



# CHEESE REPORTER

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## Biden Signs Executive Orders On Pandemic Response, Regulations

### Acting Federal Agency Leaders Named; Biden Releases Strategy To Beat COVID-19 Pandemic

Washington—Newly inaugurated President Joe Biden on Wednesday signed numerous executive orders that, among other things, mobilized the US government to provide a unified and effective response to combat COVID-19 and revoked several Trump administration executive orders related to regulatory reforms.

Also on Wednesday, Biden announced the acting agency leadership across the administration to assist in the next phase of the transition of government. These individuals, most of whom are career civil servants, will temporarily lead federal agencies while cabinet nominees continue moving through the confirmation process.

The acting secretary of agriculture is Kevin Shea, who has served as administrator of USDA's Animal and Plant Health Inspection Service (APHIS) since 2013, after serving as acting administrator of that agency for a year. In addition to his APHIS duties, during 2016 Shea served as the USDA agency

transition director and from Jan. 20 through Oct. 31, 2017, served as the acting deputy under secretary for marketing and regulatory programs.

Biden has nominated Tom Vilsack, who served as agriculture secretary during the Obama administration, to be secretary of agriculture. On Wednesday, a coalition of almost 130 US food and agriculture associations urged the Senate Agriculture Committee to confirm Vilsack.

Vilsack "understands and embraces as USDA's mission the advancement of US food and agriculture for the benefit of all in the US and countless consumers beyond our shores," said the letter, which was signed by, among others, the American Dairy Products Institute, International Dairy Foods Association, National Milk Producers Federation, US Dairy Export Council, Colorado Dairy Farmers, Dairy Producers of New Mexico, Indiana Dairy Producers, Iowa State Dairy Associa-

tion, Kansas Dairy Association, Milk Producers Council, Oregon Dairy Farmers Association, South Dakota Dairy Producers, South East Dairy Farmers Association, United Dairymen of Arizona, American Farm Bureau Federation, Consumer Brands Association, Corn Refiners Association, Farmers for Free Trade, FMI-Food Industry Association, Global Cold Chain Alliance, National Association of State Departments of Agriculture, National Council of Farmer Cooperatives, Organic Trade Association, and SNAC International.

The organizations said they are endorsing Vilsack "not just because of his previous outstanding eight-year tenure" as agriculture secretary during the Obama administration, "but more importantly because of his vision for meeting the substantial current challenges of food and agriculture."

Vilsack is "ready to lead" USDA and US food and agriculture broadly "to meet environmental challenges, enhance diversity and

• See **Pandemic Response**, p. 8

## USDA Announces Contracts For Fifth Round Of Farmers To Families Food Box Program

Washington—The US Department of Agriculture (USDA) on Tuesday announced that it has approved contracts for additional purchases under the Farmers to Families Food Box Program.

These contract awards are part of the fifth round of the program, announced earlier this month, for deliveries through the end of April.

In this fifth round of purchases, USDA will again buy combination boxes to ensure all involved recipient organizations have access to dairy products, fluid milk and meat products, fresh produce, and seafood products.

The solicitation was issued to over 240 organizations that have previously received Basic Ordering Agreements (BOA). Deliveries will begin shortly after awards are issued and continue with option periods through the end of April. Additional BOA proposals were not reviewed nor accepted at this time.

USDA has emphasized that a variety of hard, semi-firm or semi-soft cheese, such as Blue, Brick, Colby, Edam, Gorgonzola, Gouda, Gruyere, Monterey Jack, Muenster, Parmesan, Provolone and Romano, are acceptable in food boxes, in addition to Cheddar and other cheeses specified in the solicitation.

• See **Food Box Program**, p. 3

## Under Stipulation And Agreed Order, Dean Foods To Pay USDA \$29 Million For April, May Milk

Houston, TX—US Bankruptcy Court Judge David R. Jones last Friday signed and entered a Stipulation and Agreed Order between the US Department of Justice (DOJ), which is serving as legal counsel of record for the US Department of Agriculture (USDA), and Dean Foods Company.

The order requires Dean Foods to pay, within 30 days, \$29,082,182.26 which is 90 percent of its obligations to USDA for milk marketed in April and May 2020.

Dean Foods had filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code

• See **Dean Foods To Pay**, p. 8

## More Dairy Farmers Signing Up For USDA Risk Management Programs

Washington—Recent enrollment data for USDA's Dairy Margin Coverage program, Dairy Revenue Protection and Livestock Gross Margin for Dairy Cattle programs indicate that US dairy operations are proactively managing their risk, USDA noted this week.

Administered by USDA's Farm Service Agency (FSA), the Dairy Margin Coverage (DMC) program offers protection to dairy producers when the difference between the all milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer. Feed costs used in the calculation include corn, blended alfalfa hay and soybean meal.

Nearly three-quarters of all US dairy operations with established milk production history are

enrolled in DMC for the 2021 program year, USDA noted. In 2020, a total of 13,532 operations were enrolled in the DMC; in 2021, participation increased to almost 18,500 operations nationwide.

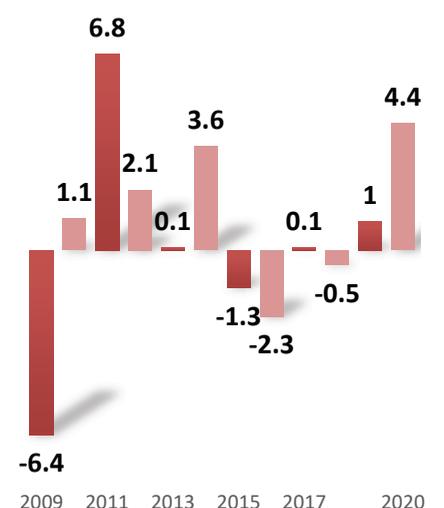
Among the top 10 milk-producing states, the percentage of dairy operations with established production history enrolled in the 2021 DMC program ranged from 64.9 percent in Pennsylvania (1,663 out of 2,563 dairy operations with established production history) to 85.8 percent in Minnesota (1,904 out of 2,220 dairy operations with established production history).

Also among the top 10 milk-producing states, the percentage of 2021 DMC production his

• See **Managing Risk**, p. 6

## CPI for Dairy Products:

Annual Percent Change 2009 – 2020 Source: US BLS





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...whatever the price, dairy products offer consumers an impressive “bang for the buck” from a nutritional standpoint.

### Even In A Pandemic, Dairy Products Are A Great Bargain

In 2020, the Consumer Price Index for dairy and related products increased by 4.4 percent, its largest percentage increase since 2011. And December's dairy CPI was a record-high 231.74 (1982-84=100).

So do these figures mean that dairy products are no longer a bargain for consumers?

Hardly. Indeed, it's safe to say that, here in early 2021, dairy products remain a great bargain for consumers. Some dairy CPI history and some current CPI data will help put this in perspective.

For starters, while the dairy CPI in 2020 posted its largest percentage increase in almost a decade, it's worth noting that the dairy CPI has actually been relatively flat in recent years.

Indeed, following a 6.8-percent rise in the dairy CPI back in 2011, the dairy CPI actually declined three times (in 2015, 2016 and 2018) and increased by just 0.1 percent in two other years (2013 and 2017). Only in 2012 (2.1 percent) and in 2014 (3.6 percent) did the dairy CPI rise by more than 1 percent.

Yes, the dairy CPI did reach a record high in December 2020, and actually set three new records last year, initially reaching 230.2 in May, then hitting 231.2 in August and finally reaching 231.74 in December. But before hitting 230.2 in May 2020, the record high for the dairy CPI, 229.9, was actually set back in December 2014.

That means, obviously, that the dairy CPI failed, for more than five years, to break the record high set at the end of 2014. In fact, from February 2016 to September 2019, the dairy CPI never even got above 220, meaning that not only did the dairy CPI not set any new record highs during that period, it didn't even come close.

At 231.74 in December, the dairy CPI remained well below numerous food-related price indices. December's CPI for food stood at 270.0, while the CPI for food at

home was 251.3, the CPI for cereals and bakery products was 283.7, and the CPI for fruits and vegetables was 306.5.

The federal government includes meats, poultry, fish and eggs in a “protein foods” group, along with beans, peas, and lentils; and nuts, seeds, and soy products. The CPI for meats, poultry, fish, and eggs stood at 264.5 in December, meaning that dairy products would seem to be a better protein value than some other animal-derived foods.

Another way to look at what a great bargain dairy products are for consumers is to look at average price data which, along with the CPI, is also collected and reported by the US Bureau of Labor Statistics. In December, the average retail price for a pound of Cheddar cheese was \$5.54, the eighth straight month in which the average retail Cheddar price topped \$5.50 a pound.

That \$5.54 average was also the highest retail Cheddar price for the month of December since 2012, when it was \$5.87 a pound.

Yes, retail Cheddar prices were relatively high in 2020, but comparisons can be deceiving because retail Cheddar prices were relatively low for several years before 2020. For example, back in 2014, the average retail Cheddar price was above \$5.50 a pound for nine straight months, including a high of \$5.73 in April.

But, after October 2014, when they averaged \$5.57 a pound, average retail Cheddar prices didn't make it back to the \$5.50 per pound mark again until May of 2020. In fact, they actually were below \$5.00 a pound for the final two months of 2016 and all but three months in 2017.

So from the perspective of the past decade, retail Cheddar prices in 2020 were still a bargain.

Meanwhile, the average price for a gallon of whole milk in December was \$3.54, up almost 35 cents from a year earlier and the highest average retail whole milk

price for the month of December since 2014, when retail whole milk prices averaged \$3.82 per gallon.

As was also the case with Cheddar cheese, 2020 retail whole milk prices look high in comparison to recent years, but fall well short of where they were if you go back to 2015 or earlier. While January 2015 was the last time retail whole milk prices averaged above \$3.50 a gallon until December 2020, prior to January 2015, whole milk prices were above that level quite often.

Specifically, retail whole milk prices averaged above \$3.50 per gallon every month in 2014, including a record high of \$3.86 a gallon in November 2014, and were above \$3.50 a gallon for at least two months in 2011, 2012 and 2013. Indeed, in both 2011 and 2012, the average retail price for a gallon of whole milk peaked at a level higher than it did in 2020 (\$3.72 and \$3.58 a gallon, respectively).

Finally, it's worth remembering that, whatever the price, dairy products offer consumers an impressive “bang for the buck” from a nutritional standpoint. Many if not most dairy products are nutrient-dense foods, meaning they deliver not only great flavor but also protein, fat and a variety of vitamins and minerals.

Here's how the National Dairy Council put it, in comments submitted last August on the Dietary Guidelines Advisory Committee's report: “Dairy foods are the lowest cost sources of dietary calcium and vitamin D in the US diet and are among the lowest cost sources of potassium, magnesium, vitamin A, riboflavin (B2) and vitamin B12 as well.”

Consumers abandoning dairy in favor of plant-based alternatives might want to consider how much nutrition they're getting for the price before making the switch.

Inflation returned to the dairy case last year, but dairy products remain a nutritional and flavor bargain for consumers.

## Food Box Program

(Continued from p. 1)

In total, USDA has distributed more than 133 million food boxes in support of US agriculture and families affected by the coronavirus pandemic.

The first round of purchases occurred from May 15 through June 30, 2020 and saw more than 35.5 million boxes delivered during that period.

In the second round of purchasing and distribution, which began July 1 and concluded Sept. 18, 2020, USDA purchased more than \$1.781 billion of food through extended contracts of select vendors from the first round of the program as well as new contracts focused on Opportunity Zones in order to direct food to reach underserved areas, places where either no boxes had yet been delivered, or where boxes were being delivered but where there was additional need.

