pounds in April. Class IV volumes among the 11 federal orders ranged from a low of 92 million pounds in Florida to a high of 15.7 billion pounds in California.

Class IV utilization was 30.1 percent, up from 19.5 in 2019. Class IV utilization ranged from a low of 25.3 percent in January to a high of 34.5 percent in November.

Class IV utilization among the 11 federal orders last year ranged from a low of 3.7 percent in the Florida order to a high of 68.3 percent in the California order.

Umhoefer

Continued from p. 4

responders, teachers, child care and correctional workers and more than 250,000 Idahoans 65 years or older. Idaho Health & Welfare officials project Group 2.3 will begin receiving injections later in February. One WCMA member reports that health officials have begun to reach out seeking employee numbers and an estimate of employees willing to be vaccinated.

New Mexico

Early in January, New Mexico announced that it was moving to its Phase 1B group, including food and agriculture workers unable to work remotely. This group first prioritizes people older than 75 and over 16 with underlying medical conditions before moving on to the essential industries. Among the essential groups, child care, teachers and higher education staff and grocery workers are prioritized before food and agriculture.

Other States

South Dakota has been recognized for success in rolling out its vaccination program. The state is currently immunizing in its Group D for people 65 or older, residents living in congregate settings, teachers, and persons with two or more underlying medical conditions. Group E, estimated to begin in April, includes emergency service personnel and critical infrastructure workers. Food and agriculture, including dairy processing employees, will fall into this group.

Iowa lists "workers in food, agriculture, distribution and manufacturing sectors who live or work in non-social distanced settings" as second in line in its currently activated Phase 1B group, behind first responders, teachers and child care workers. A WCMA member reports that local health officials have asked for dairy plant worker numbers by county of residence.

Minnesota is vaccinating its Phase 1A group of health care personnel and residents in long-term care facilities. In mid-January, the state opened an appointment system for citizens over 65 years old and a similar employer-based appointment information system for educators and child care providers. The state lists frontline essential workers as next for eligibility, but moved citizens over 65 ahead of this earlier published plan.

Ohio has a detailed vaccination rollout, with its Phase 1B group now receiving shots. Currently, Ohioans over 65 years old are being vaccinated, and citizens with underlying health conditions will follow later in February. Teachers and personnel at schools with in-person instruction are also being immunized in February. A plan for essential workers and other groups is under development. JU

UK Applies To Join CPTPP; New Zealand Welcomes Request

London, England—The United Kingdom is formally applying to join the Comprehensive and Progressive Trans-Pacific Partnership (CPTP), with formal negotiations set to start this year.

Joining the CPTPP would deepen the UK's access to fast-growing markets and major economies, for the benefit of UK business, the UK government said. Joining the CPTPP will cut tariffs for UK industries, including food and drink.

The CPTPP, which entered into force at the end of 2018, includes New Zealand, Australia, Canada, Chile, Japan, Malaysia, Mexico, Peru, Singapore, Vietnam and Brunei Darussalam.

"New Zealand has always supported the expansion of the CPTPP by those willing to meet the agreement's high quality, so we warmly welcome the news that the UK intends to take the formal step shortly to start this process," said Damien O'Connor, New Zealand's trade and export growth minister.

New Zealand launched trade negotiations with the UK last June and is working to achieve an ambitious, comprehensive and inclusive bilateral free trade agreement. Both sides see conclusion of a high quality, comprehensive and future-focused trade deal as a valuable stepping stone towards the UK joining the CPTPP.

In welcoming the UK's application to join the agreement, the Dairy Companies Association of New Zealand (DCANZ) is stressing the need for the UK to convert its statements of commitment to leadership in global trade liberalization to meaningful action.

"The UK's application to join CPTPP is another great sign of its interest in advancing global trade liberalization," said Malcolm Bailey, chairman of DCANZ "However, the real test of UK trade leadership comes from how it honors its existing commitments and what it is prepared to put on the table in negotiations."

The New Zealand dairy sector is placing priority on the UK-New Zealand trade deal agreeing an end point of tariff elimination for all dairy products, DCANZ said. This would put New Zealand dairy exporters on par with European exporters in terms of the level of market access they have had into the UK market for almost 50 years.

"We urge the New Zealand government to send a strong message to the UK that it must prove its trade credentials before gaining the privilege of being the first nation outside the Trans-Pacific region to benefit from CPTPP membership," Bailey said.

Exports Up 9%

(Continued from p. 1)

Taiwan, $121.5 million, up 11.

US cheese exports during 2020 totaled 783.6 million pounds, down 0.1 percent from 2019. The value of those cheese exports, $1.6 billion, was up 4 percent.

Just during December, cheese exports totaled 56.9 million pounds, down 1 percent from Dec. 2019. The value of those cheese exports, $125.3 million, was up slightly from a year earlier.

Leading markets for US cheese exports in 2020, on a volume basis, with comparisons to 2019, were: Mexico, 204.4 million pounds, down 3 percent; South Korea, 154.6 million pounds, up 16 percent; Japan, 81.4 million pounds, up 5 percent; Australia, 53.2 million pounds, up 15 percent; Chile, 24.5 million pounds, up 1 percent; Canada, 23.7 million pounds, up 23 percent; Taiwan, 18.8 million pounds, up 5; Indonesia, 18.8 million pounds, up 23 percent; China, 17.3 million pounds, up 1 percent; Dominican Republic, 15.9 million pounds, down 12 percent; Guatemala, 15.4 million pounds, down 20 percent; and Philippines, 15.4 million pounds, up 2 percent.

Nonfat dry milk exports totaled a record 1.8 billion pounds, up 16 percent from 2019. The value of those NDM exports, $2.0 billion, was up 22 percent from 2019.

NDM exports totaled 129.8 million pounds, down 15 percent from December 2019.

Leading markets for US exports of NDM, on a volume basis, with comparisons to 2019, were: Mexico, 633.1 million pounds, down 13 percent; Philippines, 256.2 million pounds, up 64 percent; Indonesia, 217.6 million pounds, up 47 ; Vietnam, 115.8 million pounds, down 3 percent; and Malaysia, 90.6 million pounds, up 62 percent.

