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Dairy, Other Groups Want Access Prioritized At Hunger Conference

Dairy Leaders, Hunger Groups Look At Ways To Get More Dairy To Food-Insecure People

Arlington, VA—The National Milk Producers Federation (NMPF) led 11 national dairy, agricultural, anti-hunger, nutrition and medical groups Thursday in a virtual listening session urging the White House to place a high priority on access to affordable, diverse and nutritious foods when it holds its Conference on Hunger, Nutrition, and Health in September.

President Biden in early May announced that, for the first time since 1969, the White House would be hosting a Conference on Hunger, Nutrition and Health in September.

Thursday's NMPF-organized session offered the White House both expertise and lived experience from a wide range of organizations on how important increased access to food and a diverse range of food choices are to fight nutrition insecurity and improve nutrition-related health.

"When the White House announced its Conference on Hunger, Nutrition, and Health, we at

NMPF were excited by the potential for this conference to help propel meaningful advancement toward achieving the conference's stated goals of ending hunger, increasing healthy eating and physical activity, and decreasing the prevalence of diet-related diseases in America," said Jim Mulhern, NMPF's president and CEO.

"We, and our collaborators on this listening session, share these goals and know from personal experience and decades of working on this issue that increasing access to food is critical to attaining them," Mulhern added.

Members of the International Dairy Foods Association (IDFA) "are deeply committed to ending hunger by making it easier for everyone — urban, suburban, rural, and Tribal communities — to access and afford healthy, nutritious milk and dairy foods," said Michael Dykes, IDFA's president and CEO.

"SNAP and WIC are central to this conversation. We know from

USDA's Foods Typically Purchased Report that dairy products make up at least 20 percent of the grocery bill for SNAP participants," Dykes said.

With the creation of the Healthy Fluid Milk Incentive Projects (HFMIIP) in the 2018 farm bill, policymakers took SNAP incentives a step further and sought to address the dairy consumption gap highlighted in the 2020-2025 Dietary Guidelines for Americans (DGA), Dykes continued.

"Yet, HFMIIP is not working at the scale necessary to address malnutrition and chronic health diseases," Dykes said. "Therefore, we encourage leaders gathering at the White House conference to focus on building a healthy dairy foods incentive program at national scale in partnership with food retailers, local nutrition and health organizations, state SNAP agencies, and dairy foods makers."

"All Americans deserve the opportunity to live the healthiest life possible, and foundational to that is having access to affordable, culturally diverse nutrient-rich

• See **Food Access**, p. 8

Fonterra's Global Dairy Trade Strategic Partnership With NZX, EEX Finalized

Auckland, New Zealand—Fonterra on Thursday confirmed the finalization of the strategic partnership with New Zealand's Exchange (NZX) and the European Energy Exchange (EEX) to each take ownership stakes in Global Dairy Trade (GDT) alongside the New Zealand cooperative.

As announced in February of this year, the partnership was subject to the approval of the boards, clearance from relevant competition law authorities, and finalization of transaction documentation.

With those approvals now received, Fonterra, NZX and EEX each hold an equal one-third shareholding in the global dairy auction platform GDT as of June 30, 2022.

Marc Rivers, Fonterra's CFO, said the confirmation of the strategic partnership is an important milestone for Fonterra and global dairy participants.

"The move to a broader ownership structure marks the next step in the evolution of GDT, giving it a presence in prominent international dairy-producing regions, with greater participation expected at GDT events," Rivers said. "It will bring more participants and transactions, stimulating further growth of risk management contracts available on financial trading platforms. This creates opportunities for the growth of financial

• See **New GDT Ownership**, p. 5

WI Export-Related Grant Recipients Announced; WCMA To Launch Dairy Export Resources

Madison—The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) has announced that 13 projects have been selected to receive more than \$564,000 in Export Expansion Grants.

These grants aim to accelerate the growth of Wisconsin dairy meat, and crop products and are funded through the Wisconsin Initiative for Agricultural Exports (WIAE).

Projects could request grant funds for up to two years in duration, with an option to request an additional year. Matching funds are required at 20 percent of the

• See **WI Export Grants**, p. 4

ADPI Raises Concerns Over Remilk's GRAS Claim For Non-Animal Dairy

Elmhurst, IL—The American Dairy Products Institute (ADPI) this week alerted the US Food and Drug Administration (FDA) and US Department of Agriculture (USDA) to concerns it has with the recent announcement by Remilk that it has "secured" self-affirmed GRAS (generally recognized as safe) status for its non-animal dairy protein.

The press release issued by Remilk on June 7, 2022 (for more details, please see *Remilk Says It Has Gained GRAS Status For Its Non-Animal Dairy Protein*, on page 9 of our June 10th issue), and other promotional statements made by the company "contain numerous false and misleading representations about the regulatory status of the company's cell-based protein product, as well as the performance and characteris-

tics of the product," ADPI said in a letter to FDA and USDA.

"First and foremost, it appears that the company has not 'secured' any type of regulatory approval" by FDA, ADPI said. The company's "self-affirmed" position that the product is GRAS "is certainly not an indication that the FDA has in any way endorsed or approved that position. Even if the company has filed a GRAS notice with the agency and received a 'no question' letter, this is not an indication of agency 'approval'."

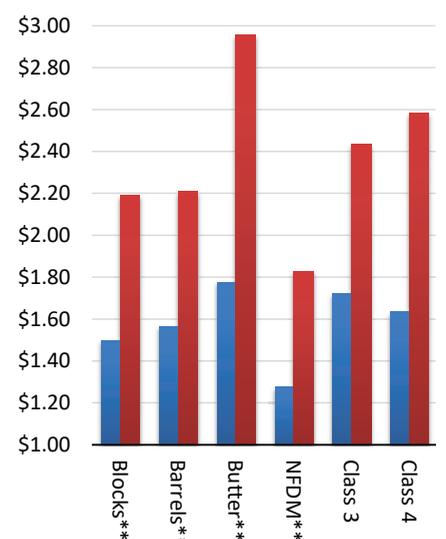
Review of the press release and other promotional materials feature related claims that are similarly false and/or misleading, ADPI noted, including:

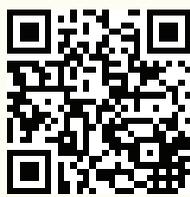
Statements used in the available information are misleading.

• See **GRAS Claim**, p. 7

June Avg Prices - 2021 vs 2022

Average CME Prices**
Class 3 and Class 4 Milk Price x 10





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EDITORIAL COMMENT



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FDA's analysis of the potential economic implications of its proposed UF milk rule runs about nine pages, while the "Economic Analysis" section of the SEC's proposed rule runs about 40 pages.

Another Federal Order Problem Area: Shipping Requirements

In what might be a modern-day record, three federal milk marketing orders are currently reviewing requests to reduce, or continue at a reduced rate, the shipping percentages in their orders. This provides yet another illustration of the need to reform federal orders.

By "modern-day" record, we're talking about federal orders here in the 21st century, when there have been either 10 or 11 federal orders at any given time, as opposed to, say, 1990, when there were 42 orders.

The three orders we're talking about here are the Upper Midwest, the Northeast and the Pacific Northwest. It's worth keeping in mind that two of these orders, the Northeast and the Upper Midwest, also happened to be, at least in 2021, the largest and third-largest orders, respectively, in terms of receipts of producer milk.

Taking a look at these shipping requirement proceedings in chronological order, the Northeast order in early May sought comments on a request from Queensboro Farm Products, a pool handler, to lower the shipping percentage for the months of September, October, and November from 20 percent to 10 percent until further notice.

In late May, the Pacific Northwest order invited comments on continuing the reduction of the percentage of producer milk that a cooperative association must ship to pool distribution plants in order to qualify its manufacturing plant(s) for pool status from 20 percent to 15 percent, effective July 1, 2022, until further notice.

And then in mid-June (as we reported last week), the Upper Midwest order is inviting comments, until July 5, on a request to reduce shipping requirements in the Upper Midwest order from 6.0 to 4.5 percent, beginning in August 2022.

There are a couple of points to keep in mind when looking over these requests to reduce shipping percentages, or continue them at

a reduced rate. First, none of the requests made in recent months is new for its particular order; rather, each of these orders has previously dealt with one or more requests to reduce shipping percentages.

For example, pooling standards for the Upper Midwest order were reduced on May 1, 2019, from 7.5 percent to the current 6.0 percent, following a request from the same proponents who made the current request: Central Milk Producers Cooperative and Upper Midwest Marketing Association. Prior to that, also following a request from CMPC and UMMA, the shipping requirements for the Upper Midwest order were reduced from 10 to 7.5 percent, effective Apr. 1, 2017.

For the Northeast order, this isn't the first time Queensboro Farms has requested that the shipping percentage for September, October and November be lowered from 20 percent to 10 percent for pool supply plants. A year ago a similar request was approved just for 2021, and two years prior to that, a similar request was approved for 2019 and 2020.

In fact, reductions in the shipping percentages for the months of September, October and November for the Northeast order date back to 2013, although that year and the following year the reduction was just from 20 to 15 percent; and in 2015 the shipping percentage for the months of June, July and August was reduced from 10 to 5 percent before it was reduced from 20 to 15 percent for September, October and November.

The shipping percentage was also reduced from 20 to 15 percent in 2016 and 2017, and then the percentage has been cut from 20 to 10 percent every year since then.