The third round of the Farmers to Families Food Box program was announced July 24, 2020, and President Trump announced on Aug. 24, 2020, that up to an additional \$1 billion was being made available for deliveries through Oct. 31, 2020.

USDA had announced contracts for the third round on Sept. 17, 2020. By the end of the third round on Oct. 31, USDA purchased more than \$3.566 billion worth of food.

The fourth round of the program was announced on Oct. 23, 2020, and purchased a total of \$463 million worth of food delivered between Nov. 1 through Dec. 31, 2020.

In other government dairy commodity purchase news, USDA on Thursday issued a solicitation for ultra-high temperature (UHT) milk and evaporated skim milk for delivery in April, May and June 2020.

The solicitation may contain orders which are part of the Families First Coronavirus Response Act, USDA said.

The commodities being procured under this solicitation are currently for the National School Lunch Program, the Food Distribution Program on Indian Reservations, Commodity Supplemental Food Program, and The Emergency Food Assistance Program.

USDA is specifically seeking 111,537 pounds of skim evaporated milk, 24/12-fluid-ounce cans; 17,840,700 pounds of 1 percent UHT 1500 box, 12/21-fluid-ounce; and 1,525,708.8 pounds of 1 percent UHT 2640 box, 27/8-fluid ounce.

Offers are due by 9:00 a.m. Central time on Tuesday, Feb. 2. For more information, contact Clyde King, at [clyde.king@usda.gov](mailto:clyde.king@usda.gov); phone (816) 926-2610.

## Dairy Processors, Farmers Emphasize Importance Of Strong Relationships

**Green Bay, WI**—Customers' changing demands from food producers are driving the importance of strong working relationships between dairy farmers and milk processors, according to participants in a panel discussion this week at the Dairy Business Association's (DBA) Dairy Strong virtual conference.

Panelists used words like trust and transparency to describe the essential elements of those relationships. They build a shared understanding that farmers and processors have the same ultimate goal: to please the customer.

"There's a mutual reliance on each other," said Jason Mischel, vice president of sales and milk procurement at Valley Queen Cheese in Milbank, SD.

Mischel and Valley Queen's CEO, Doug Wilke, regularly visit their supplying farms to build personal connections and keep the lines of communication open.

"These visits provide good opportunities to have honest, frank discussions with our partners," Mischel said.

Kevin Souza, owner of Victory Farms in Milbank, is one of those partners.

"We are in a small community and are in contact all the time," Souza said. "It's nice to know we have a good company to work with and a good place to ship our milk."

Sharing a common language, a desire to succeed and a commitment to community helps foster stronger ties. In some small towns, farmers and processors have had longtime business relationships, as is the case with Jim Winn, owner

of Cottonwood Dairy in South Wayne, WI, and Greg Siegenthaler, vice president of Grande Cheese Company in Fond du Lac, WI.

"It means a lot to be in business with guys we've known and trusted for a long time," Winn said. "It's important to get to know the people in your partnerships. The professionals at Grande have become friends; they've been looking after us."

Siegenthaler looks at these relationships within Grande's four pillars of corporate responsibility: business sustainability, environmental awareness, associates, and community need and outreach. These pillars can only be truly understood and managed if processors and farmers have the same vision and goals, he said.

"With the right attitude, anything is possible," Siegenthaler said. "Traits necessary to find in our producers include vision, motivation and decisiveness in business."

There are times when difficult conversations are necessary because customers want changes, like in areas such as animal welfare or environmental sustainability. The panelists talked about the phasing out of bovine somatotropin (rBST), also known as bovine growth hormone (rBGH), as an example.

Mischel said he didn't look forward to telling his dairy farmers what they could and couldn't do, or taking away a responsible and financially beneficial management tool. So, Valley Queen provided flexibility, which Souza appreciated.

"At first we were reluctant to get rid of rBST, but Valley Queen gave us a year to consider our options," Souza said. "That meant a lot to us, and our communication has improved over time."

Siegenthaler and Mischel said that a willingness to adapt, as customers' decision-making evolves, is an important trait in their farmer members.

"Digging in your heels in this type of consumer environment just isn't going to make you successful," Mischel said.

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**"Digging in your heels in this type of consumer environment just isn't going to make you successful."**

—Jason Mischel,  
Valley Queen Cheese

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Keeping an open mind is also helpful in cultivating innovative ideas for both the farmers and processors. Mischel routinely hosts his customers at Souza's dairy farm, giving cheese buyers and chocolatiers the opportunity to see where the dairy products they use originate and to provide feedback on what they see.

There's a lot at stake, for everyone, in building strong relationships, Mischel said. "This will keep us relevant, competent and successful well into the future."

The Dairy Business Association hosts Dairy Strong, which draws farmers, professionals, government and university representatives, for learning, networking, celebrating and having discussions about challenges and opportunities.



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## Three Questions To Ask When Times Get Tough

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The headwinds of the pandemic continue to blow. Despite the challenges, the dairy industry has responded nobly by shoring up their supply chain – from farm to plant – and continuing to deliver high quality, delicious products to consumers.

The pandemic has dominated the headlines, but another business headwind has put pressure on dairy processors across the nation – the hard insurance market. We've written about the hard market impact before and how it's ushered in more expensive insurance, less coverage, and in extreme cases, risks of non-renewals. When managing the added pressures caused by the pandemic, many dairy processors have found themselves in a reactive vs. proactive business stance.

Taking a proactive approach to managing your dairy operation's insurance program doesn't have to be a multistep, tedious activity.

It can actually start with three simple questions posed to your broker:

- 1) **Where's my budget?**
- 2) **Are there limits on my limits? (A.K.A. capacity challenges)**
- 3) **Is my carrier still committed?**

### Budget

Ask your current insurance broker for a budget four to six months in advance of your renewal.

It is the broker's job to keep their finger on the pulse of the insurance industry and communicate changes and solutions to their clients. Just like many dairy processors watch the block and barrel pricing, insurance brokers monitor changes in insurance pricing.

A trusted, strategic advisor like your broker should be communicating price fluctuations by line of insurance. Asking for your estimated insurance budget well in advance of renewal helps prepare you for the impact caused by premium swings and keeps your insurance providers accountable.

### Limited Limits

If the insurance industry were a buffet, and "capacity" was on the menu, there would no longer be an "all-you-can eat sign" at the door. In this hard market, you can't get as much as you want.

Capacity is defined as the most amount of insurance one insurer will offer for a single line of business. When there is a lot of capacity in the market, insurance limits are readily available. When capacity is tight, like it is now, an insurer will offer less coverage than a dairy processor needs.

Here is an example: Dairy processor wants a \$10 million umbrella but their renewing insurance carrier will now only offer \$5 million. The broker needs to find

another insurer willing to offer an additional \$5 million in coverage – or, put another way, \$5 million in excess of the first \$5 million. This is referred to as "layering coverage".

When your insurance broker creates a "layered" insurance option, they must pay extra attention to the details of how the insurance coverage is written to ensure the coverages work together harmoniously in the time of a claim. In today's climate, it's not unusual to see layered approaches on property coverage as well as umbrella, especially on larger plants.

Is my Carrier still committed?

The third question to ask your broker is specific to whether the carriers providing your insurance are still interested in providing coverage to the dairy sector – and you specifically. Throughout the last several years, some insurance carriers have soured on dairy in as well as other sectors of the food industry, as claims have risen and their ability to make a profit has shrunk. Asking this question of your broker well before your renewal will prepare you for any changes in carriers or non-renewal.

While these three questions won't replace a full, strategic analysis of your insurance program, they will provide some proactive steps that could save you from being surprised at renewal.

As we move into 2021, the broad hope is that the gale force winds of the pandemic will lessen and clearer skies will be in the forecast. We'll continue to weather these storms together.

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## FROM OUR ARCHIVES

### 50 YEARS AGO

**Jan. 22, 1971: Washington—**Chemists at USDA's research service have developed a new milk food – made by frying milk curd – that they believe could improve the substandard diets of millions of people who don't like milk. Still unnamed, the product is made from skim milk curd fried in deep fat.

**Washington—**The FDA has announced acceptance of the proposed amendment to identity standards for Blue and Gorgonzola cheese concerning optional use of surface antimycotic agents. These include "sorbic acid, potassium sorbic acid, potassium sorbate, and sodium sorbate."

### 25 YEARS AGO

**Jan. 19, 1996: Arlington, VA—**Thomas Suber has been named executive director of the US Dairy Export Council. The USDEC was formed last year and is staffed by members of Dairy Management, Inc. (DMI). The Council sees its current primary markets as Mexico, Japan, Korea and Southeast Asia.

**Tucson, AZ—**Short-term dairy policy possibilities that range from the status quo to total deregulation were discussed here this week at IDFA's Dairy Forum. Paul Christ of Land O'Lakes said he is "really embarrassed" with the "demonstrated ineptness" of both the dairy industry and Washington to reach an agreement on dairy policy. "We've been working on it for a year," Christ said.

### 10 YEARS AGO

**Jan. 21, 2011: Gilman, WI—**Gilman Cheese Corporation is ready to break ground on its third expansion project, which is designed to add more cold storage, three new packaging lines, two more smokehouses, and increased office space to accommodate about 35 new employees. Gilman Cheese is a processing company that specializes in flavored process cheese, offering more than 25 different flavors.

**Brodhead, WI—**Edwin Jaggi, 87, passed away Jan. 10, 2011 at Mercy Hospital in Janesville, WI. Jaggi was a cheese maker in the Brodhead area for many years, and retired in 1988. He was also a longtime member of the Wisconsin Cheese Makers Association.

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## Global Dairy Trade Price Index Rises 4.8%; Only Cheddar Price Declines

Auckland, New Zealand—The price index on this week's semi-monthly Global Dairy Trade dairy commodity auction increased 4.8 percent from the previous auction, held two weeks ago.

That was the fifth consecutive increase in the GDT price index. The last decline in the index was in November's first auction. And prior to that decline, the GDT price index had posted three consecutive increases.

In this week's trading event, which featured 181 participating bidders and 93 winning bidders, prices were higher for skim milk powder, whole milk powder, butter, anhydrous milkfat, and lactose; and lower for Cheddar cheese.

Buttermilk powder and sweet whey powder weren't offered in this week's 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 \$4,082 per metric ton (\$1.85 per pound), down 0.3 percent. Average winning prices were: Contract 1 (February), \$4,072 per ton, down 1.2 percent; Contract 2 (March), \$4,080 per ton, down 0.1 percent; Contract 3 (April), \$4,099 per ton, up 0.9 percent; Contract 4 (May), \$4,054 per ton, down 1.4 percent; and Contract 5 (June), \$4,225 per ton, up 0.2 percent.

**Skim milk powder:** The average winning price was \$3,243 per ton (\$1.47 per pound), up 7 percent. Average winning prices were: Contract 1, \$3,375 per ton, up 7.8 percent; Contract 2, \$3,173 per ton, up 6.6 percent; Contract 3, \$3,277 per ton, up 6.7 percent; Contract 4, \$3,332 per ton, up 7.9 percent; and Contract 5, \$3,351 per ton, up 8.5 percent.

**Whole milk powder:** The average winning price was \$3,380 per ton (\$1.53 per pound), up 2.2 percent. Average winning prices were: Contract 1, \$3,366 per ton, up 2.1 percent; Contract 2, \$3,360 per ton, up 2 percent; Contract 3, \$3,380 per ton, up 2.1 percent; Contract 4, \$3,430 per ton, up 2.5 percent; and Contract 5, \$3,495 per ton, up 4.2 percent.

