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USDA Lowers Cheese, Class III Price Forecasts For 2023, 2024

Butter, NDM And Class IV Price Forecasts Raised For Both Years; Fonterra Hikes Forecast Milk Price

Washington—The US Department of Agriculture (USDA), in its monthly supply-demand estimates released Thursday, lowered its cheese and Class III milk price forecasts for both 2023 and 2024 but raised its butter, nonfat dry milk and Class IV milk prices for both years.

USDA's milk production forecast for 2023 is raised 100 million pounds from last month, to 227.6 billion pounds, on slightly more rapid growth in milk per cow. The milk production for 2024 is unchanged from last month, at 230.4 billion pounds.

Fat basis dairy imports for 2023 are unchanged from last month. Higher expected imports of butter in 2024 support a higher fat-basis import forecast although cheese imports are forecast lower. Skim-solids basis dairy imports are raised for 2023, reflecting higher imports of milk proteins. For 2024, lower cheese and milk protein imports result in a lower skim-solids import forecast.

Dairy exports in 2023 are reduced on both a fat basis and a skim-solids basis with lower expected sales of butter, nonfat dry milk (NDM), and dry whey. For 2024, weaker expected sales of butter and dry whey are reflected in lower fat basis and skim-solids basis export forecasts.

Recent strength in butter prices and expectations of continued firm demand support an increase in USDA's butter price forecast for 2023.

The 2023 cheese price forecast is lowered on current prices and continued large stocks while the nonfat dry milk price is raised on current prices. USDA's dry whey price forecast is unchanged.

USDA's 2023 dairy product price forecasts, with changes from last month's forecasts, are now as follows: cheese, \$1.7700 per pound, down four cents; butter, \$2.6600 per pound, up 12 cents; nonfat dry milk, \$1.1750, up 1.5 cents; and dry whey, 34.50 cents, unchanged.

Reflecting the lower cheese price forecast, USDA reduced its 2023 Class III price forecast by 30 cents, to \$17.05 per hundredweight, but the Class IV price forecast is raised by 65 cents, to \$19.25 cents per hundred.

For 2024, price forecasts for butter and nonfat dry milk are raised as price strength is expected to carry into the new year, while the cheese price is reduced and the dry whey price is unchanged.

The USDA's 2024 price forecasts, with changes from last month's forecasts, are now as follows: cheese price, \$1.8050 per pound, down four cents; butter, \$2.655 per pound, up 10.5 cents; nonfat dry milk, \$1.1300 per pound, up four cents; and dry whey, 31.50 cents per pound, unchanged.

USDA's 2024 Class III price forecast is lowered by 35 cents, to \$17.20 per hundredweight, on the lower cheese prices while the Class IV price forecast is raised by 80 cents, to \$18.80 per hundred, on higher butter and nonfat dry milk prices.

• See **Price Forecasts**, p. 7

Dairy CPI Rose Slightly In Sept.; Retail Cheese Price Fell, Milk Increased

Washington—The Consumer Price Index for dairy and related products was 268.4 (1982-84=100) in September, up slightly from August but down 0.2 percent from September 2022, the US Bureau of Labor Statistics (BLS) reported.

The dairy CPI has now been under 270 for five straight months, after being above that level every month for six straight months.

September's CPI for all items was 307.8, up 0.2 percent from August and 3.7 percent higher than in September 2022.

In September, the CPI for food was 324.7, up 0.2 percent from August and 3.7 percent higher than in September 2022; the CPI for food at home was 303.9, up 0.1 percent from August and 2.4 percent higher than in September 2022; and the CPI for food away from home was 357.5, up 0.4 percent from August and 6.0 percent higher than in September 2022.

September's CPI for cheese and related products was 265.2, down 0.4 percent from August and down 2.8 percent from September 2022. The cheese CPI has now been below 270 for four consecutive months, after being above that level every month from August 2022 through May 2023.

In September 2023, the average retail price for a pound of natural

• See **Retail Prices Mixed**, p. 9

Walmart To Build \$350 Million Fluid Milk Plant In Georgia To Serve Southeast Consumers

Valdosta, GA—Walmart on Wednesday announced plans to open a new fluid milk processing facility in Valdosta, GA.

The new milk processing facility will create almost 400 new jobs and \$350 million in investment in Lowndes county, GA, according to Georgia Gov. Brian P. Kemp. Lowndes county is located in south-central Georgia and borders Florida.

Ground is expected to be broken for the new plant later this year, and the plant is set to open in 2025, according to Bruce Heckman, Walmart's vice president,

• See **Walmart In Georgia**, p. 4

Federal Order Hearing Recesses Until Nov. 27; Focus Is On Class I

Carmel, IN—Testimony at USDA's national federal milk marketing order (FMMO) hearing focused on Class I differentials through Wednesday, then the hearing was recessed until Monday, Nov. 27.

Last week, Peter Vitaliano, vice president, economic policy and market research, National Milk Producers Federation (NMPF), testified in support of Proposal 19, submitted by NMPF, which would increase the Class I differentials for all counties, parishes and cities of the 48 contiguous states.

On Monday, Mark Lamers, president of Lamers Dairy, Appleton, WI, testified in opposition to Proposal 19.

Lamers Dairy uses HTST to process fluid milk in various forms. The company on average

markets approximately 1.3 million pounds of Class I milk per month.

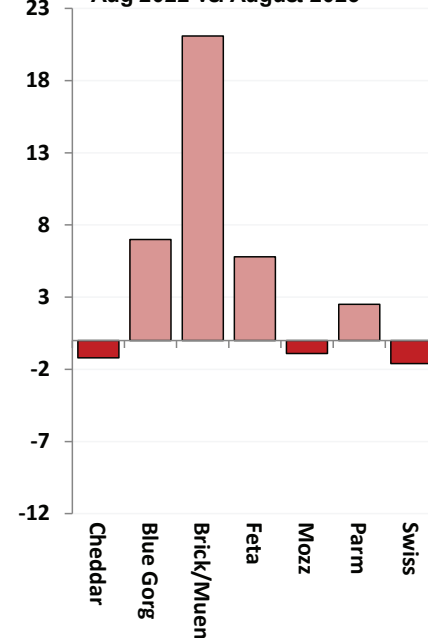
"If the proposed increase in the Class I differentials were to be adopted, proprietary Class I handlers would have no choice but to pass that cost on to the consumer, which is not in the consumer's best interest," Lamers said.

"Fluid milk handlers who have a branded label on the store shelf next to a lower priced label risk losing market share when passing these price increases on to the consumer.

"In the case of Lamers Dairy, we are often the third label on the store shelf and typically we are priced at a higher percentage mark-up than the leader brand

• See **Class I Differentials**, p. 10

Cheese Production:
Percent Change: Select Cheese
Aug 2022 vs. August 2023





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There's Gotta Be A Better Way To Modernize Federal Orders

The wide-ranging hearing to modernize federal milk marketing orders continued this week in Carmel, IN, but it was recessed on Wednesday and won't be continued until Monday, Nov. 27. All of which begs the question: Is there a better (shorter) way to modernize federal orders?

It may be recalled that the current process of modernizing federal orders got underway, at least formally, back on Mar. 28, 2023, when both the Wisconsin Cheese Makers Association and International Dairy Foods Association petitioned USDA to hold a hearing to update make allowances in Class III and Class IV pricing formulas.

Things progressed from there, and the much-anticipated hearing to modernize federal orders got underway back on Wednesday, Aug. 23, in Carmel, IN. A total of 21 proposals are being considered at this hearing (not counting USDA's own proposal), falling into five categories: milk composition, surveyed commodity products, Class III and Class IV formula factors, the base Class I skim milk price, and Class I and Class II differentials.

The good news, here in the second week in October, is that the hearing has advanced to the fifth and final hearing proposal category, Class I and Class II differentials.

The bad news, here in the second week in October, is that the hearing has now recessed until Monday, Nov. 27, meaning it will likely continue at least until early December.

There are at least two big problems with this hearing continuing until then. First, it extends the timeline for this entire proceeding. USDA's federal order website (www.ams.usda.gov/rules-regulations/moa/dairy) includes a "brochure" outlining the steps for amending a federal milk marketing order using for-

mal rulemaking; that process includes a total of 12 steps.

The first four steps in this process, from USDA receiving a proposal to witnesses submitting testimony in advance, took roughly five months to complete (exhibits for milk composition proposals were supposed to be submitted by Monday, Aug. 21).

Step 5, USDA holds a public hearing, will now run off and on over the course of over three months. After that, USDA's timeline includes the following: the hearing record is made available within two weeks of the end of the hearing; parties have 30 days to file corrections to the hearing transcript; interested parties have 60 days to file post-hearing briefs; and then USDA has 90 days to issue a recommended decision.

Comments will then be accepted for 60 days, after which USDA has another 60 days to issue a final decision and then USDA holds a referendum and implements the amendments.

So we could be looking at changes to federal orders being implemented more than a year from right now, and more than a year and a half from when this process started.

The other big problem with this hearing taking so long is that pretty much everybody involved in this proceeding has stressed that changes to federal order pricing formulas are long overdue and urgently needed.

Just to cite one recent example: Jeffrey Sims, secretary and chief market analysis officer of Lone Star Milk Producers, stated (in his written statement) that his testimony "aims to highlight the urgent need for updating and improving" the Class I pricing surface, and also noted that, earlier in the hearing, proponents of updating make allowances "have emphasized the urgent need" for updating make allowances.

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The point here is, for a proceeding that's tackling so many "urgent" issues, the end result will seemingly take forever. It's hard to associate the word "urgent" with this proceeding.

So what's the solution here? Given the tight timelines in other steps, it's obvious that the hearing itself is where the real cuts perhaps can be made. This is an obvious point, given that we're at the beginning of a delay that's going to take more than six weeks, and almost double the time the entire hearing will take.

But we can't help but wonder if there's a better way to handle this than holding a live hearing, especially the extensive cross-examination that's been taking place with various witnesses (the aforementioned Jeffrey Sims, for example, submitted a detailed 51-page written statement, plus nine additional exhibits to supplement his statement, and was still cross-examined both late last week plus most of Monday).

Given that written statements are already required to be submitted in advance, would it be possible to eliminate cross-examination? Granted, this is one of the more "colorful" aspects of federal order hearings, but it is also, without a doubt, the most time-consuming.

Currently, after witnesses testify, they are subject to cross-examination and then their testimony can also be rebutted or criticized in post-hearing briefs. Can't the post-hearing briefs, which address witness testimony, adequately serve the function of cross-examination?

All of this is of course just an idealistic look at how to speed up the process of amending federal orders. USDA is following current law and regulations in conducting this proceeding, and that's as it should be. But given this drawn-out process, we can't help but wonder if there's a better, quicker way to amend orders.

New Zealand To Alter Dairy Export Quota System To Boost Dairy Exports

Wellington, New Zealand—Following a review of its dairy export quota allocation system, the New Zealand government will progress changes to the system in order to maximize opportunities for its dairy exporters, New Zealand Agriculture Minister Damien O'Connor announced Tuesday.

New Zealand's current dairy export quota allocation system was introduced in 2007.

