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Fluid Milk Sales Dropped 4.0% In 2021 To Lowest Level Since 1955

Number Of Fluid Milk Plants Rises, Average Plant Volume Falls Below 100 Million Pounds

Washington—US sales of fluid (beverage) milk in 2021 totaled 44.5 billion pounds, down 4.0 percent, or 1.85 billion pounds, from 2020 and the lowest level since 1955's 43.4 billion pounds, according to figures released Wednesday by USDA's Economic Research Service (ERS).

Fluid milk sales have now declined for 12 straight years, after reaching a record 55.4 billion pounds in 2009. At 44.5 billion pounds, fluid milk sales last year were more than 10 billion pounds lower than they were in 2010, when they totaled 54.9 billion pounds.

Last year's drop of 1.85 billion pounds was the largest decline ever in fluid milk sales, according to USDA statistics dating back to 1954, when sales totaled 41.9 billion pounds.

Prior to last year's drop, there were four years between 2010 and 2018 in which fluid milk sales fell by more than 1.0 billion pounds: in 2013, when sales of 51.9 billion pounds were down 1.16 billion pounds from 2012; in 2014, when sales of 50.4 billion pounds were down 1.6 billion pounds from 2013; in 2017, when sales of 48.3 billion pounds were down 1.1 billion pounds from 2016; and in 2018, when sales of 47.2 billion pounds were down 1.03 billion pounds from 2017.

Whole milk sales in 2021 totaled 15.8 billion pounds, down 5.0 percent, or 839 million pounds, from 2020, and the lowest level of whole milk sales since 2017's 15.6 billion pounds.

Prior to last year's decline, whole milk sales had increased for seven consecutive years, after bottoming out at 13.8 billion pounds in 2013. Whole milk sales have now been under 17 billion pounds for 17 straight years, according to the ERS figures.

To put that level of sales in some historical context, whole milk sales topped 40 billion pounds for 17 consecutive years, from 1956 through 1972, including a record high of 44.67 billion pounds in 1966.

They fell below 30 billion pounds in 1982, then dropped below 20 billion pounds in 1993, and haven't been above 18 billion pounds since 2003.

Sales of reduced-fat (2 percent) milk last year totaled 14.6 billion pounds, down 7.8 percent, or 1.2 billion pounds, from 2020 and the lowest level of reduced-fat milk sales since 1983's 14.2 billion pounds.

Reduced-fat milk sales had reached a record high of 19.9 billion pounds in 1992, but haven't been above 19.0 billion pounds since 2010, when they totaled 19.1 billion pounds.

Lowfat (1 percent) milk sales last year totaled 5.45 billion pounds, down 6.1 percent, or 356 million pounds, from 2020 and the sixth consecutive decline in sales. That's the lowest level for lowfat milk sales since 1994, when they totaled 5.41 billion pounds.

Lowfat milk sales had reached a record high of 7.76 billion pounds in 2012, but haven't been above

• See **Fluid Sales Fall,** p. 11

USDA Suspends Historical Dairy Import License Reduction Provision Through 2023

Washington—USDA's Foreign Agricultural Service (FAS) on Tuesday published in the *Federal Register* an interim final rule that suspends, for an additional year, the historical dairy import license reduction provision which would otherwise apply beginning with the 2023 quota year.

FAS is also accepting comments on this interim final rule; comments must be submitted on or before Sept. 29, 2022. Comments, identified by RIN number 0551-AB03, may be submitted at the federal e-rulemaking portal, at www.regulations.gov; or emailed to: dairy-ils@fas.usda.gov.

FAS administers the Dairy Tariff-Rate Quota (TRQ) Import Licensing regulations codified at 7 CFR 6.20 through 6.36 that provide for the issuance of licenses to import certain dairy articles under TRQs as set forth in certain notes in Chapter 4 of the Harmonized Tariff Schedule of the United States (HTSUS).

These dairy articles may be entered into the US at the low-tier tariff only by or for the account of a person, as defined in the regulations, to whom such licenses have been issued and only in accordance with the terms and conditions of the regulations. Licenses are issued on a calendar-year basis and each

• See **Import Licenses,** p. 6

USDA Raises Fiscal 2022 Dairy Export Forecast By $1.1 Billion; Import Forecast Also Hiked

Washington—The US Department of Agriculture (USDA), in its quarterly *Outlook for US Agricultural Trade* report released Tuesday, raised its dairy export forecast for fiscal year 2022 but is expecting a decline in fiscal 2023.

The dairy export forecast for fiscal 2022 is raised by $1.1 billion from the May forecast, to $9.5 billion, on robust shipments of a number of products to top markets in Mexico, South Korea, and Japan.

For fiscal 2023, dairy exports are forecast $500 million lower than in fiscal 2022, at $9.0 billion.

During the first nine months of

• See **Trade Forecasts,** p. 9

Sept. 28 Announced As Date For White House Hunger, Nutrition Conference

Washington—The White House Conference on Hunger, Nutrition, and Health will be held on Sept. 28, 2022, in Washington, DC, Press Secretary Karine Jean-Pierre announced Monday.

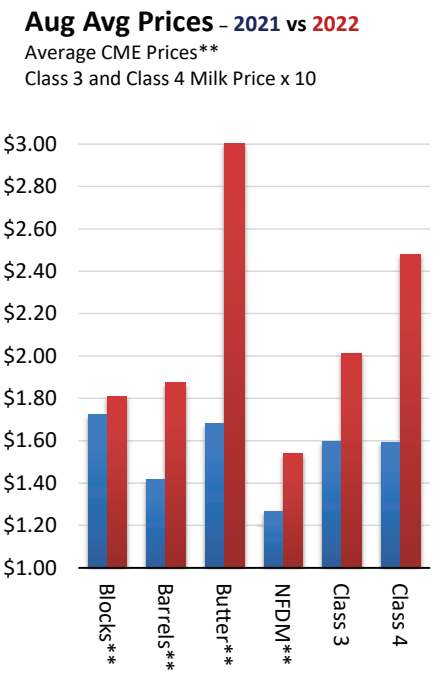
President Biden in May had announced plans to hold the conference in September, but didn't announce a specific date.

This will be the first White House Conference on Food, Nutrition, and Health since 1969. That conference spurred the creation and expansion of programs such as the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and the National School Breakfast and Lunch Programs.

"The conference will bring government leaders, academics, activists, and Americans from all walks of life together to achieve the goal of ending hunger and reducing diet-related diseases in the US by 2030, all while reducing disparities among the communities who are impacted the most by these issues," Jean-Pierre said. "We will announce a national strategy at the conference that identifies actions the government will take to catalyze the public and private sectors to drive transformative change and address the intersections between food, hunger, nutrition, and health."

The five pillars that follow define the scope of the White House Conference on Hunger, Nutrition, and Health. They are meant to help identify actions that can be taken by all parts of

• See **White House Conf.,** p. 9



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Retail milk prices in certain markets are what can best be described as astronomically high, or perhaps unjustifiably high.

Fluid Milk Appears To Be Way Too Expensive In Some Markets

USDA's Economic Research Service this week released its annual report on fluid (beverage) milk sales and, not surprisingly, the report notes yet another decline in fluid milk sales last year.

Specifically, as reported on our front page this week, fluid beverage milk sales in 2021 totaled 44.5 billion pounds, down 1.85 billion pounds, or 4.0 percent, from 2020. Fluid milk sales have now declined for 12 straight years.

There have been numerous reasons cited for the ongoing decline in fluid milk sales, one of which (at least this year) is high prices. And indeed, as we've reported a few times this year, average retail whole milk prices are setting new records, starting with a lofty price of $3.92 per gallon in March, then topping $4.00 per gallon for the first time ever in April, hitting $4.20 per gallon in May and still remaining at around $4.15 or $4.16 per gallon in June and July.

But there's something beyond just record-high "average" prices that might be hampering fluid milk sales, at least a little bit and at least in some markets around the US. That is, while "average" retail whole milk prices are setting new records here in 2022, retail milk prices in certain markets are what can best be described as astronomically high, or perhaps unjustifiably high.

We base this conclusion on the monthly "Retail Milk Prices Report," which is collected by federal milk marketing order market administrators. This report is based on a survey conducted one day between the 1st and 10th of each month in 30 cities or metro areas located in federal order markets. One outlet of the largest and second largest food store chains are surveyed.

In early August, the city with the highest average retail price for whole milk, according to that survey, was Kansas City, MO, at $5.97 per gallon. That was some $1.59 above the $4.38 per-gallon average for all 30 cities and metro areas surveyed. Philadelphia had the second-most-expensive whole milk price average in early August, at $5.89 per gallon.

These are rather strange cities in which to find the highest average retail whole milk prices, frankly. That's because both cities are located in areas where there would appear to be plenty of milk, and also where a majority of milk is used in federal order classes other than Class I (that is, milk that's "surplus" to Class I needs).

Specifically, Kansas City is located in the Central federal order, while Philadelphia is located in the Northeast federal order. In both orders, Class I utilization tends to average somewhere around 30 percent, give or take a few points, every year.

Also, both of these cities are located in or near states with high per capita milk production. Per capita milk production is a data series presented annually in the Central federal order's "Marketing Service Bulletin"; a comparison of this series to per capita consumption data may reflect the aggregate supply and demand balance for individual states and regions.

In 2021, Missouri ranked 31st in per capita milk production, at 163.7 pounds, which is well below the 300-pound level, which reflects average annual consumption of Class I and Class II products, plus reserve requirements. In other words, Missouri doesn't produce enough milk to satisfy its Class I needs.

