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USDA Hikes 2021 Cheese, Butter, Skim Milk Powder Export Forecasts

Cheese Exports Projected To Set New Record; Butter Exports Could Top 115 Million Pounds

Washington—USDA's Foreign Agricultural Service (FAS), in its semi-annual *Dairy: World Markets and Trade* report released last Friday, raised its US dairy export forecasts for cheese, butter and skim milk powder from its December 2020 forecasts.

The US cheese export forecast is revised up 3 percent from last December to 379,000 tons (835.7 million pounds) due to the current strong pace of exports to major markets as South Korea and Japan.

That would be a new US cheese export record; the previous record of 810 million pounds was set in 2014.

Cheese exports through May were up 6 percent year-over-year, the report noted. Although exports to Mexico, the leading market, have been stagnant, the Mexican economy is expected to recover in the second half of the year.

Also, the lockdown restrictions due to the COVID-19 pandemic are expected to be relaxed, leading to higher demand from the hotel-restaurant-institutional (HRI) sector.

European Union (EU-28) cheese exports are expected to rise 6.0 percent this year to 1.0 million tons (2.2 billion pounds) as the global economy recovers and demand remains firm. Through April, EU cheese shipments have been strong to Japan (up 8 percent), Switzerland (up 14 percent), Ukraine (up 28 percent) and Saudi Arabia (up 16 percent), which has offset weaker shipments to South Korea (down 7 percent) and the US (down 4 percent).

EU cheese exports to the US were sharply lower to start 2021 in the face of 25 percent retaliatory tariffs related to the Airbus dispute, the report pointed out. In March, the tariffs were suspended for four months and exports to the US bounced back. Given the recent decision to suspend tariffs for another five years, this recovery in exports is likely to continue. Traditionally, US imports dominate EU-28 cheese trade.

The New Zealand cheese production forecast for 2021 is revised up by 9 percent to 375,000 tons as more manufacturing milk is expected to be available. Exports of New Zealand cheese have expanded rapidly this year, with January through May shipments up 19 percent from the same period in 2020.

This has been largely driven by the sharp increase in import demand from China, the report explained. Over this period, New Zealand cheese shipments to China grew by 87 percent to reach 44,000 tons by the end of May, accounting for about one-quarter of total cheese exports.

Given strong import demand, the New Zealand cheese export forecast is revised up by 9 percent from last December to reach a record 375,000 tons.

The cheese import forecast for China is raised by 38 percent to a record 180,000 tons as the domestic market continues to expand at an unprecedented rate. Cheese imports this year through May are up by two-thirds compared to the

• See **Higher Exports,** p. 7

Milk Production Rose 3.2% In June; Cow Numbers Down Slightly From May

Washington—US milk production in the 24 reporting states during June totaled 18.1 billion pounds, up 3.2 percent from June 2020, USDA's National Agricultural Statistics Service (NASS) reported Thursday.

May's milk production estimate for the 24 reporting states was revised up by 12 million pounds, but that didn't change the percentage increase of 4.9 percent from the original estimate.

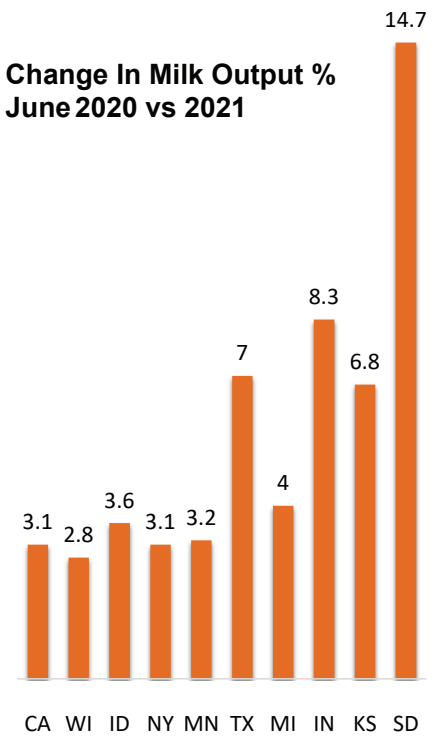
Production per cow in the 24 reporting states averaged 2,011 pounds for June, 27 pounds above June 2020.

The number of milk cows on farms in the 24 reporting states was 8.995 million head, 161,000 head more than June 2020 but 1,000 head less than May 2021. Prior to that decline, milk cow numbers in the 24 reporting states had increased for 11 straight months.

During the second quarter of 2021, milk production for the entire US totaled 58.1 billion pounds, up 3.7 percent from 2020's second quarter. First-quarter milk production had been up 1.1 percent from 2020's first quarter (which had an extra day due to leap year).

California's June milk production totaled 3.46 billion pounds, up 3.1 percent from June 2020, due

• See **Cow Numbers Fall,** p. 6



EU's New Import Health Certificates For Dairy Products, Ingredients Criticized

Brussels, Belgium—Two European dairy and food industry organizations this week shared with European Union (EU) officials their concerns regarding the imminent implementation of the new EU import health certificates for dairy products and ingredients.

The concerns were aired by Eucolait (the European Association of Dairy Trade) and FoodDrinkEurope, the EU food and drink industry's trade organization.

Their concerns echo those made in recent weeks by other EU groups, including the European Dairy Association, the voice of the European milk processing industry, and Specialized Nutrition Europe

• See **Import Certificates,** p. 5

Petition Seeks To Exempt Small Class I Handlers From Pooling Obligations

Washington—A petition received by USDA's Agricultural Marketing Service (AMS) this week proposes to exempt all federal order Class I handlers from federal milk marketing order pooling obligations whose monthly route distribution sales are below 3 million pounds of milk per month.

The petition was submitted by Lamers Dairy Inc., Appleton, WI, with the support of Ronnybrook Farms, Ancramdale, NY; High Lawn Farms, Lee, MA; Broadacre Dairies, Powell, TN; Calders Brothers Dairy, Lincoln Park, MI; Snowville Creamery, Pomeroy, OH; Farmers All Natural, Wellman, IA; and Toft Dairy, Sandusky, OH.

The purpose of the change would be to grant relief from pooling obligations under the federal order system to be the same as that of a producer-handler, the petition explained.

A final rule that became effective in 2010 amended the producer-handler definitions of all federal orders to limit exemption from pooling and pricing provisions to those with total route disposition and sales of packaged fluid milk products to other plants of 3 million pounds or less per month. The exempt plant definition continued to limit disposition of Class I milk products to 150,000 pounds or less per month.

Current federal order regulations require all Class I distributing plants whose monthly route distribution sales are above 150,000 pounds to participate

• See **Small Handlers,** p. 7

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EDITORIAL COMMENT

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taxing the salt that is used in cheesemaking would seem to be a recipe for disaster, in part because reducing the amount of salt used in cheese would have a very small impact on total population-wide salt intake.

UK's Proposed Tax On Salt Is Both Idiotic And Dangerous

A "National Food Strategy" for the United Kingdom was released last week, and the independent review of the UK's food system includes a proposal that's both idiotic and potentially dangerous. That proposal is for a salt reformulation tax.

The review specifically calls for a tax on both sugar and salt for use in processed foods or in restaurants and catering businesses. The tax on salt would actually be twice as high as the tax on sugar; because salt is used in much smaller quantities than sugar, the rate needs to be higher in order to achieve an impact, the review explained.

The rationale for the proposed tax is that people in the UK "eat too much sugar and salt," according to the review. A tax on the amount of sugar and salt used in processed and prepared foods "will create a significant incentive for companies to reformulate their products so as to avoid having to put the price up, which would be damaging to their business in the UK's highly competitive and price-sensitive food market," the review stated.

Suffice it to say that the review has nothing positive to say about salt, or sugar. Eating too much salt "is strongly linked to high blood pressure, which can cause strokes and cardiovascular disease," the review noted. Declines in salt consumption "have been associated with substantial improvements" in people's health.

The problem with this is that salt offers some clear benefits to some food manufacturers, including cheese makers. In a country that's world famous for Cheddar, Stilton and other cheeses, we have a hard time believing that some sort of blanket tax on salt used in food manufacturing will be a good thing.

Interestingly, the UK review doesn't spend a lot of "ink" detailing the problems with eating too much salt, other than stating that eating too much salt "is strongly linked to high blood pressure, which can cause strokes and cardiovascular disease."

Eating too much sugar and salt is also "bad for the nation's finances," the review states. It mentions the costs associated with obesity and type 2 diabetes, both of which are tied to high sugar intake but neither of which is tied to high salt intake.

It's also interesting that the review points out that UK adults on average eat 8.4 grams of salt per day, 40 percent more than the recommended six grams a day. But per capita cheese consumption in the UK is only around 26 pounds per year, or roughly half a pound a week, which would seem to indicate that the salt in cheese is not one of the major contributors to the country's high salt intake.

So taxing the salt that is used in cheesemaking would seem to be a recipe for disaster, in part because reducing the amount of salt used in cheese would have a very small impact on total population-wide salt intake.

It would also be a recipe for disaster due to all the benefits of using salt in cheesemaking. It may be recalled that, several years ago, the US Food and Drug Administration asked for input on its proposed short-term voluntary sodium reduction goals, and the agency received considerable input (criticism) from cheese and dairy industry organizations and companies.

"Salt plays a crucial role in the manufacture and ripening of natural and processed cheeses and impacts overall product functionality, safety and quality," the National Dairy Council reminded FDA. Sodium reduction in cheese is "particularly problematic" due to the crucial role that salt plays in quality, safety and taste.

The National Milk Producers Federation and International Dairy Foods Association reminded FDA that sodium contributes to the overall characteristics of cheese by: controlling the fermentation by starter culture organisms; controlling the non-starter organisms that are known as non-starter lactic acid bacteria; controlling the lysis of starter cultures and subsequent enzymatic activity; drawing moisture from the curd; and impacting functional characteristics of both melted and unmelted cheese like body and texture.

Salt is also a "significant factor" in minimizing spoilage and preventing the growth of pathogens, like Listeria monocytogenes in natural cheeses and Clostridium botulinum in processed cheeses, IDFA and NMPF pointed out. Salt also influences the growth of undesirable microorganisms. Thus, "it is challenging to reduce sodium in cheese."

"Reducing sodium in cheesemaking poses many technological challenges, and in most cases is neither feasible nor practical in achieving a desired end product," the American Cheese Society told FDA. Cheese makers use only as much salt as is needed to produce the desired outcome, and shifting this balance to achieve FDA's proposed sodium reduction goals "could do more harm than good."

The UK review notes that the proposed tax on salt will incentivize further innovation and reformulation, such as the use of potassium chloride, "which is less harmful to health than conventional salt."

This raises at least a couple of questions. First, do UK food standards regulations even allow the substitution of potassium chloride for sodium chloride in cheese?

And second, how exactly are cheeses covered by geographical indications, such as White Stilton/Blue Stilton and West Country Farmhouse Cheddar, supposed to make this switch? It would seem that using potassium chloride would contradict the historic traditions of these protected cheeses.

A tax on salt, as proposed in the UK's National Food Strategy, seems like an ill-conceived idea that shouldn't receive serious consideration.

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Northeast Shipping Percentages To Be Reduced To 10% For Sept.-Nov. 2021

Boston, MA—Shawn M. Boockoff, market administrator for the Northeast federal milk marketing order, has approved a request from pool handler Queensboro Farm Products, Inc., to reduce the shipping percentage on the order from 20 to 10 percent for September, October and November 2021.

Boockoff approved the request after reviewing a variety of Northeast order statistical data related to total pool volume, class utilization changes over time, fluid milk sales reports for the order, and recent industry dynamics, together with comments submitted by parties responding to a recent call for comments on Queensboro's request.

Also, in consideration of the recent and ongoing uncertainty associated with a marketplace and supply chain that has been challenged by the COVID-19 pandemic, the approved 10 percent level is not extended "until further notice," Boockoff decided.

Queensboro cited declining Class I sales, a decline in the number of Class I customers seeking to purchase milk for Class I usage, and a comment that the company, as a longstanding participant in the Northeast industry, was unaware of any instances in which Class I needs have not been covered.

