



CHEESE REPORTER

Vol. 147, No. 32 • January 20, 2023 • Madison, Wisconsin



Dairy Industry Faces Growing Demand To Reduce Emissions

On-Farm Emissions Account For Majority Of Emissions Along Dairy Value Chain: Rabobank

Utrecht, Netherlands—The global dairy industry is facing new challenges from increasing demand for sustainable milk production and new government laws and policies targeting emissions reduction, according to a new Rabobank report.

According to the UN Food and Agriculture Organization (FAO), the global dairy sector contributes to roughly 4 percent of all global greenhouse gas (GHG) emissions. This includes emissions from milk production, processing, and transportation, as well as emissions from meat produced from culled and fattened dairy animals.

As such, reducing GHG emissions is a major sustainability challenge facing dairy companies worldwide, the report said. Globally, the emissions per kilogram of milk (fat and protein corrected) vary widely.

Amnong the major dairy exporting regions, carbon footprints are similar despite regional and system differences, the report noted.

Generally, direct on-farm emissions account for the vast majority of emissions along the value chain, followed by emissions linked to farm inputs like purchased (concentrate) feed and fertilizer.

Beyond the farmgate, transport, processing, and packaging of milk and dairy products only account for a small share of total emissions.

At the farm level, the combined methane emissions from enteric fermentation and manure roughly account for 75 to 85 percent of direct on-farm emissions, the report explained. The remaining emissions are largely made up of nitrous oxide, mostly related to soil management and the storage and application of manure. Carbon dioxide emissions from energy and fuel usage generally only account for the few remaining percentages.

This suggests that the feasibility of successfully implementing mitigating measures in the large dairy exporting regions is comparable, despite the differences in environment, climate, and farming prac-

tices, the report said. For example, a feed additive used to reduce methane emissions from enteric fermentation can be implemented in multiple countries, but the effectiveness could vary depending on the farming practices and systems used.

For dairy processing companies, this means that most of their emissions sit in scope 3 and are outside their direct control, the report pointed out. As reported by the Greenhouse Gas Protocol, scope 3 emissions are all indirect emissions not included in scope 1 and 2 that occur in the value chain of the reporting company, including both upstream and downstream emissions.

For dairy processors, food companies, and retailers, the majority of their GHG emissions come from upstream scope 3 emissions through the purchase of goods and services, like raw milk from farmers. Dairy companies are held accountable for on-farm emissions like methane and nitrous oxide, even though they do not directly own or control these sources.

• See **Cutting Emissions**, p. 6

USDA Issues Final Rule Strengthening Enforcement Of Organic Program

Washington—The USDA on Wednesday issued a final rule that amends the agency's organic regulations to strengthen oversight and enforcement of the production, handling and sale of organic agricultural products.

When implemented, the Strengthening Organic Enforcement (SOE) final rule will improve organic integrity across the organic supply chain, and benefit stakeholders throughout the organic industry, USDA said. The amendments included in the final rule close gaps in the current regulations to build consistent certification practices to deter and detect organic fraud, and improve transparency and product traceability.

Also, the amendments will assure consumers that organic products meet a robust, consistent standard and reinforce the value of the organic label, USDA added.

The effective date of this final rule is Mar. 20, 2023. The implementation date is Mar. 19, 2024.

The Organic Foods Production Act of 1990 (OFPA) authorizes USDA's Agricultural Marketing Service (AMS) to establish and maintain national standards governing the marketing of organically produced agricultural products. AMS administers these standards through the National Organic

• See **Organic Final Rule**, p. 22

Make Allowances Among Key Issues In Reforming Federal Milk Marketing Orders: CoBank

Denver, CO—The discrepancy between make allowances currently in place in federal milk marketing order price formulas and actual manufacturing costs sends inaccurate price signals to the marketplace, potentially leading to a misallocation of capital and resources, according to a new research brief from CoBank's Knowledge Exchange.

Federal orders establish minimum prices that regulated processors must pay for farm milk. Federal order formulas use wholesale prices for cheese, dry whey, butter and nonfat dry milk to set minimum prices that reflect supply and

• See **Make Allowances**, p. 14

Market Concentration In Food Retail Industry Has Risen Since 1990: Study

Washington—Food-retailing market concentration has risen significantly over the last three decades at the national, state, Metropolitan Statistical Area (MSA), and county levels, according to a recent study from USDA's Economic Research Service (ERS).

US consumers, businesses and government entities spent \$808 billion on food-at-home in 2019, an increase of 36.2 percent since 1990 after adjusting for inflation, the study noted.

In 2019, food sales by the 20 largest food retailers accounted for 64 percent of total food sales; that number is more than double the sales value in 1990 (31 percent). Similarly, the shares of food sales by the top four and eight largest food retailers at the national level have been steadily

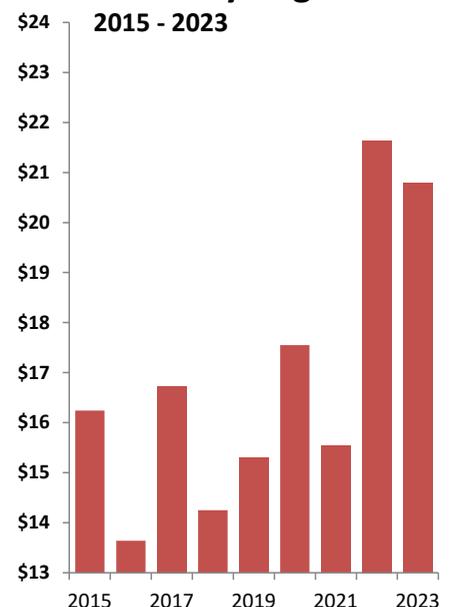
increasing from 1990 to 2019, the study said.

This report documents the structure and trend of the food retailing market concentration not only at the national level, but also at the state, MSA, and county levels in the US from 1990 to 2019, using data from the National Establishment Time Series (NETS) dataset.

The composition and number of food retailers available for households can differ substantially across localities, which make the local market concentration — for which data are not often available — an important consideration and perhaps a more relevant measurement for policymakers than national market concentration, the study noted.

• See **Retail Concentration**, p. 19

Class I Base Price: February Avg 2015 - 2023





Past Issues Read this week's issue or past issues of Cheese Reporter on your mobile phone or tablet by scanning this QR code.

Cheese Reporter Publishing Co. Inc. ©2023

2810 Crossroads Drive, Suite 3000
Madison, WI 53718-7972
(608) 246-8430 • Fax (608) 246-8431
<http://www.cheesereporter.com>

DICK GROVES
Publisher/Editor

e-mail: dgroves@cheesereporter.com
608-316-3791

MOIRA CROWLEY
Specialty Cheese Editor
e-mail: mcrowley@cheesereporter.com
608-316-3793

KEVIN THOME
Advertising & Marketing Director
e-mail: kthome@cheesereporter.com
608-316-3792

BETTY MERKES
Classifieds/Circulation Manager
e-mail: info@cheesereporter.com
608-316-3790

REGULAR CONTRIBUTORS:
Jen Pino-Gallagher, Bob Cropp, Brandis Wasvick, Dan Strongin, John Umhoefer
You can e-mail our contributors at:
contributors@cheesereporter.com

The Cheese Reporter is the official publication of the following associations:

California Cheese & Butter Association
Lisa Waters,
1011 Pebble Beach Dr, Clayton, CA 94517

Central Wisconsin Cheesemakers' and Buttermakers' Association
Jim Mildbrand
jim.mildbrand@gmail.com

Cheese Importers Association of America
204 E St. NE, Washington, DC 20002

Eastern Wisconsin Cheesemakers' and Buttermakers' Association
Barb Henning, Henning's Cheese
21812 Ucker Road, Kiel, WI 53042

International Dairy-Deli-Bakery Association
8317 Elderberry Road, Madison, WI 53717

Missouri Butter & Cheese Institute
Terry S. Long, 19107 Factory Creek Road,
Jamestown, MO 65046

Nebraska Cheese Association
Ed Price, Fremont, NE 68025

New York State Cheese Manufacturer's Assn
Kathryn Boor, 11 Stocking Hall,
Cornell University, Ithaca, NY 14853

North Central Cheese Industries Assn
Lloyd Metzger, SDSU, Box 2104,
Brookings, SD 57007

North Dakota Cheese Makers' Assn
Chuck Knetter, Medina, ND 58467

Ohio Swiss Cheese Association
Lois Miller, P.O. Box 445,
Sugar Creek, OH 44681

South Dakota State Dairy Association
Howard Bonnemann, SDSU, Box 2104,
Brookings, SD 57007

Southwestern Wisconsin Cheese Makers' Association
Ben Workman, Edelweiss Creamery LLC,
W6117 Cty Hwy C, Monticello, WI 53566

Wisconsin Association for Food Protection
Bob Wills
PO Box 620705, Middleton WI 53562

Wisconsin Cheese Makers' Association
John Umhoefer, 5117 W. Terrace Dr.,
Suite 402, Madison, WI 53718

Wisconsin Dairy Products Association
Brad Legreid, 8383 Greenway Blvd.,
Middleton, WI 53562

EDITORIAL COMMENT



DICK GROVES

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

Depooling Has Skewed Federal Order Statistics

Way back in 2020, there were at least two major “themes” when it came to federal milk marketing orders: negative producer price differentials and depooling of Class III milk.

To illustrate this point, there was exactly one month in 2020 in which there were no negative PPDs in the seven federal orders that pay dairy producers a PPD; that was in January. The months of February, March, April, May, September and December saw at least one federal order posting a negative PPD, and then all seven orders posted negative PPDs in every other month.

For all of 2020, the PPD for all seven orders combined averaged a negative \$1.80 per hundredweight.

Also in 2020, massive amounts of Class III milk were being depooled on a monthly basis. Specifically, Class III volume on all 11 federal orders never topped 4.6 billion pounds in a single month, and it was under 2.0 billion pounds for six straight months, from June through November.

For all of 2020, Class III volume for all 11 orders totaled 32.9 billion pounds, and Class III utilization was 23.9 percent.

We were reminded of these statistics when looking over the Class III volumes and utilization statistics in the December 2022 uniform price announcements for all 11 federal orders, and also looking at Class III volumes and utilization statistics for all of 2022.

For starters, Class III volume in 2022 totaled about 81.7 billion pounds, which is some 48.8 billion pounds above the 2020 volume and is also some 44.1 billion pounds above the 2021 volume. That shatters the previous record for annual Class III volume, which was 64.2 billion pounds, set in 2019.

Now, there's a major caveat to these figures; that is, the California federal order didn't become effective until November of 2018. And as the number two cheese-producing state in the US, well, California's Class III volumes can

be pretty high, as evidenced by the fact that Class III volume on the California order topped 1.4 billion pounds in each of the last three months of 2022, and the order's Class III volume for the entire year was around 14.7 billion pounds.

Ah, but there's a caveat to the caveat here. That is, prior to 2022, the California order never “lived up to its potential” when it came to Class III. Thanks to depooling, California's Class III volumes in 2019, 2020 and 2021 totaled 7.7 billion pounds, 673 million pounds and 3.6 billion pounds, respectively — all far short of the 14.7 billion pounds pooled in Class III last year.

Another noteworthy point about Class III in 2022: Class III utilization in all 11 orders was above 50 percent in all but one month, and likely averaged somewhere around 54.0 percent for the entire year.

So, over the 2020-22 period, Class III utilization ranged from under 24 percent to over 50 percent.

Again, some of this is attributable to changes on the California order, where Class III utilization ranged from under 3.0 percent in 2020 to somewhere around 65 percent in 2022.

Meanwhile, Class IV volumes and utilization have also been fluctuating wildly in recent years, from 41.5 billion pounds and 30.1 percent in 2020 to around 14.6 billion pounds and under 10.0 percent in 2022.

This also reflects, to some extent, activity on the California order, where Class IV volume and utilization fell from 15.7 billion pounds and 68.3 percent in 2020 to under 1.9 billion pounds and around 8.5 percent in 2022.

What all these statistics seem to indicate is that the dairy industry doesn't really have consistent federal order statistics for recent years because depooling has so altered class volumes and utilization percentages. And the above analysis

With all of the depooling taking place in recent years, about the only reliable volume figures for federal order classes is for Class I. And as the dairy industry knows, Class I volumes are declining...

doesn't include Class II, which also saw considerable depooling in 2022.

These volume and utilization changes have been magnified greatly by the California order, which at least in theory should be among the largest federal orders, volume-wise, given that the state's monthly milk production hasn't been under 3.2 billion pounds since it joined the federal order program. But there were only three months in 2022 in which more than 2.0 billion pounds of milk was pooled on the California order.

With all of the depooling taking place in recent years, about the only reliable volume figures for federal order classes is for Class I. And as the dairy industry knows, Class I volumes are declining, from 43.9 billion pounds in 2019 (the first full year of the California order) to around 41.0 billion pounds in 2022.

But when it comes to Class I utilization, the numbers are once again skewed due to depooling and the California order. Back in 2017, the last full year without the California order, Class I utilization was 30.0 percent. In 2019, the first full year of the California order, Class I utilization fell to 28.0 percent.

Theoretically, Class I utilization would keep falling as milk production rises and Class I volume declines. But that hasn't been the case since 2020, thanks to depooling, which pushed Class I utilization to 31.8 percent in 2020 and 30.8 percent in 2021 — both well above that 2019 figure.

In 2022, Class I utilization will finally drop to around 27.0 percent, the lowest percentage ever, despite large volumes of Class IV milk and some Class II milk being depooled throughout the year. But without any depooling, Class I utilization would be around 22 percent.

Tighter pooling rules will be debated during the next round of federal order reforms. What the impact of those potential tighter pooling rules is remains to be seen.

Global Dairy Trade Price Index Falls 0.1%; Cheddar, WMP Prices Increase

Auckland, New Zealand—The price index on this week's semi-monthly Global Dairy Trade (GDT) dairy commodity auction declined 0.1 percent from the previous auction, held two weeks ago.

That was the third consecutive decline in the Global Dairy Trade price index.

In this week's auction, which featured 164 participating bidders and 127 winning bidders, prices were higher for Cheddar cheese and whole milk powder; and lower for skim milk powder, butter and anhydrous milkfat.

Average prices weren't available for lactose and buttermilk powder, and sweet whey powder wasn't offered on this week's GDT auction.

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

Cheddar cheese: The average winning price was \$4,871 per metric ton (\$2.21 per pound). That was the first increase in the Cheddar price since the first auction in December 2022. Average winning prices were: Contract 1 (February), \$5,101 per ton, up 10.6 percent; Contract 2 (March), \$4,889 per ton, up 4.5 percent; Contract 3 (April),

\$4,820 per ton, up 2.2 percent; Contract 4 (May), \$4,813 per ton, up 3.6 percent; Contract 5 (June), \$4,827 per ton, up 2.7 percent; and Contract 6 (July), \$4,857 per ton, up 1.6 percent.

Skim milk powder: The average winning price was \$2,842 per ton (\$1.29 per pound), down 0.3 percent. Average winning prices were: Contract 1, \$2,881 per ton, up 0.5 percent; Contract 2, \$2,827 per ton, down 0.1 percent; Contract 3, \$2,850 per ton, down 0.7 percent; Contract 4, \$2,851 per ton, down 0.5 percent; and Contract 5, \$2,847 per ton, down 0.4 percent.

Whole milk powder: The average winning price was \$3,218 per ton (\$1.46 per pound), up 0.1 percent. Average winning prices were: Contract 1 \$3,207 per ton, down 0.2 percent; Contract 2, \$3,210 per ton, up 0.3 percent; Contract 3, \$3,219 per ton, unchanged; Contract 4, \$3,255 per ton, down 0.3 percent; and Contract 5, \$3,309 per ton, up 2.3 percent.

Butter: The average winning price was \$4,449 per ton (\$2.02 per pound), down 0.6 percent. Average winning prices were: Contract 1, \$4,500 per ton, up 0.7 percent; Contract 2, \$4,425 per ton, down 1.0 percent; Contract 3, \$4,480 per

ton, down 0.2 percent; Contract 4, \$4,445 per ton, down 0.7 percent; and Contract 5, \$4,440 per ton, down 1.6 percent.

Anhydrous milkfat: The average winning price was \$5,337 per ton (\$2.42 per pound), down 0.9 percent. Average winning prices were: Contract 1, \$5,353 per ton, down 2.4 percent; Contract 2, \$5,322 per ton, down 0.8 percent; Contract 3, \$5,296 per ton, down 2.4 percent; Contract 4, \$5,320 per ton, down 1.0 percent; Contract 5, \$5,394 per ton, up 0.5 percent; and Contract 6, \$5,460 per ton, up 2.6 percent.

Hyland Appointed To Lead Board

Meanwhile, Global Dairy Trade this week announced the appointment of Charlie Hyland as independent chair of the GDT board of directors, effective Feb. 1, 2023. Hyland is head of EMEA Dairy and Food at StoneX Financial Europe S.A.

Hyland has been integral to the evolution of the commodity risk management business at StoneX since 2008. Hyland lead the team responsible for developing the company's suite of dairy risk management services in Europe, including market intelligence, advisory, and execution services, GDT noted.

Since joining StoneX, Hyland has been working closely with many of the world's largest dairy

producing, trading and consuming companies, assisting in developing their risk management and trading capabilities.

As a result, he brings extensive physical and financial commodity risk management experience with him, which is a perfect fit for the strategy that GDT is executing over the next few years, according to GDT.

GlobalDairyTrade Holdings Limited (GDT) is owned and managed as a strategic partnership between the European Energy Exchange (EEX), Fonterra, and New Zealand's Exchange (NZX), with equal one-third shareholdings.

The European Energy Exchange and New Zealand's Exchange bring reputations and expertise as regulated exchanges, and Fonterra is one of the world's largest dairy exporters who founded GDT in 2008 and is by far Global Dairy Trade's largest customer, GDT pointed out.

The three partners share a strong common interest in credible price discovery and a shared vision to significantly grow the volume of physical and financial dairy trading.

Global Dairy Trade is governed by a board of seven directors representing the three partner owners and an independent chair.

For more information, visit www.globaldairytrade.info.

COMPLETE INSTALLATION MEETING QUALITY & SANITARY STANDARDS

APT
ADVANCED PROCESS TECHNOLOGIES, INC.

877-230-5060
apt-inc.com

For every installation, our project superintendents are on site to ensure your project meets the quality standards you expect within the timeline you have budgeted.

Our commitment to your complete customer satisfaction is backed by our dedication to product and service quality, on-time delivery, and support and service after your project's completion.



For more information, visit www.APT-Inc.com

NE-DBIC Makes Funds Available For Processing R&D Innovation Grants

Montpelier, VT—The Northeast Dairy Business Innovation Center (NE-DBIC) announced the availability of funds through the Dairy Processing Research and Development Innovation Grant program.

This grant will provide funds for dairy processors, dairy producer associations, and educational institutions to conduct research and development projects that support innovation for Northeast dairy processors across a variety of scales.

Funded projects will be centered on developing alternatives to current industry standards through projects that are applicable, scalable, and replicable to other Northeast dairy processors. All projects will include an educational or information-sharing component for other regional dairy processors.

Topic areas may include, but are not limited to: sourcing; novel product development or enhancement; alternative packaging; alternative production solutions; distribution and supply chain logistics; operations; and marketing.

Licensed dairy processors and producer associations from the Northeast are invited to apply. Educational or research institutions may apply but are required to partner with a minimum of two Northeast-based dairy processors. For the purposes of NE-DBIC programs, the Northeast region includes the following states: New York, Pennsylvania, Vermont, Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, and Rhode Island.

The application period for this grant opens on Jan. 26; the deadline for submitting applications is Mar. 23. A total of \$1.0 mil-

lion is available under this funding opportunity; grants will range from \$75,000 to \$250,000, with a 25 percent (cash or in-kind) match commitment required.

Applicants eligible for these funds must fall into at least one of the following categories; dairy processors that transform raw milk sourced from the Northeast region into an edible product and are licensed dairy processors and headquartered or based in the Northeast; dairy producer association/dairy council which represents and promotes dairy products and dairy businesses of the Northeast; educational/research institutions that partner with at least two dairy processors.

Projects funded by this grant program will assist dairy processors to develop innovative solutions that enhance the long-term sustainability of their business and add resiliency to the Northeast dairy sector. Competitive projects should seek to research and develop products, processes or technologies that are novel or uncommon and address issues that are relevant to more than one Northeast processor, rather than solely benefiting the applicant's business.

For more information, contact Kathryn Donovan, programs manager, NE-DBIC, at kathryn.donovan@vermont.gov; phone (802) 585-4571.

The NE-DBIC is also announcing the availability of funds through the Existing Dairy Processor Expansion Grant program to address the significant need for investment in processing infrastructure in the Northeast.

This grant will only fund existing dairy processing facilities

located in the Northeast region with a focus on expanding utilization of regionally sourced milk and diversifying the supply chain.

Projects funded through this grant will focus primarily on acquiring specialized equipment needed to increase processing capacity through volume expansion and existing product line expansion. Additional activities that directly support increased production capacity may be included.

Multiple tiers of grant funding ranges will be available to processors at a variety of sizes. Processors may apply in one of three grant tiers based on their scale:

Tier 1 (for processors of 100,000 pounds or milk of milk daily, sourced from 20 or more farms): Grant amounts of \$500,000 to \$1 million. The Request for Application will be released Jan. 31, and the pre-application period will run from Mar. 16-May 11, 2023.