Access into some dairy export markets is controlled through quotas negotiated through trade agreements and provide market access at set volumes and lower or zero tariffs.

New Zealand currently allocates quota for bovine dairy exports to the US, the United Kingdom (UK), the European Union (EU), Japan, and the Dominican Republic.

"Having signed seven new or upgraded Free Trade Agreements since 2017, New Zealand has several new dairy quotas, including with the United Kingdom and the European Union," O'Connor said. "These newly secured quotas meant it was timely to review our quota system and make sure that our dairy exporters are able to get the most out of these market opportunities."

The changes to the dairy export quota system will require changes to the Dairy Industry Restructuring Act 2021 (DIRA). Cabinet has agreed to progress amendments to the DIRA that will:

- Change the basis of quota allocation from milk solids collected to export history;

- Create a new regulation making power to enable portions of individual quotas to be reserved for both dairy exporters currently ineligible for quota and those only eligible for low export volumes; and

- Enable quota access for non-bovine animal dairy exporters (such as sheep or goat, dairy) on the same basis as bovine animal dairy exporters.

Under the improved system, according to O'Connor:

- Allocation of each quota to applicants will be made proportional to their share of New Zealand's exports by volume of the relevant product to all markets, including non-quota markets;

- The existing requirement to collect a minimum of 0.1 percent of total milk solids collected from dairy farmers in New Zealand will be removed; and

- Any quota which would not be fully allocated during an allocation round (for example, due to under-application) will continue to be allocated pro-rata to eligible applicants.

Quota will continue to be allocated annually, in advance of the beginning of the quota year.

The improvements to the dairy export quota system will require amendments to the Dairy Industry Restructuring Act 2021 (DIRA) to be passed by New Zealand's Parliament.

The soonest the changes could be in place is by late 2024, meaning that the 2025 dairy export quota allocation round could be made under the new system, according to the New Zealand government.

"The review identified that the existing system was no longer fit for purpose and there were opportunities to boost the benefits for New Zealand's dairy exporters,"

O'Connor commented. "Quota allocations are currently based on each dairy companies' share of milk solids collected from farmers.

However, this excludes businesses who don't collect milk solids but who still want to export dairy products into quota markets."

The improved system will instead move to allocation based on each company's share of total exports by volume of the relevant product, including exports to non-quota markets, O'Connor explained.

"Moving away from the prohibitive milk solids model will also open up quota access for non-bovine dairy exports, like sheep and goat products, and provide new room for growth and innovation," O'Connor continued. "These changes will ensure that we have a dairy quota system that

is fair and provides opportunities for everyone – including small businesses and Māori enterprises.

"This improved system will help to boost New Zealand's \$26 billion dairy export industry and I'd like to acknowledge the sector's input and ongoing engagement with this work," O'Connor added.

O'Connor had announced, in August 2022, that the New Zealand government intended to review the dairy quota allocation system to maximize export returns for New Zealand's dairy industry.

The New Zealand Ministry for Primary Industries (MPI) launched a consultation on the dairy export quota allocation system in February 2023, and accepted comments through early April.



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Walmart In Georgia

(Continued from p. 1)

manufacturing, private brands, and Tyler Lehr, senior vice president, merchandising, chilled, adult beverage and convenience.

The new plant will process and bottle a variety of milk options, including gallon, half gallon, whole, 2 percent, 1 percent skim and 1 percent chocolate milk for Walmart's Great Value and Sam's Club's Member's Mark brands. The products from the plant will serve more than 750 Walmart stores and Sam's Clubs in the Southeast, Heckman and Lehr noted.

The new facility continues Walmart's commitment to building a more resilient and transparent supply chain to deliver high-quality products, Heckman and Lehr continued. Walmart opened its first milk processing facility in Fort Wayne, IN, in 2018.

"We're thrilled to open this new dairy facility in Valdosta, Georgia, as we continue to make strides to increase surety of supply for our customers' grocery essentials," Heckman said.

"We're looking forward to breaking ground on this exciting venture and we'll continue to work alongside local dairy farmers and associates as we move ahead," Heckman continued. "Their col-

laboration is critical to ensure we're operating a facility that will process high-quality milk for our customers that we can offer at the everyday low prices they rely on."

"This new, state-of-the-art facility will not only bring jobs and opportunity to the Valdosta area, it will enable our dairy farmers to produce more goods from start to finish right here in Georgia, sending a larger share of the retail dollar back to the family farm and giving Georgia consumers access to the freshest dairy products possible," said Georgia Department of Agriculture Commissioner Tyler Harper. "This is a great victory for Valdosta-Lowndes County, the state of Georgia, and our number one industry: agriculture."

Georgia's milk production has been growing in recent years, from just under 1.4 billion pounds in 2010 to just over 2.0 billion pounds in 2022. As of August 2023, Georgia had 93,000 milk cows, up from 79,000 milk cows in August 2018, according to statistics from USDA's National Agricultural Statistics Service (NASS).

By contrast, Florida's milk production is declining. Of the 24 states in the NASS monthly milk production report, Florida had the largest year-over-year milk production decrease in 2022, down 10.9 percent, Calvin Covington noted Wednesday in testi-

mony at the national federal milk marketing order hearing in Carmel, IN. He testified on behalf of Southeast Milk, Inc. (SMI), which is based in Belleview, FL

In 2022, only 76.0 percent of the Florida federal order's producer milk was produced in Florida, compared to 87.1 percent just three years earlier, Covington noted.

Higher milk production expenses, ongoing environmental challenges and related expenses, opportunity costs, urbanization and lower on-farm margins are reasons for declining Florida milk production.

Historically, South Georgia served as a reserve milk supply for the Florida federal order, Covington explained. Due to declining Florida milk production and increased milk production in Georgia, South Georgia is now a regular milk supplier to the Florida order.

Due to the closure of many pool distributing plants, especially in the Southeast federal order (which includes almost all of Georgia), the distance to fluid milk plants and the associated milk hauling costs are major concerns to South Georgia dairy farmers, Covington said.

It is about 300 miles from the center of the South Georgia milk supply to the closest Florida order pool distributing plant.

DMI New Product Competition For College Students Entries Due Jan. 15

Rosemont, IL—The Dairy Management Inc. (DMI) New Product Competition for college students is now accepting entries for 2024.

The competition seeks innovative dairy product concepts and is open to undergraduate and graduate students in the United States, according to organizers.

This year's contest theme aligns with checkoff-led insights that show consumers are seeking dairy products that deliver health and wellness benefits, including those related to digestion, immunity, joint health/mobility and general health.

The new product must follow the following guidelines: must contain greater than 51 percent dairy ingredients by weight of the finished product; use any form of the fresh or dry milk, whey, milk-fat, milk proteins, cheese, lactose fractions or other dairy ingredients; provide a good source of dairy protein (the product should contain 10 percent or more of the Daily Value per reference amount); meet food labeling and regulatory criteria; and be fit for human consumption.

The deadline entry is Jan. 15, 2024, and winning teams will be recognized at the American Dairy Science Association's annual meeting, to be held June 16-19 in West Palm Beach, FL.

A combined \$27,000 in cash prizes will be awarded, including \$10,000 for first place; \$7,000 for second place; \$4,000 for third place; and \$2,000 awarded to each of three teams that comprise the final six.

For more information, visit www.usdairy.com/research-resources/new-product-competition.

FROM OUR ARCHIVES

50 YEARS AGO

Oct. 12, 1973: St. Paul, MN—Raymond Eiller of Treasure Cave Cheese, Faribault, earned Grand Champion honors at the Minnesota State Fair Cheese Contest. Edward Kulinski of Mid-America Dairymen, Winsted, is the Reserve Champion, and Treasure Cave's Roy Harmon was named Runner-up.

Perham, MN—Ground-breaking ceremonies took place this week for a new \$5 million Land O'Lakes cheese manufacturing plant. The facility will be built adjacent to an existing Land O'Lakes plant, and should be up and running by June 1974.

25 YEARS AGO

Oct. 16, 1998: Antigo, WI—The Antigo Cheese Company, celebrating its fifth anniversary this week, is the work of a "fantastic group of visionaries," said CEO John Jacobs. Earning special recognition among the Antigo staff were Paul Bauer, Jack Anderson and Sonny Eckardt.

Madison—The Center for Dairy Research will host a workshop on Monastery cheese next month with featured speaker Art Hill, food science professor with the University of Guelph. Hill will also lead a session on a cheese he's been working on in Canada – a high heat, direct acid cheese packaged in a casing.

10 YEARS AGO

Oct. 11, 2013: Darboy, WI—The Eastern Wisconsin Cheesemakers & Buttermakers Association will honor Dean, Fran and Lee Ullmer with Lifetime Membership Awards at its 20th annual convention here next month. The three Ullmer brothers are the sons of Harvey and Angeline Ullmer of Isaar Cheese.

Montreal, Quebec—Saputo, Inc. has agreed with Warrnambool Cheese & Butter Factory Company based in Allansford, Victoria, Australia, to make an all-cash takeover offer of AU\$7.00 per share for all the shares in Warrnambool. The Warrnambool facility was established in 1888 and is Australia's oldest surviving dairy company.



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Bandages Infused With Casein Found To Boost Healing

London, UK—Bandages infused with casein significantly improved wound healing in rats compared to those in control groups, according to a new study by University College London (UCL) researchers.

The study, published recently in *Interface*, is described as the first to test casein's reputed healing benefits on an animal model. The promising results suggest that casein, which is inexpensive, abundant and has antimicrobial properties, has potential to replace expensive materials such as silver in wound dressings.

Casein is a protein found in the milk of mammals and is abundant in cow's milk, where it makes up to 80 percent of the substance. In the last decade, interest has grown in casein's antimicrobial, antioxidant and anti-inflammatory properties, as well as its utility as a high-protein dietary supplement.

In this study, UCL researchers mixed pure casein with polycaprolactone (PCL), a biodegradable polyester commonly used as a bandage material. They used a technique called pressurized gyration, which was developed at UCL in 2013, to spin this mixture into bandage-like fibres from which they created casein-infused bandages. This would not have been possible with other, more expensive manufacturing methods such as electrospinning.

Rats with identical small skin perforations were split into three groups. The wounds of those in the first group were treated with casein-infused bandages, the second with normal PCL bandages, and the third with no bandages.

Healing progress was checked after three, seven, 10 and 14 days by photographing and measuring the wounds, as well as examining them under a microscope.

The team found that at 14 days the wounds treated with casein-infused bandages healed to 5.2 percent of their original size, compared to 31.1 percent in the normal bandage group and 45.6 percent in the untreated group.

Analysis confirmed that the casein bandages were non-toxic and that levels of immune-related molecules were lower around the wounds treated with them.

If casein was approved for treatment in humans it would be a relatively inexpensive material that could be produced at scale, researchers noted. The chemical composition and potency of natural substances can vary, an issue that would need to be tackled if casein is to be used in the clinic, where consistency is key to safe and effective treatment.

More EU Milk Means Higher Cheese, Whey Output, And Export Growth

Brussels, Belgium—With an expected increase in EU milk deliveries, and even higher availability of milkfat and milk protein relative to last year, EU cheese production is likely to remain the preferred option in milk processing also in 2023, according to a short-term agricultural market outlook released by the European Commission this week.