The market administrator's office received four responses in its request for input on Queensboro's petition.

Agri-Mark, a cooperative handler and operator of multiple pool supply plants, supported the reduction in shipping requirements from 20 to 10 percent for the months of September, October and November. However, citing the "drastic changes" the pandemic has caused in the marketplace over the past year, Agri-Mark did not support lowering the requirements until further notice. Agri-Mark feels that these requirements should continue to be reviewed annually.

Cayuga Marketing LLC, a cooperative handler, also supported the reduction in shipping requirements for the months of September, October and November, until further notice. Cayuga concluded that producer milk is "more than sufficient" to meet Class I demand during the September to November timeframe, and wants the pooling percentage to be reduced to 10 percent for the period until further notice to reflect the fact that Class I utilization as a percentage of available producer milk has declined 14.25 percent from 2010 to 2020.

Should Class I sales continue to decline, the 10 percent pooling percentage requirement should be reviewed to ensure marketers in the Northeast order are not incurring abnormal marketing costs related to meeting a pooling requirement "that cannot be supported through data," Cayuga added.

Dairy Farmers of America (DFA), a cooperative handler and operator of multiple pool supply plants, did not oppose the continued reduction in the percentage to 10 percent for the months of September, October and November; however, DFA opposed the "until further notice" effective period. DFA would prefer the shipping percentage be reviewed each month during the requested period.

Upstate Niagara Cooperative, a cooperative handler and operator of pool distributing and partially regulated pool distributing plants, supported a reduction in the shipping for the months of September, October, and November, but would prefer that the market administrator continue to review this issue regularly rather than approving a change that would include "until further notice."

Monthly pool statistics continue to paint a picture of declining Class I utilization for the order, though there had been some slowing of this trend earlier in 2021, Boockoff noted. The utilization for the recent pool, May, at 672.2 million pounds, was the lowest volume for the month in 20 years. At 28.9 percent, Class I utilization in May was the lowest ever for the month and fourth-lowest Class I utilization by percent for any month since the order's inception.

The volume of milk pooled on the Northeast order through the first five months of this year is the fourth largest volume since the inception of the order, though slightly below last year, adjusted for leap year, Boockoff pointed out.

Though high level data support the characterization of a regional market with ample supplies of milk coupled with declining Class I usage, the pandemic situation, is not entirely in the past, and has proven to create hard to predict, or unpredictable, outcomes.

The data on current milk volumes and Class I demand suggest a shipping percentage that may be suitable at a lower level, but with an abundance of caution, does not warrant an extended period of approval such as "until further notice," Boockoff added.

Lower Class III Prices Coming

Dairy Situation & Outlook - July 22

DR. BOB CROPP,
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With a higher level of milk production, the production of dairy products has been relatively high. The latest dairy product report showed that compared to a year in ago in May the production of Cheddar cheese was 8.7 percent higher with total cheese production up 5.0 percent and butter up 7.6 percent.

However, improved domestic sales along with exports has tightened cheese stocks. June 30th American cheese stocks were 2 percent lower than May 31st and just 2 percent higher than a year ago. June 30th total cheese stocks were also 2 percent lower than May 31st and just 1 percent higher than a year ago. June 30th butter stocks grew just 1 percent from May 31st and were 14 percent higher than a year ago.

Milk production remains at a level to put downward pressure on milk prices. However, the level of milk production has improved. While May milk production for the US was estimated to be 4.7 percent higher than a year ago June's production was up 2.9 percent. These increases need to be compared to a year ago when May milk production was down 0.5 percent from the previous year and June was up just 0.8 percent.

Milk cow numbers had been increasing since July of 2020, but cow numbers declined slightly in June by 1,000 head. Cow numbers were still 153,000 higher than a year a year ago for a 1.3 percent increase. Milk per cow returned to a more normal trend being 1.3 percent higher.

July milk prices will end up lower. Dairy product prices have weakened during the month. During the month the price of barrel cheese was as high as $1.6475 per pound but has fallen to $1.3725. The price of 40-pound blocks has ranged from $1.5225 to $1.7375 per pound and is now $1.5425. Butter has ranged from $1.6750 per pound to $1.74 and is now $1.6950. Nonfat dry milk has ranged from $1.225 per pound to $1.2675 and is now $1.245. Dry whey has ranged from $0.4875 per pound to now $0.5375.

As a result, the July Class III will be near $16.65 down from $17.20 in June and $18.96 in May. The July Class IV will be near $15.95 down from $16.35 in June.

As things return to more normal with restaurants more fully open, students return to the classroom, conferences return, fans are back in the stands for sports and etc. domestic demand for dairy products will continue to improve.

And dairy exports continue to do well as prices remain very competitive to Oceania and Western Europe.

But, improved domestic demand and higher dairy exports will not be enough to hold milk prices higher unless milk production slows down even more. Dairy exports grew last year and continue above year ago level. May was the second highest month for dairy exports shipped in a single month. The volume in milk solids equivalent was up by 13 percent. Nonfat dry milk/skim milk powder exports were up 11.5 percent, the most ever shipped in a single month. Whey product exports were up 28 percent. Butterfat exports were up 152.7 percent. Cheese exports were 12.7 percent lower but a year ago cheese exports were strong as importers took advantage of US cheese prices that were as low as $1.00 per pound in April.

Milk prices for the reminder of the year are still uncertain. It will take more slowdown in milk production, improved domestic sales, and continued strong dairy exports for relatively high milk prices. USDA is forecasting this year's milk production on a daily basis to end up 2.5 percent higher than last year with 1.2 percent more milk cows and 1.3 percent more milk per cow.

Milk production at this level will keep downward pressure on milk prices. As of now Class III could be in the $16's for July through September. As milk production reaches its seasonal low late summer, things return more to normal and with the anticipation of seasonal high demand for butter and cheese Thanksgiving through Christmas cheese prices should strengthen pushing the Class III to the $17's October through December.

Current Class III futures show a similar pattern with the $16's July through September and the $17's October through December. USDA is forecasting even lower milk prices with Class III averaging just $16.80 for the year.

FROM OUR ARCHIVES

50 YEARS AGO

July 23, 1971: Madison—A recent hearing on a proposed Wisconsin Assembly bill, which would require butter substitutes containing 40 percent or more butterfat to be labeled "Butterine," but exempts the product from being labeled "margarine," was called trickery by those who oppose giving the product a standard name. "Dairy farmers feel they have already made enough concessions to people who trade on dairy products' reputation."

Washington—John Vogt, former executive administrator for Lions International, has joined the Dairy & Food Industries Supply Association as executive vice president.

25 YEARS AGO

July 26, 1996: Modesto, CA—The California Milk Advisory Board and the state of California have been dismissed from a lawsuit filed in April by Joseph Gallo Farms. Judge Edward Garcia ruled the state, which enables the marketing order and the CMAB, itself, is not "unconstitutional."

Grays Chapel, NC—Folks around this Randolph county town call the farm by the name of its cheesemaking operation – the Goat Lady Dairy. The "Goat Lady" is Ginnie Tate, who bought the land and a dilapidated 150 year-old farmhouse and moved in with her one goat, Nubie. Today, Tate's family owns and operates the 60-acre goat dairy farm.

10 YEARS AGO

July 22, 2011: Norwich, NY—Agro Farma, which produces the well-known Chobani brand Greek yogurt, will invest $97 million to build and equip a new dairy processing facility in the town of Columbus, NY. In addition to Agro Farma, companies that have started producing specialty yogurts in New York State include Fage USA, Krino Foods, Kesso Foods and the Icelandic Milk & Skyr Corporation.

Monroe, WI—A Feta entry made by Steve Webster of Klondike Cheese, Monroe, earned Grand Champion honors here this week at the Green County Fair Cheese Contest. This year's competition drew a total of 29 cheese entries from area cheese plants.

USDA Seeking Cheddar, Pepper Jack, String Cheese, And Yogurt For Oct.-Dec. Delivery

Washington—The US Department of Agriculture (USDA) last Friday issued a solicitation for Cheddar cheese, Pepper Jack cheese and yogurt for delivery between Oct. 1 and Dec. 31, 2021.

Specifically, the agency is seeking 74,880 pounds of yellow Cheddar cheese, 0.75-ounce slices; 116,400 pounds of shredded Pepper Jack cheese; 123,006 pounds of high protein blueberry yogurt, 24/4-ounce cups; 181,830 pounds of high protein strawberry yogurt, 24/4-ounce cups; 147,828 pounds of high protein vanilla yogurt, 24/4-ounce cups and 82,440 pounds of high protein vanilla yogurt, 6/32-ounce tubs.

The cheese and yogurt are being purchased for use in the National School Lunch Program and other federal food and nutrition assistance programs.

Offers are due by 1:00 p.m. Central time on Thursday, July 29. Offers must be submitted electronically via the Web-Based Supply Chain Management System (WBSCM).

For more information about this solicitation, contact the contracting officers, Jenny Babiuch, at *Jenny.Babiuch@usda.gov*; or *Raquel.Clinton@usda.gov*.

Meanwhile, USDA on Wednesday issued a solicitation seeking a total of 739,200 pounds of low moisture part skim Mozzarella String cheese for delivery between Oct. 1 and Dec. 31, 2021. The String cheese is being procured for use in The Emergency Food Assistance Program (TEFAP) and other federal food and nutrition assistance programs.

Bids are due by 1:00 p.m. Central time on Friday, July 30. This solicitation may show multiple stops on some line items; however, the number of stops will be limited to a maximum of three. Bidders may submit different prices for each stop; however, a price is required on all line items within the lot.

Inquiries about this String cheese solicitation should be directed to the contracting officer, at (202) 720-4517.

Offerors for both solicitations are being cautioned to bid only quantities they can reasonably expect to produce and deliver.

Purchases will be made on an f.o.b. destination basis to cities on these solicitations. Destination quantities listed are estimates and subject to adjustment based on offerings, changes in recipient needs, market conditions, and program operations.

Import Certificates

(Continued from p. 1)

(SNE), the voice of the specialized nutrition industry across Europe.

Eucolait and FoodDrinkEurope said they are "extremely concerned" by the trade barriers on imports of dairy products (finished products and ingredients) into the EU from third countries — "and particularly from the US" — created by the requirements introduced in the new Animal Health Law Regulation (EU) 2020/692 and reflected in the new certificates laid down in Regulation (EU) 2020/2235.

These new requirements, such as the three-month residency requirement for animals prior to milking and regular veterinary inspections requirements, are "excessively burdensome and inconsistent with the World Organization for Animal Health (OIE) guidance for international trade of products of animal origin," Eucolait and FoodDrinkEurope stated. "As a result, many third countries, including the US, will not be able to comply with them.

"The implementation of these requirements will cause significant economic damage to European importers," Eucolait and FoodDrinkEurope continued. "In particular, the requirements will be extremely detrimental for EU-based businesses that rely on imported dairy ingredients," which are essential in the production of highly specialized products like infant and medical nutrition products.

These ingredients cannot be easily replaced, Eucolait and FoodDrinkEurope pointed out. Alternative sources and ingredients will have to be found and a long process will have to take place, including bio-equivalence studies and new clinical trials, which can take years to complete.

"A distruption of the supply chain would have a negative impact for some of the most vulnerable population groups like infants and patients under medical supervision, who will not be able to benefit from existing products," the two EU organizations commented.

All certificates signed after Aug. 21, 2021, will have to use the new model, Eucolait and FoodDrinkEurope noted. In light of the urgency of the situation, they called on the European Commission to find an acceptable solution. In the absence of a rapid solution, they asked the Commission to extend the transitional period to allow involved parties to come to an acceptable solution without harming economic interests and impacting consumers.

"This would not cause any health concern, as there is no evidence of issues with ingredients imported under the current model of certification," Eucolait and FoodDrinkEurope said.

The EU is a relatively minor importer of dairy products, "but a selected number of these imported products are indispensable in the production of highly specialized products, like infant and adult nutrition products," the European Dairy Association said earlier this month in a letter to EU officials.