And the shipping percentage on the Pacific Northwest order was originally reduced from 20 to 15 percent from July 1, 2019, through June 30, 2020. This revision was continued in 2021 and 2022, and it appears that that reduction will continue in the future.

From this background we can conclude that, since these aren't the first requests to reduce shipping percentages in these orders, they also won't be the last.

The other point to keep in mind is what pretty much every one of these requests mentions: that Class I sales continue to decline. And also, at least for the Northeast and Upper Midwest orders, the number of Class I dealers is also declining.

Declining milk sales have been well-documented over the years; for example, in our Sept. 3, 2021 issue, we reported that fluid milk sales in 2020 totaled 46.36 billion pounds, the lowest level of fluid milk sales since 1958.

That point by itself is troubling, as indicated by the regular requests for shipping percentage reductions. What's also troubling is the ongoing decline in the number of distributing plants. For example, when they submitted separate requests in December 2016 to reduce the shipping percentages on the Upper Midwest order, both CMPC and UMMA noted that, in 2008, there were 26 distributing plants in the order but as of October 2016 that number had fallen to 17.

In February 2019, in a joint request, CMPC and UMMA noted that in 2018, there were 15 pool distributing plants, and two plants are noted as closed. And in their recent request, they noted that there were 12 distributing plants listed for April, but two plants, NDSM Chemung (Illinois) and NDSM DePere (Wisconsin) have announced July 8, 2022 as their last day for bottling milk.

Finally, all of these proceedings mention the concept of disorderly marketing or uneconomic shipments of milk.

Continuing declines in fluid milk sales, and in the number of Class I dealers, promise the continuing possibility of disorderly marketing if shipping percentages aren't among the many issues that are addressed in any federal order reform undertaking.

Infant Formula Imports: Are Non-Tariff Barriers More Limiting Than Tariffs?

Washington—Non-tariff barriers may have weighed more heavily on the decision by foreign producers of infant formula not to enter the US market than tariffs, according to a recent report from the Congressional Research Service (CRS).

During the current infant formula shortage, some analyses argue that high tariffs on formula have impeded the development of foreign sources of infant formula for the US market and exacerbated the US shortage, the report noted. As a result, tariffs are a focus of congressional attention, and legislation addressing tariffs has been introduced in Congress.

While both infant and children's formula are considered food products, infant formula is subject to additional oversight, the report explained. The current shortage applies primarily to infant formula, particularly for use in infants with specific health needs.

Because HTSUS (Harmonized Tariff Schedule of the US) 1901.10 includes both infant formula and children's formula, some recent discussions on the impact of tariffs have relied on trade data that included both types of formula.

The US imports little infant formula relative to its domestic production and consumption, the report noted. Between 2012 and 2021, the US produced an estimated average 524 million kilograms (\$2.3 billion) of infant formula annually. An industry analysis calculated average demand over that time at approximately \$2 billion annually, leaving the US with an average surplus of \$300 million annually.

During that time, the US exported an average of 33.5 million kilograms (\$277.1 million) annually and imported an average 3.2 million kilograms (\$13.4 million), the report continued.

Imports of infant formula increased over the past decade from approximately 1.3 million kilograms (\$3.8 million) in 2012 to 4.3 million kilograms (\$28.8 million) in 2021. In 2021, the \$28.8 million in imports satisfied approximately 1.5 percent of the estimated domestic demand of \$1.8 billion.

Last year, the largest source of infant formula imports was Ireland (2.3 million kilograms, \$17.2 million), followed by Chile (1.2 million kilograms, \$3.3 million) and the Netherlands (0.5 million kilograms, \$7.1 million). Those three countries represented 93 percent of all imports by quantity.

In 2021, the US imported no infant formula from Canada. Although Mexico is a large source of US imports of children's formula

(98 percent of imports by quantity in 2021), it is a minor source of infant formula (0.4 percent), the report said. Whereas imports of children's formula were relatively rare prior to 2020, they are more common in the two years since.

The most-favored-nation (MFN) tariff rate for infant formula ranges from 14.9 percent to 17.5 percent depending on the content. Once a certain threshold of imports is reached, the duties on most common infant formulas increase to \$1.035 per kilogram plus 14.9 percent. Also, once another threshold is reached, certain low-priced formulas may be subject to additional tariffs.

Certain infant formulas enter duty-free from some free trade agreement (FTA) partners. Between 2012 and 2021, the US imported approximately \$149 million infant formula, \$29 million (19.4 percent) of which entered duty-free.

The average effective calculated duty rate on the remaining imports was 25.1 percent.

"It is difficult to assess the impact US tariffs have had on the current shortage," the report stated. The US infant formula market is "highly saturated," with domestic producers exceeding domestic demand by a considerable margin.

That, coupled with FDA's nutritional requirements and USDA's Special Supplemental Nutrition Program for Women, Infants, and Children's (WIC) sole-sourcing

contracting, may make the US a relatively unattractive market for foreign manufacturers, particularly of low-cost infant formula, the report said.

As such, Congress might consider encouraging mutual recognition agreements on regulatory testing and certification, or other policy instruments to reduce these trade barriers, in addition to potentially lowering tariff rates.

Of the three major sources of US of infant formula, one (Chile) has duty-free access to the US market. Despite that duty-free access, imports from Ireland, which does not have duty-free access to the US market, have grown at a faster pace.

Nevertheless, the additional cost tariffs add to imports of infant formula may play a role.



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WI Export Grants

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grant award and can be cash or in-kind. Selected projects and work will begin this summer.

Among the grant recipients: the Wisconsin Cheese Makers Association (WCMA), which was awarded \$50,000 through the WIAE to launch customized resources to provide direct consultations to Wisconsin's dairy manufacturers and processors looking to expand their sales abroad.

WCMA's program will offer personalized consultative services to support Wisconsin dairy businesses as they identify global customers, create an export plan, navigate the logistics of exporting, and refine their business model.

The effort begins with an export workshop, planned for later this year, providing an educational grounding for Wisconsin dairy processors interested in exporting their products.

WCMA will also create an online library of export resources, including template forms, guidance documents, and a database of contacts.

"Wisconsin cheese makers are known for the quality and safety of their products, and are well-positioned to grow those sales worldwide. We're excited to offer new, tailored services to help them kick-start their exporting endeavors," said John Umhoefer, WCMA executive director. "We know that as dairy processors connect with customers overseas, they'll help to ensure the long-term stability of the dairy supply chain here at home."

Other WIAE grant recipients and their projects include:

Wisconsin Center for Dairy Research (CDR), \$50,000 to develop dairy products for export through the analysis of current market products from selected countries.

Dairy Farmers of Wisconsin, \$50,000 to bring retail buyers to Wisconsin for a dairy tour and connect Wisconsin dairy processors with distributors and exporters.

University of Wisconsin-Madison, \$39,101 to evaluate and recommend strategies to address export barriers for small and medium-sized dairy manufacturers.

UW-River Falls, \$49,997 to evaluate the economic impact of increasing product export sales by 25 percent and address structural changes needed to optimize resources and fulfill expansion.

Cooperative Network, \$50,000 to develop an agriculture export education portal, direct cooperatives to export education and training events, and incorporate export education and awareness into seminars, webinars, and conferences.

World Dairy Expo, \$28,000 to relocate and enhance the International Lounge, continue the International Reception, and participate in foreign trade shows.

"DATCP is excited to help create exporting opportunities and resources for Wisconsin agribusinesses through Export Expansion Grants," said Randy Romanski, DATCP secretary.

Meanwhile, the DATCP, in collaboration with the Wisconsin Economic Development Corporation (WEDC), announced that 11 agribusinesses will be receiving a total of \$110,000 in International Market Access Grants (IMAG),

which were also made available through the WIAE.

Coordinated by WEDC, IMAGs provide funding to support a company's specific export development and deployment strategy. The WIAE expands WEDC's existing IMAG program by designating funds solely for agribusinesses. Recipients are established agribusinesses that are new to exporting or expanding into new markets, operating in Wisconsin, and manufacturing, processing, assembling, or distributing a product that has the potential to be exported.

Among the IMAG recipients and their projects:

Associated Milk Producers, Inc. (AMPI), Portage, \$10,000 to join trade shows in China, Singapore and the Philippines.

Land O'Lakes, Spencer, \$10,000 to hire consultants to help ensure compliance with selling products in Asia and the Middle East.

BIO-Nutrition International, Madison, \$10,000 to create marketing materials and attend trade shows in China, Vietnam, Malaysia and Thailand.

"We are pleased to be working collaboratively with WEDC to offer these grants that give agribusinesses the support they need to grow into strong exporters," Romanski said.

"With the grants, these companies will have the opportunity to introduce new customers to the latest technology and highest quality agricultural products," said Missy Hughes, WEDC secretary and CEO.

Wisconsin agricultural exports reached a record high of \$3.96 billion last year, according to the DATCP.

Kroger Expands Tamarack Farms To Support Implementation Of Aseptic Milk Line

Newark, OH—The Kroger Co. last Friday announced a 35,000-square-foot expansion at Tamarack Farms Dairy to support the implementation of a state-of-the-art aseptic milk line, capable of manufacturing products such as half and half, heavy whipping cream, coffee creamers and Carbmaster™ milk beverage.