Tier 2 (for processors of 500 to 100,000 pounds of milk daily, sourced from three or more farms): Grant amounts of \$150,000 to \$650,000. The Request for Application will be released Jan. 31, and the pre-application period will be Mar. 16-May 11, 2023.

Tier 3 (processors of one to 1,000 pounds daily, sourced from one to three farms): Grant amounts of \$50,000 to \$250,000. The Request for Application will be released in June, and the full-single-stage application period is expected to be June through August.

A total of \$12 million in grant funds is available under this grant program, including up to \$6.0 million for Tier 1, up to \$4.0 million for Tier 2, and up to \$2.0 million for Tier 3.

For more details, contact Laura Ginsburg, NE-DBIC lead, at laura.ginsburg@vermont.gov; (802) 522-2252; or Kathryn Donovan.

FROM OUR ARCHIVES

50 YEARS AGO

Jan. 19, 1973: Washington—The FDA issued a sweeping 12-point set of key regulations for food labeling, and predicted 90 percent of packaged food labels will have to be changed in the next two years. The most important changes will promote the use of labels to identify nutrients, vitamins, fat and cholesterol.

Washington—Food additive legislation aimed at eliminating the use of unsafe, poorly tested and unnecessary chemicals in the food supply was introduced this week by Sen. Gaylord Nelson (D-WI). Many of today's additives haven't been adequately tested for toxic effects.

25 YEARS AGO

Jan. 23, 1998: Alto, WI—Alto Dairy Cooperative, which pioneered forward pricing contracts for its member shippers earlier in the 1990s, has added minimum price contracts to its choices for dairy farmers who want to establish a price for milk several months before it's shipped.

Franklin Park, IL—Dean Foods has filed a motion in federal district court requesting a preliminary injunction to prevent the enforcement of Wisconsin's controversial milk volume premium rule against Dean's existing volume program paid in Illinois. Dean filed the injunction in response to DATCP top officials indicating they will prosecute Dean for its "direct ship" program.

10 YEARS AGO

Jan. 18, 2013: Madison—Errico Auricchio will be honored as a Life Member of the Wisconsin Cheese Makers Association, and two men, Bernie Alberts and Dick Leitner, will receive WCMA Distinguished Service Awards for their exemplary careers. Auricchio, founder of BelGioioso Cheese, is considered a key leader in Wisconsin's value-added cheese renaissance.

Afton, WY—Elmer Beery, 94, a long-time Wisconsin cheese maker and WCMA Life Member, passed away Jan. 16, 2013. Beery purchased and operated the Grass Lake Cheese Factory in Shawano County, WI, from 1946 to 1972. He was also part of a USDA goodwill tour to the former Soviet Union.

IVARSON

IVARSONINC.COM



THE IVARSON 640 BCS

The IVARSON 640 BLOCK CUTTING SYSTEM is a proven workhorse in the cheese conversion & packaging industry. Designed specifically for feeding today's highest output chunk and slice lines, the 640 BCS is engineered with simplicity and sanitation in mind. IVARSON's reputation for quality assures you that the equipment is constructed with quality materials that stand up to the harshest environment, and the equipment is back by the best service and guarantee in the business.

The IVARSON 640 BCS will deliver loaves and bars to your slice and chunk lines with consistent dimensions and NO TRIM! This means higher efficiency, better yield and increased throughput for your downstream lines.

- ★ Process a 640 pound block in less than 4 minutes, controlled for minimum giveaway
- ★ Fully automated block reduction
- ★ Capable of cutting slabs from 1.4 to 7 inches, accurate to 1/32"
- ★ Quick changes cutting harps allow for multiple formats on the same production run
- ★ Additional downstream cutting technology available



WISCONSIN PROUD. QUESTIONS OR INQUIRIES... GIVE US A CALL! 414-351-0700

For more information, visit www.ivarsoninc.com

NASDA's 2023 Policy Priorities Include Farm Bill, Food Supply Chain, Trade

Arlington, VA—Members of the National Association of State Departments of Agriculture (NASDA) have selected seven issues to serve as the organization's primary policy focus for 2023.

"These issues were chosen for the organization's 2023 focus as NASDA members see specific opportunities for progress regarding each of these areas to best serve farmers, ranchers and all communities across the nation," said Ted McKinney, NASDA's CEO.

"Further, we believe these are the areas where state departments of agriculture are uniquely positioned to lead impact and direct policymaking solutions this year," McKinney added.

NASDA's 2023 policy priorities are as follows:

2023 Farm Bill: The next farm bill must remain unified, securing a commitment to US agriculture and the critical food and nutritional assistance programs for those who need it most.

Among other farm bill priorities, NASDA recommends significantly increasing funding for research on the safety and security of the US food system; in the area of cybersecurity, supports maintaining the Comprehensive Food

Safety Training Network at the authorized level of \$20 million per year; and, in the area of conservation and climate resiliency, supports increased funding for USDA's Agricultural Conservation Easement Program and Environmental Quality Incentive Program.

Food Production and the Supply Chain: NASDA is committed to ensuring long-term stability and resilience in the nation's food supply chain through supporting projects to increase US meat processing, food and nutrition security and reducing food waste.

International Trade: To increase export opportunities for US food, agriculture and forestry producers NASDA is asking Congress and the Biden administration to leverage existing trading relationships, secure new trade agreements, fully fund trade promotion programs and engage with global trade institutions.

NASDA continues to advocate for the promotion of science-and-evidence based trade standards globally.

Without robust enforcement, trade agreements are nothing more than words on a page, NASDA noted. State departments of agriculture stand ready and should be

included more in supporting their federal partners across a wide range of implementation and enforcement activities, including trade promotion, technical assistance, data collection and monitoring.

Food Safety: NASDA will continue to advocate for funding state Food Safety Modernization Act programs because state departments of agriculture are the front line of protection for consumers when it comes to food safety.

State agencies, including state departments of agriculture, play a vital role in implementing and enforcing the nation's food safety and inspection laws, NASDA pointed out. Approximately 80 percent of food safety inspections in the US are completed at the state and local level.

NASDA recommends the US FDA implement the following as it works towards using technology to assist traceability: create consistent data collection metrics that can be implemented from farms to store shelves; work across government agencies (federal and state) to understand how to effectively collect data; use digital technologies to expedite outbreak-related communications; communicate more frequently with stakeholders; and create a central database for all food safety inspection data.

Workforce Development: NASDA is committed to work-

ing with the federal government, private industry and academia to identify and address agricultural workforce challenges.

Addressing workforce shortages facing farm employers and stabilizing the H-2A visa application process is crucial for enhancing national food security by protecting domestic agriculture production, NASDA said.

Environmental Regulation: NASDA supports the science-based and comprehensive regulatory framework the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) provides to ensure environmental and public health protection.

NASDA said it stands ready to assist the EPA in implementing FIFRA, ensuring the environment, including endangered species, is protected and US farmers and public health officials have access to the technologies they need.

Regarding the published EPA "waters of the US" (WOTUS) rule, NASDA will continue to impress the role of states in regulating non-navigable waters.

Animal Health: NASDA is committed to working with intergovernmental agencies and industry stakeholders to foster a collaborative approach to animal health initiatives, especially in protecting US livestock from foreign and emerging animal diseases.



STEP Up Your Yields

Culture Innovation

Vivolac STEP series DVS cultures are expertly formulated for phage durability, fast acidification, and can add up to 1.5% higher moisture in Mozzarella pizza cheese applications compared to traditional Mozzarella cultures.

- Expert onsite technical support
- DVS or bulk starter cultures and media
- Industry leading bio-protection cultures
- Flavor and texture adjuncts for award-winning cheeses
- Custom blending culture options available

Proudly made
in the
United States



Vivolac Cultures Corp.
1-800-VIVOLAC
innovation@vivolac.com ■ www.vivolac.com

For more information, visit www.vivolac.com

Cutting Emissions

(Continued from p. 1)

As such, measuring and reducing these emissions can be difficult, given the complexity and number of actors in the value chain, the report noted. Scope 3 encompasses emissions throughout the life cycle of the product, including those from suppliers, distributors, and consumers.

While scope 1 and 2 emissions are measured with primary data, scope 3 emissions are often estimated and measured by other parties. This is also seen in the measurement of upstream scope 3 emissions in dairy, where processors, food companies, and retailers must rely upon and collaborate with their (milk) suppliers in order to reduce their scope 3 emissions, which are largely the direct on-farm emissions of their suppliers, the report explained.

However, the difficulties aren't limited to measuring and reporting scope 3 emissions in the dairy value chain, the report continued. The targets and goals set for these emissions also come with their own complexities.

Dairy companies not only face pressure from clients, consumers, and industry peers to reduce their emissions, they must also deal with emissions reduction targets embedded into national laws and policies. These targets, however, vary in alignment, ambition, and scope, the report pointed out. In practice, this means that stakeholders throughout the value chain are exposed to different targets.

This situation creates multiple layers of complexity, the report noted. Dairy companies want to set targets, as they are receiving pressure from off-takers to reduce their emissions, but the lack of

alignment between national governments and industry standards adds to the complexity, which could, in turn, hinder the rate of progress. This has also raised concerns within the dairy value chain that the industry will not be able to fully claim the rewards for its efforts and emissions.

However, in the absence of common national guidance, individual companies have set their own requirements and targets, the report said. Increasingly, companies are relying on guidance in emissions reduction and net-zero target setting using the latest climate science, like the Science Based Targets initiative (SBTi), which has specific guidance for the forest, land and agriculture (FLAG) sector to support companies in aligning their emissions reduction targets with the goals of the Paris Agreement.

With more commitments being made and targets being set by either governmental bodies or companies themselves, the pathway to achieving these goals is important to consider, the report said. How these targets are achieved is not decided or specified in the target-setting process, thereby allowing for innovations in potential GHG-reduction levers.

There are already numerous GHG-reducing measures being brought forward by researchers, companies, and sector bodies, some of which are in the late stages of development or already being used in the dairy sector today, the report noted. These measures include:

Efficiency and productivity gains: Efficiency gains have (indirectly) been a significant factor in reducing on-farm emissions. Historical efficiency gains have been realized through a combination of improvements in genetics,

feed efficiency and nutrition, farm practices, and animal welfare, contributing to higher milk yields and lifetime production per cow and lower replacement rates.

Feed and feed additives: Feed has been highlighted as a relevant source for considerable reduction potential; this ranges from improving and maintaining the quality of feed to changing feed rations for dairy cows.

Manure management: Another mitigation opportunity is through manure management (i.e., storage and application) and the adoption of anaerobic digestors, which can reduce emissions from manure.

As climate change is such a crucial aspect of the dairy value chain's future, gaining momentum in reducing GHG emissions is of the utmost importance. To increase momentum in the dairy industry, the report said three important steps need to be taken.

First, alignment between government and industry targets is required to (sometimes unnecessary) overcome layers of complexity. At the same time, the dairy industry needs to embrace the need for an acceleration in GHG emissions reduction.

By setting and increasing targets, the dairy industry has already taken the first steps in this direction, the report noted. However, to gain momentum in the adoption rates of on-farm mitigation levers, farmers also need to be incentivized by the industry, through options like carbon tokens or premiums on top of the milk price.

If mitigation doesn't gain momentum, the dairy industry could face the risk of government-enforced mitigation regulations that could be capital-intensive or even include herd reduction, the report pointed out.

Nestle Health Science Plans \$43 Million Investment In Eau Claire, WI, Plant

Eau Claire, WI—Through a \$43 million investment, Nestle Health Science this week announced that it is expanding its manufacturing facility in Eau Claire, WI.

The investment will add two new production lines to increase manufacturing of high-demand ready-to-drink consumer products, the company noted. The Eau Claire facility produces an array of medical nutrition products, such as tube feeding formulas and nutritional drinks from brands such as BOOST® and Carnation Breakfast Essentials®.

"With this investment, Nestle Health Science will expand and enhance our manufacturing facilities to better meet the needs of patients and consumers," said Gaetan Sion, vice president of manufacturing, Nestle Health Science US.

The new production lines will manufacture ready-to-drink nutrition products in Tetra Pak® cartons made with responsibly sourced material, Nestle Health Science noted. The site is also investing in water optimization that will ensure over 90 percent of total factory water usage is fully recovered by the end of 2023.

Arla Foods Ingredients Has New Whey Supply Arrangement With Belgium's Milcobel

Kallo, Belgium—Arla Foods Ingredients has agreed a new supply arrangement with Belgian dairy cooperative Milcobel.

Under the terms of the partnership, Milcobel will provide whey protein retentate sourced from its Mozzarella production facility in Langemark, Belgium.

Arla Foods Ingredients will refine the raw material before using it to produce specialty ingredients for high-end protein markets. These include milkfat globule membrane (MFGM) for infant formulas and whey protein hydrolysates for medical nutrition.

"The starting point for this agreement was the growing demand for high-quality specialty protein ingredients. We chose to work with Milcobel because of the very high standards to which it operates and the security of supply it offers," said Henrik Andersen, CEO of Arla Foods Ingredients.

Milcobel produces dairy products — including cheese, powder, butter, cream, whey and ice cream.

High Pressure Drop? Emissions?

If maintaining trouble-free operation of your baghouse is a challenge, Caloris is here to help.

Contact us to speak with a spray dryer specialist about possible problem areas or to schedule an assessment.



Watch a related webinar: youtu.be/3xSidxMx_FY

For more information, visit www.caloris.com

Spray Dryer Baghouse Problems?

Contact Caloris if you are experiencing problems with your spray dryer baghouse.

410-822-6900
problem.solved@caloris.com

CALORIS
A Better Process

When Protein Quality Is Considered, Dairy's Environmental Impact Lowered

Harpenden, United Kingdom—The environmental footprints of certain foods, calculated per unit of protein produced, risk misinforming food stakeholders and consumers, according to a new study.

Instead, the full nutritional value of foods needs to be fully considered when scientists are trying to calculate the environmental impact of producing different foods, the study's authors said.

One method that is commonly used to assess environmental impacts caused by human activities is life cycle assessment (LCA), the study noted.

Since early in the 21st century, LCA has been evolving into a complex tool for assessing environmental impacts and LCA researchers have begun to incorporate nutritional science into environmental LCA studies when assessing agri-food products. This analysis has become known as nutritional LCA (nLCA).

This study took a measure of protein quality called the Digestible Indispensable Amino Acid Score (DIAAS) and used it to create "adjusted" environmental footprint metrics for a variety of foods.

Using this method, many animal-based products' environmental impacts were almost halved (e.g., dairy beef), while the impacts associated with wheat bread, for example, increased by almost 60 percent.

"This study highlights the need for both nutritional and environmental sciences to be taken into account to fully understand the impact that food production has on human and environmental health," said Dr. Graham McAuliffe, of Rothamsted Research, lead author of the study, which was published in *The International Journal of Life Cycle Assessment*.

Protein is a highly complex nutrient comprising amino acids, nine of which, known as essential or indispensable amino acids (IAA), cannot be produced directly by humans and must come from dietary sources.

Moreover, the digestibility of different amino acids within the human gut is highly variable, the study pointed out. In other words, the quantity of protein in a product does not necessarily represent its quality, which is affected by numerous factors, including the fact that some food items (typically plant-based products) contain other factors which can inhibit or restrict nutrient uptake.

The team used the DIAAS score to represent how digestible a food item's amino acids are. When this is applied to four animal-based foods (cheese, dairy beef, eggs, and pork) and four plant based pro-

tein sources (nuts, peas, tofu, and wheat), all the animal-based products scored more than 100 percent DIAAS (led by cheese, at 141 percent) due to their highly digestible structure and lack of inhibitory compound.

Tofu had a DIAAS of 105 percent, while the three other plant-based protein sources scored under 100 percent, with wheat scoring particularly poorly (43 percent), the study noted.

A healthy average human would need to consume much more low-DIAAS products to achieve the same protein benefit compared with high-DIAAS products, thus leading to more produc-

tion and associated environmental impact to reach the same level of recommended intake, the study explained.

"Simple 'mass-based' — nutrient content rather than quality — comparisons of food items' sustainability is not sufficient to provide policymakers and stakeholders with transparent and useful information on how to reduce their environmental impacts across agri-food supply-chains," McAuliffe commented.

"Food items are rarely consumed in isolation, and therefore one of the major recommendations we urge future nutritionally-focused sustainability assessors to consider is the complementarity of food at, for instance, the meal level or multi-meal level," McAuliffe continued.

According to McAuliffe, this is a critically important factor for consideration, as low DIAAS values in one item may be offset by higher scores in other foods, thereby allowing targeted assessments of protein delivery for different nations, or populations which may be deficient in a certain IAA.

The research team also cautioned that environmental impacts should only form part of the sustainability picture. Future work should incorporate socioeconomic factors (e.g., rural economies, animal welfare, fair trade, and so on) to truly assess food production's sustainability, especially when considering international food trade and potential market shocks such as warfare and economic crashes which can affect the delivery of food security.

ALPMA – Customized solutions for dairies



| Process Technology | Cheese Technology | Mould Material | Semi hard Cheese |
|---|--|---|---|
|  |  |  |  |
| Mozzarella | Brining Technology | Cutting Technology | Packaging Technology |
|  |  |  |  |



ALPMA

- Process Technology
- Cheese Technology
- Cutting Technology
- Packaging Technology


ALPMA
SULBANA

- Mozzarella
- Semi hard Cheese
- Hard Cheese
- Hygiene Technology

Visit our website:
www.alpma.com

Take advantage of ALPMA's complete product range

We offer our customers and partners unique product solutions from a single source by combining technically and technologically leading machines from our divisions; Process, Cheese Making, Cheese Cutting & Packaging."

For more infos please contact:

ALPMA USA | 3015 W Vera Ave, Milwaukee | WI 53209

☎ 414-351-4253

📍 USAsales@alpma.com

For more information, visit www.alpma.com

USPTO Awards Patents To Numerous Cheese- And Dairy-Related Inventions

Sargento, Leprino, Chr. Hansen, Others Receive Patents

Washington—The US Patent and Trademark Office (USPTO) has in recent weeks awarded patents to a number of companies for cheese- and dairy-related inventions.

A patent was awarded to Sargento Foods, Inc., for an invention related to a method of making natural cheese with a flavor ferment to tune flavor attributes. Inventors are Mihir Sainani, Kartik Shah, Eva-Maria Dusterhoft, and Willem Johannes Marie Engels.

The method for producing a natural cheese with tuned flavor attributes includes the steps of creating a flavor ferment from a substrate including at least one of reconstituted milk, concentrated milk, membrane filtered milk and UHT milk, the substrate being fermented with cultures including at least one of lactic acid bacteria and propionic acid bacteria, being heat treated and being concentrated; reconstituting the flavor ferment; and adding the reconsti-

tuted flavor ferment during a natural cheese make process to produce a natural cheese with an ingredient statement as with a standard of identity for the natural cheese.

Leprino Foods Company received a patent for a vacuum-assisted product-handling system that includes a carrier to move an unpackaged product into a contact position. The inventor is Joshua Chun.

The product-handling system also includes an actuation unit to move the unpackaged product from the contact position of the carrier to a receiving container. The actuation unit may include a mechanical arm to lift the unpackaged product from the carrier and deposit the unpackaged product in the receiving container, and a vacuum tool connected to an end of the mechanical arm.

The vacuum tool, which may include one or more arrays of suction devices, may be operable to hold the unpackaged product as the unpackaged product is moved by the actuation unit from the carrier to the receiving container.

Chr. Hansen A/S received a patent for an invention related to new

processes for making Swiss cheeses or continental cheese types with an improvement of eyes formation and distribution. Inventors are Fernanda Streit, Sebastien Roustel, Gregory Roset and Remi Mazet.

The invention relates to culture design and use of particles with defined properties based on technical knowledge about eye formation. More specifically, the invention relates to a process for making cheese, the process comprising: obtaining a milk composition; optionally maturing said milk composition by physical, chemical or biological means; adding particles with a size of 1 to 50 microns to said milk composition; adding lactic acid bacteria and/or propionic bacteria; adding coagulant; and further processing the composition to produce a cheese.

As noted in the patent, the particles or particulate matter may be produced from milk proteins and milk mineral.

Chr. Hansen A/S received a patent for variants of chymosin with improved milk clotting properties. Inventors are Christian Jaeckel, Martin Lund, and Johannes Maarten Van Den Brink.

Allied Blending Anticake Patent

Allied Blending received a patent for an anticaking agent for cheese, comprising one or more dairy ingredients and one or more non-dairy ingredients. Inventors are Ashok Patel, John Fannon and Randy Schmelzel.

When the anticaking agent is applied to a divided cheese, it has low visibility on the divided cheese, prevents caking of the divided cheese, and browns similarly to divided cheese without the anticaking agent when baked in an impinger oven at between 425 degrees F and 450 degrees F for five

minutes, according to the patent abstract.

Hochland Cheese Portion Patent

Hochland SE received a patent relating to a device for producing processed cheese portions, comprising a plurality of modules that are arranged successively in the direction of production, in which the processed cheese is formed into a band, cooled, and divided into portions, wherein the modules define a production space through which the processed cheese travels during the production of the processed cheese portions.