**Butter:** The average winning price was \$4,735 per ton (\$2.15 per pound), up 4.6 percent. Average winning prices were: Contract 1, \$4,821 per ton, up 6.7 percent; Contract 2, \$4,710 per ton, up 4.2 percent; Contract 3, \$4,730 per ton, up 4.6 percent; Contract 4, \$4,715 per ton, up 4.1 percent; and Contract 5, \$4,765 per ton, up 4.7.

**Anhydrous milkfat:** The average winning price was \$5,398 per ton (\$2.45 per pound), up 17.2 percent. Average winning prices were:

Contract 1, \$5,357 per ton, up 14.5 percent; Contract 2, \$5,449 per ton, up 18.1 percent; Contract 3, \$5,472 per ton, up 19.7 percent; Contract 4, \$5,325 per ton, up 16 percent; and Contract 5, \$5,309 per ton, up 15.8 percent.

**Lactose:** The average winning price was \$1,173 per ton (53.2 cents per pound), up 6.6 percent. That was for Contract 2.

All indicators continue to suggest demand for dairy products is likely to hold up well, through to the end of the season, ASB Bank of New Zealand noted after this week's GDT auction, which it described as a "rip-snorter."

Solid purchases from China have anchored price gains at recent auctions, and with the latest Chinese GDP figures showing a decent lift in GDP, there is little reason to think that story will change, ASB Bank noted. Also, at the NZX (New Zealand Exchange), there has been plenty of action on the dairy derivatives market, which suggests plenty of demand as buyers seek to secure prices.

A slightly tighter supply outlook is another price support, ASB Bank said. November milk production in New Zealand already showed a little bit of a slowdown, and with drought hitting parts of the upper North Island there is still the prospect the next data releases could show further deterioration in the last few months of the sea-

son. Production in the European Union is also falling, led by lower volumes in France and Germany, so global supply is set to tighten more broadly, also.

Increasingly, ASB Bank sees the risks skewed towards a higher farmgate milk price than its current \$7.00 per kilogram of milk solids forecast. Indeed, a farmgate price towards the upper end of Fonterra's forecast range is very much a possibility.

Fonterra CEO Miles Hurrell said in early December 2020 that, as a result of strong demand for New Zealand dairy, Fonterra was narrowing and lifting the bottom end of the forecast farmgate milk price range from \$6.30 to \$7.30 per kilogram of milk solids to \$6.70 to \$7.30 per kilogram of milk solids.

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## Managing Risk

(Continued from p. 1)

tory enrolled in the 2021 DMC program ranged from 66.9 percent in Idaho to 88.8 percent in Texas. Idaho and Minnesota were the only states among the top 10 to have a lower percentage of production history enrolled than dairy operations enrolled.

This enrollment success is a testament to the value of DMC to dairy operations, USDA said. DMC is a cash flow-friendly program that offers enrolled operations the option to select a \$4.00 catastrophic level of coverage with no premium fee or elect to buy up coverage. The premium on buy-up coverage is based on margin triggers between \$4.50 and \$9.50 on 5 to 95 percent of established milk production history. For coverage at the maximum margin trigger of \$9.50, dairy producers pay 15 cents per hundredweight of established milk production history.

To date, DMC has paid out more than \$500 million in program benefits to dairy operations enrolled in calendar years 2019 and 2020. Margin payments triggered in each of the first seven months of 2019 and in March, April, May and September 2020. The milk margin for December 2020 has not yet been determined.

### Dairy Revenue Protection

Approximately 3,000 dairy operations purchased additional protection under Dairy Revenue Protection, which covers 30 percent of the milk supply and has provided more than \$400 million in payments to covered operations since 2019.

Dairy Revenue Protection (Dairy-RP) is designed to insure against unexpected declines in the quarterly revenue from milk sales relative to a guaranteed coverage

level. The expected revenue is based on futures prices for milk and dairy commodities, and the amount of covered milk production elected by the dairy producer. The covered milk production is indexed to the state or region where the dairy producer is located.

Dairy-RP offers two revenue pricing options:

- The Class Pricing Option uses a combination of Class III and Class IV milk prices as a basis for determining coverage and indemnities.

- The Component Pricing Option uses the component milk prices for butterfat, protein and other solids as a basis for determining coverage and indemnities. Under this option, producers may select the butterfat test percentage and protein test percentage to establish their insured milk price.

Dairy-RP provides insurance only for the difference between the final revenue guarantee and actual milk revenue, times actual share and protection factor, caused by natural occurrences in market prices and yields in the pooled production region.

Dairy-RP does not insure against death of dairy cattle; other loss or destruction of dairy cattle; or any other loss or damage of any kind whatsoever.

Producers must buy Dairy-RP insurance through an authorized crop insurance agent. An application can be filled out at any time; however, insurance does not attach until a quarterly coverage endorsement is purchased. Producers may buy multiple quarterly coverage endorsements with one application.

### LGM-Dairy Coverage

Also, 200 dairy producers purchased coverage through Livestock Gross Margin for Dairy Cattle (LGM-Dairy), which provides pro-

tection when feed costs rise or milk prices drop and can be tailored to any size farm.

Gross margin is defined as the market value of milk minus feed costs. LGM-Dairy uses futures prices for corn, soybean meal, and milk to determine the expected gross margin and the actual gross margin.

LGM-Dairy is similar to buying both a call option to limit higher feed costs and a put option to set a floor on milk prices, according to USDA's Risk Management Agency (RMA), which manages both Dairy-RP and LGM-Dairy.

Prices for LGM-Dairy are based on simple averages of Chicago Mercantile Exchange Group futures contract daily settlement prices, and are not based on the prices dairy producers receive at the market.

Dairy producers can sign up for LGM-Dairy 12 times each year and insure all of the milk production that they expect to market over a rolling 11-month insurance period. LGM-Dairy is sold on the last business Friday of each month. The indemnity at the end of the 11-month insurance period is the difference, if positive, between the gross margin guarantee and the actual gross margin.

"In a year rife with challenges, our staff worked diligently to improve customer service and seamlessly deliver programs to assist agricultural producers," said Bill Northey, USDA's under secretary for farm production and conservation during the Trump administration.

"Through patience and perseverance on both sides of the virtual counter, as well as added resources made available to producers and staff for operating in a pandemic, producers were able to timely participate in these programs," Northey added.

## Perfect Day, Nick's Ice Cream Partner On New Line Of Vegan Dairy Desserts

Los Angeles and Berkeley, CA—Nick's Swedish Style Ice Cream and animal-free dairy pioneer Perfect Day have partnered to launch a new line of vegan dairy desserts.

Seven new vegan ice cream flavors, including Swedish Mint Chip, Chokolad Chokolad and Karamell Swirl, will complement Nick's existing light ice cream line. Nick's Swedish Mint Chip, which is described on the principal display panel as "Vegan Frozen Dessert," lists non-animal whey protein among its ingredients.

Nick's light ice creams and vegan frozen desserts have no added sugar, according to the company. All of the company's sweeteners are crafted from plants selected for their specific flavor; these sweeteners include allulose, erythritol, stevia, soluble corn fiber, monk fruit, and birch sugar (also known as xylitol).

Other key features and benefits of the new Nick's vegan line, according to a press release, include: keto-friendly (only three to seven grams net carbs per pint); low calories (70 percent less calories than traditional premium ice cream); creamy texture; and compromise-free taste.

Three of the seven Nick's vegan frozen desserts are available for home delivery. All seven new vegan flavors will be available for online ordering in February and in select retail grocery stores in the spring.

"A vegan ice cream that doesn't taste like a vegan ice cream, that's the magic of what happens when you combine industry-leading food science with a passion for great tasting, better-for-you ice cream," said Niclas Luthman, founder and chief science officer of Nick's.

"We're excited to partner with Nick's on a vegan take of their flagship Swedish-style ice cream, delivering all of the taste people love without a single cow," said Ryan Pandya, co-founder and CEO of Perfect Day, which utilizes fermentation to create proprietary "flora-made" dairy protein.

"Our versatile animal-free protein allows Nick's fans to enjoy the healthier ice cream they crave without compromising on the delicious, melty, silky taste of dairy," Pandya added.

Founded in Sweden by Carl Backlund and Niclas Luthman in 2016, Nick's Swedish Style Ice Cream launched in the US in the fall of 2019. The company's 16 light ice cream flavors are available at over 4,000 grocery stores in the US and also online, at [www.nicks.com](http://www.nicks.com).

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## Ireland's Dairy Exports Rose 3% In 2020; Cheese Export Volume Fell 10%

**Dublin, Ireland**—Ireland's dairy exports in 2020 were expected to total 5.2 billion euros in value, up 3 percent from 2019, according to figures released earlier this month by Bord Bia, the Irish Food Board.

The increase in export value was achieved despite a challenging macro environment where global milk supply fundamentals remained strong, oil-producing countries saw the price of their product through to record lows and the coronavirus pandemic enveloped the world, reaching Ireland pre-peak output, Bord Bia noted in its annual export performance and prospects report.

Running concurrent to the pandemic challenges were the overhanging uncertainties in relation to Brexit, foreign exchange fluctuations, the 25 percent tariff imposed on EU dairy exports to the US, and global trade tensions.

The challenge that the closure of food service presented to the dairy industry in 2020 cannot be overstated, the report continued, with approximately one-third of cheese in the EU-27 destined for food service and 24 percent of butter also destined for this channel.

Despite the logistical challenges faced during 2020, Irish dairy products were exported to a total of 148 countries, 24 more than in 2019, the report said. The top five export destinations remained unchanged; the United Kingdom, Netherlands, China, Germany and the US account for 56 percent of Ireland's total export value.

Ireland's cheese exports declined 10 percent in volume terms last year, but the value stayed close to constant at what it was in 2019, 961 million euros, as a result of a strong price environment.

When making year-on-year comparisons, it is important to note that 2019 cheese exports to the UK included a "significant amount" of inventory building in an attempt to mitigate against tariffs, the report explained. That same exercise continued in 2020 as Brexit negotiations went down to the wire with shipments expedited particularly in the fourth quarter.

There are reasons for optimism regarding cheese exports, the report said. Within priority markets in Asia, cheese exports to Japan have grown by over a third in 2020 to approximately 15,000 metric tons (33.1 million pounds).

Germany has also been an important market for Irish cheese exports, the report continued, and in 2020 it was the destination for volume growth of more than 23 percent, to 23,000 tons (50.7 million pounds).

While 85 percent of Irish cheese exports are Cheddar, the industry continues to make significant

investments in diversification, the report pointed out. Mozzarella has been identified as a particularly attractive new part of the product mix, and exports in this category expanded 13 percent from a low base to 7,600 tons (16.8 million pounds) in 2020.

The "stand out performer" within the dairy category in 2020 was undoubtedly butter, driven for the most part by retail demand and consumer reactions to lockdowns, according to the report. Irish exports of butter to the US are "worthy of particular mention."

Although the value of butter exports witnessed a decline of 13 percent in 2020 to to a weak price

environment, export volume increased by 12 percent, which the report called an "exceptional result" in light of the challenges presented, such as the shuttering of food service outlets, US tariffs imposed in October 2019 and the increasing uncertainty of Brexit.

Butter exports to the US were up 25 percent in 2019, as exporters took logistical measures to build stock in advance of the introduction of tariffs in October 2019. With that in mind, a year on year increase in butter exports due to consumption demand to the US in 2020 "was extraordinary," the report said. The value of Irish butter exports to the US in 2020 was estimated at 210 million euros, up 9 percent from 2019. Total butter export volume to the US was up an estimated 5 percent in 2020.

Last year saw a rebound in the fortunes of SMP, with export value increasing by 60 percent to an estimated 390 million euros and exported volume close to 170,000 tons (375 million pounds).