As a result, cheese production could be 1 percent higher. This, supported by competitive EU export prices, could help EU cheese exports grow (up 1.5 percent), while domestic use (down 6 percent) will likely remain constrained by inflation pressures, impacting also imports, particularly for premium cheeses.

In 2024, despite an expected smaller increase in EU milk deliveries, cheese output could increase further (up 0.7 percent), enabling export growth (up 2 percent) due to a likely demand recovery in some key markets, the report said. Easing EU food inflation is likely to have a positive impact also on domestic use (up 0.5 percent).

Whey production is expected to grow stronger in 2023 as well (up 1.2 percent). This is driven by higher EU exports thanks to a recovery of demand in China, while domestic use could decline. In 2024, whey production growth could continue, although at a slower pace (up 0.8 percent). Still, this could lead to higher EU exports (up 2.5 percent), while domestic use could remain stable.

Despite a decline in EU raw milk prices, milk deliveries were 0.7 percent higher in January-July compared to the same period in

2022. But the evolution of raw milk supply remains heterogeneous across EU countries. In some countries, lower prices are already accompanied with lower production (e.g., Ireland, France, Italy). In others, increasing milk deliveries have potentially contributed to the drop in raw milk prices as demand remained less price-elastic (e.g., Belgium, Germany, Poland).

Due to lower raw milk prices and high costs for important inputs, slaughterings could accelerate in the upcoming months. This could lead to a decline in the EU dairy cow herd similar to 2022 (down 0.6 percent).

On the other hand, better feed availability and quality contributes to increased milk yields (up 1 percent year-on-year), with increasing milk solids content. This development counterbalances the decline in the herd size and could lead to an increase milk deliveries (0.3 percent).

In 2024, under the assumption of normal conditions, the trend in EU milk yields is assumed to continue at a comparable rate, providing a stable raw milk supply for the dairy industry (up 0.2 percent).

While skim milk powder production declined somewhat, exports recorded a strong recovery, mainly supported by tenders for Algerian milk powder imports and strong demand from Saudi Arabia and Morocco, the report said. To meet demand, EU SMP production could slightly grow in the remaining part of the year, and overall remain stable.

Exports could be 15 percent higher, while domestic use could decline (around 2 percent). This is

a result of less SMP being used in processing (for fat-filled powders).

The increase in milk powder exports could prevent whole milk powder production from declining, even if exported volumes are expected to decline due to increasing competition on export markets from New Zealand in the remaining months of 2023. WMP exports could be 3 percent higher in 2023 year-on-year, while at the same time, the reduction in domestic use could also be lower than anticipated (down around 2 percent). This is due to lower prices, which could benefit the use of WMP as an ingredient.

In 2024, the production of skim milk powder could remain stable, with lower exports compared to a strong recovery expected in 2023, the report said. WMP exports could also decline (down 1 percent), reverting to a declining trend. At the same time, the pace of decline in domestic use of WMP could be sustained while SMP use in processing could increase thanks to some demand recovery (up 4 percent).

With more milk channeled to WMP until now (presumably leaving some milkfat available after its processing), and an expected production increase of SMP, butter production could grow this year by around 0.3 percent. The increasing availability and more competitive EU prices (also relative to other fats) could also help EU exports grow (up 7 percent) as well as contribute to some increase in domestic use (up 0.4 percent), notably in processing.

In 2024, it is not expected that the butter export recovery will be fully sustained; the growth of exports could be lower (up 2 percent), with domestic use likely to grow modestly (up 0.2 percent).

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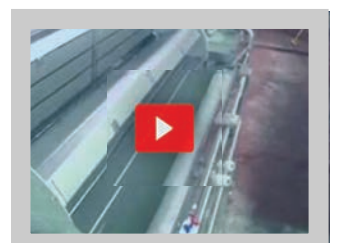
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Thanks To Mozzarella, Olive Oil, Pizza Has Beneficial Impacts On Arthritis

Basil, Switzerland—In a recent study, participants who consumed half a pizza more than once a week, compared to less than two times a month, reported beneficial effects on rheumatoid arthritis (RA), both in the overall analysis, and when the more severe RA forms were considered.

“These beneficial effects were likely driven by Mozzarella cheese and, to a lesser extent, by olive oil, even though we were unable to assess the possible contribution of tomato sauce,” noted the study, which was published in a recent edition of *Nutrients*, an open access journal from MDPI.

To the study’s authors, this is the first study investigating whether a higher consumption of pizza (and related food items/groups) could improve the composite, internationally recognized measures of RA disease activity.

The study was conducted in Italy, the birthplace of pizza, and second-leading consumer country of pizza worldwide, “where access to the best pizza ingredients in their freshest state, and certified recipes provide the greatest likelihood of identifying the protective anti-inflammatory and antioxidant effects that pizza is believed to exert,” the study noted.

Rheumatoid arthritis is a chronic inflammatory disease involving multiple joints, with a multifactorial and autoimmune pathogenesis, the study explained. The worldwide RA prevalence in 1986-2014 ranged from 0 to 2.70 percent. In Italy, the RA prevalence in 2011 was reported to be 0.41 percent, for active and in-remission disease together.

Both RA patients and clinicians are continuously in search of novel solutions to integrate pharmacological therapy and alleviate the disease burden, the study continued. Together with other environmental exposure factors, diet constitutes a suitable candidate, as its impact on systemic inflammation, oxidation, and the gut microbiota could ease disease activity.

Pizza is now a universal food; the top worldwide consumer countries include the US (13 kilograms per capita per year), Italy (7.8 kilos per capita per year), and some other European countries, with a much lower yearly consumption.

Despite the “incredibly high” diffusion of pizza, studies on its role, as a single food item, on health “are scanty, and are essentially limited to cardiovascular disease and cancer, investigated in Italy and the US,” the study said.

Within Italian tradition, pizza is a stand-alone meal, usually made from fresh, high-quality ingredients, including Mozzarella cheese (from cow milk, called “fior di latte”, or from buffalo milk, called “mozzarella di Bufala,” both “far from pre-shredded mixed cheese”), tomato sauce, and/or “pomodoro” (cherry tomatoes), and olive oil, all over a lean dough (generally made with type double-zero (00) wheat flour, water, salt and yeast), the study explained.

In this cross-sectional analysis on RA patients from Italy, researchers aimed to investigate whether a higher consumption of pizza might contribute to the improved management of RA dis-

ease activity in free-living individuals. Researchers further aimed to investigate the role of the available pizza-related food items/groups, to assess whether they might be responsible for any effect observed of pizza consumption on RA disease activity.

In this cross-sectional study on RA patients, participants in the higher consumption categories of the pizza food item reported beneficial effects on the disease activity, with statistical significance observed in three out of four models fitted on the overall sample, in three out of four models fitted on the more severe stratum, and in one of the three models fitted on the longstanding RA stratum.

As a cheap, mass-produced food, pizza may be assumed to contain poor-quality ingredients, the study noted; in the effort to enhance flavor, palatability and, ultimately, consumer acceptance, pizza recipes may include higher proportions of cheese and salt than is recommended. This does not necessarily apply to Italian pizza, for several reasons, including, among others:

- In Italian pizza, not only does the emulsion of oil with tomato sauce before the cooking phase contribute to the uniform cooking of the ingredients, but it generally enhances the pizza’s antioxidant potential, including the content of phenolic compounds and lycopene, the Trolox Equivalent Antioxidant Capacity, and the bio-accessibility of phenolic compounds and lycopene.

- Jointly with its antioxidant potential, the anti-inflammatory potential of Italian pizza may be another important mechanism of action. An increasing amount of evidence points to a beneficial effect, if any, of dairy products and dairy proteins on the biomarkers of inflammation, meaning that Mozzarella cheese may exert intrinsic anti-inflammatory activity. Also, cheese may counteract the glycemic response from the dough-related carbohydrate load, thanks to the presence of high-biological-value dairy proteins.

- Italian pizza’s composition generally balances carbohydrates, proteins and fats well.

- Italian pizza is easier to digest, because high-quality tomato sauce is generally used, and the pizza is cooked at scorching temperatures. This is a point in favor of pizza consumption in RA patients, who show an increased prevalence of gastro-esophageal reflux.

- Finally, pizza might be thought an indicator of a healthy, varied Italian diet, a variant of the Mediterranean diet that includes a higher consumption of pasta compared to other countries. Although pizza itself does not, each of the food items/groups investigated belongs to the definition of the Mediterranean diet.

LaClare Adds Chili Lime, Mediterranean And Pumpkin To Chevre Line

Malone, WI—LaClare Creamery here has added three new flavors in its fresh chevre line – Chili Lime, Mediterranean, and a seasonally available Pumpkin.

LaClare’s Limited Edition Pumpkin Goat Cheese features pumpkin spice puree and hint of cinnamon.

Its Chili Lime Goat Cheese includes a special blend of chipotle chiles, lime, and salt, while the Mediterranean Goat Cheese features blend of olives, savory herbs, and spices to produce a Mediterranean flavor profile.

The new flavors complement other varieties of LaClare’s fresh goat cheese line, like Rolled Blueberry Vanilla, Chipotle Honey, Garlic & Herb, Maple Bourbon, and more.

For more details, visit laclarefamilycreamery.com.

Treasure Cave Blue Cheese Campaign Leans Into The Funk

Milwaukee, WI—A new brand campaign from Saputo USA for its Treasure Cave Blue cheese brings a mystical treasure cave to life, with the tagline “You Might Love It Here.”

The revamped packaging includes a new logo that leans into the brand’s cave-aged heritage, visually telling this story to consumers.

With another nod to its history and place of origin, the new packaging incorporates the shape of the state of Wisconsin as the mouth of the Treasure Cave on-pack, and features larger windows to allow for better product visibility. Treasure Cave brand videos will run in key markets through video and social media environments that “complement the irreverent tone of the creative and deliver that funk,” Saputo USA noted.

More details on the campaign are available at www.treasurecavecheese.com.

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Price Forecasts

(Continued from p. 1)

The 2023 all milk price forecast is raised by 30 cents, to \$20.70 per hundred, and the 2024 all milk price is raised by 25 cents, to \$20.55 per hundred. The all milk price had averaged \$25.34 per hundred in 2022 and \$18.53 per hundred in 2021.

Corn, Soybeans And Culling

Corn and soybean production is down from last month, according to the "Crop Production" report issued Thursday by USDA's National Agricultural Statistics Service (NASS).

Corn production is forecast at 15.1 billion bushels, down less than 1 percent from the previous forecast but up 10 percent from last year; soybean growers are expected to reduce their production 4 percent from 2022, forecast at 4.10 billion bushels.

Based on conditions as of Oct. 1, corn yields are expected to average 173.0 bushels per harvested acre, down 0.8 bushel from the previous forecast and down 0.4 bushel from last year. Area harvested for grain is forecast at 87.1 million acres, unchanged from the previous forecast.

Also based on conditions as of Oct. 1, soybean yields are expected to average 49.6 bushels per acre, down 0.5 bushel from the previous forecast but unchanged from 2022. Area harvested for beans in the US is forecast at 82.8 million acres, unchanged from the previous forecast but down 4 percent from 2022.