The aseptic milk line is part of Kroger's large-scale efforts to

deliver long shelf-life, high-protein drinks, non-dairy and dairy products through modern technology.

Tamarack Farms Dairy, a 20-acre site, is the largest fluid dairy product producer in Ohio, Kroger said. The facility serves approximately 160 stores in Ohio and West Virginia and provides products for Kroger's e-commerce channel.

Kroger owns and operates dairy processing facilities across the US

and offers customers nationwide a 10-day milk freshness guarantee.

"We are so pleased to see this continued investment in Newark," said Doug Blacksten, senior director of supply chain and manufacturing for Kroger. "This cutting-edge innovation at Tamarack Farms Dairy underscores that commitment, improving our ability to offer high-quality dairy products to Kroger customers."

"Kroger's significant investment transforms the Tamarack Farms Dairy into an aseptic processing facility, creating a new market for Ohio's dairy industry," said Tim Derickson, JobsOhio senior managing director of food and agribusiness.

"The extended shelf-life dairy product that will come from the cutting-edge operations in the Licking county facility will meet growing demand for Kroger's customers nationwide and boost demand for dairy farmers throughout central Ohio," Derickson said.

The aseptic line will allow the facility to support over 150 jobs.

FROM OUR ARCHIVES

50 YEARS AGO

June 30, 1972: Waukesha, WI—Merle Farnham, president of Dairyland Food Laboratories here, announced the purchase of Midwest Blue Mold Company in Stillwater, MN. Midwest Blue supplies "virtually all" of the blue mold for US Blue cheese production, and "most of the other western countries."

Madison—A new cheese marketing strategy was shared this week, focusing on the journey of cheese "from farm to table." Consumers will hear the story behind a particular cheese – beginning with cows on the farm, through transportation, receiving and manufacturing. The story will also include packaging for distribution, and how cheese makers select film and foil wraps or waxing a particular cheese.

25 YEARS AGO

July 4, 1997: Old Chatham, NY—The Old Chatham Sheepherding Company is now selling its line of sheep's milk cheese under its own brand name. Formerly sold under the Hollow Road Farm name, the new brand will be marketed with a green label and black sheep logo.

Madison—A bipartisan group of Wisconsin legislators is asking Ag Secretary Alan Tracy to "prevent the extinction of a once plentiful, but now endangered species – the small Wisconsin cheese factory – by reversing unnecessary policies and reducing proposed dairy plant fee increases."

10 YEARS AGO

June 29, 2012: Champlin, VT—George Hutson will step down from his position as president of Filtration Engineering, and has named Todd Hutson as the new president. George Hutson has served as Filtration Engineering president since 1982, when the company was first established.

Montpelier, VT—The Cabot Creamery Cooperative has been synonymous with Vermont since its founding in 1919, but the manufacturer of cheese, butter and other dairy products is phasing out labels with the state's name in its logo. The word "Vermont" will be replaced with "Owned by our Farm Families in New York and New England" stamped over a green barn.

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New GDT Ownership

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tools to better manage price volatility, which is something many industry participants, from farmers through to customers, are exposed to.”

“The GDT team is looking forward to working with EEX and NZX as strategic partners with strong interests in dairy and established reputations as regulated exchanges to enhance GDT’s role as an independent, neutral and transparent price discovery platform,” said Dr. Eric Hansen, GDT chief executive.

The strategic partnership will strengthen GDT’s market reach, benefiting New Zealand dairy farmers and customers, according to Mark Peterson, NZX chief executive.

“At a time of geopolitical and macroeconomic instability, GDT’s vision to expand its global reach and provide better transparency in dairy commodity prices is more important than ever for dairy market stakeholders,” Peterson commented. “It aligns with NZX’s strategy of growing capital markets, connecting with more businesses, and creating greater value for shareholders and investors. In GDT, NZX is excited to be working with the best partners to achieve this.

“Being a shareholder of GDT fits perfectly to our strategy of taking asset classes which we already successfully serve to a global dimension,” said Dr. Tobias Paulun, EEX chief strategy officer. “EEX looks forward to supporting GDT’s growth vision with NZX and Fonterra with the aim to create value for the global dairy value chain by further improving price discovery and price risk management instruments.”

The next steps for GDT include appointing a board and planning strategic growth initiatives, such as more frequent auctions and bring more sellers onto the platform.

Fonterra had launched Global Dairy Trade in 2008, with just whole milk powder being offered on a monthly auction. Today, GDT’s commodity auctions are held twice each month, and include Cheddar, butter, anhydrous milkfat, skim milk powder, lactose, sweet whey powder and buttermilk powder in addition to whole milk powder.

NZX has used GDT auction winning prices to settle against dairy futures contracts that it sells. Those futures contracts include whole milk powder, skim milk powder, butter, anhydrous milkfat and milk prices.

EEX offers butter, skim milk powder, whey powder and liquid milk futures.

For more information about Global Dairy Trade, visit www.globaldairytrade.info.

Edge Dairy Farmer Co-op Backs More Regional Flexibility In Federal Orders

Green Bay, WI—Edge Dairy Farmer Cooperative stressed flexibility and fairness in announcing its priorities for reforming the federal milk pricing system.

Differences across federal milk marketing orders require added flexibility to meet their respective needs, and current markets driving milk outside the federal order system point to a need for a standard set of “contracting principles” to build a more fair and equitable pricing system, said Tim Trotter, Edge’s CEO.

Edge’s members span the Upper Midwest and do business with more than 30 private processors.

“What we keep coming back to is the relationship between our farmers and processors,” Trotter said. “That relationship must transition from strictly transactional to strategic, one that is based on a longer-term view, adaptability to markets and customers, and requirements for products.

“A transparent, business-to-business approach will be critically important to success for both farmers and processors,” Trotter added.

Regarding its flexibility priority, Edge’s proposal accounts for differences in product mixes across the US, explained Mitch Davis of Davis Family Dairies, Le Sueur, MN, who is a member of Edge’s board of directors and participated in the task force. “More regional flexibility in the federal orders would benefit everyone.”

A more flexible federal order system would, according to Edge: account for geographic differences in population, farmer base and product mix; avoid unintended consequences of current uni-

form price rules, such as frequent switching of pooling status, negative producer price differentials (PPDs) and declining share of total area milk production pooled on the order; achieve through “uniform benefits” principle instead of the current “uniform price”; and be developed through collaboration of farmers and processors and then formalized in an inclusive USDA hearing after enabling legislation is passed.

To promote fairness, Edge is proposing the following 10 “contracting principles” that it said would make the pricing system more fair and equitable and strengthen trust between farmers and processors:

Written contracts: All milk supply agreements must be in writing.

Timely payments: Farmers must be paid in a timely manner, every two weeks, and with no more than three weeks’ lag.

Verification of weights, test and samples: Unless a farmer opts out, third-party, certified organizations should be utilized to verify milk weights, component tests and samples. Verification organizations are also allowed to provide other services to farmers.

Transparent pricing formulas: For farmers to be able to effectively manage risk, and understand financial implications of improvement in farm practices, milk composition and quality incentive formulas (such as somatic cell count, protein and volume premiums) must be clearly spelled out in the milk supply agreements, and sufficient advance notice given before incentive formulas change. Processors should be allowed to set

pricing formulas as needed to successfully compete in domestic and overseas markets.

Contract termination notice: Other than in extraordinary circumstances, processors must give a reasonable amount of time as notice before contracts can be terminated.

“More regional flexibility in the federal orders would benefit everyone.”

—Mitch Davis,
Davis Family Dairies

Good faith principle: Processors and farmers must act in good faith, and disputes should be addressed through an arbitration process with meaningful penalties for unfair behavior.

Equal opportunity to all farmers: No special deals should be allowed. Incentive payments offered to one patron must be offered to all patrons meeting the processor’s same criteria, including but not limited to differences for farm location, size and quality.

Competitive risk management: Farmers should be able to effectively manage price risk using a combination of processor-specific basis contracts and private or government-supported risk management instruments.

Exclusivity and volume limits: Processors should not impose exclusivity if imposing volume limits or two-tier pricing.

Equal treatment of processors: These terms should apply to all milk buyers in the United States, irrespective of their ownership structure or participation in federal orders.

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Private Equity Firm Acquires California Distributor Chef's Choice Produce

Dallas, TX—Sole Source Capital LLC, an industrial-focused private equity firm, recently announced that its portfolio company, Worldwide Produce, a West Coast distributor of fresh produce and dairy products, has acquired Chef's Choice Produce, a foodservice distributor of dairy products and fresh produce serving the Northern California market.

Established in 1993 and headquartered in Santa Clara, CA, Chef's Choice sells primarily to the foodservice and corporate end markets. The company offers a full suite of dairy products and fresh produce.

Dave Thompson and Bob Menafra will continue to lead Chef's Choice's day-to-day operations, which will carry on from its current facility in Santa Clara.

"Chef's Choice is an ideal com-

pany to partner with as we expand our service area into the Northern California market," said Todd Ferguson, CEO of Worldwide Produce, a distributor of cheese, other dairy products, specialty foods, fresh fruits and vegetables to foodservice and retail customers across the western US.

"We believe the Chef's Choice commitment to service, quality and professionalism matches well with Worldwide's culture, which has earned a strong reputation for providing high-quality produce and superior service levels to its customers," Ferguson continued. "Worldwide's operational and product sourcing expertise, along with our sales team, will give rise to exciting growth at Chef's Choice, while still providing the personal touch that Dave and his team are known for."