Whey proved "particularly resilient" throughout 2020, with export volume outperforming preceding years by 5 percent in value, equating to 20,000 metric tons (44.1 million pounds). Contributing significantly to this strong performance is the Netherlands, with total export volume predicted to be up more than 20 percent on 2019 export volume.

Ireland's 2020 casein exports topped 50,000 tons. Fat filled milk powder was Ireland's fourth largest export category in terms of value and the country's largest in terms of volume, according to the report.

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## Pandemic Response

(Continued from p. 1)

inclusion, strengthen food security, and build rural prosperity through expanded trade and development of the bioeconomy, all with broad consumer benefits," the organizations added.

The acting secretary of health and human services is Norris Cochran, while the acting commissioner of the US Food and Drug Administration (FDA), an HHS agency, is Janet Woodcock. Maria Pagan, currently the deputy general counsel in the Office of the US Trade Representative, is the acting US trade representative.

Also on Wednesday, USDA announced the names of several individuals who will hold senior staff positions in Washington. Katharine Ferguson was named chief of staff in the Office of the Secretary. Also in the Office of the Secretary, Robert Bonnie was named deputy chief of staff for policy and senior advisor, climate; Sara Bleich was named senior advisor, COVID-19; and Kumar Chandran was named senior advisor, nutrition. Gregory Parham was named interim deputy assistant secretary for administration

at USDA, while Justo Robles was named White House liaison in the Office of the Secretary.

On Thursday, USDA announced three senior appointments. Stacy Dean has been named deputy under secretary for food, nutrition, and consumer services. Prior to joining USDA, Dean served as vice president for food assistance policy at the Center on Budget and Policy Priorities.

Mae Wu has been named deputy under secretary of marketing and regulatory programs. Prior to joining USDA, Wu served as a senior director at the Natural Resources Defense Council, helping to lead that organization's health and food work. Justin Maxson, CEO of the Mary Reynolds Babcock Foundation, has been named deputy under secretary for rural development.

And Matt Herrick was named director of communications in the Office of Communications. Most recently, Herrick served as senior vice president, executive and strategic communications, for the IDFA.

### Strategy For Pandemic Response

Also on Wednesday, Biden signed an executive order on organizing and mobilizing the US government to provide a unified and effective

response to combat COVID-19. Among other things, that order established the position of the COVID-19 response coordinator and the deputy coordinator of the COVID-19 response.

Biden on Thursday released a 200-page *National Strategy for the COVID-19 Response and Pandemic Preparedness*, which details the administration's strategy for beating the pandemic.

The strategy outlines an actionable plan across the federal government to address the pandemic.

Among the goals of the strategy: mount a safe, effective, comprehensive vaccination campaign. To achieve this goal, the federal government will execute an aggressive vaccination strategy, focusing on the immediate actions necessary to convert vaccines into vaccinations, including improving allocation, distribution, administration, and tracking.

To mount a safe, effective, comprehensive vaccination campaign, the US will, among other things, ensure the availability of safe, effective vaccines for the American public; accelerate getting shots into arms and get vaccines to the communities that need them most; create as many venues as needed

for people to be vaccinated; focus on hard-to-reach and high-risk populations; and launch a national vaccinations public education campaign.

Other goals of the COVID-19 response strategy include restoring trust with the American people; mitigating spread through expanding masking, testing, treatment, data, workforce, and clear public health standards; immediately expand emergency relief and exercise the Defense Production Act to fill supply shortfalls; safely reopen schools, businesses, and travel, while protecting workers; protect those most at risk and advance equity, including across racial, ethnic and rural/urban lines; and restore US leadership globally, advance health security, and build better preparedness for future threats.

Biden also signed an executive order on Thursday requiring, among other things, the US Labor Department to issue, within two weeks, revised guidance to employers on workplace safety during the pandemic; and to consider whether any emergency temporary standards on COVID-19, including with respect to masks in the workplace, are necessary.

## Dean Foods To Pay

(Continued from p. 1)

in November 2019.

At that time, Dean Foods had 43 plants regulated by the federal milk marketing order system.

Subsequent to the filing date, Dean Foods, as the Debtor-in-Possession (DIP), failed to make payments to USDA for milk marketed from Apr. 1, 2020, through May 4, 2020, totaling \$32,313,535.84, USDA explained.

The missed payments included monies owed to the federal order program, the National Dairy Promotion and Research Program, and the National Fluid Milk Processor Promotion Program.

Pursuant to the federal order program, handlers are obligated to make certain monthly payments to certain administrative accounts and into settlement funds which, among other things, are pass-through funds used to equalize the average pricing received by dairy

producers on account of purchased raw milk, Jones noted in the Stipulation and Agreed Order.

These federal order obligations include amounts owed by handlers to the Producer Settlement Fund (PSF), the administrative fund (which also includes marketing service payments), and the transportation credit balancing fund, Jones explained.

Upon receipt of payment, USDA will remit monies owed to federal order-regulated handlers and the dairy and fluid milk promotion boards. Once handlers receive payments from USDA, federal order regulations require that the money be promptly remitted to dairy producers.

Procedures for handler payments to producers will be communicated through the respective federal order market administrators.

Last May, at least three federal orders notified regulated handlers

that Dean Foods, DIP, did not pay its obligation to the Producer Settlement Fund (PSF) as required by federal order regulations.

When payment is not made to the PSF, federal order regulations prescribe procedures for how the remaining marketwide pool monies should be distributed to handlers, the federal orders noted.

When PSF monies aren't sufficient to make full payments to handlers, the market administrator will reduce uniformly such payments to handlers due a payment from the Producer Settlement Fund.

Dean Foods' \$16 million pre-petition debt owed to USDA is not covered by this Stipulation and Agreed Order. USDA said it filed timely Proofs of Claim for these pre-petition obligations and will continue to pursue payment of those claims through the bankruptcy proceeding.

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## Viability Of Food Innovation Center, Incubator Being Studied In Southern ID

**Twin Falls, ID**—Region IV Development Association (RIVDA) is overseeing a regional feasibility study on the viability of a food innovation center and business incubator in south-central Idaho.

In partnership with RIVDA's Magic Valley Food Innovation Center Committee, College of Southern Idaho and University of Idaho, and funding support from several entities, the study will analyze three locations for the center and interview dairy, food, and agriculture industry leaders in the region.

RIVDA, which was established to encourage the development and diversification of south-central Idaho's economy, was able to secure funds to support the study from several local entities, including a \$25,000 grant from Chobani's Community Impact Fund and \$5,000 each from Dairy West, Business Plus and Southern Idaho Economic Development.

A business development grant from USDA's Rural Development agency for \$20,000 was also confirmed.

"Even though south-central Idaho boasts an extensive food, dairy and ag sector, the region is missing opportunities for entrepreneurs and food companies to develop, test and bring new ideas to the marketplace," said Jeff McCurdy, RIVDA president and CEO.

"We want to know if the region would benefit from a food innovation and business incubator center," McCurdy continued. "The feasibility study is the first step to determine the viability of this opportunity and we're grateful to our funding partners who have made this effort possible."

"At Chobani, we do more than make yogurt. Each and every day, we try to make a difference. We've donated a half a million dollars in grants over the past three years through our Community Impact Fund, and RIVDA is a terrific orga-

nization working hard to establish a new food innovation center in the region," commented Jason Rahlan, director of social impact and philanthropy at Chobani, which has a plant at Twin Falls, ID.

Chobani's founder, Hamdi Ulukaya, "is deeply passionate about making Twin Falls the Silicon Valley of food, and if RIVDA's study bears fruit, we will all be one step closer to making that dream a reality," Rahlan added.

Idaho in 2019 (the most recent year for which statistics are available) ranked third in the US in milk production; the state's output that year totaled 15.6 billion pounds, which is more than double

Idaho's milk production back in 2000.

As of November 2020, Idaho had some 645,000 milk cows, up 11,000 head from a year earlier. In 2019, Idaho ranked fourth nationally in milk production per cow, at 25,010 pounds.

Idaho in 2019 also ranked third in cheese production. That year, the state's nine cheese plants produced just over 1.0 billion pounds of cheese, up more than 400 million pounds from 2000. Idaho's 2019 cheese production included 623 million pounds of American-type cheese and 316 million pounds of Italian-type cheese.

KRNLS LLC in Pittsburgh, PA, will undertake the regional feasibility study. The company is slated to report its results to RIVDA by late May 2021.

"Our team is truly honored to have been selected to work on this study. We see this as an incredible opportunity for a region that is already so rich in entrepreneurial activity and ag tech innovation," said Olga Pogoda, principal and co-founder, Pittsburgh's KRNLS LLC. "Our goal is to provide unbiased facts, numbers, and solutions that will benefit the local community."

The study will analyze the three locations initially identified for the food innovation center — Crossroads Point in Jerome, the College of Southern Idaho campus in Twin Falls, and downtown Twin Falls — study market conditions, and share results of industry and leader interviews on the potential demand, interest in and support of a center.



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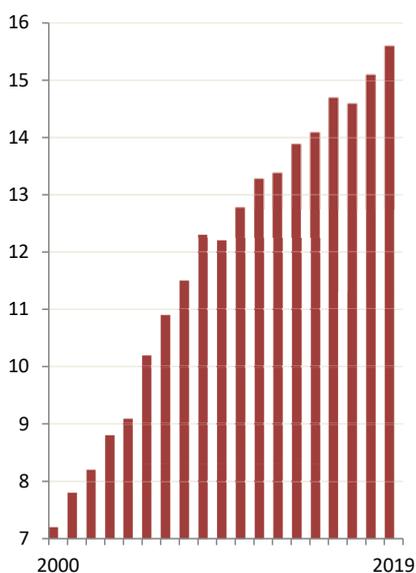
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### Idaho Milk Production

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## Sue Conley & Peggy Smith, Founders Of California's Cowgirl Creamery, Retire

Petaluma, CA—Sue Conley and Peggy Smith, pioneers of organic, artisan cheesemaking movement and founders of award-winning Cowgirl Creamery here, recently announced their retirement.

Conley and Smith both worked as professional chefs before starting Cowgirl Creamery in 1997. They sold the company to Switzerland's Emmi in 2016.

"Creating and building Cowgirl Creamery has been the greatest adventure in our lives," Conley and Smith wrote in statement released last week.

### New Cowgirl Dream Team Chosen

Cowgirl managing director Amanda Parker will now oversee company operations. Parker joined the company in 2018 as deputy managing director before taking over as managing director in 2019.

Parker was recruited for her combination of business training and cheese expertise. Her Certified Cheese Professional's literacy stems from eight years at Murray's Cheese, starting as a cheese monger and ending as vice president of business development.

During her time at Murray's, Parker oversaw the national partnership with Kroger supermarkets, opening over 350 cheese kiosks in stores nationwide.

Along with Parker, a new management team has been selected, many of whom have been with the company for over a decade.

Maureen Cunnie will serve as supply chain director. A 20-year veteran of Cowgirl Creamery, Cunnie began her culinary career as a chef at San Francisco's Greens restaurant before shifting to cheese.

In 2001, Cunnie joined the Creamery as cheese maker and was

eventually promoted to operations director. In her new role, Cunnie will be responsible for overseeing production, operations and logistics, and sustainability initiatives.

Rachel Cohen is the head of human resources and will serve as the company's deputy managing director. Cohen joined Cowgirl in 2004, working in San Francisco at both retail locations before moving into the position of warehouse manager, then buyer for Tomales Bay Foods.

Gabriella Szendi, who has been with the company since 2017, is controller and will oversee finance and accounting.

Certified Cheese Professional Vanessa Chang is the company's marketing director. Chang has previously worked with Bay Area's Laura Chenel, St. Benoit Creamery, and was marketing manager for Creminelli Fine Meats.