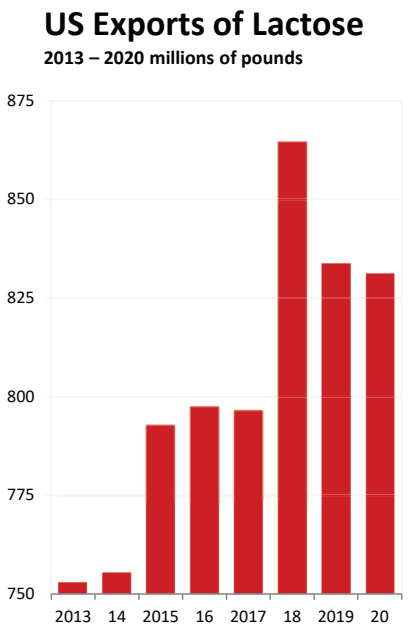
Dry whey exports totaled 472.2 million pounds, up 40 percent from 2019. The value of those exports, $222.3 million, was up 18 percent.

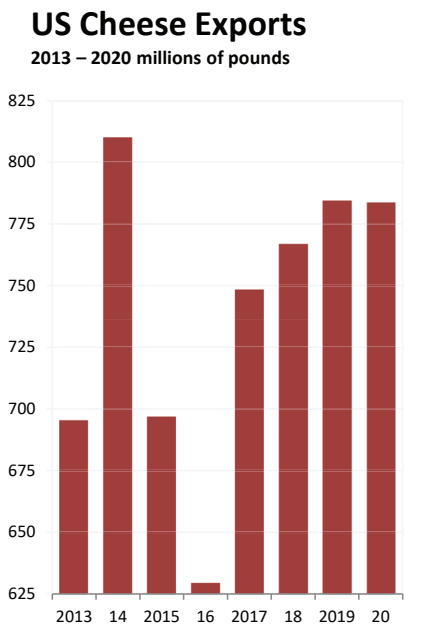
In December, dry whey exports totaled 37.8 million pounds, up 37 percent from December 2019.

Leading markets for US dry whey exports in 2020, on a volume basis, with comparisons to 2019, were: China, 213.6 million pounds, up 209; Vietnam, 31.2 million pounds, up 46 percent; Indonesia, 30.9 million pounds, up 54 percent; Mexico, 27 million pounds, down 14 percent; Philippines, 23.2 million pounds, down 36; Malaysia, 22 million pounds, down 4 percent; and Canada, 21.2 million pounds, down 12 percent.

Whey protein concentrate exports totaled 320.9 million pounds, up 17 percent from 2019. The value of those WPC exports, $238.3 million, was up 10 percent.

Just during December, WPC exports totaled 31.6 million pounds, up 28 percent from December 2019.





Leading markets for US exports of WPC in 2020, on a volume basis, with comparisons to 2019, were: China, 138.8 million pounds, up 72 percent; Mexico, 43.7 million pounds, down 44 percent; Canada, 39.1 million pounds, up 63 percent; and Philippines, 21.2 million pounds, down 3 percent.

Lactose exports in 2020 totaled 831.2 million pounds, down 0.3 percent from 2019. The value of those lactose exports, $393.1 million, was up 8 percent.

Just during December, lactose exports totaled 58.8 million pounds, down 10 percent from December 2019.

US butter exports during 2020 totaled 46.9 million pounds, up 15 percent from 2019. December butter exports totaled 6.4 million pounds, up 165 percent from December 2019.

Ice cream exports during 2020 totaled 152.1 million pounds, up 1 percent from 2019. December ice cream exports totaled 12.7 million pounds, up 29 percent from December 2019.

Coming Events

www.cheesereporter.com/events.htm

Online Lectures For Cornell Dairy Extension Science Of Cheese Class Available March 24

Ithaca, NY—Online lectures for the Cornell University Dairy Foods Extension Science of Cheese workshop are available March 24.

The instructor-led, virtual session has been scheduled for April 21. Both sessions are required.

The targeted audience includes pasteurizer operators, cheese manufacturers, production and maintenance personnel, quality assurance/quality control, and engineers.

The workshop is also a required part of the Extension's Basic Cheese Making Certificate Program, but may also be taken as stand-alone training in basic cheesemaking.

The lecture covers key facets related to vat pasteurization, cheese culture basics, raw milk quality, cleaning and sanitizing, milk and cheese defects and affinage. The live session will also focus on food safety, basic cheesemaking techniques, a virtual cheese make, and sensory evaluation.

Cheese samples for evaluation will be shipped to each participant's location. Tuition is $650 for New York State registrants and $725 for out-of-state registrants.

To sign up or for information, visit *www.dairyextension.foodscience.cornell.edu.*

Registration Open For Intro To Artisan Ice Cream & Frozen Dessert Hybrid Workshop

Ithaca, NY—Online registration is now open for the Introduction to Artisan Ice Cream & Frozen Dessert Workshop led by the Cornell Dairy Foods Extension Team.

Online session opens April 1, 2021 with a live, instructor-led video conference April 29, 2021.

Instructors will identify basic ice cream-making equipment required to start a small-scale operation, as well as industrial equipment.

Both dairy and plant-based ingredients will be reviewed and discussed.Specific topics highlighted also include plant design and facility layout, types of frozen desserts, composition and physical properties of ice cream, state regulations and sensory evaluation.

Students will learn about ice cream equipment – freezers, pasteurizers, mix manufacturing and batching; fruits, flavorings and food safety; cleaning and sanitation; and "ice cream for breakfast."

The registration deadline is March 18. Cost to attend is $650 for New York residents and $725 for out of state students.

To register or for details, visit *cals.cornell.edu/introduction-artisan-ice-cream-and-frozen-desserts-registration.*

NYSCMA Spring Meeting Will Be Held March 4 Online

Ithaca, NY—The New York State Manufactuers Association (NYSMA) will host its meeting in a virtual setting March 4.

The meeting begins at 9 a.m. EST and will feature Ed Gallagher, Dairy Farmers of America (DFA), sharing the New York State Dairy Industry Update & Outlook.