Anderson-Negele To Acquire GEA Diessel's Magnetic Flow Met'ers Component Business

Fultonville, NY—Anderson-Negele recently announced that it has entered into a definitive agreement to acquire the Metering, Blending, and Calibration (MBC) division of GEA Diessel, GmbH, a provider of magnetic flow meters for hygienic applications.

GEA Diessel's components business has been providing magnetic-inductive flow meters for more

than 35 years for use in food, beverage, pharmaceutical, and biotechnology manufacturing processes, Anderson-Negele noted.

"Anderson-Negele already has a reputation for delivering high-quality hygienic instrumentation and process controls. Integrating GEA Diessel's magnetic flow meter development and manufacturing expertise allows us to offer more complete and cost-effective instrumentation and flow solutions to our channel partners and end customers across their entire process," said Cathy Clausen, Anderson-Negele's president.

For more information on Anderson-Negele, visit www.anderson-negele.com/us/

PERSONNEL

Saputo Inc. announced the departure of LYNE CASTONGUAY, president and chief operating officer, Dairy Division (USA), effective immediately. CARL COLIZZA, president and chief operating officer for North America, will take on leadership of the Dairy Division (USA). He will continue to report to president and CEO Lino Saputo. After careful consideration, we have made the change to our leadership team as we focus on accelerating our operational performance improvements and further advancing our global strategic plan initiatives in our USA sector, Colizza said.

JAVIER ECHEVARRIA has been named vice president and chief procurement officer for **Ingredion Incorporated**, responsible for all aspects of the company's global procurement organization, including supply chain operations and strategic sourcing. Echevarria joins Ingredion from VVF Americas, a manufacturing and distribution company of personal care products and oleochemicals, where he served as CEO. Before that, Echevarria held senior leadership roles within Glanbia and Avient Corporation. Before that, Echevarria worked for Procter & Gamble for 16 years, primarily in procurement roles in Europe, Latin America, and the US.

ANN MARIE KRAUTHEIM has been named CEO of **GENYOUth**, succeeding ALEXIS GLICK, the organization's first CEO. Krautheim joined GENYOUth in 2012 and has served as president and chief wellness officer for the past decade. In her new role, Krautheim will lead GENYOUth's strategic vision, partnerships, and programs to create healthier school communities. Krautheim has been pivotal in generating grant funding support for GENYOUth's flagship program, Fuel Up to Play 60, which reaches 73,000 schools and over 38 million kids.

JON PRUDEN, CEO of the TASTE Family of Businesses, was named the new chair of the **Specialty Food Association (SFA)** board of directors. Nona Lim, founder of Asian food company NONA LIM, was named vice chair; PIERRE ABUSHCRA, president and cofounder of Firehook Bakery, was elected treasurer; and JILL GIACOMINI BASCH, co-owner and chief marketing officer, Point Reyes Farmstead Cheese Company, was named secretary. Two new directors joined the board: VICTORIA HO and SCOTT JENSEN. Ho is cofounder and head

of brand strategy and innovation at Sherpa CPG, and Jensen is co-founder and CEO at Rhythm Superfoods. Jensen will serve as a replacement director and will be up for election next year.

ALEXIS GLICK has been named CEO of **Nature Energy's** North America business, effective immediately. Glick will help drive the company's US and Canada expansion, and advance a pipeline of greenfield biomethane projects. Glick brings almost 30 years of leadership experience in major financial, media and philanthropic businesses to her new role. Most recently, Glick served as CEO of GENYOUth and before that, helped launch the Fox Business network.

RECOGNITION

The **International Business Brokers Association (IBBA)** recently bestowed 2021 IBBA Member Excellence Awards to Creative Business Services (CBS-Global) president and CEO MICHAEL SCHWANTES, and mergers/acquisitions advisor BOB WOLTER. Schwantes received the IBBA Chairman's Circle Award, given to those individuals who closed one or more qualified business deals amounting to \$3 million and above in total purchase price during the 2021 calendar year. Wolter earned the IBBA Platinum Chairman's Circle Award for those who closed one or more qualified business deals amounting to \$10 million and above in total purchase price. "Proven to be true leaders in the business brokerage industry, this year's recipients are dedicated professionals," said IBBA board chair Randy Bring. "We're pleased to recognize and honor their high standards of skill and excellence which the IBBA strongly promotes."

ROGUE CREAMERY of Central Point, OR, has topped *Oregon Business Magazine's* annual list of the **100 Best Green Workplaces in Oregon**. Rogue Creamery has consistently made the list for 13 consecutive years; this is the first time Rogue Creamery has placed first. Rogue became Oregon's first B-Corporation in 2014 and has been working towards sustainability ever since. Since 2017, it has ranked in the top 10 percent – and the top five percent by 2021 – of B Corps worldwide for its impact on people and planet. "Rogue Creamery uses cheese as our force for good in the world, balancing purpose with profit and considering the broader, community-wide impact of everything we do," said president and lead cheese maker David Gremmels.

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USDA To Provide Almost \$1 Billion In Extra Funding To Schools To Support Food Purchases

Washington—The US Department of Agriculture (USDA) on Thursday announced that it will provide almost \$1 billion in additional funding to schools to support the purchase of American-grown foods for their meal programs.

The \$943 million boost from USDA is provided through the agency's Commodity Credit Corporation (CCC). Funds will be distributed by state agencies to schools across the US, so they can purchase domestically-produced foods for their meal programs.

This assistance builds on the \$1 billion in Supply Chain Assistance funds USDA previously allocated in December 2021, which states can use this school year as well as next to provide schools with funding for commodity purchases.

Meanwhile, President Biden last Saturday signed into the bipartisan "Keep Kids Fed Act of 2022," which extends certain flexibilities for child nutrition programs and provides temporary reimbursement rates for school meals and meals provided at child care centers.

Specifically, USDA said, the new will provide assistance to program operators across the US by:

- Extending nationwide flexibilities to summer meal programs through September 2022, including allowing sites to continue serving meals in all areas, at no cost to families;
- Providing schools with an additional temporary reimbursement of 40 cents per lunch and 15 cents per breakfast, and child care centers with an extra 10 cents reimbursement per meal;
- Providing all family day care homes with the higher temporary reimbursement rate for school year 2022-23;
- Equipping USDA with additional flexibilities to support schools, as needed, based on their local conditions.

This new authority does not allow all students to eat school meals free of charge in school year 2022-2023. Nonetheless, USDA said it will continue providing other program flexibilities within its existing authority, such as:

- Equipping schools and program operators to quickly respond to health-related safety issues by offering grab-and-go and/or parent-pickup of meals; and
- Extending deadlines for districts to participate in the Community Eligibility Provision, which allows schools serving many high-need students to provide all meals for free without collecting applications from families.

GRAS Claim

(Continued from p. 1)

The Remilk website states that the product is "same but better," "Indistinguishable from old-fashioned dairy" and "...is healthier and cleaner with no cholesterol, lactose, hormones, and antibiotics — just 100% yum without the scum!"

These statements "are misleading, if not false," ADPI said.

Remilk contains only a limited part of one of the macronutrient groups in milk: Protein: The Remilk process is based on fermentation of genetically-modified yeast that contain "...the gene (SIC)(4) responsible for the production of milk protein in cow's." Milk is a complex fluid secreted by the mammary gland comprising a precise mix of proteins, fat and carbohydrate.

Remilk openly claims that its product does not contain milkfat or lactose, which has implications from a standard of identity viewpoint, ADPI stated. Indeed, it is likely that it contains neither equivalent copies nor amounts of the main proteins found in cow's milk with their specific post-translational glycosylation and phosphorylation. This ignores the multitude of components in milk associated with the immune support, the 100-plus milk proteins associated with the milkfat globule membrane, the hundreds of bovine milk oligosaccharides etc.

The Remilk fermentation is a completely different processing concept to existing fermentation applications in baking and brewing: Fermentation processes have been used historically and widely in food production but almost exclusively as a process to modify safe food ingredients to impart dif-

ferent structures, flavors etc. to a food. The use of fermentation to synthesize the entire array of proteins that comprise the food product is conceptually and technically a substantive change in application of the fermentation process and requires very thorough safety evaluation.

Remilk is a completely different application of biotechnological processes compared to biopharmaceutical applications: Biotechnological processes have been widely and safely applied to produce a range of biopharmaceutical drugs e.g., monoclonal antibodies. However, the process involves a fermentation step followed by sophisticated extraction, isolation and purification of the drug.

In the cultured milk process described by Remilk, there does not appear to be any purification step which would mean residues of nutrients included in the fermentation media would persist and be carried over into the Remilk food product, ADPI said. It should be determined whether all additives present in the product after fermentation are food grade or are approved processing aids, otherwise the end product should be considered adulterated.

The named intended uses will result in highest consumption amongst young children resulting in high intake per kilogram body weight.

Remilk does not meet the regulatory definition of milk in the US. Milk is defined as the lacteal secretion, practically free from colostrum, obtained by the complete milking of one or more healthy cows. In addition, the named intended uses have their own standards of identity that would also impede the use of

Remilk.

Finally, ADPI said it is "astounded" that Aviv Wolff, CEO of Remilk, is of the opinion that a novel product such as Remilk, produced by a process that has substantial differences to its usual application in food, and resulting in a product that clearly is not bioequivalent to cow's milk, has received regulatory approval in the US.