This month's 2023/24 US corn outlook is for reduced supplies, lower feed and residual use and exports, and smaller ending stocks. The season-average corn price received by producers is raised by five cents, to \$4.95 per bushel.

The US season-average soybean meal price is unchanged from last month, at \$380 per short ton.

The combination of low milk prices and record beef prices is prompting dairy farmers to send more cows to packing plants, according to a new quarterly report released this week by CoBank's Knowledge Exchange.

Through mid-September, 2.1 million head have been sent to slaughter, up 108,000 head over last year, the report noted. Moving forward, the pace of culling should back off with an improved milk price outlook.

The low milk checks this year could have levied a far worse toll had it not been for improved milk price mitigation strategies, CoBank reported. These days, between 55 percent and 65 percent of US milk production has some form of price protection.

For milk insured under the Dairy Margin Coverage (DC) program, an additional \$3.89 per hundredweight has been paid out to dairy farmers with over \$1.13 billion paid out as of July. That payout is approaching 2021's total record \$1.19 billion payout, CoBank noted.

While the US economy is outperforming expectations, the rest of the world, Europe and China in particular, has fallen short, CoBank said. As a result of the US economic position relative to others, the dollar has gotten stronger than previously anticipated. The expectation that interest rates will remain high for the foreseeable future has also contributed to the strengthening dollar.

"The challenge for agriculture and other rural industries that rely heavily on global markets is their export partners simply can't afford to buy US products," said Rob Fox, director of CoBank's

Knowledge Exchange. "When you combine the loss of exports with a general slowdown in the US economy, it's a double whammy for many businesses operating in rural America."

Fonterra Hikes Milk Price Forecast

In other dairy price-related developments, New Zealand's Fonterra on Monday raised its 2023/24 season forecast farmgate milk price range to \$6.50 to \$8.00 per kilogram of milk solids, with a new midpoint of \$7.25 per kilogram of milk solids, up 50 cents from Fonterra's previous forecast.

In August, Fonterra had twice reduced its farmgate milk price forecast, the second time to \$6.00 to \$7.50 per kilogram of milk solids, with a midpoint of \$6.75 per kilogram of milk solids.

Miles Hurrell, Fonterra CEO, said the improved outlook reflects both supply and demand dynamics.

"Here in New Zealand we're forecasting collections to be slightly below last season, while aggregate milk growth in key export countries is expected to be below average for FY24," Hurrell commented. "The El Niño weather pattern may have further impacts on supply, and this could be driving recent buyer sentiment."

"On the demand side, we have seen increases in recent Global Dairy Trade events. While this has been encouraging, it is not yet clear whether the stronger demand from China will be sustained. For other key regions, customers remain relatively cautious in terms of their forward purchases," Hurrell continued.

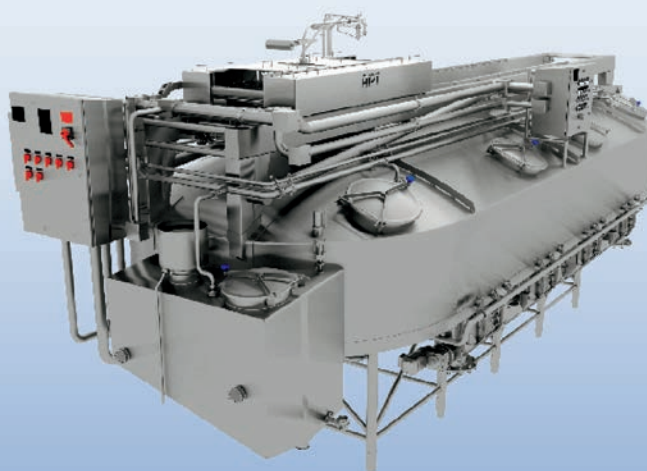
"It's still early days in terms of the proportion of our FY24 sales book that we've contracted, so we still face significant exposure to volatility in commodity prices," he said.

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Complete Filtration Resources Buys Danish Membrane Filtration Company

Marshfield, WI—Complete Filtration Resources, Inc. (CFR) recently announced that it has acquired assets and activities from the bankruptcy estate SD Filtration A/S, a Danish membrane filtration company.

This strategic move expands CFR's reach and capabilities, bringing a highly experienced team with deep industry knowledge into CFR's existing organizations located in the US and the Netherlands, CFR noted.

With a culture in line with Complete Filtration's values, SD Filtration's dynamic team, wide

industry networks, and expertise in emerging markets offers exciting growth opportunities, CFR added. The acquisition strengthens CFR's position in the market, enabling the company to provide enhanced products and services to its valued customers.

Complete Filtration Resources was founded in 1993 and is a designer and manufacturer of skidded membrane filtration systems. CFR serves the food, dairy, pharmaceutical, chemical and industrial processing industries.

For more information, visit www.gotocompletfiltration.com.

Della Toffola Parent Company Buys TMCI Padovan, Omega Packing

Santa Rosa, CA—Omnia Technologies, whose subsidiaries include Della Toffola, recently announced the acquisitions of TMCI Padovan and Omega Packing.

TMCI Padovan, which has over 100 years of history, currently manages four production facilities, employs 230 staff members, and has achieved a turnover of approximately 65 million euros across 90 countries.

It specializes in sectors complementary to Omnia Technologies' activities, such as designing machines and systems for industrial and artisanal beer production, as well as various food products, according to Andrea Stolfa, group CEO, Omnia Technologies.

TMCI Padovan is organized into five divisions: IFBTECH, dedicated to the dairy world and the production of plant-based beverages; SAP-Blendtech, dedicated

to designing machines and systems for fruit juice and soft drink production; Chemtech, engaged in manufacturing machinery for jelly, margarine and food products; Padovan, specialized in solutions for the winemaking industry; and Easybrau-Velo, focusing on industrial and artisanal beer production systems.

Omega Packing is a commercial engineering company focused on technical support and assistance in the American continent.

It's the first company based outside of Italy to become part of Omnia Technologies, Stolfa noted.

The integration of these two new entities into Omnia Technologies synergistically complements the company's offering and expands and expands the range of solutions for the food product, beer and beverage sectors, Stolfa said.

Tony Anderson Honored For Contributions To WDPA Contest



Amy Winters, executive director of the Wisconsin Dairy Products Association presented a special award, with gratitude, to Tony Anderson, formerly of Swiss Valley Farms/Prairie Farms, for his 20 years of leadership with the World Dairy Expo Championship Dairy Products Contest. The contest celebrated its 20th year last week at the World Dairy Expo in Madison, WI.

PERSONNEL

Cheese Maker Lily Orr Named CT Grown Ambassador

Hartford, CT—Connecticut specialty cheese maker Lily Orr has signed on as the new ambassador for CT Grown, responsible for highlighting the state's agricultural landscape through video content, social media posts and live reporting.

Orr, who was raised on a multigenerational dairy farm, currently works as a cheese maker for Cato Corner Farm in Colchester, CT.

She previously worked at Connecticut Farmland Trust, assisting with easement acquisition and managing the CT Farm-Link program.

As part of her ambassadorship, Orr will regularly meet with farmers to help spread awareness about the foods and products they are producing. She will also produce content for social media, blogs, and newsletters — including creating informative and educational videos.

RICK RICE has joined Harry Davis & Company as director of business operations, bringing 42 years of food, beverage, and dairy equipment manufacturing and integration to the third-generation family business. In his new position, Rice will travel across the US to visit dairy, food and beverage facilities, working as a liaison to bring buyers and sellers together to achieve maximum benefits.

NIKOLAAS VLES has been named CEO of NIZO Group BV, succeeding GISELLA FRIJLINK. Vles joins NIZO from ICL Group where he most recently held the CEO position at Prolactal GmbH in Austria. In his new post, Vles will lead NIZO to help more customers transform their food products or ingredients, working to speed up market access

RECOGNITION

The National Dairy Promotion & Research Board (NDB) announced Wednesday 11 winners of its \$2,500 scholarships, and the recipient of its \$3,500 James H. Loper, Jr. Memorial Scholarship for 2023-24. KYLIE KONYN, a University of Wisconsin-Madison student majoring in dairy science, has earned this year's Loper Scholarship. Students earning \$2,500 scholarships for 2023-24 include: TYLER BOHNERT, University of Wisconsin-Platteville; CHLOE CALHOUN, University of Nebraska-Lincoln; GRACE CLARK, IRENE NIELSEN and HANNAH EVEN, Iowa State University; DOREEN DYT, California Polytechnic State University; DINA GRAVES, Clemson University; KATIE HEBDON, University of Idaho; NATALIE ROE and STEPHEN ZHENG, University of Wisconsin-Madison; and MARGARET MOLITO, South Dakota State University.



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Fonterra, APC Microbiome Ireland Form Partnership Focusing On Human Microbiome

Cork, Ireland—Fonterra and APC Microbiome Ireland, based at University College Cork (UCC), recently announced that they have entered into a new strategic research partnership.

The partnership will focus on the human microbiome with a view to developing new probiotic products that have health and wellness benefits.

The project will entail the establishment of a new Fonterra microbiome research center based in UCC to maximize the collaborative relationship with APC. It is expected to be operational before the end of this year.

There has been a dramatic increase in demand for Fonterra's probiotics recently, with sales increasing about ten-fold over the last few years, Fonterra noted. Harnessing the expertise of APC Microbiome Ireland will enable Fonterra to fast-track development of new strains to manufacture and sell at a global scale.

Leading in dairy innovation and science to create high-quality nutrition is core to Fonterra's strategy and probiotics are a significant focus. Fonterra is already well-positioned in this space: the cooperative is home to one of the world's largest dairy culture collections (more than 40,000 strains) and has been developing probiotics for nearly 30 years.

"This new partnership with the APC is a fantastic opportunity for Fonterra to collaborate with world-leading experts in the field of probiotics and microbiome research," said Dr. Mark Malone, Fonterra's general manager for science and technology. "This will expand Fonterra's health and nutrition expertise and accelerate our development of new and differentiated nutritional offerings."

"This is a significant development for the APC, and we are thrilled to be working together with Fonterra," said Prof. Paul Ross, director, APC Microbiome Ireland. "This latest collaboration with industry underlines the APC's reputation as a global leader in microbiome research and our expertise in supporting new product development with our Irish and international industry partners."

"This collaboration reinforces the commitment APC shares with Fonterra to develop new, evidence-based products that support lifelong health," commented Prof. John O'Halloran, UCC president.

Retail Prices Mixed

(Continued from p. 1)

Cheddar cheese was \$5.85, down more than five cents from August and down almost 24 cents from September 2022. The average retail Cheddar price had reached a record high of \$6.08 per pound in September 2022.

Average retail Cheddar cheese prices in the four major regions, with comparisons to a month earlier and a year earlier, were:

Northeast: \$6.45 per pound, up 21 cents from August and up more than 32 cents from September 2022.

Midwest: \$5.34 per pound, down 18 cents from August and down almost 22 cents from September 2022.

South: \$5.92 per pound, down more than three cents from August and down almost 15 cents from September 2022.

West: \$5.74 per pound, down more than 15 cents from August and down more than 77 cents from September 2022.