But Kansas City is located very close to the state of Kansas, which is also part of the Central federal order and which, in 2021, ranked eighth in per capita milk production, at 1,396.5 pounds. Kansas City is also located about 100 miles from the Nebraska border and about 125 miles from the Iowa border; per capita milk production in those states last year was 724.7 pounds and 1,734.4 pounds, respectively.

In other words, it doesn't look like Kansas City has the highest average retail whole milk prices because of a lack of milk in the area.

Philadelphia, meanwhile, is of course located in Pennsylvania, which in 2021 had per capita milk production of 780.2 pounds. So, again, it doesn't look like Philadelphia has high average retail whole milk prices due to a milk shortage.

At the other end of the spectrum, the city with the lowest average retail whole milk price in early August was none other than Louisville, KY, at $2.43 per gallon, or some $3.54 lower than in Kansas City. Louisville is located in Kentucky, which had per capita milk production of 201.1 pounds last year, but it's also located just across the Ohio River from Indiana, which had per capita production last year of 665.9 pounds.

Just to put this in a bit of historical perspective, we went back to another year which featured extremely high retail fluid milk prices to see how these three cities fared. Specifically, we looked at 2014, when retail whole milk in the market administrators' survey averaged $3.84 per gallon for the entire year (that survey included 29 cities; Sacramento, CA, wasn't included because California wasn't yet part of the federal order system).

Sure enough, average retail whole milk prices that year were above average in both Kansas City and Philadelphia, at $4.77 and $4.35 per gallon, respectively, and below average in Louisville, at $3.39 per gallon.

What has changed is the gap between Kansas City and Philadelphia and the other cities. This might indicate that there's a lack of retail competition in those two markets, which perhaps should bring some antitrust scrutiny.

Lower prices might not help turn around declining fluid milk sales, but they certainly wouldn't hurt them.

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Pennsylvania Debates Pros, Cons Of Keeping Over-Order Premium As Is

Harrisburg, PA—A Pennsylvania Milk Marketing Board (PMMB) hearing held here this week focused on the existence, as well as the level and duration, of the state's Class I over-order premium.

The state's over-order premium applies only to Class I milk produced, processed, and sold in Pennsylvania.

The Pennsylvania Department of Agriculture (PDA) petitioned the PMMB earlier this year requesting that any over-order premium (OOP) hearings include consideration of three issues, including whether the OOP system as currently imposed meets the following criteria: premium dollars are uniformly and fairly distributed among all Pennsylvania dairy producers; the amount charged to Pennsylvania consumers is substantially equal to what is distributed back to the state's dairy farmers; and the distribution system does not provide incentives or means to avoid payment to Pennsylvania dairy farmers by purchasing or selling milk across state lines.

"While the over-order premium concept is good, the collection and distribution are flawed," PDA Secretary Russell C. Redding said in his written testimony. "Our belief is if every Pennsylvania consumer pays, every Pennsylvania dairy farmer should benefit.

"For this to be realized, the Board must devise a new system, outside of the current producer-wholesale-retail price buildup, which treats all Pennsylvania producers equitably and sends the correct signals to processors and retailers in the state," Redding added.

Pennsylvania Farm Bureau's (PFB) official policy supports eliminating the over-order premium and replacing it with a surcharge per gallon of milk sold at retail with even distribution among all Pennsylvania dairy farmers, according to David Graybill, who chairs PFB's state dairy and farm policy committee.

Chuck Turner, president of Turner Dairy Farms in Penn Hills, PA, testified on behalf of his company as well as the family farms that ship their milk to the company and the Pennsylvania Association of Milk Dealers (PAMD).

Pennsylvania's over-order premium "is important to Turner Dairy because it enables us to recruit and reward high-quality dairy farmers to ship to us," Turner said. "The OOP is important to our producers so that they can cover the extra costs associated with shipping to us in addition to just making ends meet.

"The OOP still functions as intended for Turner Dairy and the producers who ship milk to us," Turner continued. "This is also true for several other Class I processors in Pennsylvania and to hundreds of Pennsylvania producers who ship milk to them."

"Eliminating the over-order premium would have a negative financial impact on hundreds of Pennsylvania dairy farm families, including my family's own farm," said Carissa Itle Westrick, whose family owns and operates Vale Wood Farms, a dairy producer/processor. She is a member of PFB and also serves on the executive committee of the PAMD.

"An additional premium to help more farmers who market their milk outside the fluid market is a great idea, but it should be developed in addition to the over-order premium and not instead of it," Itle Westrick said.

Sara Dorland, who runs Ceres Consulting, testified on behalf of the Pennsylvania Department of Agricultureand said the data she has been able to review indicates that the over-order premium has had a "positive impact" on Pennsylvania producers, plays a key role in helping maintain Class I milk plants to be able to pay premiums to attract high quality milk, and to recover that cost, and has not adversely impacted Class I sales.

Dorland concluded that the over-order premium "should be retained in its current form."

Troye Cooper is director of operations, milk marketing and member services for Maryland and Virginia Milk Producers Cooperative Association and chairman of the Pennsylvania Association of Dairy Cooperatives (PADC), on whose behalf he testified.

The Pennsylvania Association of Dairy Cooperatives cooperatives join the Pennsylvania Department of Agriculture in that over-order premium dollars must be uniformly distributed among all Pennsylvania dairy producers.

"As it stands today, the current method of distribution does not accomplish that objective," Troye Cooper said. "The over-order premium should not be continued indefinitely without scrutiny as to whether the current system is reflective of today's marketplace and treats all Pennsylvania producers equitably.

Grocery Store Sticker Shock to Change Little in Dairy Aisle, Industry

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Sticker shock, once reserved for hospital bills or a visit to the appliance showroom, is now hitting American consumers in their neighborhood grocery stores. Retail food prices are up about 13 percent in the past 12 months, the biggest jump in the Consumer Price Index in that category in more than four decades.

The trend is true in the dairy department, too, with milk up more than 15 percent, cheese up 12.6 percent, and butter up more than 22 percent year-over-year.

"Our products are selling at higher prices, but our inputs are all up, too," notes Tim Omer, President and Managing Director of Wisconsin-based Emmi Roth USA. "Wages have jumped extraordinarily, maybe 40 percent from three years ago."

Paul Scharfman, President of Specialty Cheese Company in Wisconsin, identified milk as the biggest factor in his increased operational costs over the past year, but also notes, "The ripple effect of higher petroleum costs, in transportation and in packaging, is significant."

"Inflation has impacted our business, like it has everyone, in direct material, transportation, and labor costs. We look to efficiency gains in our operations while facing inflationary pressures," says Kyle Jensen, Vice President of Global Sales and Marketing for Hilmar Cheese Company, headquartered in California. "We must remain market competitive."

Pass-through food production costs may be triggering a recent drop in sales at superpremium grocers, as shoppers seek greater value with traditional retailers like Walmart and Kroger, or discount grocers like Aldi and Dollar General. And that's not the only impact in the marketplace. Dairy processors note increased consumer interest in private-label, versus name-brand, products.

Omer believes consumers may also be favoring smaller cheese pieces – if they can find them – when picking from the specialty section, though Scharfman predicts "shrinkflation" – the practice of selling a smaller amount of product for the same price – will be limited within the dairy industry.

"Disruptions in the packaging supply chain make it a headache. Downsizing a product right now is a less attractive option," Scharfman notes. "We are still recovering from a pandemic, and people are far more concerned with product being on the shelf, than its price."

Similarly, industry leaders expect few changes in their marketing and pricing strategies in the months ahead.

"Every consumer has a different value proposition – quality, price, experience. We've always focused more on quality and experience," says Omer, who notes that Emmi Roth USA's current social media marketing campaigns position their product line of value-added cheeses, like Gruyere and Feta, as exceptional ingredients for everyday enjoyment.

Scharfman adds, "People who have money likely have more than they've ever had before, so they won't think twice about reaching for that Brie to treat themselves with at home," noting that while overall American savings have recently dipped, they remain up more than $2 trillion from prepandemic numbers. "On the other end of the spectrum, people living with limited means find good value in a block of Cheddar."

That reality has dairy manufacturers remaining bullish, even as they acknowledge market fluctuations – and increasing costs – will continue.

"Commodity markets may retreat some over time, but not to 2019 levels," says Jensen. "The world has changed exponentially, and we must think creatively, in new ways to continue to grow our share of the consumer dollar."

"The days of $17 milk are in the rear view, and I expect, from this point forward, milk prices will bounce in the $20 range," notes Scharfman. "Labor costs are certainly here to stay, especially in rural communities where the workforce shortage is felt even more acutely."

These industry leaders agree that food prices will follow suit, and continue to rise into 2023, but predict continued growth for their companies, as well – a feeling illustrated, perhaps, by their expansion projects, and many others cropping up coast-to-coast.

"I've seen three or four recessions in my time in this business," says Omer. "Cheese – particularly specialty cheese – tends to weather well. Consumers have already felt the shock, and they're still buying."

USDA Extends WIC Key Funding Flexibility For Infant Formula

Washington—The U.S. Department of Agriculture (USDA) on Thursday announced that is extending a key funding flexibility in the WIC program that has allowed state agencies and their infant formula manufacturers to work together to provide more options for WIC families in need of formula.

Under this flexibility, which is now extended through the end of October, USDA is covering the added cost of non-contract formula to make it financially feasible for states to allow WIC participants to purchase alternate sizes, forms, or brands of infant formula.

In general, WIC state agencies have contracts with one of three manufacturers to provide formula to WIC infants who are partially or fully formula fed, USDA explained. Using the new authority provided by the Access to Baby Formula Act, USDA recommended in May that state agencies that contract with Reckitt Mead Johnson (RMJ) or Gerber seek contract flexibility to allow alternate formulas if the contracted size, form, or brand of formula is unavailable.