This "makes a mockery of the GRAS process" undertaken in part by ADPI for ingredients and concentrates produced from cow's milk or whey such as milk protein concentrate and milk protein isolate (MPC/MPI), whey protein concentrate and whey protein isolate (WPC/WPI) and dairy products solids and independent notifications by manufacturers of dairy protein ingredients such as lactoferrin and alpha-lactalbumin, ADPI said.

"We wanted to bring this situation to your attention as we at ADPI and our members take GRAS determinations and other regulatory process and compliance related actions seriously, for the industry, our members, and consumers of dairy ingredients and related products," ADPI said in its letter.

"As the world's 'go-to' authority on dairy ingredients, we believe it was important to take a stand and alert authorities to products that are currently being promoted using false and misleading representations about the regulatory status of cell-based protein products, and the performance and characteristics of the product," commented Blake Anderson, ADPI president and CEO.

For more information about the American Dairy Products Institute, visit www.adpi.org.



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Food Access

(Continued from p. 1)

foods” said Katie Brown, senior vice president of scientific and nutrition affairs at National Dairy Council (NDC). “Dairy foods like milk, cheese and yogurt can be part of the solution to ensuring nutrition security and improving public health.”

“School meal programs are America’s most effective tool to expand children’s access to healthy foods to support their growth, development and academic success,” said Jessica Gould, School Nutrition Association public policy and legislation committee chair.

Also sharing stories and potential solutions at the listening session were the American Academy of Pediatrics, American Society for Nutrition, Feeding America, Food Research and Action Center, American Egg Board’s Egg Nutrition Center, and United Egg Producers.

The five pillars that follow define the scope of the White House Conference on Hunger, Nutrition, and Health:

Improve food access and affordability: End hunger by making it easier for everyone to access and afford food. For example, expand eligibility for and increase participation in food assistance programs and improve transportation to places where food is available.

Integrate nutrition and health: Prioritize the role of nutrition and food security in overall health, including disease prevention and management, and ensure that the health care system addresses the nutrition needs of all people.

Empower all consumers to make and have access to healthy

choices: Foster environments that enable all people to easily make informed healthy choices, increase access to healthy food, encourage healthy workplace and school policies, and invest in public messaging and education campaigns that are culturally appropriate and resonate with specific communities.

Support physical activity for all: Make it easier for people to be more physically active, increase awareness of the benefits of physical activity, and conduct research on and measure physical activity.

Enhance nutrition and food security research: Improve nutrition metrics, data collection, and research to inform nutrition and food security policy.

Meanwhile, dairy industry leaders joined hunger relief organizations from across the Midwest last month to exchange ideas and discuss business models that will help get more dairy into the hands of people experiencing food insecurity. The first Dairy Nourishes America Midwest Symposium was organized by Feeding America, Dairy Farmers of America (DFA) and the Innovation Center for US Dairy. DFA hosted the meeting in Kansas City, KS.

Members of 32 Feeding America network food banks from 15 states joined representatives of dairy processors, refrigeration companies, NMPF, USDA and others to address solutions to provide more dairy to people in need. Feeding America reports, on average, a person seeking assistance from food banks receives less than a gallon of milk a year, yet it remains among the most requested items among consumers facing hunger.

Barb O’Brien, CEO and president of Dairy Management Inc. and the Innovation Center for US

Dairy, pointed to the steady growth of dairy products moving through Feeding America, a checkoff partner, over the years. Industry efforts, including from local and national checkoff teams, cooperatives, processors and USDA, helped grow the amount of dairy distributed from 446 million pounds in 2019 to 664 million in 2021, according to Feeding America data.

O’Brien said the Innovation Center’s food security taskforce, led by DFA executive Jackie Klippenstein and retired Kroger executive Erin Sharp, is working to rally the industry to distribute 1 billion pounds of dairy annually by 2025.

“It’s ambitious but achievable,” O’Brien said. “If we work together, we can address those gaps and opportunities like transportation, cold storage and other infrastructure challenges that we know exist.”

Jerod Matthews, who serves as Feeding America’s senior director of dairy product resourcing, said increasing access to more dairy requires a new business model that doesn’t simply count on donations.

“Feeding America is looking for innovative ways to access food donations from across the supply chain,” Matthews said. “As companies increase efficiencies, less product remains available for donation. We need strong public/private partnerships in order to continue providing food assistance to the tens of millions of people turning to the charitable food sector for help.”

US Secretary of Agriculture Tom Vilsack referenced USDA programs that have addressed hunger and made dairy available. He pointed to more than \$39 million in grants through the agency’s Emergency Food Assistance

USDA Seeking 907,200 pounds of String Cheese For Oct.-Dec. Delivery

Washington—The US Department of Agriculture (USDA) is inviting offers to sell 907,200 pounds of String cheese for use in the National School Lunch Program.

Deliveries are to be made between Oct. 1 and Dec. 31, 2022.

Bids are due by 1:00 p.m. Central time on Wednesday, July 13.

For more information, visit www.ams.usda.gov/selling-food.

Program to support low-income and underserved communities, including expanding warehouse and refrigeration capacity in food banks. Vilsack also spoke of the \$400 million Dairy Donation Program where dairy organizations partner with food banks to facilitate donations and reduce waste.

Klippenstein described a “culture of community” at DFA and said the co-op’s Farmers Feeding Families Fund has raised almost \$950,000 from its farmer members, staff and allied partners to provide dairy for those in need. She presented food bank operators with a scenario of how more progress can be made collaboratively.

“Food banks have relied heavily on donated dairy products for their clients. Generally, dairy donations are provided inconsistently — often when there is excess product or when bringing attention to an event like World Milk Day or September Hunger Action Month,” Klippenstein said. “By leveraging state and federal programs with industry donations and food bank purchases, the dairy industry can create meaningful, long-term relationships with food banks using sustainable business models to ensure milk is more consistently available to those who need it most.”

Among the other featured speakers at the meeting was Dr. Chris Cifelli, NDC’s senior vice president of research, who emphasized how dairy can help people meet their nutritional needs, noting an NDC-led study used a computerized analysis of the nutrition data of foods and examined what would happen if dairy was eliminated from the diet.

“We ran numerous simulations, and it turned out that dairy is extremely difficult to replace,” Cifelli remarked. “Yes, you can try to replace milk but there are tradeoffs. You’re going to have to eat more food and consume more calories and you’re going to have to pay more and that’s something consumers may not want to consider.”



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Class Milk & Component Prices

June 2022 with comparisons to June 2021

Class III - Cheese Milk Price	2021	2022
PRICE (per hundredweight)	\$17.21	\$24.33
SKIM PRICE (per hundredweight)	\$10.71	\$13.13
Class II - Soft Dairy Products	2021	2022
PRICE (per hundredweight)	\$16.66	\$26.65
BUTTERFAT PRICE (per pound)	\$1.9711	\$3.3393
SKIM MILK PRICE (per hundredweight)	\$10.12	\$15.50
Class IV - Butter, MP	2021	2022
PRICE (per hundredweight)	\$16.35	\$25.83
SKIM MILK PRICE (per hundredweight)	\$9.82	\$14.68
BUTTERFAT PRICE (per pound)	\$1.9641	\$3.3323
NONFAT SOLIDS PRICE (per pound)	\$1.0908	\$1.6313
PROTEIN PRICE (per pound)	\$2.5834	\$3.4173
OTHER SOLIDS PRICE (per pound)	\$0.4579	\$0.4295
SOMATIC CELL Adjust. rate (per 1,000 scc)	\$0.00082	\$0.00117
AMS Survey Product Price Averages	2021	2022
Cheese	\$1.6439	\$2.3498
Cheese, US 40-pound blocks	\$1.6058	\$2.3214
Cheese, US 500-pound barrels	\$1.6506	\$2.3472
Butter, CME	\$1.7934	\$2.9232
Nonfat Dry Milk	\$1.2696	\$1.8156
Dry Whey	\$0.6437	\$0.6161