Rachel Perez, also a Certified Cheese Professional, has joined Cowgirl as its new sales director.

Perez has worked for cheese retailers, importers, distributors, and manufacturers for 13 years, augmenting cheese programs at Tony's Fine Foods, the French Cheese Club, Canyon Market, and various Whole Foods Markets in the Northeast and London.

Perez currently serves as vice chair of the Judging & Competition Committee for the American Cheese Society (ACS), and helps oversee cheese judging for the Good Food Awards.

When we set out to open Cowgirl Creamery, the main intent was to support surrounding dairies and nurture the Bay Area's vibrant agricultural landscape, Conley and Smith noted.

## Members Appointed To US Ag Trade Advisory Panels

Washington—US Secretary of Agriculture Sonny Perdue and US Trade Representative Robert Lighthizer late last week announced the appointment of 67 members to serve on seven agricultural trade advisory committees.

The Agricultural Policy Advisory Committee (APAC) is comprised of senior representatives from across the US agricultural community who provide advice to the USDA and the Office of the US Trade Representative (USTR) on trade policy matters, including the operation of existing trade agreements and the negotiation of new agreements.

Among those appointed to the APAC are: Michael Dykes, IDFA; Jim Mulhern, NMPF; and Dr. Barbara Glenn, National Association of State Departments of Agriculture.

Members of the ATAC for Trade in Animals and Animal Products include, among others: John Newton, American Farm Bureau Federation; Patti Smith, DairyAmerica; Cassandra Kuball, Edge Dairy Farmer Cooperative; and Colleen Coyne, Food Export USA-Northeast.

Members of the ATAC for Trade in Processed Foods include, among others: Brooke Markley, Leprino Foods Company; Becky Rasdall, International Dairy Foods Association; Abigail Blunt, Kraft Heinz Company; Jason Grove, Abbott; Matthew Foley, American Frozen Food Institute; Elizabeth Johnson, SNAC International; and Andrew Anderson, Western US Agricultural Trade Association.

This group of advisors will serve until 2025. More information is available at [www.fas.usda.gov/atacs](http://www.fas.usda.gov/atacs). Nominations for APAC and ATAC membership are open to individuals representing US entities with an interest in agricultural trade.

## Wisconsin Dairy Products Association To Offer Two \$2,000 Scholarships

Middleton, WI—The Wisconsin Dairy Products Association (WDPA) now accepting applications for its Robert L. Bradley Scholarship and the Wisconsin Dairy Products Association Scholarship, worth \$2,000 each.

The scholarships are awarded to two deserving college students

pursuing careers in the dairy industry.

Funding comes from proceeds of the World Dairy Expo Championship Dairy Product Contest.

The scholarships are available to any student attending a University of Wisconsin system school. Graduating high school seniors and college freshman, sophomores, juniors, and seniors are eligible for these scholarships. No grad students are eligible.

Students must be attending a UW school or planning to attend; should be enrolled in a food science, dairy science, or a dairy industry related program; and must be in good academic standing.

Past scholarship winners are not eligible for this year's awards.

Each submission should include the application, two letters of recommendation, high school or college transcript, and a 400-word essay on a current field of study and how it relates to future goals.

Winners will be announced on April 30. Recipients will be invited to the World Dairy Expo Championship Dairy Product Contest auction on Sept. 28.

Applications can be sent to: WDPA, 8383 Greenway Blvd., Middleton, WI 53562 or [info@wdpa.net](mailto:info@wdpa.net) before March 30.

For more information or to access application forms online, visit [www.wdpa.net](http://www.wdpa.net).

## Application Deadline For WOW Logistics Dairy Scholarship Is March 28

Neenah, WI—WOW Logistics is accepting applications for its \$1,000 Dairy Science Scholarship through Mar. 28, 2021.

The winning applicant will be announced on Apr. 2.

Created in 2010, the WOW Logistics Dairy Science Scholarship is awarded annually as a means to encourage and promote careers in the dairy manufacturing industry.

Eligible applicants must be currently enrolled at the UW-Madison and studying a program with a dairy emphasis such as dairy science, food science or biological systems engineering, preferably with a dairy manufacturing emphasis. They also must be a sophomore, junior or senior and in good academic standing.

Applications are available online at [www.wowlogistics.com/about-us/dairy-science-scholarship](http://www.wowlogistics.com/about-us/dairy-science-scholarship).

Contact Amanda Lindberg, vice president of marketing communications for WOW, at (800) 236-3565 or via email: [amandali@wowlogistics.com](mailto:amandali@wowlogistics.com) with questions.



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## Methods For Producing Milk Proteins In Transgenic Plants Awarded Patent

Washington—The US Patent and Trademark Office (USPTO) this week awarded a patent for producing recombinant milk proteins in transgenic plants, as well as food compositions comprising the same.

Inventors are Viviane Lanquar and Magi El-Richani. The patent was assigned to Alpine Roads, Inc., South San Francisco, CA.

In some embodiments of the invention, a milk protein is stably expressed in a transgenic plant by fusing it to a stable protein, such as a stable mammalian, avian, plant or fungal protein.

In some embodiments, the patent disclosure provides a stably transformed plant comprising in its genome: a recombinant DNA construct encoding a fusion protein, the fusion protein comprising: an unstructured milk protein, and a structured animal protein, wherein the fusion protein is stably expressed in the plant in an amount of 1 percent or higher per total protein extractable.

As used in the patent, “structured” refers to those proteins having a well-defined secondary and tertiary structure, and “unstructured” refers to proteins that do not have well-defined secondary and/or tertiary structures. An unstructured protein may also be described as lacking a fixed or ordered three-dimensional structure.

The term “plant,” as used in the patent description, includes reference to whole plants, plant organs, plant tissues, and plant cells and progeny of same, but is not limited to angiosperms and gymnosperms. Thus, a plant may be a monocot, a dicot, a vascular plant reproduced from spores such as fern or a non-vascular plant such as moss, liverwort, hornwort and algae.

The term “transgenic plant” means a plant that has been transformed with one or more exogenous acids. “Transformation” refers to a process by which a nucleic acid is stably integrated into the genome of a plant cell.

As used in the patent, the term “recombinant” refers to nucleic acids or proteins formed by laboratory methods of genetic recombination (e.g., molecular cloning) to bring together genetic material from multiple sources, creating sequences that would not otherwise be found in the genome. A recombinant fusion protein created by combining sequences encoding two or more constituent proteins, such that they are expressed as a single polypeptide.

The fusion proteins described in the patent may comprise one or more unstructured milk proteins. An “unstructured milk protein” is a milk protein that lacks a defined secondary structure, a defined tertiary structure, or a defined sec-

ondary and tertiary structure. In some embodiments, a milk protein is considered to be unstructured if it is unable to be crystallized using standard techniques.

Illustrative unstructured milk proteins that may be used in the fusion proteins of the patent disclosure include members of the casein family of proteins, such as .alpha.-S1 casein, .alpha.-S2 casein, .beta.-casein, and .kappa.-casein.

The fusion proteins and transgenic plants described in the patent may be used to prepare food compositions. The fusion protein may be used directly to prepare the food composition (i.e., in the form of a fusion protein), or the fusion

protein may first be separated into its constituent proteins.

For example, in some embodiments, a food composition may comprise either a fusion protein, an unstructured milk protein, a structured mammalian, avian, or plant protein, or an unstructured milk protein and a structured mammalian, avian, or plant protein.

In some embodiments, the fusion proteins and transgenic plants described in the patent may be used to prepare a food composition selected from cheese and processed cheese products, fermented dairy products, directly acidified counterparts of fermented dairy products, cottage cheese dressing, frozen dairy products, frozen desserts, dairy-based dry mixes, creams and creamers, analog dairy products, milk, dairy beverages, acid

dairy drinks, butter, butter alternatives, low-lactose products and beverages, growing-up milks, medical and clinical nutrition products.

In some embodiments, the fusion proteins and transgenic plants described in the patent may be used to prepare a dairy product. In some embodiments, the dairy product is a fermented dairy product, such as yogurt, cultured buttermilk, sour cream or kefir.

Also, a method for making a food composition comprises, expressing a recombinant fusion protein of the patent disclosure in a plant, extracting the recombinant fusion protein from the plant, optionally separating the milk protein from the structured mammalian or plant protein, and creating a food composition using the fusion protein and/or the milk protein.

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# CHEESE EXPO GLOBAL ONLINE

April 6-8, 2021



### KEYNOTE KICKOFFS

#### Cheese Industry CEO Roundtable

The RELCO® Opening Keynote

#### WCMA Recognition Awards

Hosted by DSM Food Specialties USA

#### Moving On — Trends that will Change the Way You Dairy

The Amcor Flexibles North America Keynote

### EXHIBITS & CONNECTIONS

Easy-to-access, easy-to-connect virtual booths including exclusive showcases from exhibitors.

Easy-to-use connections to chat or meet by video with fellow attendees.

### SPOTLIGHT NETWORKING

#### Welcome Reception

A Tetra Pak Spotlight Event

#### Auction of Champion Cheeses

Hosted by Chr. Hansen Inc.

#### Awards Banquet Highlights

### EXHIBITS ARE FREE FOR DAIRY PROCESSORS!

### WORLD CLASS SEMINARS

- Optimizing Cheese Yield, Mass Balance and Mastering CDR's Cheese Yield Software
- Negative PPDs and Positive Change for Federal Milk Marketing Orders
- Data Debut: Cheese Usage in Foodservice Channels 2020.
- Crisis Preparedness and Crisis Management: National FARM Program Solutions
- Practical Applications of Process Data in Dairy Plants
- Export Market Outlook in a Recovering Global Economy
- Artisan Focus: Surface Microflora in Cave-Aged Cheeses & CDR's New Affinage Capabilities
- Dairy 2050 Environmental Goals and the Net Zero Initiative for Carbon Emissions
- Microbes that Negatively Impact Cheese Quality and Advances in their Identification
- Peer Learning: Strategies to Recruit and Motivate Your Workforce
- Succeeding with Online Dairy Product Sales
- Whey and Powders Best Practices to Minimize Contamination

Hosted by



CheeseExpoGO.org

# COMING EVENTS

[www.cheesereporter.com/events.htm](http://www.cheesereporter.com/events.htm)

## CheeseExpo Global Online Sets Keynote Lineup; Early Registration Ends February 1

**Madison**—Cheese and dairy leaders from across the industry have committed to speak at CheeseExpo Global Online April 6-8, 2021.

Hosted by the Wisconsin Cheese Makers Association (WCMA), the three-day virtual event will feature top executives and marketing experts sharing the latest information on consumer trends, industry challenges and new opportunities.

Each day kicks off with an important keynote address.

“Attendees will gain crucial insights, hearing directly from industry leaders, learning the latest consumer and market channel

data, and enjoying the WCMA Industry Recognition Awards,” WCMA executive director John Umhoefer said.

CheeseExpo Global Online follows the daily keynote with educational seminars, Ideas Showcase talks, exhibits and “spotlight” closing events each day.

Keynote presentations will take place at noon (CST) each day. Tuesday’s opening keynote will feature a panel discussion entitled “Cheese Industry CEOs Look to the Future.”

Panelists include David Ahlem, CEO and president of Hilmar Cheese Company; Emile Cordeau, CEO of Agropur; and Carl Colizza, president and CEO of Saputo Dairy USA. Phil Plourd, president of Blimling & Associates will moderate the panel, and the discussion will be hosted by RELCO, a Koch Separation Solutions Company.

Panelists will reflect on 2020, focusing on strategies and strengths designed to guide dairy into the future after the largest global disruption in generations.

