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US Dairy Exports Increased 22% In July; Dairy Imports Also Rose 22%

July Cheese Exports Climbed 27%, Cheese Imports Rose 29%; Butter Exports Rose 80%

Washington—US dairy exports during July were valued at \$661.4 million, up 22 percent from July 2020, according to figures released Thursday by USDA's Foreign Agricultural Service (FAS).

That marked the fifth consecutive month in which US dairy exports exceeded \$660 million in value. As recently as January of this year, the value of US dairy exports was under \$500 million (at \$498.2 million).

Dairy exports during the January-July 2021 period were valued at \$4.4 billion, up 15 percent from the same period last year.

US dairy imports during July were valued at \$324.9 million, up 22 percent from July 2020. That was the third time in five months that the value of US dairy imports topped \$300 million.

During the first seven months of 2021, dairy imports were valued at \$2.02 billion, up 17 percent from the first seven months of 2020.

Leading markets for US dairy exports during the first seven

months of this year, on a value basis, with comparisons to the first seven months of last year, were: Mexico, \$1.0 billion, up 23 percent; Canada, \$477 million, up 12 percent; China, \$423.4 million, up 46 percent; South Korea, \$244.9 million, up 8 percent; Philippines, \$225.1 million, down 6 percent; Japan, \$210.7 million, up 5 percent; Indonesia, \$188.6 million, down 14 percent; Vietnam, \$174.6 million, up 42 percent; Malaysia, \$102.1 million, down 1 percent; Australia, \$96.6 million, down 9 percent; and Egypt, \$82.6 million, up 46 percent.

Cheese exports during July totaled 81 million pounds, up 27 percent from July 2020. That was the third time in the last five months that US cheese exports topped 80 million pounds (the other months were March, at 81.2 million pounds, and April, at a record 88.9 million pounds).

The value of July's cheese exports, \$160.5 million, was up 30 percent from July 2020.

Cheese exports during the first seven months of 2021 totaled 514.4 million pounds, up 6 percent from the first seven months of 2020. The value of those exports, \$1.04 billion, was up 9 percent.

Leading markets for United States cheese exports during the January-July period, on a volume basis, with comparisons to the same period last year, were: Mexico, 133.4 million pounds, up 1 percent; South Korea, 93.1 million pounds, down 7 percent; Japan, 56.3 million pounds, up 10 percent; Australia, 29.8 million pounds, down 11 percent; Chile, 18.4 million pounds, up 31 percent; Canada, 15.3 million pounds, up 40 percent; Panama, 12.9 million pounds, up 44 percent; and Guatemala, 12.8 million pounds, up 47 percent.

Exports of nonfat dry milk during July totaled 160.9 million pounds, down 3 percent from July 2020. Nonfat dry milk exports during the first seven months of this year totaled 1.2 billion pounds, up 12 percent from the first seven months of last year.

• See **July Dairy Trade**, p. 5

USDA Accepting Comments On Dairy Donation Program Interim Final Rule; Deadline Is Nov. 1

Washington—USDA's Agricultural Marketing Service (AMS) on Wednesday published in the *Federal Register* the interim final rule and request for comments for the new Dairy Donation Program.

Comments on the interim final rule, which is effective Sept. 2, 2021, and expires Sept. 1, 2023, must be submitted on or before Nov. 1, 2021. Comments can be submitted online at www.regulations.gov; the docket number is AMS-DA-21-0013.

The interim final rule outlines the provisions of the new Dairy Donation Program (DDP), which USDA was required to establish under the Consolidated Appropriations Act (CAA) of 2021. Program provisions are intended to encourage the donation of dairy products and to prevent and minimize food waste.

The DDP is an additional dairy donation program that overlays on existing USDA dairy milk donation activities such as the Milk Donation Reimbursement Program (MDRP). The MDRP was established as part of the 2018 farm bill to facilitate the donation of fluid milk products and avoid food waste. The program was funded for \$9 million in fiscal year 2019, and \$5 million per fiscal year thereafter.

• See **Interim DDP Rule**, p. 6

Emmi Roth To Acquire Leading US Feta Brand Athenos

Fitchburg, WI—Emmi Roth, in partnership with Emmi Group, will be acquiring Athenos, which it describes as the number one Feta in the US.

The Athenos brand is currently owned by The Kraft Heinz Company, which agreed last year to sell its US natural cheese business, including the Athenos business, to a US affiliate of Lactalis Group. In fulfillment of conditions identified during a customary antitrust review of that transaction, Lactalis has agreed to sell the Athenos business to Emmi, according to the Emmi Group.

The transaction between Emmi and Lactalis essentially comprises the rights to the Athenos brand as well as other existing rights and

• See **Athenos Feta**, p. 7

Fluid Milk Sales Fall To Lowest Level Since 1958; Whole, 2% Sales Increase

Number Of Fluid Milk Plants Rises

Washington—Sales of fluid beverage milk in 2020 totaled 46.36 billion pounds, down 0.1 percent, or 51 million pounds from 2019 and the lowest level of fluid milk sales since 1958, according to figures released this week by USDA's Economic Research Service (ERS).

Fluid milk sales have now declined for 11 consecutive years, since reaching a record high of 55.43 billion pounds in 2009. Fluid milk sales last topped 50 billion pounds in 2014, when they totaled 50.4 billion pounds.

While last year marked the 11th straight year in which fluid milk sales declined, it was also the smallest decline during that

period. The average decline for the previous 10 years was over 900 million pounds per year, and included four years in which sales dropped by more than 1 billion pounds.

Since 2010, the smallest fluid milk sales decline prior to last year was 299 million pounds, in 2016.

While overall beverage milk sales continued their decline in 2020, some specific products did post sales increases. Whole milk sales last year totaled 16.65 billion pounds, up 3.3 percent, or 530 million pounds, from 2019 and the seventh straight year in which whole milk sales increased.

Whole milk sales last year were at their highest level since 2005, when they totaled 16.9 bil-

• See **Milk Sales Fall**, p. 10

August Avg Prices - 2020 vs 2021

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





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the bottom line here is that fluid milk isn't a growing market for the US dairy industry, and fluid milk products continue to use a smaller and smaller share of total US milk production.

Even A Pandemic Can't Help Fluid Milk Sales

The coronavirus pandemic upended a lot of trends in 2020, and continues to do so here in 2021, but one trend it didn't upend was the long-term decline in fluid milk sales.

As reported on our front page this week, beverage milk sales in 2020 totaled 46.36 billion pounds, down 0.1 percent, or 51 million pounds from 2019 and the 11th straight year in which fluid milk sales declined. At 46.36 billion pounds, fluid milk sales in 2020 were at their lowest level since 1958, according to figures from USDA's Economic Research Service.

For what it's worth, the US population back then was around 175 million, or roughly 156 million less than what it was in 2020. So it's not just sales of fluid milk that are declining; it's also per capita consumption.

Certainly the pandemic had a positive impact on fluid milk sales in the short run, as did leap year, for that matter. Specifically, according to fluid milk sales figures from USDA's Agricultural Marketing Service, sales of conventional (as opposed to organic) fluid milk products in February 2020 totaled just under 3.5 billion pounds, up 40 million pounds from February 2019, which had one less day.

The pandemic's impact, specifically the stocking-up on staples by consumers, can really be seen in March 2020 fluid milk sales, which totaled just under 4.0 billion pounds, up an eye-opening 280 million pounds from March 2019. But it was back to some semblance of "normal" by April 2020, when fluid milk sales of 3.6 billion pounds were down 51 million pounds from April 2019.

So the bottom line here is that fluid milk isn't a growing market for the US dairy industry, and fluid milk products continue to use a smaller and smaller share of total US milk production.

But as easy as it is to find negatives in these fluid milk sales statis-

tics, it also isn't all that difficult to find some positives. For starters, it's worth noting that 2020 fluid milk sales were only down 51 million pounds from 2019.

That's by far the smallest decline in fluid milk sales in the 2010-2020 period. Indeed, over that period, fluid milk sales dropped by more than 1.0 billion pounds in 2013, 2014, 2017 and 2018. In fact, there wasn't a decline of less than 299 million pounds during that entire period, so last year's drop of only 51 million pounds doesn't look all that bad.

Whole milk remains a true bright spot for the fluid milk business. Last year, whole milk sales totaled 16.65 billion pounds, up an impressive 530 million pounds from 2019 and the highest level since 2005.

Whole milk sales have now increased every year since 2013, when they bottomed out at 13.78 billion pounds. Last year's increase of 530 million pounds was the largest since 2016's growth of 791 million pounds.

And it's not like whole milk sales are likely to "run out of gas" anytime soon, since they are still more than 20 billion pounds lower than they were back in 1975.

Posting an even more impressive sales gain in 2020 was reduced-fat (2 percent) milk, sales of which totaled 15.8 billion pounds, up 554 million pounds from 2019. Prior to last year's increase, reduced-fat milk sales had declined for nine straight years, after reaching a 21st-century high of 19.1 billion pounds in 2010.

Beyond those increases, plus a small increase in eggnog sales, fluid milk product sales were down in the other categories broken out by ERS. That includes declines of 259 million pounds for lowfat (1 percent) milk, 474 million pounds for skim milk, 15 million pounds for flavored whole milk, 869 million pounds for flavored milk other than whole, and 25 million pounds for buttermilk.

From these statistics, we can perhaps reach a couple of conclusions. First, consumers no longer fear fat. The two fluid milk categories that posted sales increases happen to be the categories with the highest fat contents. And sales in one of those categories, whole milk, have now risen for seven straight years.

The last time skim milk sales posted that many consecutive increases was in the 1990s, but skim milk sales last year were less than a third of what they were when they reached a record 9.2 billion pounds back in 1998.

Second, it appears that consumers might be backing away from products with high levels of added sugars. Keep in mind that the Nutrition Facts panel just started including a line for added sugars a year or two ago, so this information is still relatively new to consumers.

But the fact that sales of both flavored whole milk and flavored milk other than whole fell by almost 900 million pounds last year might be an indication that fluid milk products with lots of added sugar will be facing some sales headwinds in the future.

There are at least a couple more positive notes in the data released by ERS this week. First, ERS has been tracking sales of "miscellaneous" fluid milk products since 2000, when they totaled just 88 million pounds.

In 2020, sales of miscellaneous fluid milk products totaled 803 million pounds. Thus, it would appear that sales of these non-traditional fluid milk products are becoming a more important market for the dairy industry.

Finally, in addition to fluid milk sales statistics, ERS this week also released statistics on the number and average volume of US fluid milk plants, and they show that the US added eight fluid milk plants last year, an interesting achievement considering that fluid milk giants Dean Foods and Borden Dairy were both going through bankruptcy proceedings.

Restaurant Industry Update: 2021 Food, Beverage Sales Expected To Rise 19.7%

Washington—Food and beverage sales in the restaurant and food service industry are projected to total \$789 billion in 2021, up 19.7 percent from 2020, according to the mid-year supplement to the National Restaurant Association's *2021 State of the Restaurant Industry Report*.

The report provides a look at key indicators and trends influencing the industry's recovery from the coronavirus pandemic as of June/July 2021, including the current state of the economy, workforce, and food and beverage sales.

Among the report's other key findings, in addition to the projected food and beverage sales increase:

- Despite a steady trend of job creation in the first half of 2021, eating and drinking places are still almost 1 million jobs, or 8 percent, below pre-pandemic employment levels and the restaurants and accommodations sector have one of the highest levels of unfilled job openings of any industry.

Some 75 percent of restaurant operators reported that recruiting employees was their top challenge as of June 2021, the highest level ever recorded. The full-service segment was down 626,000 jobs, or 11 percent below pre-pandemic employment levels, while the limited-service segment was down 175,000 jobs, or 4 percent, in the same period.

- As of June 2021, 39 states and the District of Columbia had reopened to 100 percent indoor dining capacity; 11 states and Puerto Rico are open at varying capacities ranging from 50 percent to 80 percent.

- Six in 10 adults have changed their restaurant use due to the rise in the delta variant of COVID-19.