DAIRY FUTURES PRICES

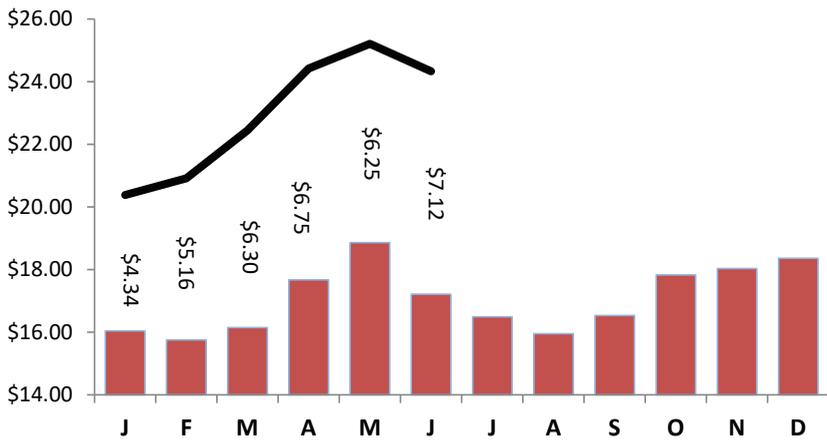
SETTLING PRICE

*Cash Settled

Date	Month	Class III	Class IV	Dry Whey	NDM	Block Cheese	Cheese*	Butter*
6-24	June 22	24.33	25.85	61.500	180.925	2.330	2.3460	291.500
6-27	June 22	24.33	25.85	61.300	180.925	2.328	2.3480	291.500
6-28	June 22	24.33	25.85	61.300	180.925	2.322	2.3480	292.950
6-29	June 22	—	—	—	—	—	—	—
6-30	June 22	—	—	—	—	—	—	—
6-24	July 22	22.78	25.30	56.050	177.025	2.210	2.2300	288.400
6-27	July 22	22.43	25.30	56.050	176.500	2.205	2.1910	289.000
6-28	July 22	22.62	25.45	56.000	177.000	2.223	2.2050	292.500
6-29	July 22	22.80	25.68	56.000	178.325	2.223	2.2300	295.025
6-30	July 22	22.53	25.68	56.000	179.000	2.215	2.2000	295.225
6-24	Aug 22	23.50	24.99	53.000	175.025	2.320	2.3120	286.500
6-27	Aug 22	23.08	24.88	52.550	173.750	2.300	2.2830	285.625
6-28	Aug 22	23.16	24.92	51.000	173.775	2.300	2.2880	288.000
6-29	Aug 22	23.33	25.23	51.450	175.500	2.310	2.3050	289.250
6-30	Aug 22	22.82	25.23	51.450	174.975	2.389	2.2580	288.225
6-24	Sept 22	23.58	24.79	51.475	175.500	2.407	2.3350	283.975
6-27	Sept 22	23.42	24.74	50.000	173.675	2.386	2.3250	283.475
6-28	Sept 22	23.53	24.78	50.000	173.025	2.386	2.3350	285.475
6-29	Sept 22	23.58	25.00	50.000	175.175	2.386	2.3440	286.550
6-30	Sept 22	22.98	24.88	50.000	173.750	2.347	2.2850	284.425
6-24	Oct 22	23.60	24.65	50.000	174.200	2.386	2.3500	281.000
6-27	Oct 22	23.54	24.54	49.900	173.000	2.385	2.3510	280.000
6-28	Oct 22	23.53	24.54	48.650	172.500	2.385	2.3500	282.000
6-29	Oct 22	23.64	24.68	47.500	173.750	2.385	2.3590	282.450
6-30	Oct 22	23.11	24.59	47.500	173.050	2.363	2.3250	279.650
6-24	Nov 22	23.30	24.35	50.000	174.500	2.377	2.3400	272.500
6-27	Nov 22	23.39	24.30	50.475	172.825	2.360	2.3330	270.850
6-28	Nov 22	23.37	24.30	47.775	172.000	2.355	2.3420	272.000
6-29	Nov 22	23.51	24.29	47.250	172.500	2.355	2.3580	271.600
6-30	Nov 22	23.00	24.06	47.250	172.500	2.355	2.3240	269.000
6-24	Dec 22	22.80	23.70	49.000	174.000	2.329	2.2900	261.525
6-27	Dec 22	22.83	23.68	49.000	172.975	2.329	2.2900	260.025
6-28	Dec 22	22.85	23.65	49.000	171.750	2.329	2.2950	261.000
6-29	Dec 22	23.00	23.65	48.975	171.750	2.329	2.3190	261.500
6-30	Dec 22	22.59	23.59	48.975	171.500	2.324	2.2850	259.000
6-24	Jan 23	21.50	22.82	49.475	173.500	2.272	2.2300	250.500
6-27	Jan 23	22.00	22.75	49.475	171.000	2.258	2.2210	250.500
6-28	Jan 23	22.00	22.88	47.050	169.350	2.258	2.2180	250.500
6-29	Jan 23	22.22	23.00	47.050	170.000	2.263	2.2380	250.500
6-30	Jan 23	22.01	22.74	47.050	170.000	2.263	2.2300	251.975
6-24	Feb 23	21.22	22.20	50.000	172.000	2.216	2.2000	240.500
6-27	Feb 23	21.55	22.21	50.000	169.500	2.216	2.1850	240.500
6-28	Feb 23	21.54	22.21	48.025	179.500	2.216	2.1720	240.500
6-29	Feb 23	21.74	22.44	48.025	169.200	2.216	2.1920	242.000
6-30	Feb 23	21.60	22.24	48.025	169.200	2.216	2.1900	242.975
6-24	Mar 23	20.90	21.82	51.725	171.975	2.184	2.1700	233.025
6-27	Mar 23	21.17	21.89	51.725	168.975	2.184	2.1690	233.025
6-28	Mar 23	21.24	21.95	51.725	168.975	2.184	2.1590	236.000
6-29	Mar 23	21.41	22.11	50.500	168.900	2.184	2.1590	236.000
6-30	Mar 23	21.20	21.01	50.500	168.900	2.184	2.1600	238.000
6-24	Apr 23	20.52	21.82	49.000	171.500	2.170	2.1530	228.000
6-27	Apr 23	20.81	21.70	49.000	168.550	2.170	2.1500	228.000
6-28	Apr 23	20.81	21.70	49.000	168.500	2.170	2.1440	228.000
6-29	Apr 23	20.99	21.70	49.000	168.500	2.170	2.1440	228.000
6-30	Apr 23	20.90	21.70	49.000	168.500	2.170	2.1500	228.000

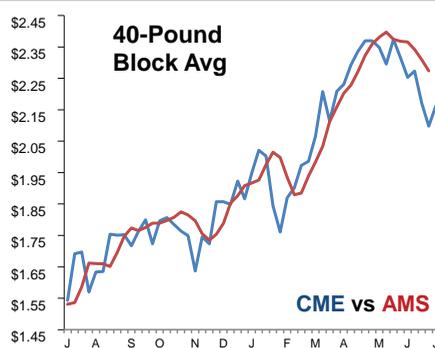
Interest - June 30	28,094	12,210	2,679	7,711	541	17,800	8,876
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Class 3 Milk Price Tracker 2022 vs 2021



DAIRY PRODUCT SALES

June 29, 2022—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. *Revised



Week Ending	June 18	June 11	June 4	May 28
40-Pound Block Cheddar Cheese Prices and Sales				
Weighted Price	Dollars/Pound			
US	2.2738	2.3089*	2.3421	2.3659
Sales Volume	Pounds			
US	12,330,284	14,625,789	14,114,995	10,779,861
500-Pound Barrel Cheddar Cheese Prices, Sales & Moisture Contest				
Weighted Price	Dollars/Pound			
US	2.4122	2.4556	2.4885	2.5404
Adjusted to 38% Moisture	Dollars/Pound			
US	2.2847	2.3286	2.3678	2.4134
Sales Volume	Pounds			
US	14,871,731	12,409,726	12,783,305	13,589,028
Weighted Moisture Content	Percent			
US	34.54	34.62	34.84	34.74
AA Butter				
Weighted Price	Dollars/Pound			
US	2.9607	2.9746*	2.9023	2.8395
Sales Volume	Pounds			
US	3,273,479	4,103,321*	3,926,009	2,999,091
Extra Grade Dry Whey Prices				
Weighted Price	Dollars/Pound			
US	0.5975	0.6134*	0.6211	0.6346
Sales Volume	Pounds			
US	4,988,262	4,744,904*	5,911,772	4,103,564
Extra Grade or USPHS Grade A Nonfat Dry Milk				
Average Price	Dollars/Pound			
US	1.8389	1.8204	1.8200	1.7910*
Sales Volume	Pounds			
US	19,600,745	17,456,424*	19,570,101	25,586,532

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DAIRY PRODUCT MARKETS

AS REPORTED BY THE US DEPARTMENT OF AGRICULTURE

WHOLESALE CHEESE MARKETS

NATIONAL - JUNE 24: Cheese makers are running busy schedules as Class III milk supplies remain widely available. Labor shortages and delayed deliveries of production supplies are causing some Western cheese makers to run below capacity. Cheese inventories are available for spot purchasing. Contacts in the Northeast and West report that domestic demand in both retail and foodservice markets is softening. In the Midwest, interest for barrels and curds is strong, while other Cheddar is seasonally quiet. Across the country, cheese inventories are available for spot purchasing. Cheese markets, reportedly, are experiencing some downward pressure. Contacts in the West relay that softening domestic demand and increased spot availability are contributing to this.

NORTHEAST - JUNE 29: Farm level milk output is on the downswing, but lower bottling demand is enabling the steady flow of milk supplies to Class III plants. Cheesemaking operations are keeping strong production schedules. Regional inventories are abundant, and northeastern cheese is available to satisfy contract and spot needs. US cheese prices are still competitive on global markets, and export interest is generally steady to stronger. Domestic cheese demand is softer from retail channels. Foodservice orders are said to be weaker as well.

Wholesale prices, delivered, dollars per/lb:

Cheddar 40-lb block: \$2.5550 - \$2.8425 Process 5-lb sliced: \$2.2625 - \$2.7425
Muenster: \$2.5425 - \$2.8925 Swiss Cuts 10-14 lbs: \$3.9750 - \$6.2975

MIDWEST AREA - JUNE 29: Midwestern cheese makers say milk is widely available. Discounts as low as \$6 under were reported midweek. Similar discounts have been confirmed into the same point next week. Cheese sales are variant, but production at fully running plants is far from mixed. Cheese plant managers say they are running full as milk levels continue as they have. Mozzarella and Provolone makers say demand has been somewhat steady for the month of June. Curd producers say demand is seasonally hearty. Cheese market tones have gained more solid footing by midweek.