Martin Wiedmann of Cornell University will lead a session on the latest happenings in food safety, along with educational training and services available to industry members from Cornell Dairy Extension.

Jessica Brooks with the New York State Department of Agriculture & Markets will outline the advantages of joining the New York State Grown & Certified program.

The virtual meeting will wrap up with Robert Aguilera of Chr. Hansen leading a special tasting session entitled "Exploring Taste: From Counter to Cultures."

Cost to participate in the event is $100 per person prior to the Feb. 24 deadline, which includes cheese tasting materials.

A registration link will soon be available online at *www.nyscheesemakers.com/event.*

PLANNING GUIDE

April 6-8: New Virtual Format - CheeseExpo Global Online. Registration now open at www.cheeseexpo.org.

•

June 6-8: IDDBA 2021, George R. Brown Convention Center, Houston, TX. For registration and show information, visit www.iddba.org.

•

July 18-21: IAFP Food Safety Conference, Phoenix Convention Center, Phoenix, AZ. Details and registration will be available soon online at www.foodprotection.org.

•

July 18-21: IFT Annual Meeting & Food Expo, McCormick Place, Chicago, IL. More information will be available online at www.iftevent.org.

•

July 29-31: Canceled - 38th Annual American Cheese Society Conference & Competition, Des Moines, IA. Virtual educational session slated for July. Visit www.cheesesociety.org for updates.

•

Aug. 12-13: Idaho Milk Processors Association Annual Meeting, Sun Valley, ID. Visit www.impa.us.

•

Aug. 15-17: New Date - ADPI/ABI Joint Annual Conference, Hyatt Regency Downtown, Chicago, IL. Visit www.adpi.org for details.

•

Sept. 10-14: Tentative New Date - National Conference on Interstate Milk Shipments, Indianapolis, IN. Updates available online at www.ncims.org.

•

Sept. 27-29: New Date - Fancy Food Show 2021, Javits Convention Center, New York, NY. Visit www.specialtyfood.com.

•

Oct. 25-28: ADPI Dairy Technology Week, Peppermill Resort & Casino, Reno, NV. For details, visit www.adpi.org.

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1. Equipment for Sale

EQUIPMENT FOR SALE: Cryovac Rotary Chamber Vac. Model 8610-14. 4 chambers with 14" dual seal wire set-up. Chamber product size is 12"x14" or 6"x18". Machine is 460 volt 3 phase. Completely refurbished. Call 608-437-5598 x 2344 or email: **akosharek@dairyfoodusa.com**

WESTFALIA SEPARATORS: New arrivals! Great condition. Model number 418. Call **GREAT LAKES SEPARATORS** at (920) 863-3306 or e-mail drlambert@dialez.net.

MODIFIED ATMOSPHERIC PACKAGING MACHINE - PROMAX VT-400 220 volt, 3 phase 60 Hertz, 20 AMPS currently configured for 4 - 6 ounce ProKal cups. Dye can be changed to accommodate other packaging. $9,500 OBO. Call (360) 880-7782.

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

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

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

SOLD: ALFA-LAVAL SEPARATOR: Model MRPX 518 HGV hermetic separator. **JUST ADDED: ALFA-LAVAL SEPARATOR:** Model MRPX 718. Call Dave Lambert at **Great Lakes Separators** at (920) 863-3306 or e-mail drlambert@dialez.net.

2. Equipment Wanted

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

3. Replacement Parts

REPLACEMENT PARTS: Spares for nearly all sanitary pumps, valves and sensors. Contact **GD PROCESS DESIGN** at Sales@gdprocessdesign.com or 262-361-4080.

5. Cheese Moulds, Hoops

WILSON HOOPS: *NEW!* 20 and 40 pound hoops available. Contact **KUSEL EQUIPMENT** at (920) 261-4112 email: *sales@kuselequipment.com*.

CHEESE FORMS, LARGEST SELECTION EVER: Includes perforated forms! **Rectangular sizes:** 11" x 4' x 6.5" • 10.5" x 4" 6.5" • 10" x 4" x 4" **Round sizes:** 4.75" x 18" • 7.25" x 5" • 7.25" x 6.75". Many new plastic forms and 20# and 40# Wilsons. Call **INTERNATIONAL MACHINERY EXCHANGE** for your cheese forms and used equipment needs. 608-764-5481 or email ***sales@imexchange.com*** for more information.

6. Interleave Paper, Wrapping

SPECIALTY PAPER MANUFACTURER specializing in cheese interleave paper, butter wrap, box liners, and other custom coated and wax paper products. Made in USA. Call Melissa at **BPM Inc.**, 715-582-5253 or visit **www.bpmpaper.com**.

7. Co-Packing, Manufacturing

CO-PACKER: Award-Winning manufacturer specializing in the co-packing and private label manufacture of yogurt, kefir, Swiss cheese and other varieties has extra production capacity. SQF certified, IMS Grade A Rating. Non-GMO project certified, organic, Kosher. Call Penn Dairy at 570-524-7700 or visit **www.penndairy.com**

8. Cheese & Dairy Products

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.

9. Help Wanted

10. Promotion & Placement

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. Phone: (920) 261-8890 or FAX: (920) 261-6357; or by email: tsloan@tsloan.com.