Wednesday begins with the DSM Food Specialties USA Keynote Event: WCMA Recognition Awards. Industry leaders earning appreciation and recognition in 2020 and 2021 will be lauded with special awards, including the Cheese Industry Champions, Distinguished Service Award, Vanguard Award and Babcock Award. The video award presentation will be hosted by DSM Food Specialties USA.

Thursday’s Amcor Flexibles North America Keynote Address, “Moving On – Trends that will Change the Way You Do Dairy,” will be delivered by Paul Ziemnisky, executive vice president of global innovation partnerships with Dairy Management Inc. (DMI) and Laurie Demerit, CEO of The Hartman Group.

Amcor Flexibles North America will host this final keynote event of CheeseExpo Global Online.

Ziemnisky and Demerit will look at the consumer and sales channel environment in a marketplace emerging from COVID-19, organizers stated.

We’re also looking for sponsors to help lowering ticket prices, Mundy continued.

The Vermont Cheese Council is likewise looking to set a date for its annual conference, and has issued a request for educational topics, organizers stated.

Possible sessions would help addressing a cheese or quality issue; marketing or sales training; soil science; and how to maintain physical well-being while working as a cheese maker.

For questions or suggestions, contact Marty Mundy via email: [marty@vtcheese.com](mailto:marty@vtcheese.com).

Event organizers are also striving to offer an accessible ticket price, recognizing that many cheese makers had a tough 2020 and continue to face uncertainty.

“We’ll do our best on that front,” said VCC executive director Marty Mundy.

## Vermont Cheese Council Launches Winter Artisan Cheesemakers Forum

**Waitsfield, VT**—The Vermont Cheese Council (VCC) has created a new Winter Artisan Cheesemakers Conference set for Friday, Feb. 26 online.

The all-day, virtual event is still in the planning stages, and VCC is slated to release the agenda and speaker lineup soon.

Event organizers are also striving to offer an accessible ticket price, recognizing that many cheese makers had a tough 2020 and continue to face uncertainty.

“We’ll do our best on that front,” said VCC executive director Marty Mundy.

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### PLANNING GUIDE

**Jan. 19-22, 2021: New Date & Format** - Specialty Food Live! Virtual Show. More information available online at [www.specialtyfood.com](http://www.specialtyfood.com).

**Jan. 25-28, 2021: New Virtual Format** - Dairy Forum, Virtual For details, visit [www.idfa.org](http://www.idfa.org).

**Feb. 1-5: New Date:** PLMA Private Label Week Virtual Meeting. For more details and registration information, visit [www.plma.com](http://www.plma.com).

**April 6-8: New Virtual Format** - CheeseExpo Global Online. Registration starts Dec. 1, 2020 at [www.cheeseexpo.org](http://www.cheeseexpo.org).

**June 6-8: IDDBA 2021**, George R. Brown Convention Center, Houston, TX. For registration and show information, visit [www.iddba.org](http://www.iddba.org).

**July 18-21: IAFP Food Safety Conference**, Phoenix Convention Center, Phoenix, AZ. Details soon available online at [www.foodprotection.org](http://www.foodprotection.org).

**July 29-31: 38th Annual American Cheese Society Conference & Competition**, Des Moines, IA. Visit [www.cheesesociety.org](http://www.cheesesociety.org).

**Aug. 12-13: Idaho Milk Processors Association Annual Meeting**, Sun Valley, ID. Visit [www.impa.us](http://www.impa.us).

**Aug. 15-17: New Date** - ADPI/ABI Joint Annual Conference, Hyatt Regency Downtown, Chicago, IL. Visit [www.adpi.org](http://www.adpi.org).

**Sept. 10-14: Tentative New Date** - National Conference on Interstate Milk Shipments, Indianapolis, IN. More information is available online at [www.ncims.org](http://www.ncims.org).

**Oct. 25-28: ADPI Dairy Technology Week**, Peppermill Resort & Casino, Reno, NV. For details, visit [www.adpi.org](http://www.adpi.org).

## New Dates For CDR Online Cheese Course

**Madison**—The Center for Dairy Research (CDR) here announced new dates for its Cheesemaking 101 online course.

Available online, the workshops will cover basic cheese manufacturing science, principles of moisture and pH, mathematical calculations commonly used by cheese makers, and common government regulations. The new dates include:

■ **Feb. 9:** on-demand, registration deadline Jan. 29

■ **Feb. 16-17:** live, registration deadline Feb. 8

■ **March 2:** on-demand, registration deadline Feb. 19

■ **March 30:** on-demand, registration deadline March 19

For the agenda and to sign up online, visit [www.cdr.wisc.edu/short-courses](http://www.cdr.wisc.edu/short-courses).



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## 1. Equipment for Sale

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**RE-USEABLE PLASTIC CHEESE BOX:** For 40lb cheese block storage. New, never used. Contact Caleb Schneider at 608-739-3134 or [cschneider@meistercheese.com](mailto:cschneider@meistercheese.com).

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

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

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

**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](mailto:drlambert@dialez.net) for more information.

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

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

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

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## 6. Interleave Paper, Wrapping

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## 7. Co-Packing, Manufacturing

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

## 8. Cheese & Dairy Products

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

## 10. Promotion & Placement

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

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## 12. Real Estate

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

## 13. Warehousing

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## 14. Consultants

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Class I Base Price (3.5%)	\$15.54 (cwt)
Base Skim Milk Price for Class I	\$10.37 (cwt)
Advanced Class III Skim Milk Pricing Factor	\$10.68 (cwt)
Advanced Class IV Skim Milk Pricing Factor	\$8.57 (cwt)
Advanced Butterfat Pricing Factor	\$1.5804 (lb.)
Class II Skim Milk Price	\$9.27 (cwt)
Class II Nonfat Solids Price	\$1.0300 (lb.)

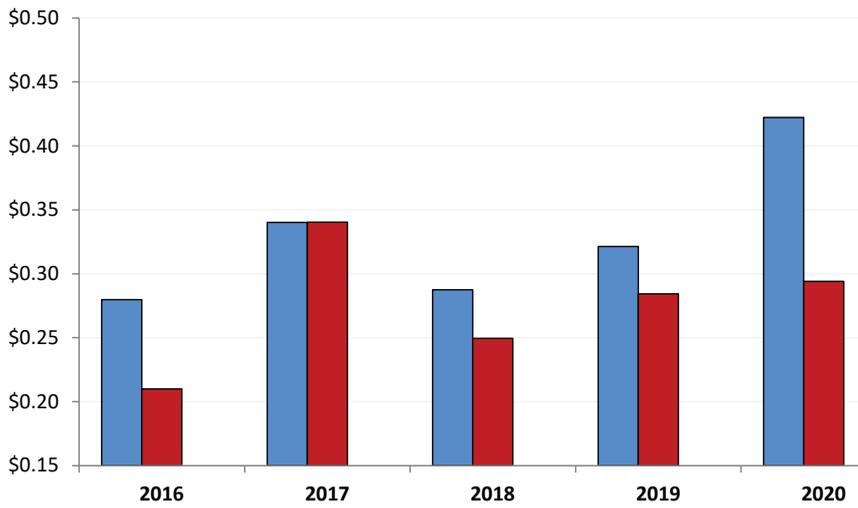
**Two-week Product Price Averages:**

Butter	\$1.4765 lb.
Nonfat Dry Milk	\$1.1295 lb.
Cheese	\$1.6342 lb.
Cheese, US 40-pound blocks	\$1.6839 lb.
Cheese, US 500-pound barrels	\$1.5550 lb.
Dry Whey	\$0.4487 lb.

### HISTORICAL MILK PRICES - CLASS I

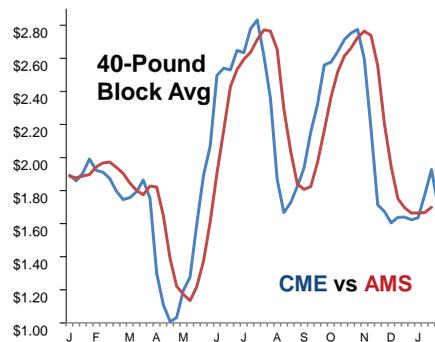
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
'18	15.44	14.25	13.36	14.10	14.44	15.25	15.36	14.15	14.85	16.33	15.52	15.05
'19	15.12	15.30	15.98	15.76	16.42	17.07	17.18	17.89	17.85	17.84	18.14	19.33
'20	19.01	17.55	17.46	16.64	12.95	11.42	16.56	19.78	18.44	15.20	18.04	19.87
'21	15.14	15.54										

### Yearly Lactose (Mostly); Animal Feed Whey Averages 2016- 2020



### DAIRY PRODUCT SALES

January 20 2021—AMS' National Dairy Products Sales Report. Prices included are provided each week by manufacturers. Prices collected are for the (wholesale) point of sale for natural, unaged Cheddar; boxes of butter meeting USDA standards; Extra Grade edible dry whey; and Extra Grade and USPH Grade A nonfortified NFDM.



Week Ending	Jan 16	Jan. 9	Jan. 2	Dec. 26
<b>40-Pound Block Cheddar Cheese Prices and Sales</b>				
<b>Weighted Price</b>	<b>Dollars/Pound</b>			
US	1.6992	1.6677•	1.6639	1.6639
<b>Sales Volume</b>	<b>Pounds</b>			
US	14,704,578	13,827,541•	11,019,418	10,270,992
<b>500-Pound Barrel Cheddar Cheese Prices, Sales &amp; Moisture Content</b>				
<b>Weighted Price</b>	<b>Dollars/Pound</b>			
US	1.6627	1.6023	1.5885	1.5525
<b>Adjusted to 38% Moisture</b>				
US	1.5818	1.5260	1.5107	1.4773
<b>Sales Volume</b>	<b>Pounds</b>			
US	14,938,757	13,832,157	13,225,823	9,933,441
<b>Weighted Moisture Content</b>	<b>Percent</b>			
US	34.83	34.90	34.81	34.84
<b>AA Butter</b>				
<b>Weighted Price</b>	<b>Dollars/Pound</b>			
US	1.4638	1.4905	1.5281	1.4840
<b>Sales Volume</b>	<b>Pounds</b>			
US	3,734,877	3,401,593	2,482,890	2,810,794
<b>Extra Grade Dry Whey Prices</b>				
<b>Weighted Price</b>	<b>Dollars/Pounds</b>			
US	0.4571	0.4402•	0.4385	0.4203
<b>Sales Volume</b>	<b>Pounds</b>			
US	5,148,109	5,807,078	3,506,579	3,318,209
<b>Extra Grade or USPHS Grade A Nonfat Dry Milk</b>				
<b>Average Price</b>	<b>Dollars/Pound</b>			
US	1.1334	1.1239•	1.1091	1.1089
<b>Sales Volume</b>	<b>Pounds</b>			
US	21,296,933	14,952,237•	12,719,114	13,906,901