A disruption of the supply chain due to the inability of third countries to comply with the new implementing regulation would therefore have serious implications for the EU production capacity of these specialty products "and cause economic damage to our sector," the EDA noted. "We would like to highlight that these ingredients currently cannot be sourced from within the EU and that any attempt to find alternative sources and/or reformulate the end products can take years to complete."

The EDA asked the European Commission to "approach this issue constructively as a mutually acceptable solution is of the utmost importance for our industry." The EDA would alternatively support a prolongation of the current transitional period until 2023. Such a prolongation "would allow all parties involved to come to an acceptable solution without immediately harming our economic interest and not least our relationship with our trading partners."

Last month, Specialized Nutrition Europe (SNE) shared its concerns regarding the upcoming implementation of the new EU import health certificates with an EU official. SNE said it is concerned by the "serious barrier to imports" of dairy products (finished products and ingredients) into the EU from third countries, particularly from the US, created by the requirements set out in the new EU import health certificates.

The implementation of these new requirements "will strongly impact manufacturing operations" for the EU specialized nutrition industry, and SNE therefore asked for a delay in the application of the implementing regulation such that dairy and composite products from third countries, and in particular from the US "can continue to have access to the EU market until a solution is found to avoid any barriers to trade."

SNE also noted that these requirements are "unnecessary and excessively burdensome, given that there is no evidence of issues with ingredients imported under the current model of certification."

Cow Numbers Fall

(Continued from p. 1)

to unchanged milk cow numbers but 60 more pounds of milk per cow. California's second-quarter milk output totaled 10.84 billion pounds, up 4.0 percent from 2020's second quarter. The state's January-March milk production had been up 0.7 percent from a year earlier.

Wisconsin's June milk production totaled 2.64 billion pounds, up 2.8 percent from June 2020, due to 17,000 more milk cows and 30 more pounds of milk per cow. During the second quarter of this year, Wisconsin's milk production totaled 8.0 billion pounds, up 4.4 percent from the second quarter of last year. The state's first-quarter output had been up 2.4 percent from 2020's first quarter.

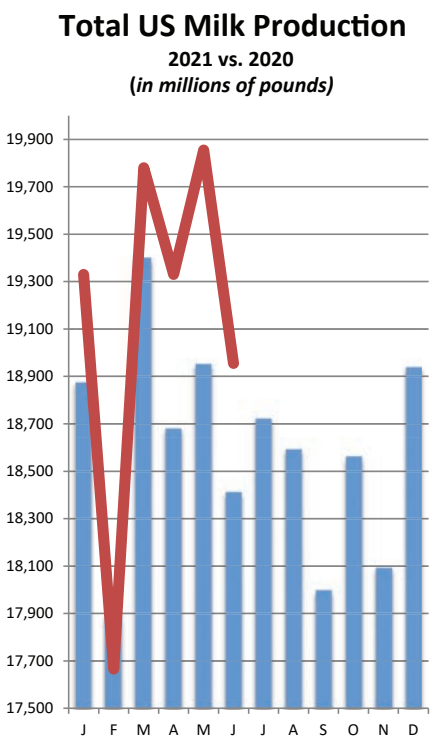
Idaho's June milk production totaled 1.4 billion pounds, up 3.6 percent from June 2020, due to 14,000 more milk cows and 30 more pounds of milk per cow. Idaho's April-June milk production totaled 4.2 billion pounds, up 3 percent from a year earlier. The state's January-March milk output had been down fractionally from the same period in 2020.

Milk production in New York during June totaled 1.32 billion pounds, up 3.1 percent from June 2020, due to 4,000 more milk cows and 50 more pounds of milk per cow. New York's second-quarter milk production totaled 3.99 billion pounds, up 3.4 percent from 2020's second quarter. The state's January-March milk output had been up 0.2 percent from a year earlier.

June milk production in Texas totaled 1.28 billion pounds, up 7.0 percent from June 2020, due to 34,000 more milk cows and 25 more pounds of milk per cow. Texas's April-June milk production totaled 3.97 billion pounds, up 8.6 percent from the same period last year. The state's first-quarter milk output had been up 3.7 percent from 2020's first quarter.

Michigan's June milk production totaled 1.02 billion pounds, up 4.0 percent from June 2020, due to 17,000 more milk cows but unchanged milk per cow. Michigan's second-quarter milk production totaled 3.1 billion pounds, up 4.6 percent from 2020's second quarter. The state's January-March milk output had been up 3 percent from a year earlier.

Minnesota's June milk production totaled 873 million pounds, up 3.2 percent from June 2020, due to 20,000 more milk cows but 25 less pounds of milk per cow. During the April-June period, Minnesota's milk production totaled 2.65 billion pounds, up 5.2 percent from the same period in 2020. The state's first-quarter milk output had been up up 5.8 percent from 2020's first quarter.



June milk production in Pennsylvania totaled 846 million pounds, down 1.2 percent from June 2020, due to 7,000 fewer milk cows but five more pounds of milk per cow. Pennsylvania's second-quarter milk output totaled 2.6 billion pounds, down 0.1 percent from 2020's second quarter. The state's January-March milk production had been down 1.6 percent from a year earlier.

New Mexico's June milk production totaled 675 million pounds, up 4.3 percent from June 2020, due to 1,000 fewer milk cows but 90 more pounds of milk per cow. New Mexico's April-June milk production totaled 2.1 billion pounds, up 4.4 percent from the same period in 2020. The state's first-quarter milk output had been down 0.7 percent from 2020's first quarter.

Washington's June milk production totaled 549 million pounds, down 2.7 percent from June 2020, due to 3,000 fewer milk cows and 35 less pounds of milk per cow. Washington's second-quarter milk production totaled 1.7 billion pounds, down 1.7 percent from 2020's second quarter. The state's January-March milk output had been down 2.8 percent from a year earlier.

All told for the 24 reporting states in June, compared to June 2020, milk production was higher in 18 states, with those increases ranging from 0.5 percent in both Oregon and Vermont to 14.7 percent in South Dakota; down in five states, with those declines ranging from 0.5 percent in both Arizona and Florida to 4.0 percent in Virginia; and unchanged in Illinois.

Milk Production by State

STATE	June 2020	June 2021	% Change	Change Cows
California	3356	3459	3.1	NC
Wisconsin	2564	2637	2.8	17000
Idaho	1347	1396	3.6	14000
New York	1277	1317	3.1	4000
Texas	1198	1282	7.0	34000
Michigan	976	1015	4.0	17000
Minnesota	846	873	3.2	20000
Pennsylvania	856	846	-1.2	-7000
New Mexico	647	675	4.3	-1000
Washington	564	549	-2.7	-3000
Ohio	466	478	2.6	7000
Iowa	441	458	3.9	11000
Colorado	426	444	4.7	9000
Arizona	403	401	-0.5	-2000
Indiana	360	390	8.3	16000
Kansas	322	344	6.8	7000
South Dakota	258	296	14.7	20000
Oregon	219	220	0.5	2000
Vermont	214	215	0.5	-4000
Utah	188	193	2.7	1000
Florida	186	185	-0.5	-1000
Illinois	149	149	-	NC
Georgia	143	149	4.2	1000
Virginia	126	121	-4.0	-1000

millions of pounds 1,000 head

Dairy, Other Animal Ag Groups Launch Effort To Boost Animal Protein

Washington—Twelve organizations and companies representing farmers and companies who make the vast majority of America's dairy, meat and poultry, as well as animal feed and ingredients, on Monday unveiled a joint initiative designed to accelerate momentum and verify progress toward global sustainable development goals across all animal protein sectors.

The Protein PACT for the People, Animals, and Climate of Tomorrow has been submitted to the UN Food Systems Summit as a sustainability game changer, and sustainable livestock and poultry production will be featured in a side event at the upcoming Food Systems Summit ministerial in Rome on July 27.

The Protein PACT is partially funded by US farmers and ranchers, including with support from the dairy, pork and soybean checkoffs. Protein PACT partners include, among others: Dairy Management, Inc. (DMI), the North American Meat Institute, National Corn Growers Association and United Soybean Board.

"The Protein PACT is the first initiative to unite meat, poultry, and dairy farmers and processors in a common vision for transparent communication, continuous improvement, and ambitious commitments to ensure the sustainability of the high-quality protein foods Americans rely on every day," Potts added.

Higher Exports

(Continued from p. 1)

same period last year. From 2012 through 2020, annual import demand has grown at an average annual rate of 16 percent.

China is expected to be the largest cheese importer in the world, surpassing the US. The bulk of the Chinese market is supplied by New Zealand and the EU-28, accounting for 56 percent and 21 percent of the import market, respectively.

US butter prices have been averaging around $3,750 per ton ($1.70 per pound), which is well below international prices, which have typically been above $4,400 per ton ($2.00 per pound), the report noted. Given this competitive edge, US butter exports are expected to expand significantly. Through May, US butter shipments have nearly tripled in comparison to the same period in 2020.

This price advantage is expected to persist for the balance of the year and USDA's export forecast is doubled from the December forecast to 53,000 tons (117 million pounds). To date, most of the US butter has been shipped to such traditional customers as Canada but also newer markets in Bahrain, Saudi Arabia, and Egypt.

EU butter production is expected to decline 0.8 percent this year to 2.4 million tons. Tighter supplies and growth in domestic consumption will keep butter from entering the international market, and in 2021, EU butter exports are expected to decline 19 percent to 200,000 tons.

Reflecting the increased availability of milk, US production of skim milk powder has been greater than previously anticipated and the production forecast has been revised up by 10 percent to 1.27 million tons.

Through May of this year, SMP shipments to Mexico were up 24 percent year-over-year, reaching 134,000 tons. Since Mexico is forecast to import 350,000 tons of SMP, 13 percent more than in 2020, US shipments of SMP are expected to continue to accelerate.

Given the bright outlook, the US export forecast for SMP is raised by 8 percent to a record 890,000 tons (just under 2.0 billion pounds). This would represent about 70 percent of the 2021 SMP forecast production.

Global dairy prices are relatively strong due in large part to the unprecedented import demand for dairy products by China, the report noted. For the January through May period, China's dairy imports have grown by almost 17 percent to reach $6.4 billion.

There has been a surge in China's import demand for a broad range of dairy products, notably fluid milk, milk powders, and whey and whey products.

Small Handlers

(Continued from p. 1)

in the pool. Under normal marketing conditions, when Class I milk is priced higher than other classes, Class I handlers have to pay money into the producer settlement fund, creating the producer price differential (PPD).

Over the past 10 months there has been "so much volatility" in the pricing of manufacturing milk that the Class III price exceeded the Class I price, creating negative PPDs, the petition continued. This created a situation in which the manufacturing plants would have to pay into the pool and Class I handlers would get a draw, but because Class III milk was depooled, Class I handlers still had to pay into the pool.

Lamers Dairy said it had to replace some of its milk supply because a few of its farmers were getting out of the milking portion of their operations. When soliciting other farms and comparing pricing, Lamers found that other plants were deducting the negative PPD, then turning around and adding a plant premium or bonus. That premium was generally about half of the negative PPD.

"Logic would have it that the plants were able to do that because they had the money not only from the sale of the cheese in a high price market, but also with the money they saved from avoiding to pay into the Producer Settlement Fund along with funds received from the Producer Settlement Fund via Class I handlers," the petition stated. This puts handlers such as Lamers Dairy who buy milk directly from farmers "at a great competitive disadvantage."

The Regulatory Flexibility Act requries that any federal program has to consider what impact a federal regulation would have on a small business.

Clearly the federal order pooling system "puts a great burden on small business," the petition added.

The petition noted that, under normal pooling conditions in the Upper Midwest federal order, Class I sales account for approximately 7 percent of all the milk in the order. That 7 percent "subsidizes 93 percent." Now, when 2 billion pounds of milk is depooled as it was in November 2020, "the financial impact on not just the small Class I handler but all Class I handlers is just undeniable."

Nelson-Jameson To Be Distributor Of Portable Aurora UV Disinfecting Device

Marshfield, WI—Nelson-Jameson and SMS Technologies recently announced that Nelson-Jameson will be the official distributor of the portable Aurora UV Disinfecting Device to the food industry.