Inventors are Andreas Biggel, Sebastian Schmidt, Richard Bechteler, Josef burger, and Thomas Handerer.

Marotta Evolution S.r.l. received a patent for equipment for the production of stuffed cheese. The invention is to devise a piece of equipment for the production of stuffed cheese, particularly Burrata, that allows reducing the processing time and costs related thereto.

Provisur Conveyor Device Patent

Provisur Technologies, Inc., received a patent for a conveyor device for conveying food products in stacks or interleaved units made of a plurality of slices of cheese. The inventor is Jurgen Bialy.

The conveyor device formats the food products in a specific product format on a plurality of parallel conveyor tracks, and fills a product gap on one of the plurality of parallel conveyor tracks incoming on the input side with a food product so that on the output side all parallel conveyor tracks are supplied with the food products. At least one product sensor is configured to detect a supply of food product on each conveyor track incoming on the input side.



QUALITRU

SAMPLING SYSTEMS

INTRODUCING THE TRU STREAM 7

ADJUSTABLE TANKER PORT!

ACCOMMODATES TANKER WALL THICKNESSES FROM ~4.3" TO 6.0"



The QualiTru TruStream7 Adjustable Tanker Port with Security Lid is specifically designed for dairy and other liquid food tanker trucks. Our new adjustable tanker port welds onto the inner tank wall and accommodates trailers with varying thicknesses of insulation (from ~4.3" to 6.0") to minimize the need for additional retrofitting and fabrication.

IMPROVE OPERATION EFFICIENCY

BENEFITS OF TANKER PORT SAMPLING

- Sampling off the side or back of a tanker truck for accurate and safe antibiotic, component, or microbiological sampling.
- Increases receiving bay efficiency by allowing antibiotic samples to be taken before trucks enter the receiving bay.
- Samples collected aseptically, reducing the chance of contamination by bacterial, chemical, or environmental contaminants.
- Improves sampling safety by allowing samples to be taken from the ground.

Call Today to Learn More or Visit Our Website at QualiTru.com!

Sales@QualiTru.com | 651-501-2337 | QualiTru.com

For more information, visit www.QualiTru.com

Why **run** your own **warehouse**?

Focus on what you do best and let WOW Contract Operations:

- ✓ Recruit and manage distribution center staff
- ✓ Increase efficiency with expert engineering and a cutting-edge Warehouse Management System
- ✓ Manage capital expenditures such as racking and lift equipment
- ✓ Establish KPIs to monitor performance



800-236-3565 | wowlogistics.com

Let the leaders in logistics manage your distribution operation.

For more information, visit www.wowlogistics.com

EU Organic Milk Production Growing, But Accounts For Just 3.7% Of Output

Brussels, Belgium—Despite the increase in organic milk production in most European Union (EU) countries, the share of organic milk in total milk output is still small, at 3.7 percent in the EU in 2020, according to a “Market Brief on organic farming” published by the European Commission.

However, there are exceptions to that low share of total milk production: organic milk accounts for a significant share of production in Sweden (20 percent), Austria (17 percent), and Denmark.

Half of all EU organic milk is used as drinking milk, whereas cheese production uses 26 percent, the market brief noted.

Data available on EU production and consumption of organic food show a growing trend in the 2010-2020 decade. With 14.8 million hectares in 2020, the area under organic farming represented 9.1 percent of the total EU agricultural land, and close to 20 percent of the area under organic farming in the world.

In 2020, the largest share of the EU area under organic farming was permanent grassland, with 42 percent and 6.2 million hectare. This area is used for organic livestock which requires access to outdoor grazing areas, and is mostly located in Spain, France and Germany (accounting for about half of the organic permanent grassland).

Other parts of organic farming land are devoted to green fodder (17 percent), cereals (16 percent), and permanent crops, such as fruit, olives and vineyards (11 percent).

Despite fast growth, EU organic animal production remains small in comparison to the EU total. In 2020, about 6.0 percent of the cattle herd and 7.2 percent (2019) of the sheep and goat flocks were estimated to be organically raised, while for poultry and pigs this was estimated at 3.6 percent and 1.0 percent, respectively.

Data from the EU Farm Accountancy Data Network (FADN) indicate that organic dairy farms have lower veterinary costs per output unit than conventional farms. Both organic dairy and beef farms are more labor-intensive, but they generate more income per worker. Organic farms raising sheep and goats also tend to have higher income per worker than their conventional counterparts.

FADN data for dairy farms, arable crops farms, and beef farms (where the organic farm sample size is large enough to provide relevant results in several countries) show that organic farmers benefit from a price premium for their products in the dairy and arable crops sectors, but not in the beef sector. These data also show that

costs per unit of land or animal can be lower in organic systems.

Based on FADN data on farms specialized in dairy production, milk yields are lower by 8 to 33 percent on organic farms compared to conventional farms. FADN data on dairy farms from selected EU countries show a premium on producer price for organic milk of more than 20 percent, after a drop in 2017 following an increase in the price of conventional milk.

Organic Dairy Sales Rising

In 2020, the world market for organic food and drink exceeded 120 billion euros, the market brief noted. The EU ranks second in the

world for consumption of organic food, with a share of 37 percent of the global market, with the US accounting for the largest share of the global market at 41 percent.

Over the last decade, demand has increased very rapidly for organic packed food in all EU countries and across all product categories.

Despite the decline in total EU retail sales of milk, retail sales of organic milk increased by 62 percent since 2012 and reached 1.3 billion liters in 2021. Organic cheese sales grew even faster (up 125 percent), whereas yogurt sales increased by 73 percent and butter and spreads by 50 percent.

Approximately half of the organic dairy products volumes (in each category) were sold in Germany and France.

Denmark has the highest share of organic milk in overall drinking milk sales (40.3 percent), followed by Sweden (21 percent). The highest shares of organic cheese sales in the EU are in Denmark (9 percent of all cheese sales) and Austria (7 percent of all cheese sales).

Organic food in the EU is distributed primarily via general retailers, with peaks in those countries where the share of organic consumption is very high, such as Denmark and Austria. The second largest distribution channel for organic food consists of specialized organic retailers.

According to a Eurobarometer survey in 2022, more than six in 10 Europeans (61 percent, up 5 percentage points since 2020) are aware of the EU organic farming logo.

LOOS
MACHINE & AUTOMATION

www.loosmachine.com

**UTILIZING CUTTING
EDGE TECHNOLOGY
TO MAXIMIZE
PERFORMANCE.**

**Custom
Solutions**

**Turnkey
Systems**

**Breakthrough
Designs**

**Automating With
INNOVATION**

We use high quality, brand name components in our designs to engineer efficient and reliable systems.

To insure the highest quality product, each system is designed, built and installed with the oversight of our highly trained engineers.

CONTACT US.
855-364-4797
sales@loosmachine.com
www.loosmachine.com

**FOLLOW US ON
LinkedIn**

For more information, visit www.loosmachine.com

December Class IV Volume In Seven Federal Orders: 896 Million Pounds

Washington—The volume of milk pooled in December 2022 in the seven federal milk marketing orders that pay dairy farmers a producer price differential (PPD) totaled 895.9 million pounds, up 124.9 million pounds from November 2022 but down 133 million pounds from December 2021, according to the uniform price announcements for those orders.

That's the seventh straight month in which Class IV volume in those seven orders was under 1.0 billion pounds. By comparison, in 2021, Class IV volume in those seven orders topped 1.0 billion pounds in all but the final month of the year, and topped 3.0 billion pounds in each of the first seven months of the year; and in 2020, Class IV volume in those seven orders topped 3.0 billion pounds in all but three months.

The Class III volume on the seven orders that pay dairy farmers a PPD totaled 7.48 billion pounds, up 300 million pounds from November and up 1.38 billion pounds from December 2021. Class III volume on those orders topped 7.0 billion pounds in each of the last three months of 2022.

All seven orders reported positive PPDs again, ranging from 23 cents per hundredweight on the Upper Midwest order to \$2.56 per hundred on the Northeast order.

On the California order, Class III volume was 1.4 billion pounds, up 21 million pounds from November and up 240 million pounds from December 2021. That's the third straight month in which Class III volume on the California order topped 1.4 billion pounds.

Class III utilization on the California order was 70.4 percent, down from 70.5 percent in November but up from 66.2 percent in December 2021.

Class IV volume on the California order totaled 99.1 million pounds, up 18.2 million pounds from November and up 21.6 million pounds from December 2021. That's the seventh straight month in which less than 100 million pounds of milk has been pooled in Class IV on the California order.

Class IV utilization on the order was 4.9 percent, up from 4.1 percent in November and up from 4.3 percent in December 2021.

The volume pooled on the California order totaled 2.02 billion pounds, up 32 million pounds from November and up 234 million pounds from December 2021.

Class III volume on the Upper Midwest order totaled 2.95 billion pounds, up 187 million pounds from November and up 968 million pounds from December 2021. That's a new record high for monthly Class III volume on the Upper Midwest order. Utilization on the order was 93.0 percent up from 87.8 percent in December 2021. That's the seventh straight month in which Class III utilization was over 90.0 percent.

Class IV volume on the Upper Midwest order totaled 15.2 million pounds, up 2.4 million pounds from November but down 4.5 million pounds from December 2021. Utilization was just 0.5 percent, down from 0.9 percent in December 2021.

A total of 3.17 billion pounds was pooled on the Upper Midwest

order, up 198 million pounds from November and up 912 million pounds from December 2021.

Class III volume on the Southwest federal order totaled 735.2 million pounds, up 28.2 million pounds from November and up 69.8 million pounds from December 2021. Class III utilization was 63.5 percent, down from 63.6 percent in November but up from 58.4 percent in December 2021. Class IV volume on the order was 39.1 million pounds, up 18.6 million pounds from November and up 8.2 million pounds from December 2021. Utilization was 3.4 percent, up from 1.8 in November and up from 2.7 percent in December 2021.

A total of 1.16 billion pounds of milk was pooled on the Southwest order, up 46 million pounds from November and up 18 million pounds from December 2021.

On the Central order, Class III volume totaled 725.8 million pounds, up 7.2 million pounds from November and up 123.1 million pounds from December 2021. Class III utilization was 55.0 percent, down from 55.7 percent in November but up from 49.3 percent in December 2021.

Class IV volume on the Central totaled 132.2 million pounds, up 13.9 million pounds from November but down 11.0 million pounds from December 2021. Utilization was 10.0 percent, up from 9.2 percent in November but down from 11.7 percent in December 2021.

A total of 1.3 billion pounds of milk was pooled on the Central order, up 30 million pounds from November and up 95 million pounds from December 2021.

Class III volume on the Mideast was 688.2 million pounds, up 16.3 million pounds from November but down 35.1 percent from December

2021. Class III utilization was 49.7 percent, down from 51.0 percent in November but up from 44.0 percent in December 2021.

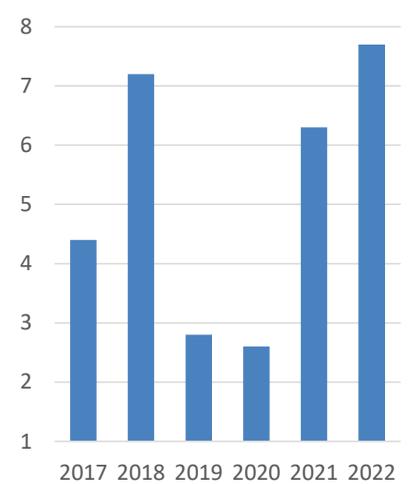
Class IV volume on the Mideast totaled 63.7 million pounds, up 38.1 million pounds from November but down 75.5 million pounds from December 2021. Utilization was 4.6 percent, up from 1.9 percent in November but down from 8.5 percent in December 2021.

A total of 1.38 billion pounds of milk was pooled on the Mideast order, up 67 million pounds from November but down 257 million pounds from December 2021.

Volume of Milk

Pooled in Class III: Dec

billions of pounds; all 11 orders; California order wasn't in effect in 2017



On the Northeast, Class III volume totaled 657.2 million pounds, up 31 million pounds from November and up 32.4 million pounds from December 2021. Utilization was 29.1 percent, up from 28.7 percent in November and up from 27.7 percent in December 2021.

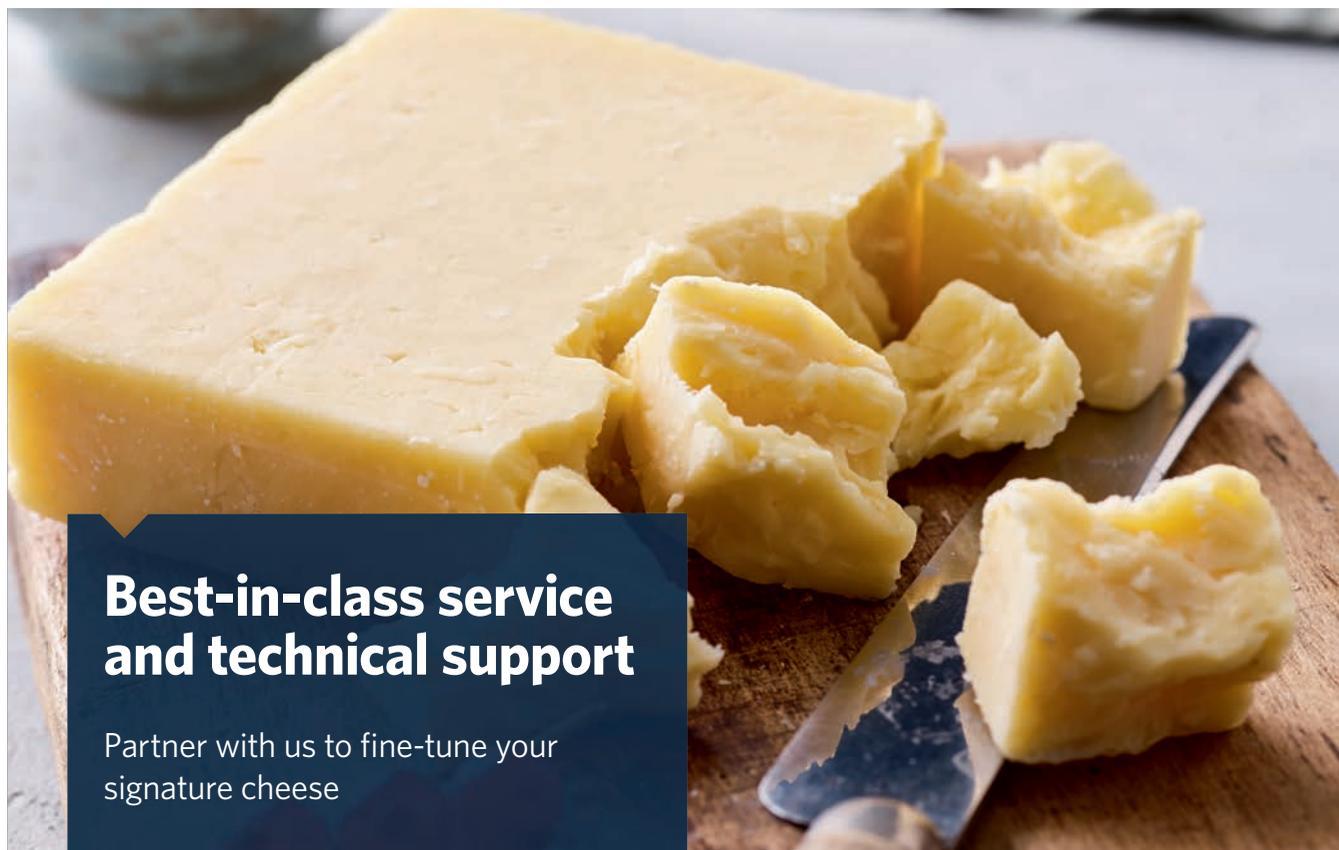
Class IV volume on the Northeast order was 414.8 million pounds, up 36 million pounds from November and up 10.4 million pounds from December 2021. Utilization was 18.4 percent, up from 17.4 in November and up from 17.9 percent in December 2021.

A total of 2.25 billion pounds was pooled on the Northeast, up 76 million pounds from November and up 2.0 million from last year.

Class III volume on the Pacific Northwest order was 300.8 million pounds, up 12.7 million pounds from November but down 16.4 million pounds from December 2021. Class III utilization was 50.2 percent, up from 49.2 percent in November and up from 44.9 percent in December 2021.

Class IV volume on the Pacific Northwest order totaled 131.9 million pounds, down 4.1 million pounds from November and down 82.4 million pounds from December 2021. Class IV utilization was 22.0 percent, down from 23.2 percent in November and down from 30.3 percent in December 2021.

A total of 599.8 million pounds was pooled on the Pacific Northwest, up 14.6 million pounds from November but down 106.7 million pounds from December 2021.



Best-in-class service and technical support

Partner with us to fine-tune your signature cheese

CHR HANSEN
Improving food & health

For more information, visit www.chr-hansen.com

Danone Plans 30% Reduction In Methane Emissions From Milk Used In Its Products

Paris, France—Danone on Tuesday announced a global action plan to reduce absolute methane emissions from its fresh milk supply chain by 30 percent by 2030.

Danone said it is determined to play its role in reducing methane emissions, focusing on:

- Working with farmers to implement regenerative dairy practices and develop innovative solutions;

- Collaborating and partnering with peers, governments and the Environmental Defense Fund to scale innovation, reporting and advance financing models; and

- Advocating and engaging with governments to improve methane policies, data and reporting as well as funding for research and to support farmers transitioning to regenerative dairy practices.

Danone, one of the world's largest dairy companies, works directly with 58,000 dairy farmers across 20 countries and said it has already supported projects for dairy farms in 14 countries, through its regenerative agriculture programs, initiatives such as "Farming for Generations" and with "Danone Ecosystem."

While these projects are holistic in nature, with benefits for biodiversity, soil quality and reduction in the use of chemicals in farming, reduction of greenhouse gas (GHG) emissions, including methane, has been a priority for Danone.

The company said it will continue to accelerate its efforts across geographies and across diverse farming systems, working hand-in-hand with dairy farmer partners. This year, Danone will launch four new initiatives for methane reduction in Africa, Europe and the US.

"Our ambitious plan to reduce methane emissions, in line with Global Methane Pledges from 150 countries, is a commitment to build regenerative dairy," commented Antoine de Saint-Affrique, Danone's chief executive officer. "This step change requires a collective effort. Working with farmers, partners and governments, we have the power and duty to build farming models that benefit the climate and society, taking a step forward to tackling global warming together."

Danone is launching a partnership with Environmental Defense Fund (EDF), a global non-profit environmental organization working in almost 30 countries. EDF will work with Danone on:

- Improving science, data and reporting for agricultural methane emissions to ensure climate benefits are real and durable.

- Advocating for action from the dairy industry and govern-

ments to prioritize agricultural methane solutions.

- Advancing innovative financing models, such as co-funding models between companies and governments, to deploy farmer-friendly solutions faster.

"Cutting methane emissions is one of the fastest and most effective ways to slow climate change. The dairy sector can play an important role in driving these reductions while boosting farmer livelihoods and increasing food security and nutrition," said Fred Krupp, EDF's president.

"Danone is the first food company raising this type of ambition, but it can't be the last," Krupp

continued. "We invite other food companies, farmers and policy-makers to join us on a path toward 2030 climate results."

Danone is also a founding partner of Farming for Generations (F4G), a global alliance which brings together companies specializing in animal health and welfare, animal nutrition, crop nutrition and science and artificial intelligence, as well as NGOs like World Wildlife Fund for Nature, Compassion in World Farming, and Wageningen University.

F4G has developed a practical toolbox of best-in-class solutions for dairy farmers, including solutions for methane reduction. These include factsheets and other resources dedicated to enteric emissions reduction, herd optimization, and manure management.

Danone considers that policy is critical to unlocking systemic solutions to support dairy farm transformation, from supporting research and innovation, to co-financing, to ambition-setting, to driving a level playing field.

Danone North America is working closely with the USDA to support farmers in reducing methane emissions through a comprehensive regenerative strategy where improved manure management strategies create methane reductions and improve fertilizer use on cropland.

In Europe, Danone is supporting the European Commission's Climate Neutral Farms project to co-develop and upscale systemic locally relevant solutions to reach climate neutral, resilient and sustainable farms across Europe.

CHEESECON

Pre-conference events: April 4, 2023

Conference: April 5-6, 2023

Tabletop Exhibits: Wednesday, April 5 | 10:30 a.m. to 5:00 p.m.

Location: Alliant Energy Center, Madison, Wisconsin

Join us for the nation's premier cheese, butter and whey processing event!

Register by February 15 and Save 10%

Learn more and register at CheeseCon.org



Hosted By:



For more information, visit www.CheeseCon.org

Specialty Food Path To Profitability: Strong Product, Effective CEO & Team

Green Bay, WI—While every specialty cheese and dairy company face distinct challenges and goals particular to the operation, there are certain steps to success applicable to almost all industry players.

The Specialty Food Association (SFA) recently invited Dave Hirschkop, founder, Dave's Gourmet, Inc., to lay out practices to create a profitable, long-lasting company.

The first and most important step is to select the perfect product, Hirschkop said.

"There's products that always sell really well, like a Harmless Harvest coconut water or an Apple iPhone," he said.