To help make this financially feasible, USDA is covering the additional costs of these alternate formulas while supplies remain impacted and will continue to do so through Oct. 31, 2022.

USDA also previously provided flexibility to temporarily allow alternate formula in states that contract with Abbott, the third formula manufacturer and the subject of the voluntary formula recall in February.

Abbott is currently covering that cost difference through Oct. 31, 2022, USDA noted.

USDA's Food and Nutrition Service is continuing to work to ensure WIC participants and stakeholders have the information they need to keep infants fed and safe.

"USDA is committed to maintaining flexibilities to provide continued support to WIC families as the nationwide supply of infant formula recovers," said US Secretary of Agriculture Tom Vilsack.

Other recent USDA actions include, among others: coordinating cross-government to rapidly transport safe specialty and regular formula into the US through Operation Fly Formula; and extending infant formula waivers in WIC through Dec. 31, 2022.

FROM OUR ARCHIVES

50 YEARS AGO

Sept. 1, 1972: St. Paul, MN—Paul Zimmerman of Mid-America Dairymen, Zumbrota, won first place in the Cheddar category of the Minnesota State Fair Cheese Contest. Top honors in the Miscellaneous category went to the Treasure Cave Division of Swift & Co., Faribault, for its Blue cheese entry.

Manitowoc, WI—A Catholic nun here, Sister Thomas More, publicity director of Holy Family College, is offering to arrange peace between the National Farmers Organization and dairy cooperatives that are involved in costly court suits that she says are draining the strengths of farm groups.

25 YEARS AGO

Sept. 5, 1997: Atwater, CA—Joseph Farms has become the first company to earn governmental approval to put an "Artificial Hormone Free" seal on its line of cheese. The label assures consumers Joseph Farms' cheese products are made with milk not treated with rBST or any other artificial hormone.

Washington—Mid-America Dairymen will be allowed to acquire Borden/Meadow Gold Dairies Holdings, Inc. as long as the co-op sells Borden plants in Texas, Louisiana and New Mexico to another competitor, the US Department of Justice announced this week. A newly-formed company, Milk Products, LLC, will be allowed to buy the divested dairies under certain provisions.

10 YEARS AGO

Aug. 31, 2012: Syracuse, NY—Agri-Mark dairy co-op earned the New York Dairy of Distinction award here at the New York State Fair. Agri-Mark and its Cabot and McCadam dairy brands exemplify the very best in the dairy industry, said Nancy Putnam, secretary of Dairy of Distinction's New York chapter.

Salt Lake City, UT—Through major floods, fires and the Great Depression, Nelson-Ricks Creamery has been able to survive the toughest of times. However, Nelson-Ricks is currently seeking a partner or buyer of the company due to the ongoing recession, president Reagan Wood announced this week.

USDA Seeks To Buy 5,880,875 Pounds Of Mozzarella For Oct. Dec. Delivery

Washington—The US Department of Agriculture (USDA) on Tuesday issued a solicitation inviting offers to sell a total of 5,880,875 pounds of low moisture part skim Mozzarella cheese for use in the National School Lunch Program.

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

Bids are due by 1:00 p.m. Central time on Friday, Sept. 9.

Offers should be submitted as an f.o.b. destination, firm-fixed price per pound for the stated line item quantity. The final price paid will be the bid price adjusted by the economic price adjustment (EPA) for the delivery period in which the cheese is delivered. The EPA accounts for the differences in the CME 40-pound block Cheddar cheese price for the week ending Sept. 2, 2022, and the previous week average (PWA) CME price for the delivery period.

Offerors are cautioned to bid only quantities they can reasonably expect to produce and deliver. All offers must be submitted electronically via the Web-Based Supply Chain Management System (WBSCM).

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

Meanwhile, USDA recently announced the awarding of contracts to two companies for the purchase of a total of 21,600 gallons of fluid milk. Deliveries are to be made from Oct. 2 through Dec. 28, 2022.

Contracts were awarded as follows:

Hiland Dairy Foods Company: a total of 14,400 gallons of whole milk, at a total price of $71,568.00.

Prairie Farms Dairy: a total of 7,200 gallons of 2 percent milk, at a total price of $28,728.00.

A total of 11 truckloads (36,000 gallons and 8,100 half-gallons) were not awarded due to no bids received. A total of 17 truckloads (39,600 gallons and 48,600 half-gallons) were not awarded due to price considerations.

That's the second time this summer that USDA was unable to award contracts for all the fluid milk products it was seeking to procure. In late July, USDA announced that it was awarding contracts to a number of companies for a total of 2,087,100 containers of fluid milk for delivery from Oct. 3 through Dec. 28, 2022.

Under that solicitation, a total of 24 truckloads (61,200 gallons and 56,700 half-gallons) were not awarded due to no bids received, and a total of 10 truckloads (36,000 gallons) were not awarded due to price considerations.

AMS Updates Swiss Cheese Commodity Requirements Document

Washington—USDA's Agricultural Marketing Service (AMS) has revised the Commodity Requirements Document (CRD) for natural Swiss cheese.

Changes include amending the acceptable pH range and the addition of shipping container minimum net weight requirements.

The pH range is now 5.3 to 5.9. The range was 5.5 to 5.9.

Regarding shipping container minimum net weight requirements, changes to the Swiss cheese CRD include the following:

- For sliced cheese, individual shipping containers packed with 6/24-ounce packs have to weigh not less than 8.85 pounds net weight.
- For cheese blocks, individual shipping containers packed with 12/1-pound packs have to weigh not less than 11.85 pounds net.
- The total net of all shipping containers test weighed from a lot cannot vary more than one-tenth (0.1) of 1 percent under the aggregate marked net weight of all shipping containers within the lot.

The updated CRD for natural Swiss cheese started last month.

The CRD includes two parts. Part 1 covers commodity specifications. The "Commodities" section details product and production requirements, product age and temperature requirements, composition requirements, microbiological, and physical analysis.

Swiss cheese must, among other things: comply with all applicable regulations, including, but not limited to, those contained in the Code of Federal Regulations (CFR) for Swiss and Emmentaler cheese; be US Grade A and conform to the United States Standards for Grades of Swiss Cheese, Emmentaler Cheese; and be prepared and packaged in accordance with good manufacturing practices.

The second section of Part 1, "Quality Assurance," details inspection, testing and certification requirements for Swiss cheese.

Part 2 of the Swiss cheese CRD covers container and packaging requirements, including commercial packaging and labeling, month/year of pack, and materials.

For more information on AMS CRDs for dairy products, visit *www. ams.usda.gov/selling-food*.

World Cheese Awards Set For Nov. 2; New Young Cheesemonger Competition

Newport, Wales—The Guild of Fine Food (GFF) is now accepting entries for the 34th World Cheese Awards, planned for Wednesday, November 2, at the International Convention Center Wales (ICCW).

Organized by GFF, online entry is available now through Sept. 20. Over 4,000 entries from cheese makers across the world are expected, with last year's event bringing in cheese from 45 different countries.

Cheese makers will compete for Bronze, Silver, Gold, and Super Gold medal awards, plus both country and cheese-specific trophies. Super Gold cheeses will be judged a second time by an International Super Jury, who will determine the World Champion Cheese.

Open to trade visitors only, Guild of Fine Foodwill also organize a World Cheese Awards Market around the judging arena on the same day.

The World Cheese Awards is a truly global event, bringing together cheese makers, retailers, buyers, consumers, journalists and food commentators," said Guild of Fine Food managing director John Farrand.

"Together, we celebrate excellence in cheesemaking and recognize the best cheeses from across the globe," Farrand said.

"To be staged in Wales, a fantastic food and drink destination, is really special. We thank the Welsh Government for their continued support in hosting this important competition," he continued.

"We look forward to welcoming the global cheese and dairy community to Wales and hope to see some of our own cheese makers take part," said Lesley Griffiths, Minister for Rural Affairs, North Wales & Trefnydd.

To access online entry and for more contest details, visit *www.gff.co.uk/wca*.

Young Cheesemonger Of The Year

Talented cheese mongers under the age of 30 are invited to enter the 2022 Young Cheesemonger of the Year competition, held in conjunction with WCA in Newport, Wales, on Nov. 2.

Hosted by the Academy of Cheese, the free competition will ask entrants to provide a short biography and submit recommendations for their perfect cheese board.

Finalists will be invited to attend WCA and compete against their peers across four rounds: delivery of the rationale behind their initial cheeseboard selection; demonstration of their cut and wrap skills; a cheese identification round; and the final round "MasterRind" – a quiz about cheeses from around the world.

The winner will be announced Nov. 2 during the World Cheese Awards, and will receive the title of Young Cheesemonger 2022, a trophy, a feature in *Fine Food Digest* and Academy of Cheese Level Two certification course.

They will also be invited to judge at the World Cheese Awards 2023. Entries close September . 9, 2022.

To put a hat in the ring, visit *academyofcheese.org/young-cheese-monger-of-the-year* for online entry and more information.

Import Licenses

(Continued from p. 1)

license authorizes the licensee to import a specified quantity and type of dairy article from a specified country of origin. The Imports Program, FAS, issues these licenses and, in conjunction with US Customs and Border Protection, US Department of Homeland Security, monitors their use.

FAS issues three types of dairy import licenses: historical, nonhistorical (lottery), and designated. For all three license types, persons must apply each year between September 1 and October 15. Historical and designated licensees may apply for lottery licenses subject to certain conditions.

Licensees may fail to qualify for a license for a specific item from a specific country in the following year if they do not meet certain requirements. Licensees must: apply for the license each year; pay an annual fee; and have imported at least 85 percent of the final license amount from the previous year.

To avoid ineligibility due to the 85-percent rule, licensees may surrender up to 100 percent of the license, but must import 85 percent of any quantity not surrendered.