Developed and manufactured by SMS Technologies, the Aurora uses UV-C ultraviolet light to effectively kill any organism the light can reach, helping to eliminate those areas where traditional cleaning and sanitation methods are unable to meet. The portability of this lightweight device, coupled with its ability to disinfect effectively, make it a time-saving sanitation solution for the industry, Nelson-Jameson said.

As cleaning and sanitation programs become more complex and regulated, processors are seeking advanced solutions and support selecting and integrating equipment, supplies and processes into their facilities and supply chains, Nelson-Jameson noted. Distributors like Nelson-Jameson use their knowledge of the evolving needs of processors and their understanding of the latest advances in manufacturing and plant sanitation to ensure customers are equipped to produce consistently safe products efficiently and profitably.

"Over the past 74 years, Nelson-Jameson has cultivated relationships with strategic manufacturers to provide the food and dairy industry with a comprehensive portfolio of innovative products that lower costs, improve efficiencies, and strengthen quality," said Mike Rindy, Nelson-Jameson's president. "Our partnership with SMS Technologies allows us to offer a powerful, versatile tool our customers can use to advance their sanitation programs and elevate their businesses."

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

C&S Wholesale Grocers To Acquire Piggly Wiggly Midwest

Keene, NH—C&S Wholesale Grocers, a leader in supply chain solutions and wholesale grocery supply, has entered into a definitive agreement with Piggly Wiggly Midwest with the intent to buy the Wisconsin-based wholesaler.

Piggly Wiggly Midwest, based in Sheboygan,WI, operates corporate stores and services independent franchisees under a chain-style program. Sheboygan is also home to two Piggly Wiggly's distribution centers. A third distribution center is located in Milwaukee.

C&S will operate 11 Piggly Wiggly Midwest corporate stores and service 14 Butera Market stores in the Chicagoland region, as well as 84 Wisconsin franchisees under the Piggly Wiggly brand.

"The purchase of Piggly Wiggly Midwest is a natural expansion of our already successful Piggly Wiggly Carolina business and reinforces our strong commitment to this beloved brand," said Bob Palmer, chief executive officer, C&S Wholesale Grocers.

As part of the transaction, the Butera family said they have committed to retaining C&S as their primary supplier for their Butera Market stores, according to Joseph Butera, president, Butera Market.

IDFA Welcomes 30 Future Dairy Leaders Into NextGen Leadership Program

Washington—The International Dairy Foods Association (IDFA) announced Monday the acceptance of 30 future dairy industry leaders into the third class of its NextGen Leadership Program.

Now in its third year, the program is a signature element of IDFA's People Strategy, identified by their nominating companies as tomorrow's industry leaders.

The program will prepare them to lead our industry into a new era and make a real difference for dairy, he continued.

The program focuses on three core areas: advocacy, education, and networking.

The 2021-22 class includes: **Michael Agate**, general manager, Turner Dairy Farms; **James Anderson**, vice president and corporate controller, California Dairies, Inc.; **Ivan Beck**, senior director of international sales, Agropur; **Mindy Berrey**, senior director of sales, Land O'Lakes, Inc.; **Kristen Coady**, senior vice president, corporate affairs, Dairy Farmers of America; **James De Jong**, director, dairy economics and risk, Glanbia Nutritionals; **Derek DeGroot**, director of dairy procurement, Hilmar Cheese Company, Inc.; **Michael Dudas**, director of procurement, Schuman Cheese; **Katie Egan**, director of corporate development, Crystal Farms; **Thomas Filak**, vice president of sales, North America, Dairy.com and Orbis MES; **Steve Gulley**, chief marketing officer, Dairyamerica, Inc.; **Marissa Hake**, director of animal welfare and sustainable farming, Fairlife, LLC; **Heather Iafrate**, general manager, marketing, Norseland Inc.; **Marvin Jones**, plant director, Bel Brands USA; **Mara Kamat**, vice president of human resources, Great Lakes Cheese; **Kelly Kerrigan**, human resources director, Michigan Milk Producers Association; **Jimmy Lawhorn**, vice president, sales and marketing, Blue Bell Creameries; **Brian Loch**, vice president of sales, Saputo Dairy USA; **Katie Lott**, director of farm engagement, Tillamook County Creamery Association; **Florian Middelhuis**, vice president, sales and marketing, Idaho Milk Products; **Tracy Mobley**, Kroger dairy sourcing leader, Kroger; **Kristin Naranjo**, CFO, Valley Milk, LLC; **Jose Quijada**, assistant vice president, corporate accounts, Ecolab; **Patti Schaefer**, director of milk marketing and member services, First District Association; **Sean Simonian**, director of sales, Producers Dairy Foods, Inc.; **Kristine Stoll**, director, regulatory, Schreiber Foods; **Brad Suhling**, corporate quality assurance, Prairie Farms Dairy; **Rachel Turgasen**, director of milk supply and policy, Foremost Farms USA; **Eric Vorpahl**, director of purchasing, bulk cheese and risk management, Masters Gallery Foods; and **Zach Waite**, director of strategic growth and innovation, Hershey's Ice Cream.

For more information about IDFA's NextGen Leadership Program, visit *www.idfa.org/nextgen-leadership*.

PERSONNEL

GREG POLLESCH of the Galloway Company has been elected president of the **Wisconsin Dairy Products Association (WDPA)** for 2022. BOB WALKER of Prairie Farms has been elected as vice president, and Sargento Foods' PAUL BLACKLEY will serve as treasurer. JOE MILLER, Foremost Farms USA, was voted in as secretary. Six members of the WDPA board were also approved for three-year terms, including Pollesch; JOANNE BRENNAN, Dairy Farmers of America (DFA); RON KREMER, Kerry; BOB WALKER, Prairie Farms; JOE MILLER, Foremost Farms USA; and BILL STEWART, Century Foods.

EMILY PLISCOTT has been named dairy policy assistant to the Livestock and Foreign Ag Subcommittee of the **US House Agriculture Committee**. Pliscott was formerly an intern with the Food & Agriculture Organization (FAO), and the National Farmers Union. CAITLIN BALAGULA will serve as staff assistant for the Committee. Balagula previously served as a policy fellow for Slow Food USA. VICTORIA MALOCH, has been named legislative assistant. Maloch previously worked in the Federal Office of Rural Health Policy.

DEATHS

Dick Eiting, 85, former president and CEO of White Clover Dairy, died July 18. Eiting began his employment with White Clover in Kaukauna, WI, as an entry-level accountant and retired 47 years later as president and CEO. His dedication to the state's dairy industry earned him the Wisconsin Dairy Products Association (WDPA) Presidents Award in 2009. Eiting was member of the WDPA board of directors from 1986 to 1992, and served as chairman of the WDPA audit committee for 15 years. He was treasurer of the Trade Association for Proprietary Plants for 25 years, and was a delegate for the American Dairy Association of Wisconsin for several years.

Goat And Sheep Dairy Supply Chain Grants Available Through NE-DBIC

Montpelier, VT—The Northeast Dairy Business Innovation Center (NE-DBIC) recently announced the availability of grant funds through the Goat and Sheep Dairy Supply Grant program, which will provide grants for New England dairy farmers, processors, and/or producer associations to improve the goat and/or sheep dairy supply chain.

Projects funded by this grant will develop or expand goat and/or sheep dairy products or markets that will positively impact multiple businesses within the goat and/or sheep dairy supply chain. Projects will increase the exposure and promotion of regionally produced goat/sheep dairy products through supply chain impacts.

Funded projects will increase consumer awareness of goat/sheep dairy products, develop market channels and distribution opportunities to increase goat/sheep dairy product placement, support innovative strategies to increase consumption of goat/sheep dairy products, and/or increase business revenues related to goat/sheep dairy products.

Grants will range from $20,000 to $50,000, with a 25 percent match commitment (the match may be any combination of cash and in-kind funds in any expense category).

A total of $250,000 of grants are available.

Applicants eligible for these funds must fall into at least one of the following categories:

- Dairy farmer (producer) of goat or sheep milk that is: headquartered or based in New England (which includes the states of Maine, Vermont, New Hampshire, Rhode Island, Massachusetts and Connecticut); and sources or produces milk within New England.
- Dairy processor of goat or sheep milk that transforms raw milk into an edible product meant for human consumption, that is regulated by the federal Pasteurized Milk Ordinance (PMO), and is: headquartered or based in New England, and sources or produces milk within New England; and, if a value-added processor, products must be produced within New England.
- Dairy producer association/dairy council which represents and promotes dairy products dairy businesses of New England.

All applications must be submitted via the WebGrants system at *agriculturegrants.vermont.gov*. No paper applications will be accepted.

Applications will be accepted until Aug. 19, 2021.

Canadian Government Investments Aim To Boost Quebec Cheese Makers

Val-des-Sources, Quebec—Marie-Claude Bibeau, Canada's agriculture minister said investments totaling more than $535,000 for projects with Quebec cheese companies that will help boost production capacity and capabilities.

Bibeau announced an investment of up to $222,975 to Les Fromages Latino Inc., in Val-des-Sources, to support the installation of a new refrigerator system, a cream separator, cheesemaking equipment, and a packaging line. This investment is expected help the company increase production to meet demand in its unique market, reduce costs, and triple its milk use by 2025.

Les Fromages Latino produces 11 varieties of firm and semi-firm Latin American cheeses under the brand name Rumba, as well as yogurt drinks and cream.

Bibeau also announced up to $230,440 for La Fromagerie du Presbytere in Ste-Elizabeth-de-Warwick for the purchase of new production and packaging equipment, along with cold room equipment. The project will lower production costs while increasing efficiency, and enhance the site's agritourism offerings.

By 2023, it is expected that this funding will allow the business to double the amount of milk used for cheese production. La Fromagerie du Presbytere specializes in the production of cheeses made from the milk of cows fed organic feed.

Finally, Bibeau announced up to $83,552 for Fromagerie La Station Inc., located in Compton, for the purchase and installation of an automated cutting system, a packaging machine, and the installation of a cold room for cheese preservation. This investment will reduce production costs and enable the company to quintuple its milk use by 2024.

This announcement builds on previous Dairy Processing Investment Fund funding of $910,355 for Fromagerie La Station, a family-owned producer of certified organic and artisanal cheeses, to automate its maturation processes.

Canada's Dairy Processing Investment Fund was established to provide funding to dairy processors for investments that will improve productivity and competitiveness, and help them prepare for market changes resulting from increased market access included in several trade agreements entered into by Canada in recent years.

Dairy Businesses In Tennessee, North Carolina, Kentucky Can Now Apply For Innovation Grants

Knoxville, TN—Dairy businesses in Tennessee, North Carolina and Kentucky are eligible to apply for a new found of funding to modernize and diversify their operations through the Dairy Business Innovation Initiatives (DBII) program.

This round of funds was made available last year as part of an ongoing grant from USDA's Agricultural Marketing Service (AMS). So far, the University of Tennessee animal science department in partnership with the UT Center for Profitable Agriculture and Tennessee Department of Agriculture, have awarded approximately $165,000 through the DBII to Tennessee dairy producers.

In this new round of DBII funding, the pool of potential recipients is being expanded to include dairy businesses in Kentucky, North Carolina, and Tennessee. The scale of projects that can be funded through this phase of funding has also grown.

Applicants will have the opportunity to submit project proposals for up to $500,000.

The program will support projects of many sizes, but those making requests exceeding $150,00 should operate a licensed dairy farm and/or dairy plant and utilize a large portion of local milk.

DBII is working in affiliation with North Carolina State University and the Kentucky Dairy Development Council (KDDC) to publicize and evaluate applications for this round of grant funding.

In order to be eligible, applicants must meet the following:

- Diversify product markets to reduce risk and develop higher value uses for dairy products;
- Promote business development that diversifies farmer income through processing and marketing innovation; and
- Encourage the use of regional milk production.

Applications must be received by Oct. 1 to be considered.