"When we say 'a strong item,' people think of a very tasty food item," Hirschkop said. "That's not what the successful CEOs are saying. It's a package. Product market fit is about having the right item at the right time in the marketplace, positioned correctly with the right pricing, the right packaging, and of course, the right quality."

"It has to be in the context of a brand that's good and appropriate," Hirschkop said. "A great item doesn't always mean a great business."

"A great item that you can't supply isn't a great business," he continued. "If you can't communicate with potential customers, that will also hurt the business."

Customer surveys, internal testing panels and product sampling at retail stores and farmers' markets are all good ways to evaluate product fit, according to Hirschkop.

If you have poor velocity compared to your competition, that's

certainly an indicator your product is not getting reception, he said.

You also want to achieve product market fit before the item goes to market; it's much cheaper to get it right up-front, he said. However, very few products are winners right off the bat. Arizona Ice Tea took off right away, but most products need tweaking.

It's also helpful to have a process in place to create new products and another process for continual improvement, according to Hirschkop. You want to establish parameters that lead you to something, rather than going down endless rabbit holes.

"You want to have a process and a certain amount of discipline for looking at items to not only continually improve them, but to see which items need to be discontinued," Hirschkop said.

When researching what products to offer, Hirschkop advises starting out with a big enough category so companies can scale up.

"This depends on your business plan and what your goals are," he said. "If you want a big business, you need a big enough category."

"It's certainly better when you can catch a wave of demand; that means a growing category that most consumers understand," Hirschkop said.

Some people think a lot of the low fruit has been picked in the specialty, natural and premium spaces, but the market's always changing and there's plenty of opportunity, Hirschkop said.

It's always good to look at trends during product development, he said. There's a strong school

of thought on the importance of knowing who are your consumers: what's their demographic and lifestyle?

Specifically, how many consumers do you need to have the business size you want, and develop products around their preferences, Hirschkop said.

Hirschkop stressed a caution: if you're too closely tied to a diet or trend that's time-sensitive, there's inherent risk. When that trend or diet fades, what happens to your operation?

Don't Underestimate Cost, Time

The second-most important factor in launching a successful specialty product is finance, Hirschkop said.

"If you can't charge a price high enough to give you a reasonable margin, you should price higher initially with room to maneuver," he said. "Don't go too low."

"A lot of businesses start and they have a very low gross margin," Hirschkop said. "That's almost doom. It's very hard to recover from an artificially low margin, unless your business model is to grow and sell out."

Scale may effect the gross margin, which is often true, but also often overestimated

In terms of velocity, "you obviously want velocity to be growing," Hirschkop said. "That's super important."

Specialty food companies also need to remember prices almost always increase, Hirschkop said. Except maybe in the next year or two, cost almost never comes down, They just keep going up.

"We've seen some exceptional rises over the past year," he said.

When asked what causes companies to fail in the financial realm, a major factor is underestimating costs.

"Entrepreneurs are very notorious for being optimistic, so things take less time and cost less than they think, which can really get you into trouble," Hirschkop said.

The people factor is another critical element – leaders and staff that run the show.

One reason CEO salaries are so high is because the difference they make and they set the direction of the company, Hirschkop said.

They will recruit the team, determine the products and determine the finances, he said. It's a super critical role.

So what type of leader is needed? The first thing is you need someone with tenacity, Hirschkop said.

"I know grit has been really popular over the last decade," he said. "Basically, someone who can sacrifice and find a creative way to get things done."

They'll put aside their own ideas and what they think to seek out better ideas," Hirschkop said. "Part of what's critical is they believe they can succeed and the company can succeed."

"Part of that process is the need to be nimble and pull resources in as you need them – contractors, vendors, employees, money – whatever's needed," he said.

Successful CEOs need to be "a learning machine," according to Hirschkop.

"Traditionally, people came into our business without being that educated on the industry," he said. "You need someone who's constantly learning, and who's very self aware of what they do and don't know; what they can and can't do."

"They'll admit when they make mistakes and implement changes," Hirschkop continued. "What's the point if you can't learn from mistakes and implement change for the better?"

"Emotional intelligence" is another important area, he continued. It's the idea that the leader is very focused on collaborating, serving other stakeholders in the chain and empowering people by sharing knowledge and giving them authority.

They set high standards for themselves and others, Hirschkop continued. They can be rough – no doubt – but they can force people to get the job done.

Ineffective leaders don't take advice, can't control themselves, have discipline but not flexibility, he said. These businesses will fail because they won't make the changes or do the things the business needs.

Being a CEO is a roller-coaster ride, Hirschkop said. There's adrenaline that people can get addicted to, and there's also jealousy.

"The fact that one of your competitors is really succeeding doesn't mean that you can't succeed," he said. "Hopefully there's pride in the efforts you put forth and what your company's achieved."

FROMAGEX

WE IMPROVE QUALITY AND EFFICIENCY IN YOUR PLANT



Cultures & coagulants



Equipment



Cheese moulds



Aging room



Packaging

Family owned for over 20 years

- We have the expertise and drive to support you in both your major transformations and daily operations.
- We are committed to deliver a quality, responsive and personalized customer service.
- We closely collaborate with our specialized European partners to offer you the best value-driven solutions.



NOW IN WISCONSIN

WE ARE PROUD TO BE OPENING OUR NEW DISTRIBUTION CENTER NEAR MILWAUKEE, WI

CONTACT YOUR ACCOUNT MANAGER

West — Midwest
Dennis Florentino
dennis@fromagex.com
707.791.4751

East
Brian Schlatter
brian@fromagex.com
518.751.0508



1.866.437.6624
info@fromagex.com
www.fromagex.com

For more information, visit www.fromagex.com

Irish Dairy Exports Rose 33% In 2022 To Record Value Of 6.8 Billion Euros

Dublin, Ireland—Irish dairy exports reached a record value of 6.8 billion euros in 2022, up 33 percent from 2021, according to *Bord Bia's Export Performance and Prospects report 2022/23*, which was released earlier this month.

Also in 2022, over 1.7 million tons of Irish dairy products were shipped to over 130 markets worldwide, the report noted.

The foundation for this dairy export growth was a solid year in milk collections on Irish farms, estimated to be close to 2021 levels at approximately 8.7 billion liters for the year, the report explained. By contrast, weaker milk flows were a feature in the key exporting regions of Europe and Oceania, with milk collections flat or behind 2021 levels as high input costs, low availability of labor and environmental regulations impacted the ability, or willingness, of farmers in both regions to produce more milk.

From a global demand perspective, lower import activity from China and Russia was countered by demand elsewhere. Channels and markets restricted by COVID-19 lockdowns in 2020 and 2021 rebounded, driven by recovering consumption in foodservice while not overly adversely affecting retail. The port congestion seen in recent years abated, encouraging supply chains to back-fill to pre-pandemic levels.

The strong trading momentum building at the end of 2021 continued into 2022, supported by reasonable dairy demand and weaker global milk flows across peak season, which helped to sustain record-high returns for dairy commodities for much of the year.

According to Eurostat, average prices for European Union (EU) butter were up 74 percent for January to September 2022, versus the same period in 2021. The equivalent figure for cheese and skim milk powder was 29 percent and 45 percent. These three categories accounted for just under 40 percent of Irish dairy exports in volume terms in 2022.

From a market perspective, all priority regions performed strongly in value terms, the report continued. However, regions where butter, cheese and casein have a larger proportion of trade, such as the EU, North America, and UK (average combined value growth of 43 percent), performed ahead of markets in Africa, Asia, and Middle East (average combined value growth of 19 percent), where milk powders are more of a focus.

Ireland's cheese exports increased by an estimated 260 million euros last year to a record value of approximately 1.3 billion euros, up 25 percent from 2021. EU markets accounted for over half

of this growth, with strong trade to France, Netherlands and Germany, fulfilling demand based on lower local supply. Spain and Belgium also performed very strongly from an Irish Cheddar exports perspective, rising by approximately 40 percent and 70 percent, respectively, the report noted.

Cheese trade to North America and the UK was largely in line with 2021 volumes but with a higher value. In terms of Asia, Japan remains a key market for Irish Cheddar with further value growth evident, the report said.

The EU Milk Market Observatory reported a range of 3,400 to 4,750 euros per ton of Cheddar

traded in 2022, with prices sustaining over 4,000 euros per ton from June to the end of the year.

Irish butter exports increased by 26 percent, or 270 million euros, in 2022 to a record value of approximately 1.32 billion euros. The EU, UK and North America remain the key markets for butter, accounting for 95 percent of Irish exports. The EU Milk Market Observatory reported a range of 5,800 to 7,200 euros per ton of butter traded in 2022, with prices sustaining over 7,000 euros per ton from May to September.

Irish exports of fat filled milk powder increased by an estimated 230 million euros in 2022 to a value of approximately 920 million euros, up 34 percent from 2021. Exports of specialized nutritional powders increased by an estimated

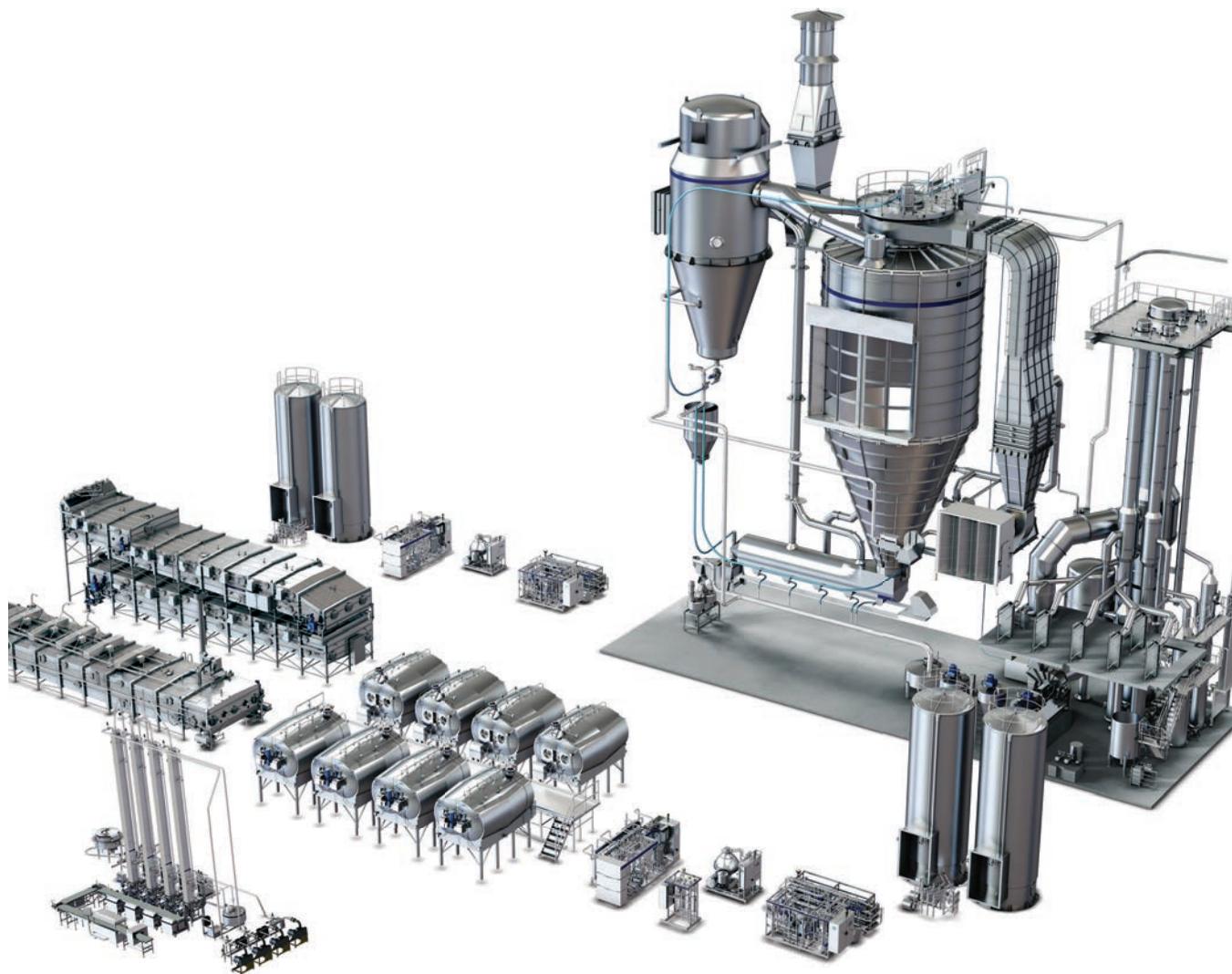
70 million euros in 2022 to a value of approximately 730 million euros, up 11 percent from 2021.

Exports of casein powders increased by 320 million euros last year to a value of approximately 790 million euros, up 68 percent from 2021 and affirming the strategic decisions the Irish dairy industry has made in investing in the manufacture of this product, the report said. And while skim milk powder export volumes largely mirrored 2021 levels, higher prices pushed export values up 44 percent from 2021, to 560 million euros.

Prospects are tempered, however, by an uncertain global economic forecast and its impact on consumer spending and the ongoing cost and input availability pressures facing processors and farmers.

Complete Plant Solutions

Customized solutions to meet your cheese & powder production needs



Tetra Pak enables your plant to achieve the quality standard of product you demand, while maintaining the highest standards of food safety, product traceability, operational performance and sustainability. Contact us.

Moving food forward. Together. www.tetrapak.com/en-us

Tetra Pak[®]
PROTECTS WHAT'S GOOD

For more information, visit www.tetrapak.com/en-us

Make Allowances

(Continued from p. 1)

demand conditions in dairy markets.

These wholesale prices also help determine what processors can reasonably afford to pay for milk given the revenue they receive from selling those commodity products, the research brief explained.

Getting make allowances right is important to pricing because if the allowances for making these products is set too high, the minimum prices for milk will be set too low, to the detriment of farmers. If the allowances are set too low, then the minimum prices are higher than what the processor can afford given their output prices.

Make allowances were last updated in 2008 and were based on data from as far back as 2006, the research brief noted. With research showing that these cost estimates are no longer consistent with current costs, make allowances are among several important areas in federal orders that dairy farmers and manufacturers widely agree should be addressed in either the 2023 farm bill or a national federal order hearing.

Not adequately updating make allowances in the pricing formulas for Cheddar cheese, dry whey, butter and nonfat dry milk, which are used to establish Class III and Class IV regulated milk prices, could negatively impact both han-

dlers and farmers, the research brief explained.

The first effect of increasing make allowances to reflect higher actual costs of manufacturing would be to lower all class prices, and ultimately the minimum blend price that is paid to dairy farmers. However, asking processors to pay more than what they can reasonably afford carries longer-term negative consequences, including the risk of missing sales opportunities in a rising market and losing market access over time.

Inadequate make allowances may lead to under-investment in processing facilities or result in over-investment in low-cost plants, thereby limiting market access and allowing international export competitors to meet rising global demand for high-value dairy products, the research brief continued. However, make allowances are not meant to guarantee profit for handlers or represent their full cost of goods sold.

Aside from milk and other milk components, which are the highest input cost for dairy product manufacturers, dairy plants also spend money on depreciation, interest, labor, energy, packaging, transportation, administration, and other inputs to create finished products. Combined costs of labor and utilities like energy account for at least a third of the total production costs for dairy manufacturers, based on published research.

While current make allowances in federal orders have remained constant since they were implemented in 2008, the industrial rate prices for electricity rose 64 percent from 2006 to 2022, according to the US Bureau of Labor Statistics (BLS). Natural gas prices fell 11 percent but were highly volatile.

Labor costs in dairy product manufacturing climbed 48 percent per unit of production from 2006 to 2021, according to the BLS.

“Cost structures among dairy processors or handlers will continue to change, requiring more frequent adjustments to make allowances over time,” said Tanner Ehmke, lead dairy economist for CoBank. “And while updating make allowances does not guarantee more investment in new processing assets with every handler, failing to update them may result in lost market access and diminished growth opportunities for the US dairy industry long term.”

Breakeven costs of production for dairy manufacturers also vary widely across the US, with high-cost manufacturers of commodity dairy products often having as much as twice the break-even cost of production compared to low-cost manufacturers, the research brief pointed out.

Labor costs are particularly variable among handlers. Larger future plants will have greater automation and lower labor costs, while

smaller or older plants will have higher costs. As new plants continue to benefit from labor-saving technologies and improved productivity that will help offset rising input costs, the difference in production costs between high-cost and low-cost manufacturers is expected to widen over time, the research brief noted.

“Cost structures among dairy processors or handlers will continue to change, requiring more frequent adjustments to make allowances over time.”

—Tanner Ehmke, CoBank

Changes in how make allowances are calculated have been endorsed by several dairy organizations in recent months. Last October, the board of directors of National Milk Producers Federation (NMPF) unanimously endorsed a proposal to modernize the federal order system by, among other things, developing a process to ensure make allowances are reviewed more frequently through legislation directing USDA to conduct mandatory plant-cost studies every two years; and updating make allowances contained in federal order price formulas.

The Kelley Advantage

Integrated Solutions

With a team of experienced engineers, Kelley Supply provides labor-saving, integrated, automated solutions to go with our diverse product portfolio!







Bag Inserters



Carton Sealers



Automatic Stretchwrappers



Case Erectors



www.kelleysupply.com
1-800-782-8573

WCMA's State Policy Priorities Include Processor Grants, Export Investments

Madison—The Wisconsin Cheese Makers Association on Tuesday unveiled a state legislative platform for 2023.

In visits with elected and appointed leaders, WCMA members called for increased investment in state programs to boost dairy exports and spur dairy business development, updated transportation regulations, continued expansion of high-speed broadband access and other workforce supports, among other items.

“As the Wisconsin legislature enters a new session, now is the time for policymakers to champion investments and policies that sustain and grow the state’s signature industry,” said John Umhoefer, WCMA executive director. “We’re grateful for the widespread bipartisan support legislators have expressed for the issues that matter most to dairy manufacturers, and we look forward to seeing swift action in the coming biennium.”

Following a keynote address from Wisconsin Gov. Tony Evers, WCMA members received federal and state updates from several speakers, then moved to the State Capitol to meet with lawmakers from both parties to urge support for the following 10 key state budget provisions and policy items:

Dairy Processor Grants: In the previous budget cycle, the state legislature allocated \$400,000 for Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) grants to dairy processors to support innovation and development. WCMA supports an expansion of the Dairy Processor Grant program at WDATCP to a total annual allocation of up to \$1 million per year.

Wisconsin Initiative for Agricultural Exports: WCMA members support increased investment in the state’s export endeavors via the Wisconsin Initiative for Agricultural Exports (WIAE). This five-year, \$5 million effort launched in 2021, but funding must be affirmed on an annual basis. The WCMA is proposing an investment of \$2 million per fiscal year to boost this impactful program, or \$4 million over the 2023-2025 biennium.

Dairy Innovation Hub: Members urged lawmakers to maintain the state’s \$7.8 million investment in the Dairy Innovation Hub, harnessing research and development at the University of Wisconsin-Madison, UW-Platteville and UW-River Falls to support Wisconsin’s dairy farmers and processors.

DATCP funding and key positions: DATCP’s dairy specialists and sanitarians perform critical inspections and reports that help dairy processors maintain high safety standards. However, turnover in these roles is high as

staff are offered more lucrative employment. Members asked the lawmakers to again support the reclassification of these critical positions, and increased funding for the agency overall.

Food Security Initiative: WCMA members support continued investment in the Food Security Initiative, which has successfully met the needs of food-insecure Wisconsin households and boosted Wisconsin food processors during periods of continued marketplace volatility.

Workforce support: WCMA members champion programs supported by state dollars to provide affordable housing, childcare and

eldercare, and workforce training, particularly in rural communities.

Broadband expansion: Members support expanding high-speed internet access, enhancing quality of life and economic competitiveness, particularly in the rural communities in which many dairy processors operate.

Overweight permits: The state of Wisconsin allows haulers a maximum gross vehicle weight of 98,000 pounds when transporting fluid milk products but not liquid whey. This means that, when whey is transported, larger trucks are currently moving at reduced capacity.

WCMA members are seeking the ability to apply the same conditions governing the transportation of fluid milk products in Wisconsin to the transportation of other liquid milk byproducts, including

whole whey, reverse osmosis whey, liquid whey protein, and liquid whey permeate.

Accurate dairy labeling: WCMA members continue to urge state action to ban the labeling of foods as dairy products or dairy ingredients if the food is not made from the milk of a cow, sheep, goat, or camelid mammal. The same guidelines should also apply to products labeled as milk.

This legislation will ensure consumers are afforded clarity in the marketplace and will also serve to send a message to Washington that existing FDA regulations regarding product labeling should be enforced, WCMA said.

Raw milk sales: WCMA members strongly oppose any effort to change the state’s current prohibition on regular sales of raw milk.



CUSTOMIZED FINANCING SOLUTIONS TO MEET DIVERSE AGRIBUSINESS NEEDS.

A true partner is defined by those they support. That’s why at Compeer Financial we’re defined by you – your hopes for the future as well as what you need today. Our Food & Agribusiness team leverages **industry expertise** to provide innovative financial solutions that support our clients’ growth. And we’re equipped with the **funding capacity** to position your business for success every step of the way. As agriculture continues to evolve, so will we, together.