Section 6.25(b) of the regulations provides that, beginning with the 2023 quota year, any historical licensee who surrenders more than 50 percent of the license amount for the same item from the same country during at least three of the most recent five years will be issued a historical license thereafter in an amount equal to the average amount imported under that license for those five quota years.

FAS has suspended Sec. 6.25(b) on four previous occasions, most recently for an additional seven years encompassing the 2016-2022 quota years. Prior to that, it was suspended for five years, 2001-2005; for two years, 2009-10; and for five years, 2011-15.

When it proposed the seven-year suspension in late 2014, USDA received 23 comments. Respondents generally supported the additional seven-year suspension of the historical license reduction provision from the rule, but would have preferred its complete elimination.

USDA said chose the seven-year suspension over complete elimination because the provision is generally in the public interest.

The interim final rule published by FAS this week provides historical license holders additional time to adjust to changing market conditions by suspending implementation of Sec. 6.25(b) through the end of quota year 2023. FAS said it recognizes that COVID-19 pandemic-related shipping delays have made economic conditions difficult for several of the past years.

In addition, the US imposed retaliatory tariffs on certain European Union (EU) exports from October 2019 until June 2021, including numerous dairy products, in response to the EU's failure to implement the World Trade Organization Dispute Settlement Body's recommendations in the Airbus dispute, FAS noted. The duties on dairy products, levied at 25 percent ad valorem, contributed to the volatile market conditions US dairy importers have recently faced.

Several dairy commodities that were subject to those retaliatory tariffs stand to lose historical quantity if Sec. 6.25(b) is not suspended. Overall, FAS estimates that allowing Sec. 6.25(b) to go into effect in quota year 2023 would result in the reduction or elimination of approximately 18 percent of historical licenses.

Also, FAS analysis shows that fill rates for the lottery category for those commodities that stand to lose the most historical licenses remain low, when viewed over the course of the past five quota years.

This interim final rule became effective on Tuesday, Aug. 30, 2022. FAS noted that, to have a meaningful effect, the amendment suspending Sec. 6.25(b) for the next quota year must take effect prior to the application period for quota year 2023, which begins Sept. 1, 2022, and ends on Oct. 15, 2022.

License Appendices Adjusted

In other dairy import licensing developments, FAS on Wednesday published a notice in the *Federal Register* 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 2022 quota year.

The import licensing regulation at 7 CFR 6.34(a) states that whenever a historical license (Appendix 1) is permanently surrendered, revoked by the licensing authority, or not issued to an applicant pursuant to the provisions of Sec. 6.23, then the amount of such license will be transferred to Appendix 2 (lottery licenses).

Section 6.34(b) provides that the cumulative annual transfers will be published by notice in the *Federal Register*.

Accordingly, the document published Wednesday sets forth the revised appendices in a table. Although there are no changes to the quantities for designated licenses (Appendix 3 and Appendix 4), those numbers are also included in the table for completeness.

For more information, contact Elizabeth Riley, at (202) 720-6868; or email *Elizabeth.riley@usda.gov*.

Cabot/McCadam Horseradish Cheddar Tops NYS Fair Dairy Products Contest

Syracuse, NY—A Horseradish Cheddar entry made by Cabot/McCadam Creamery Cooperative won the Grand Champion title here at the 2022 New York State Fair Dairy Products Competition.

The winning Horseradish Cheddar entry earned a perfect score of 100.00 in the Cold Pack/Process Cheese class.

Judging took place Aug. 1-4 at Cornell University in Ithaca, NY. Each entry was evaluated by a team of expert judges, headed up by competition superintendent Valerie Catlin from the New York State Department of Agriculture and Markets' Division of Milk Control.

First and second place winners for each class were honored Thursday at the New York State Fair's 45th annual Dairy Day.

Gold, Silver and Award of Excellence winners in each of the 25 classes are as follows:

Current Cheddar

Gold medal: Cabot/McCadam Creamery Cooperative, 99.00
Silver medal: Great Lakes Cheese, 98.50
Award of Excellence: Great Lakes Cheese, 95.00

Aged Cheddar

Gold medal: Cabot/McCadam Creamery Cooperative, 99.50
Silver: Great Lakes Cheese, 97.00
Award of Excellence: Cabot/McCadam Creamery, 96.00

Super Aged Cheddar

Gold medal: Great Lakes Cheese, Cheddar, 96.50
Silver medal: Great Lakes Cheese, Cheddar, 96.00
Award of Excellence: Great Lakes Cheese, Cheddar, 95.00

Full Fat Cottage Cheese

Gold medal: H.P. Hood, Lafargeville, 99.00
Silver medal: H.P. Hood, Vernon, 96.50
Award of Excellence: H.P. Hood, Vernon, 96.00

Low Fat Cottage Cheese

Gold medal: H.P. Hood, Lafargeville, 98.00
Silver medal: H.P. Hood, Arkport, 97.50
Award of Excellence: H.P. Hood, Vernon.

Nonfat Cottage Cheese

Gold medal: H.P. Hood, Arkport, 96.50
Silver medal: H.P. Hood, Lafargeville, 96.00
Award of Excellence: H.P. Hood, Vernon

Low Moisture Mozzarella

Gold medal: Lactalis American Group, 95.00
Silver medal: Empire/Great Lakes Cheese.
Award of Excellence: Lactalis American Group.

Mozzarella - Non Pizza

Gold medal: Lactalis American Group, 97.00
Silver medal: Lactalis American Group, 95.50
Award of Excellence: Lactalis American Group

Ricotta

Gold medal: Lactalis American Group, 99.00
Silver medal: Lactalis American Group, 97.00
Award of Excellence: BelGioioso Cheese, Ricottone, 95.00

Provolone

Gold medal: Lactalis American Group
Silver medal: Empire/Great Lakes Cheese, Smoked Provolone
Award of Excellence: Lactalis American Group

Cold Pack/Process Cheese

Gold medal winner: Cabot/McCadam, Horseradish Cheddar, 100.00
Silver medal: Yancey's Fancy, Hatch Chili Cheddar, 99.50
Award of Excellence: Yancey's Fancy, Jalapeno Peppadew Cheddar, 98.50

Flavored Natural Cheese

Gold medal: Old Chatham Creamery, Fresh Goat Cheese with Garlic & Herbs, 99.50
Silver medal: Old Chatham Creamery, Fresh Goat Cheese with Cranberries, 99.00
Award of Excellence: Old Chatham Creamery, Fresh Goat Cheese with Honey, 98.00

Open Class Cheese

Gold medal: Yancey's Fancy, Bergenost, 99.00
Silver medal: Nettle Meadow, Warrensburg, Kunik Mix Milk Triple Cream, 98.00
Award of Excellence: Great Lakes Cheese, Sweet Cheddar, 97.50

Farmstead Open Class Cheese

Gold medal: Daniel Meier, Pepper Flavored Cheese, 98.00
Silver medal: Daniel Meier, Smoked Cheddar, 97.00
Award of Excellence: Daniel Meier, Beer Mustard Flavored Cheese

Goat/Sheep Soft Cheese

Gold medal: Middle Road Creamery, Williamson, Feta, 97.50
Silver medal: Old Chatham Creamery, Lumberjack Bucheron, 97.00

Farmstead/Artisan Soft Cow's Milk

Gold medal: Nettle Meadow, Adironjack Triple Cream, 98.00
Silver: Nettle Meadow, Sugar Loaf Triple Cream Tomme, 97.00

Farmstead/Artisan Hard Cow's Milk Cheese

Gold medal: Daniel Meier, Alpine Style Cheese, 99.00
Silver medal: Nettle Meadow, Cheesemaker's Folly, 98.50
Award of Excellence: Eden Valley Creamery, Gouda, 98.00

Sour Cream

Gold medal: Upstate Niagara Cooperative, 99.50
Silver medal: H.P. Hood, Arkport, 99.00
Award of Excellence: H.P. Hood, Arkport, 98.50

Buttermilk

Gold medal: Upstate Niagara Cooperative, Low Fat Buttermilk, 98.00
Silver medal: HP Hood, Arkport, Reduced Fat Buttermilk, 97.50
Award of Excellence: Upstate Niagara Cooperative, Full Fat Buttermilk, 97.00

Dairy Dips

Gold medal: Upstate Niagara Cooperative, Bison French Onion Dip, 100.00
Silver medal winner: HP Hood, Arkport, Heluva Good French Onion, 97.00
Award of Excellence: HP Hood, Arkport, Heluva Good Bacon Horseradish, 96.50

Plain Yogurt

Gold medal: Old Chatham Creamery, Sheep Milk Yogurt, 99.00
Silver medal: Upstate Niagara Cooperative, Nonfat Plain Greek Yogurt, 98.50
Award of Excellence: HP Hood, Vernon, Whole Milk Plain Greek Yogurt, 97.00

Flavored Yogurt

Gold medal: King Brothers Dairy, La Fermiere Vanilla, 97.50
Silver medal: Upstate Niagara Cooperative, Blueberry Nonfat Greek Yogurt, 97.00
Award of Excellence: HP Hood, Vernon, Price Chopper Mixed Berry Greek Yogurt, 96.50

Fluid Milk

Gold medal: Stewarts Processing, Saratoga Springs
Silver medal: Dygert Farms

Fluid Milk - Small Processor

Gold medal: Kings Brothers Dairy, Fluid Milk
Gold medal: Kings Brothers Dairy, Chocolate Milk
Gold medal: Weissman Farms, Flavored Milk

For more information, visit *www.nysfair.ny.gov*.

IDFA Lauds 37 Cheese, Dairy Plants With 2022 Worker Safety Awards

Washington—The International Dairy Foods Association (IDFA) has honored 37 US dairy companies for their outstanding achievements in worker safety in 2021.