### DAIRY FUTURES PRICES

SETTLING PRICE

\*Cash Settled

Date	Month	Class III	Class IV	Dry Whey	NDM	Block Cheese	Cheese*	Butter*
1-15	Jan 21	16.23	13.75	45.700	114.300	1.750	1.6720	144.000
1-18	Jan 21	—	—	—	—	—	—	—
1-19	Jan 21	16.22	13.77	45.700	114.250	1.750	1.6710	144.025
1-20	Jan 21	16.18	13.80	45.700	114.250	1.750	1.6690	144.500
1-21	Jan 21	16.15	13.80	45.700	114.125	1.750	1.6640	146.000
1-15	Feb 21	19.23	14.36	49.300	119.750	2.030	1.9560	147.000
1-18	Feb 21	—	—	—	—	—	—	—
1-19	Feb 21	18.48	14.49	49.400	121.000	1.965	1.8810	147.500
1-20	Feb 21	17.13	14.49	49.400	119.800	1.847	1.7400	147.450
1-21	Feb 21	16.46	14.20	49.400	118.500	1.770	1.6710	145.800
1-15	Mar 21	19.04	15.12	50.000	122.350	1.972	1.9280	160.000
1-18	Mar 21	—	—	—	—	—	—	—
1-19	Mar 21	18.61	15.27	50.500	123.750	1.962	1.8800	159.000
1-20	Mar 21	17.78	15.17	50.500	121.000	1.860	1.7950	159.000
1-21	Mar 21	17.33	14.73	50.500	119.250	1.820	1.7550	156.000
1-15	Apr 21	18.55	15.76	49.600	124.125	1.930	1.8690	170.000
1-18	Apr 21	—	—	—	—	—	—	—
1-19	Apr 21	18.22	15.84	50.000	125.750	1.919	1.8390	169.500
1-20	Apr 21	17.60	15.76	50.000	123.050	1.850	1.7750	168.975
1-21	Apr 21	17.41	15.32	50.000	120.750	1.831	1.7590	165.500
1-15	May 21	18.04	16.06	48.700	125.500	1.880	1.8120	173.000
1-18	May 21	—	—	—	—	—	—	—
1-19	May 21	17.75	16.01	49.750	126.650	1.866	1.7870	172.000
1-20	May 21	17.46	16.00	49.750	124.475	1.820	1.7650	174.000
1-21	May 21	17.41	15.65	49.500	122.875	1.815	1.7560	170.000
1-15	June 21	17.76	16.11	48.800	126.325	1.868	1.7850	175.975
1-18	June 21	—	—	—	—	—	—	—
1-19	June 21	17.66	16.26	48.800	128.100	1.860	1.7850	176.000
1-20	June 21	17.44	16.26	48.800	126.000	1.820	1.7680	178.475
1-21	June 21	17.49	15.96	49.725	124.000	1.820	1.7670	174.750
1-15	July 21	17.71	16.50	49.175	128.000	1.833	1.7800	179.000
1-18	July 21	—	—	—	—	—	—	—
1-19	July 21	17.67	16.52	49.175	129.175	1.833	1.7890	179.250
1-20	July 21	17.55	16.52	49.175	127.625	1.833	1.7810	181.975
1-21	July 21	17.56	16.20	49.275	125.700	1.833	1.7770	177.500
1-15	Aug 21	17.75	16.59	49.000	129.250	1.828	1.7970	180.000
1-18	Aug 21	—	—	—	—	—	—	—
1-19	Aug 21	17.65	16.63	49.000	131.000	1.828	1.7860	179.000
1-20	Aug 21	17.59	16.65	49.000	129.525	1.828	1.7860	182.000
1-21	Aug 21	17.63	16.33	48.250	127.600	1.828	1.7890	179.500
1-15	Sept 21	17.66	16.61	48.475	130.250	1.829	1.7910	182.000
1-18	Sept 21	—	—	—	—	—	—	—
1-19	Sept 21	17.65	16.76	48.475	131.850	1.829	1.7900	180.250
1-20	Sept 21	17.60	16.79	48.475	131.000	1.829	1.7850	183.625
1-21	Sept 21	17.61	16.61	48.700	128.675	1.829	1.7870	182.150
1-15	Oct 21	17.50	16.64	48.750	131.125	1.835	1.7900	183.000
1-18	Oct 21	—	—	—	—	—	—	—
1-19	Oct 21	17.63	16.92	48.725	132.775	1.835	1.7900	183.625
1-20	Oct 21	17.65	16.90	48.725	131.750	1.835	1.7870	184.500
1-21	Oct 21	17.66	16.48	46.650	129.250	1.835	1.7890	180.500
1-15	Nov 21	17.30	16.73	48.625	131.225	1.817	1.7840	182.500
1-18	Nov 21	—	—	—	—	—	—	—
1-19	Nov 21	17.43	16.92	48.250	133.025	1.817	1.7800	184.500
1-20	Nov 21	17.50	16.50	48.250	132.000	1.817	1.7700	185.500
1-21	Nov 21	17.50	16.55	48.250	130.000	1.817	1.7730	179.000
<b>Interest - Jan. 21</b>		<b>21,876</b>	<b>2,583</b>	<b>3,534</b>	<b>6,111</b>	<b>779</b>	<b>22,976</b>	<b>8,851</b>

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# DAIRY PRODUCT MARKETS

AS REPORTED BY THE US DEPARTMENT OF AGRICULTURE

## WHOLESALE CHEESE MARKETS

**NATIONAL - JAN. 15:** Cheese production rates are busy early in the year. There is a lot of milk to contend with, as midwestern spot milk prices range from \$8.50 to \$2 under Class. Last year, during week two, spot prices ranged from \$3.50 to \$1 under Class. Some western cheese manufacturers are cautious about production schedules, even with increases in demand and the announcement of continued food box programs. Foodservice sales remain subdued when compared to previous years. Cheese market prices have softened somewhat. Still, there are some positive expectations once governmental awards are allotted.

**NORTHEAST - JAN. 20:** Milk is widely available in the Northeast for Class III operations. Cheese makers' intakes are near or at capacity. Mozzarella and Provolone production is strong in the region. Manufacturers' inventory levels are steadily increasing. There are reports that cheese orders are picking up. Retail cheese sales are moderate. Several retailers are receiving a steady amount of supplies each week. The foodservice sector continues to bear a softer tone. Numerous restaurants continue to work through shifting operating options. Cheese spot prices are currently mixed.

**Wholesale prices, delivered, dollars per/lb:**

Cheddar 40-lb blocks: \$2.3650 - \$2.6525 Process 5-lb sliced: \$1.7050 - \$2.1850  
Muenster: \$2.3525 - \$2.7025 Swiss Cuts 10-14 lbs: \$3.8725 - \$4.1950

**MIDWEST AREA - JAN. 20:** Midwestern cheese makers relayed readily available milk supplies again this week. Reported spot milk prices have already met last week's lows of \$8.50 under Class, but the high end of the range (\$2 under) has not been passed along. Curd producers say restaurant orders moved higher, which they say is not something they have seen in months. Cheddar producers are hopeful the government awards will assist in putting a dent in their growing inventories. That said, current inventories are not overtly concerning, but producers relay that could change day to day. Cheese market tones are coming to earth after the initial runup from two weeks ago.

**Wholesale prices delivered, dollars per/lb:**

Brick 5# Loaf: \$2.2800 - \$2.7050 Cheddar 40# Block: \$2.0025 - \$2.4025  
Monterey Jack 10#: \$2.2550 - \$2.4600 Mozzarella 5-6#: \$2.0800 - \$3.0250  
Muenster 5#: \$2.2800 - \$2.7050 Process 5# Loaf: \$1.6900 - \$2.0500  
Grade A Swiss 6-9#: \$3.3875 - \$3.5050 Blue 5# Loaf: \$2.5475 - \$3.6175

**WEST - JAN. 20:** Copious amounts of milk are resulting in heavy cheese production. Western cheese makers are actively producing cheese, but an unsettled feeling persists within the market. This uncertainty seemed to play out in some cash markets. The announcement of more government food box program purchases created an initial push upwards on cheese prices, but now, the momentum has seemed to wane. Forecasting market direction has been difficult and neither buyers, nor sellers, want to overextend themselves. Cheese inventories are abundant and able to meet most needs. However, industry contacts confirm that foodservice and institutional demand has remained weak. Retail demand, while better than last year, is not able to offset the reduction in cheese sales into other channels. Until sit-down dining returns, contacts expect the cheese market may be challenging.

**Wholesale prices delivered, dollars per/lb:** Cheddar 10# Cuts: \$2.2400 - \$2.4400  
Cheddar 40# Block: \$1.9925 - \$2.4825 Monterey Jack 10#: \$2.2275 - \$2.5025  
Process 5# Loaf: \$1.7075 - \$1.9625 Swiss 6-9# Cuts: \$3.6800 - \$4.1100

**FOREIGN -TYPE CHEESE - JAN. 20:** Western European cheese makers are pleased with increased cheese production during 2020, and better yet, increases in cheese exports. The US is a top importer of EU cheese. In fact, sustaining the export demand has kept aging stocks atypically low. While there has been added cheese production capacity in recent years, some cheese plants have not contracted enough January milk production to operate at capacity.

Selling prices, delivered, dollars per/lb:	Imported	Domestic
Blue:	\$2.6400 - 5.2300	\$2.2400 - 3.7275
Gorgonzola:	\$3.6900 - 5.7400	\$2.7475 - 3.4650
Parmesan (Italy):	0	\$3.6275 - 5.7175
Romano (Cows Milk):	0	\$3.4300 - 5.5850
Sardo Romano (Argentine):	\$2.8500 - 4.7800	0
Reggianito (Argentine):	\$3.2900 - 4.7800	0
Jarlsberg (Brand):	\$2.9500 - 6.4500	0
Swiss Cuts Switzerland:	0	\$3.9075 - 4.2325
Swiss Cuts Finnish:	\$2.6700 - 2.9300	0

## WHOLESALE BUTTER MARKETS - JANUARY 20

**WEST:** Butter production is generally heavy as runs include salted and unsalted butter. Domestic butter interest typically declines after the holidays and plants consequently experience increases in inventory, which is no exception for butter manufacturers in the region this year. Cream that is available for churning is highly sufficient, although a drop is noted in the region's surplus cream, as Class II cream-based operations shift to post-holiday production gear. Bulk butter production is active and continues to build cold storage volumes. Retail sales are fair and expected to increase as some retail outlets are already discussing orders for the upcoming holiday. Featured activity for butter is higher this week in parts of the region. Export market trading is good.

**CENTRAL:** Churning is busy, as cream remains readily available from the midwestern and western regions. Cream multiples within the Central region have come up week to week, but they remain accessible for the

churn. Contacts say butter inventories are growing. Demand notes are following the recent trend. Retail remains steady, as holiday pipelines have been refilled. That said, foodservice demand notes have seen better days. Some butter producer contacts expect the food box programs to assist markets, following an \$.1150 bump on Tuesday. However, they have concerns about inventories, which are growing alongside milk/butterfat yields.

**NORTHEAST:** Butter production is keeping pace with recent heavy churning at eastern balancing plants. Output is fulfilling butter sales and being consolidated for storage programs. Available cream supports seven-day run schedules. Most facilities are sufficiently stocked as inventory levels build. Demand for wholesale bulk butter is moderate. Buyers generally order as needed. Print production is steady to light. Retail sales are being impacted by the seasonal dip in demand. Some manufacturers are working on completing international orders.

## NATIONAL - CONVENTIONAL DAIRY PRODUCTS

The total number of conventional dairy product ads increased 18 percent, but the total number of organic dairy product ads decreased 6 percent. Total conventional cheese ads increased 10 percent this week. There were no organic ads for cheese. Conventional shredded cheese in 8-ounce packages is the most advertised dairy product this week, with a 10 percent increase in ad numbers from one week ago.

Conventional ads for 1-pound print butter increased by 49 percent. The average price for conventional 1-pound butter packages is \$2.93, compared to \$5.83 for organic 1-pound butter packages, yielding a \$2.90 organic premium. For ice cream in 48- to 64-ounces containers, the average price is \$3.31 for conventional and \$5.99 for organic, representing an organic premium of \$2.68.

The national average advertised price for conventional milk in half-gallons is \$2.63, compared to \$3.65 for organic milk half-gallons, resulting in an organic premium of \$1.02. The total number of ads for yogurt increased by 20 percent for conventional and 145 percent for organic.