Questions about the innovation grant program or about allowable expenses should be directed to project leader and UT Extension dairy specialist Liz Eckelkamp, at *eeckelka@utk.edu*; or Hal Pepper, financial specialist with the UT Center for Profitable Agriculture, at *hal.pepper@utk.edu*.

Babcock Hall's Gary Grossen Tops Green County Contest With Aged Gouda

Monroe, WI—Gary Grossen of Babcock Hall Dairy at the University of Wisconsin-Madison earned his second consecutive Grand Champion title here this week at the Green County Fair Cheese Contest with an Aged Gouda entry.

When the competition last took place in 2019, Grossen took home top honors for his Dutchkäse entry with a score of 99.60 in the Colby/Monterey Jack category.

This year, Grossen's Aged Gouda earned a score of 99.70 in the Colby/Monterey Jack/Edam/Gouda category.

Prior to the event, Grossen said this would be the last cheese contest he would enter.

Upon being named Grand Champion, Grossen said he was humbled.

"This is as difficult a contest as there is," Grossen said. To win your last one against this competition, you know you've accomplished something.

First, second and third place entries in each of the 13 classes will be auctioned off here Sunday, July 25 at 1 p.m. in the Hospitality Tent at the Green County Fairgrounds.

All auction proceeds go to charitable causes determined by the Foreign Type Cheesemakers Association's board of directors.

The top three winners in each class are:

Cheddar

First place: Jeff Wideman, Maple Leaf Cheesemakers, Inc., Monroe, 99.25
Second place: Chris Roelli, Roelli Cheese Company, Shullsburg, Mild Cheddar Wheel, 98.10
Third place: Sandy Speich, Hoard's Dairy Farm, Fort Atkinson, 97.90

Colby, Monterey Jack, Edam & Gouda

First: Gary Grossen, UW Babcock Hall Dairy, Aged Gouda, 99.70
Second: Emmi Roth USA, Monroe, Roth Aged Gouda Wheel, 99.55
Third place: Steve Buholzer, Klondike Cheese, Monroe, Buholzer Brothers Gouda, 98.80

Swiss Style

First place: Walter Hartwig, Chalet Cheese Co-op, Monroe, Swiss Wheel, 99.35
Second place: Sarah Nosbisch, Prairie Farms Dairy/White Hill Cheese, Shullsburg, 99.00
Third: Michael Nelson, Chalet Cheese, Swiss Wheel, 98.95

Brick

First place: Steve Stettler, Decatur Dairy, Inc., Brodhead, WI, 99.50
Second place: Matt Henze, Decatur Dairy, Brodhead, WI, 99.40
Third place: Steve Buholzer, Klondike Cheese, Inc., Monroe, 99.20

Muenster

First place: John (Randy) Pitman, Mill Creek Cheese, Arena, 99.60
Second place: Decatur Dairy, Brodhead, 99.55
Third place: Steve Stettler, Decatur Dairy, 99.30

Havarti

First place: Phil Cline, Klondike Cheese, 99.60
Second place: Tylan Saglam, Klondike Cheese, 99.40
Third place: Ron Bechtolt, Klondike Cheese, 99.30

Gary Grossen (center) holds his Grand Champion award-winning aged Gouda entry this week at the Green County Fair Cheese Contest. It was Grossen's second consecutive Grand Champion victory. With Grossen in the above photo are judges of the competition (left to right): Mike Pederson, Wisconsin Department of Agriculture, Trade and Consumer Protection; Randy Swensen, WAG Cheese; Grossen; Gina Mode, Center for Dairy Research; and Eric Vorpahl, Masters Gallery Foods.

Latin American Style

First place: John (Randy) Pitman, Mill Creek Cheese, Queso Blanco, 99.55
Second place: John (Randy) Pitman, Mill Creek Cheese, Queso Frier, 99.20
Third place: Emmi Roth, Roth Canela Wheel, 99.15

Fresh Cheese Curd

First place winner: Decatur Dairy, 99.60
Second place: Matt Henze, Decatur Dairy, 99.55
Third place: Decatur Dairy, Brodhead, 99.50

Open Class

First place: Chris Roelli, Roelli Cheese, Shullsburg, Washed Rind Alpine Style, 99.80
Second place: Emmi Roth, Grand Cru Reserve Wheel, 99.60
Third place: Sandy Speich, Hoard's Dairy Farm, Belaire, 99.55

Flavored Natural Cheese

First place: Decatur Dairy, Dill Havarti, 99.60
Second place: Steve Stettler, Decatur Dairy, Brodhead, Dill Havarti, 99.50
Third place: Steve Webster, Klondike Cheese, Peppercorn Feta, 99.45

Cold Pack & Spreads

First place: Steve Stettler, Decatur Dairy, Stettler Colby Swiss Spread, 99.55
Second place: Pine River Pre-Pack, Newton, Swiss Almond Cold Pack Cheese Food, 99.20
Third place: Steve Stettler, Decatur Dairy, Stettler Swiss Spread, 99.20

Pepper Flavored Natural Cheese

First place winner: Matt Erdley, Klondike Cheese, Sweet Heat Pepper, 99.45
Second place: Eric Schmid, Brunkow Cheese, Darlington, Nashville Hot Brun-uusto, 99.35
Third place: Steve Stettler, Decatur Dairy, Pepper Havarti, 99.20.

Overall, the competition received a total of 108 entries representing 16 cheese factories.

Contest judges were Gina Mode, Randy Swensen, Mike Pederson and Eric Vorpahl.

Contest volunteers, Gail Zeitler, Precision Biolabs; Sierra Stettler, George (Glennette) Stettler and Steve Stettler, Decatur Dairy; Glenda and Dave Buholzer, Klondike Cheese, Gary and Corrie Grossen, and Kevin Thome, Cheese Reporter, contributed their time for the betterment of the annual contest.

Pearl Valley Cheese Tops Ohio State Fair Cheese Competition

Fresno, OH—Pearl Valley Cheese Company, Fresno, OH, earned Grand Champion honors at the 2021 Ohio State Fair Cheese Competition. Urban Stead Cheese took home the Reserve Champion title for its Aged Cheddar entry.

Judges included Jenny Crabtree, Sangeeta Lakhari, Kent Rand, Abby Turner and Gary Wenneker.

The contest was sponsored by the Ohio Swiss Cheese Association, in conjunction with the Ohio Cheese Guild and the American Dairy Association Mideast.

Winners in each category were:

Rindless Swiss

First: Pearl Valley Cheese, Fresno
Second place: Guggisberg Cheese, Millersburg
Third place: Pearl Valley Cheese

Other Swiss Styles

First: Pearl Valley, Baby Swiss
Second place: Guggisberg Cheese, Baby Swiss
Third: Pearl Valley, Lacy Style

Mild Cheddar

First place: Middlefield Original Cheese, Middlefield
Second place: Bunker Hill Cheese, Millersburg
Third place: Black Radish Creamery, Columbus

Aged Cheddar

First place: Urban Stead Cheese, Cincinnati
Second: Black Radish Creamery
Third: Middlefield Original

Italian Style

First place: Miceli Dairy Products, Cleveland, Ricotta
Second place: Miceli Dairy Products, Mascarpone

Surface Mold Ripened

First place: Kuhweid Creamery, Sugarcreek, Karrie
Second: Marchant Manor Cheese, Cleveland Heights, Elmstead Ash
Third place: Black Radish Creamery, Camembert

Surface Bacteria Ripened

First place: Black Radish Creamery, Raclette
Second place: Marchant Manor Cheese, Triple Cream

Fresh Unripened

First place: Blue Jacket Dairy, Bellefontaine, Lemon Quark
Second: Urban Stead, Quark
Third place: Marchant Manor Cheese, Fresh Curd

Open Class - Cow's Milk

First: Guggisberg Cheese, Zeller
Second place: Middlefield Original Cheese, Pepper Jack
Third place: Pearl Valley Cheese, Jumping Jack

Open Class - Other Milk

First place: Blue Jacket Dairy, Feta
Second: Blue Jacket Dairy, Chevre.

Opportunities, Challenges Seen For Goat, Sheep Milk Dairy Products

Montpelier, VT—A report prepared for the Northeast Dairy Business Innovation Center (NEDBIC) found both opportunities to expand the production and sale of goat and sheep milk dairy products, as well as numerous challenges to market expansion.

The report was prepared by Atlantic Corporation, an agricultural business and economic research and development firm. The goal of the project was to conduct market, consumer, and stakeholder research on goat and sheep dairy products to determine regional consumer demographics, assess consumer preferences, define optimal distribution channels, and identify marketing strategies and innovations to improve and expand opportunities for Vermont goat and sheep farms.

To accomplish these deliverables, Atlantic implemented a consumer preference survey of consumers and conducted a business-to-business survey of New England sheep and goat dairy farms.

For the consumer preference survey, Atlantic conducted a survey of Northeast consumers from New England, as well as New York and New Jersey, to evaluate consumer preferences and spending on sheep and goat dairy products, specifically cheese, milk and yogurt.

"Increasing awareness of the availability of sheep and goat cheese, milk and yogurt would certainly increase consumption," Atlantic reported. The most broadly consumed sheep and goat dairy products among respondents was cheese.

Yet, among those who reported consuming cheese but not sheep and/or goat cheese, only 19 percent said they were aware of sheep cheese being available for purchase, while 48 percent said goat cheese is available for purchase. Even lower rates of perceived availability were seen for sheep and goat milk and yogurt.

Providing more opportunities for consumers to try sheep and goat dairy products would likely drive increases in consumption, according to Atlantic.

Most cheese, milk and yogurt consumers have never tried the sheep and goat varieties.

Producers may want to focus on selling sheep and goat cheese, as these products have the highest rates of consumption as compared to milk or yogurt, Atlantic noted. Target markets to focus on are younger adults (18 to 44) and households with kids under the age of 18 as trial and consumption of sheep and goat dairy products is higher among these segments than their counterparts.

The study uncovered preferred packaging types and sizes, which can help producers and processors tailor their products to appeal to consumers. Typically, respondents preferred smaller packaging for sheep and goat dairy, including eight-ounce or four-ounce packaging for cheese.

Atlantic also conducted a qualitative business to business survey of New England-based sheep and goat dairies in an effort to better understand pricing strategies across various product types and identify themes in distribution successes and challenges as well as current innovative practices. Most survey respondents produce cheese, which is likely due to increasing consumer demand for locally sourced specialty cheese and the premium prices for which consumers are willing to pay.

Based on its findings, Atlantic has summarized its recommendations for goat and sheep dairy farms and industry stakeholders as follows:

- Goat and sheep dairy producers may find the most success in local markets, particularly urban ones where consumers are more willing to pay premium prices for local products.
- Current successful marketing strategies include use of humor, social media, authentic marketing, colorful packaging, and highlighting unique characteristics of the farm animals.
- Small goat and sheep farms found success pivoting to new sales and marketing strategies during the pandemic, including new distribution channels such as direct-to-consumer online sales and partnerships with neighboring farms to establish co-ops, making it easy for consumers to shop locally in one place.
- There is room for growth in the sheep and goat dairy industry. More marketing is needed to educate consumers on the benefits of these products; however, additional resources must be directed to small goat and sheep farms to enable them to develop marketing plans. Also, goat and sheep dairy industry associations could sponsor advertising to increase consumer awareness of goat and sheep milk products and their benefits.
- State agencies and other agricultural grant-making organizations should consider adding new programs to support small farms or should better highlight existing programs and provide training opportunities to teach small farmers how to apply for assistance through webinars, easy-to-follow guides, or additional promotion of how to find these resources.

For more information on Atlantic's study, visit https://agriculture.vermont.gov/dbic.

Coming Events

www.cheesereporter.com/events.htm

American Cheese Society's Annual Cheese Contest Set For May 19-20

Contest Separated From Conference

Minneapolis, MN—The American Cheese Society (ACS) Judging & Competition will return here May 19-20, 2022 at the TCF Bank Stadium on the University of Minnesota campus.

Canceled in 2020 and 2021 due to the pandemic, the popular contest will be held separately from the conference in 2022 for the first time.