Wholesale prices delivered, dollars per/lb:

Blue 5# Loaf: \$2.5975 - \$3.8075 Mozzarella 5-6#: \$2.1275 - \$3.2150
Brick 5# Loaf: \$2.3275 - \$2.8950 Muenster 5#: \$2.3275 - \$2.8950
Cheddar 40# Block: \$2.0500 - \$2.5925 Process 5# Loaf: \$2.1400 - \$2.6075
Monterey Jack 10#: \$2.3025 - \$2.6500 Grade A Swiss 6-9#: \$3.4900 - \$3.6075

WEST - JUNE 29: Cheese demand has continued to decline in foodservice markets this week, though some contacts are hopeful for increased purchasing during the upcoming holiday weekend. Demand for cheese is steady to lower in retail markets, though contacts continue to report strong demand for export loads of cheese. Purchasers in Asian markets are steadily purchasing loads of cheese, with some ordering loads to ship during late - Q1 of 2023. Milk continues to be available in the region, allowing cheese makers to run busy production schedules. Despite this, some plant managers say that labor shortages and delayed deliveries of production supplies are causing them to run below capacity.

Wholesale prices delivered, dollars per/lb: Monterey Jack 10#: \$2.4175 - \$2.6925
Cheddar 10# Cuts: \$2.4300 - \$2.6300 Process 5# Loaf: \$2.2650 - \$2.4200
Cheddar 40# Block: \$2.1825 - \$2.6725 Swiss 6-9# Cuts: \$2.7825 - \$4.2125

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

Variety	Date:	6/29	6/22	Variety	Date:	6/29	6/22
Cheddar Curd		\$2.69	\$2.70	Mild Cheddar		\$2.67	\$2.68
Young Gouda		\$2.42	\$2.47	Mozzarella		\$2.40	\$2.42

FOREIGN -TYPE CHEESE - JUNE 29: Demand for foreign type cheese is still elevated. Retail orders are strong and have not subsided due to price increases. Ingredient cheese sales and orders from within the EU are stable. While manufacturers are getting interest from export markets, logistical challenges hinder some growth in these sales opportunities. European cheese inventories are tight. Milk intakes that are declining seasonally have cheese makers competing for available milk. The tight milk supply and solid cheese demand are preventing manufacturers from building inventories to a more comfortable level. Instead, industry sources suggest cheese supply and demand are in balance.

Selling prices, delivered, dollars per/lb:

	Imported	Domestic
Blue:	\$2.6400 - 5.2300	\$2.4125 - 3.9000
Gorgonzola:	\$3.6900 - 5.7400	\$2.9200 - 3.6375
Parmesan (Italy):	0	\$3.8000 - 5.8900
Romano (Cows Milk):	0	\$3.6025 - 5.7575
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	\$4.0100 - 4.3350
Swiss Cuts Finnish:	\$2.6700 - 2.9300	0

NDM PRODUCTS - JUNE 30

NDM - CENTRAL: Low/medium heat NDM prices shifted lower as Midwestern trading activity is settling toward the low/mid \$1.80s from the high \$1.80s. Demand is still present, but end users are more patient, when that is an option, as bids are starting to move into the low \$1.80s and even \$1.70s. Although prices slipped, availability has not noticeably shifted into a more readily available arena, at least not yet. With recent growth in the availability of condensed skim, and farm milk yields yet to hit the summer lows, processing has held steady, despite logistical and cost-related setbacks.

NDM - WEST: Domestic demand for low/medium heat NDM is declining. Spot purchasers are hesitant to buy at current prices, but others continue to purchase loads as needed for the near term. International

demand for low/medium heat NDM is also declining, as some stakeholders say that purchasers in Mexico are balking at prices over \$1.80. Lighter demand has contributed downward pressure to low/medium heat NDM prices as both the price range and mostly price series slid lower this week. Drying operations continue to focus their schedules on low/medium heat NDM, limiting production of high heat NDM.

NDM - EAST: Low/medium heat NDM trading in the eastern region remains somewhat slow, as buyers say they are simply waiting on further price declines. Production concerns continue to be reported, but there has been some alleviation of hurdles according to contacts. Undoubtedly, the availability of solids into drying has grown in the late spring and so far this summer.

NATIONAL - CONVENTIONAL DAIRY PRODUCTS

For the long holiday weekend, retailers got in the festive mood and increased total conventional dairy ads by 23 percent and organic ads by 108 percent. The most advertised item was conventional ice cream in 48- to 64-ounce containers, which appears in 15 percent more ads this week. The average price for conventional ice cream in 48- to 64-ounce containers is \$3.22, down 8 cents from last week.

Ads for conventional 1-pound butter increased 48 percent with an average price of \$3.81. Total conventional cheese ads increased 42 percent, with strong showings from 8-ounce blocks and 8-ounce shreds. The average price for conventional 8-ounce block cheese is \$2.33, compared to \$2.34 for 8-ounce shreds, a decrease of 4 cents and 14 cents.

Organic milk ads grew 103 percent, while conventional milk adds decreased by 15 percent. Organic half-gallons appeared in 64 percent more ads and have a weighted average advertised price of \$4.18. Conventional half-gallon milk has an average advertised price of \$1.97, resulting in an organic half gallon milk premium of \$2.21.

RETAIL PRICES - CONVENTIONAL DAIRY - JULY 1

Commodity	US	NE	SE	MID	SC	SW	NW
Butter 1#	3.81	4.40	3.75	3.32	2.78	3.45	3.99
Cheese 8 oz block	2.33	2.49	2.37	2.25	2.10	2.16	2.03
Cheese 1# block	4.31	4.99	4.43	3.49	NA	NA	NA
Cheese 2# block	7.29	NA	NA	7.98	4.99	7.91	5.48
Cheese 8 oz shred	2.34	2.45	2.32	2.25	2.05	2.35	2.23
Cheese 1# shred	4.09	3.98	4.43	3.49	NA	3.98	3.98
Cottage Cheese	2.37	2.49	2.37	2.00	NA	1.98	NA
Cream Cheese	2.20	2.15	2.28	2.22	2.24	2.15	2.11
Flavored Milk ½ gallon	2.13	2.29	2.50	NA	NA	1.77	1.80
Flavored Milk gallon	3.52	3.90	NA	NA	NA	2.96	3.16
Ice Cream 48-64 oz	3.22	3.13	3.15	3.12	3.98	3.07	3.15
Milk ½ gallon	1.97	1.92	NA	NA	2.60	1.77	1.92
Milk gallon	3.36	3.29	NA	NA	4.69	2.96	3.43
Sour Cream 16 oz	2.00	2.11	2.01	1.84	1.95	1.88	1.99
Yogurt (Greek) 4-6 oz	1.03	1.09	1.00	1.08	1.11	.93	.98
Yogurt (Greek) 32 oz	4.05	3.93	NA	4.79	NA	4.14	3.52
Yogurt 4-6 oz	.59	.64	.50	.49	.50	.57	.64
Yogurt 32 oz	2.66	2.71	3.00	NA	2.69	2.39	2.36

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

ORGANIC DAIRY - RETAIL OVERVIEW

National Weighted Retail Avg Price:			
Butter 1 lb:	NA	Greek Yogurt 4-6 oz:	NA
Ice Cream 48-64 oz:	\$6.49	Greek Yogurt 32 oz:	\$3.99
Cheese 8 oz block:	NA	UHT Milk 8 oz:	\$2.39
Cottage Cheese 16 oz:	NA	Milk ½ gallon:	\$4.18
Yogurt 4-6 oz:	\$1.67	Milk gallon:	\$5.01
Yogurt 32 oz:	\$3.66	Sour Cream 16 oz:	\$2.13
		Cream Cheese 8 oz:	\$2.50

WHOLESALE BUTTER MARKETS - JUNE 29

WEST: Cream is available as some production facilities are preparing for downtime during the holiday. Stakeholders say demand for cream has been strong from butter and ice cream makers in recent weeks and that they expect strong demand to remain for loads shipping after the holiday. Butter production is steady, though some plant managers say labor shortages are preventing them from running full schedules. Stakeholders say that tight spot availability is contributing to higher prices for butter, as market prices for butter have risen on the CME by 3 cents, since last Wednesday. Strong demand is present for bulk butter. Contacts say that the NASS Cold Storage report showed that May inventories were down by 22 percent compared to 2021, has contributed to increased demand from purchasers of bulk butter. Foodservice demand is declining in the West; some restaurateurs say rising costs and labor shortages are causing them to reduce their operating hours. Retail customers are reducing butter purchases due to higher retail pricing.

CENTRAL: Butter producers are clearing cream from regional sources as the holiday weekend approaches. Cream handlers are reporting similar multiples week to week, but end usage plants are, for the most

part, allotting either a single or two days off between Friday to Monday. Butter sales are seasonally quieter, but generally meeting expectations. Contacts are looking at export growth, and there continue to be questions raised regarding the quickly approaching fall demand season and availability at that time. Early- to mid-week churning is increasing due to the cream market loosening up somewhat due to the holiday.