11. Walls & Ceiling

EXTRUTECH PLASTICS *NEW!* Anti-microbial **POLY BOARD-AM** sanitary panels provide non-porous, easily cleanable, bright white surfaces, perfect for incidental food contact applications. CFIA and USDA accepted, and Class A for smoke and flame. Call **Extrutech Plastics** at **888-818-0118** or **www.epiplastics.com for more information.**

12. Real Estate

DAIRY PLANTS FOR SALE: http://dairyassets.webs.com/acquisitions-mergers-other. Contact Jim at 608-835-7705; or by email at **jimcisler7@gmail.com**

13. Warehousing

COLD STORAGE SPACE AVAILABLE: Sugar River Cold Storage in Monticello, WI. has space available in it's refrigerated buildings. Temp's are 36, 35 and 33 degrees. We are SQF Certified and work with your schedule. Contact Kody at 608-938-1377 or visit our website **www.sugarrivercoldstorage.com.**

14. Consultants

15. Testing Services

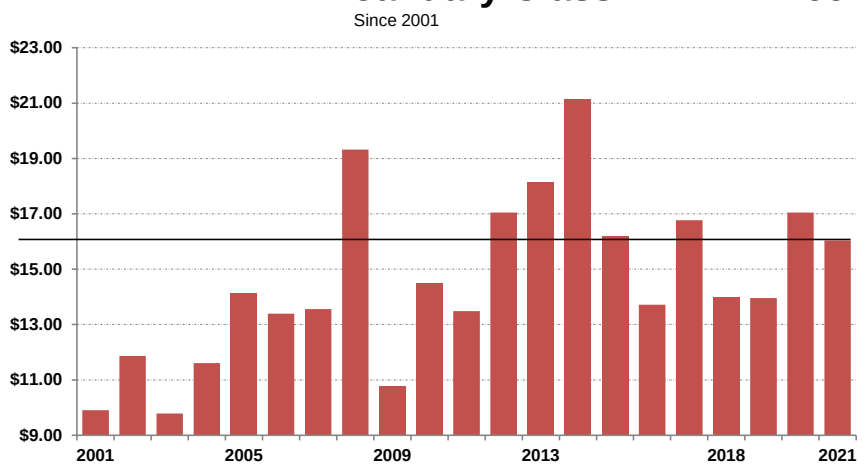
Class Milk & Component Prices

January 2021 with comparisons to January 2020

Class III - Cheese Milk Price	2020	2021
PRICE (per hundredweight)	$17.05	$16.04
SKIM PRICE (per hundredweight)	$10.01	$10.99
Class II - Soft Dairy Products	**2020**	**2021**
PRICE (per hundredweight)	$17.05	$14.18
BUTTERFAT PRICE (per pound)	$2.1187	$1.5611
SKIM MILK PRICE (per hundredweight)	$9.98	$9.03
Class IV - Butter, MP	**2020**	**2021**
PRICE (per hundredweight)	$16.65	$13.75
SKIM MILK PRICE (per hundredweight)	$9.60	$8.61
BUTTERFAT PRICE (per pound)	$2.1117	$1.5541
NONFAT SOLIDS PRICE (per pound)	$1.0665	$0.9570
PROTEIN PRICE (per pound)	$2.9606	$3.0355
OTHER SOLIDS PRICE (per pound)	$0.1417	$0.2682
SOMATIC CELL Adjust. rate (per 1,000 scc)	$0.00090	$0.00083
AMS Survey Product Price Averages	**2020**	**2021**
Cheese	$1.8092	$1.6502
Cheese, US 40-pound blocks	$1.8995	$1.7171
Cheese, US 500-pound barrels	$1.6869	$1.5601
Butter, CME	$1.9153	$1.4548
Nonfat Dry Milk	$1.2451	$1.1345
Dry Whey	$0.3367	$0.4595

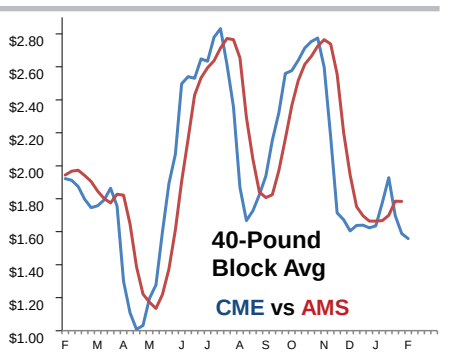
January Class III Milk Price

Since 2001



DAIRY PRODUCT SALES

February 3, 2021—AMS' **National Dairy Products Sales Report**. 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.



Week Ending	Jan 30	Jan. 23	Jan. 16	Jan. 9
40-Pound Block Cheddar Cheese Prices and Sales				
Weighted Price		**Dollars/Pound**		
US	1.7845	1.7853•	1.6992	1.6670•
Sales Volume		**Pounds**		
US	10,966,483	11,793,907•	14,704,578	13,827,541
500-Pound Barrel Cheddar Cheese Prices, Sales & Moisture Contest				
Weighted Price		**Dollars/Pound**		
US	1.6327	1.7074	1.6627	1.6023
Adjusted to 38% Moisture				
US	1.5533	1.6256	1.5818	1.5260
Sales Volume		**Pounds**		
US	13,688,887	13,696,160	14,938,757	13,832,157
Weighted Moisture Content		**Percent**		
US	34.83	34.88	34.83	34.90
AA Butter				
Weighted Price		**Dollars/Pound**		
US	1.4279	1.4149•	1.4637•	1.4884•
Sales Volume		**Pounds**		
US	5,553,672	4,526,975•	3,860,550•	3,442,929•
Extra Grade Dry Whey Prices				
Weighted Price		**Dollars/Pounds**		
US	0.4818	0.4726•	0.4577	0.4404
Sales Volume				
US	4,813,763	5,591,664	5,190,272	5,101,959
Extra Grade or USPHS Grade A Nonfat Dry Milk				
Average Price		**Dollars/Pound**		
US	1.1424	1.1507•	1.1340•	1.1244
Sales Volume		**Pounds**		
US	22,520,804	18,922,540•	21,757,111•	15,171,485•