The average retail price for a pound of American processed cheese was \$4.77, up almost four cents from August and up almost nine cents from September 2022.

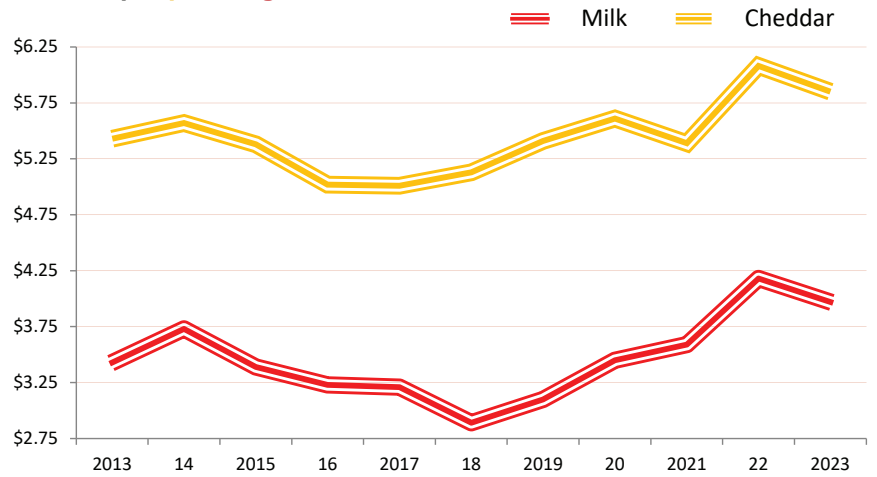
Retail Whole Milk Prices Increase

The CPI for whole milk was 249.5, up 1.0 percent from August but down 3.6 percent from September 2022. That's the third straight month in which the whole milk CPI was under 250; it had been above that level every month from April 2022 through June 2023.

The CPI for "milk" was 174.6 (December 1997=100), up 0.5 percent from August but down 2.1 percent from September 2022.

Average Retail Prices

Cheddar & Whole Milk: September 2013 – 2023
Price per pound/gallon



September's CPI for milk other than whole was 181.2, up 0.2 percent from August but down 0.9 percent from September 2022.

The average retail price for a gallon of whole milk was \$3.97, up almost four cents from August but down almost 22 cents from September 2022. That's the fourth straight month in which the average retail whole milk price was under \$4.00 per gallon.

Average retail whole milk prices in the regions reported, with comparisons to a month earlier and a year earlier, were:

Northeast: \$4.31 per gallon, up more than seven cents from August but down more than 19 cents from September 2022.

South: \$4.12 per gallon, up more than eight cents from August.

West: \$3.93 per gallon, down less than one cent from August and down more than 44 cents from September 2022.

Butter CPI Increases

The CPI for butter was 301.2, up 0.4 percent from August but down 4.0 percent from September 2022.

The butter CPI has now been 300 or higher in seven of the first

nine months of 2023, including a record high of 322.6. The exceptions were April, when it was 299.9, and June, when it was 298.1. Last year, the butter CPI was above 300 every month from June through December.

The index for ice cream and related products was a record 276.2, up 1.2 percent from August and 4.5 percent higher than in September 2022.

The previous record for the ice cream CPI, 276.1, was set in March of this year.

The average retail price for a half-gallon of regular ice cream was a record \$5.96, up more than five cents from August and up almost 26 from September 2022.

Other dairy and related products' CPI was 189.6 (December 1997=100).

"The September CPI report demonstrates that food-at-home inflation continues to stabilize and provide shoppers with a more consistent and predictable shopping experience," commented Andy Harig, vice president, tax, trade, sustainability and policy development at FMI-The Food Industry Association.



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Class I Differentials

(Continued from p. 1)

milk and even the next branded milk," Lamers continued. "Increasing the Class I differentials to the level proposed would only further hinder our ability to remain competitive in the markets we serve."

Dairy cooperatives that have manufacturing plants and fluid milk plants have a competitive advantage over proprietary Class I handling plants, Lamers said. Because co-ops are allowed to blend the proceeds between their fluid milk plants and their manufacturing plants, the impact of the Class I differentials on their overall operation is not as significant to them as it is to proprietary plants who operate only fluid plants.

Support For Proposal 19

Eric Erba testified in support of Proposal 19. He represented the Mideast Area of Dairy Farmers of America. DFA's Mideast Area supplies the raw milk and intermediate dairy product needs for pool and non-pool plants located in Michigan, Ohio, and Indiana, as well as parts of Kentucky, Pennsylvania, and West Virginia.

The Mideast area milk supply has "grown substantially" since 2000, particularly in Michigan, northwestern Ohio, and northern Indiana, Erba noted. At the same time, the milk supply has "decreased significantly" along its southern and eastern edges.

"Even a casual observer can confirm that the milk sheds and milk processing locations are growing more distant from each other," Erba stated in his written testimony. "Processing plants that were at one time located in the middle of significant milk sheds have found themselves with diminishing abilities to attract

enough local milk to satisfy their daily, weekly, monthly and seasonal needs."

Also, milk processing locations in the southern and eastern parts of the Mideast Area have expanded, compounding the problem of being able to attract an adequate supply of local milk, Erba added.

For more than 20 years, Class I differentials in the Mideast Area have been unchanged, Erba noted. During that time, Michigan has emerged as the leading reserve supply for the Mideast Area and, at times, Michigan has also been the reserve supply for states in the southeastern US.

Meanwhile, traditional milk supply points within the Mideast Area, such as eastern Ohio, southern Ohio, western Pennsylvania, and central Kentucky, have been losing and continue to lose milk production capacity, a result of dairy farms exiting the business.

The US dairy industry has been built around the ability to haul milk when and where it is needed, and the Mideast Area has followed that same pattern, Erba testified. Milk must move from the north to the south, and from the west to east to meet customer raw milk needs.

"As milk hauling costs have increased for a variety of reasons, the need for greater financial incentives to encourage milk to move to Class I plants has also increased. Current supply and demand conditions in the Mideast Area and in surrounding areas justify updates to the current Class I differentials," he said.

Calvin Covington, representing Southeast Milk, Inc. (SMI), testified in support of Proposal 19. SMI is a long-time member of NMPF.

Florida is one of the few remaining Class I markets in the FMMO system, Covington noted.

From 2000 through 2022, average annual Florida FMMO Class I utilization exceeded 82 percent.

In a fluid milk market, milk deliveries to pool distributing plants varies from month to month and day to day, Covington explained. There is a wide variation in daily deliveries as well.

There is a cost in managing these swings in milk demand, Covington noted. It requires additional milk tankers (horizontal storage); marketing milk to non-pool plants at below class prices, often when production exceeds demand; purchasing supplemental milk at above class prices when demand exceeds production and transporting the milk considerable distances; offering credits to encourage pool distributing plants to receive a consistent milk supply; and working with other co-ops to balance supply and demand.

The nature of buying patterns; schools not operating year-round or seven days per week; marketing milk in a peninsula, with a seasonal residential population and being prone to hurricanes are reasons for the variation in milk deliveries to pool distributing plants, Covington said.

Co-ops continue to improve efficiency of balancing milk supply and demand, and working to control balancing expenses, but "there will always be variations in the volume of milk required to serve a fluid milk market," Covington continued. "Class I differentials do more than encourage movement of raw milk to fluid markets; they also assist in covering the expenses needed to serve a fluid milk market."

In sum, for the Florida FMMO, there is not an adequate volume of producer milk within the marketing area to meet the Class I demand; and an increasing volume of milk, located outside the marketing area, is regularly trans-

ported into the Florida FMMO, to meet the Class I demand.

"These two challenges support updating Class I differentials in the Florida FMMO to ensure Class I demand is met and orderly marketing conditions are maintained," Covington said.

Rob Vandenheuvel, senior vice president of member and industry relations for California Dairies, Inc. (CDI), also testified in support of Proposal 19. CDI is also a member of NMPF.

Compared to other regions of the US, California is fairly new to the issue of Class I differentials, as the California federal order began in November 2018, Vandenheuvel noted. Prior to entering the federal order system, California dairy farmers and milk handlers operated under a California State Order that used a different method to establish Class I prices.

While operating under that state order, California experienced "significant imports" of bulk raw milk, with increased prevalence up to 2018. But in the more than four years California has operated under the federal order system, interstate movements of raw milk "have been greatly reduced," Vandenheuvel continued.

In light of this, CDI supports a general continuation of the current regional relationships between California and surrounding states. In other words, CDI supports Proposal 19 in part because it maintains a relatively consistent relationship between California's Class I differentials and those of surrounding states.

California has undergone significant shifts in population centers and milksheds since 2000, which has meaningfully impacted the cost of hauling bulk milk generally, and the cost of supplying urban-centered Class I bottlers specifically, Vandenheuvel said.

Chris Hoeger, vice president of procurement and member services for Prairie Farms Dairy, also a member of NMPF, testified in support of Proposal 19. Prairie Farms is the second largest fluid milk bottler in the US with bottling plants primarily located in the Midwest.

The original Class I price "slope" from the Upper Midwest to the central part of the US was sufficient at 25 to 30 cents per hundredweight as it was much cheaper to acquire and to operate milk moving equipment 20 years ago, Hoeger said. But in today's world, the milk supply is located farther from plants and population centers, and most milk is traveling much farther, as much as two to three times as many miles as it was in 2000.

"All dairy farmers need to be compensated fairly to encourage the availability of adequate milk supplies that can be used to support milk demand in distant markets," Hoeger said.

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Arla Plans To Double Whey Permeate Powder Capacity At Plant In Argentina

Viby J, Denmark—Arla Foods Ingredients has invested in a major upgrade to its facility in Argentina, allowing it to meet growing demand for high-quality whey ingredients, both in Latin America and globally.

The improvements to the company's Portena site include a new drying tower, which will more than double capacity for the production of whey permeate powder. It has also taken the measures necessary to produce infant-formula-grade proteins in Latin America.

Demand for whey permeate, a low-calorie source of sweetness and minerals, is growing globally, particularly in Asia and Latin America, according to Arla Foods Ingredients. Healthy sales have helped the company invest in infrastructure at the Portena facility, including a new tower for drying whey permeate. This will allow all permeate solids produced at the site to be turned into dry ingredients for food and beverage markets.

Dairy technology provider RELCO, a Koch Separation Solutions company, is due to begin building work on the tower once financial arrangements have been finalized, Arla Foods Ingredients said. RELCO was selected for its global experience in permeate processing and drying, South American resources and commitment to the specific requirements of the project. The tower is scheduled to be completed and go live in 2026.

"We've been active in Argentina since 2000 and we're pleased that Arla Foods Ingredients SA has achieved some very satisfactory results, allowing it to invest in further growth for the future," said Henrik Andersen, CEO of Arla Foods Ingredients. "This major upgrade is an essential element of our strategy to meet the increasing demand for high-quality whey products, both in Latin America and globally."

The manufacture of products for early life nutrition requires adherence to strict standards on nutritional quality and hygiene. Arla Foods Ingredients' Danmark Protein facility has been supplying proteins to the sector since the 2000s.