DEFINE YOUR SUCCESS AT [COMPEER.COM/FOODAGRIBUSINESS](https://www.compeer.com/foodagribusiness)

Seasonal/Operating Loans | Term Loans | Revolving Loans | Leasing Services | And More



Connect with Ty Rohloff today!
Sr. Food & Agribusiness Lending Specialist
(608) 757-9747 | Ty.Rohloff@compeer.com

Compeer Financial can provide assistance with finances based on historical data and industry expertise. Compeer does not provide legal, tax or investment advice. Compeer Financial, ACA is an Equal Credit Opportunity Lender and Equal Opportunity Provider and Employer. © 2023 All rights reserved. NMLS #619731



For more information, visit www.compeer.com/ag-financing/food-agribusiness-financing

Mike Brown Named Chief Economist At International Dairy Foods Association

Washington—The International Dairy Foods Association (IDFA) named dairy industry veteran Mike Brown as chief economist.

Prior to joining IDFA, Brown led the milk and dairy procurement team for The Kroger Co. as director of dairy supply chain. Prior to Kroger, Brown had served as a dairy economist for well-known dairy companies and organizations including Glanbia, Darigold and National All-Jersey, Inc.

Brown will join IDFA's legislative affairs and economic policy team, reporting to Dave Carlin, IDFA senior vice president.

"We are so pleased to welcome Mike Brown to the IDFA family to lead our continuing efforts on dairy policy and pricing on behalf of America's dairy processing industry," said Michael Dykes, IDFA's president and CEO. "The US dairy industry continues to go through a period of great evolution, creating significant upside for growth in response to consumer demand while exposing new challenges in consistently meeting that global demand.

"I am honored to join the International Dairy Foods Association

as their new chief economist, working on behalf of dairy processors to analyze domestic and international market trends as well as economic and trade policies for the dairy industry," Brown said.

IDFA also announced Tuesday that it has engaged in consulting agreements with three policy and legal experts to support dairy policy and pricing efforts led by Carlin and Brown. They are Chip English, Steven J. Rosenbaum, and former US Rep. Collin Peterson (D-MN).

English, a partner at the Davis Wright Tremaine LLP law firm, has extensive experience representing dairy companies at federal milk marketing order hearings, including the most recent federal order hearing that resulted in the promulgation of a California federal order. Rosenbaum is a senior counsel at the Covington law firm where he is an active trial lawyer who has represented IDFA and its members in previous USDA federal order hearings.

Peterson represented Minnesota's Seventh District in Congress from 1991 to 2021, serving as chairman and ranking member of the House Agriculture Committee from 2005 to 2021 where he helped develop dairy policy and safety net provisions. Today, he is president and founder of The Peterson Group, a government affairs and public policy firm.

PEOPLE

Sargento Foods has promoted four members of its leadership team. **JEREMY SCHELLIN** has been promoted to vice president, strategic planning, responsible for long-term growth of the business, while leading strategic planning initiatives. Schellin came on board in 2017 and during the past five years, has gained experience through several new product and core marketing rotations. Notably, his team managed the launch of Balanced Breaks Cheese & Crackers, one of the most successful product launches in Sargento history. **ERIN PRICE** has been appointed president of the CPD Division. Since joining Sargento as a marketing manager in 2007, Price has held several leadership roles, most recently as president, foodservice and ingredients. In her new role, Price will lead Sargento's CPD Division, including development of its annual plan. **EBRU BASARAN-SHULL** has been named executive vice president, compliance. She leads the newly-formed Compliance Department, responsible for developing, implementing, and managing compliance strategies, initiatives, controls, and processes. She also oversees food safety/quality and corporate social responsibility. **Basaran-Shull** joined Sargento in 2012, most recently serving as deputy general counsel and vice president, compliance. **CHRIS MCCARTHY** has been promoted to president, foodservice and ingredients. Since joining Sargento in 2013 as marketing director, McCarthy has held various leadership positions and been a key contributor to several new product growth initiatives. He also provided

leadership for COVID planning, corporate social responsibility strategy, price commodity management (P/CM), and price net of commodities (PNOC) optimizations.

LEE TELIN has joined **Caloris Engineering**. Telin joins the Caloris team as Sales and Service Manager for Membrane Systems. Telin had previously worked as Sales Engineer for GEA Filtration and most recently as Regional Sales Manager- Specialty Separation at Toray Membrane USA.

WOW Logistics recently hired **SHAWN KLINGE** as vice president of operations, process excellence. In his new role, Klinge is responsible for leading continuous improvement strategies, effective process re-engineering, and process excellence to accelerate execution and create scale wins. He will also coach project disciplines and improvement methodologies across 13 operations. To start, Klinge will establish visual management and process standardization across WOW to build the foundation for continuous improvement framework. Long-term, Klinge will perform value stream mapping and kaizen events at various facilities to improve processes and train employees on lean thinking. Prior to WOW, Klinge was with Olympus Surgical Technologies Americas as executive director of process excellence.

DEB CONKLIN has been tapped as the new president and CEO of **KeHE Distributors**, effective April 1. Current president and CEO **BRANDON BARNHOLT**, will transition into the executive chairman role.

USDA News

A New Product that is officially accepted for use in Dairy Plants inspected by the United States Department of Agriculture (USDA) under the Dairy Plant Survey Program.*
*USDA Project Number 13377

| Compliant With: | TC Strainer Gasket: | Standards: |
|--|---|--|
|     |  | <ul style="list-style-type: none"> • FDA 21CFR177.2600 • FDA 21CFR177.1550 • 3-A 42-02 • 3A 18-03 • 3-A 20-17(27) • ASTM A240/240M • USP Class VI in VIVO • USP MEM in VITRO • EU 1935(3)EC & 2011/65EC |

AH/TSE Free™, Animal and Human Derived Ingredient Free, BPA Free™ Bisphenol A Free and Hg Free™ Mercury Free

The **USDA** Officially Accepted Strainer Gasket is designed to eliminate any possibility of the Elastomer material migrating into any exposed perforations within the Elastomer ID of the Stainless Steel Strainer Barrier.

The Stainless Steel Strainer Barrier of the Strainer Gasket is available with various sized perforations in various patterns to suit various applications and Open Area required.



G-M-I, INC.

4822 East 355th Street
Willoughby, Ohio 44094-4634 USA

Fon: 440-953-8811 Fax: 440-953-9631-9631

Url: www.gmigaskets.com • Email: gmiinc@msn.com

Food Processing

Corrosion-Proof Wall and Ceiling Panels
Poly Board Panels

Available with
Antimicrobial
Agent

- Sanitary - Easy to Clean
- Smooth - Non-porous
- Perfect for Incidental Food Contact
- Water-Proof - Highly Reflective
- High-Gloss - Bright White
- Will Not Rot, Rust, Mildew, or Corrode
- Quick Installation with Custom Lengths
- Available in 12", 16", and 24" Widths
- No Exposed Fasteners
- Class A for Smoke and Flame
- USDA and CFIA Accepted
- Made in the U.S.A.

Suspended Ceiling Panels and Doors also Available

View our web site to learn more about all our products.



Manufacturing American-Made Panels for 28 Years!



888-818-0118

www.epiplastics.com info@epiplastics.com
EXTRUTECH PLASTICS, INC.



QualiTru Offers TruStream7 Adjustable Tanker Port With Security Lid

QualiTru Sampling Systems (formerly known as QMI) has introduced the first of three new products planned for 2023: the new TruStream7 Adjustable Tanker Port with Security Lid.



Specifically designed for dairy and other liquid food tanker

trucks, the new adjustable tanker port is built with the innovations and versatility of quality expected from QualiTru Sampling Systems, the company said.

“As the leaders in the science of aseptic and representative sampling, we have always strived to consistently deliver the highest levels of quality in our cost-effective, easy-to-use aseptic sampling systems,” said Ian Davis, QualiTru’s CEO. “Our new adjustable tanker port delivers on our commitment to producing products that effectively and efficiently serve the thousands of dairy farms, haulers and food processing plants around the world that are wrestling with the increased demands of the rapidly evolving dairy and liquid food industries.”

The new adjustable tanker port welds onto the inner tank wall and accommodates trailers

with varying thicknesses of insulation (from about 4.3 inches to 6.0 inches) to minimize the need for additional retrofitting and fabrication, QualiTru explained.

Benefits of the TruStream7 Adjustable Tanker Port, according to QualiTru, include:

- Sampling off the side or back of a tanker truck for accurate and safe antibiotic, component, or microbiological sampling.
- Increases receiving bay efficiency by allowing antibiotic samples to be taken before trucks enter the receiving bay, thus reducing congestion and delay in milk unloading.
- Samples are collected aseptically, reducing the chance of contamination by bacterial, chemical, or environmental contaminants.
- Improves sampling safety by allowing samples to be taken from the ground, eliminating the dangerous climb to the top of the milk tanker truck.

For more information on the new TruStream7 Adjustable Tanker Port with Security Lid, visit www.qualitru.com.

3-A SSI Refers Seven Sanitary Standards Revision Projects To Working Groups For Review

McLean, VA—As an American National Standards Institute (ANSI) accredited Standards Developing Organization (SDO), 3-A Sanitary Standards, Inc. (SSI) is required to make public announcements any time there is a proposal for a new 3-A Sanitary Standard or 3-A Accepted Practice or reaffirmation, revision or withdrawal of existing 3-A Sanitary Standards or 3-A Accepted Practices.

Earlier this month, the following seven new revision projects were referred to 3-A SSI Working Groups for review:

- 1) Project B-71-01-A, Revision of 3-A Sanitary Standard for Italian-Type Pasta Filata Style Cheese Moulders, Number 71-01
- 2) Project B-72-01-A, Revision of 3-A Sanitary Standard for Italian-Type Pasta Filata Style Moulded Cheese Chillers, Number 72-01
- 3) Project B-21-02-A, Revision of 3-A Sanitary Standard for Separators and Clarifiers, Number 21-02
- 4) Project B-26-06-A, Revision of 3-A Sanitary Standard for Sifters for Dry Products, Number 26-06
- 5) Project B-74-07-A, Revision of 3-A Sanitary Standard for Sensors and Sensor Connections and Fittings, Number 74-07
- 6) Project B-78-03-A, Revision of 3-A Sanitary Standard for Spray Cleaning Devices Intended to Remain in Place, Number 78-03
- 7) Project B-102-00-A, Revision of 3-A Sanitary Standard for Unitized Equipment for Automated Milking Installations, Number 102-00

Participation on 3-A SSI Working Groups is open to all persons who are directly and materially affected by 3-A Sanitary Standards and Accepted Practices.

To get involved, visit 3-A SSI’s Working Group webpage, <http://3-a.org/Standards-Committees/Working-Groups> for a copy of the organization’s WG Sign-Up Form. Also available are 3-A SSI’s complete list of projects, rosters, procedures, and more.

For more information, or to participate in one or more of the working groups, contact Eric Schweitzer, at erics@3-a.org.

3-A Sanitary Standards, Inc. is a not-for-profit 501(c)(3) organization whose mission is to enhance safety for consumers of food, beverages, and pharmaceutical products through the development and use of 3-A Sanitary Standards and 3-A Accepted Practices.

WeighPack Launches New Continuous Motion Bagger

WeighPack has launched its newest vertical form, fill and seal machine for high-speed applications, the VF 1200 continuous motion bagger. Debuted at Pack Expo International earlier this year, this bagging machine can produce up to 150 bags per minute in varying sizes up to 16 inches in length.

The VF 1200 can handle multiple package formats and produces a wide range of package sizes provid-

ing flexibility for both retail and club size packaging.

This continuous motion bagger features vertical sealing bars that are continuously in motion, so the film does not need to stop to receive its vertical seal.

This provides an advantage over vertical form, fill and seal machines with intermittent motion seal bars which only open and close in full sequence, resulting in lower production rates, WeighPack stated.

Engineered with an open-frame design for easy operator access, the VF 1200 features stainless steel

construction, vacuum pull belts, second film roll support, film splice table, Omron motion controller and servos, a 15-inch color touchscreen and toolless removable vertical seal bar, horizontal jaws and forming shoulder.

Options available include full sanitary washdown, bag gusset attachment, integrated printer, hole punch and more.

WeighPack said it can customize a turnkey system to meet almost any weighing, filling and bagging need.

For more information, visit www.weighpack.com.

Wherever You Go Whenever You Need It At Your Fingertips



The Industry’s News Source Since 1876

Always accessible...always convenient... available at www.cheesereporter.com, and through digital and print platforms.

Led by the industry’s most experienced team, Cheese Reporter provides the most-timely, thorough, news you use in your everyday business activities.

Call 608-246-8430 or email: info@cheesereporter.com to subscribe.

www.cheesereporter.com



Retail Concentration

(Continued from p. 1)

Two key factors have led to increasing food retail market concentration, according to the study: the entry and rapid expansion into the food retail sector of large non-traditional food retailers (such as warehouse clubs, superstores, and supercenters); and mergers and acquisitions of existing traditional supermarkets.

The share of food retail spending at traditional supermarkets dropped from 80 percent in 1990 to approximately 62 percent in 2012. Most of the change in spending has shifted to nontraditional food retailers, with the share of supercenters increasing from 3 percent to 18 percent during the same period.

On the other hand, traditional supermarkets have undergone mergers and acquisitions that started in the mid-to-late 1990s. Both the entry of nontraditional food retailers and mergers of traditional food retailers have led to increasing market concentration and to some food retail chains becoming national, which has altered the market structure of food retail at both the local and national levels.

The study found significant increases in food retailing market concentration measured by the Herfindahl-Hirschman Index (HHI) in the US over the last three decades at the national, state, MSA and county levels, and that food retailing market concentration at the county level is “considerably higher” than at the national, state, and MSA levels.

Although the market was less concentrated at the national level, the food retailing market concentration at the national level increased at a much faster pace than it did at the county level (458 percent, compared to 94 percent) from 1990 to 2019, according to the study. These results are in line with: entry of large national “non-traditional” food retailers into the food sector (e.g., supercenters); and growth and consolidation of large national food retailers.

Food retailing markets in rural and small nonmetro counties are considerably more concentrated than food retailing markets in metro and large nonmetro counties, the study found.

More Monopsony Buying Power

For suppliers, food retailers serve as “midstream” intermediaries between consumers and producers. Thus, increases in market concentration of food retailers can also lead to more monopsony (single-buyer) buying power from food retailers, the study explained.

In tandem with increasing vertical consolidation and contracts, for example, farmers — and especially smaller farmers — are often

left with limited buyers, which can impact their revenues and income. However, the full implications of increasing market concentration to farmers, firms, and consumers across the food supply chain is complex, the study added.

These factors highlight the importance of having detailed information on both national and local food retailer concentration trends, the study said.

This study has several limitations. The study’s definition of the market area, even at the county level, relies on administrative boundaries and might not reflect the actual competitive market areas for food retailers.

Further, chains are not identical as they often differentiate themselves in terms of various products, service quality, advertising, and

other attributes. As the study’s authors re-estimated food sales, the correction may raise a potential concern.

Finally, the study includes and excludes certain types of food retailers and, therefore, might not reflect the true nature of competition. For example, dollar stores are rapidly expanding into rural areas, which warrants further research.

One growing trend is online food retailing, which could disrupt brick-and-mortar food retailing and dramatically alter competition.

However, current data suggest online food shopping only comprises a small market share, the study noted.

The US Bureau of the Census (2019) shows that although online shopping has increased sharply in

the past decade, it still represents only 11 percent of the total retail trade and this number is much lower for food stores. Specifically, e-commerce sales in food and beverage stores increased 56 percent from 2016 to 2017 but only represent 0.5 percent of total sales in the food sector.

However, the COVID-19 pandemic has altered the entire food sector and induced a large increase in online food shopping, the study pointed out. Further, USDA’s Food and Nutrition Service has launched pilot programs for online usage of SNAP (Supplemental Nutrition Assistance Program) redemptions, which were traditionally only possible in person.

All of these changes might impact the existing trends of market concentration.

Your Business Creates Unique Challenges...

We Provide Solutions



**EZ Whey Belts
Draining & Matting**

**Carousel
Vacuum Press**

**Automated
Brine System**

DR Tech - equipment, process flow, installation and fabrication services

Throughout the world, DR Tech’s dairy processing equipment has been used by a host of different businesses - from large to small - each with different needs.

With years of technical expertise, DR Tech works closely with you to engineer solutions; designing and building customers needs in accordance with their supplied specifications.

- Conveyors
- EZ Whey Draining and Matting Belts
- Cheese Dicers
- Carousel Vacuum Presses
- Form Washing Solutions
- Automated Brine Systems
- Waterless Mozzarella Cheese Cookers
- Rotator Line Systems
- Hard & Semi-Hard Pre-Presses
- Stainless Steel Tanks



800-815-6761

info@drtechinc.com ■ www.drtechinc.net

23581 Johnson Rd. Grantsburg, WI 54840

For more information, visit www.drtechinc.com

Judges Selected For United States Championship Cheese Contest

Green Bay, WI—A team of expert judges has been selected for next month's 2023 United States Championship Cheese Contest.

All cheese, butter, yogurt and dry dairy ingredient entries will be evaluated here Feb. 21-23 at Green Bay's Resch Expo, culminating in the live-stream announcement of the US Champion Cheese at 2 p.m. (CST) on Thursday, February 23.

Contest results will be available at the end of each judging day on Feb. 21 and Feb. 22.

Nine longtime dairy industry professionals will serve on the leadership team, including:

■ Chief judge **Jim Mueller**, Mueller Consulting

■ Chief judges emeritus **Bob Aschebrock** and **Bill Schlinsog**

■ Assistant chief judges **Tim Czmowski**, Agropur (retired) and **Josef Hubatschek**, ALPMA (retired)

■ Assistant chief judges **Stan Dietsche**, Oshkosh Cold Storage; **Mariana Marques de Almeida**, Ms. J and Co.; and **Sandy Toney**, Masters Gallery Foods

■ Director of logistics **Randy Swensen**, Wisconsin Aging & Grading Cheese.

The judging team includes 41 experienced cheese graders, cheese buyers, dairy science professors, and researchers from 12 states across the US. They include:

■ Valerie Arechiga, Glanbia Nutritionals

■ Jill Allen and Anna Ku, Tillamook County Creamery Association



■ Greg Anderson, The Kroger Company

■ Kirk Baldwin, KB Consulting

■ Marc Bates, Bates Consulting LLC

■ Larry Bell, LBell Consulting

■ Theodore Brown, Cabot Creamery Cooperative

■ David Burk, Marathon Cheese

■ K.J. Burrington, American Dairy Products Institute

■ Dominique Delugeau, Saputo Dairy USA

■ Chris Eckerman, KDI Cheese

■ Nana Farkye, California Polytechnic State University

■ Chad Galer, Dairy Management, Inc.

■ Glenn Hatcher, Pacific Cheese

■ Kory Hyvonen, Oshkosh Cold Storage

■ John Jaeggi, Mark Johnson, Susan Larson, Gina Mode, and Dean Sommer, Center for Dairy Research

■ Andy Johnson, Dairy Connection, Inc.

■ Aileen Kacvinsky, Schuman Cheese

■ Kyle Koll, Sargento Foods

■ Laura Laehn, Masters Gallery Foods

■ Terry Lensmire, Lensmire Dairy Consulting

■ Christophe Megevand, Schuman Cheese

■ Lloyd Metzger, Valley Queen Cheese

■ Michael Pederson, Wisconsin Department of Agriculture, Trade and Consumer Protection

■ Adam Porath, Winona Foods

■ Rob Richter, Great Lakes Cheese

■ Dave Satterness (retired) and Julie Winans, Chr. Hansen

■ Steve Schenkoske, TOSCA

■ Ben Smith, Hilmar Cheese Company

■ Marianne Smukowski, Marianne Smukowski Consulting

■ Gideon St. Aubin, Dairy Farmers of America

■ Cathy Strange, Whole Foods Market

■ Eric Vorpahl, Masters Gallery Foods

■ Nial Yager, Washington State University Creamery

■ Matt Zimbric, Foremost Farms USA.

For a full list of 2023 Contest classes, rules, shipping information, important deadlines and other key dates, visit www.uschampioncheese.org.

Stop the Spread of Infection & Bacteria

Pre-saturated with quaternary ammonium chloride, AQTIVESan-97™ antimicrobial wipes safely and effectively sanitize hard, non-porous food, and non-food contact surfaces.

Effectively kills 99.9% of bacteria and viruses

Visit our Website to Order Today!



1-800-826-8302 • nelsonjameson.com
sales@nelsonjameson.com

For more information, visit www.nelsonjameson.com

Valcour Specializes in Cheese Production, Converting, Packaging, Inspection, and Sustainability Process Technology Solutions for the US & Canadian Cheese Production and Converting Markets

Cheese Waxing Systems & Projects



Cheese Wax



Individual Quick Freeze (IQF) Systems



Ultraviolet (UV) Water Disinfection Systems



Cheese Production Systems & Projects



Cheese Converting Systems & Projects



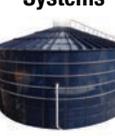
Cheese Packaging Systems & Projects



Cheese Inspection Systems



Anaerobic Digester Systems



Valcour offers Equipment, Systems, and Project Solutions that enable our Customers to achieve greater Process Automation, Food Safety, Yield, Sustainability, and Profitability.