Restaurant operators also continue to grapple with higher input costs, with wholesale food prices increasing at their fastest rate in seven years, the report noted. Consumer prices for food away from home were up 3.9 percent on a year-to-date basis through June, putting menu prices on pace to register their strongest annual increase since 2008.

"Faced with one of the most devastating and disruptive events of our lifetime, the restaurant industry has taken significant strides toward rebuilding over the first half of 2021," said Tom Bené, the National Restaurant Association's president and CEO. "Consumer expectations around dining out have changed, and the industry is continually adapting to not only meet, but exceed, these expectations."

"Restaurant operators, along with their partners throughout

the supply and distribution chain, remain focused on providing diners with a safe and enjoyable experience, amid rising food and labor costs and challenges related to the pandemic," Bené continued. "Given these factors, our outlook through the end of the year is one of cautious optimism."

The pandemic catalyzed many changes in the restaurant industry, including the rapid consumer adoption of technology for online ordering, electronic payment, and order pickup, the report noted. Consumers want to see restaurants continue incorporating technology and are keen to continue using outdoor dining:

- 52 percent of adults would like to see restaurants incorporate more technology to make ordering and payment easier.

- 84 percent of adults say they favor allowing restaurants to set up tables on sidewalks, parking lots or streets permanently.

- A majority of adults in states that allow alcoholic beverages with takeout and delivery orders would like to see it continue on a permanent basis.

Although industry trends in the first half of this year were positive, there is still a long road ahead. A NRA survey, conducted in mid-August, found that the delta variant threatens to reverse the gains made in the first half of the year:

- Six in 10 adults changed their restaurant use due to the rise in the delta variant.

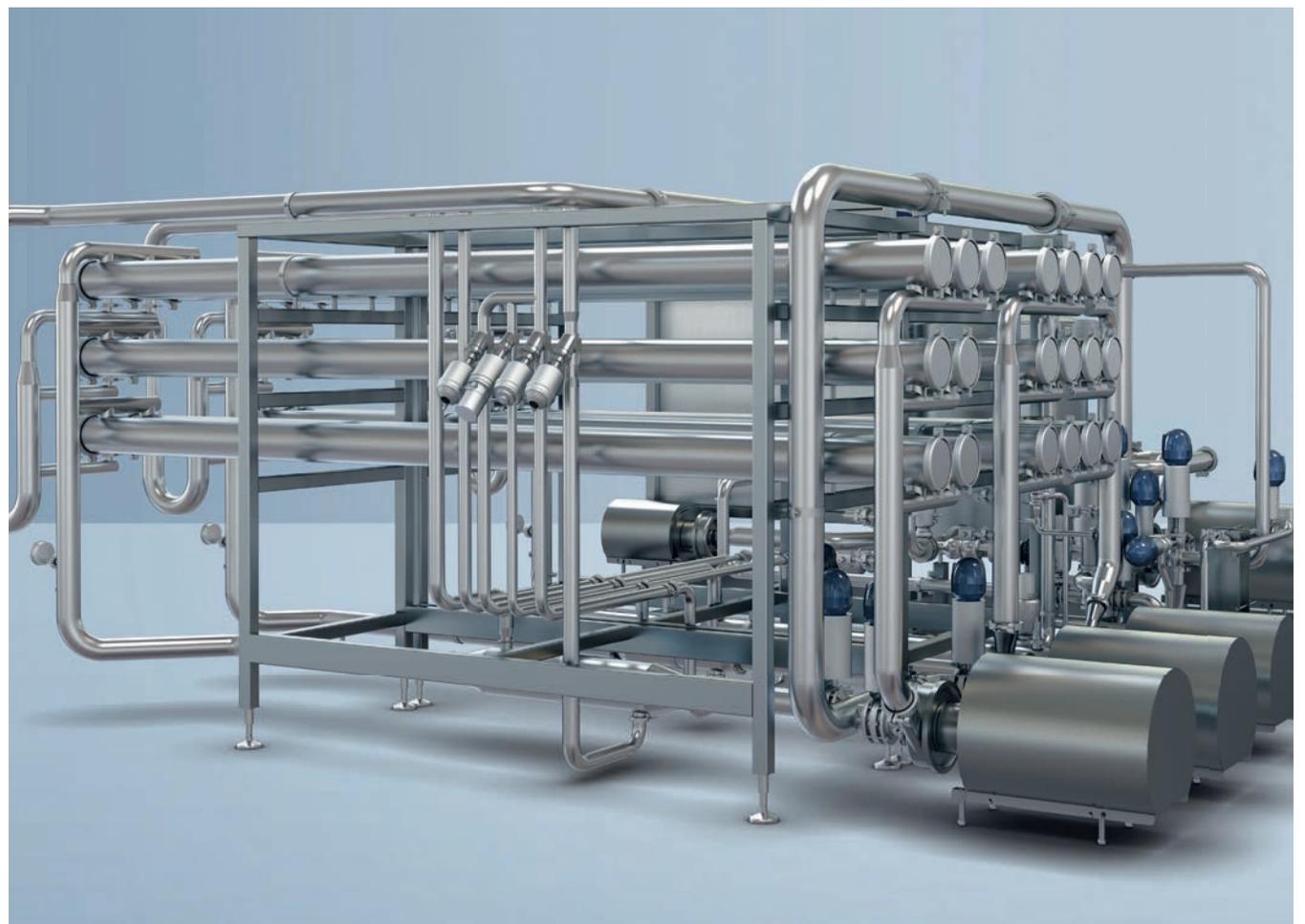
- 19 percent of adults said they completely stopped going out to restaurants.

- 37 percent of adults said they ordered delivery or takeout instead of dining in a restaurant.

- 32 percent of adults said that if asked to wear a mask and/or show proof of vaccination to dine indoors again, they would be less likely to dine in a restaurant.

"The trends from the first half of the year are promising, but a lot of uncertainty remains in regard to the delta variant, consumer confidence, and ongoing labor challenges," commented Hudson Riehle, senior vice president of research for the National Restaurant Association.

"We expect restaurant pent-up demand will remain high in the coming months," Riehle added.



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Dairy Processors Pivot to Protect Employees from Delta Variant

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For many employers, Labor Day was the target for a return to normal. Office workers would head back to their cubicles, sales staff would travel the world once more, and operations would move past pandemic protocols. But as has happened so frequently during the COVID-19 crisis, plans have changed.

The rise and rapid spread of the more infectious, more aggressive Delta variant, coupled with lagging vaccination rates, has us once again facing an unclear future. More than 100,000 people are hospitalized with COVID-19 in the United States today, and more than three-quarters of the nation's ICU beds are full. Marking the worst toll since the pandemic's peak last January, in just the past week, 9,421 Americans succumbed to the virus.

These sobering statistics haven't triggered the lockdowns or mandates we experienced in the first waves, and some believe we will need to learn to live with the ongoing reality of COVID-19 in our society. But public health experts warn that this is not the time for a return to normal.

In a recent Wisconsin Cheese Makers Association (WCMA) webinar, Wisconsin Department of Health Services Chief Medical Officer Jonathan Meiman detailed

three key strategies dairy processing employers could adopt to guard against a Delta variant outbreak.

Strategy 1: Universal Masking

Echoing guidance from the Centers for Disease Control and Prevention (CDC) and the Occupational Safety and Health Administration, Dr. Meiman emphasized the value of universal masking policies. While all three approved COVID-19 vaccines protect against serious outcomes, breakthrough infections are increasingly common with the Delta variant and vaccinated individuals can also be carriers of the virus, making masking a helpful protection for all.

WCMA conducted an Instant Data survey of members this week, with 40 processor respondents representing a workforce of 24,000. The survey found that 74 percent of industry employees are required to wear masks on the job today.

Juliane Kluever, Human Resources Manager for Arla Foods USA's facility in Kaukauna, WI, with more than 200 employees, notes they reinstated masking requirements in mid-August, in response to the Delta variant spike. "While we were all hoping we could drop our mask requirements as our workforce got vaccinated, it's clear that the Delta variant poses a risk to all our employees.

Our company's top priority remains protecting the health and safety of our employees and, right now, that means masking up," said Kluever.

Strategy 2: Vaccination Requirements

What do Walt Disney, the Pentagon, Microsoft and Crave Brothers Farmstead Cheese have in common? They're all requiring COVID-19 vaccination for their workforce. Crave Brothers Farmstead Cheese vice president Debbie Crave noted to WCMA, "When I heard that if you're unvaccinated and exposed to COVID-19, you have to quarantine, I knew what we had to do. To ensure our operations continue uninterrupted, and to provide the best work environment for our valued employees, we're proud to require vaccination. It's effective, it's safe, it's free, and it's our way past this pandemic."

The US Equal Employment Opportunity Commission has clearly stated that it is legal for companies to require their workers to get the COVID-19 vaccine, and public health officials, including Dr. Meiman, have continued to stress that vaccination is the best form of protection.

Strategy 3: Testing Protocols

In lieu of – or in addition to – vaccination policies, many US employers are implementing testing protocols for their staff, particularly for those who are unvaccinated. Twice-weekly testing can mean earlier detection of an infection and limit the spread of COVID-19 in a workplace. Dr. Meiman notes that any FDA-approved test, including the over-the-counter, inexpensive antigen tests widely available at pharmacies, are considered valid and effective, and both the CDC and state departments of health have guidance and consultative services available for employers interested in getting started.

It's understandable that some dairy processing employers may hesitate to implement protocols, concerned that they might exacerbate the already-challenging labor market.

In surveys of members this summer, WCMA found that approximately 8 percent of all industry jobs are vacant, and that industry leaders have invested heavily to fill openings, with nearly 40 percent now offering signing bonuses of \$500-\$4,000 per person, and most increasing base wages.

There's no question the workforce situation is fragile, and that public health strategies may cause strain. But, workplace outbreaks remain a threat to operations, to individual employees, and to a swift return to normal.

As you weigh your options, know that WCMA has information and connections to support your important work. **RS**

FROM OUR ARCHIVES

50 YEARS AGO

Sept. 3, 1971: Arlington Heights, IL—A new science advisory board whose aim is to select and approve basic research studies applicable to dairy food product development was recently created by Dairy Research Incorporated, here. The board will be chaired by Harold Calbert, chairman of the UW-Madison food science department.

New York—A one-ton mammoth cheese arrived here on Wall Street to commemorate the listing of International Multifoods Corporation on the New York Stock Exchange. The cheese, made in Kaukauna, WI, was sold for 10 cents a slice.

25 YEARS AGO

Sept. 6, 1996: Washington—The Milk Industry Foundation, a constituent of IDFA, filed suit in US District Court against the US secretary of agriculture's recent actions allowing six New England states to form the Northeast Interstate Dairy Compact. The suit argues that the Compact creates a regional interstate cartel for milk pricing that would limit competition.

Madison—Several Wisconsin cheese companies will head to Cancun later this month to help answer the demand for more cheese in Mexico. Cheese companies slated for the trip include Specialty Cheese Co., BelGioioso Cheese, Crystal Lake Cheese, Roth Kase USA, Park Cheese, Sargento Foods, and Dan Carter, Inc.

10 YEARS AGO

Sept. 2, 2011: Syracuse, NY—A Monterey Jack from McCadam Cheese, Chateaugay, has been named Grand Champion at the New York State Fair Dairy Products Competition with a score of 99.00 in the Open Cheese class. In the fluid milk category, Byrne Dairy of Syracuse won a Gold medal with a perfect score of 100.

Seymour, WI—Seymour Dairy has a new consumer. Wisconsin Gov. Scott Walker toured the newly expanded cheese plant this week and attracted a great deal of area media with him. Seymour Dairy recently completed a \$2.5 million expansion, moving production up to 11 million pounds annually.

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Spending On USDA's Food, Nutrition Aid Programs Was Record \$122.1 Billion In Fiscal 2020

Washington—Spending on USDA's domestic food and nutrition assistance programs in fiscal year 2020 reached a historical high of \$122.1 billion, 32 percent greater than in fiscal 2019, according to a new report from USDA's Economic Research Service.