Following this year's virtual 38th conference July 28-30, entries for the competition will open in October 2021, with winners announced at the 39th ACS annual meeting set for July 20-23, 2022 in Portland, OR.

Growing from just 89 entries 37 years ago, the 2019 event welcomed cheeses and cultured dairy products from 257 companies. Competing entries represented 35 US states, four Canadian provinces, Mexico, and Brazil.

The ACS awarded a total of 433 awards, including 139 gold, 143 silver medals and 151 bronze medals.

The 2022 event is expected to receive 1,500 entries in 120 categories, ACS reported.

"Given the extraordinary year we've all had, we are very excited to welcome entries for the Judging and Competition this October," said Lynn Giacomini Stray, ACS board vice president.

"This is a significant event which celebrates the individual efforts of talented cheese makers who continue to collectively advance the quality and character of American cheeses, while offering our members the opportunity for valuable feedback from expert judges," Giacomini Stray said.

Cheeses entered in the competition will be received May 17-18, 2022, with judging from May 19-20.

More information will be shared at the virtual 38th ACS Conference, which will gather artisan cheese makers, industry professionals, purchasers, and influencers from the US, Canada, and Europe, July 28 - 30.

Registration for the "Moving Forward Together with Purpose" virtual conference is still open online at *www.cheesesociety.org/2021-conference*.

Cornell, FSPCA Class On Intentional Adulteration Planned

Ithaca, NY—Cornell University and the Food Safety Preventive Controls Alliance (FSPCA) have partnered to offer two workshops on understanding and conducting a vulnerability assessment under the Mitigation Strategies to Protect Food Against Intentional Adulteration (IA) regulation.

This course is the "standardized curriculum" recognized by FDA; successful completion is one way to meet the requirements for a "food defense qualified individual" responsible for conducting a vulnerability assessment.

For western residents, the class will be held Aug. 24 at O-AT-KA in Batavia, NY. For eastern students, it will take place Sept. 21 at the Stewarts processing facility in Saratoga Springs, NY.

Cost to attend is $650 per person. For more information and to sign up online, visit *www.cals.cornell.edu/education/degrees-programs/intentional-adulteration*.

New Series Of Free DBIA Webinars Help Dairy Processors Strengthen Operations

Madison—A new series of eight free webinars created to help dairy processors grow their operations through risk management and business development strategies will begin next month.

The new "Let's Keep Your Business Going" webinars is hosted by the Dairy Business Innovation Alliance (DBIA), a partnership between the Center for Dairy Research (CDR) and the Wisconsin Cheese Makers Association (WCMA).

The series kicks off Aug. 10 with a webinar led by Anne Hlavacka, director of the Small Business Development Center at the University of Wisconsin-La Crosse.

"So Your Business is Up and Running – What's Next" will help participants set goals to develop key business indicators designed to monitor and manage business growth. The full calendar includes:

Aug. 24: Developing Business Strategies for Your Small Business. Participants will learn components of a growth strategy, a step-by-step process for developing their own strategies, and examples of successful small business growth strategies.

Sept. 14: Keeping Your Business Safe – Understanding & Using Risk Management Principles. Students will learn different types of business insurance, how to choose an insurance partner, and record-keeping suggestions.

Sept. 28: Setting Up/Improving Manufacturing Processes. Instructors will highlight goals of a well thought out manufacturing process; tools to improve manufacturing productivity; integrating regulatory requirements into manufacturing processes; and staffing/human resource requirements.

Oct. 12: Fine Tuning Your Marketing Strategy to Fit Consumers' Buying Preferences. Speakers will outline current consumer buying trends and preferences; certifications and designations that might boost marketing strategies; and how factors like mission and value statements, sourcing ingredients, shelf life issues, packaging issues, and logistics can impact marketing strategies.

Oct. 26: Social Media Marketing. Participants will learn the role of social media marketing, including how to develop an effective social media strategy, leveraging a "social media community," and creating Key Performance Indicators (KPI) for a particular strategy.

Nov. 9: Developing E-Commerce Functionality for Your Small Business. Instructors will outline how to create an e-commerce road map and extend a brand to a company's e-commerce business. Maximizing search engine optimization and different e-commerce models will also be covered.

Nov. 23: Developing an Export Program. Students will learn steps in the export planning process, who are the important players, and how to choose what's best for a particular company.

For more information and webinar access, visit *www.cdr.wisc.edu/dbia-webinars*.

PLANNING GUIDE

July 28-30: American Cheese Society Virtual Education & Networking Event. Visit www.cheesesociety.org for updates.

•

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

•

Aug. 17-19: World Dairy Expo Championship Dairy Product Contest Judging, Madison College, Madison. www.wdpa.net.

•

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

•

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

•

Oct. 12-14: NCCIA Conference, Wilbert Square Event Center, Brookings, SD. Online registration open at www.northcentralcheese.org.

•

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

•

Nov. 2-5: Process Expo, McCormick Place, Chicago, IL. Visit www.myprocessexpo.com for details.

•

November 15-17: National Milk Producers Federation/Dairy Management Inc/United Dairy Industry Association Joint Annual Meeting will be held at The Mirage in Las Vegas, NV. Visit www.nmpf.org for details.

•

Jan. 23-26: Dairy Forum 2022, JW Marriott Desert Springs Resort, Palm Desert, CA. Details available soon at www.idfa.org.

•

June 5-7: IDDBA 2022 in Atlanta, GA. For details, visit www.iddba.org.

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1. Equipment for Sale

FOR SALE: UV LIGHT SYSTEM FOR SANITIZING BRINE OR RECLAIMED WATER. Email **smeister@meistercheese.com** for more information and a complete list of equipment.

EQUIPMENT FOR SALE: Two Damrow curd drain tables with agitators and forkers. 200 feet of 4" stainless steel curd line and CIP line. Six 4" divert valves. Four Relco block forming towers. Eight Kusel deli horn presses with 16 carts and tubes. Email **smeister@meistercheese.com** for a complete list and interest.

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

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

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

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

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

2. Equipment Wanted

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

4. Replacement Parts

FBF HOMOGENIZERS: For service, support, replacement parts or new homogenizers, contact **FBF NORTH AMERICA SALES AND SERVICE CENTER** at 262-361-4080; info@fbfnorthamerica.com or visit www.fbfnorthamerica.com/

5. Reconditioning

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

6. Real Estate

DAIRY PLANTS FOR SALE: https://dairyassets.weebly.com/m--a.html. Contact Jim at 608-835-7705; or by email at **jimcisler7@gmail.com**

7. Cheese Moulds, Hoops

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

7. Cheese Moulds, Hoops

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8. Interleave Paper, Wrapping

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

9. Co-Packing, Manufacturing

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

12. Promotion & Placement

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

11. Cheese & Dairy Products

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

13. Walls & Ceiling

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

14. Warehousing

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

Federal Order Class 1 Minimum Prices & Other Advanced Prices - August 2021

Class I Base Price (3.5%)	$16.90 (cwt)
Base Skim Milk Price for Class I	$10.60 (cwt)
Advanced Class III Skim Milk Pricing Factor	$10.04 (cwt)
Advanced Class IV Skim Milk Pricing Factor	$9.67 (cwt)
Advanced Butterfat Pricing Factor	$1.9050 (lb.)
Class II Skim Milk Price	$10.37 (cwt)
Class II Nonfat Solids Price	$1.1522 (lb.)
Two-week Product Price Averages:	
Butter	$1.7446 lb.
Nonfat Dry Milk	$1.2531 lb.
Cheese	$1.5779 lb.
Cheese, US 40-pound blocks	$1.5614 lb.
Cheese, US 500-pound barrels	$1.5636 lb.
Dry Whey	$0.6095 lb.

HISTORICAL MILK PRICES - CLASS I

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
'15	18.58	16.24	15.56	15.50	15.83	16.14	16.53	16.25	16.34	15.84	16.48	16.71
'16	16.04	13.64	13.78	13.74	13.70	13.14	13.70	15.07	16.56	16.60	14.78	16.88
'17	17.45	16.73	16.90	16.05	15.20	15.31	16.59	16.72	16.71	16.44	16.41	16.88
'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	15.20	15.51	17.10	18.29	17.42	16.90				

Dairy Product Stocks in Cold Storage

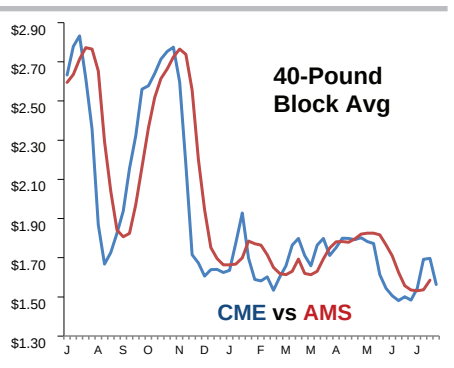
TOTAL STOCKS AS REPORTED BY USDA (in thousands of pounds unless indicated)

	Stocks in All Warehouses			June 30, 2021 as a % of		Public Warehouse Stocks
	June 30 2020	**May 31 2020**	**June 30 2021**	**June 30 2020**	**May 31 2020**	**June 30 2021**
Butter	362,452	411,863	414,489	114	101	386,569
Cheese						
American	793,026	827,685	809,395	102	98	
Swiss	24,005	21,877	22,532	94	103	
Other	598,874	608,496	602,988	101	99	
Total	1,415,905	1,458,058	1,434,915	101	98	1,132,838

DAIRY PRODUCT SALES

July 22, 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.

•Revised



Week Ending	July 17	July 10	July 3	June 26
40-Pound Block Cheddar Cheese Prices and Sales				
Weighted Price		**Dollars/Pound**		
US	1.5853	1.5364•	1.5312	1.5348
Sales Volume				
US	14,045,232	13,381,164•	12,657,648•	12,538,737
500-Pound Barrel Cheddar Cheese Prices, Sales & Moisture Contest				
Weighted Price		**Dollars/Pound**		
US	1.6378	1.6387	1.6642	1.7266
Adjusted to 38% Moisture				
US	1.5635	1.5637	1.5864	1.6398
Sales Volume		**Pounds**		
US	15,698,893	13,149,003	11,544,575	12,331,319
Weighted Moisture Content		**Percent**		
US	35.05	35.03	34.96	34.72
AA Butter				
Weighted Price		**Dollars/Pound**		
US	1.7264	1.7864•	1.7687•	1.7966
Sales Volume		**Pounds**		
US	2,736,369	1,190,672•	2,542,070•	3,695,514
Extra Grade Dry Whey Prices				
Weighted Price		**Dollars/Pounds**		
US	0.5968	0.6287	0.6216	0.6421
Sales Volume				
US	5,884,000	3,912,641	3,638,088	5,010,404•
Extra Grade or USPHS Grade A Nonfat Dry Milk				
Average Price		**Dollars/Pound**		
US	1.2501	1.2570•	1.2633•	1.2682
Sales Volume		**Pounds**		
US	19,632,188	15,338,396•	23,924,455•	20,241,896