NORTHEAST: Reports of cream supplies are somewhat mixed ahead of the holiday weekend. Butter production is trending down following seasonal patterns. In some cases, churning schedules are further limited by labor and/or supply chain shortages, lower domestic butter demand, and higher cream multiples. Eastern inventories vary. Some manufacturers' stocks are slowly growing, month to month, but market participants report inventories are generally lower when compared to last year. Some buyers say they are purchasing spot loads of butter from other regions to meet their needs. Some consumers are adjusting their dining and shopping habits in response to inflationary pressures and steep gas prices, which some contacts suggest is reflected in both softer food service orders and retail sales.

WEEKLY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT

DATE	BUTTER	CHEESE
06/27/22	61,294	84,964
06/01/22	63,789	84,330
Change	-2,495	634
Percent Change	-4	1

CME CASH PRICES - JUNE 27 - JULY 1, 2022

Visit www.cheesereporter.com for daily prices

	500-LB CHEDDAR	40-LB CHEDDAR	AA BUTTER	GRADE A NFDM	DRY WHEY
MONDAY June 27	\$2.1425 (-½)	\$2.0900 (NC)	\$2.9100 (-½)	\$1.7800 (-1)	\$0.5000 (+2½)
TUESDAY June 28	\$2.1600 (+1¾)	\$2.1425 (+5¼)	\$2.9675 (+5¾)	\$1.7650 (-1½)	\$0.4825 (-1¾)
WEDNESDAY June 29	\$2.1950 (+3½)	\$2.1950 (+5¼)	\$2.9950 (+2¾)	\$1.8000 (+3½)	\$0.4825 (NC)
THURSDAY June 30	\$2.1950 (NC)	\$2.1950 (NC)	\$2.9950 (NC)	\$1.8075 (+¾)	\$0.4875 (+½)
FRIDAY July 1	\$2.2050 (+1)	\$2.1725 (-2¼)	\$3.0100 (+1½)	\$1.8025 (-½)	\$0.5000 (+1¼)
Week's AVG \$ Change	\$2.1795 (+0.0151)	\$2.1590 (+0.0615)	\$2.9755 (+0.0342)	\$1.7910 (-0.0103)	\$0.4905 (+0.0030)
Last Week's AVG	\$2.1644	\$2.0975	\$2.9413	\$1.8013	\$0.4875
2021 AVG Same Week	\$1.4955	\$1.5435	\$1.7505	\$1.2625	\$0.5610

MARKET OPINION - CHEESE REPORTER

Cheese Comment: There was no block market activity at all on Monday. One car of blocks was sold Tuesday at \$2.1425, which raised the price. On Wednesday, 1 car of blocks was sold at \$2.1950, which raised the price. There was no block market activity at all on Thursday. No blocks were sold Friday; the price declined on an uncovered offer of 1 car at \$2.1725. The barrel price declined Monday on an uncovered offer at \$2.1425, increased Tuesday on a sale at \$2.1600, rose Wednesday on a sale at \$2.1950, and increased Friday on a sale at \$2.2050.

Butter Comment: The price declined Monday on a sale at \$2.9100, rose Tuesday on a sale at \$2.9675, increased Wednesday on a sale at \$2.9950, and rose Friday on a sale at \$3.0100.

Nonfat Dry Milk Comment: The price fell Monday on a sale at \$1.7800, declined Tuesday on a sale at \$1.7650, increased Wednesday on a sale at \$1.8000, rose Thursday on an unfilled bid at \$1.8075, then fell Friday on a sale at \$1.8025.

Dry Whey Comment: The price increased Monday on a sale at 50.00 cents, declined Tuesday on a sale at 48.25 cents, rose Thursday on an unfilled bid at 48.75 cents, and increased Friday on a sale at 50.0 cents.

WHEY MARKETS - JUNE 27 - JULY 1, 2022

RELEASE DATE - JUNE 30, 2022

Animal Feed Whey—Central: Milk Replacer:	.4500 (-3) – .5000 (NC)
Buttermilk Powder:	
Central & East:	1.9350 (NC) – 2.0000 (-2¼) West: 1.8500 (NC) – 1.9900 (NC)
Mostly:	1.9000 (NC) – 1.9400 (NC)
Casein: Rennet:	5.3000 (NC) – 5.7800 (NC) Acid: 6.5500 (NC) – 6.8000 (NC)
Dry Whey—Central (Edible):	
Nonhygroscopic:	.4600 (-6) – .6300 (-¼) Mostly: .5150 (-2½) – .5500 (-5)
Dry Whey—West (Edible):	
Nonhygroscopic:	.4375 (-2) – .6750 (-½) Mostly: .5100 (-2) – .6000 (-2)
Dry Whey—NorthEast:	.5450 (NC) – .6500 (-1½)
Lactose—Central and West:	
Edible:	.3400 (+2) – .5700 (NC) Mostly: .4100 (+2) – .5000 (NC)
Nonfat Dry Milk —Central & East:	
Low/Medium Heat:	1.8100 (-2) – 1.9100 (-2) Mostly: 1.8300 (-3) – 1.8600 (-3)
High Heat:	1.9900 (NC) – 2.0250 (NC)
Nonfat Dry Milk —Western:	
Low/Medium Heat:	1.7400 (-5) – 1.8850 (-1) Mostly: 1.7800 (-3) – 1.8400 (-2)
High Heat:	1.8925 (-3¾) – 2.0400 (-1)
Whey Protein Concentrate—34% Protein:	
Central & West:	1.5500 (NC) – 2.0075 (+¾) Mostly: 1.7500 (NC) – 1.9150 (NC)
Whole Milk—National:	2.1000 (NC) – 2.4500 (NC)

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

HISTORICAL CME AVG BLOCK CHEESE PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
'09	1.0883	1.2171	1.2455	1.2045	1.1394	1.1353	1.1516	1.3471	1.3294	1.4709	1.5788	1.6503
'10	1.4536	1.4526	1.2976	1.4182	1.4420	1.3961	1.5549	1.6367	1.7374	1.7246	1.4619	1.3807
'11	1.5140	1.9064	1.8125	1.6036	1.6858	2.0995	2.1150	1.9725	1.7561	1.7231	1.8716	1.6170
'12	1.5546	1.4793	1.5193	1.5039	1.5234	1.6313	1.6855	1.8262	1.9245	2.0757	1.9073	1.6619
'13	1.6965	1.6420	1.6240	1.8225	1.8052	1.7140	1.7074	1.7492	1.7956	1.8236	1.8478	1.9431
'14	2.2227	2.1945	2.3554	2.2439	2.0155	2.0237	1.9870	2.1820	2.3499	2.1932	1.9513	1.5938
'15	1.5218	1.5382	1.5549	1.5890	1.6308	1.7052	1.6659	1.7111	1.6605	1.6674	1.6175	1.4616
'16	1.4757	1.4744	1.4877	1.4194	1.3174	1.5005	1.6613	1.7826	1.6224	1.6035	1.8775	1.7335
'17	1.6866	1.6199	1.4342	1.4970	1.6264	1.6022	1.6586	1.6852	1.6370	1.7305	1.6590	1.4900
'18	1.4928	1.5157	1.5614	1.6062	1.6397	1.5617	1.5364	1.6341	1.6438	1.5874	1.3951	1.3764
'19	1.4087	1.5589	1.5908	1.6619	1.6799	1.7906	1.8180	1.8791	2.0395	2.0703	1.9664	1.8764
'20	1.9142	1.8343	1.7550	1.1019	1.6704	2.5620	2.6466	1.7730	2.3277	2.7103	2.0521	1.6249
'21	1.7470	1.5821	1.7362	1.7945	1.6778	1.4978	1.6370	1.7217	1.7601	1.7798	1.7408	1.8930
'22	1.9065	1.9379	2.1699	2.3399	2.3293	2.1902						

Restaurant Performance Index Rose 0.5% In May; Sales, Traffic Increased

Washington—The National Restaurant Association's Restaurant Performance Index (RPI) stood at 102.6 in May, up 0.5 percent from April, the association reported.

The RPI is constructed so that the health of the restaurant industry is measured in relation to a neutral level of 100. Index values above 100 indicate that key industry indicators are in a period of expansion, while index values below 100 represent a period of contraction.

The RPI consists of two components: the Current Situation Index and the Expectations Index. The Current Situation Index, which measures current trends in four industry indicators (same-store sales, traffic, labor and capital expenditures), stood at 103.6 in May, up 1.2 percent from April.

Restaurant operators reported somewhat stronger same-store sales readings in May, as compared to April's levels. Some 71 percent of operators said their same-store sales rose between May 2021 and May 2022, up from 63 percent who reported similarly in April.

May's customer traffic readings were generally on par with April's

results. Some 55 percent of restaurant operators said their customer traffic rose between May 2021 and May 2022, up from 51 percent who reported similarly in April. Some 31 percent of operators said their sales were lower in May.

The Expectations Index, which measures restaurant operators' six-month outlook for four industry indicators (same-store sales, employees, capital expenditures, and business conditions), stood at 101.6 in May, down 0.3 percent from April and the fifth straight monthly decline.

Restaurant operators are somewhat more optimistic about sales gains in the months ahead. Some 55 percent of operators expect their sales volume in six months to be higher than it was during the same period in the previous year. That's up from 49 percent who reported similarly in April. 16 percent of operators expect their sales volume in six months to be lower than it was during the same period in the previous year, down from 20 percent in April.

By contrast, restaurant operators are much less bullish about the direction of the overall economy.

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