In a typical year, USDA administers 15 food and nutrition assistance programs, accounting for two-thirds of the agency's annual budget. In fiscal 2020 (Oct. 1, 2019-Sept. 30, 2020), in response to the coronavirus pandemic, USDA launched two new programs, the Farmers to Families Food Box Program and Pandemic Electronic Benefit Transfer (P-EBT).

In fiscal 2020, the Supplemental Nutrition Assistance Program (SNAP) accounted for 65 percent of the spending on USDA's domestic food and nutrition assistance programs, the report said. On average, 39.9 million people participated in SNAP each month, 12 percent more than in fiscal 2019. Also, emergency SNAP allotments were issued in the second half of fiscal 2020, supplementing the regular benefits of 60 percent of recipients.

Higher participation and larger benefits translated to greater federal spending on the program, which totaled \$78.9 billion, a 31-percent increase over the previous fiscal year.

On average, 6.2 million people participated in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) each month, down 2 percent from fiscal 2019. Fiscal 2020 WIC spending totaled \$4.9 billion, down 6 percent from fiscal 2019.

Pandemic-related disruptions to child nutrition programs resulted in 7.9 billion total meals being served across the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, and Summer Food Service Program, down 17 percent from fiscal 2019. While meals served through the NSLP, SBP, and CACFP declined, the number of meals served through the Summer Food Service Program increased to 1.3 billion, nearly nine times greater than in fiscal 2019.

Also during fiscal 2020, P-EBT benefits reimbursed eligible families for missed school meals due to school closures at a cost of \$10.7 billion, while the Food Box Program distributed 92 million boxes of dairy products, produce, and meat products to food banks and other charitable organizations at a cost of \$2.5 billion.

July Dairy Trade

(Continued from p. 1)

Dry whey exports during July totaled 37.3 million pounds, down 9 percent from July 2020. Dry whey exports during the January-July period totaled 303.4 million pounds, up 19 percent from the same period last year.

July exports of whey protein concentrate totaled 30 million pounds, up 8 percent from July 2020. WPC exports during the first seven months of 2021 totaled 184 million pounds, up 4 percent from the first seven months of 2020.

Lactose exports during July totaled 70.9 million pounds, down 2 percent from July 2020. During the January-July period, lactose exports totaled 506.2 million pounds, down 1 percent from a year earlier.

Butter exports during July totaled 8 million pounds, up 80 percent from July 2020. Butter exports during the first seven months of 2021 totaled 59.8 million pounds, up 135 percent from the first seven months of 2020.

July ice cream exports totaled 14.1 million pounds, up 7 percent from July 2020. Ice cream exports during the January-July period totaled 101.6 million pounds, up 14 percent from the same period last year.

Yogurt exports during July totaled 3.3 million pounds, down 6 percent from July 2020. During the first seven months of 2021, yogurt exports totaled 25.7 million pounds, up 46 percent from the first seven months of 2020.

Cheese Imports Rise

During the first seven months of 2021, leading sources of US dairy imports (including cheese imports)

on a value basis, with comparisons to the first seven months of 2020, were: New Zealand, \$322.2 million, up 3 percent; Italy, \$273.8 million, up 65 percent; Ireland, \$247.3 million, up 7 percent; France, \$159.3 million, up 23 percent; Canada, \$137.3 million, up 4 percent; Netherlands, \$119.9 million, up 7 percent; and Mexico, \$98.3 million, down 25 percent.

Cheese imports during July totaled 36.2 million pounds, up 29 percent from July 2020. That was the fifth straight month in which cheese imports topped 30 million pounds.

The value of July's cheese imports, \$128.3 million, was up 42 percent from July 2020.

Cheese imports during the first seven months of this year totaled 224.2 million pounds, up 18 percent from the first seven months of last year. The value of those cheese imports, \$797.1 million, was up 30 percent.

Leading sources of US cheese imports during the January-July 2021 period, on a volume basis, with comparisons to the same period last year, were:

Italy: 45.4 million pounds, up 28 percent.

France: 22.9 million pounds, up 6 percent.

Netherlands: 19.4 million pounds, up 8 percent.

Ireland: 11.7 million pounds, up 62 percent.

Switzerland: 10.9 million pounds, down 3 percent.

Spain: 10.3 million pounds, down 5 percent.

Nicaragua: 9.9 million pounds, up 16 percent.

Germany: 8.9 million pounds, up 36 percent.

Greece: 8.5 million pounds, up 27 percent.

United Kingdom: 8.4 million pounds, up 49 percent.

Butter Imports Increase

During July, US imports of butter and other butterfat-based products (primarily anhydrous milkfat) totaled 12.6 million pounds, down 9 percent from July 2020.

Butter imports during July totaled 8.2 million pounds, up 8 percent from July 2020.

Imports of butter and other butterfat-based products during the first seven months of 2021 totaled 71.3 million pounds, down 17 percent from the first seven months of 2020. Butter imports during that period totaled 52.6 million pounds, up 4 percent from a year earlier.

Casein imports during July totaled 8.6 million pounds, up 9 percent from July 2020. During the January-July period, casein imports totaled 60.7 million pounds, up 14 percent from the same period last year.

July imports of caseinates totaled 6 million pounds, up 26 percent from July 2020. Imports of caseinates during the first seven months of 2021 totaled 29.5 million pounds, up 3 percent from the first seven months of 2020.

Imports of Chapter 4 milk protein concentrates during July totaled 5.6 million pounds, down 55 percent from July 2020. Imports of Chapter 4 MPCs during the January-July period totaled 59.7 million pounds, down 12 percent from a year earlier.

July imports of Chapter 35 MPCs totaled 1.6 million pounds, down 25 percent from July 2020. Imports of Chapter 35 MPCs during the first seven months of 2021 totaled 8 million pounds, down 0.4 percent from the first seven months of 2020.



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United States



Interim DDP Rule

(Continued from p. 1)

The interim final rule also amends provisions of the MDRP, where appropriate, to gain administrative efficiencies and lessen the burden for entities participating in the two programs.

DDP eligibility is open to eligible dairy organizations (EDOs), defined as dairy farmers (either individually or as part of a cooperative) or dairy processors that meet the following conditions: account to a federal milk marketing order (FMMO) marketwide pool; and incur a qualified expense.

An EDO can account to a FMMO marketwide pool by filing a report with a FMMO office. Filing this report for the purpose of participating in the DDP will not cause an EDO to become regulated by the FMMO, USDA explained.

EDOs incur a qualified expense by either purchasing fresh fluid milk product (raw milk, skim milk, cream, or concentrated fluid milk products) for processing into an eligible dairy product or purchasing bulk dairy commodity products for further processing into an eligible dairy product. To be considered an EDO, a secondary processor will also need to account to a FMMO marketwide pool.

Once these two conditions — accounting to a FMMO and incurring a qualified expense — are met, EDOs participate in the DDP by forming partnerships with eligible distributors and then submitting a Dairy Donation and Distribution Plan to AMS for approval. If an EDO or eligible distributor is looking for a partner, they may contact DDP office for assistance.

Upon approval of the plan EDOs can submit a Reimburse-

ment Claim Form to receive reimbursement for donations made. DDP will reimburse EDOs for the all or part of the following: input costs; manufacturing costs; and transportation costs.

For processors purchasing and processing fresh fluid milk products, the DDP will reimburse for the FMMO-minimum classified value applicable on the date of production for fresh fluid milk products used to make the donated eligible dairy product. Processors buying bulk dairy commodity products for further processing and donation will be reimbursed at the classified use value applicable for the month the eligible dairy product was processed in consumer-type packages.

The CAA specifies the total reimbursement must be set neither too high nor too low. The statute requires total reimbursement to be between the highest and lowest of the classified milk values.

To ensure costs can be sufficiently covered for most donations, total reimbursement payment, on a per hundredweight basis, will be capped at the Class I value for the highest FMMO differential zone (Dade county, FL). Capping at the higher FMMO zone will allow for Class I handlers to obtain some reimbursement for manufacturing and transportation costs.

The CAA further allows USDA to maintain traditional price relationships — Class I being the highest, followed in sequence by II, III and IV — in setting the reimbursement rate. In 2020, dairy markets experienced pronounced class price inversions, where the Class III price was significantly higher than the Class I price in many areas of the US.

However, such extreme inversions are not anticipated in the

foreseeable future, as both short-term pandemic-related disruptions and long-term production issues are beginning to ease, USDA stated.

While the DDP does not directly determine classified prices and price relationships, the program rules should not exacerbate price inversions if they occur, USDA said. Therefore, in times of price inversion, where the Class I price is not the highest class price, total reimbursements will continue to be capped at the Class I price for Dade county, FL.

Retroactive Reimbursement

The CAA requires supplementary payments be made to EDOs participating in the MDRP for donations made on or after January 1, 2020. Since the statute allows for retroactive reimbursement to those participating in DDP, a retroactive date of Jan. 1, 2020, also applies to the DDP to better streamline administration of the two programs.

To ensure adequate availability of funds for donations made before enactment of the CAA, total program expenditures for eligible dairy product donations made from Jan. 1, 2020, to Dec. 27, 2020, will be limited to no more than \$50 million.

An EDO seeking retroactive reimbursement must include in its plan information on the volume of these donations from Jan. 1, 2020, through Dec. 27, 2020.

A deadline for requesting retroactive reimbursement will be posted on the AMS web page for DDP. If total reimbursement requests exceed \$50 million, reimbursements will be prorated.

For more information, visit www.ams.usda.gov/ddp.

Allied Blending Receives Patent For Dry Blend To Be Used In Making Analogue Cheese Products

Washington—The US Patent and Trademark Office (USPTO) recently awarded a patent for a dry blend which can be used in making analogue cheese products by combining with fat and water.

Inventors are Chandrani Atapattu and John Fannon. The patent was assigned to Allied Blending LP.

Analogue cheese generally refers to a cheese in which milkfat and/or a protein source has been substituted with a source that is not native to milk, the patent description explained. In the existing market, casein protein is one of the major components of analogue cheeses, but because the price of casein has increased in recent years, there is an ongoing need for a substitute for casein in manufacturing analogue cheese.

It has been a challenge to find the types of starches and ingredient compositions to replace casein while maintaining the desired functional, organoleptic, and/or nutritional properties of the cheese analogue composition, according to the patent description. It has been discovered that formulating a combination of stabilizers, emulsifying salts, and emulsifiers in starch- or starch/protein-based analogue cheese compositions produces a stable finished product that is compatible with cheese currently used in pizza and other cheese melt applications.

Disclosed in the patent is a dry blend useful in creating a product that has desirable melt and stretch properties as a 100 percent analog, due to the repulsive forces of oxidized starches and use of hydrophobic attractions between the modified starches, respectively.

Also this week, the USPTO awarded a patent for an invention related to a method of separating components from milk and utilizing the separated components to form blended dairy compositions.

Inventors are Shakeel Ur-Rehman, John M. Dunker, Michael J. McCloskey, Timothy J. Gomez and Richard J. Seguin. The patent was awarded to fairlife, LLC.

The invention provides methods for the separation of milk components comprising the sequential steps involving membrane-based, chromatographic and density-based separation processes.

The invention also provides methods of making dairy compositions from fractionated milk components, and further provides dairy compositions that are prepared from fractionated milk components derived by the methods of the invention.

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Athenos Feta

(Continued from p. 1)

contracts in connection with this business, the Emmi Group explained. The products themselves have been contract manufactured, processed and distributed to order for some years, and Emmi said it is keen to preserve this established value chain.

The Athenos acquisition expands Emmi Roth's business and product offerings, strengthening the company's dedication to the specialty cheese industry, Emmi Roth said. Athenos complements the extensive range of Emmi Roth's locally produced and imported specialty cheeses in the US.

"This is an exciting day for Emmi Roth," said Tim Omer, president and managing director of Emmi Roth. "We're continuing to focus on the specialty cheese industry that we really care about.

"We take pride in providing the best specialty cheeses to our customers and consumers, and adding Athenos to our family will strengthen our product range and allow us to offer another great line of products," Omer continued.

As the leading Feta in the US, Athenos generated net sales of almost \$90 million last year, according to Emmi Roth.