The Portena facility can now meet the same standards, the company said. Measures taken include new sanitary barriers to protect the zone where formula-grade products are manufactured, and strict procedures to improve environmental standards and raw material separation.

FrieslandCampina Sharpens Business Strategy, Will Double WPI Output

Amersfoort, Netherlands—FrieslandCampina recently announced its sharpened business strategy, Expedition 2030, which is characterized by a specific focus for each business group and is aimed at improving profitability and driving sustainable growth.

To strengthen FrieslandCampina's competitive position, Expedition 2030 focuses, among other things, on annual cost savings of 400 to 500 million euros from 2026. The entire company has to reduce costs, with the main focus on the support functions. This will result in restructuring and job losses. The 400 to 500 million euros in cost savings do

not concern closure of production locations. FrieslandCampina will continue to invest in strategic activities in which the company wants to grow.

FrieslandCampina today announced that it will invest in the production facility in Borculo, Netherlands, to double the production capacity of whey protein isolates. This will enable the business group Ingredients to meet the growing demand for high-quality ingredients for the sports and infant nutrition markets.

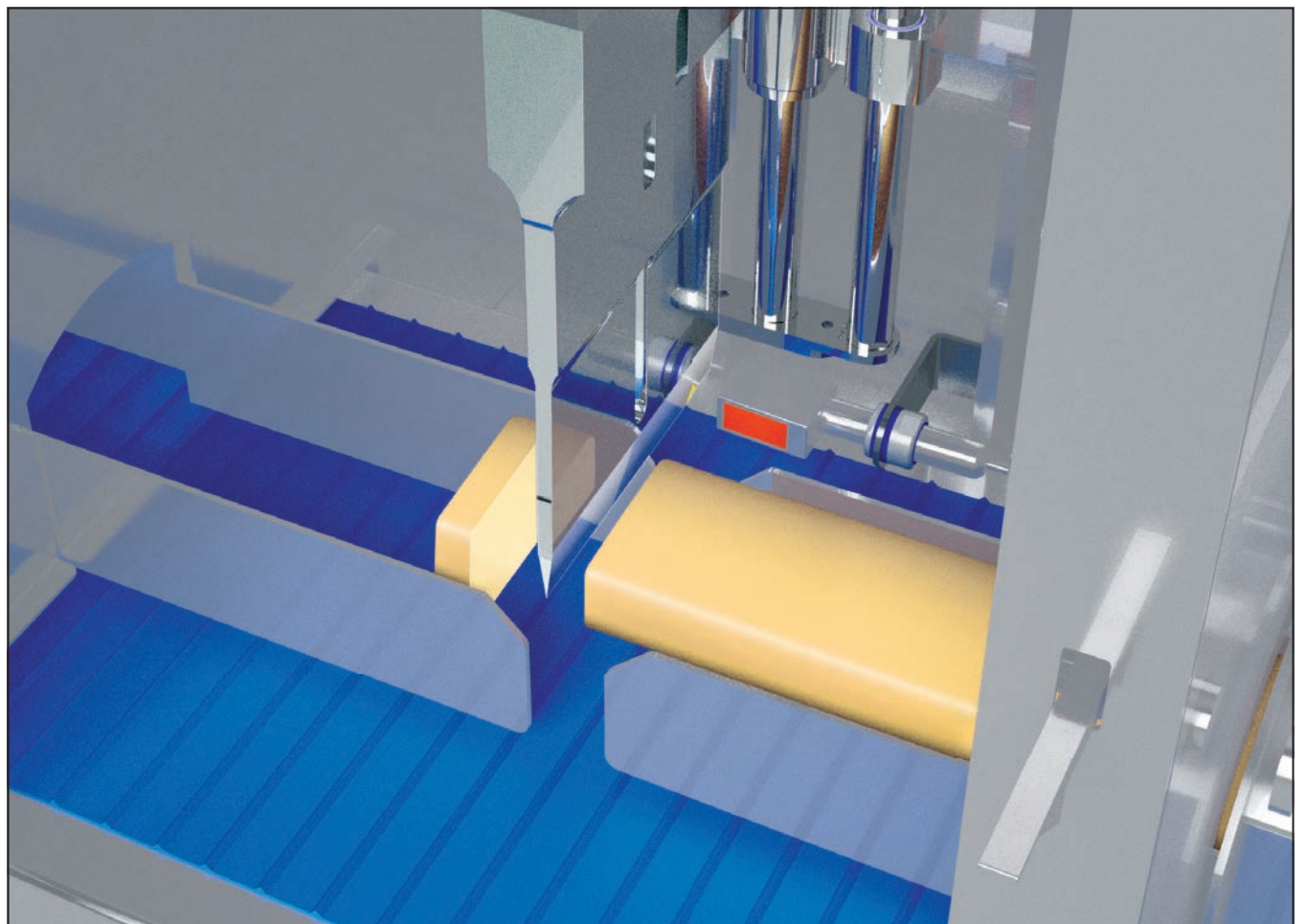
"Our goal is clear: produce top-quality products from our members' milk and by doing so generate maximum value for

them. Income that our members need to continue investing in the sustainable future of their farms," commented Jan Derck van Karnebeek, CEO, FrieslandCampina.

"That is why it is so important that we structurally improve our business performance. Our sharpened strategy with a focus for each business group on specific customers, products, brands and markets will significantly improve the way we work and compete," van Karnebeek continued.

FrieslandCampina will announce the organizational implications and associated one-off restructuring costs in mid-December.

The implementation of the Expedition 2030 strategy is planned from 1 January 2024



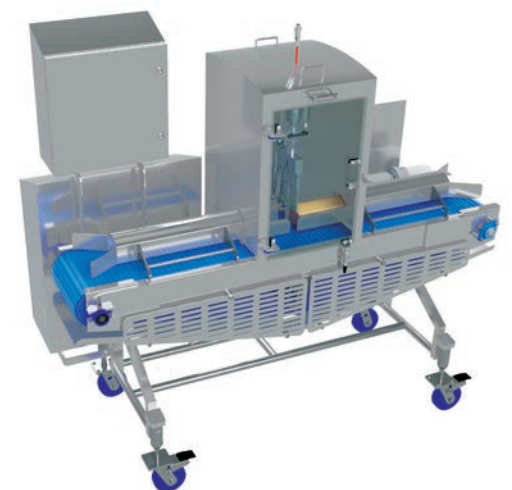
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COMING EVENTS

www.cheesereporter.com/events.htm

WCMA Offering New Employee Safety Tools, Training For Dairy Processors

Madison—As the US Occupational Safety and Health Administration (OSHA) continues its focus on food processors via a Local Emphasis Program (LEP), the Wisconsin Cheese Makers Association (WCMA) is offering new tools and training to support dairy processors' efforts to keep their team members on the job.

WCMA is offering a library of regulatory references and safety plan templates on *WisCheeseMakers.org*. These resources — including materials on combustible dust, personal protective equipment, noise protection, hazardous energy control, and more — are free and available to all in the dairy processing industry.

Beginning in December, WCMA will offer two new employee safety training programs, designed with input from WCMA's Health and Safety Group.

The "WCMA Train the Safety Trainer Course" will equip the processing industry's safety trainers with the knowledge, skills, and strategies to effectively communicate safety expectations and protocols for maximum compliance.

This course, led by two Chippewa Valley Technical College instructors with significant knowledge of the dairy processing industry, is taught in an interactive style and covers best practices for design and delivery methods used by successful workforce safety trainers.

While those attending should have a strong grasp on industry safety practices already, instructors will emphasize training around OSHA's LEP areas of concern, WCMA said.

Upon completion of the course, participants will be able to define training and facilitation in the workplace; conduct a training needs assessment; evaluate their training programs for clarity and efficacy; understand various presentation tools and methods; identify the characteristics of an exceptional trainer; discuss adult learning principles; handle environmental challenges and disruptive participants; and develop vocal, verbal and visual skills to conduct an effective training class.

This full-day course will be offered in-person at WCMA's training center in Madison, WI, on Dec. 12, 2023, and virtually on Jan. 30, 2024. In-person offerings, which include lunch and snacks, cost \$249 per person, while virtual offerings run \$219.

"Basic Safety Training for Dairy Processing Workers" will teach participants about their rights, employer responsibilities, and how to identify, abate, and avoid job-related hazards they may encounter. The industry-specific curriculum concentrates on safety strategies related to all the key focus areas of OSHA's food processor LEP, including machine guarding, lockout/tagout, preven-



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tion of slips, trips, and falls, and chemical controls.

This full-day course will be held six times in 2024, with virtual offerings on Feb. 20, May 14, and Sept. 24 and in-person offerings at WCMA's training center in Madison on Apr. 9, June 4, and Oct. 15. Virtual offerings cost \$149 per person, while in-person offerings run \$179.

Successful participants in both the WCMA Train the Safety Trainer Course and WCMA Basic Safety Training for Dairy Processing Workers will come away with a packet of training materials and a certificate of completion from Chippewa Valley Technical College and WCMA, that they and their employer can retain as a record of instruction.

Registration for all safety training classes is limited, but open now at WisCheeseMakers.org. To learn more, contact Rebekah Sweeney, WCMA senior director of programs and policy, at rsweeney@wischeesemakers.org.

The intent of OSHA's Local Emphasis Program for the food manufacturing industry is to encourage employers to take steps to identify, reduce, and eliminate hazards associated with exposure to machine hazards during production activities, and off-shift sanitation, service, and maintenance tasks.

changes could impact risk management strategies for product prices and milk price formulas, including Class I milk.

A session moderated by Sara Dorland, Ceres Dairy Risk Management, will look at how high feed, energy, and labor expenses have raised the cost of milk production across the US.

Sarina Sharp, Daily Dairy Report, will explain reasons for the wide disparities in mailbox milk prices and highlight factors like on-farm margins that will impact milk production in the year ahead.

Registration closes Oct. 25. Cost to attend is \$599 for ADPI members and \$799 for non-members.

For complete agenda and more information, visit www.adpi.glueup.com/event.

PLANNING GUIDE

IDF World Dairy Summit: Oct. 16-19, Chicago, IL. Visit www.idf-wds2023.com to register online.

Process Expo: Oct. 23-25, McCormick Place, Chicago. Online registration is available at www.fpsa.org/process-expo.

ADPI Dairy Purchasing & Management Risk Seminar: Nov. 1-2, Convene Willis Tower, Chicago. For details, visit www.adpi.org.

NDB, NMPF, UDIA Joint Annual Meeting: Nov. 13-15, Rosen Shingle Creek Hotel, Orlando, FL. Registration available online at www.nmpf.org.

Winter Fancy Food Show: Jan. 21-23, 2024, Las Vegas Convention Center, Las Vegas, NV. Visit www.specialtyfood.com.

Dairy Forum 2024: Jan. 21-24, J.W. Marriott Phoenix Desert Ridge, Phoenix, AZ. Details at www.idfa.org/dairy-forum.

World Championship Cheese Contest: March 5-7, Monona Terrace Convention Center, Madison. Visit www.worldchampioncheese.org for updates.

ADPI Global Ingredients Summit: March 11-13, 2024, Peppermill Resort, Reno, NV. Visit www.adpi.org for more information.