DAIRY FUTURES PRICES

SETTLING PRICE *Cash Settled

Date	Month	Class III	Class IV	Dry Whey	NDM	Block Cheese	Cheese*	Butter*
7-16	July 21	16.68	15.93	60.450	124.750	1.630	1.6160	174.000
7-19	July 21	16.69	15.96	60.450	125.350	1.630	1.6150	174.000
7-20	July 21	16.66	15.96	60.450	125.350	1.630	1.6150	174.000
7-21	July 21	16.65	15.96	60.450	125.350	1.620	1.6130	174.000
7-22	July 21	16.57	15.96	60.100	125.325	1.620	1.6120	174.100
7-16	Aug 21	16.79	15.89	54.525	124.750	1.740	1.6650	172.625
7-19	Aug 21	16.67	15.88	53.975	124.825	1.720	1.6560	173.000
7-21	Aug 21	16.29	15.81	53.500	124.000	1.702	1.6210	173.000
7-20	July 21	16.10	15.78	52.650	124.000	1.697	1.6080	173.500
7-22	Aug 21	16.39	15.86	52.550	124.500	1.697	1.6300	172.000
7-16	Sept 21	17.31	16.00	52.500	126.250	1.769	1.7280	174.500
7-19	Sept 21	17.26	16.00	52.350	125.825	1.769	1.7250	174.350
7-20	Sept 21	16.88	15.86	51.525	123.500	1.718	1.6900	173.075
7-21	Sept 21	16.60	15.86	50.250	123.625	1.718	1.6660	174.000
7-22	Sept 21	16.82	15.86	49.025	124.250	1.710	1.6870	172.500
7-16	Oct 21	18.05	16.20	51.950	127.750	1.839	1.8190	176.500
7-19	Oct 21	17.89	16.20	51.475	127.500	1.839	1.8060	176.200
7-20	Oct 21	17.59	16.05	50.000	125.000	1.820	1.7850	175.750
7-21	Oct 21	17.40	16.05	49.000	125.250	1.800	1.7650	175.000
7-22	Oct 21	17.54	16.10	47.600	126.300	1.795	1.7820	174.500
7-16	Nov 21	18.09	16.38	50.000	128.300	1.850	1.8290	178.000
7-19	Nov 21	18.05	16.45	49.975	128.300	1.850	1.8340	177.850
7-20	Nov 21	17.85	16.26	49.950	126.000	1.850	1.8120	177.850
7-21	Nov 21	17.80	16.26	48.500	126.100	1.846	1.8100	177.500
7-22	Nov 21	17.92	16.26	48.500	127.225	1.846	1.8130	177.000
7-16	Dec 21	17.89	16.56	50.275	129.500	1.835	1.8160	179.000
7-19	Dec 21	17.84	16.56	48.750	129.500	1.835	1.8120	178.500
7-20	Dec 21	17.66	16.45	48.750	127.500	1.835	1.8070	178.500
7-21	Dec 21	17.67	16.40	47.500	127.000	1.835	1.8000	178.500
7-22	Dec 21	17.69	16.40	47.500	128.000	1.835	1.8050	177.000
7-16	Jan 22	17.60	16.70	49.000	130.475	1.834	1.7860	181.000
7-19	Jan 22	17.55	16.70	49.000	130.475	1.834	1.7840	180.250
7-20	Jan 22	17.46	16.65	49.000	128.500	1.834	1.7820	180.000
7-21	Jan 22	17.43	16.61	48.350	128.350	1.834	1.7800	180.250
7-22	Jan 22	17.49	16.61	47.000	129.000	1.825	1.7800	179.000
7-16	Feb 22	17.60	16.85	49.000	131.400	1.848	1.7900	182.750
7-19	Feb 22	17.59	16.85	49.000	131.400	1.848	1.7840	182.750
7-20	Feb 22	17.50	16.85	48.100	129.500	1.848	1.7800	182.750
7-21	Feb 22	17.45	16.72	48.950	129.000	1.848	1.7780	182.750
7-22	Feb 22	17.49	16.72	48.950	130.500	1.840	1.7790	180.000
7-16	Mar 21	17.66	17.05	49.000	132.000	1.845	1.7940	184.000
7-19	Mar 21	17.60	17.04	49.000	131.750	1.845	1.7950	184.000
7-20	Mar 21	17.46	17.04	49.000	131.750	1.845	1.7850	184.000
7-21	Mar 21	17.46	17.04	49.000	131.275	1.845	1.7850	184.000
7-22	Mar 21	17.50	16.99	49.000	131.275	1.845	1.7850	183.000
7-16	April 21	17.69	17.30	48.475	132.500	1.851	1.7980	187.500
7-19	April 21	17.60	17.30	48.475	131.975	1.851	1.8020	187.500
7-20	April 21	17.60	17.20	48.475	131.975	1.851	1.7960	189.000
7-21	April 21	17.46	17.20	48.475	131.000	1.851	1.7900	188.250
7-22	April 21	17.46	17.20	48.475	131.000	1.851	1.7900	188.250
7-16	May 22	17.73	17.30	47.000	132.300	1.840	1.8080	187.000
7-19	May 22	17.63	17.30	47.000	131.975	1.840	1.8120	187.500
7-20	May 22	17.61	17.25	47.000	131.975	1.840	1.8050	189.500
7-21	May 22	17.55	17.25	47.000	131.475	1.840	1.8000	189.500
7-22	May 22	17.55	17.25	47.000	131.475	1.840	1.8010	189.500
Interest - July 22		**26,729**	**3,024**	**4,818**	**6,861**	**3,456**	**25,992**	**8,299**

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DAIRY PRODUCT MARKETS

AS REPORTED BY THE US DEPARTMENT OF AGRICULTURE

WHOLESALE CHEESE MARKETS

NATIONAL - JULY 16: Cheese contacts are reporting labor shortages and hauling issues nationwide, but western producers have the added obstacle of port congestion to contend with. They say this is pushing more cheese supplies into domestic warehouses. Eastern contacts say recently produced cheese is somewhat tight. There remains to be plenty of milk in all regions for busy production schedules, but western contacts did point out lighter overall availabilityfor the first time this season.

NORTHEAST - JULY 21: Cheese operations are running near/at plant intake capacity in the Northeast. Milk production is starting to drop off farms, although milk supplies are regionally available for processors. Cheddar, Mozzarella and Provolone cheese inventory levels remain steady to increasing. Block and barrel cheese prices are mixed on various spot market exchanges. Retail cheese sales are relatively stable. Many retailers/grocery stores are ordering a range of additional cheese supplies to meet their current demands. Foodservice sales for cheese are reportedly strengthening. Several restaurant outlets in the East are reopening outside for additional seating options.

Wholesale prices, delivered, dollars per/lb:

Cheddar 40-lb blocks:	$2.1475 - $2.4350	Process 5-lb sliced:	$1.6650 - $2.1450
Muenster:	$2.1350 - $2.4850	Swiss Cuts 10-14 lbs:	$3.4375 - $5.7600

MIDWEST AREA - JULY 21: Some Midwestern cheese makers suggest market tones are not matching demand and their respective inventory levels. A number of producers, representing multiple varieties of cheese styles, say customer interests are strong/strengthening. Barrel producers say they are slightly over-committed. They had to let some customers know that availability moving into August would be more limited. Milk remains plentiful, but the spot milk price, at report time, is currently a little higher than it has been throughout this summer. That said, spot milk prices remain wholly discounted, but less so than in recent weeks.

Wholesale prices delivered, dollars per/lb:

Blue 5# Loaf :	$2.3325 - $3.4000	Mozzarella 5-6#:	$1.8625 - $2.8075
Brick 5# Loaf:	$2.0625 - $2.4875	Muenster 5# Loaf:	$2.0625 - $2.4875
Cheddar 40# Block:	$1.7850 - $2.1850	Process 5# Loaf:	$1.6500 - $2.0100
Monterey Jack 10#	$2.0375 - $2.2425	Grade A Swiss 6-9#:	$2.9525 - $3.0700

WEST - JULY 21: Demand for cheese at both retail and foodservice markets has held steady this week. Export demand is steady, as current lower market prices are favorable to international purchasers. Purchasers in Asian markets are reportedly a strong driver of current export demand. Contacts report a need to move available product quickly, as warehouse space is limited. Delays to loads, in the region, have led to a buildup of inventories. Load delays are occurring due to a shortage of truck drivers, limited available shipping supplies, and port congestion. While milk production has passed it seasonal peak, cheese producers continue to run busy schedules to work through available supplies.

Wholesale prices delivered, dollars per/lb:

		Monterey Jack 10#:	$2.0100 - $2.2850
Cheddar 10# Cuts:	$2.0225 - $2.2225	Process 5# Loaf:	$1.6675 - $1.9225
Cheddar 40# Block:	$1.7750 - $2.2650	Swiss 6-9# Cuts:	$3.2450 - $3.6750

FOREIGN -TYPE CHEESE - JULY 21: Cheese contacts within Europe suggest there is plenty of cheese on hand, even as milk production, and subsequently, cheese production seasonally decline. Industry contacts say cheese market prices are stable to slightly lower. Inventories are below what they were a few weeks ago, but retail demand has waned as many Europeans go on summer holidays. Typical vacation destinations and the usual pull from restaurants are not as widespread. In addition, export markets are not pulling as heavily either. While there is optimism created by COVID restrictions relaxing in some regions, in other parts of the continent, caseloads are increasing. Buyers are hesitant to rebuild stockpiles too much for fear of a return to shutdowns and renewed restrictions. The market tone is quiet, but uncertain. The US domestic cheese prices increased $0.0050 for Blue, Gorgonzola, Parmesan and Romano.

Selling prices, delivered, dollars per/lb:	Imported	Domestic
Blue:	$2.6400 - 5.2300	$2.1550 - 3.6425
Gorgonzola:	$3.6900 - 5.7400	$2.6625 - 3.3800
Parmesan (Italy):	0	$3.5425 - 5.6325
Romano (Cows Milk):	0	$3.3450 - 5.5000
Sardo Romano (Argentine):	$2.8500 - 4.7800	0
Reggianito (Argentine):	$3.2900 - 4.7800	0
Jarlsberg (Brand):	0	0
Swiss Cuts Switzerland:	0	$3.4725 - 3.7975
Swiss Cuts Finnish:	$2.6700- 2.9300	0

WHOLESALE BUTTER MARKETS - JULY 21

WEST: Cream is a little lighter this week. Persistent hauler shortages make availability seem even tighter in areas where transportation is hindered. Butter production is seasonally active, although there are some production variations depending on cream supplies/deliveries. Some plant managers say production this year has already exceeded 2020 production at their facilities. Inventories are ample, and butter is available for spot an contract needs. Retail sales are steady to slightly higher. Foodservice demand is also seeing an uptick as some fine dining establishments return to full operating levels. Bulk butter overages are unchanged.

CENTRAL: Butter sales for July have softened, according to some producers in the region. They say June was a better month for foodservice sales than what July is proving to be, while June and July retail interests are similarly seasonally quiet. Production methods depend on the plant, but some producers say micro-fixing rates are higher, while others have been churning regularly for months. Cream is more available, according to plant managers. They say cream offers from western states increased, as well as local sources. Butter market tones are quietly hovering in the low $1.70s after a stumble down into the $1.60s late last week.

NORTHEAST: A few butter operations are selling cream in lieu of churning in the East. Market participants relay a substantial amount of cream is widely available. Butter production is seasonally steady to slower for operating schedules. A few butter operations are shut down on Saturday and Sunday during the summer. Cream cheese outlets are reportedly receiving a healthy supply of cream. Butter inventories remain available for spot/contract demands. Foodservice sales are stable to strengthening.

NATIONAL - CONVENTIONAL DAIRY PRODUCTS

Total conventional dairy ads are down 10 percent, while total organic dairy ads increased 8 percent. Both conventional and organic butter ads each increased by over 300 percent. The national average advertised price for conventional 1-pound butter is $2.58, down 89 cents from last week. The national average advertised price for organic 1-pound butter is $5.20, up 21 cents from last week. Conventional ice cream in 48- to 64-ounce containers maintained the top spot for the most advertised dairy item. It had twice as many ads as the next contender, conventional Greek yogurt in 4- to 6-ounce containers.

The national average advertised price for conventional 8-ounce cheese shreds is $2.56, 8 cents above last week. The average price for conventional 8-ounce cheese blocks is $2.53, 24 cents above the price last week. Conventional cheese ads decreased 13 percent.

The national average advertised price for conventional half-gallon milk is $1.61, down 86 cents from last week. For organic half-gallons, the national weighted average advertised price is $3.88, up 6 cents from last week. The resulting organic price premium is $2.27.