Feta cheese has benefited from recent changes in consumer consumption habits and volume sales in the Feta category are up 22 percent versus a year ago, according to IRI data.

Overall, US Feta production has increased from 77.6 million pounds in 2010 to a record 137.5 million pounds in 2020, according to figures from USDA's National Agricultural Statistics Service (NASS).

Athenos will benefit from Emmi Roth's strong retail and foodservice connections, as well as its marketing expertise, to reach new consumers through digital marketing and social media, an area that the Athenos business has great opportunity for even further growth, according to Emmi Roth.

"With the addition of this business, we are investing in our company's long-term future, our business, people and resources," Omer said.

"With Athenos the number one in the US Feta market will be joining Emmi. We are well suited for further developing this business successfully," commented Matthias Kunz, executive vice president, Division Americas at the Emmi Group.

"It will strengthen our position in the strategically important US market and therefore also our growing export business from Switzerland as we can offer our customers an even more extensive and attractive range of products," Kunz added.

Bongards Creameries Expands Warehouse At Perham Plant

Chanhasen, MN—Bongards Creameries, a leading US cheese manufacturer, recently announced the expansion of its plant at Perham, MN, adding a new 70,000-square-foot refrigerated warehouse.

The new warehouse will hold finished goods produced by the plant, including cheese blocks and barrels.

The additional space will enable Bongards to store finished goods on-site until they are shipped to customers.

Bongards completed a significant expansion of the Perham plant's capacity in 2015 but did

not expand warehouse capacity at that time.

"Due to space limitations, most cheese produced at our plant must be shipped to off-site storage or direct to customers within four days," commented Daryl Larson, CEO of Bongards. "With this expansion, we will be able to store up to 30 days of inventory, greatly improving our supply chain efficiency and decreasing outside storage costs."

The previous refrigerated warehouse space will be converted into additional dry storage for the plant, further eliminating the need for outside storage.

The new warehouse will be located east of the current plant on property owned by Bongards, which had been purchased over the last several years. Initial

groundbreaking for the construction began in early August, and the project is expected to be completed during the summer of 2022. Construction is being completed by local Perham contractors.

Bongards Creameries is a farmer-owned dairy cooperative that was formed in 1908 in the southeastern Minnesota town of Bongards. The co-op's dairy farmers are based in Minnesota and North Dakota.

Bongards is a vertically integrated, global cheese supplier that produces hundreds of millions of pounds of natural cheese, process cheese, and whey each year. Corporate offices are based in Chanhasen, MN, with three production facilities in Bongards and Perham, MN, and in Humboldt, TN.

For more information, visit www.bongards.com.



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DSM To Acquire First Choice Ingredients

Heerlen, Netherlands—DSM, a global science-based company, today announced that it has signed an agreement to acquire First Choice Ingredients, a supplier of dairy-based savory flavorings, for an enterprise value of US\$453 million.

With headquarters in Germantown, WI, and three manufacturing facilities in the vicinity, First Choice Ingredients and its approximately 100 employees have built a leading position in the US taste market as a developer of clean label, fermented dairy and dairy-based savory flavorings for taste and functional solutions across a wide range of applications, DSM noted.

First Choice Ingredients ferments and blends a variety of natural cheese and other dairy products with cultures and enzymes to create clean label taste solutions integrating sensory and functional benefits.

Leveraging its R&D and application expertise, First Choice Ingredients works as an innovation partner with food producers, flavor houses and food service suppliers in applications such as soups, snacks, salad dressings and sauces, prepared meals, sweet baking, as well as dairy products and plant-based meat and dairy alternatives, DSM added.

"This is the right time in First Choice Ingredients' journey to become part of a company such as DSM," said Jim Pekar, president of First Choice Ingredients, which he founded in 1994. "The people

of First Choice Ingredients will continue to deliver our legendary products and customer service with can-do attitude and relentless focus on product integrity and innovation. They are some of the most hard-working and loyal teammates ever assembled under one roof."

"We are excited to join DSM. This will enable us to accelerate our growth by adding our taste solutions to DSM's broad portfolio of global products and integrated offerings to meet the needs of our customers and create new opportunities," said Roger Mullins, executive VP of First Choice Ingredients. "This combination will allow access to DSM's powerful toolbox of fermentation technology."

"We look forward to welcoming the First Choice Ingredients people

to DSM. Our companies are a great fit, with a shared passion for science-based solutions for delicious, nutritious, and sustainable food and beverage products," said Geraldine Matchett and Dimitri de Vreeze, co-CEOs of DSM.

"We are very pleased with the addition of First Choice Ingredients and its skilled workforce to our business," said Patrick Niels, president of DSM Food Specialties.

Subject to regulatory approval, the transaction is expected to close during the fourth quarter of 2021, the company said.

"It will enable us to extend our integrated solutions offering in food and beverage, and provide our customers with innovative taste solutions for the new and improved end-products today's discerning consumers continually demand," Niels continued



OBITUARIES

Pat Polowsky, Educator, Passes

Patrick "PJ" Polowsky, 29, of Chesterton, IN, died Sunday, Aug. 29, 2021. In a short amount of time, Polowsky earned distinction in the US food science and dairy industries. He most recently served as senior product development manager at Walmart. Before that, Polowsky was a training facilitator with the Center for Dairy Research (CDR); director of online instruction and education with the Vermont Cheese Council; worked in product development for Nature's Fynd; and oversaw research and development efforts at Cabot Creamery Cooperative. He also worked in research and development for ConAgra Foods, and was a viticulture and enology intern at the Chateau Genibon Blanchereau in France. Polowsky was also the author of the Cheese Science Toolkit, available online at www.cheesescience.org.

HP Hood CEO John Kaneb, 86, Dies

Manchester-By-The-Sea, MA—John Kaneb, 86, chairman and CEO of HP Hood LLC, died Aug. 29, 2021.

Kaneb served as CEO of HP Hood for 26 years. The Kaneb family acquired HP Hood in 1995 and grew the iconic New England dairy into one of the country's largest privately-owned processors with 3,400 employees and 13 plants spread across the US from Maine to California.

PERSONNEL

Global Dairy Platform (GDP) has tapped HEIN SCHUMACHER, CEO of FrieslandCampina, as chair of GDP's board of directors. Schumacher succeeds RICK SMITH, president and CEO of Dairy Farmers of America (DFA), who recently completed a four-year term as GDP chair, and will continue on as a board member. Also serving on GDP's board are Fonterra Cooperative Group CEO MILES HURRELL; Arla Foods CEO PEDER TUBORGH; China Mengniu Dairy Company executive director and CEO MINFANG LU; Meiji Holdings Co. Limited president KAZUO KAWAMURA; Leprino president and CEO MIKE DURKIN; International Dairy Federation president PIERCRISTIANO BRAZZALE; and Saputo Inc. chairman and CEO LINO SAPUTO, JR. Additional governance members include MARGRETHE JONKMAN, Royal FrieslandCampina; TIM LEVINY, Land O'Lakes; HANNE

SONDERGAARD, Arla Foods; KELVIN WICKHAM, Fonterra Cooperative Group; JAY WALDVOGEL, DFA; and KAORU KOIDE, Meiji Holdings Co.

Southeast Milk, Inc. (SMI) has named DAWN MARTIN as director of milk marketing and analytics. Martin has been with SMI for seven years, most recently serving as SMI's accounting manager. In her new role, Martin will continue preparing SMI's producer price calculations and pricing letters for its customers. Martin joined SMI with 37 years of experience in milk marketing and accounting, including work in both the public and private sectors.

RYAN SEIDL has joined the sales team of **Wixon, Inc.** as an account manager, responsible for accounts in the Upper Midwest. In his new role, Seidl will facilitate the development of custom taste solutions for the company's food and beverage partners. He joins Wixon with over 10 years of food industry sales experience, most recently working for Omua Ingredients North America, Sysco Corp. and Schreiber Foods.

TOM BENÉ will step down as president and CEO of the **National Restaurant Association (NRA)**. A 30-year veteran of the food and beverage industry, Bené will remain in a leadership role as he returns to the beverage distribution sector. Bené joined NRA during the initial stages of the pandemic and has worked with restaurant owners, manufacturers, and distributors to bolster the industry's recovery efforts. MARVIN IRBY, CFO and chief people officer, will serve as interim CEO. Irby has more than 30 years of leadership experience, including executive positions at Kraft Foods, PepsiCo, and Disney. Irby joined the organization in 2010. A task force is being formed to oversee the search for a new president and CEO.

SARA NEAGU-REED has joined the **National Farmers Union (NFU)** as a member of its senior government relations team. In her new role, Neagu-Reed will work with her division on advocating a number of policy issues before Congress and the administration. She previously was associate director in the Federal Policy Division at the California Farm Bureau Federation, tackling issues like organics and nutrition, biotech, trade, transportation and immigration. Neagu-Reed also served as a political appointee for the Obama administration, working on legislative issues within the US Department of Agriculture.

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USDA Raises Dairy Import License Fee, Adjusts Dairy TRQ Import Appendices

Washington—USDA's Foreign Agricultural Service (FAS), in a notice published in Thursday's *Federal Register*, announced that a fee of \$324.00 will be charged for the 2022 tariff-rate quota (TRQ) year for each license issued to a person or firm by USDA authorizing the importation of certain dairy articles, which are subject to tariff-rate quotas set forth in the Harmonized Tariff Schedule (HTS) of the United States.

That fee is up from \$290 per license for the 2021 quota year, and also up from \$300 per license in the 2020, 2019 and 2018 quota years.

USDA's Dairy Tariff-Rate Quota Import Licensing Regulation provides for the issuance of licenses to import certain dairy articles that are subject to TRQs set forth in the HTS.

Those dairy articles may only be entered into the US at the in-quota TRQ tariff rates by or for the account of a person or firm to whom such licenses have been issued and only in accordance with the terms and conditions of the regulation.

Licenses are issued on a calendar year basis, and each license authorizes the license holder to import a specified quantity and type of dairy article from a specified country of origin.

The regulation provides that a fee will be charged for each license issued to a person or firm by the licensing authority to defray USDA's costs of administering the licensing system.

The total cost to USDA of administering the licensing system for 2022 has been estimated to be \$728,600, and the estimated number of licenses expected to be issued is 2,250.

Of the total cost, \$518,600 represents staff and supervisory costs directly related to administering the licensing system, and \$210,000 represents other miscellaneous costs, including travel, publications, forms, and Automatic Data Processing (ADP) system support.

Accordingly, the fee for each license issued to a person or firm for the 2022 calendar year will be \$324 per license.

Adjustment Of Appendices

Also in Thursday's *Federal Register*, FAS published a notice announcing the transfer of amounts for certain dairy articles from the historical license category (Appendix 1) to the lottery (nonhistorical) license category (Appendix 2) pursuant to the Dairy Tariff-Rate Quota Import Licensing regulations for the 2021 quota year.

Also, adjustments have been made to the Appendices to reflect

changes to United Kingdom (UK) and European Union (EU) country allocations for certain tariff rate quotas (TRQs) and other changes to the HTS made by the US Trade Representative (USTR) in response to the withdrawal of the UK from the EU and the accession of Croatia to the EU, which will go into effect for the 2022 quota year.

The Dairy Tariff-Rate Quota Import Licensing regulation states that whenever a historical license (Appendix 1) is permanently surrendered, revoked by the licensing authority, or not issued to an applicant, then the amount of such license will be transferred to Appendix 2.

In addition, the Appendices have been revised to reflect modified EU and UK country allocations under certain TRQs in Chapter 4 of the HTS made by the USTR in response to the withdrawal of the UK from the EU and to acknowledge the accession of Croatia to the EU.

Two months ago, the USTR announced, inter alia, that: the tariff-rate quotas allocated to the EU under Additional US Notes 6, 16, 17, and 18 to Chapter 4 will be allocated between the EU and the UK according to the average percentage of in-quota imports for the 2013-2015 period; and the United Kingdom would have access to a specific in-quota quantity under these notes.