ValcourProcessTech.com • 518.561.3578
nlavigne@valcourprocesstech.com



For more information, visit www.valcourprocesstech.com

Dairy Processors, Producers In Six Western States Can Apply For Dairy Innovation Grants

Fresno, CA—Dairy processors and farmer in Arizona, California, Nevada, New Mexico, Oregon, and Washington are invited to apply for funding to become more competitive and innovative in today's dairy industry.

In its second cycle of grant awards, the Pacific Coast Coalition Dairy Business Innovation Initiative (PCC-DBII), hosted by California State University, Fresno, will award funding to assist in dairy product development, production, marketing and distribution.

Subaward applications for prospective or current dairy businesses provided by the Dairy Business Innovation Initiatives program must focus on one or more of the following areas:

—Developing new value-added dairy products.

—Adapting current dairy products and creating new value-added products to meet evolving consumer “wants,” to meet both domestic and export demand trends.

—Developing new product lines and expanding the dairy product portfolio to meet domestic and/or export demand for fresh milk and dairy products.

—Expanding milk usage beyond food and drink to, for example, packaging/films, edible products for companion animals, cosmetics, and other high-value segments.

—Adding value to milk by increasing its intrinsic value through differentiation production system/feed additives for nutritional enhancement, and fractionation of components.

—Adopting alternative processing technologies for value-added dairy products, optimization, and/or recovery of high-value co-streams to increase the profitability of the dairy sector.

—Creating future opportunities for value-added ingredients and nutritional powders, milkfat products, and specialty blends, and reducing the dependence on commodity markets.

—Developing sustainability leadership through innovation in packaging, processing efficiencies, reduced losses/waste, and novel uses of coproducts.

—Extending awareness and consumption of higher-value dairy processing products.

A total of \$4.15 million is available under this grant program. The application deadline is Feb. 28, 2023.

For more information on this innovation grant program, visit the PCC-DBII's website, at www.dairypcc.net.

Italian Dairy Co-op Latteria Soresina Buys Gorgonzola Maker Fratelli Oioli

Soresina, Italy—Dairy cooperative Latteria Soresina has reached an agreement with Fratelli Oioli for the acquisition of the dairy of the same name specializing in the production of Gorgonzola PDO.

“This is a strategic operation aimed at adding an important PDO such as Gorgonzola to Latteria Soresina's controlled supply chain products, a cheese that lends itself to being produced with our members' milk,” said Michele Falzetta, general manager of Latteria Soresina.

“The union between Latteria Soresina and Oioli know-how will allow us to offer the market a product of absolute excellence supported by a sturdy, well-respected

company and supply chain structure, opening up additional opportunities both in Italy and, above all, towards exports,” Falzetta said.

Fratelli Oioli achieved a turnover of almost 14 million euros in 2022, up 32 percent from 2021.

“The Fratelli Oioli company,” said Roberto Oioli, plant manager, “has always upheld the importance of values such as integrity and dedication to work, always putting the needs of its customers first, and in fact garnering ever-increasing satisfaction.”

“The goal is to further develop the Oioli company by combining excellent skills, sound entrepreneurial values and the Latteria Soresina sales network, which is

very effective on the domestic and international markets and will now have this extraordinary cheese of excellence in its product portfolio,” said Tiziano Fusar Poli, president of Latteria Soresina.

Latteria Soresina will have total ownership of the business, but the responsibility for running the dairy will be left to the Oioli brothers.

Becoming part of “a large and solid group such as Latteria Soresina will allow the company to continue to grow on the market as it has done in recent years, during which it was able to safely overcome both the problems of the pandemic as well as those of the energy and raw material availability crisis which, unfortunately, continue to heavily affect the market at this time,” commented Maurizio Oioli, sales manager of Fratelli Oioli.

Deville Digital... Beyond 4.0 Enabled Technology

Deville Digital provides food manufacturers with industry 4.0 application-ready solutions to tap into their data. Unlock a world of options to streamline and improve the overall efficiency and productivity of your plant. Out-of-the-box (or customizable) solutions, designed to provide insightful data for smarter manufacturing. For more information, triso@devilledigital.net

**DEVILLE
DIGITAL**
Food Manufacturing Software
514.366.4545 | devilledigital.net



Organic Final Rule

(Continued from p. 1)

Program (NOP). Final regulations implementing the NOP, also referred to as the USDA organic regulations, were published in December 2000 and became effective on Oct. 21, 2002.

Since full implementation of the USDA organic regulations, the organic industry has experienced significant change, including steadily rising demand for and sales of organic products, USDA noted. Rapid growth has attracted many businesses to the organic label and increased the complexity of global organic supply chains.

Complexity makes oversight and enforcement of the organic supply chains difficult because organic products are credence goods, which means that their organic attributes, or “integrity,” cannot be easily verified by consumers or businesses who buy organic products for use or resale, USDA explained. The elements needed to guarantee organic integrity — transparent supply chains, trusted interactions between businesses, and mechanisms to verify product legitimacy — are more difficult to achieve in the increasingly complex modern organic industry.

This is further compounded by inconsistent interpretation and

implementation of the USDA organic regulations, caused by a lack of clarity in some portions of the regulation, USDA added.

AMS is confident in the integrity and value of the USDA organic seal. However, the challenges noted in the final rule sometimes cause mishandling of organic products, where integrity is compromised due to improper handling, the agency noted. Also, high demand for organic products, the absence of direct enforcement over some entities in the organic supply chain, and organic price premiums increase the opportunity and incentive for organic fraud.

Expanded Oversight

The final rule addresses these risks and challenges by expanding oversight to higher-risk portions of organic supply chains, requiring organic operations to implement traceability and verification best practices, and clarifying oversight and enforcement practices to ensure more consistent implementation by certifying agents.

Specifically, the final rule strengthens enforcement of the USDA organic regulations through several actions mandated by the 2018 farm bill, including:

—Require that non-retail containers used to ship or store organic products are labeled with organic

identity and are traceable to audit trail documentation. This information will identify organic products, reduce the mishandling of organic products, and support traceability.

—Require certifying agents to conduct unannounced inspections of at least 5 percent of the operations they certify, complete mass-balance audits during annual on-site inspections, and verify traceability back to the previous certified operation in the supply chain during on-site inspections.

—Require certifying agents to issue standardized certificates of organic operation generated from the USDA’s Organic Integrity Database (OID); this will simplify the verification of valid certificates of operation. Certifying agents must keep accurate and current certified operation data in OID, which will further support verification of operations’ certified status.

—Clarify how certified operations may submit changes to their organic system plan, with the goal of reducing paperwork burden for organic operations and certifying agents. This rule also builds consistency in certification practices by clarifying that certifying agents must conduct on-site inspections at least once per calendar year.

—Establish qualification and training requirements for certifying agent personnel. Requiring that personnel meet minimum education and experience qualifications and requiring continuing education will ensure high-quality and consistent certification activities across all certifying agents.

—Clarify conditions for establishing, evaluating, and terminating equivalence determinations with foreign government organic programs, based on an evaluation of their organic foreign conformity systems. This will ensure

the compliance of organic products imported from countries that have organic trade arrangements or agreements with the US.

—Clarify that the NOP may initiate enforcement action against any violator of the OFPA, including uncertified operations and responsibly connected parties; clarify what actions may be appealed and by whom; and clarify NOP’s appeal procedures and options for mediation.

—Specify certification requirements for producer group operations, to provide consistent, enforceable standards and ensure compliance with the USDA organic regulations. Producer groups must meet certain criteria to qualify for certification.

—Clarify the method of calculating the percentage of organic ingredients in a multi-ingredient product to promote consistent application of the regulation.

—Require certified operations to implement improved record-keeping and organic fraud prevention procedures; require certifying agents to conduct supply chain traceability audits and implement information-sharing processes.

Clarification On Milk Haulers

Several comments asked if milk haulers will require organic certification. Most comments requested only clarification on this topic, but several specifically requested that milk haulers be exempted from certification.

AMS is defining the need for certification based on activities performed, not type of business, because this will ensure that businesses conducting high-risk activities require certification (and conversely that businesses that conduct low-risk activities remain exempt).

Powder Processing Solutions

Offering highly specialized engineered solutions and exceptional technical support for powder processing systems.

- Whey, Whey Permeate
- Lactose
- Whey Protein Concentrate
- Milk Powders
- Infant Formula
- Cheese Powders
- Protein
- Flavors

Whether you need an upgrade to existing equipment or a new processing system, EDT is ready to provide - from concept to completion - a sanitary, efficient, system.



Evaporator Dryer Technologies, Inc.

www.evapdryertech.com

info@evapdryertech.com

715.796.2313



Superior Solutions FLOW PLATES



■ Welds polished on front, cleaned on back

■ T-304 or T-316 Stainless Construction

■ Constructed on 3/16" or 1/4" thick plate

■ Fabricated with Tri-Clamp, Bevel Seat or John Perry ferrules

■ 1 1/2" formed lip on all four sides or with side tabs

■ 3" long butt weld tube or fitting on back

AWI MANUFACTURING

You can count on AWI Manufacturing to provide high quality flow plates when you need them.

We fabricate per your design.

E: sales@awimfg.com

www.awimfg.com

Tel: 888.272.2600

Winsted, MN 55395

SIAL International Cheese Competition Is May 9 In Toronto

Toronto, Canada—The third edition of SIAL Canada’s International Cheese Competition is set for May 9, 2023.

The ceremony will take place on the Fromage by SIAL pavilion. Cheese expert Gurth Pretty will lead the judging panel made up of 20 cheese industry professionals, who will evaluate each entry among the 26 contest categories.

“The International Cheese Competition by SIAL Canada is an excellent opportunity for all cheese makers to submit their cheeses for evaluation and feedback by cheese professionals,” Pretty said.

“It’s the only cheese competition in Canada where cheeses from all over the world can compete in their respective categories and compete for the title of Grand Champion,” he continued.

The categories for this year’s competition include: Fresh Cheese, Cow; Fresh Cheese, Goat; Soft, Bloomy Rind Cheese; Washed rind Cheese; Mixed Rind Cheese; Cheddar Aged 3 to 6 Months; Cheddar Aged 6 to 12 Months; Cheddar Aged Over 12 Months; Bandaged Cheddar; Gouda Aged 6 to 12 Months; Gouda Aged Over 12 Months; Swiss Style; Cheese in Brine; Smoked Cheese; Cheese with Added Herbs & Spices; Cheese with Added Beer, Cider or Wine; Semi-soft Cheese; Firm Cheese; Hard Cheese; Blue Veined Cheese; Grilling Cheese, Raclette; Grilling Cheese, Middle Eastern Style; Ash-Coated Cheese; Lowfat Cheese; and New Cheese, Not Yet Available in the Market

The competition is open to cheese of all milk types, and with the exception of the New Cheese category, must be a product already available in the retail or foodservice sector.

Cheese to be submitted for judging must be labeled as cheese, and not as a processed cheese food product. Each entry must also be a full wheel or block weighing at least five pounds.

No samples or plugs can be taken from the cheese, and no alteration is allowed.

Top finishers will be awarded “Category Champion” during a ceremony in front of the trade press and visitors to the show. Champions cheeses will also be highlighted during tasting workshops.

Early registration closes Jan. 31. For those participating in the SIAL show, cost is \$55 CAD per entry. For non-participating companies, cost is \$110 CAD. After Jan. 31, cost is \$85 and \$140, respectively.

For more event details and to enter the contest online, visit www.sialcanada.com/en/cheese-competition.

New On-boarding Video Series From WCMA To Attract, Retain Employees

Madison—The dairy processing industry has a new, five-part series of on-boarding videos to support new hires and employers during the first weeks.

Available for free online, the series was produced by the Wisconsin Cheese Makers Association (WCMA), with industry support from partners Dairy Farmers of Wisconsin (DFW) and the Dairy Business Innovation Alliance (DBIA); sponsors by Ellsworth Cooperative Creamery, Emmi Roth, Great Lakes Cheese, and Wapsie Valley Creamery; and contributors Specialty Cheese Company and Westby Cooperative Creamery.

“As the nation’s labor shortage presses on, a diverse set of recruitment and training tools is critical for any employer – especially in an industry tasked with supplying the world with safe, nutritious foods,” said Rebekah Sweeney, WCMA senior director of programs and policy.

The series is available in English, with Hmong and Spanish versions set to be released in February.

Ranging in run-time from roughly seven to nine minutes, each video focuses on a key concept new dairy processing employees will experience during their first days on the job:

- Episode 1: Welcome to the Dairy Industry
- Episode 2: Dairy Processing Basics
- Episode 3: Culture of Excellence
- Episode 4: Safety and Sanitation Essentials
- Episode 5: Grow With Us in Dairy

“This series goes beyond the basics of personal and product safety on the job, with perspectives and encouragement from industry peers to remind new employees that they’re joining a diverse, welcoming work environment, full of growth opportunities,” Sweeney continued.

With the goal of supporting employee retention, the training videos are most effective for viewing within the first several weeks of a new hire’s start.

A quiz with an answer key accompanies each episode to help employees exercise their learnings and set goals for the future.

Along with the on-boarding series, WCMA is also debuting a free recruitment tool designed to help attract new employees to the US dairy processing workforce.

The video showcases a range of career opportunities available in the industry, with benefits such as flexible scheduling, competitive compensation, and opportunities for advancement.

These efforts are the latest in WCMA’s array of workforce resources, developed with input from WCMA’s Workforce & Education Committee.

Members receive access to on-call staff support, highly-rated leadership trainings, informative webinars, a free online jobs board, dairy-focused job fairs, and scholarships for students pursuing careers in the dairy industry.

Those interested in joining WCMA’s Workforce & Education Committee should contact Rebekah Sweeney via email: rsweeney@wischeesemakers.org. To access the video series online, visit WisCheeseMakers.org.



TRY XF

The sustainable & economical alternative to CO2 Gas Flushing.

*Free Flow® XF is the patented cheese anti-caking technology that eliminates gas flushing. Now there is no need for nitrogen gas, equipment or maintenance. And **NO CO2 required**. That means XF simplifies production, significantly reduces costs, cuts down on dusting and increases uptime in your plant.*

No other anti-caking technology can match Free Flow® XF!







The natural choice for food solutions




Free Flow® XF is covered by one or more issued patents. (800) 758-4080 www.alliedblending.com All rights reserved. ©2022 Allied Blending, LP.

For more information, visit www.alliedblending.com

COMING EVENTS

www.cheesereporter.com/events.htm

Ice Cream Technology, Yogurt/Cultured Innovation Conferences Are April 18-19

Austin, TX—The International Dairy Foods Association (IDFA) has opened registration for its co-located Ice Cream Technology Conference and Yogurt & Cultured Innovation Conferences.

Both events will take place here April 18-19, 2023 at the Austin Marriott Downtown.

The Ice Cream Technology Conference is designed for professionals in the ice cream and frozen dessert sector, including plant managers, regulatory compliance personnel, research and quality assurance staff.

Suppliers to the ice cream industry are also encouraged to attend.

Held concurrently at the same location, the Yogurt & Cultured Innovation Conference will offer the latest information on yogurt and cultured dairy products, including new advances in packaging,

processing technology, ingredients and cultures.

Both conferences feature networking opportunities, hands-on sessions and product tasting, and the annual Innovative Ice Cream Flavor Competition and Innovative Cultured Product Contest.

For the ice cream competition, attendees are invited to submit one entry to compete in each of the three categories: Most Innovative Ice Cream Flavor, Most Innovative Ice Cream Novelty, and Most Innovative Prototype Ice Cream Flavor. Awards will be given for first-, second- and third-place winners in each category.

The cultured dairy products competition offers dairy processors and flavoring suppliers to showcase their latest cultured milk, yogurt, sour cream, Cottage cheese, dips and flavors.

Cornell Fluid Milk For Quality & Safety Course Online Lectures Available Now

Ithaca, NY—The online component of Cornell University's hybrid workshop on fluid milk processing for quality and safety is now available, with a live, instructor-led video session on March 2.

The overall course is designed for those involved and interested in fluid milk processing and testing, with the intent of providing the tools to support and improve on quality assurance/control and food safety programs for bottled milks.

It's required for those pursuing the Dairy Extension Fluid Milk Processing for Quality and Safety Certificate Program track, but may also be taken as a stand-alone Fluid Milk Processing training.

Students must receive a passing grade of 70 percent or better on the post-test in order to receive a Certificate of Completion for this course.

The workshop begins with an online lecture component covering key areas related to unit operations, filler systems, preventive maintenance, spoilage organisms, and cleaning and sanitizing.

The live Zoom session covers appropriate testing methods for improving long-term milk quality, raw milk and processing factors

that influence finished product quality, pathogen environmental monitoring, and sensory evaluation.

Milk samples for sensory evaluation will be shipped to each participant's location.

Industry experts and members of Cornell Dairy Foods Extension will outline the causes of microbial defects in pasteurized milk directly related to the raw milk supply, including total numbers at processing and heat-stable psychrotolerant spore-formers.

They will also evaluate specific spoilage organisms and the intrinsic factors influencing microbial growth and how these factors are used in controlling defects and safety concerns in fluid dairy products.

Students will be able to identify the microbial hazards commonly associated with raw milk and fluid dairy products and how they are controlled through processing and sanitation programs.

Cost to attend the workshop is \$650 for New York State residents and \$725 for non-residents.

To sign up or for more details, visit www.dairyextension.food-science.cornell.edu/content/hybrid-fluid-milk-quality-and-safety.

ATTENTION purchasers of Cheddar Cheese on the CME spot call market:

America's dairy farmers **THANK YOU** for your support of the starting point for our raw milk price. We are offering to pay for grading of your purchase to ensure it meets specifications.



You deserve only the best from us!
Dairy Pricing Association
(715) 284-2590 or email dpainc@ceas.coop.

All conference attendees are invited to submit one entry to compete in each of the two categories: Most Innovative Cultured Dairy Product and Most Innovative Cultured Dairy Prototype Flavor.

An award will be given for first place winners in each category.

Entry forms and fees must be received by April 4, 2023. Contestants should schedule their entry products to arrive between April 13 and April 17.

Cost to attend either conference is \$1,200 for IDFA members and \$1,475 for non-members. Discounts are available for students, government employees and three or more attendees from the same company.

For more information and online registration, visit www.idfa.org/events.

IAFP 13th Microbial Challenge Testing Food Course Is Back

Chicago—The International Association for Food Protection (IAFP) will host its 13th Microbial Challenge Testing for Foods Workshop here April 18-19 at the Embassy Suites by Hilton Chicago O'Hare.

The National Advisory Committee on Microbiological Criteria for Foods (NACMCF) was asked to provide guidance on the topic of challenge studies and their use.

This workshop will present the NACMCF report and instructors will guide students through use of the material to develop actual challenge study protocols based on NACMCF recommendations.

This year's instructors include Kathy Glass and Kristin Schill, University of Wisconsin-Madison; Linda Harris, University of California-Davis; and Don Schaffner, Rutgers University.

Specific topics of discussion include pathogens of concern, sampling intervals and test conditions; pathogen growth ranges used in modeling programs; growth versus inactivation studies; strain selection, inoculation methods, packaging, sample size and replicates.

For more information and to register online, visit www.foodprotection.org.

PLANNING GUIDE

Dairy Forum: Jan. 22-25, J.W. Marriott Grande Lakes, Orlando, FL. Visit www.dairyforum.com.

US Championship Cheese Contest: Feb. 21-23, 2023, Green Bay, WI. To enter online and for more information, visit www.uschampioncheese.org.

NYSCMA Spring Meeting: March 6-7, 2023, DoubleTree Hotel, Syracuse, NY. Registration will kick off early next year at www.nyscheesemakers.com.

NCIMS Conference: April 3-7, 2023, J.W. Marriott, Indianapolis, IN. Details available in the coming months at www.ncims.org.

CheeseCon 23: April 5-6, Alliant Energy Center, Madison, WI. Official event website now live at www.CheeseCon.org.

ADPI/ABI Joint Annual Conference: April 23-25, Sheraton Grand Chicago. Visit www.adpi.org for future updates.

DairyTech Conference: May 17-18, Minneapolis, MN. Registration is now available online at www.dairytechconference.com.

IDDBA 2023: June 4-6, Anaheim Convention Center, Anaheim, CA. Check www.iddba.org for details.

ADSA Annual Meeting: June 25-28, Ottawa, Ontario. Visit www.adsa.org.

WDPA Dairy Symposium: July 10-11, Landmark Resort, Door County, WI. Visit www.wdpa.net.

IFT Expo: July 16-19, McCormick Place, Chicago. Visit www.iftevent.org for future updates.

ACS Conference: July 18-21, Des Moines, IA. Online registration and updates available soon at www.cheesesociety.org.

IMPA Conference: Aug. 10-11, Sun Valley Resort, Sun Valley, ID. Visit www.impa.us for more information closer to event date.



MARKET PLACE

CLASSIFIED ADVERTISING
 phone: (608) 246-8430 fax: (608) 246-8431
 e-mail: classifieds@cheesereporter.com

The "Industry's" Market Place for Products, Services, Equipment and Supplies, Real Estate and Employee Recruitment



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

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. www.bpmpaper.com



Cheese & Dairy Products

KEYS MANUFACTURING: Dehydrators of scrap cheese for the animal feed industry. Contact us for your scrap at (217) 4656-4001 or e-mail: keysfmfg@aol.com

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.