This is the 19th year that IDFA has sponsored its Dairy Industry Safety Recognition Award, highlighting workplace safety achievements of US dairy companies.

Each company applied by providing their occupational injury and illness performance rates, along with a detailed essay on safety efforts at the facility and leading indicators.

This year, the narrative essays played a greater role in the evaluation, with equal weight given to essays and injury statistics from the Occupational Safety and Health Administration (OSHA).

Judging was conducted by Pete VanDerlyke, Peco Foods, Inc.; Amy Vodraska, Dairy Foods magazine; and IDFA's Danielle Quist and Taylor Boone.

"Coupling the measurement of properly implemented leading indicators – ones that include management commitment and employee engagement – with traditional lagging indicators not only enhances a safety and health program, it also builds the culture that's desired," VanDerlyke said.

2022 Awards in Worker Safety

Cheese: Bel Brands USA, Leitchfield, KY; Dairy Farmers of America, New Wilmington, PA; Middlebury Cheese Company, Middlebury, IN; Pace Dairy Foods, Crawfordsville, IN; Savencia-FDL West, City of Industry, CA; and Kroger, Layton Dairy, Layton, UT.

Dry, Condensed & Evaporated: Foremost Farms USA, Plover, WI; Maryland & Virginia Milk Producers Cooperative, Inc., Valley Milk Products, Strasburg, VA; and Darigold, Chehalis, WA.

Fluid Milk: Danone North America, City of Industry, CA; Dallas, TX; and Mt. Crawford, VA; Dairy Farmers of America, Mountain Area Transportation, Salt Lake City, UT; Fairlife, Coopersville, MI; and Dexter, NM; Jilbert Dairy and Jilbert Dairy Logistics, Marquette, MI; Lehigh Valley Dairy Farms, Schuylkill Haven, PA; Meadow Gold Dairy, Boise, ID; Price's Creameries, El Paso, TX; T.G. Lee Dairy, Deland, FL; H.P. Hood, Agawam, MA; and Kroger, Layton Dairy, Layton, UT.

Ice Cream: Kroger, Layton Dairy, Layton, UT; and Mayfield Dairy Farms, Alabama Ice Cream Distribution, Birmingham, AL.

Trucking, Local: Agri-Mark/Cabot, Montpelier, VT; Darigold, Bozeman Fleet, MT; and Spokane Fleet, Spokane, WA; DFA, Jerome, ID; and Maryland & Virginia Milk Producers Cooperative, Maola Milk & Ice Cream, Charlotte, NC; Fayetteville, NC; High Point, NC; and Roanoke, VA.

2022 Most Improved Award For Worker Safety

Cheese: Middlebury Cheese Company, Middlebury, IN

Dry, Condensed & Evaporated: Foremost Farms USA, Plover, WI

Fluid Milk: Lehigh Valley Dairy Farms, Schuylkill Haven, PA; and H.P. Hood, Agawam, MA

"The dairy industry continues to demonstrate that safety in the workplace is the dairy industry's number one priority," said IDFA president and CEO Michael Dykes.

For more detail, visit *www.idfa.org/about-idfa/awards-recognition/safety-recognition-awards*.

OBITUARY

Richard Ledford, 90, Dairy Industry Pioneer & Cornell Professor, Passes

Flat Rock, NC—Richard Ledford, 90, Cornell University professor emeritus whose work in food microbiology contributed to considerable growth in New York State's dairy and yogurt industries, died Oct. 9, 2021.

Ledford was professor emeritus of food science in Cornell's College of Agriculture & Life Sciences and chaired the department of food science for 17 years. His research focused on dairy and food microbiology, especially its application to cultured dairy products like yogurt, Cottage cheese and sour cream.

After earning his doctorate degree from Cornell, Ledford spent three years as director of the New York State Food Laboratory in Albany, where he led testing of product samples from food processors.

He rejoined Cornell as an assistant professor in 1964 and spent the next 32 years researching issues central to the dairy industry, including the structures of Lactococci bacteria and survival of coliform bacteria.

"Richard provided a lot of support to the industry; he was always available to lend his expertise to solve industry problems whenever they presented," said Cornell food science professor emeritus David Bandler.

Ledford was a member of the New York State Association for Food Protection, and received its highest honor, the Emmett R. Gauhn Memorial Award, in 1995. On his retirement from Cornell in 1996, he was made an honorary life member.

Ledford also received the 1987 American Cultured Dairy Products Institute Research Award for excellence in research dealing with cultured dairy products.

PERSONNEL

DAVID ANDERSON has joined **Butter Buds, Inc.** as applications manager, responsible for leading the formulation and development of Butter Buds' dairy ingredients and its variety of food applications. Anderson joins Butter Buds from Robert Half Management Resources. His career in the food and beverage industry also includes serving as president of Brew City Booch, and nearly a decade at Chr. Hansen, where he was an associate scientist and global product manager in the company's food color applications and development lab.

MARY MAIER has joined **T. Hasegawa USA, Inc.** as director of savory technology, where she will oversee the development of food flavors, refine reaction flavor processes and boost production. Maier will serve in the role that was previously held by LOUISE BONE, who retired from T. Hasegawa in 2021. Focusing on the development of specialty and savory food flavors, Maier will help grow T. Hasegawa's portfolio of reaction flavor processes, innovate the category and increase the variety of flavor profiles the company produces, while improving efficiencies, quality and consistency. She will also oversee a team of leading flavor chemists at T. Hasegawa's Southern California facilities. Prior to joining T. Hasegawa, Maier worked in the flavor industry, including starting her career with Cino (now ADM) before transitioning to Givauda.

RECOGNITION

COMPEER FINANCIAL has selected BADGER STATE ETHANOL of Monroe, WI, as the recipient of its second annual **Food & Agribusiness of the Year Award**. Compeer's program recognizes businesses in the ag supply chain that have shown leadership in innovation, agricultural advocacy, community outreach and client service. Badger State began operations in 2002 and currently employs 50 people, producing more than 90 million gallons of ethanol annually. Badger also manufactures co-products as part of the ethanol making process, including carbon dioxide used in the food industry and more than 232,000 tons of distillers grains sold for livestock feed every year.

CORRECTION TO LAST WEEK'S CHEESE REPORTER

In last week's August 26 issue of Cheese Reporter, it was inaccurately noted that ALDI of Batavia, IL, topped the Mozzarella class in the 2022 WDE Championship Dairy Product Contest.

The correct First Place winner was Crave Brothers Farmstead Cheese of Waterloo, WI, with a score of 99.90. We apologize for any confusion.

Congratulations to Crave Brothers and to all the winners and participants in the contest.

White House Conf.

(Continued from p. 1)

society — including the federal government; local, state, territory, and tribal governments; nonprofit and community groups; and private companies.

Those five conference pillars are as follows:

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

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

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

Support physical activity for all: Make it easier for people to be more physically active (in part by ensuring that everyone has access to safe places to be active), increase awareness of the benefits of physical activity, and conduct research on and measure physical activity.

Enhance nutrition and food security research: Improve nutrition metrics, data, and research to inform nutrition and food security policy, particularly on issues of equity, access, and disparities.

Last week, the Task Force on Hunger, Nutrition and Health — an independent group of national leaders and experts — released its comprehensive report to inform the White House Conference on Hunger, Nutrition, and Health.

"It is clear that the challenges of food insecurity, diet-related diseases and health inequities intersect with and exacerbate each other, and that radical systemic changes across multiple sectors are needed to adequately address them," that report stated. "Achieving the 2022 White House Conference goals of ending hunger, improving nutrition, and reducing diet-related diseases in the United States calls for a modern, multi-sector, coordinated national strategy."

That report made seven recommendations in the area of business and innovation, including, among others: increase the ability of food companies to communicate with consumers about the evidence for healthfulness of certain food products; and improve the resiliency, accessibility, and nutritional quality of the food supply.

Trade Forecasts

(Continued from p. 1)

cal 2022 (October 2021 through June 2022), US dairy exports were valued at $6.64 billion, up 25.3 percent, or $1.34 billion, from the first nine months of fiscal 2021.

For all of fiscal 2021, US dairy exports were valued at $7.28 billion.

USDA raised its forecast for fiscal 2022 dairy imports by $500 million, to $4.6 billion, on stronger shipments from the EU.

The fiscal 2023 dairy import forecast is lowered by $300 million to $4.3 billion, largely on weaker values.

During the first nine months of fiscal 2022, dairy imports were valued at $3.3 billion, up 24.1 percent, or $646 million, from the first nine months of fiscal 2021. During fiscal 2021, dairy imports were valued at $3.7 billion.

The fiscal 2022 cheese import forecast was reduced by $100 million, to $1.6 billion, while the fiscal 2023 cheese import forecast is unchanged, at $1.6 billion.

During the first nine months of fiscal 2022, cheese imports were valued at $1.13 billion, up 10.4 percent, or $107 million, from the first nine months of fiscal 2021. Cheese imports during fiscal 2021 were valued at $1.43 billion.

Overall US agricultural exports in fiscal 2022 are forecast at a record $196.0 billion, an increase of $5.0 billion from May's projection, mainly due to increases in dairy, livestock and poultry exports. US ag exports in fiscal 2023 are projected at $193.5 billion.

Fiscal 2021 agricultural exports were valued at $172.7 billion.

US agricultural imports in fiscal 2022 are projected to reach $192.0 billion, $11.5 billion higher than the May forecast and $28.7 billion more than fiscal 2021. For fiscal 2023, agricultural imports are expected to increase $5.0 billion above the fiscal 2022 forecast, to $197.0 billion.