Entities that currently hold EU-27 historical licenses for TRQs under Additional US Notes 6, 16, 17, and 18 that wish to retain their EU-27 historical licenses and/or obtain UK historical licenses under these TRQs for the 2022 TRQ year and that otherwise qualify for carry over of such EU-27 historical licenses will be instructed to apply to carry over the EU-27 historical license and/or to obtain a UK historical license. The quantities of the new EU-27 license and/or UK license for the 2022 TRQ year that will be issued under these TRQs will be determined by allocating the original EU-27 license quantity between the two new licenses applying the same ratio that USTR used to split the applicable overall TRQ.

For more information on these two announcements, contact Abdelsalam El-Farra, Dairy Import Licensing Program, FAS, USDA, at (202) 720-9439; email: abdelsalam.el-farra@fas.usda.gov.

Safeguard Trigger Levels

In Wednesday's *Federal Register*, USDA published a notice that lists the updated quantity-based trigger levels for dairy and other products which may be subject to additional import duties under the safeguard

provisions of the WTO Agreement on Agriculture. The notice also includes the relevant period applicable for the trigger levels on each of the listed products.

Article 5 of the WTO Agreement on Agriculture provides that additional import duties may be imposed on imports of products subject to tariffication as a result of the Uruguay Round, if certain conditions are met.

The agreement permits additional duties to be charged if the price of an individual shipment of imported products falls below the average price for similar goods imported during the years 1986-88 by a specified percentage. It also permits additional duties when the volume of imports of that product exceeds the sum of: a base trigger level multiplied by the average of the last three years of available import data, and the change in yearly consumption in the most recent year for which data are available (provided that the final trigger level is not less than 105 percent of the three-year import average).

The base trigger level is set at 105, 110, or 125 percent of the three-year import average, depending on the percentage of domestic consumption that is represented by imports.

These additional duties may not be imposed on quantities for which minimum or current access com-

mitments were made during the Uruguay Round negotiations, and only one type of safeguard, price or quantity, may be applied at any given time to an article.

Quantity-based safeguard triggers for 2021 for various dairy products are as follows:

NSPF cheese: 99,452,511.4 pounds.

Swiss with eye formation: 58,025,459.8 pounds.

Cheddar cheese: 16,750,778 pounds.

American-type cheese: 177,920.6 pounds.

Edam/Gouda cheese: 23,177,314.6 pounds.

Italian-type cheese: 50,321,376.6 pounds.

Blue cheese: 8,990,146 pounds.

Lowfat cheese: 235,934.6 pounds.

Butter: 143,765,085.2 pounds (this includes a change in US consumption).

Butteroil: 40,061,100.2 pounds.

Evaporated or condensed milk: 11,271,165.4 pounds.

Nonfat dry milk: 290,107.4 pounds.

Dried whole milk: 7,146,337 pounds.

Dried cream: 144,971.2 pounds.

Dried whey/buttermilk: 168,135 pounds.

Cream: 3,047,452 liters.

Ice cream: 9,968,711 liters.

Dairy mixtures: 16,679,293.4 pounds.



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Milk Sales Fall

(Continued from p. 1)

lion pounds. Sales had reached a low of 13.78 billion pounds in 2013 before beginning their current string of seven consecutive increases.

Still, whole milk sales remain far below their historic highs. Whole milk sales first topped 40 billion pounds in 1956, and remained above that level every year through 1972, including a record high of 44.67 billion pounds in 1966.

Whole milk sales remained above 30 billion pounds through 1981. They declined every year after that until 1996, when sales of 18.698 billion pounds were up 36 million pounds from 1995.

After that small increase, whole milk sales still remained above 18 billion pounds until 2004, when they dropped to 17.5 billion pounds.

Whole milk sales then continued to decline every year, reaching a low of 13.78 billion pounds in 2013.

Sales of reduced-fat (2 percent) milk in 2020 totaled 15.84 billion pounds, up 3.6 percent, or 554 million pounds, from 2019. That increase ends a nine-year string of sales declines, which started after sales reached a 21st-century high of 19.1 billion pounds in 2010.

Reduced-fat milk sales have been on a roller-coaster over the past 45-plus years, climbing from

8.7 billion pounds in 1975 to a record 19.85 billion pounds in 1992, then falling to 17.37 billion pounds in 2001 before rebounding to 19.1 billion pounds in 2010 and then falling for nine consecutive years.

In 2020, sales of lowfat milk totaled 5.8 billion pounds, down 4.3 percent, or 259 million pounds, from 2019. Lowfat milk sales have now declined for five straight years.

Lowfat milk sales had reached a record high of 7.76 billion pounds in 2012, and topped 7.0 billion pounds every year from 2009 through 2016. But at 5.8 billion pounds last year, sales were at their lowest level since 1995, when they totaled 5.76 billion pounds.

Skim milk sales in 2020 totaled 3.07 billion pounds, down 13.4 percent, or 474 million pounds, from 2019 and their lowest level since 1985, when they totaled 3.0 billion pounds.

Skim milk sales have now declined for 10 straight years, after reaching a 21st-century high of 8.39 billion pounds in 2010. Skim milk sales are now a third of what they were in 1998, when they reached a record high of 9.2 billion pounds.

Sales of other beverage milk products in 2020, with comparisons to 2019 and other years, were as follows:

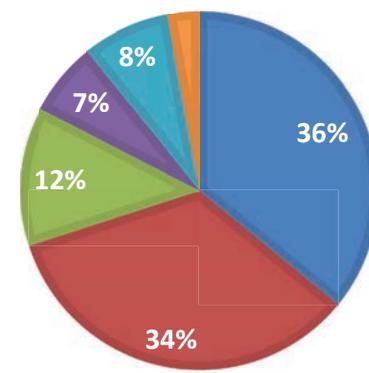
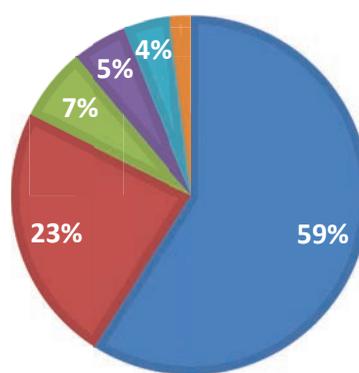
Flavored whole milk: Sales totaled 765 million pounds, down 1.9 percent, or 15 million pounds,

Fluid Milk Sales By Product

% of 1980 sales

vs

% of 2020 Sales



■ Whole Milk ■ Reduced Fat ■ Lowfat
■ Skim ■ Flavored ■ Other

from 2019 but still the third straight year in which sales topped 700 million pounds.

Flavored milk, other than whole: Sales totaled 2.88 billion pounds, down 23.2 percent, or 869 million pounds, from 2019 and the lowest sales level since 2001's 2.85 billion pounds. Sales have now dropped by more than 1 billion pounds since 2017, when they totaled 3.98 billion pounds.

Buttermilk: Sales totaled 420 million pounds, down 5.6 percent, or 25 million pounds, from 2019 and the third straight year in which sales were under 500 million pounds. Last year's buttermilk sales were the lowest level ever, according to ERS statistics dating back to 1954. Buttermilk sales last topped 1 billion pounds in 1988, after surpassing that level every year from 1954 through 1977 and again from 1983 through 1988.

Eggnog: Sales totaled 132 million pounds, up 9.1 percent, or 11 million pounds, from 2019 and the highest level since 2017's 146 million pounds.

Miscellaneous fluid milk products: Sales totaled 803 million pounds, up 162 percent, or 496 million pounds, from 2019. ERS first started tracking sales of miscellaneous fluid milk products in

2000; sales that year totaled 88 million pounds.

Fluid Milk Plant Numbers Rise

There were 453 fluid milk plants in the US last year, eight more than in 2019, according to a separate ERS report, which uses FDA's Interstate Milk Shippers List from July of each year as its source for fluid milk plant numbers.

Last year marked the eighth straight year in which there were more than 400 fluid milk plants in the US. As recently as 2011, there were 388 fluid milk plants in the US.

While plant numbers rose last year, the average product volume per plant declined to 102.3 million pounds, down 2 million pounds from 2019. That marked the fourth straight year in which average product volume per plant was under 110 million pounds.

ERS previously used federal milk marketing order and state data to compile fluid milk plant statistics. Using that method, the number of fluid milk plants in the US fell from 5,328 in 1960 to 332 in 2011, while average volume processed per plant increased from 8.8 million pounds in 1960 to a record 194.4 million pounds in 2008 before falling to 191.1 million pounds in 2011.

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Nestle Inaugurates Largest R+D Accelerator

Lausanne, Switzerland—Nestle has inaugurated its largest R+D Accelerator, which is located at the company's fundamental research center in Lausanne, Switzerland.

The R+D Accelerator provides a platform for startups, students and Nestle intrapreneurs to bring innovations to the market fast. The internal and external teams have full access to Nestle's infrastructure and science, technology and business expertise.

Using early trends, differentiating technologies and scientific discoveries as sources of inspiration, the teams develop innovative product solutions in a six-month immersive "idea to shop" program.

Today, Nestle's global R+D Accelerator network consists of 12 sites in eight different countries. Each Accelerator is located at a Nestle R&D site and focuses on a specific product category or region.

Nestle has Accelerators at its centers for dairy, nutrition, coffee, confectionery or food products.

Regional Accelerators in the US, China, India, ASEAN and Sub-Saharan Africa work with local start-ups and students to develop innovations relevant to their regions.

Since 2019, 165 participants have participated in Nestle's R+D Accelerator program and almost 80 products have been tested in 18 countries.

Recent launches include the pea-based milk alternative Wunda, as well as a number of science-based nutritional concepts.

Older Adults Have Strongest Preference For Dairy Over Alternatives: Survey

Washington—Despite the ever-growing options available in the form of dairy alternatives, dairy itself remains overwhelmingly popular among dairy consumers, according to a new survey by the International Food Information Council (IFIC).

Nearly three-quarters of adults who consume dairy foods or beverages do so several times a week, compared to about one-quarter who say the same of non-dairy alternatives like nut-, oat- or soy-based milk, ice cream, yogurt or cheese.

Older adults have the strongest preference for dairy compared to other age groups, the survey found, with four in five of those age 55 and older saying they consume dairy foods or beverages multiple times per week, compared to two-thirds of 18- to 34-year-olds and 73 percent of those ages 35 to 54.

By contrast, only 10 percent of adults age 55 and older consume plant-based alternatives multiple times a week, compared to about one-third of younger people.

Half of adults age 55 and older say they never consume nondairy alternatives, in contrast to just under 8 percent of 18-34-year-olds who say the same.

When the results are broken down by specific foods, consumers prefer cheese made from dairy over plant-based versions. About three-quarters said they always choose the dairy version of cheese, while 20 percent sometimes choose nondairy.

Comparing other products, 68 percent of consumers always choose the dairy version of butter, while 23 percent sometimes choose nondairy; 66 percent always choose the dairy version of ice cream, while

26 percent sometimes choose nondairy; 64 percent always choose the dairy version of milk, while 26 percent sometimes choose nondairy; 62 percent always choose the dairy version of yogurt, while 22 percent sometimes choose nondairy; and 45 percent always choose the dairy version of yogurt-based smoothies or drinks, while 27 percent sometimes choose nondairy.

Women are significantly more likely than men to sometimes choose both dairy and plant-based versions of milk, though overall product preferences are mostly similar by gender, the survey found.

Yogurt packages often portray several nutrition and health benefits, including live and active cultures. The IFIC survey drilled down on consumer perceptions and awareness of those concepts, along with why people consume yogurt and what they look for on the label.

When respondents were asked why they consume yogurt, taste

was the top reason for 20 percent and was among the top three reasons for 48 percent, followed by 13 percent of those who said nutritional value was their top reason and 12 percent of those who cited health benefits/healthier option as their top reason.

Among those who cited health benefits as a purchase driver, one in four said digestive and gut health was their most desired benefit.

Among those who cited nutritional value as a purchase driver, 23 percent said protein content was the most important aspect, while 14 percent cited calcium content, ranking above other nutrients.