DAIRY FUTURES PRICES

SETTLING PRICE *Cash Settled

Date	Month	Class III	Class IV	Dry Whey	NDM	Block Cheese	Cheese*	Butter*
1-29	Feb 21	15.36	13.57	48.975	116.550	1.675	1.5670	134.975
2-1	Feb 21	15.50	13.54	48.450	115.350	1.672	1.5870	133.500
2-2	Feb 21	15.72	13.54	48.525	114.750	1.685	1.6080	136.000
2-3	Feb 21	15.58	13.50	48.400	114.300	1.675	1.5930	136.000
2-4	Feb 21	15.54	13.23	49.100	112.000	1.664	1.5810	136.750
1-29	Mar 21	16.64	14.18	49.000	116.050	1.760	1.6870	148.025
2-1	Mar 21	16.17	13.99	48.350	114.425	1.739	1.6460	147.500
2-2	Mar 21	16.25	13.99	47.500	113.725	1.739	1.6520	150.575
2-3	Mar 21	16.03	13.94	48.000	112.750	1.727	1.6340	150.000
2-4	Mar 21	16.01	13.77	48.875	110.675	1.719	1.6270	151.000
1-29	Apr 21	16.76	14.79	48.500	117.500	1.785	1.7050	160.525
2-1	Apr 21	16.47	14.69	48.000	115.975	1.720	1.6820	159.775
2-2	Apr 21	16.50	14.65	46.025	115.050	1.720	1.6760	163.175
2-3	Apr 21	16.34	14.62	46.750	114.325	1.720	1.6680	163.500
2-4	Apr 21	16.37	14.45	47.000	111.925	1.720	1.6700	163.525
1-29	May 21	16.96	15.10	47.775	119.400	1.795	1.7300	162.075
2-1	May 21	16.80	15.10	47.425	117.250	1.795	1.7170	162.025
2-2	May 21	16.75	14.89	46.250	116.250	1.795	1.7130	165.025
2-3	May 21	16.69	14.77	45.500	116.100	1.795	1.7100	164.700
2-4	May 21	16.73	14.75	45.825	114.400	1.760	1.7150	165.550
1-29	June 21	17.11	15.40	47.500	120.950	1.805	1.7400	166.025
2-1	June 21	17.01	15.22	47.500	119.150	1.805	1.7400	166.025
2-2	June 21	17.00	15.22	46.250	118.550	1.805	1.7440	168.500
2-3	June 21	17.05	15.19	46.000	118.000	1.805	1.7450	169.500
2-4	June 21	17.04	15.04	45.750	116.750	1.805	1.7560	170.000
1-29	July 21	17.35	15.68	47.000	122.675	1.833	1.7630	170.000
2-1	July 21	17.26	15.57	47.000	120.850	1.833	1.7620	169.050
2-2	July 21	17.21	15.52	46.000	120.500	1.833	1.7650	172.000
2-3	July 21	17.23	15.48	45.750	119.625	1.833	1.7650	172.000
2-4	July 21	17.24	15.30	46.000	118.750	1.833	1.7660	171.775
1-29	Aug 21	17.43	15.83	47.025	123.500	1.828	1.7760	172.000
2-1	Aug 21	17.32	15.76	47.000	122.000	1.828	1.7760	172.000
2-2	Aug 21	17.30	15.76	46.000	122.250	1.828	1.7770	174.500
2-3	Aug 21	17.36	15.69	45.500	121.500	1.828	1.7800	174.000
2-4	Aug 21	17.39	15.54	45.500	120.500	1.828	1.7830	174.500
1-29	Sept 21	17.46	15.90	46.525	125.000	1.829	1.7810	173.000
2-1	Sept 21	17.39	15.90	46.500	123.350	1.829	1.7810	173.000
2-2	Sept 21	17.36	15.90	46.725	123.325	1.829	1.7800	173.000
2-3	Sept 21	17.36	15.75	46.725	122.250	1.829	1.7850	173.000
2-4	Sept 21	17.39	15.72	46.475	121.525	1.829	1.7850	175.975
1-29	Oct 21	17.42	16.01	46.775	126.475	1.835	1.7830	173.950
2-1	Oct 21	17.42	15.99	46.750	124.700	1.835	1.7830	173.950
2-2	Oct 21	17.42	15.99	46.750	124.275	1.835	1.7830	175.750
2-3	Oct 21	17.51	15.93	46.550	123.625	1.835	1.7980	175.750
1-2	Oct 21	17.43	15.80	46.025	122.000	1.835	1.7898	177.750
1-29	Nov 21	17.26	16.11	47.200	126.700	1.817	1.7690	175.000
2-1	Nov 21	17.26	16.04	47.200	124.725	1.817	1.7690	175.375
2-2	Nov 21	17.25	16.04	46.525	125.250	1.817	1.7710	175.500
2-3	Nov 21	17.35	16.04	46.325	124.675	1.817	1.7850	175.500
2-4	Nov 21	17.34	15.96	46.325	123.450	1.817	1.7850	176.000
1-29	Dec 21	17.04	16.19	46.000	127.000	1.800	1.7440	174.250
2-1	Dec 21	16.89	16.14	46.000	125.200	1.800	1.7440	175.600
2-2	Dec 21	16.96	16.14	45.000	125.500	1.800	1.7440	175.600
2-3	Dec 21	17.04	16.14	45.000	125.500	1.800	1.7560	175.600
2-4	Dec 21	17.09	15.99	45.975	124.000	1.800	1.7610	176.750
Interest - Feb. 4		**20,244**	**2,293**	**3,714**	**6,295**	**607**	**22,582**	**9,265**

DAIRY PRODUCT MARKETS

AS REPORTED BY THE US DEPARTMENT OF AGRICULTURE

WHOLESALE CHEESE MARKETS

NATIONAL - JAN. 29: Cheese production continues apace nationwide. There is notably more milk in the US than in previous years during this week. Spot milk prices ranged from $8.50 to $4 under Class III in the Midwest. The December NASS Cold Storage noted overall increases in cheese throughout the country. Right now, there are myriad questions regarding the near term market tones of commodity cheese: food box program expectations, growing milk availability with underwhelming Class I pulls, and foodservice limitations.

NORTHEAST - FEB. 3: Milk is aplenty and flowing into cheese operations' intakes. Cheese makers are working through strong Cheddar, Mozzarella and Provolone production schedules. Manufacturers' inventory levels are steady for the near term. Retail sales are fairly stable, with some grocers ordering additional supplies. Foodservice cheese sales are steadily soft. Restaurants' Mozzarella and Provolone orders are fairly steady. Cheddar spot market activities remain light. There are several buyers not purchasing on the spot market. Cheese markets are bearing a weaker tone, although prices are somewhat settling.