USDA's forecasts would result in a US ag trade surplus of $4.0 billion in fiscal 2022 and a trade deficit of $3.5 billion in fiscal 2023.

The global economic outlook for 2022 and 2023 is growing more uncertain due to th econtinued materialization of downside risks, USDA said. Previous growth projections are moderated due to ongoing trade disruptions, above-target inflation rates, and rising energy prices.

World real gross domestic product (GDP) is projected to increase by 3.2 percent in 2022, down from the prior forecast of 3.6 percent. Global GDT is projected to increase by 2.9 percent in 2023.

The Russian invation of Ukraine is ongoing and continues to impose far-reaching economic disruptions. The disruptions have thus far led to elevated energy prices that continue to disproportionately affect the European market.

The real GDP forecast for Canada in 2022 is revised downward to 3.4, from 3.9 percent, while the real GDP forecast for Mexico is raised to 2.4 percent, from 2.0 percent.

China's real GDP is expected to grow by 3.3 percent in 2022, lowered from 4.4 percent previously. China has continued its strict containment and lockdown policies. COVID-19 outbreaks have continued to cause economic disruptions, lowering growth prospects.

RELCO Sees Bright Future Ahead While Celebrating 40 Years In Business

Willmar, MN—RELCO celebrated its 40th year in business last week with a "40 Days Of RELCO Campaign" culminating with the company's annual summer party which, among other things, honors employees and recent retirees.

Started in 1982 by Loren Corle at a kitchen table in a rented farmhouse, RELCO has grown to nearly 200 employees, serving over 500 customers worldwide, with offices in the US, Brazil, The Netherlands, and New Zealand.

"I was a laid-off teacher and had an opportunity to do some welding at First District Association," Corle said. "I thought I would work there through the summer but after that, I took a couple of other jobs and more after that. It was never a grand plan. I never took a real job after that."

In 2020, Koch Separation Solutions (KSS), acquired RELCO as part of a transformative effort to become the preferred partner for integrated separations solutions.

"I will venture to say that what we have achieved is far beyond what Loren could have imagined," said Mark Litchfield, president of RELCO.

The journey of RELCO took courage, passion, and boldness often not knowing what was going to come next. It was not always easy and they often say, that what is not easy is often the most important, Litchfield continued.

Corle said partnering with other companies really set the company on a course for growth, both in the US and throughout the world.

"We saw opportunities to improve our business with strategic acquisitions and partnerships," Corle said.

A big acquisition in that RELCO strategy was Stoelting's cheesemaking equipment line in 2012. With that acquisition, RELCO now had a turnkey option for cheese manufacturing plants, covering everything from milk receiving through whey processing.

It was the strategic purchase of Whey Systems Inc, that opened up Europe for RELCO, Corle said.

With the Whey Systems acquisition, RELCO continued to add technical expertise in all phases of whey and milk processing.

Now, RELCO lactose processing systems are recognized around the world as the most efficient process to produce high-quality edible lactose, the company said.

"We saw an opportunity in Europe because, at that time, they were drying mostly whole whey over there," Corle continued. "We thought they would soon go to whey protein concentrate and permeate like everybody in the United States was doing."

He said that after making several proposals to dairy companies in Europe, RELCO realized they weren't going to get any business there until they bought into a company in The Netherlands.

"The acquisition of Wet and Dry really opened things up for us in Europe," Corle said. "Much like it did when we added physical locations in New Zealand and Brazil."

Koch Separation Acquires RELCO

By 2020, RELCO was in the development of seven of the 10 largest jobs in the company's history.

By the end of 2020, RELCO would enter into a new phase when it was acquired by KSS.

"What could have been a time of change and transition in a negative way, proved to be a year of growth," Litchfield said.

During the COVID of 2020, the company dedicated itself to becoming an essential industry supplier.

"It was a definitive year. We did not scale back, we transitioned our focus to larger, more complicated factories," Litchfield said.

"We have undergone a remarkable evolution in these past 40 years as we've pursued our vision to become the premier partner to our cheese and dairy customers," Litchfield told RELCO employees. "Together with Koch, we are building great momentum. We're launching new partnerships, combining technology, and growing in important markets around the world. But most importantly we are bringing together what we believe are the essential prerequisites for maintaining the long-term health and growth of our company."

We are both small-town companies, we both reflect the values of small-town companies, those of friendship, collaboration, and challenge, Litchfield continued.

RELCO Family

"The passion I see in our people remains the lifeblood of RELCO and continues to translate into value and values we bring to customers, and the community around us," Litchfield said.

Corle retired in 2020 but occasionally visits the Willmar operations, he said.

"We've always had great a customer base, fabulous, long-lasting relationships with every customer we have had, all over the US and now all over the world, but it's really about our team, our dedicated family," Corle said.

"I've been fortunate to work with Loren, and one of the things I learned from him is that leadership is a process, it is not a title," Litchfield said.

Corle and Litchfield both said the enduring success of the company comes from its employees.

"This is not just an anniversary of when we were incorporated, it's an anniversary of a family that only grew stronger over the 40 years," Litchfield said. "It's about leading with others, holding each other accountable, and creating a company we can all be proud to work at. We continue to bring exceptional value to our customers and we enjoy the fruits of that collaboration."

That is RELCO — a company with a proud past and a bright future! We look forward to making the next 40 years as successful, Litchfield said.

Fonterra, DSM Form Company To Boost Development Of Fermentation Derived Proteins

Auckland, New Zealand, and Heerlen, Netherlands—Fonterra and DSM announced recently that they are establishing a new start-up company to accelerate the development and commercialization of fermentation-derived proteins with dairy-like properties.

The start-up is a next step in Fonterra and DSM's long-standing joint development relationship. They have been working together since 2019 to build a comprehensive understanding of how to use precision fermentation science and technology to produce proteins similar to those found in dairy.

To date, this work has created valuable intellectual property for which Fonterra and DSM have filed patents, according to a Fonterra news release. The new start-up company will enable the acceleration of commercial product solutions utilizing this intellectual property, while continuing to focus on further precision fermentation research and development.

The new Fonterra-DSM start-up "is an exciting opportunity to combine DSM's world-leading expertise in precision fermentation science and technology with Fonterra's world-leading dairy science and technology," said Komal Mistry-Mehta, Fonterra's chief innovation and brand officer.

"With fermentation-produced proteins having a wide array of potential applications for customers and consumers, this partnership aligns well with the co-op's strategy to be a leader in dairy innovation and science," Mistry-Mehta continued. "By exploring the opportunities of nutrition science solutions, we can unlock the growth potential of our advanced specialty ingredients and play more boldly in this category.

"Dairy nutrition will always be our core strength, now and into the future, and there will continue to be strong demand for our sustainable, pasture-based dairy," Mistry-Mehta said. "At the same time, we are conscious that preferences of some consumers are evolving, and we believe proteins produced with emerging technologies can work alongside our dairy products. With continued population growth, there will be a role for both dairy and other sources of nutrition in feeding the world's population – they offer choice and they are complementary."

Fonterra and DSM are also collaborating to reduce on-farm greenhouse gas emissions, by exploring applications for DSM's methane-inhibiting Bovaer.

Fluid Sales Fall

(Continued from p. 1)

7.0 billion pounds since 2016, according to ERS.

Sales of skim milk in 2021 totaled 2.7 billion pounds, down 12.3 percent, or 376 million pounds, from 2020 and the lowest level of sales since 1983's 2.47 billion pounds.

Skim milk sales have now declined for 11 straight years, after they reached a 21st-century high of 8.39 billion pounds in 2010.

Skim milk sales had reached a record high of 9.2 billion pounds in 1998.

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

Flavored whole milk: 810 millio pounds, up 5.7 percent, or 44 million pounds, from 2020 and the highest level since 2004's 832 million pounds.

Prior to last year, sales of flavored whole milk had been below 800 million pounds for 16 straight years.

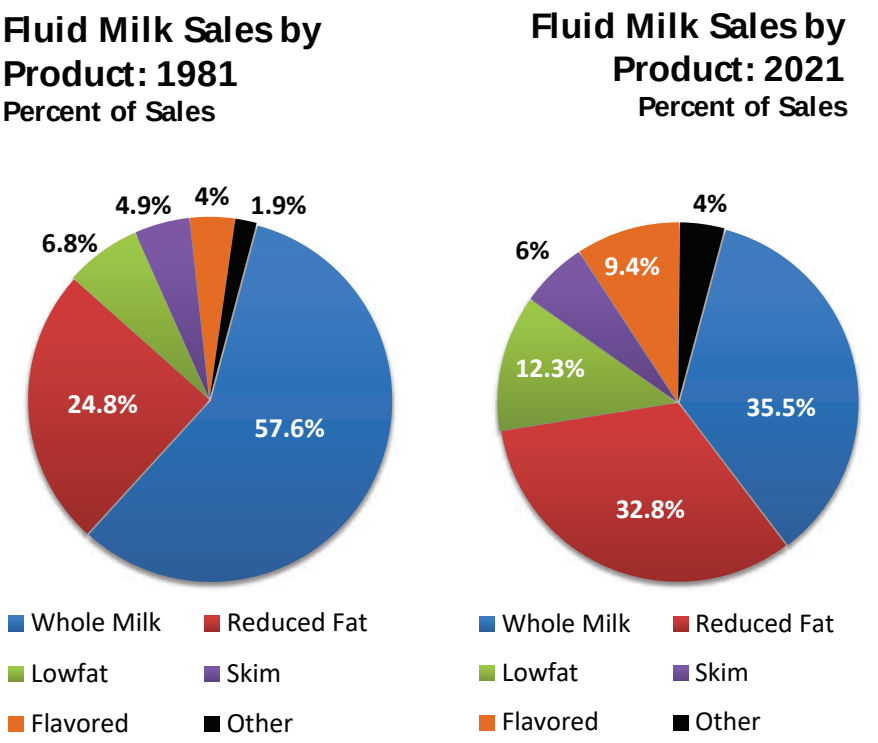
Flavored milk, other than whole: 3.36 billion pounds, up 16.9 percent, or 485 million pounds, from 2020. Sales of flavored milk, other than whole, have now topped 3.0 billion pounds in 19 of the past 20 years; the exception was in 2020, when they totaled 2.9 billion pounds.