When consumers consider dairy-based yogurts, 12 percent said “natural” is the claim that is most important to them. Another 12 percent cited “low fat”—which notably only slightly edged out “whole milk,” chosen as the top priority for 12 percent and among the top two priorities of 18 percent of survey respondents.

Saputo To Acquire Carolina Aseptic, Carolina Dairy Businesses

Montreal, Quebec—Saputo Inc. on Wednesday announced that it has completed the acquisition of the Carolina Aseptic and Carolina Dairy businesses formerly operated by AmeriQual Group Holdings, LLC.

These businesses, which join Saputo’s Dairy Division (USA) under its USA Sector, are conducted at two facilities in North Carolina and employ a total of approximately 230 people. The purchase price was US\$118 million.

Carolina Aseptic develops, manufactures, packages, and distributes aseptic shelf-stable food products and beverages out of a purpose-built facility in Troy, NC. Nearby, Carolina Dairy manufactures, packages, and distributes refrigerated yogurt in spouted pouches in Biscoe, NC.

The acquisition of these businesses will better position Saputo to capture the growing demand for aseptic protein beverages and nutritional snacks, Saputo said in the announcement.

“Complementing the organic growth initiatives outlined in our Global Strategic Plan (FY22-FY25), this investment aims to reinforce the strength of Saputo’s core business by increasing our capacity to manufacture and distribute products in the rapidly growing aseptic beverage and food categories, as well as the nutritional snacks space,” said Lino A. Saputo, chair of the board and chief executive officer, Saputo Inc.



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COMING EVENTS

www.cheesereporter.com/events.htm

Dairy Practices Council Conference Set For November 2-5 Pittsburgh, PA

Pittsburgh, PA—The Dairy Practices Council (DPC) will host its 52nd annual conference here Nov. 2-5 at the DoubleTree by Hilton.

Members of the dairy, academic, and regulatory industries are invited to attend and learn how the dairy climate is poised for 2022 through general education sessions, task force sessions, and pre-conference workshops.

Workshops scheduled for Nov. 2 will focus on supply chain food safety management and a workshop/tour of automated milking systems.

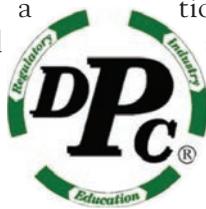
The Nov. 3 event will feature an educational tour of Pleasant Lane Farms in Latrobe, PA. Both workshops have limited capacity.

The conference kicks off Wednesday with Matt Gould, editor of *Dairy Market Analyst*, delivering a keynote speech on where the US dairy industry fits in the global, post-pandemic landscape.

Mid-afternoon task force working sessions will concentrate on six topics: **farm buildings and equipment; plant equipment and procedures** relating to equipment involved in dairy plant operations; **laboratory and quality control procedures**, with emphasis on assuring quality through good production and manufacturing procedures; **regulatory issues and HACCP; milking systems and procedures**, with a focus on function and proper sanitation; and **small ruminants** – best practice guidelines related to dairy goat, sheep, and other small ruminants for all aspects of production and processing.

Wednesday will wrap with a networking reception featuring vendor sponsors showcasing new technologies, product offerings and changes in the industry.

A panel of speakers from the Innovation Center for US Dairy,



2021 Online Food Labeling Summit To Be Held Oct. 5-7

Upper Saddle River, NJ—Registration is open for the Food Institute's online food label training Oct. 5-7.

Food labeling requirements, including mandatory label disclosures and rules for authorized food labeling claims, will be discussed along with undefined claims such as natural, artisan, made with "real" ingredients, and others. For more details, visit www.foodinstitute.com.

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PLANNING GUIDE

Sept. 27-Oct. 8 – New Date & Format: Fancy Food Show 2021 in a new completely virtual setting. Visit www.specialtyfood.com for more information.

Sept. 27-30: Pack Expo 2021, Las Vegas Convention Center, La Vegas, NV. For details, visit www.packexpolasvegas.com.

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

Oct. 25-28: ADPI Dairy Ingredients Technical Symposium & Global Cheese Technology Forum, Peppermill Resort & Casino, Reno, NV. For details and registration information, visit www.adpi.org.

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

Nov. 4: World Cheese Awards, Oviedo, Spain. Details available at www.gff.co.uk/awards/world-cheese-awards.

Nov. 14-16: PLMA Annual Private Label Trade Show, Donald E. Stephens Convention Center, Chicago, IL. For more information, visit www.plma.org.

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

Jan. 23-26, 2022: Dairy Forum, J.W. Marriott Desert Springs Resort & Spa, Palm Desert, CA. Registration now available online at www.dairyforum.org.

March 1-3, 2022: World Championship Cheese Contest, Madison, WI. Visit www.worldchampioncheese.org.



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AUCTION

Auction of award-winning cheese, butter, ice cream, yogurt, sour cream, dips and more from the World Dairy Expo Championship Dairy Product Contest.

With a portion of the auction proceeds going to fund a number of students scholarships.



TUESDAY, SEPTEMBER 28

5:00 - 8:00 PM

**WORLD DAIRY EXPO
ALLIANT ENERGY CENTER
MADISON, WI**

FOR MORE INFORMATION: WWW.WDPA.NET



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Equipment for Sale

EQUIPMENT FOR SALE: Cryovac 8600-14E with 3 Busch pumps, and Cryovac 8189 bag loader. Inspected by a Cryovac technician. Stored inside. Call Jim Morgan at 608-778-0001

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

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

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

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

Equipment for Sale

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

Equipment Wanted

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

Replacement Parts

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

Reconditioning

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

Cheese Moulds, Hoops

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

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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 jimcisler7@gmail.com

Co-Packing, Manufacturing

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

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

Cheese & Dairy Products

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

UNDERGRADE CHEESE WANTED: International Ingredient Corporation is looking to purchase undergrades for use in Animal Feed. Competitive prices, pick-up as needed; FSMA compliant. Contact Jason at jhrdlicka@intcos.com or 636-717-2100 ext. 1239

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



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Help Wanted

Have you recently lost your job or down-sized from your position? Apply for a free subscription to Cheese Reporter by calling 608-316-3792, or visit www.cheesereporter.com.

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jhrdlicka@intcos.com
636-717-2100 ext. 1239

Pasteurizer Operator/Yogurt Maker

We're looking for a pasteurizer operator/yogurt maker who will initiate production and ensure processes are completed in compliance with SOPs. Experience in dairy processing including yogurt and cheese is essential. Developing working knowledge of Pasteurizer's sanitary equipment will be critical to ensure production flow and planning.



Responsibilities include:

- Oversee production
- Supervise, train and lead production team
- Operate and CIP pasteurizer, observe temperature and pressure gauges and other production equipment
- Ensure cleaning records
- Oversee setup for next day's production
- Support food safety and quality processes

Qualifications include:

- 1-3 years experience in dairy processing
- Commitment to food quality and safety
- Strong dedication to work independently
- Ensure paperwork is properly completed
- Ability to solve problems and conflicts



Penn Dairy

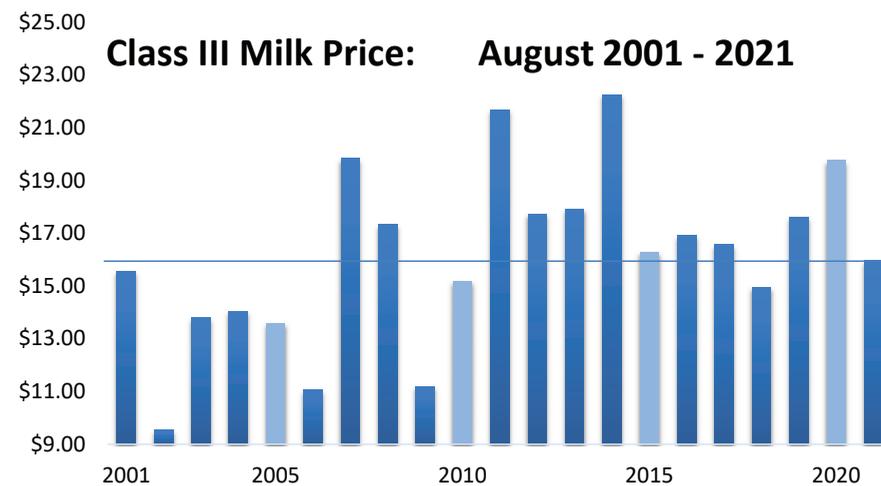
We are located in Winfield, PA. To learn more about Penn Dairy, visit www.penndairy.com

For a complete job description or to apply, contact: E: Numan@penndairy.com ■ Ph: 570-524-7700

Class Milk & Component Prices

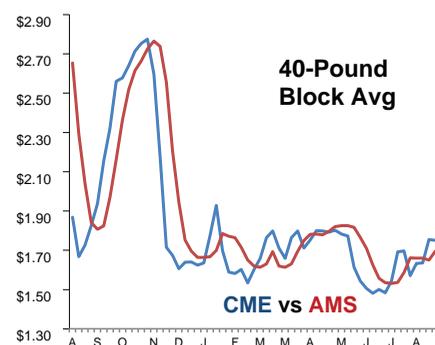
August 2021 with comparisons to August 2020

Class III - Cheese Milk Price	2020	2021
PRICE (per hundredweight)	\$19.77	\$15.95
SKIM PRICE (per hundredweight)	\$14.58	\$9.82
Class II - Soft Dairy Products	2020	2021
PRICE (per hundredweight)	\$13.27	\$16.15
BUTTERFAT PRICE (per pound)	\$1.6345	\$1.8578
SKIM MILK PRICE (per hundredweight)	\$7.82	\$10.37
Class IV - Butter, MP	2020	2021
PRICE (per hundredweight)	\$12.53	\$15.92
SKIM MILK PRICE (per hundredweight)	\$7.08	\$9.78
BUTTERFAT PRICE (per pound)	\$1.6275	\$1.8508
NONFAT SOLIDS PRICE (per pound)	\$0.7862	\$1.0872
PROTEIN PRICE (per pound)	\$4.4394	\$2.4582
OTHER SOLIDS PRICE (per pound)	\$0.1387	\$0.3735
SOMATIC CELL Adjust. rate (per 1,000 scc)	\$0.00105	\$0.00078
AMS Survey Product Price Averages	2020	2021
Cheese	\$2.1099	\$1.5680
Cheese, US 40-pound blocks	\$2.2144	\$1.6902
Cheese, US 500-pound barrels	\$1.9817	\$1.4371
Butter, CME	\$1.5154	\$1.6998
Nonfat Dry Milk	\$0.9619	\$1.4371
Dry Whey	\$0.3338s	\$0.5617



DAIRY PRODUCT SALES

September 1, 2021—AMS' National Dairy Products Sales Report. Prices included are provided each week by manufacturers. Prices collected are for the (wholesale) point of sale for natural, unaged Cheddar; boxes of butter meeting USDA standards; Extra Grade edible dry whey; and Extra Grade and USPH Grade A nonfortified NFDM.