Wholesale prices, delivered, dollars per/lb:

Cheddar 40-lb blocks:	$2.0400 - $2.3275	Process 5-lb sliced:	$1.4950 - $1.9750
Muenster:	$2.0275 - $2.3775	Swiss Cuts 10-14 lbs:	$3.8725 - $4.1950

MIDWEST AREA - FEB. 3: Contacts continue to relay spot milk offers were quieter than in recent weeks. However, milk is far from tight or even tightening. Prices for spot milk remain at strong discounts in a similar range to last week's at this point. Cheese production is busy. Managers say they are keeping ahead of the spot milk by producing cheeses that require some aging time. Hence, 40-pound Cheddar blocks are reportedly being produced more actively. Some barrel cheese makers say inventories remain balanced. Curd producers report that demand remains fairly steady, as bar and dining restrictions have let up in some customer areas. That said, winter weather in the Northeast has added stressors for Midwestern cheese producers who provide cheese to restaurants that will not be able to offer outdoor dining options for the near term. There are myriad questions regarding near- and long-term market conditions, as contacts' outlooks are foggy.

Wholesale prices delivered, dollars per/lb:

Brick 5# Loaf:	$1.9550 - $2.3800	Cheddar 40# Block:	$1.6775 - $2.0775
Monterey Jack 10#:	$1.9300 - $2.1350	Mozzarella 5-6#:	$1.7550 - $2.7000
Muenster 5#	$1.9550 - $2.3800	Process 5# Loaf:	$1.4800 - $1.8400
Grade A Swiss 6-9#:	$3.3875 - $3.5050	Blue 5# Loaf:	$2.2225 - $3.2925

WEST - FEB. 3: Western contacts say cheese is widely available. Inventories are growing for most varieties as cheese production tries to keep pace with available milk. Total cheese supplies are outpacing total cheese demand. Industry contacts say retail demand has decreased following the winter holidays. As the football season draws to a close, pizza cheese demand has eased back slightly as well. In addition, foodservice demand has yet to see much improvement, even as some areas of the region relax restrictions on restaurant capacity or COVID-19 restrictions. Government purchases can help clean up some of the cheese stocks. But market observers are also wary of the impact that additional purchases can have on pricem volatility.

Wholesale prices delivered, dollars per/lb:		Cheddar 10# Cuts:	$1.9150 - $2.1150
Cheddar 40# Block:	$1.6675 - $2.1575	Monterey Jack 10#:	$1.9025 - $2.1775
Process 5# Loaf:	$1.4975 - $1.7525	Swiss 6-9# Cuts:	$3.6800 - $4.1100

FOREIGN -TYPE CHEESE - FEB. 3: Sources in Western Europe describe current cheese production as being throttled by less milk inputs than plant capacity can accommodate. An anticipated late 2020 increase in aging stocks did not materialize, leaving aging stocks lower than desirable. The resulting tightness in cheese stocks has led to some price firming of sliced cheese and Mozzarella. Milk production in Western Europe is expected to trend higher into May, so cheesemakers are hopeful to be able to increase milk intakes to increase cheese production.

Selling prices, delivered, dollars per/lb:	Imported	Domestic
Blue:	$2.6400 - 5.2300	$2.0475 - 3.5350
Gorgonzola:	$3.6900 - 5.7400	$2.5550 - 3.2725
Parmesan (Italy):	0	$3.4350 - 5.5250
Romano (Cows Milk):	0	$3.2375 - 5.3925
Sardo Romano (Argentine):	$2.8500 - 4.7800	0
Reggianito (Argentine):	$3.2900 - 4.7800	0
Jarlsberg (Brand):	$2.9500 - 6.4500	0
Swiss Cuts Switzerland:	0	$3.9075 - 4.2325

WHOLESALE BUTTER MARKETS - FEBRUARY 3

NATIONAL: Cream remains plentiful and butter churns continue to run on heavy schedules at most balancing plants. Due to the abundant cream supplies, some butter makers are opting to sell some cream loads in the spot market. Bulk butter interest has erupted as buyers look for multiple loads.

WEST: Cream supplies are reportedly increasing seasonally and butter churns are operating on full schedules in many cases. Butter inventories are adequate for some, but heavier than anticipated for others. Domestic butter demand is described as good. Orders continue to move print butter into retail channels. Forward sales are slowing as buyers look to purchase at lower prices, with the hope of an advantageous market adjustment.

CENTRAL: Cream prices remain within reach for butter makers in the region, but steadily growing ice cream production has some butter contacts reporting slight upticks on the multiples. Some plant managers have said they are using primarily internally sourced cream, which is abundant. Butter production, as has been the case, is busy. Foodservice demand remains a shell of its pre-COVID-19 self. Notably busier retail demand has covered some of the lost ground, though. A few producers report that February has picked up some steam regarding bulk butter sales. Butter market tones got a shot in the arm on Tuesday.

NORTHEAST: Butter makers are seasonally active. Some manufacturers limit their cream purchases and production to in-house cream supplies. Butter producers are making both salted and unsalted varieties to fill domestic demand and increased interest from export markets. Current production levels add to inventory volumes. Foodservice sales are better than expected, and retailers have increased their shelf prices, but sources suggest that consumers continue to buy steadily.

NATIONAL - CONVENTIONAL DAIRY PRODUCTS

The most advertised dairy item this week is conventional 48- to 64-ounce containers of ice cream. The national average price is $2.99, even with last week. Organic 48- to 64-ounce ice cream has a national average advertised price of $7.49, resulting in a $4.50 organic price premium. The second-most advertised dairy item, conventional 8-ounce Cream cheese, has an average price of $1.87. Organic 8-ounce Cream cheese, has an average price of $3.00, resulting in a $1.13 organic price premium.

The average advertised price for conventional 8-ounce block cheese is $2.43. Organic 8-ounce block cheese has an average price of $3.69, resulting in a $1.26 organic price premium. Conventional cheese ads decreased 13 percent. Organic cheese ads increased 169 percent.

The national average price for conventional Greek yogurt in 4 to 6-ounce containers, the most advertised conventional yogurt container size, is $0.99. There are no ads for organic 4- to 6-ounce Greek yogurt. Conventional yogurt ads increased 5 percent. Organic yogurt ads decreased 33 percent. The national average price for conventional half-gallon milk is $2.08.