Cheese Expo: April 16-18, 2024, Baird Center, Milwaukee, WI. Registration now available online at www.cheeseexpo.org.

ADPI/ABI Joint Annual Conference: April 28-30, Sheraton Grand Chicago Riverwalk, Chicago, IL. Visit adpi.org/events for updates.

American Cheese Society Annual Conference: July 10-13, Buffalo, NY. Visit www.cheesesociety.com for details.

IMPA Annual Meeting: Aug. 8-9, Sun Valley Resort, Sun Valley, ID. Visit www.impa.us for details closer to event date.

ADPI Opens Registration For Dairy Purchasing, Risk Management Event

Chicago—The American Dairy Products Association (ADPI) will host its Dairy Purchasing & Risk Management Seminar here Nov. 1-2 at Convene Willis Tower.

The event kicks off Wednesday with a session on the fundamentals of dairy risk management led by Austin Benthem, Wells Fargo Bank; Katie Burgess, Ever.Ag.; and Jared Morgan, StoneX Financial, Inc., followed with a welcome reception.

The seminar continues Thursday morning with a panel discussion on how weather and climate can impact the dairy market.

Another session on the outlook, purchasing and hedging of

cheese and Class III milk will be led by Tom Cono of Great Lakes Cheese Company and Mike McCully, McCully Consulting.

The butter, nonfat dry milk and Class IV milk market outlook will be moderated by Eric Meyer of Highground Dairy and Ronald Kevin O'Brien II, NUI Markets.

Howard Kameroner of WOW Logistics will lead a session on managing risks associated with the supply chain, highlighting custom-engineered solutions for new distribution facilities.

Christopher Herlache of Schreiber Foods, Inc. and Ed Gallagher, Dairy Farmers of America, Inc., will discuss how proposed



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Real Estate

DAIRY PLANTS FOR SALE: <https://dairyassets.weebly.com/m--a.html>. Contact Jim at 608-835-7705; or by email at jim-cisler7@gmail.com



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DAIRY PRODUCT MARKETS

AS REPORTED BY THE US DEPARTMENT OF AGRICULTURE

Due to evolving market conditions and a limitation on directly reported cheese prices, Dairy Market News eliminated the wholesale cheese prices as of September 25, 2023.

WHOLESALE CHEESE MARKETS

NATIONAL - OCT. 6: Milk availability is somewhat tight in the Northeast and contacts note some spot loads of milk are moving at above Class prices. In the Midwest and West, spot availability is generally limited. Cheese production is mixed in the Midwest, as some processors have some downtime in the coming weeks, while others are running active schedules. In the Northeast and West, cheese production is steady. Contacts in the Northeast say cheese inventories remain comfortable, despite recent declines in production. Cheddar demand is outpacing other American-type cheeses in the Northeast. Contacts in the Northeast and West say cheese demands are steady in both retail and foodservice markets. Meanwhile, contacts in the West report moderate to light export cheese demand. In the Midwest, cheese demand is mixed.

NORTHEAST - OCT. 11: The Northeast saw increases in farm level milk outputs over the course of the past week. While Class I orders remain strong, seasonal increases in milk production have freed up supplies for local processing. Cheese plant managers relay that labor issues persist, but that cheese production schedules are steady to stronger. Contacts also share that cheese inventories are growing week over week. Demand for Cheddar is stronger than other American-type cheeses. Foodservice and retail cheese demands remain strong. Mozzarella continues to be the most in-demand Italian-type cheese, with reliable orders from the foodservice sector.

MIDWEST AREA - OCT. 11: Cheese makers are reporting similar prices on the spot milk market in the region. Reported prices at \$.25 above Class from last week were not passed along, but prices at/near \$1 over are still prevalent in the region. Milk offers are still somewhat quiet despite growing farm milk production and component levels in recent weeks. Cheese production is steady to lower in the region, as a few contacts have noted plants being down for scheduled maintenance. More plant managers than in previous weeks relayed being down, as well. Others are running full, and still milk is not as available as it was earlier in the year or this time last year, when prices ranged from \$1 under to \$.25 over Class III. Cheese demand is noted as healthy in the Midwest. Buyers are viewing the steady markets with interest, as cheese makers foretold of this happening a few weeks ago when markets were sliding. Cheese inventories are in similar shape to previous weeks. With milk prices maintaining at over Class and limits in production schedules throughout the region at the plant level, cheese stocks are not expected to ramp up near-term. Barrel suppliers say any extra loads are generally spoken for ahead of completion, but there are few near-term concerns about inventory excess.

WEST - OCT. 11: Domestic demand for retail and food service purposes is steady in the West. Some cheese manufacturers indicate inventories available for spot load purchasing have slightly decreased. Some stakeholders relay domestic demand was stronger compared to export demand over the first three quarters of 2023. Although some stakeholders express sentiments that domestic prices are currently more competitive to attract international purchasers, domestic demand has started out stronger than export demand during Q4. Export demand is moderate. Class III milk demand is strong. However, some manufacturers indicate available extra spot milk loads are limited. Cheese making schedules are mostly reported as steady. Since last Wednesday, daily cash trading prices on the CME have showed some bullish movement for both barrels and blocks.

FOREIGN-TYPE CHEESE - OCT. 11: Milk production has continued to decline in parts of Europe, though some contacts indicate farm level milk output is comparable to this time last year. Cheese makers are running steady to lighter schedules, as high input costs and declining milk availability are having negative impacts on cheese production. Retail demand for cheese is steady, while contacts note strong foodservice sales. Export demand for cheese is softening. Stakeholders say purchasers in international markets are hesitant to secure loads of cheese from Europe at current prices. Despite wavering demand, cheese inventories in Europe remain tight and some contacts report having few spot loads available for purchasers looking to secure loads.

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

Variety	Date: 10/11	10/4	Variety	Date: 10/11	10/4
Cheddar Curd	\$1.76	\$1.77	Mild Cheddar	\$1.77	\$1.78
Young Gouda	\$1.75	\$1.74	Mozzarella	\$1.65	\$1.64

DRY DAIRY PRODUCTS - OCTOBER 12

DRY BUTTERMILK/CENTRAL: The Central dry buttermilk price series increased at both ends of the range. Contacts share that churning activity is relatively unchanged as cream availability remains tight. Flat churning activity has limited the amount of liquid buttermilk available for drying. Several dryer obstacles have also been reported. As a result of slim to little inventory growth, dry buttermilk inventories are tightening. Some off-spec loads are being sold below the reported price series.

DRY BUTTERMILK/EAST: The East dry buttermilk price range increased at both ends. Contacts share that cream remains tight and that churning schedules are dependent on contracted loads of cream. Liquid buttermilk quantities available for drying are unchanged from recent weeks, and drying activity has been minimal. Inventories are tightening. Some feed customers are able to obtain off-spec dry buttermilk at prices below the reported range.

WPC CENTRAL/EAST: The tops of the whey protein concentrate 34% price range and mostly price series held steady,

while the bottoms of each moved higher this week. Spot purchasers say WPC 34% remains a good value compared to other alternative protein sources, and this is encouraging them to secure additional spot loads. Inventories of WPC 34% are growing tighter, though purchasers report loads are still obtainable on the spot market. Drying operations are focusing their schedules on higher whey protein concentrates, keeping WPC 34% production somewhat limited.

LACTOSE CENTRAL/WEST: The bottoms of the lactose price range and mostly price series shifted upwards, while the tops of each held steady. Domestic demand for lactose is steady to strengthening. Some contacts report steady export demand for lactose, while others relay an uptick in interest from international purchasers this week. Some spot market participants say they occasionally need to call multiple sellers to locate loads of lactose which meet their strict requirements. Overall, lactose inventories remain available for spot purchasing, but contacts say lactose inventories in warehouse are less ample than they were during the summer.

NATIONAL - CONVENTIONAL DAIRY PRODUCTS

Total conventional cheese ads increased by 47 percent, but total organic cheese ads declined by 40 percent. In the conventional cheese category, 6- to 8-ounce shreds was the most advertised item, increasing 46 percent. The average advertised price is \$2.41, compared to \$2.25 last week. The 6- to 8-ounce shreds packaging was the most advertised organic cheese, with an average price of \$4.82 compared to \$4.57 last week.

This week, there is a 55 percent decrease in total conventional dairy ads, but ad totals for organic dairy items grew 13 percent. Cheese posted the highest number of ads for total conventional dairy commodities, followed by ice cream. In the organic sector, milk and yogurt had the highest volume of dairy ads, respectively. The average price for conventional half-gallon milk is \$1.88, compared to \$1.53. The average price of half-gallon organic milk is \$4.39, compared to \$4.43 a week ago.

RETAIL PRICES - CONVENTIONAL DAIRY - OCTOBER 13

Commodity	US	NE	SE	MID	SC	SW	NW
Butter 8 oz	2.85	2.85					
Butter 1#	4.00	4.01	3.85	3.65	4.11	4.15	4.59
Cheese 6-8 oz block	2.55	2.43	2.35	2.80	3.00	2.49	3.00
Cheese 6-8 oz shred	2.41	2.55	2.27	2.13	2.36	2.68	2.73
Cheese 6-8 oz sliced	2.71	2.35	2.55	3.10	2.77	3.51	3.00
Cheese 1# block	4.76	4.73	4.99			4.18	4.99
Cheese 1# shred	4.67	4.29	4.99			4.00	4.99
Cheese 1# sliced							
Cheese 2# block	6.06		5.99	5.99	5.55	6.10	6.66
Cheese 2# shred	6.07		6.20	5.99	6.03	6.10	5.99
Cottage Cheese 16 oz	2.56	2.89	2.39	2.58	2.49	2.57	1.99
Cottage Cheese 24 oz	2.81	3.99	3.00		2.49	2.49	2.49
Cream Cheese 8 oz	2.87	2.69			3.53	2.93	2.50
Ice Cream 14-16 oz	3.08	3.52	3.35	3.09	2.74	2.64	2.69
Ice Cream 48-64 oz	3.50	3.45	3.88	3.26	3.60	3.55	3.13
Milk 1/2 gallon	1.88					2.50	1.63
Milk gallon	3.79	3.78			4.29	3.64	
Flavored Milk 1/2 gal	2.93			2.88	2.99		
Flavored Milk gallon	3.50						
Sour Cream 16 oz	2.44	2.33	2.05	2.15	2.22	3.17	2.50
Sour Cream 24 oz	2.60		2.71	2.49	3.49	2.49	2.44
Yogurt (Greek) 4-6 oz	1.03	1.04	1.02	1.09	1.15	1.00	0.67
Yogurt (Greek) 32 oz	5.16	5.21				5.05	
Yogurt 4-6 oz	0.58	0.56	0.55	0.58	0.57	0.60	0.67
Yogurt 32 oz	2.41	2.82	1.99			2.25	1.99

ORGANIC DAIRY - RETAIL OVERVIEW

National Weighted Retail Avg Price:

Sour Cream 16 oz:		Yogurt 4-6 oz:	
Butter 1 lb:		Yogurt 32 oz:	\$4.66
Cottage Cheese 16 oz:	\$4.69	Yogurt Greek 32 oz:	\$6.23
Cheese 2 lb shred:		Cream Cheese 8 oz:	
Cheese shreds 6-8 oz:	\$4.82	Milk 1/2 gallon:	\$4.39
Cheese shreds 1 lb:		Milk gallon:	
Cheese 6-8 oz block:		Flavored Milk 1/2 gallon:	
Cheese 6-8 oz sliced:		Ice Cream 48-64 oz:	

WHOLESALE BUTTER MARKETS - OCTOBER 11

CENTRAL: The day-to-day butter plant dynamic is generally unchanged despite butter market prices hovering near record highs. Cream remains somewhat snug, but cream offers are reportedly growing toward the middle of the week and for weekend shipments. Near-term butter demand is still somewhat steady. There is some concern that orders will slow soon, not solely because of the current market price point, but because holiday pipelines are closer to being fulfilled. Contacts say buyers do not want to get caught holding inventories at the \$3.50/lb mark moving into the final quarter of the year. They relay some buyers are more willing to pay closer to \$3.20, but loads changing hands at the market level are for immediate needs. With an increase in market prices comes an influx of questions from contacts. Most are in the following tone: How long will the bullish push endure? How quickly/dramatically will prices drop?