Buttermilk: 454 million pounds, up 7.8 percent from 2020 and the highest level of sales since 2018's 478 million pounds. Buttermilk sales last topped 500 million pounds in 2017, and haven't been above 1.0 billion pounds since 1988.

Eggnog: 141 million pounds, up 6.8 percent from 2020 and the highest level since 2011, when sales also totaled 141 million pounds. Buttermilk sales had reached a 21st-century high of 153 million pounds in 2003, according to the ERS figures.

Miscellaneous fluid milk products: 1.18 billion pounds, up 46.8 percent, or 376 million pounds, from 2020.

In 2000, the first year in which USDA reported sales for miscellaneous fluid milk products, sales totaled 88 million pounds.



More Fluid Plants, Lower Volume

There were 466 fluid milk plants in the US last year, 13 more than in 2020, according to a separate ERS report, which uses the US Food and Drug Administration's (FDA) Interstate Milk Shippers (IMS) List from July of each year as the source for fluid milk plant numbers.

That's the highest number of fluid milk plants recorded since ERS started using the IMS List in 2008. That year, there were 400 fluid milk plants.

The number of fluid milk plants fell below 400 in three of the next four years, including a low of 388 plants in 2011, but there have been 400 or more fluid milk plants since 2013.

While fluid milk plant numbers increased in 2021, the average product volume per plant fell to 95.5 million pounds, the first time volume has averaged under 100 million pounds since ERS started using the IMS List in 2008. Plant volume using the IMS List had peaked at 141.4 million pounds in 2009.

Previously, ERS used federal milk marketing order and state data to compile fluid milk plant statistics. Using that method, the number of United States fluid milk plants declined from 5,328 in 1960 to 332 in 2011.

The average volume processed per plant rose from 8.8 million pounds in 1960 to 191.1 million pounds in 2011, after reaching a record high of 194.4 million pounds in 2008.

Coming Events

www.cheesereporter.com/events.htm

Free Penn State Webinar Series Covers Agritourism, Promotion, Dairy In The UK

University Park, PA— Penn State Extension will offer free webinars on value-added dairy foods processing starting next month.

Each one-hour webinar is designed for existing small- and medium-sized dairy foods processors and entrepreneurs considering dairy foods processing.

The first webinar, ***Food Safety Practices of Small-Scale Dairy Processors in the British Isles***, will be held Tuesday, Sept. 13.

Kerry Kaylegian, Penn State associate research professor of food science, will discuss her sabbatical research experiences in Ireland and England. Participants will hear about where Kaylegian traveled, her research observations, and her perspective on how practices in the British Isles compare with dairy food processing in the US.

Kaylegian will share ideas for improving food safety training for dairy processors, both domestically and globally.

The second webinar, ***Promoting Farmstead & Artisan Dairy Foods***, is scheduled for Tuesday, Oct. 11. Promotional programs, campaigns and events are powerful marketing tools for value-added dairy processors.

This webinar will showcase the efforts of three organizations to promote Pennsylvania farmstead and artisan dairy processing – the Center for Dairy Excellence, Pennsylvania Cheese Guild and the Pennsylvania Department of Agriculture.

Instructors will discuss how to participate in and benefit from promotional programs, campaigns and events, and how these organizations help their members.

A third webinar, ***Get the Scoop: Agritourism for Value-Added Dairy Farmers in Pennsylvania***, will take place Nov. 8. It targets the same audience as prior sessions, but will include information for those interested in Pennsylvania's agritourism opportunities.

According to organizers, many value-added dairy food processors are interested in diversifying their businesses beyond processing to include agritourism.

Participants will learn how to get started with agritourism, expansion options and resources on managing associated risk.

Specific topics of discussion include agritourism options for dairy processors in the Northeast; regulations and steps to take when venturing into agritourism; funding sources and support; how to engage with other operators and support organizations to get the most out of the venture; and available resources for managing risks.

The webinar series free, but registration is required to receive the link to access each webinar. The first webinar has a registration deadline Sept. 13 at noon.

Registrations for the second and third webinar are due the day before the event. Registrants also will receive access to the webinar recording.

For and to sign up online, visit *www.extension.psu.edu/value-added-dairy*.

3-A SSI Free Fall Webinar Series Looks At Creating A Hygiene-Focused Culture

McLean, VA—3-A Sanitary Standards, Inc. (3-A-SSI) will launch a special free, three-part webinar series this fall on creating a hygiene-focused culture.

Specifically, regulatory professionals, equipment users and equipment fabricators will highlight key challenges to enhancing food safety equipment and systems.

The first webinar will take place Wednesday, Sept. 28 and will feature Darin Zehr of Commercial Food Sanitation, LLC, on creating a hygiene-focused culture – an alignment of common values between all levels of executive management, middle management and team leaders when it comes to food safety and hygiene.

Benjamin Warren with the US Food and Drug Administration (FDA), will discuss FDA's "New Era of Smarter Food Safety" blueprint that outlines a 10-year roadmap for creating a more digital, traceable, and safer food system.

The second webinar, scheduled for Wednesday, Oct. 26, will feature Roger Porter and Tom DeBoom of Mead & Hunt on plant environmental air practices for pathogen control, including best practices and emerging trends to provide process room environmental air conditions suitable for safe and effective food production.

Ecolab's Rick Stokes will also cover elastomer materials compatibility, highlighting methods to analyze compatibility and the differences between these methods.

The third and final webinar will look at allergen control strategies in a session led by Joe Baumert of the University of Nebraska. Baumert will give an overview of allergen control considerations, with an emphasis on operational controls and cleaning strategies.

Leprino Foods' Monty Bohanan will also discuss dry cleaning for hygienic equipment. Specifically, he will cover how sanitary design can help ensure effective cleaning in dry clean only applications, especially if the design considers the limitations and objectives for cleaning without water.

Online registration is available at: *www.3-a.org/news-events-updates/webinars*.

WI Specialty Cheese Institute Golf Outing Sept. 27 In Oregon

Oregon, WI—Members of the Wisconsin Specialty Cheese Institute (WSCI) will have the opportunity to take home the coveted "Paul McShane Traveling Trophy" here next month at WSCI's 21st annual golf outing.

The event is set for Tuesday, Sept. 27 at The Legend at Bergamont Golf Course. Registration for the scramble tournament begins at 9:30 a.m. with a shotgun start at 11 a.m.

A box lunch will be provided, and the day concludes with a tailgate and awards program.

Online registration and sponsorship opportunities are available online. A corporate sponsorship of $2,500 includes four golfers. Other options and price points are hole sponsorships, $125; beverage cart, $550; lunch or dinner, $550; and door prizes, $50.

Cost to attend is $185 per golfer. For those attending the tailgate only, cost is $50.

To sign up online and for more details, visit *www.wsci-golf.perfectgolfevent.com*.

PLANNING GUIDE

International Whey Conference: Sept. 11-14, Hyatt Regency Downtown, Chicago. More details available online at www.adpi.org.

•

IDF World Dairy Summit: Sept. 12-15, New Delhi, India. Check www.fil-idf.org for updates.

•

ADPI Dairy Ingredients Seminar: Sept. 26-28, Hilton Beachfront Resort, Santa Barbara, CA. Check www.adpi.org for updates.

•

NCCIA Annual Meeting: Oct. 12-13, Embassy Suites Airport, Minneapolis, MN. Visit www.northcentralcheese.org.

•

Dairy Products Processing & Packaging Innovation Conference: Oct. 12-14, The Cliffs Resort, Shell Beach, CA. Visit www.dairy.calpoly.edu.

•

Pack Expo International: Oct. 23-26, McCormick Place, Chicago, IL. Visit www.packexpointernational.com for registration.

•

NMPF, DMI, UDIA Joint Annual Meeting: Oct. 24-26, Aurora, CO. Check www.nmpf.org for updates and registration information.

•

PLMA 2022 Private Label Trade Show: Nov. 13-15, McCormick Center, Chicago. Check www.plma.com/events for information.

•

Winter Fancy Food Show: Jan. 15-17, 2023, Las Vegas Convention Center, Las Vegas, NV. Visit www.specialtyfood.com.

•

Dairy Forum: Jan. 22-25, J.W. Marriott Grande Lakes, Orlando, FL. Visit www.dairyforum.com.

•

US Championship Cheese Contest: Feb. 21-23, 2023, Green Bay, WI. Details available soon at www.uschampioncheese.org.

•

CheeseCon 23: April 5-6, Alliant Energy Center, Madison, WI. Visit www.cheesemakers.org until official event website goes live.

•

ADPI/ABI Joint Annual Conference: April 23-25, Sheraton Grand Chicago. Visit www.adpi.org for future updates.

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FOR SALE: Three - 30,000 pound Wincanton Horizontal Vats (2002); Vat Hot Water Cook System (2002); Three - 3,500 pound Relco Finishing Tables with offset Agitators (2016); Relco Curd Unloader with Star Valve (2016); Relco Curd Blower System (2016); Relco Cyclone System (2016); Scale/ Pre-press System. Selling as one unit. Equipment in good condition and is immediately ready for sale. Pictures upon request. **EMAIL: paulr@wischeese.com**

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 details.