RETAIL PRICES - CONVENTIONAL DAIRY - FEBRUARY 5

Commodity	US	NE	SE	MID	SC	SW	NW
Butter 1#	3.04	3.09	2.89	2.69	3.18	3.44	3.28
Cheese 8 oz block	2.43	2.37	2.29	3.05	1.99	2.99	NA
Cheese 1# block	3.49	3.55	NA	NA	NA	3.38	3.38
Cheese 2# block	6.22	5.99	NA	5.55	5.22	5.99	7.21
Cheese 8 oz shred	2.42	2.48	1.89	2.73	2.40	2.48	2.36
Cheese 1# shred	2.93	2.49	NA	NA	NA	NA	3.49
Cottage Cheese	1.77	2.48	1.74	1.25	1.88	1.95	1.55
Cream Cheese	1.87	1.86	1.97	1.73	1.72	NA	1.81
Flavored Milk ½ gallon	2.18	NA	2.50	2.00	1.89	NA	NA
Flavored Milk gallon	2.99	NA	NA	2.99	NA	NA	NA
Ice Cream 48-64 oz	2.99	2.69	3.12	2.82	3.11	2.97	3.55
Milk ½ gallon	2.08	3.49	NA	1.59	2.10	NA	1.69
Milk gallon	3.30	NA	3.29	3.87	3.91	NA	2.20
Sour Cream 16 oz	1.34	1.83	1.96	1.77	1.75	1.86	1.50
Yogurt (Greek) 4-6 oz	.99	1.00	.98	1.01	1.01	.98	.89
Yogurt (Greek) 32 oz	4.58	4.69	4.95	3.74	3.29	NA	NA
Yogurt 4-6 oz	.51	.51	.50	.56	.50	NA	.40
Yogurt 32 oz	3.95	2.99	5.50	NA	NA	2.49	NA

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

ORGANIC DAIRY - RETAIL OVERVIEW

National Weighted Retail Avg Price:		Yogurt 32 oz:	$3.50
Butter 1 lb:	$5.99	Greek Yogurt 32 oz:	$5.99
Cheese 8 oz shred:	NA	Milk UHT 8 oz:	NA
Cheese 8 oz block:	$3.69	Milk ½ gallon:	$3.94
Cream Cheese 8 oz:	$3.00	Milk gallon:	$5.49
Cottage Cheese 16 oz:	$4.29	Sour Cream 16 oz:	NA
Yogurt 4-6 oz:	NA	Ice Cream 48-64 oz:	$7.49

NDM PRODUCTS - FEBRUARY 4

NDM - CENTRAL: There's a lot of nonfat drying, as condensed skim remains very available. Trading activity was moderately busy, similar to last week. High heat NDM prices shiftedlower on the bottom of the range, as some brokers bought high heat NDM at a deal. Generally, high heat NDM trading was somewhat quiet on the spot market. NDM market tones continue to miss the stability mark, as prices continue slipping day to day on the CME.

NDM - WEST: Low/medium heat NDM prices shifted lower on the top of the price range. The mostly series and the bottom of the price range remained unchanged this week. Buyers continue to purchase spot loads around the mid to high $1.10s. Spot prices are somewhat mixed on various market exchanges. Low/medium heat NDM production is fairly active. Some manufacturers' inventory levels are on the tight side. International demands are fairly stable. Market conditions are mostly steady for the near term. High heat NDM prices are steady to a bit lower this week. Offers on the spot market are limited. Scheduled high heat NDM production is lower at this time. ing activities are mostly

NDM - EAST: Although prices slipped on the mostly series, price points of low/medium heat NDM are holding more steady in the mid-$1.10s. Domestic demand slightly picked up from a very slow week 4, and although inventories have grown, there is still a little more stability in the East than in the West/Midwest, at least for now. Generally, though, market tones are sluggish and slipping. High heat NDM prices slipped to $1.1950 on the bottom of the range, although prices held steady on the top. Market tones for NDM are on slippery turf. Some contacts expect some steadiness after the correction, but this week has provided few bulls.

LACTOSE: There is a dose of uncertainty in the lactose market this week. Lactose prices moved slightly lower at the bottom of the price range and mostly price series. Demand varies between brands and manufacturers. Some industry contacts say they have seen an uptick in sales, while others suggest buying has cooled once again. Chinese markets are more subdued. That said, some contacts say Chinese buyers are still present and making inquiries for more lactose.

WEEKLY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT

DATE	BUTTER	CHEESE
02/01/21	56,492	84,787
02/01/21	56,492	84,788
Change	0	-1
Percent Change	0	0

CME CASH PRICES - FEBRUARY 1 - 5, 2021

Visit www.cheesereporter.com for daily prices

	500-LB CHEDDAR	40-LB CHEDDAR	AA BUTTER	GRADE A NFDM	DRY WHEY
MONDAY February 1	$1.3900 (NC)	$1.5825 (+¾)	$1.2100 (-3½)	$1.1525 (-2)	$0.5350 (NC)
TUESDAY February 2	$1.3900 (NC)	$1.5900 (+¾)	$1.2925 (+8¼)	$1.1375 (-1½)	$0.5350 (NC)
WEDNESDAY February 3	$1.4125 (+2¼)	$1.5575 (-3¼)	$1.2925 (NC)	$1.1100 (-2¾)	$0.5350 (NC)
THURSDAY February 4	$1.4450 (+3¼)	$1.5350 (-2¼)	$1.2775 (-1½)	$1.0900 (-2)	$0.5350 (NC)
FRIDAY February 5	$1.5000 (+5½)	$1.6400 (+10½)	$1.2675 (-1)	$1.1200 (+3)	$0.5350 (NC)
Week's AVG $ Change	**$1.4275 (+0.0330)**	**$1.5810 (-0.0080)**	**$1.2680 (-0.0185)**	**$1.1220 (-0.0400)**	**$0.5350 (+0.0125)**
Last Week's AVG	**$1.3945**	**$1.5890**	**$1.2865**	**$1.1620**	**$0.5225**
2020 AVG Same Week	**$1.4645**	**$1.9125**	**$1.8655**	**$1.2320**	**$0.3730**

MARKET OPINION - CHEESE REPORTER

Cheese Comment: Four cars of blocks were sold Monday, the last at $1.5825, which raised the price. Two cars of blocks were sold Tuesday, both at $1.5900, which raised the price. Four cars of blocks were sold Wednesday, the last at $1.5575, which set the price. Five cars of blocks were sold Thursday, the last at $1.5350, which set the price. Four cars of blocks were sold Friday, the last at $1.6400, which set the price. The barrel price increased Wednesday on a sale at $1.4125, rose Thursday on a sale at $1.4450, and increased Friday on a sale at $1.5000.