RETAIL PRICES - CONVENTIONAL DAIRY - JULY 23

Commodity	US	NE	SE	MID	SC	SW	NW
Butter 1#	2.58	3.01	2.17	2.04	2.67	2.17	2.38
Cheese 8 oz block	2.53	2.60	2.55	2.66	2.17	NA	2.31
Cheese 1# block	4.02	3.97	3.42	4.14	2.97	2.99	4.99
Cheese 2# block	6.27	7.80	NA	3.99	5.99	6.06	5.99
Cheese 8 oz shred	2.56	2.65	2.54	2.56	2.46	2.00	2.41
Cheese 1# shred	4.00	3.15	4.75	4.14	NA	2.99	4.53
Cottage Cheese	2.28	2.35	2.07	2.79	2.10	NA	NA
Cream Cheese	1.98	2.18	1.85	2.57	1.25	NA	2.49
Flavored Milk ½ gallon	2.50	NA	2.50	2.50	2.51	NA	NA
Flavored Milk gallon	3.98	NA	NA	3.98	NA	NA	NA
Ice Cream 48-64 oz	2.85	3.07	2.95	2.61	2.58	2.75	2.89
Milk ½ gallon	1.61	NA	NA	3.49	1.92	NA	.99
Milk gallon	2.48	1.39	NA	NA	NA	2.48	NA
Sour Cream 16 oz	1.81	1.90	1.60	1.83	1.95	NA	1.10
Yogurt (Greek) 4-6 oz	.92	.98	.96	.84	.89	.86	.93
Yogurt (Greek) 32 oz	4.41	4.60	4.48	3.69	3.49	4.99	3.99
Yogurt 4-6 oz	.56	.54	.57	.58	.43	.50	.62
Yogurt 32 oz	2.57	2.34	2.38	NA	NA	4.50	1.79

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:	$5.20	Yogurt 32 oz:	$3.28
Cheese 8 oz shred:	NA	Greek Yogurt 32 oz:	$3.50
Cheese 8 oz block:	NA	Milk UHT 8 oz:	$1.00
Cream Cheese 8 oz:	$3.00	Milk ½ gallon:	$3.88
Cottage Cheese 16 oz:	NA	Milk gallon:	$5.29
Yogurt 4-6 oz:	$1.03	Sour Cream 16 oz:	$2.49
		Ice Cream 48-64 oz:	$5.99

NDM PRODUCTS - JULY 22

NDM - CENTRAL: Low/medium heat NDM prices moved lower in most facets this week. The top of the mostly series held steady, but all other prices slipped. Condensed skim availability growth, along with growing NDM inventories, have begun to meet quieting demand tones, both domestically and globally. Mexican interests remain present, but some contacts say there is less consistency from buying south of the border. End users are less likely to buy in the mid/upper $1.20s now, as a growing number of trades are being reported in the lower $1.20s.

NDM - WEST: Domestic demand for low/medium heat NDM is steady, while international demand is slowing. Low/medium heat NDM is available for spot purchase. Shipping delays related to port congestion and a shortage of truck drivers are causing warehouse inventories to build up, limiting available space. Condensed skim milk is available for additional NDM production. Some production schedules have, reportedly, been limited as the ongoing truck driver shortage is causing delays to milk deliveries. High heat NDM prices fell at the top of the range, while holding steady at the bottom. With demand for high heat NDM remaining steady, inventories are available for spot purchasing. Drying operations are favoring the shorter drying time of low/medium heat NDM, limiting the production of high heat.

NDM - EAST: Low/medium heat NDM prices moved lower at most points this week. Eastern trading activity was limited, but trades are generally a few cents higher than they were in the Midwest. Demand has quieted, while inventories have begun to grow. End users are hesitant to clear loads at prices in the high $1.20s and no trades were reported at $1.30+ this week. NDM production is busy, with notable amounts of discounted condensed skim flowing into plants.

LACTOSE: While the lactose mostly price series did not change this week, the lactose price range moved higher. A new quarterly contract price went into effect to establish the new top of the range. A few spot sales cleared the market and lifted the bottom of the price range. Demand is present, but aside from the occasional quick ship sale, spot market activity is quiet.

WEEKLY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT

DATE	BUTTER	CHEESE
07/19/21	74,478	83,784
07/01/21	74,963	85,139
Change	-485	-1,355
Percent Change	-1	-2

CME CASH PRICES - JULY 19 - JULY 23, 2021

Visit www.cheesereporter.com for daily prices

	500-LB CHEDDAR	40-LB CHEDDAR	AA BUTTER	GRADE A NFDM	DRY WHEY
MONDAY July 19	$1.4500 (+1)	$1.6150 (NC)	$1.7125 (+3½)	$1.2600 (+¾)	$0.5375 (NC)
TUESDAY July 20	$1.3850 (-6½)	$1.5850 (-3)	$1.7125 (NC)	$1.2300 (-3)	$0.5375 (NC)
WEDNESDAY July 21	$1.3725 (-1¼)	$1.5225 (-6¼)	$1.7275 (+1½)	$1.2375 (+¾)	$0.5325 (-½)
THURSDAY July 22	$1.3725 (NC)	$1.5425 (+2)	$1.6950 (-3¼)	$1.2450 (+¾)	$0.5375 (+½)
FRIDAY July 23	$1.4025 (+3)	$1.5850 (+4¼)	$1.6950 (NC)	$1.2525 (+¾)	$0.5375 (NC)
Week's AVG $ Change	$1.3965 (-0.1680)	$1.5700 (-0.1270)	$1.7085 (+0.0125)	$1.2450 (-0.0060)	$0.5365 (+0.0065)
Last Week's AVG	$1.5645	$1.6970	$1.6960	$1.2510	$0.5300
2020 AVG Same Week	$2.4530	$2.6140	$1.6895	$0.9925	$0.3400

MARKET OPINION - CHEESE REPORTER

Cheese Comment: There was no block market activity at all on Monday. No blocks were sold Tuesday; the price declined on an uncovered offer of 1 car at $1.5850. On Wednesday, 1 car of blocks was sold at $1.5225, which lowered the price. No blocks were sold Thursday; the price increased on an unfilled bid for 1 car at $1.5425. No blocks were sold Friday; the price rose on an unfilled bid for 1 car at $1.5850. The barrel price rose Monday on a sale at $1.4500, dropped Tuesday on a sale at $1.3850, fell Wednesday on a sale at $1.3725, then increased Friday on a sale at $1.4025. There were 38 carloads of barrels traded this week at the CME including 15 on Friday.

Butter Comment: The price rose Monday on a sale at $1.7125, increased Wednesday on a sale at $1.7275, then dropped Thursday on a sale at $1.6950. 20 carloads of butter were traded this week at the CME.

Nonfat Dry Milk Comment: The price increased Monday on a sale at $1.2600, fell Tuesday on a sale at $1.2300, rose Wednesday on a sale at $1.2375, increased Thursday on a sale at $1.2450, and rose Friday on a sale at $1.2525.

Dry Whey Comment: The price declined Wednesday on a sale at 53.25 cents, then increased Thursday on an unfilled bid at 53.75 cents.

WHEY MARKETS - JULY 19 - JULY 23, 2021

RELEASE DATE - JULY 22, 2021

Animal Feed Whey—Central: Milk Replacer: .4400 (-½) – .4800 (NC)

Buttermilk Powder:
Central & East: 1.2000 (-1) – 1.2850 (-1½) West: 1.1600 (-3) – 1.2500 (NC)
Mostly: 1.2000 (NC) – 1.2300 (NC)

Casein: Rennet: 4.7400 (NC) – 4.9000 (NC) Acid: 4.5600 (NC) – 4.9000 (NC)

Dry Whey—Central (Edible):
Nonhygroscopic: .4900 (+1) – .6200 (+1) Mostly: .5200 (-2) – .5500 (-½)

Dry Whey–West (Edible):
Nonhygroscopic: .4800 (+2½) – .6900 (+¾) Mostly: .5700 (+½) – .6000 (NC)

Dry Whey—NorthEast: .4500 (-11) – .6600 (+½)

Lactose—Central and West:
Edible: .4000 (+4) – .5600 (+1) Mostly: .4200 (NC) – .5000 (NC)

Nonfat Dry Milk —Central & East:
Low/Medium Heat: 1.2000 (-½) – 1.2800 (-3) Mostly: 1.2175 (-1¼) – 1.2600 (NC)
High Heat: 1.3075 (-2¾) – 1.3600 (NC)

Nonfat Dry Milk —Western:
Low/Medium Heat: 1.2000 (+1½) – 1.2975 (-½) Mostly: 1.2100 (-1) – 1.2600 (-1)
High Heat: 1.3500 (NC) – 1.4375 (-½)

Whey Protein Concentrate—Central and West:
Edible 34% Protein: 1.0500 (NC) – 1.3200 (NC) Mostly: 1.1000 (NC) – 1.2100 (+¾)

Whole Milk—National: 1.7800 (+1) – 1.8600 (-1)

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

HISTORICAL MILK PRICES - CLASS III

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
'09	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
'10	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
'11	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
'12	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
'13	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
'14	**21.15**	**23.35**	**23.33**	**24.31**	**22.57**	**21.36**	21.60	**22.25**	**24.60**	**23.82**	21.94	17.82
'15	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	14.44
'16	13.72	13.80	13.74	13.63	12.76	13.22	15.24	16.91	16.39	14.82	16.76	17.40
'17	16.77	16.88	15.81	15.22	15.57	16.44	15.45	16.57	16.36	16.69	16.88	15.44
'18	14.00	13.40	14.22	14.47	15.18	15.21	14.10	14.95	16.09	15.53	14.44	13.78
'19	13.96	13.89	15.04	15.96	16.38	16.27	17.55	17.60	18.31	18.72	20.45	**19.37**
'20	17.05	17.00	16.25	13.07	12.14	21.04	**24.54**	19.77	16.43	21.61	**23.34**	15.72
'21	16.04	15.75	16.15	17.67	18.96	17.21						

Global Dairy Trade Price Index Declines 2.9%; Cheddar Posts Only Price Rise

Auckland, New Zealand—The price index on this week's Global Dairy Trade (GDT) dairy commodity auction declined 2.9 percent from the previous auction.

Auction results, with comparisons to the previous auction, were:

Cheddar: The average winning price was $4,022 per ton ($1.82 per pound), up 1.3 percent. Average winning prices were: Contract 2 (September), $4,060 per ton, down 0.9; Contract 3 (October), $3,999 per ton, up 1.9 percent; Contract 4 (November), $4,007 per ton, up 6.4; Contract 5 (December), $3,996 per ton, down 5.9 percent; and Contract 6 (January 2022), $4,089 per ton, down 3.1 percent.

SMP: The average winning price was $2,971 per ton ($1.35 per pound), down 5.2 percent. Average winning prices were: Contract 2, $2,933 per ton, down 6.7; Contract 3, $2,957 per ton, down 5.5 percent; Contract 4, $3,090 per ton, down 3.9; Contract 5, $2,941 per ton, down 3.4; and Contract 6, $2,955 per ton, down 5 percent.

WMP: The average winning price was $3,730 per ton ($1.69 per pound), down 3.8 percent. Average winning prices were: Contract 1 (August), $3,998 per ton, down 3 percent; Contract 2, $3,748 per ton, down 3.6 percent; Contract 3, $3,726 per ton, down 3.8 percent; Contract 4, $3,753 per ton, down 4.1 percent; Contract 5, $3,606 per ton, down 4.5 percent; and Contract 6, $3,654 per ton, down 2.4.

Butter: The average winning price was $4,419 per ton ($2.00 per pound), down 0.8 percent. Winning prices were: Contract 1, $4,430 per ton, down 3 percent; Contract 2, $4,393 per ton, up 0.7; Contract 3, $4,397 per ton, down 2.5; Contract 4, $4,420 per ton, down 0.8; Contract 5, $4,495 per ton, down 0.7 percent; and Contract 6, $4,455 per ton, down 2.

Anhydrous milkfat: The average winning price was $5,615 per ton ($2.55 per pound), down 0.3 percent. Average winning prices were: Contract 1, $6,127 per ton, up 1.3 percent; Contract 2, $5,681 per ton, up 0.6 percent; Contract 3, $5,610 per ton, down 0.3 percent; Contract 4, $5,501 per ton, down 1.1 percent; Contract 5, $5,468 per ton, down 1.9 percent; and Contract 6, $5,526 per ton, down 0.3 percent.

Lactose: The winning price was $1,127 per ton (51.1 cents per pound). That was for Contract 2.