NORTHEAST: Cream volumes remain slim and as a result contracted loads of cream are keeping churns running.

Unsalted butter is said to be more of a production focus ahead of the holiday season. Purchasing spot loads of cream continues to be cost-prohibitive for some processors, as the weekly average price of butter continues to climb. Retail demand remains slower than in recent weeks.

WEST: Cream availability for spot load purchasing is recently slightly looser and remains comparatively more available in the northern parts of the region. That said, cream is on the tight side of the spectrum, overall, and much is committed to contractual obligations. Some butter manufacturers indicate additional cream purchases are being limited given current prices. Butter production is mixed amongst manufacturers with currently active churns. Production for retail purposes is strong to steady as schedules work towards current demand and anticipated upcoming holiday season demand. Bulk butter production is steady to lighter. Bulk butter availability is tighter as some manufacturers are focusing on keeping retail production lines at full capacity.

WEEKLY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT

DATE	BUTTER	CHEESE
10/09/23	29,239	78,446
10/01/23	29,454	81,450
Change	-215	-3,004
Percent Change	-1	-4

CME CASH PRICES - OCTOBER 9 - 13, 2023

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	500-LB CHEDDAR	40-LB CHEDDAR	AA BUTTER	GRADE A NFDN	DRY WHEY
MONDAY October 9	\$1.5775 (NC)	\$1.7025 (NC)	\$3.5000 (-¼)	\$1.1850 (+½)	\$0.3025 (+½)
TUESDAY October 10	\$1.6100 (+3¼)	\$1.7025 (NC)	\$3.4800 (-2)	\$1.1850 (NC)	\$0.3100 (+¾)
WEDNESDAY October 11	\$1.6175 (+¾)	\$1.7025 (NC)	\$3.4800 (NC)	\$1.2150 (+3)	\$0.3150 (+½)
THURSDAY October 12	\$1.6450 (+2¾)	\$1.7000 (-¼)	\$3.3950 (-8½)	\$1.2200 (+½)	\$0.3300 (+1½)
FRIDAY October 13	\$1.6450 (NC)	\$1.7000 (NC)	\$3.3600 (-3½)	\$1.2200 (NC)	\$0.3350 (+½)
Week's AVG \$ Change	\$1.6190 (+0.0660)	\$1.7015 (NC)	\$3.4430 (+0.0075)	\$1.2050 (+0.0255)	\$0.3185 (+0.0285)
Last Week's AVG	\$1.5530	\$1.7015	\$3.4355	\$1.1795	\$0.2900
2022 AVG Same Week	\$2.1830	\$2.0455	\$3.1920	\$1.5150	\$0.4240

MARKET OPINION - CHEESE REPORTER

Cheese Comment: Monday's block market activity was limited to an unfilled bid for 1 car at \$1.7025, which left the price unchanged at that level. No blocks were sold Tuesday, and the price was unchanged. There was no block market activity at all on Wednesday. Two cars of blocks were sold Thursday, the last at \$1.7000, which set the price. No blocks were sold Friday, and the price was unchanged. The barrel price increased Tuesday on an unfilled bid at \$1.6100, rose Wednesday on an unfilled bid at \$1.6175, and climbed Thursday on an unfilled bid at \$1.6450.

Butter Comment: The price declined Monday on an uncovered offer at \$3.5000, fell Tuesday on a sale at \$3.4800, dropped Thursday on an unfilled bid at \$3.3950 (following a sale at \$3.3800), and fell Friday on an unfilled bid at \$3.3600 (following a sale at \$3.3300).

Nonfat Dry Milk Comment: The price increased Monday on a sale at \$1.1850, rose Wednesday on a sale at \$1.2150, and increased Thursday on a sale at \$1.2200.

Dry Whey Comment: The price rose Monday on a sale at 30.25 cents, increased Tuesday on a sale at 31.0 cents, climbed Wednesday on a sale at 31.50 cents, rose Thursday on a sale at 33.0 cents, and increased Friday on a sale at 33.50 cents. A total of 70 truckloads of dry whey were traded this week at the CME.

WHEY MARKETS - OCTOBER 9 - 13, 2023

RELEASE DATE - OCTOBER 12, 2023

Animal Feed Whey—Central: Milk Replacer:	.2300 (NC) – .3000 (+5)
Buttermilk Powder:	
Central & East:	.9500 (+10) – 1.0500 (+5) West: .8900 (+1) – 1.0500 (NC)
Mostly:	.9000 (NC) – 1.0000 (NC)
Casein: Rennet:	3.6000 (NC) – 4.1000 (NC) Acid: 3.6500 (NC) – 3.9500 (NC)
Dry Whey—Central (Edible):	
Nonhygroscopic:	.2800 (NC) – .3500 (+1) Mostly: .3100 (+1) – .3300 (NC)
Dry Whey—West (Edible):	
Nonhygroscopic:	.3000 (NC) – .3700 (NC) Mostly: .3200 (NC) – .3600 (NC)
Dry Whey—NE:	.2900 (+1) – .3625 (+1)
Lactose—Central and West:	
Edible:	.1300 (+3) – .3950 (NC) Mostly: .1950 (+1½) – .2850 (NC)
Nonfat Dry Milk —Central & East:	
Low/Medium Heat:	1.1200 (+2) – 1.2200 (NC) Mostly: 1.1700 (+3) – 1.2000 (+1)
High Heat:	1.2500 (NC) – 1.3300 (NC)
Nonfat Dry Milk —Western:	
Low/Med Heat:	1.1300 (+3) – 1.2200 (+1) Mostly: 1.1600 (+3) – 1.2100 (+2)
High Heat:	1.2700 (+1) – 1.4000 (+½)
Whey Protein Concentrate—34% Protein:	
Central & West:	.7400 (+2) – .9800 (NC) Mostly: .8200 (+2) – .9100 (NC)
Whole Milk:	1.8500 (NC) – 2.1000 (+5)

HISTORICAL CME AVG BLOCK CHEESE PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
'09	1.0883	1.2171	1.2455	1.2045	1.1394	1.1353	1.1516	1.3471	1.3294	1.4709	1.5788	1.6503
'10	1.4536	1.4526	1.2976	1.4182	1.4420	1.3961	1.5549	1.6367	1.7374	1.7246	1.4619	1.3807
'11	1.5140	1.9064	1.8125	1.6036	1.6858	2.0995	2.1150	1.9725	1.7561	1.7231	1.8716	1.6170
'12	1.5546	1.4793	1.5193	1.5039	1.5234	1.6313	1.6855	1.8262	1.9245	2.0757	1.9073	1.6619
'13	1.6965	1.6420	1.6240	1.8225	1.8052	1.7140	1.7074	1.7492	1.7956	1.8236	1.8478	1.9431
'14	2.2227	2.1945	2.3554	2.2439	2.0155	2.0237	1.9870	2.1820	2.3499	2.1932	1.9513	1.5938
'15	1.5218	1.5382	\$1.5549	1.5890	1.6308	1.7052	1.6659	1.7111	1.6605	1.6674	1.6175	1.4616
'16	1.4757	1.4744	1.4877	1.4194	1.3174	1.5005	1.6613	1.7826	1.6224	1.6035	1.8775	1.7335
'17	1.6866	1.6199	1.4342	1.4970	1.6264	1.6022	1.6586	1.6852	1.6370	1.7305	1.6590	1.4900
'18	1.4928	1.5157	1.5614	1.6062	1.6397	1.5617	1.5364	1.6341	1.6438	1.5874	1.3951	1.3764
'19	1.4087	1.5589	1.5908	1.6619	1.6799	1.7906	1.8180	1.8791	2.0395	2.0703	1.9664	1.8764
'20	1.9142	1.8343	1.7550	1.1019	1.6704	2.5620	2.6466	1.7730	2.3277	2.7103	2.0521	1.6249
'21	1.7470	1.5821	1.7362	1.7945	1.6778	1.4978	1.6370	1.7217	1.7601	1.7798	1.7408	1.8930
'22	1.9065	1.9379	2.1699	2.3399	2.3293	2.1902	2.0143	1.8104	1.9548	2.0260	2.1186	2.0860
'23	2.0024	1.8895	1.9372	1.7574	1.5719	1.4039	1.6209	1.9752	1.8549			

USDA's Dairy Forward Pricing Program Expires; Only Impacts New Contracts

Washington—Beginning Oct. 1, 2023, the authority or funding provided under the 2018 farm bill for the US Department of Agriculture (USDA) to operate a number of programs, including the Dairy Forward Pricing Program, expired, the agency noted recently.

As of October 1, 2023, Congress has not passed legislation extending the authority for the USDA to carry out this program, and the agency said it cannot make new commitments to the program.

Therefore, proprietary milk handlers establishing new forward contracts on or after Oct. 1, 2023, will not be exempt from paying minimum federal order prices, USDA said.

Contracts established on or before Sept. 30, 2023, that extend through Sept. 30, 2026, are not impacted.

The 2008 farm bill initially established the Dairy Forward Pricing Program (DFPP).

The DFPP allows milk handlers to pay producers or cooperative associations of producers a negotiated price for producer milk, rather than the federal order minimum blend price for non-fluid classes of milk (Classes II, III, and IV under the federal milk marketing order (FMMO) system).

The DFPP does not allow for forward contracting of fluid or Class I milk.

Participation in the DFPP is voluntary for dairy farmers, dairy cooperatives, and handlers. Handlers may not require producer participation in a forward pricing program as a condition for accepting milk. USDA, including market administrator personnel, does not determine the terms of forward contracts or enforce negotiated prices. The DFPP regulation also does not affect contractual arrangements between a cooperative association and its members.

Under the DFPP, regulated handlers must still account to the FMMO pool for the classified use value of their milk. Regulated handlers claiming exemption from the federal order minimum pricing provisions must submit to the market administrator a copy of each forward contract. The contract must contain a disclosure statement, either as part of the contract itself or as a supplement, to ensure producers understand the nature of the program as well as the basis on which they will be paid for their milk.

Handlers with forward contracts remain subject to all other milk marketing order provisions, USDA pointed out.

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