Cheese Moulds, Hoops

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. Contact **INTERNATIONAL MACHINERY EXCHANGE (IME)** for your cheese forms and used equipment needs at 608-764-5481 or by emailing sales@imexchange.com for information.

Warehousing & Storage

COLD STORAGE SPACE AVAILABLE: Sugar River Cold Storage in Monticello, WI. has space available in it's refrigerated buildings. Temperature's are 36, 35 and 33 degrees. Sugar River Cold Storage is SQF Certified and works within your schedule. Contact Kody at 608-938-1377 or, for information including new services, visit Sugar River's website at www.sugarrivercoldstorage.com.

Analytical Services

PNEUMATIC HAMMER

Removes Powder Deposits



while maintaining the integrity of your powder processing equipment.

- ▶ Impact provides enough vibration to remove powder deposits
- ▶ Maintains product flow by dislodging blockages
- ▶ Special mount and short duration pulses limit fatigue on metal skins

Evaporator Dryer Technologies, Inc.
www.evapdryertech.com

Cheese & Dairy Products



Built to last.



MODEL 1805 VERTICAL CUTTER

- Cuts cheese blocks or other wire-cuttable products into uniform portions for retail purposes or further processing, such as dicing, shredding, melting, or blending
- Capacity of up to 14" x 12" x 11"
- Easy to remove harp for cleaning & wire change
- Comes with an adjustable speed control
- 100% Operated by Air
- All stainless steel frame & manufactured parts

GENMAC, A DIVISION OF 5 POINT FABRICATION, LLC 1680 CORNELL ROAD | GREEN BAY, WI 54313

GENMAC.COM | sales@genmac.com (920) 458-2189

Equipment for Sale

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 details.

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

WESTFALIA SEPARATORS: New arrivals! Great condition. Model number 418. CONTACT: Dave Lambert at **Great Lakes Separators**, (920) 863-3306 or e-mail drlambert@dialez.net.

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**, (920) 863-3306 or e-mail drlambert@dialez.net.

Equipment Wanted

WANTED TO BUY: Westfalia or Alfa-Laval separators. Large or small. Old or new. Top dollar paid. CONTACT: Dave Lambert at **Great Lakes Separators**, (920) 863-3306 or e-mail Dave at drlambert@dialez.net.

Auction Services

Real Estate

DAIRY PLANTS FOR SALE: <https://dairyassets.weebly.com/m-a.html>. Contact Jim at 608-835-7705; or by email at jimcisl7@gmail.com



Replacement Parts

CRYOVAC ROTARY VALVE RESURFACING: Oil grooves measured and machined to proper depth as needed. Faces of the steel and bronze plates are machined to ensure perfect flatness. Quick turnaround. Contact Dave Lambert, **GREAT LAKES SEPARATORS (GLS)** at 920-863-3306; or Rick Felchlin, **MARLEY MACHINE, A Division of GLS**, at marleymachine2008@gmail.com or call 920-676-8287.

Walls & Ceiling

EXTRUTECH PLASTICS NEW! Antimicrobial **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.



Conversion Services

LANCASTER CHEESE SOLUTIONS: A Cheese Conversion Company. Blocks or bars from 5 ounce to 10 pound. Located in southeast Pennsylvania. Call (717) 355-2949.

Your Source For New & Used Dairy Processing Equipment

Ullmer's Dairy Equipment & Fabrication



We offer the following services:

- Laser
- Break Press
- Roller
- Custom Fabrication & Welding



Contact Us Today!
 Call: 920-822-8266

Paul: paul@ullmers.com
 Info: sales@ullmers.com

Federal Order Class 1 Minimum Prices & Other Advanced Prices - February 2023

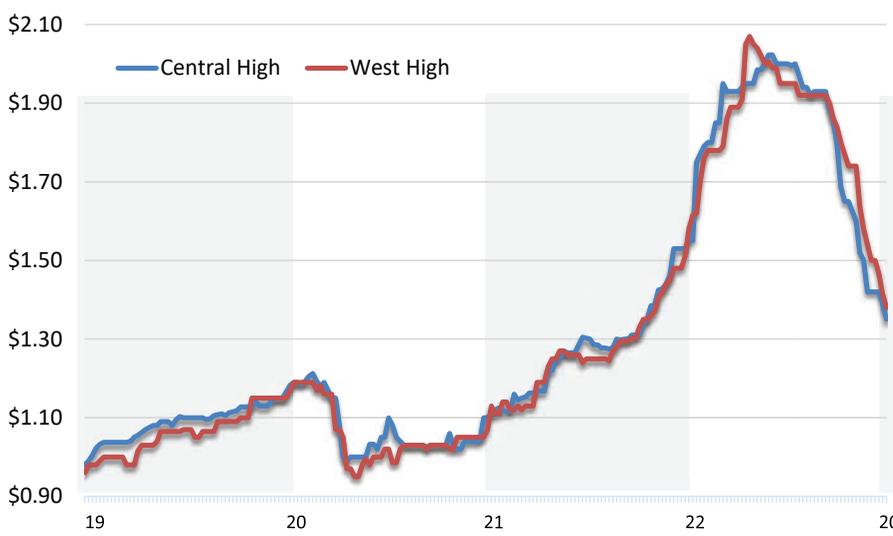
| | |
|---|----------------|
| Class I Base Price (3.5%) | \$20.78 (cwt) |
| Base Skim Milk Price for Class I | \$11.38 (cwt) |
| Advanced Class III Skim Milk Pricing Factor | \$10.28 (cwt) |
| Advanced Class IV Skim Milk Pricing Factor | \$11.00 (cwt) |
| Advanced Butterfat Pricing Factor | \$2.7990 (lb.) |
| Class II Skim Milk Price | \$11.70 (cwt) |
| Class II Nonfat Solids Price | \$1.3000 (lb.) |

Two-week Product Price Averages:

| | |
|------------------------------|--------------|
| Butter | \$2.4828 lb. |
| Nonfat Dry Milk | \$1.4025 lb. |
| Cheese | \$1.9953 lb. |
| Cheese, US 40-pound blocks | \$2.1208 lb. |
| Cheese, US 500-pound barrels | \$1.8494 lb. |
| Dry Whey | \$0.4444 lb. |

Buttermilk Prices- Since January 2019

High Range (Central and West)



DAIRY FUTURES PRICES

SETTLING PRICE

*Cash Settled

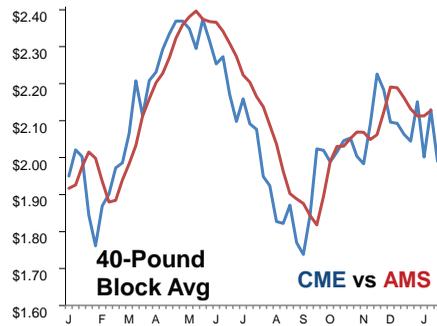
| Date | Month | Class III | Class IV | Dry Whey | NDM | Block Cheese | Cheese* | Butter* |
|----------------|---------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|
| 1-13 | Jan 23 | 19.46 | 19.75 | 42.775 | 135.525 | 2.118 | 1.9800 | 241.400 |
| 1-16 | Jan 23 | — | — | — | — | — | — | — |
| 1-17 | Jan 23 | 19.48 | 19.75 | 42.750 | 136.275 | 2.118 | 1.9810 | 241.300 |
| 1-18 | Jan 23 | 19.45 | 19.75 | 42.750 | 136.000 | 2.118 | 1.9790 | 241.400 |
| 1-19 | Jan 23 | 19.45 | 19.77 | 42.750 | 135.950 | 2.118 | 1.9800 | 241.250 |
| 1-13 | Feb 23 | 18.59 | 19.13 | 39.000 | 129.000 | 1.985 | 1.9160 | 238.250 |
| 1-16 | Feb 23 | — | — | — | — | — | — | — |
| 1-17 | Feb 23 | 18.54 | 19.07 | 38.525 | 129.250 | 1.985 | 1.9070 | 239.000 |
| 1-18 | Feb 23 | 18.44 | 19.07 | 38.050 | 128.500 | 1.985 | 1.9050 | 235.250 |
| 1-19 | Feb 23 | 18.30 | 18.70 | 38.325 | 126.750 | 1.975 | 1.8940 | 233.525 |
| 1-13 | Mar 23 | 18.29 | 18.65 | 38.750 | 124.500 | 1.919 | 1.8860 | 241.000 |
| 1-16 | Mar 23 | — | — | — | — | — | — | — |
| 1-17 | Mar 23 | 18.18 | 18.65 | 38.750 | 124.100 | 1.907 | 1.8780 | 239.750 |
| 1-18 | Mar 23 | 18.16 | 18.27 | 37.975 | 120.825 | 1.907 | 1.8780 | 235.000 |
| 1-19 | Mar 23 | 18.00 | 18.00 | 36.850 | 119.225 | 1.907 | 1.8700 | 234.000 |
| 1-13 | Apr 23 | 18.54 | 18.75 | 38.000 | 123.500 | 1.956 | 1.9220 | 241.500 |
| 1-16 | Apr 23 | — | — | — | — | — | — | — |
| 1-17 | Apr 23 | 18.56 | 18.68 | 38.000 | 122.700 | 1.952 | 1.9230 | 241.750 |
| 1-18 | Apr 23 | 18.41 | 18.22 | 37.500 | 119.250 | 1.945 | 1.9120 | 237.000 |
| 1-19 | Apr 23 | 18.30 | 17.97 | 37.500 | 118.250 | 1.936 | 1.9070 | 235.025 |
| 1-13 | May 23 | 18.95 | 18.95 | 39.000 | 125.200 | 1.981 | 1.9500 | 243.000 |
| 1-16 | May 23 | — | — | — | — | — | — | — |
| 1-17 | May 23 | 18.94 | 18.90 | 39.000 | 124.000 | 1.981 | 1.9480 | 243.000 |
| 1-18 | May 23 | 18.78 | 18.50 | 38.000 | 121.000 | 1.977 | 1.9370 | 239.000 |
| 1-19 | May 23 | 18.66 | 18.33 | 38.000 | 120.750 | 1.969 | 1.9400 | 238.000 |
| 1-13 | June 23 | 19.33 | 19.44 | 39.025 | 127.350 | 2.015 | 1.9830 | 246.025 |
| 1-16 | June 23 | — | — | — | — | — | — | — |
| 1-17 | June 22 | 19.34 | 19.24 | 39.025 | 126.525 | 2.015 | 1.9910 | 246.000 |
| 1-18 | June 23 | 19.11 | 18.72 | 38.000 | 123.500 | 2.015 | 1.9750 | 243.000 |
| 1-19 | June 23 | 19.00 | 18.61 | 39.000 | 122.850 | 1.999 | 1.9700 | 240.500 |
| 1-13 | July 23 | 19.58 | 19.64 | 40.000 | 129.750 | 2.050 | 2.0000 | 247.775 |
| 1-16 | July 23 | — | — | — | — | — | — | — |
| 1-17 | July 23 | 19.53 | 19.50 | 40.000 | 128.500 | 2.050 | 2.0090 | 247.750 |
| 1-18 | July 23 | 19.34 | 19.06 | 39.000 | 125.350 | 2.050 | 2.0010 | 246.000 |
| 1-19 | July 23 | 19.25 | 18.94 | 39.000 | 124.625 | 2.044 | 1.9940 | 247.500 |
| 1-13 | Aug 23 | 19.77 | 19.65 | 41.500 | 131.500 | 2.078 | 2.0270 | 250.525 |
| 1-16 | Aug 23 | — | — | — | — | — | — | — |
| 1-17 | Aug 23 | 19.73 | 19.55 | 41.500 | 130.625 | 2.078 | 2.0200 | 250.500 |
| 1-18 | Aug 23 | 19.65 | 19.37 | 41.500 | 127.750 | 2.078 | 2.0200 | 249.500 |
| 1-19 | Aug 23 | 19.56 | 19.26 | 41.500 | 126.275 | 2.078 | 2.0150 | 247.000 |
| 1-13 | Sept 23 | 20.00 | 19.99 | 42.250 | 133.775 | 2.087 | 2.0370 | 250.825 |
| 1-16 | Sept 23 | — | — | — | — | — | — | — |
| 1-17 | Sept 23 | 19.97 | 19.81 | 42.250 | 132.500 | 2.087 | 2.0330 | 250.800 |
| 1-18 | Sept 23 | 19.85 | 19.50 | 42.250 | 129.000 | 2.087 | 2.0330 | 250.800 |
| 1-19 | Sept 23 | 19.75 | 19.35 | 42.250 | 127.700 | 2.087 | 2.0300 | 247.500 |
| 1-13 | Oct 23 | 20.00 | 20.20 | 43.000 | 135.250 | 2.063 | 2.0400 | 251.575 |
| 1-16 | Oct 23 | — | — | — | — | — | — | — |
| 1-17 | Oct 23 | 19.98 | 20.08 | 43.000 | 134.050 | 2.063 | 2.0390 | 251.575 |
| 1-18 | Oct 23 | 19.94 | 19.69 | 43.000 | 131.500 | 2.063 | 2.0350 | 251.550 |
| 1-19 | Oct 23 | 19.91 | 19.50 | 42.500 | 129.500 | 2.063 | 2.0350 | 251.500 |
| 1-13 | Nov 23 | 19.95 | 20.25 | 43.500 | 137.325 | 2.056 | 2.0400 | 251.325 |
| 1-16 | Nov 23 | — | — | — | — | — | — | — |
| 1-17 | Nov 23 | 19.95 | 20.00 | 43.500 | 135.500 | 2.056 | 2.0360 | 251.325 |
| 1-18 | Nov 23 | 19.75 | 19.92 | 42.500 | 133.500 | 2.056 | 2.0310 | 251.300 |
| 1-19 | Nov 23 | 19.80 | 19.83 | 42.500 | 131.250 | 2.056 | 2.0200 | 249.275 |
| Dec. 19 | | 24,776 | 7,995 | 2,704 | 9,496 | 625 | 16,804 | 8,645 |

AVG MONTHLY LACTOSE MOSTLY PRICES: USDA

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|
| '19 | .3700 | .3639 | .3650 | .3525 | .3339 | .3150 | .3085 | .2973 | .2919 | .2809 | .2884 | .2900 |
| '20 | .2979 | .3043 | .3107 | .3467 | .4018 | .4618 | .5170 | .5136 | .5056 | .5002 | .4751 | .4333 |
| '21 | .4089 | .4145 | .4309 | .4495 | .4500 | .4518 | .45584 | .4534 | .4414 | .4245 | .4129 | .4050 |
| '22 | .4050 | .4050 | .4111 | .4317 | .4363 | .4435 | .4550 | .4550 | .4568 | .4760 | .4850 | .4782 |

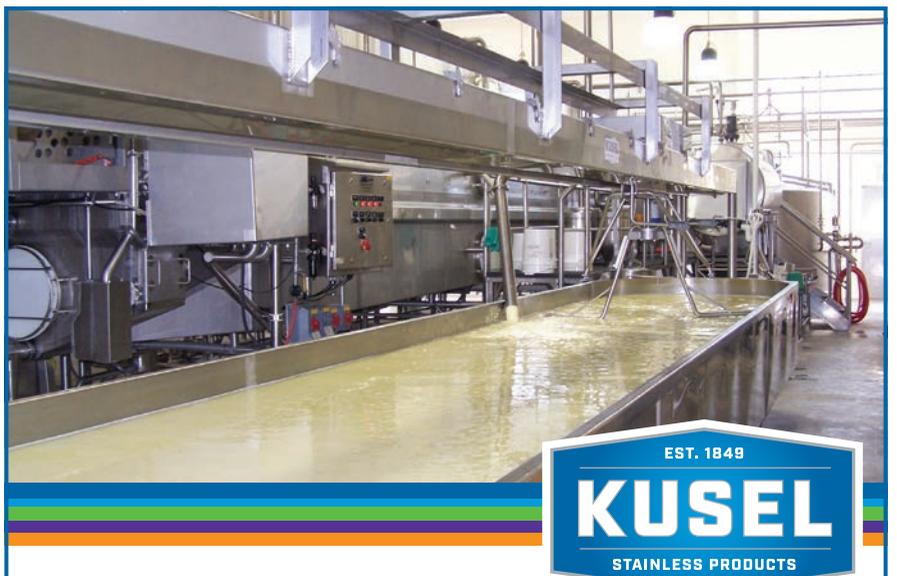
DAIRY PRODUCT SALES

January 19, 2023—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 NDM.



*Revised

| Week Ending | Jan. 14 | Jan. 7 | Dec. 31 | Dec. 24 |
|---|----------------------|-------------|-------------|------------|
| 40-Pound Block Cheddar Cheese Prices and Sales | | | | |
| Weighted Price | Dollars/Pound | | | |
| US | 2.1274 | 2.1127* | 2.1126* | 2.1314 |
| Sales Volume | Pounds | | | |
| US | 14,269,825 | 11,717,125* | 11,915,184* | 12,447,489 |
| 500-Pound Barrel Cheddar Cheese Prices, Sales & Moisture Contest | | | | |
| Weighted Price | Dollars/Pound | | | |
| US | 1.9227 | 1.9558* | 1.9508 | 2.0010 |
| Adjusted to 38% Moisture | Dollars/Pound | | | |
| US | 1.8354 | 1.8637* | 1.8630 | 1.9126 |
| Sales Volume | Pounds | | | |
| US | 14,191,382 | 13,955,506* | 12,936,426 | 13,403,028 |
| Weighted Moisture Content | Percent | | | |
| US | 35.05 | 34.94* | 35.08 | 35.13 |
| AA Butter | | | | |
| Weighted Price | Dollars/Pound | | | |
| US | 2.4732 | 2.4949* | 2.4626* | 2.7615 |
| Sales Volume | Pounds | | | |
| US | 3,987,095 | 3,189,740 | 4,335,687* | 3,951,661 |
| Extra Grade Dry Whey Prices | | | | |
| Weighted Price | Dollars/Pound | | | |
| US | 0.4453 | 0.4430 | 0.4371 | 0.4448 |
| Sales Volume | Pounds | | | |
| US | 5,486,115 | 3,498,543 | 3,542,476 | 5,259,197 |
| Extra Grade or USPHS Grade A Nonfat Dry Milk | | | | |
| Average Price | Dollars/Pound | | | |
| US | 1.3974 | 1.4077* | 1.4326 | 1.4376 |
| Sales Volume | Pounds | | | |
| US | 18,749,499 | 18,035,325* | 11,819,530 | 13,941,819 |



TRUSTED SOLUTIONS

Since the 1800s, Kusel has been manufacturing high quality cheese making equipment that's built to last. That's why large-scale industry leaders and smaller artisanal makers trust us time and again. With an established line of equipment, and our experienced team at your service, you can count on Kusel.

KuselEquipment.com

920.261.4112
Sales@KuselEquipment.com



For more information, visit www.KuselEquipment.com

DAIRY PRODUCT MARKETS

AS REPORTED BY THE US DEPARTMENT OF AGRICULTURE

WHOLESALE CHEESE MARKETS

NORTHEAST - JAN. 18: Milk volumes remain available for cheese production in the Northeast, amid strong seasonal production. Milk is moving at below Class prices and some plant managers are utilizing available volumes to run busy production schedules. Labor shortages and delayed deliveries of production supplies are preventing some cheese makers from operating at or near capacity. Demand for cheese is steady from both retail and export customers. Some stakeholders say foodservice sales are steady to higher. Mozzarella sales are, reportedly, strengthening as some pizza makers say football playoffs are contributing to increased demand. Spot purchasers report loads of cheese are available for purchasing.

Wholesale prices, delivered, dollars per/lb:

| | | | |
|----------------------|---------------------|-----------------------|---------------------|
| Cheddar 40-lb block: | \$2.5925 - \$2.8800 | Process 5-lb sliced: | \$1.8675 - \$2.3475 |
| Muenster: | \$2.5800 - \$2.9300 | Swiss Cuts 10-14 lbs: | \$3.9100 - \$6.2325 |

MIDWEST AREA - JAN. 18: The cheese demand spectrum has widened from week two. Some processors continue to say demand remains quiet, while others, namely retail Cheddar and Italian/pizza style cheese makers, say cheese orders have picked up some since late last week. One note of interest that has not changed is milk availability. Spot prices were reported as low as \$10 under Class again this week, marking the fourth week in a row that spot milk prices have reached that double-digit nadir. With all the milk, cheese production is busy right now, naturally. That said, some plant managers say there is some upcoming scheduled maintenance that could keep even more downward pressure on available milk. Cheese market tones are a little uncertain moving forward. There is clearly a lot of milk/processing ongoing, but demand remains mixed from one plant to another.