## RETAIL PRICES - CONVENTIONAL DAIRY - JANUARY 22

Commodity	US	NE	SE	MID	SC	SW	NW
Butter 1#	2.93	2.94	2.53	2.71	2.79	2.43	3.95
Cheese 8 oz block	2.44	2.44	2.54	2.04	2.35	NA	2.48
Cheese 1# block	4.25	4.17	4.98	NA	NA	NA	NA
Cheese 2# block	7.16	6.99	6.98	7.88	NA	6.99	7.22
Cheese 8 oz shred	2.45	2.38	2.64	1.98	2.22	2.57	2.26
Cheese 1# shred	3.37	3.14	4.98	NA	NA	NA	NA
Cottage Cheese	2.26	2.51	2.25	NA	1.99	1.49	NA
Cream Cheese	1.84	1.51	1.83	1.84	2.05	NA	2.26
Flavored Milk 1/2 gallon	3.61	2.69	NA	NA	3.98	NA	3.49
Flavored Milk gallon	4.79	NA	NA	NA	4.79	NA	NA
Ice Cream 48-64 oz	3.31	3.02	3.44	2.89	3.58	3.12	4.18
Milk 1/2 gallon	2.63	2.99	NA	1.99	NA	2.49	NA
Milk gallon	3.14	3.34	NA	NA	2.99	2.89	NA
Sour Cream 16 oz	1.86	1.85	1.99	NA	2.04	1.63	1.99
Yogurt (Greek) 4-6 oz	.99	1.00	1.01	.92	.96	1.00	.97
Yogurt (Greek) 32 oz	4.30	4.41	4.27	4.99	3.29	3.49	3.77
Yogurt 4-6 oz	.53	.60	.49	.50	.42	.49	.48
Yogurt 32 oz	2.62	3.29	2.50	NA	2.68	1.99	1.85

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

## ORGANIC DAIRY - RETAIL OVERVIEW

National Weighted Retail Avg Price:	Yogurt 32 oz:	\$3.50
Butter 1 lb:	Greek Yogurt 32 oz:	\$3.50
Cheese 8 oz shred:	Milk UHT 8 oz:	NA
Cheese 8 oz block:	Milk 1/2 gallon:	\$3.65
Cream Cheese 8 oz:	Milk gallon:	\$5.49
Cottage Cheese 16 oz:	Sour Cream 16 oz:	\$2.19
Yogurt 4-6 oz:	Ice Cream 48-64 oz:	\$5.99

## NDM PRODUCTS - JANUARY 21

**NDM - CENTRAL:** Low/medium heat NDM prices shifted higher in every facet this week. Interestingly, contacts have regularly reported plentiful condensed skim availability. NDM production is busy, but fewer spot loads are being offered out as producers relay export interests have not wavered in recent weeks. High heat prices shifted higher on light spot activity. Regional end users relay they are passively searching for loads, but current price points have some on the sidelines. The NDM market tone is currently bullish.

**NDM - WEST:** Low/medium heat NDM prices shifted mostly higher on the range and mostly price series this week. The top of the price range is steady this week. Buyers and traders are purchasing spots within a firmer price range. Domestic demands are healthy at this time. Export demands are reportedly stable. Milk supplies are readily available for processing needs. Low/medium heat NDM production is active. Some inventory levels are stabilizing. High heat NDM prices are higher on the bottom of the price range. Some buyers are purchasing spot loads for their immediate demands. Trades are occurring

ring on a narrower price range. Offers on the spot market are limited. Operations' drying times are mostly scheduled for low/medium heat NDM.

**NDM - EAST:** Production is steady at the region's balancing plants. Inventories are adequate for buyer/seller commitments, while balanced to short of spot buyers' needs. NDM demand remains active across some export accounts. The low/medium heat NDM market tone is unsettled, with an uptick in current prices. High heat NDM prices are stronger too. Both ends of the range grew, as a few buyers were able to secure f.o.b. spot loads. Manufacturers report limited drying.

**LACTOSE:** Prices for lactose are unchanged this week and production is steady. Inventories are stable and generally well-balanced. A few manufacturers say they have stocks they would like to move out, but others relay their supplies are committed for the next few months. End users suggest they are not having any trouble getting the lactose needed. Manufacturers report demand has picked up the last few weeks.

## WEEKLY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT

DATE	BUTTER	CHEESE
01/18/21	54,315	86,471
01/01/21	45,415	77,986
Change	8,900	8,485
Percent Change	20	11

## CME CASH PRICES - JANUARY 18 - 22, 2021

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	500-LB CHEDDAR	40-LB CHEDDAR	AA BUTTER	GRADE A NFDM	DRY WHEY
<b>MONDAY</b> January 18	NO TRADING	NO TRADING	NO TRADING	NO TRADING	NO TRADING
<b>TUESDAY</b> January 19	\$1.5600 (-1¼)	\$1.8000 (-3)	\$1.4050 (+11½)	\$1.2150 (+1½)	\$0.5350 (+½)
<b>WEDNESDAY</b> January 20	\$1.4400 (-12)	\$1.7300 (-7)	\$1.4550 (+5)	\$1.2000 (-1½)	\$0.5350 (NC)
<b>THURSDAY</b> January 21	\$1.3900 (-5)	\$1.6525 (-7¼)	\$1.4025 (-5¼)	\$1.1825 (-1¾)	\$0.5400 (+½)
<b>FRIDAY</b> January 22	\$1.3925 (+¼)	\$1.6100 (-4¼)	\$1.4025 (NC)	\$1.1725 (-1)	\$0.5400 (NC)
<b>Week's AVG \$ Change</b>	<b>\$1.4456</b> <b>(-0.1604)</b>	<b>\$1.6981</b> <b>(-0.2139)</b>	<b>\$1.4163</b> <b>(+0.1168)</b>	<b>\$1.1925</b> <b>(+0.0010)</b>	<b>\$0.5375</b> <b>(+0.0275)</b>
<b>Last Week's AVG</b>	<b>\$1.6060</b>	<b>\$1.9120</b>	<b>\$1.2995</b>	<b>\$1.1915</b>	<b>\$0.5100</b>
<b>2020 AVG Same Week</b>	<b>\$1.6156</b>	<b>\$1.9913</b>	<b>\$1.8681</b>	<b>\$1.2925</b>	<b>\$0.3613</b>

## MARKET OPINION - CHEESE REPORTER

**Cheese Comment:** Four cars of blocks were sold Tuesday, all at \$1.8000, which set the price. No blocks were sold Wednesday; the price dropped on an uncovered offer of 1 car at \$1.7300. One car of blocks was sold Wednesday at \$1.6525, which lowered the price. Eight cars of blocks were sold Friday, the last at \$1.6100, which set the price. The barrel price fell Tuesday on a sale at \$1.5600, plunged Wednesday on a sale at \$1.4400, dropped Thursday on a sale at \$1.3900, then rose Friday on a sale at \$1.3925. There were a total of 13 carloads of blocks traded this week at the Chicago Mercantile Exchange, while 28 carloads of 500 pound barrels were traded this week.

**Butter Comment:** The price jumped Tuesday on a sale at \$1.4050, increased Wednesday on a sale at \$1.4550, then fell Thursday on a sale at \$1.4025. Eight carloads of butter were traded this week at the CME.

**Nonfat Dry Milk Comment:** The price increased Tuesday on a sale at \$1.2150, fell Wednesday on a sale at \$1.2000, declined Thursday on a sale at \$1.1825, and dropped Friday on a sale at \$1.1725.

**Dry Whey Comment:** The price rose Tuesday on an unfilled bid at 53.50 cents, and increased Thursday on a sale at 54.0 cents.

## WHEY MARKETS - JANUARY 18 - 22, 2021

RELEASE DATE - JANUARY 21, 2021

<b>Animal Feed Whey—Central:</b> Milk Replacer:		.3600 (NC) – .4100 (NC)
<b>Buttermilk Powder:</b>		
Central & East:	1.0400 (NC) – 1.1100 (+1)	West: 1.0400 (+1) – 1.1300 (+6)
Mostly:	1.0600 (+2) – 1.1000 (+4)	
<b>Casein: Rennet:</b>	3.4625 (+¼) – 3.4950 (+½)	Acid: 3.5175 (+20%) – 3.9500 (32½)
<b>Dry Whey—Central (Edible):</b>		
Nonhygroscopic:	.4300 (+1) – .5500 (+3)	Mostly: .4800 (+1) – .5000 (NC)
<b>Dry Whey—West (Edible):</b>		
Nonhygroscopic:	.4400 (+1) – .5500 (+½)	Mostly: .4700 (+1) – .5050 (+½)
<b>Dry Whey—NorthEast:</b>	.4700 (+6) – .5200 (+4½)	
<b>Lactose—Central and West:</b>		
Edible:	.3100 (NC) – .5500 (NC)	Mostly: .3500 (NC) – .4600 (NC)
<b>Nonfat Dry Milk —Central &amp; East:</b>		
Low/Medium Heat:	1.1500 (+2) – 1.2400 (+4)	Mostly: 1.1800 (+4) – 1.2100 (+2½)
High Heat:	1.2600 (+6) – 1.3200 (+2)	
<b>Nonfat Dry Milk —Western:</b>		
Low/Medium Heat:	1.1600 (+3) – 1.2275 (NC)	Mostly: 1.1750 (+3½) – 1.2000 (+2)
High Heat:	1.2600 (+5) – 1.3550 (NC)	
<b>Whey Protein Concentrate—Central and West:</b>		
Edible 34% Protein:	.9100 (NC) – 1.1400 (+3¾)	Mostly: .9500 (+1) – 1.0150 (+2½)
<b>Whole Milk—National:</b>	1.5500 (+10) – 1.7000 (+10)	

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## HISTORICAL MILK PRICES - CLASS III

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

## US Economy Not Expected To Really Gain Steam Until Summer; Economy To Grow 4.5-5.5%

Denver, CO—The coronavirus pandemic still dominates the US economy and continues to impact rural industries, but with vaccines rolling out, the virus will slowly loosen its grip in 2021, according to the new quarterly report from CoBank's Knowledge Exchange.

Shifts in the political landscape bring new legislative possibilities, including an increased probability of more pandemic relief aid and other fiscal spending, which are pushing up expectations for 2021 GDP growth.

It will likely be summer before the economy really begins to gain steam, but the second half of the year should power the economy to annual growth of roughly 4.5 to 5.5 percent, the report said.

"While the economic outlook has improved, significant risks still remain," said Dan Kowalski, vice president of CoBank's Knowledge Exchange division. "Key among those risks are the potential for more geopolitical crises, business solvency, a slower than expected receding of the pandemic and per-

sistence in high rates of long-term unemployment."

Milk and dairy products ended 2020 in ample supply despite the seasonal spike in holiday demand, which was down significantly compared to prior years, the report said. That could lead to even greater surplus supply issues for dairy producers and processors heading into the 2021 spring flush.

Heading into a potential oversupply situation this spring, processors may be faced with imposing production limits on dairy producers in some regions, the report said. USDA's fifth round of food purchases under the Farmers to Families Food Box Program will provide a needed short-term release valve for dairy products in the opening months of this year.

Butter inventories in cold storage were up 39.4 percent from a year earlier at the end of November, the report pointed out. Retailers note that butter has led the growth in all dairy products throughout the pandemic with consumers returning to cooking and baking at home, but this demand uptick appears to pace behind commercial disappearance from food service.

Since August, corn and soybean prices have risen more than 60 percent, the report said. The rally is a result of smaller-than-expected US production; strong domestic demand for food, feed, and fuel.



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