Week Ending	Aug. 28	Aug. 21	Aug. 14	Aug. 7
40-Pound Block Cheddar Cheese Prices and Sales				
Weighted Price	Dollars/Pound			
US	1.7471	1.6957*	1.6506	1.6599
Sales Volume	Pounds			
US	12,962,939	11,588,221*	10,992,317	12,011,431
500-Pound Barrel Cheddar Cheese Prices, Sales & Moisture Content				
Weighted Price	Dollars/Pound			
US	1.5447	1.4865	1.4975	1.5417
Adjusted to 38% Moisture	Dollars/Pound			
US	1.4658	1.4105	1.4183	1.4609
Sales Volume	Pounds			
US	13,460,143	15,193,483	15,831,728	13,142,503
Weighted Moisture Content	Percent			
US	34.66	34.66	34.54	34.57
AA Butter				
Weighted Price	Dollars/Pound			
US	1.6860	1.7317*	1.6988	1.7046
Sales Volume	Pounds			
US	3,301,066	1,189,054*	1,910,450*	1,977,399
Extra Grade Dry Whey Prices				
Weighted Price	Dollars/Pounds			
US	0.5513	0.5534*	0.5611	0.5805
Sales Volume	Pounds			
US	5,216,340	4,6268,210*	5,765,395	5,137,33
Extra Grade or USPHS Grade A Nonfat Dry Milk				
Average Price	Dollars/Pound			
US	1.2619	1.2775*	1.2580*	1.2677
Sales Volume	Pounds			
US	17,726,265	16,554,174*	17,534,103*	12,212,528*

DAIRY FUTURES PRICES

SETTLING PRICE

*Cash Settled

Date	Month	Class III	Class IV	Dry Whey	NDM	Block Cheese	Cheese*	Butter*
8-27	Aug 21	15.98	15.94	56.000	126.525	1.691	1.5700	171.975
8-30	Aug 21	15.97	15.94	56.000	126.550	1.691	1.5700	171.500
8-31	Aug 21	15.98	15.94	56.000	126.550	1.691	1.5700	171.500
9-1	Aug 21	—	—	—	—	—	—	—
9-2	Aug 21	—	—	—	—	—	—	—
8-27	Sept 21	16.76	16.17	53.000	128.300	1.780	1.6700	172.175
8-30	Sept 21	16.66	16.17	52.500	128.000	1.760	1.6600	172.000
9-1	Sept 21	16.75	16.20	52.500	128.025	1.770	1.6700	174.000
8-31	Sept 21	16.73	16.21	52.500	128.225	1.770	1.6690	173.600
9-2	Sept 21	16.67	16.21	52.750	128.000	1.770	1.6600	174.650
8-27	Oct 21	16.54	16.31	48.425	129.400	1.755	1.6740	172.500
8-30	Oct 21	16.66	16.26	48.425	129.450	1.755	1.6810	172.700
9-1	Oct 21	16.90	16.42	48.425	130.000	1.766	1.7040	174.000
8-31	Oct 21	16.84	16.37	48.425	130.875	1.785	1.7030	174.750
9-2	Oct 21	16.81	16.40	49.275	130.000	1.762	1.7020	175.950
8-27	Nov 21	17.04	16.45	46.500	131.000	1.790	1.7370	174.500
8-30	Nov 21	17.06	16.53	46.500	131.350	1.790	1.7280	174.300
9-1	Nov 21	17.24	16.68	46.500	132.500	1.789	1.7450	175.500
8-31	Nov 21	17.22	16.76	46.500	133.000	1.790	1.7560	176.500
9-2	Nov 21	17.11	16.75	46.500	132.475	1.780	1.7500	177.050
8-27	Dec 21	17.22	16.54	46.975	131.525	1.795	1.7600	175.500
8-30	Dec 21	17.23	16.55	46.975	132.000	1.790	1.7600	175.275
9-1	Dec 21	17.35	16.80	46.975	133.450	1.790	1.7700	178.000
8-31	Dec 21	17.38	16.88	46.825	134.250	1.800	1.7750	178.500
9-2	Dec 21	17.39	16.89	46.825	133.350	1.794	1.7740	178.525
8-27	Jan 22	17.17	16.68	46.175	132.250	1.800	1.7600	176.000
8-30	Jan 22	17.15	16.68	46.175	133.000	1.800	1.7520	176.000
9-1	Jan 22	17.30	16.86	46.175	133.850	1.800	1.7600	178.000
8-31	Jan 22	17.21	17.00	46.175	134.500	1.800	1.7600	178.450
9-2	Jan 22	17.16	17.00	46.175	134.950	1.800	1.7600	178.450
8-27	Feb 22	17.20	16.67	47.425	132.150	1.814	1.7620	177.025
8-30	Feb 22	17.20	16.68	47.425	133.000	1.805	1.7600	175.975
9-1	Feb 22	17.40	16.95	47.425	134.675	1.805	1.7660	179.000
8-31	Feb 22	17.30	17.00	47.225	134.850	1.805	1.7660	179.500
9-2	Feb 22	17.21	17.00	47.225	134.750	1.805	1.7600	179.500
8-27	Mar 21	17.33	16.74	47.925	132.000	1.824	1.7700	180.000
8-30	Mar 21	17.33	16.74	47.925	133.000	1.814	1.7620	180.000
9-1	Mar 21	17.50	17.01	47.925	133.850	1.814	1.7630	182.675
8-31	Mar 21	17.35	17.09	47.775	134.750	1.814	1.7640	182.250
9-2	Mar 21	17.31	17.09	47.775	134.775	1.814	1.7650	183.475
8-27	April 21	17.40	16.90	47.500	132.350	1.838	1.7810	184.500
8-30	April 21	17.40	16.91	47.500	133.250	1.831	1.7740	184.500
9-1	April 21	17.50	17.05	47.500	134.275	1.831	1.7750	184.500
8-31	April 21	17.50	17.14	47.500	135.200	1.831	1.7770	184.500
9-2	April 21	17.25	17.14	47.500	135.200	1.831	1.7710	184.500
8-27	May 22	17.41	16.95	46.750	132.225	1.840	1.7850	185.000
8-30	May 22	17.41	16.95	46.750	133.250	1.840	1.7800	185.000
9-1	May 22	17.59	17.14	46.750	134.225	1.840	1.7810	184.500
8-31	May 22	17.55	17.20	46.750	134.850	1.840	1.7810	185.000
9-2	May 22	17.40	17.20	46.750	135.150	1.840	1.7810	184.950
8-27	June 22	17.43	16.98	47.000	132.000	1.837	1.7870	186.000
8-30	June 22	17.43	16.98	47.000	132.850	1.837	1.7870	186.000
9-1	June 22	17.60	17.15	47.000	134.375	1.837	1.7870	186.000
8-31	June 22	17.60	17.15	47.000	135.000	1.837	1.7870	184.500
9-2	June 22	17.53	17.17	47.000	135.000	1.837	1.7870	185.000
Interest - Sept. 2		26,002	3,598	3,487	6,542	3,358	19,858	7,607

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DAIRY PRODUCT MARKETS

AS REPORTED BY THE US DEPARTMENT OF AGRICULTURE

WHOLESALE CHEESE MARKETS

NATIONAL - AUG. 27: Spot milk availability has tightened up for midwestern cheese makers, but supplies are steadier for eastern and western Class III producers. Spot milk prices are \$.50 to \$1.00 over Class III. Last year, in the height of pandemic uncertainties, spot milk reached \$5 under Class III during week 34, but current prices are more comparable to 2019, when prices ranged from Class to \$1.50 over Class. Trucker shortages continue to hector cheese makers, and their milk suppliers, nationwide. Western cheese market actors, though, face extra issues with all of the freight/export related hurdles at Pacific ports. They relay turning to alternative methods, for instance rail cars, to clear some warehouse space. Cheese inventories in the other regions are mostly steady week over week. Demand notes are mostly steady, as well. Market tones remain in question, as the block-over-barrel price gap on the CME remains a bearish roadblock.

NORTHEAST - SEPT. 1: Cheese markets are holding a stable undertone. In the Northeast, cheese operations are working through a steady to lower milk supply. Milk production is seasonally dropping off farms, and Class I demands continue to grow in the region. Cheddar, Mozzarella and Provolone cheese makers are operating on steady to lower production schedules. Cheese inventory levels remain mostly balanced. Market participants relay cheese inventories are in-line with current demands. Cheese sales in the foodservice sector continue to display stronger numbers. Retail cheese sales are stable.

Wholesale prices, delivered, dollars per/lb:
Cheddar 40-lb blocks: \$2.2050 - \$2.4925 **Process 5-lb sliced:** \$1.5700 - \$2.0500
Muenster: \$2.1925 - \$2.5425 **Swiss Cuts 10-14 lbs:** \$3.5850 - \$5.9075

MIDWEST AREA - SEPT. 1: Midwestern cheese makers are reporting similar tones to last week. Production schedules are busy, but staffing shortages are adding stress to a growing number of producers. Spot milk prices, at report time, are similar to last week's despite the upcoming holiday weekend. Regional cheese sales are healthy. Pizza cheese producers continue to turn down orders. They relay Mozzarella inventories are tightening. Curd and barrel sales are steady week to week. Despite CME market price fluctuations, regional cheese market movements are more bullish than bearish.

Wholesale prices delivered, dollars per/lb:
Blue 5# Loaf : \$2.3900 - \$3.4575 **Mozzarella 5-6#:** \$1.9200 - \$2.8650
Brick 5# Loaf: \$2.1200 - \$2.5450 **Muenster 5# Loaf:** \$2.1200 - \$2.5450
Cheddar 40# Block: \$1.8425 - \$2.2425 **Process 5# Loaf:** \$1.5550 - \$1.9150
Monterey Jack 10# \$2.0950 - \$3.0000 **Grade A Swiss 6-9#:** \$3.1000 - \$3.2175

WEST - SEPT. 1: Demand for cheese is holding steady across both retail and foodservice markets this week. Stakeholders are concerned with how the current surge of COVID-19 cases may affect demand for cheese, particularly with foodservice. Contacts report strong demand for cheese from international purchasers. However, ongoing port congestion is causing delays to loads intended for export. Domestic loads are also facing delays due to a shortage of truck drivers and limited available shipping supplies. Market prices have lowered in the past week. Inventories of both barrels and blocks are available for spot purchasing. Cheese production is mixed. Milk supplies are available, despite a seasonal decline in production. Some plant managers are running reduced schedules due to a labor shortage.

Wholesale prices delivered, dollars per/lb: **Monterey Jack 10#:** \$2.0675 - \$2.3425
Cheddar 10# Cuts: \$2.0800 - \$2.2800 **Process 5# Loaf:** \$1.5725 - \$1.8275
Cheddar 40# Block: \$1.8325 - \$2.3225 **Swiss 6-9# Cuts:** \$3.3925 - \$3.8225

FOREIGN -TYPE CHEESE - SEPT. 1: European cheese demand has picked up as summer holidays come to a close and schools reopen. Prices are relatively stable, but some contacts anticipate an upward movement of prices due to increased buyer activity and seasonal milk declines. Manufacturers are reporting that cheese holdings have a younger age structure, and that stock volumes have become tighter over the last few weeks. Cheese supplies are available to meet contract demand, but extra loads can be more difficult to obtain. Container scarcity is still hindering export fulfillment and delays in shipments are common.

Selling prices, delivered, dollars per/lb:	Imported	Domestic
Blue:	\$2.6400 - 5.2300	\$2.2125 - 3.7000
Gorgonzola:	\$3.6900 - 5.7400	\$2.7200 - 3.4375
Parmesan (Italy):	0	\$3.6000 - 5.6900
Romano (Cows Milk):	0	\$3.4025 - 5.5575
Sardo Romano (Argentine):	\$2.8500 - 4.7800	0
Reggianito (Argentine):	\$3.2900 - 4.7800	0
Jarlsberg (Brand):	0	0
Swiss Cuts Switzerland:	0	\$3.6200 - 3.9450
Swiss Cuts Finnish:	\$2.6700- 2.9300	0

WHOLESALE BUTTER MARKETS - SEPTEMBER 1

WEST: Cream availability continues to taper. Contacts note staffing issues and delivery delays are interrupting production at some plants; cream would be tighter if facilities were able to fully operate. Other contacts report unhindered churning schedules and receipt of steady cream supplies to maintain typical seasonal butter production. Inventories are available for spot and contract sales. Retail sales are stable, and contacts say some grocers are increasing orders heading into fall and the holiday season. Despite lingering concerns about Delta, foodservice demand is steady to growing, with the restaurant sector reported to be particularly busy.

CENTRAL: Butter production remains busy, in spite of lighter seasonal cream supplies. Butter plant managers' reports of staffing shortages are growing. Plant managers report schedules would be more routine if it were not for thinly stretched workforces.

Cream multiples are a little steeper week to week, and some producers are bidding for 4th quarter cream supplies. Butter sales remain somewhat steady. Retail sales have yet to lift, but fall demand upticks are expected near-term. Early on in the week, butter market tones are bullish.

NORTHEAST: Production is unchanged. Some manufacturing sources link tighter week-over-week cream availability to ongoing pulls on milk intakes from school openings. Manufacturers' stocks are sufficient as micro-fixing covers their immediate and near-term butter needs. Meanwhile, truck shipping issues continue to complicate matters. Steady to higher multiples support gains in spot butter prices. Foodservice demand is stronger stemming from quick-service and fast-casual segments return to growth, over 2019, this quarter. Retail butter sales are somewhat sluggish.