Wholesale prices delivered, dollars per/lb:

| | | | |
|--------------------|---------------------|------------------|---------------------|
| Blue 5# Loaf : | \$2.6350 - \$3.8450 | Mozzarella 5-6#: | \$2.1650 - \$3.2525 |
| Brick 5# Loaf: | \$2.3650 - \$2.9325 | Muenster 5#: | \$2.3650 - \$2.9325 |
| Cheddar 40# Block: | \$2.0875 - \$2.6300 | Process 5# Loaf: | \$1.7450 - \$2.2125 |
| Monterey Jack 10#: | \$2.3400 - \$2.6875 | Swiss 6-9# Cuts: | \$3.4250 - \$3.5275 |

WEST - JAN. 18: Demand for cheese is unchanged in retail markets, though some contacts in the West report strengthening foodservice cheese sales. Football playoffs are, reportedly, contributing to increased demand for Mozzarella cheese from pizza makers in the region. Export demand for cheese is steady, though some cheese sellers say they anticipate lower international prices to contribute to lighter export demand going forward. Some stakeholders say sales to Asian markets are strong and some purchasers are looking for loads of cheese to ship through Q2 of this year. Spot loads of both cheese barrels and blocks are available, though contacts report cheese barrel inventories are larger than blocks. Milk is plentiful in the region, and cheese makers say they are utilizing available volumes to operate busy production schedules. Labor shortages and delayed deliveries of production supplies are hampering some plant manager's abilities to operate full schedules.

Wholesale prices delivered, dollars per/lb:

| | | | |
|--------------------|---------------------|--------------------|---------------------|
| Cheddar 10# Cuts: | \$2.4675 - \$2.6675 | Monterey Jack 10#: | \$2.4550 - \$2.7300 |
| Cheddar 40# Block: | \$2.2200 - \$2.7100 | Process 5# Loaf: | \$1.8700 - \$2.0250 |
| | | Swiss 6-9# Cuts: | \$2.7175 - \$4.1475 |

EEX Weekly European Cheese Indices (WECI): Price Per/lb (US Converted)

| Variety | Date: | 1/18 | 1/11 | Variety | Date: | 1/18 | 1/11 |
|--------------|-------|--------|--------|--------------|-------|--------|--------|
| Cheddar Curd | | \$2.13 | \$2.23 | Mild Cheddar | | \$2.21 | \$2.30 |
| Young Gouda | | \$1.56 | \$1.73 | Mozzarella | | \$1.51 | \$1.68 |

FOREIGN -TYPE CHEESE - JAN. 18: While demand for foreign type cheese typically diminishes after the winter holiday season, some industry sources say orders within foodservice and retail sectors have picked up slightly. Buyers seem willing to make some purchases at lower price points to restock their supplies; however, sales are still not meeting manufacturers' expectations. Foreign type cheese inventories are growing, and there is plenty of cheese available to meet end user needs. European sources suggest the average age for cheese within the ripening warehouses has increased, but the mean age is still within the normal range. Manufacturers are trying to control production to keep supply from swamping demand.

Selling prices, delivered, dollars per/lb:

| | Imported | Domestic |
|---------------------------|-------------------|-------------------|
| Blue: | \$2.6400 - 5.2300 | \$2.4500 - 3.9375 |
| Gorgonzola: | \$3.6900 - 5.7400 | \$2.9575 - 3.6750 |
| Parmesan (Italy): | 0 | \$3.8375 - 5.9275 |
| Romano (Cows Milk): | 0 | \$3.6400 - 5.7950 |
| 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 | \$3.9450 - 4.2700 |
| Swiss Cuts Finnish: | \$2.6700- 2.9300 | 0 |

NDM PRODUCTS - JANUARY 19

NDM - CENTRAL: The bears are in control of NDM markets, from low to high heat NDM. Concerns were relayed as early as September and throughout the early fall regarding inventory buildups and a decline in interest from outside the US. Those concerns have come to fruition, although later than some of those contacts expected. Storage has become a growing concern among contacts, as domestic end users are aware of the situation, and are waiting for potentially further price decreases. Condensed skim availability is stable. Drying is busy, and occupying the bulk share of processing.

NDM - WEST: Contacts suggest lower prices are due to lackluster demand in both domestic and international markets. Some stakeholders say they are offering loads at lower prices than prior weeks to purchasers in Mexico to drum up export demand. Spot

loads of low/medium heat NDM are available for purchasing. Low/medium heat NDM production is strong, as milk remains available for processing. Lower prices are reducing margins for high heat NDM and causing some drying operations to shift more of their production towards low/medium heat NDM. High heat NDM production remains limited, and spot inventories are tight.

NDM - EAST: Low/medium heat NDM prices shifted noticeably lower this week. Some eastern trades represented the top end of the range, based on availability when compared to the other two regions of the country. That said, NDM is still generally available. Production is busy. Some producers are not offering loads onto the spot market. They are focused on contractual obligations. High heat NDM trading was quiet, as prices shifted lower.

NATIONAL - CONVENTIONAL DAIRY PRODUCTS

The total number of conventional dairy ads grew by 4 percent, but total organic dairy ads decreased by 8 percent. The most advertised conventional dairy item as ice cream in 48- to 64-ounce containers, appearing in 72 percent more ads this week with an average price of \$3.73. Meanwhile, organic ice cream in the same container appeared in 62 percent fewer ads, with an average price of \$8.99.

Conventional cheese in 8-ounce shred packages appeared in 27 percent more ads this week with the same average price as last week: \$2.62. This replaced conventional 8-ounce block cheese as the most advertised conventional cheese product, which appeared in 7 percent fewer ads. There were no organic cheese ads this week.

Ads for conventional milk in half-gallon containers increased by 13 percent with an average price of \$2.58, up 75 cents. Organic milk in half-gallon containers averaged \$3.60, representing an organic premium of \$1.02. Conventional Greek yogurt in 32-ounce containers had an average price of \$4.47, while organic 32-ounce Greek yogurt averaged \$5.18.

RETAIL PRICES - CONVENTIONAL DAIRY - JANUARY 20

| Commodity | US | NE | SE | MID | SC | SW | NW |
|------------------------|------|------|------|------|------|------|------|
| Butter 1# | 4.49 | 4.46 | 4.77 | 4.99 | 3.92 | 4.22 | 4.48 |
| Cheese 8 oz block | 2.60 | 2.94 | 2.69 | 2.36 | 2.30 | 2.39 | 2.57 |
| Cheese 1# block | 4.12 | NA | 4.29 | 4.72 | 2.77 | 3.68 | NA |
| Cheese 2# block | 6.37 | 6.88 | NA | NA | 6.99 | 6.61 | 5.74 |
| Cheese 8 oz shred | 2.64 | 3.00 | 2.64 | 2.47 | 2.38 | 2.41 | 2.57 |
| Cheese 1# shred | 3.85 | 4.02 | 3.54 | 4.69 | 2.77 | 3.98 | NA |
| Cottage Cheese | 2.84 | 3.03 | NA | 3.50 | 2.80 | 1.98 | NA |
| Cream Cheese | 2.17 | 1.89 | 2.02 | 3.42 | 2.04 | 2.12 | NA |
| Flavored Milk ½ gallon | 2.21 | 3.19 | NA | 2.28 | NA | 1.54 | NA |
| Flavored Milk gallon | 3.02 | NA | NA | 4.39 | NA | 2.54 | NA |
| Ice Cream 48-64 oz | 3.73 | 3.79 | 4.25 | 3.50 | 3.18 | 3.21 | 3.26 |
| Milk ½ gallon | 2.58 | 5.99 | 2.08 | 1.99 | .97 | 1.73 | NA |
| Milk gallon | 2.97 | NA | 3.02 | 2.81 | 3.00 | 2.92 | NA |
| Sour Cream 16 oz | 2.26 | 2.30 | 2.25 | 2.21 | 1.91 | 2.21 | NA |
| Yogurt (Greek) 4-6 oz | 1.04 | 1.08 | 1.06 | .95 | 1.06 | .97 | 1.04 |
| Yogurt (Greek) 32 oz | 4.47 | 4.74 | 5.00 | 3.50 | 6.99 | 3.71 | NA |
| Yogurt 4-6 oz | .60 | .59 | .55 | .60 | .60 | .59 | .66 |
| Yogurt 32 oz | 2.88 | 2.88 | 2.94 | 3.00 | 2.50 | 2.36 | 2.98 |

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: | | | |
|-------------------------------------|--------|----------------------|--------|
| Butter 1 lb: | \$6.74 | Greek Yogurt 4-6 oz: | NA |
| Cheese 8 oz shred: | NA | Greek Yogurt 32 oz: | \$5.18 |
| Cottage Cheese 16 oz: | NA | UHT Milk 8 oz: | NA |
| Cream Cheese 8 oz: | \$3.19 | Milk ½ gallon: | \$3.60 |
| Yogurt 4-6 oz: | \$0.89 | Milk gallon: | \$5.82 |
| Yogurt 32 oz: | \$4.34 | Sour Cream 16 oz: | \$2.42 |
| | | Ice Cream 48-64 oz: | \$8.99 |

WHOLESALE BUTTER MARKETS - JANUARY 18

NATIONAL: Cream remains abundant throughout the US, and contacts in the West report volumes being offered at below flat market multiples. In the Northeast, some stakeholders say multiples are moving higher. Butter makers are utilizing available cream to run active production schedules. In the East and Central regions, butter makers are focusing production on upcoming spring holiday demand. Demand for butter is steady to higher in the West.

WEST: The West continues to see plentiful cream volumes available. Despite some contacts reporting good volumes of spot load sales, steady to higher demand remains outpaced by supply. Lower end cream multiples moved up to a flat market. Butter production remains strong as cream volumes continue to be available throughout the area. Unsalted butter inventories remain tighter than salted butter inventories as availability continues to work towards balancing with demand. Butter demand is unchanged. Some contacts report Q1 sales being covered, but a lagging start to Q2, Q3, and Q4 contract sales. Some hesitation for booking into the remaining quarters of 2023 continues to be reported by some contacts. Grade AA butter decreased 6 cents, to \$2.37 on the CME since last Wednesday.

CENTRAL: Butter producers say cream is still readily available. That said, by midweek, they say cream prices have risen somewhat. Churning has been busy, but some plant managers are also looking to catch up on some micro-fixing needs. Demand is noted as meeting seasonal expectations. Plant management is now focused on spring holiday inventory readiness. Bulk butter prices softened, as more butter has come online with increases in both cream availability and churning. Market tones are somewhat firm.

NORTHEAST: Cream is readily available in the Northeast. Some butter manufacturers suggest that cream has been so plentiful in the region that purchases made in previous weeks, alongside regular weekly intakes, have covered their near-term churning needs, so they are not relying on the spot market for additional loads. Manufacturers also suggest that they are running their churns full time and are freezing bulk butter in anticipation of increased demand over the coming months. Contacts report that retail demand is strong and that retail prices on shelves have begun to fall in the region. Foodservice demand is stable. Spot loads of butter are harder to find in the East than in other regions.

WEEKLY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT

| DATE | BUTTER | CHEESE |
|----------------|--------|--------|
| 01/16/23 | 42,420 | 80,955 |
| 01/01/23 | 38,780 | 84,469 |
| Change | 3,640 | -3,514 |
| Percent Change | 9 | -4 |

CME CASH PRICES - JANUARY 16 - 20, 2023

Visit www.cheesereporter.com for daily prices

| | 500-LB CHEDDAR | 40-LB CHEDDAR | AA BUTTER | GRADE A NDFM | DRY WHEY |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| MONDAY January 16 | No Trading |
| TUESDAY January 17 | \$1.7175 (+1) | \$2.0275 (+2¾) | \$2.4175 (-¾) | \$1.2425 (-1¼) | \$0.3350 (+¼) |
| WEDNESDAY January 18 | \$1.7000 (-1¾) | \$2.0350 (+¾) | \$2.3700 (-4¾) | \$1.2100 (-3¼) | \$0.3300 (-½) |
| THURSDAY January 19 | \$1.6350 (-6½) | \$1.9300 (-10½) | \$2.3225 (-4¾) | \$1.1800 (-3) | \$0.3300 (NC) |
| FRIDAY January 20 | \$1.5800 (-5½) | \$1.8350 (-9½) | \$2.3225 (NC) | \$1.1750 (-½) | \$0.3250 (-½) |
| Week's AVG \$ Change | \$1.6581 (-0.1134) | \$1.9569 (-0.1731) | \$2.3581 (-0.0689) | \$1.2019 (-0.0776) | \$0.3300 (-0.0270) |
| Last Week's AVG | \$1.7715 | \$2.1300 | \$2.4270 | \$1.2795 | \$0.3570 |
| 2022 AVG Same Week | \$1.8725 | \$1.84438 | \$2.87438 | \$1.83125 | \$0.7900 |

MARKET OPINION - CHEESE REPORTER

Cheese Comment: No blocks were sold Tuesday; the price increased on an unfilled bid for 1 car at \$2.0275. One car of blocks was sold Wednesday at \$2.0375; an uncovered offer of 1 car at \$2.0350 then set the price. Three cars of blocks were sold Thursday, the last at \$1.9300, which set the price. One car of blocks was sold Friday at \$1.8350, which set the price. The barrel price rose Tuesday on an uncovered offer at \$1.7175 (following a sale at \$1.7200), declined Wednesday on a sale at \$1.7000, dropped Thursday on a sale at \$1.6350, and fell Friday on a sale at \$1.5800.

Butter Comment: The price declined Tuesday on an uncovered offer at \$2.4175, fell Wednesday on an uncovered offer at \$2.3700, and dropped Thursday on an uncovered offer at \$2.3225. 1 carload of butter was traded this week at the Exchange.

Nonfat Dry Milk Comment: The price dropped Tuesday on a sale at \$1.2425, declined Wednesday on a sale at \$1.2100, fell Thursday on a sale at \$1.1800, and dropped Friday on a sale at \$1.1750. 20 carloads of NDM were traded this week.

Dry Whey Comment: The price rose Tuesday on a sale at 33.50 cents, declined Wednesday on a sale at 33.0 cents, and fell Friday on a sale at 32.50 cents.

WHEY MARKETS - JANUARY 16 - 20, 2023

RELEASE DATE - JANUARY 19, 2023

| | |
|---|--|
| Animal Feed Whey—Central: Milk Replacer: | .2900 (NC) – .3200 (NC) |
| Buttermilk Powder: | |
| Central & East: | 1.1800 (-10) – 1.3500 (-4) West: 1.1800 (-4) – 1.3800 (-3½) |
| Mostly: | 1.2500 (-5) – 1.3500 (-5) |
| Casein: Rennet: | 5.7400 (NC) – 6.2000 (NC) Acid: 6.5000 (NC) – 6.7500 (NC) |
| Dry Whey—Central (Edible): | |
| Nonhygroscopic: | .3200 (-1) – .4500 (+1) Mostly: .3450 (-4) – .4000 (-2) |
| Dry Whey—West (Edible): | |
| Nonhygroscopic: | .3075 (-5) – .5025 (+½) Mostly: .3450 (-3) – .4800 (-1) |
| Dry Whey—NorthEast: | .3775 (-¾) – .4725 (+½) |
| Lactose—Central and West: | |
| Edible: | .3000 (NC) – .6000 (+1) Mostly: .3900 (-1) – .5450 (NC) |
| Nonfat Dry Milk —Central & East: | |
| Low/Medium Heat: | 1.2000 (-6) – 1.3300 (-5) Mostly: 1.2400 (-4) – 1.3000 (-2½) |
| High Heat: | 1.3300 (-15) – 1.4800 (-7) |
| Nonfat Dry Milk —Western: | |
| Low/Medium Heat: | 1.2100 (-1) – 1.4675 (-2½) Mostly: 1.2800 (-2) – 1.3800 (-4) |
| High Heat: | 1.3800 (-2¾) – 1.5575 (-1) |
| Whey Protein Concentrate—34% Protein: | |
| Central & West: | 1.3000 (NC) – 1.9025 (NC) Mostly: 1.5000 (NC) – 1.8550 (NC) |
| Whole Milk—National: | 2.1400 (NC) – 2.3200 (-4) |

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

HISTORICAL MONTHLY AVG BARREL PRICES

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| '08 | 1.8774 | 1.9560 | 1.7980 | 1.8010 | 2.0708 | 2.0562 | 1.8890 | 1.6983 | 1.8517 | 1.8025 | 1.6975 | 1.5295 |
| '09 | 1.0832 | 1.1993 | 1.2738 | 1.1506 | 1.0763 | 1.0884 | 1.1349 | 1.3271 | 1.3035 | 1.4499 | 1.4825 | 1.4520 |
| '10 | 1.4684 | 1.4182 | 1.2782 | 1.3854 | 1.4195 | 1.3647 | 1.5161 | 1.6006 | 1.7114 | 1.7120 | 1.4520 | 1.3751 |
| '11 | 1.4876 | 1.8680 | 1.8049 | 1.5756 | 1.6902 | 2.0483 | 2.1124 | 1.9571 | 1.7010 | 1.7192 | 1.8963 | 1.5839 |
| '12 | 1.5358 | 1.4823 | 1.5152 | 1.4524 | 1.4701 | 1.5871 | 1.6826 | 1.7889 | 1.8780 | 2.0240 | 1.8388 | 1.6634 |
| '13 | 1.6388 | 1.5880 | 1.5920 | 1.7124 | 1.7251 | 1.7184 | 1.6919 | 1.7425 | 1.7688 | 1.7714 | 1.7833 | 1.8651 |
| '14 | 2.1727 | 2.1757 | 2.2790 | 2.1842 | 1.9985 | 1.9856 | 1.9970 | 2.1961 | 2.3663 | 2.0782 | 1.9326 | 1.5305 |
| '15 | 1.4995 | 1.4849 | 1.5290 | 1.6135 | 1.6250 | 1.6690 | 1.6313 | 1.6689 | 1.5840 | 1.6072 | 1.5305 | 1.4628 |
| '16 | 1.4842 | 1.4573 | 1.4530 | 1.4231 | 1.3529 | 1.5301 | 1.7363 | 1.8110 | 1.5415 | 1.5295 | 1.7424 | 1.6132 |
| '17 | 1.5573 | 1.6230 | 1.4072 | 1.4307 | 1.4806 | 1.3972 | 1.4396 | 1.5993 | 1.5691 | 1.6970 | 1.6656 | 1.5426 |
| '18 | 1.3345 | 1.4096 | 1.5071 | 1.4721 | 1.5870 | 1.4145 | 1.3707 | 1.5835 | 1.4503 | 1.3152 | 1.3100 | 1.2829 |
| '19 | 1.2379 | 1.3867 | 1.4910 | 1.5925 | 1.6278 | 1.6258 | 1.7343 | 1.7081 | 1.7463 | 2.0224 | 2.2554 | 1.8410 |
| '20 | 1.5721 | 1.5470 | 1.4399 | 1.0690 | 1.5980 | 2.3376 | 2.4080 | 1.4937 | 1.6401 | 2.2213 | 1.8437 | 1.4609 |
| '21 | 1.5141 | 1.4442 | 1.4811 | 1.7119 | 1.6923 | 1.5639 | 1.4774 | 1.4158 | 1.5319 | 1.8008 | 1.5375 | 1.6548 |
| '22 | 1.8204 | 1.9038 | 2.0774 | 2.3489 | 2.3567 | 2.2077 | 2.0581 | 1.8741 | 2.0690 | 2.1285 | 1.9454 | 1.8395 |

USDA Buys Cheese, Seeks Fluid Milk Products For Delivery During March

Washington—The US Department of Agriculture (USDA) last Friday announced the purchase of a total of 870,780 pounds of cheese for delivery from Feb. 16 through June 30, 2023.

The cheese products are being purchased in support of child nutrition and other related domestic food distribution programs. The purchases include 74,880 pounds of yellow sliced Cheddar cheese, 302,400 pounds of low moisture part skim Mozzarella String cheese, and 493,500 pounds of low moisture part skim processor pack Mozzarella.

Contracts were awarded to:

Dairy Farmers of America: 493,500 pounds of low moisture part skim Mozzarella, unfrozen processor pack, at a total price of \$1,021,915.18.

Miceli Dairy Products Co.: 302,400 pounds of low moisture part skim Mozzarella String cheese, at a total price of \$1,110,832.38.

Winona Foods: 74,880 pounds of yellow sliced Cheddar cheese, at a total price of \$210,727.30.

In other USDA dairy product procurement news, USDA on Tuesday issued a solicitation invit-

ing offers to sell a total of 724,500 containers of fluid milk for use in domestic food distribution programs. Deliveries are to be made between Mar. 1 and Mar. 31, 2023.

USDA is specifically seeking the following fluid milk products: 43,200 gallons and 226,800 half-gallons of 1 percent milk; and 154,800 gallons and 299,700 half-gallons of 2 percent milk.

Bids are due by 1:00 CST on Jan. 31. Offers must be submitted via the Web-Based Supply Chain Management System (WBSCM). Offerors must be active in WBSCM and have the required bidder roles in order to submit offers under this solicitation.

The solicitation may show multiple stops on some line items; however, the number of stops will be limited to a maximum of three. Purchases will be made on an f.o.b. destination basis to cities.

Destination quantities listed are estimates and subject to adjustment based on offerings, changes in recipient needs, market conditions, and program operations.

For more information on selling dairy products to USDA, visit www.ams.usda.gov/selling-food.

**Any Way You Cut It
Rely on Urschel**

As a powerhouse developer and manufacturer of cutting machinery, Urschel delivers targeted results to meet processing goals and optimize profits. Rugged shredders, dicers, and milling machinery **built to exceed expectations.**

URSHEL®
The Global Leader in Food Cutting Technology

#1 Best selling provider of industrial cutting machinery throughout the world.

Set up a free test-cut of your product.
www.urschel.com

© Urschel, Urschel logo symbol, and The Global Leader in Food Cutting Technology are registered trademarks of Urschel Laboratories, Inc. U.S.A.

For more information, visit www.urschel.com