Butter Comment: The price fell Monday on an uncovered offer at $1.2100, jumped Tuesday on a sale at $1.2925, declined Thursday on an unfilled bid at $1.2775 (following a sale at $1.2750), and fell friday on an uncovered offer at $1.2675.

Nonfat Dry Milk Comment: The price declined Monday on a sale at $1.1525, fell Tuesday on a sale at $1.1375, dropped Wednesday on a sale at $1.1100, declined Thursday on a sale at $1.0900, then rose Friday on a sale at $1.1200. A total of 60 carloads of NDM were traded this week at the CME. A total of 186 carloads have been traded at the CME thus far in 2021.

Dry Whey Comment: The price was unchanged all week at 53.50 cents.

WHEY MARKETS - FEBRUARY 1 - 5, 2021

RELEASE DATE - FEBRUARY 4, 2021

Animal Feed Whey—Central: Milk Replacer: .3600 (NC) – .4100 (NC)

Buttermilk Powder:
Central & East: 1.0300 (-2) – 1.1250 (+½) West: 1.0500 (NC) – 1.1100 (NC)
Mostly: 1.0600 (NC) – 1.0900 (NC)

Casein: Rennet: 3.6050 (+1¾) – 3.6875 (-3½) Acid: 3.6425 (NC) – 3.9500 (NC)

Dry Whey—Central (Edible):
Nonhygroscopic: .4800 (+1) – .5400 (NC) Mostly: .4950 (+1½) – .5100 (NC)

Dry Whey–West (Edible):
Nonhygroscopic: .4725 (+1¾) – .5500 (NC) Mostly: .4900 (NC) – .5250 (+1½)

Dry Whey—NorthEast: .4700 (NC) – .5350 (+½)

Lactose—Central and West:
Edible: .3000 (-1) – .5500 (NC) Mostly: .3650 (-1½) – .4600 (NC)

Nonfat Dry Milk —Central & East:
Low/Medium Heat: 1.1000 (NC) – 1.2200 (+2) Mostly: 1.1450 (-½) – 1.1700 (-1)
High Heat: 1.1950 (-5½) – 1.3000 (NC)

Nonfat Dry Milk —Western:
Low/Medium Heat: 1.1000 (NC) – 1.1925 (-1) Mostly: 1.1500 (NC) – 1.1800 (NC)
High Heat: 1.2600 (NC) – 1.3050 (-2)

Whey Protein Concentrate—Central and West:
Edible 34% Protein: .9500 (+4) – 1.1575 (+1¾) Mostly: .9850 (+1½) – 1.0150 (NC)

Whole Milk—National: 1.5700 (+2) – 1.7000 (NC)

Visit www.cheesereporter.com for historical dairy, cheese, butter, & whey prices

HISTORICAL MILK PRICES - CLASS III

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
'09	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
'10	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
'11	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
'12	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
'13	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
'14	**21.15**	**23.35**	**23.33**	**24.31**	**22.57**	**21.36**	21.60	**22.25**	**24.60**	**23.82**	21.94	17.82
'15	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	14.44
'16	13.72	13.80	13.74	13.63	12.76	13.22	15.24	16.91	16.39	14.82	16.76	17.40
'17	16.77	16.88	15.81	15.22	15.57	16.44	15.45	16.57	16.36	16.69	16.88	15.44
'18	14.00	13.40	14.22	14.47	15.18	15.21	14.10	14.95	16.09	15.53	14.44	13.78
'19	13.96	13.89	15.04	15.96	16.38	16.27	17.55	17.60	18.31	18.72	20.45	**19.37**
'20	17.05	17.00	16.25	13.07	12.14	21.04	**24.54**	19.77	16.43	21.61	**23.34**	15.72
'21	16.04											

Wisconsin Governor Proposes To Invest Over $43 Million In Dairy, Ag Initiatives

Madison—Wisconsin Gov. Tony Evers today annnounced that his 2021-23 biennial budget proposal will include a more than $43 million investment in Wisconsin's agriculture economy.

In the area of expanding market opportunities, the proposal includes, among other things:

- Creating and funding the Wisconsin Initiative for Agricultural Exports, which is aimed at boosting export opportunities for Wisconsin's agricultural products.
- Increasing funding for the Dairy Processor Grant Program by $1.2 million over the biennium.
- Investing $20 million to help connect Wisconsin food banks and food pantries with Wisconsin producers to provide food to families experiencing food insecurity.
- Funding the Farm-to-School Grant Program to get locally produced foods onto kids' plates in school cafeterias across Wisconsin.
- Creating and funding the Farm-to-Fork program to build connections between farmers and non-school entities interested in buying local for their cafeterias.
- Increasing funding for the Buy Local, Buy Wisconsin program, a grant program that funds local food efforts to increase the sale of Wisconsin-produced agricultural products.
- Providing funding for Something Special from Wisconsin™, a branded marketing program available to businesses that can attribute at least 50 percent of their ingredients, production, or processing activities to Wisconsin.
- Creating and funding a Small Farm Diversity Grant Program.

The budget proposal also calls for creating and funding a Value-Added Agricultural Grant Program, which would provide education and technical assistance related to producing value-added agricultural products, such as organic farming and best practices related to grazing.

"With this budget, Governor Evers is working to stabilize and strengthen Wisconsin agriculture now and for decades to come," said John Umhoefer, executive director of the Wisconsin Cheese Makers Association. "We applaud smart plans to address the market volatility and food insecurity triggered by the pandemic — concerns we hope are short-lived — and to ensure that Wisconsin farmers and food processors discover growth through export endeavors and innovation."