NATIONAL - CONVENTIONAL DAIRY PRODUCTS

The most advertised dairy product this week is conventional ice cream in 48- to 64-ounce containers. The average advertised price is \$3.08, up 25 cents from last week. Organic ice cream ads appeared on the survey, after taking last week off, with a weighted average advertised price is \$8.03. Total conventional dairy ads fell by 2 percent, while total organic dairy ads decreased by 40 percent.

Conventional 8-ounce shred cheese ads grew by 16 percent, while remaining the most advertised cheese item this week. The average price is \$2.19, slicing off 25 cents from the previous period. The number of ads for conventional 2-pound cheese blocks saw the most growth in the cheese category, increasing by 102 percent. There were no ads for organic cheese, but conventional cheese ads increased by 15 percent.

Despite a 14 percent decrease in the number of ads, the most advertised yogurt item is conventional Greek yogurt in 4-6 ounce packaging. Organic Greek yogurt in 32-ounce containers remained the most advertised organic yogurt

RETAIL PRICES - CONVENTIONAL DAIRY - SEPTEMBER 3

Commodity	US	NE	SE	MID	SC	SW	NW
Butter 1#	3.09	3.10	3.15	3.94	2.74	3.09	2.34
Cheese 8 oz block	2.12	2.23	2.28	1.90	2.16	1.50	1.88
Cheese 1# block	3.95	3.93	3.99	NA	NA	NA	NA
Cheese 2# block	6.22	NA	NA	2.09	4.99	6.79	5.56
Cheese 8 oz shred	2.19	2.37	2.10	NA	2.09	2.26	2.31
Cheese 1# shred	3.79	3.79	NA	NA	NA	NA	NA
Cottage Cheese	1.99	2.32	1.77	2.34	1.00	1.91	1.00
Cream Cheese	2.02	2.14	2.52	1.83	1.53	1.82	1.47
Flavored Milk ½ gallon	2.50	NA	2.50	NA	NA	NA	NA
Flavored Milk gallon	NA						
Ice Cream 48-64 oz	3.08	2.97	3.04	3.14	3.10	3.30	2.72
Milk ½ gallon	2.24	2.04	NA	NA	2.99	NA	NA
Milk gallon	2.99	2.99	NA	NA	2.99	NA	NA
Sour Cream 16 oz	1.70	1.94	1.73	1.50	1.56	1.72	1.31
Yogurt (Greek) 4-6 oz	1.00	1.01	1.00	.97	.98	.98	.98
Yogurt (Greek) 32 oz	4.60	4.31	5.00	NA	4.49	5.00	NA
Yogurt 4-6 oz	.58	.58	.52	.69	.55	.49	.50
Yogurt 32 oz	2.70	2.85	NA	2.50	2.50	NA	NA

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

ORGANIC DAIRY - RETAIL OVERVIEW

National Weighted Retail Avg Price:	Yogurt 32 oz:	\$3.87
Butter 1 lb:	Greek Yogurt 32 oz:	\$5.55
Cheese 8 oz shred:	Milk UHT 8 oz:	\$1.00
Cheese 8 oz block:	Milk ½ gallon:	\$4.22
Cream Cheese 8 oz:	Milk gallon:	\$5.79
Cottage Cheese 16 oz:	Sour Cream 16 oz:	\$2.49
Yogurt 4-6 oz:	Ice Cream 48-64 oz:	\$8.03

NDM PRODUCTS - SEPTEMBER 2

NDM - CENTRAL: Low/medium heat NDM prices moved with notable bullishness. Last week, there were reports of continued/steady interest from south of the US border. That said, contacts suggest it is domestic end users who are showing more interest week over week. Condensed skim, for the first time in months, is reportedly tightening. NDM production is slightly less active and employment/staffing shortages are becoming a problem industry-wide. High heat NDM prices were bolstered by tight/firming markets, as well. High heat NDM trading activity was busier, as prices pushed over the \$1.50 mark. NDM market tones are clearly bullish near term.

NDM - WEST: Increased demand for skim milk powder in Asian markets is, reportedly, helping to push the price of NDM higher. Markets are bullish, with prices on the CME rising into the 1.30s at the start of the week. Domestic demand for low/medium heat NDM has held steady this week. Contacts report an uptick in international demand and note strong purchasing for export to Mexico. Spot purchasers are having more difficulty finding loads this week, as inventories have tight-

ened. Production schedules are restricted as less milk is available for drying. Some plant managers are running lighter production schedules due to labor shortages.

NDM - EAST: Eastern low/medium heat NDM trading was busier this week, as prices moved northbound in prompt fashion. Some end users who had built up inventories in recent months were back on the market, but they were met with increasing prices. The beginning of some companies' fiscal years may be behind pricing at and above \$1.30. Condensed skim availability, which has been markedly open for a number of months, has begun to slim down with lighter milk output.

LACTOSE: The bottom of the lactose price range moved lower due to some quick ship loads brought to the market. Industry contacts report processing disruptions and freight challenges have prompted a few manufacturers to offer quick ship sales for lactose. Spot market demand is a bit lackluster. Contacts say it has been hard to get much interest from buyers, aside from 200 mesh or lactose that fulfills added testing requirements for end user needs.

WEEKLY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT

DATE	BUTTER	CHEESE
08/30/21	68,482	85,029
08/01/21	74,093	86,010
Change	-5,611	-981
Percent Change	-8	-1

CME CASH PRICES - AUG. 30 - SEPT. 3, 2021

Visit www.cheesereporter.com for daily prices

	500-LB CHEDDAR	40-LB CHEDDAR	AA BUTTER	GRADE A NFDM	DRY WHEY
MONDAY August 30	\$1.3650 (-3%)	\$1.7100 (-4)	\$1.7150 (+3/4)	\$1.3025 (-1)	\$0.4975 (-1/4)
TUESDAY August 31	\$1.3800 (+1 1/2)	\$1.7100 (NC)	\$1.7650 (+5)	\$1.3200 (+1 1/4)	\$0.4975 (NC)
WEDNESDAY September 1	\$1.3800 (NC)	\$1.7100 (NC)	\$1.7650 (NC)	\$1.3325 (+1 1/4)	\$0.4850 (-1 1/4)
THURSDAY September 2	\$1.3950 (+1 1/2)	\$1.7200 (+1)	\$1.7950 (+3)	\$1.3250 (-3/4)	\$0.4850 (NC)
FRIDAY September 3	\$1.3925 (-1/4)	\$1.7350 (+1 1/2)	\$1.7975 (+3/4)	\$1.3400 (+1 1/2)	\$0.4850 (NC)
Week's AVG \$ Change	\$1.3825 (-0.0835)	\$1.7170 (-0.0350)	\$1.7675 (+0.0665)	\$1.3240 (+0.0485)	\$0.4900 (-0.0220)
Last Week's AVG	\$1.4660	\$1.7520	\$1.7010	\$1.2755	\$0.5120
2020 AVG Same Week	\$1.5575	\$1.9375	\$1.4910	\$1.0300	\$0.3340

MARKET OPINION - CHEESE REPORTER

Cheese Comment: Three cars of blocks were sold Monday, the last at \$1.7100, which set the price. Tuesday's block market activity was limited to an unfilled bid for 1 car at \$1.6900, which left the price unchanged. There was no block market activity at all on Wednesday. No blocks were sold Thursday; the price increased on an unfilled bid for 1 car at \$1.7200. On Friday, 1 car of blocks was sold at \$1.7350, which raised the price. The barrel price fell Monday on a sale at \$1.3650, rose Tuesday on an unfilled bid at \$1.3800, increased Thursday on a sale at \$1.3950, then fell Friday on a sale at \$1.3925.

Butter Comment: The price increased Monday on a sale at \$1.7150, rose Tuesday on a sale at \$1.7650, climbed Thursday on a sale at \$1.7950, and rose Friday on a sale at \$1.7975.

Nonfat Dry Milk Comment: The price rose Monday on an unfilled bid at \$1.3025, increased Tuesday on a sale at \$1.3200, climbed Wednesday on a sale at \$1.3325, fell Thursday on a sale at \$1.3250, then rose Friday on a sale at \$1.3400.

Dry Whey Comment: The price declined Monday on an uncovered offer at 49.75 cents, and fell Wednesday on a sale at 48.50 cents.

WHEY MARKETS - AUG. 30 - SEPT. 3, 2021

RELEASE DATE - SEPTEMBER 2, 2021

Animal Feed Whey—Central: Milk Replacer: .3800 (NC) – .4400 (NC)

Buttermilk Powder:

Central & East: 1.2150 (+1 1/2) – 1.3000 (+2 1/4) West: 1.2000 (NC) – 1.2800 (+1)
Mostly: 1.2100 (NC) – 1.2450 (NC)

Casein: Rennet: 4.6000 (-14) – 4.8500 (-10) Acid: 4.7000 (+10) – 4.9000 (-5)

Dry Whey—Central (Edible):

Nonhygroscopic: .4400 (NC) – .5500 (NC) Mostly: .4700 (-1/2) – .5200 (NC)

Dry Whey—West (Edible):

Nonhygroscopic: .4625 (-1 1/4) – .6150 (-3/4) Mostly: .5200 (NC) – .5800 (NC)

Dry Whey—NorthEast: .5000 (-2) – .5850 (-3/4)

Lactose—Central and West:

Edible: .3400 (-2) – .5600 (NC) Mostly: .4000 (NC) – .5000 (NC)

Nonfat Dry Milk —Central & East:

Low/Medium Heat: 1.2550 (+5 1/2) – 1.3500 (+6) Mostly: 1.2800 (+5 1/2) – 1.3100 (+4 1/2)
High Heat: 1.3900 (+4 1/4) – 1.5500 (+15)

Nonfat Dry Milk —Western:

Low/Medium Heat: 1.2250 (+2 1/2) – 1.3675 (+6) Mostly: 1.2600 (+2 1/2) – 1.2900 (+2 1/2)
High Heat: 1.3600 (+1 3/4) – 1.5025 (+6)

Whey Protein Concentrate—Central and West:

Edible 34% Protein: 1.0200 (NC) – 1.3300 (NC) Mostly: 1.0800 (NC) – 1.2250 (+1)

Whole Milk—National: 1.8200 (+2) – 1.8500 (NC)

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

HISTORICAL MONTHLY AVG BARREL PRICES

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

Restaurant Performance Index Fell 0.2% In July; Operators Less Bullish

Washington—The National Restaurant Association's Restaurant Performance Index (RPI) stood at 105.4 in July, down 0.2 percent from June, the association reported.

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

The RPI consists of two components: the Current Situation Index and the Expectations Index. The Current Situation Index, which measures current trends in four industry indicators (same-store sales, traffic, labor, and capital expenditures), stood at 106.3 in July, up 0.5 percent from June.

A strong majority of restaurant operators continued to report positive same-store sales compared to their 2020 levels. Some 85 percent of operators said their same-store sales rose between July 2020 and July 2021, while only 7 percent reported a sales decline. A majority of operators said their sales also exceeded 2019 levels in July.

Restaurant operators reported customer traffic levels that were

up from 2020 readings. Some 80 percent of operators said their customer traffic in July 2021 was higher than it was in July 2020.

The Expectations Index, which measures restaurant operators' six-month outlook for four industry indicators (same-store sales, employees, capital expenditures and business conditions), stood at 104.5 in July, the lowest level in six months.

A solid majority of restaurant operators have a positive outlook for sales in the coming months, though that sentiment continues to be qualified by the fact that the year-ago comparisons are pandemic levels that were dampened for many restaurants. Some 71 percent of operators expect their sales volume in six months to be higher than it was during the same period in the previous year.

By contrast, restaurant operators are much less bullish about the direction of the overall economy. Only 32 percent of operators said they expect economic conditions to improve in six months, down from 56 percent who reported similarly in June.

Some 26 percent of operators think economic conditions will worsen in six months.

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