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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**

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

Components

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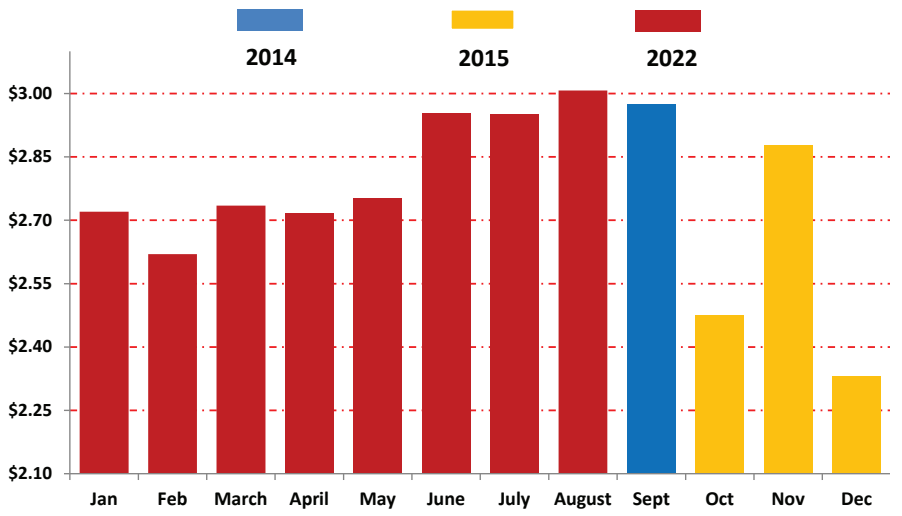
Class Milk & Component Prices

August 2022 with comparisons to August 2021

Class III - Cheese Milk Price	2021	2022
PRICE (per hundredweight)	$15.95	$20.10
SKIM PRICE (per hundredweight)	$9.92	$8.50
Class II - Soft Dairy Products	**2021**	**2022**
PRICE (per hundredweight)	$16.15	$26.91
BUTTERFAT PRICE (per pound)	$1.8578	$3.4071
SKIM MILK PRICE (per hundredweight)	$10.37	$15.53
Class IV - Butter, MP	**2021**	**2022**
PRICE (per hundredweight)	$15.92	$24.81
SKIM MILK PRICE (per hundredweight)	$9.78	$13.38
BUTTERFAT PRICE (per pound)	$1.8508	$3.4001
NONFAT SOLIDS PRICE (per pound)	$1.0872	$1.4862
PROTEIN PRICE (per pound)	$2.4582	$2.1417
OTHER SOLIDS PRICE (per pound)	$0.3735	$0.3146
SOMATIC CELL Adjust. rate (per 1,000 scc)	$0.00078	$0.00099
AMS Survey Product Price Averages	**2021**	**2022**
Cheese	$1.5680	$1.9761
Cheese, US 40-pound blocks	$1.6902	$1.9484
Cheese, US 500-pound barrels	$1.6998	$1.9698
Butter, CME	$1.4371	$2.9792
Dry Whey	$0.5617	$0.5045

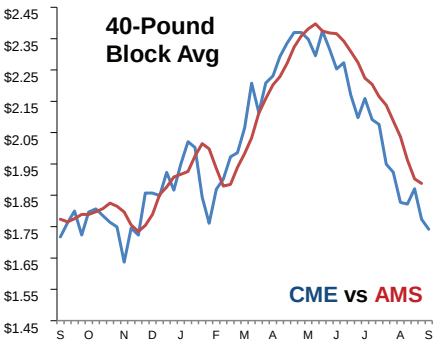
CME Butter Price: Monthly Highs, 2001 - 2022



DAIRY PRODUCT SALES

August 31, 2022—AMS' **National Dairy Products Sales Report**. Prices included are provided each week by manufacturers. Prices collected are for the (wholesale) point of sale for natural, unaged Cheddar; boxes of butter meeting USDA standards; Extra Grade edible dry whey; and Extra Grade and USPH Grade A nonfortified NFDM.

•Revised



Week Ending	Aug. 27	Aug. 20	Aug. 13	Aug. 6
40-Pound Block Cheddar Cheese Prices and Sales				
Weighted Price		**Dollars/Pound**		
US		1.9026	1.9629	2.0369
Sales Volume				
US		12,245,520	11,602,005	11,591,157
500-Pound Barrel Cheddar Cheese Prices, Sales & Moisture Contest				
Weighted Price		**Dollars/Pound**		
US		2.0286	2.0644•	2.1546
Adjusted to 38% Moisture				
US		1.9269	1.9573•	2.0426
Sales Volume		**Pounds**		
US		13,179,706	14,451,565•	13,939,164
Weighted Moisture Content		**Percent**		
US		34.73	34.61•	34.60
AA Butter				
Weighted Price		**Dollars/Pound**		
US		2.9606	3.0254	2.9681•
Sales Volume		**Pounds**		
US		4,287,321	3,052,590	3,191,704
Extra Grade Dry Whey Prices				
Weighted Price		**Dollars/Pound**		
US		0.5109	0.4876•	0.5363•
Sales Volume				
US		4,365,438	5,577,825•	3,980,493•
Extra Grade or USPHS Grade A Nonfat Dry Milk				
Average Price		**Dollars/Pound**		
US		1.6868	1.7047•	1.7322
Sales Volume		**Pounds**		
US		16,410,339	19,711,998•	20,694,517

DAIRY FUTURES PRICES

SETTLING PRICE *Cash Settled

Date	Month	Class III	Class IV	Dry Whey	NDM	Block Cheese	Cheese*	Butter*
8-26	Aug 22	20.13	24.81	50.025	168.300	1.935	1.9760	299.500
8-29	Aug 22	20.13	24.81	50.025	168.000	1.935	1.9760	299.000
8-30	Aug 22	20.12	24.86	50.025	168.000	1.935	1.9760	299.000
8-31	Aug 22	—	—	—	—	—	—	—
9-1	Aug 22	—	—	—	—	—	—	—
8-26	Sept 22	20.24	24.10	50.000	157.950	1.970	1.9800	306.025
8-29	Sept 22	19.89	24.25	51.600	157.550	1.905	1.9340	305.250
8-29	Sept 22	19.79	24.15	52.000	155.775	1.905	1.9390	304.000
8-31	Sept 22	19.63	24.02	50.000	155.250	1.860	1.9250	303.200
9-1	Sept. 22	19.59	24.02	50.000	155.250	1.849	1.9250	303.000
8-26	Oct 22	20.76	24.20	50.100	158.000	2.050	2.0350	302.500
8-29	Oct 22	20.41	24.00	51.400	156.775	1.995	2.0000	300.000
8-30	Oct 22	20.10	23.60	51.400	153.750	1.995	1.9670	295.000
8-31	Oct 22	19.89	23.25	51.000	152.850	1.950	1.9520	293.000
9-1	Oct 22	19.52	23.30	49.275	152.900	1.910	1.9350	294.000
8-26	Nov 22	21.62	23.65	48.125	158.125	2.130	2.1520	289.500
8-29	Nov 22	21.17	23.65	49.425	158.150	2.099	2.0920	286.000
8-30	Nov 22	21.00	23.24	49.425	154.150	2.050	2.0770	281.750
8-31	Nov 22	20.71	22.78	49.425	151.000	2.040	2.0500	279.000
9-1	Nov 22	20.24	22.48	48.000	150.500	2.000	2.0200	279.050
8-26	Dec 22	21.65	23.10	47.000	158.975	2.150	2.1540	275.500
8-29	Dec 22	21.33	23.10	50.000	158.600	2.121	2.1210	274.500
8-30	Dec 22	21.16	22.55	50.000	154.600	2.121	2.0960	269.500
8-31	Dec 22	20.86	22.20	50.000	152.500	2.080	2.0750	267.000
9-1	Dec 22	20.55	22.03	48.000	151.475	2.040	2.0510	267.000
8-26	Jan 23	21.26	22.60	46.500	159.000	2.115	2.1150	264.000
8-29	Jan 23	21.12	22.58	46.500	158.175	2.115	2.1080	264.000
8-29	Jan 23	20.80	21.96	47.600	155.250	2.115	2.0720	258.500
8-31	Jan 23	20.66	21.80	47.600	152.000	2.080	2.0600	256.000
9-1	Jan 23	20.46	21.56	47.975	151.000	2.055	2.0470	255.250
8-26	Feb 23	20.97	22.15	46.500	158.250	2.130	2.1100	256.000
8-29	Feb 23	20.97	22.03	46.500	157.575	2.130	2.0910	253.000
8-30	Feb 23	20.74	21.98	46.500	157.575	2.130	2.0620	249.000
8-31	Feb 23	20.55	21.60	47.000	153.100	2.102	2.0520	248.000
9-1	Feb 23	20.35	21.20	47.750	151.075	2.091	2.0410	248.000
8-26	Mar 23	20.86	21.60	46.500	156.000	2.116	2.0990	248.000
8-29	Mar 23	20.86	21.71	46.500	157.625	2.117	2.0940	248.000
8-30	Mar 23	20.86	21.71	46.500	157.625	2.117	2.0520	245.000
8-31	Mar 23	20.50	21.29	47.000	151.675	2.109	2.0520	247.000
9-1	Mar 23	20.28	21.20	47.000	151.350	2.099	2.0770	244.000
8-26	Apr 23	20.56	21.60	47.000	155.050	2.107	2.0950	244.250
8-29	Apr 23	20.65	21.60	47.000	157.000	2.122	2.0970	244.250
8-30	Apr 23	20.41	21.10	47.000	157.000	2.122	2.0620	244.250
8-31	Apr 23	20.33	21.10	48.000	154.100	2.110	2.0520	244.250
9-1	Apr 23	20.23	21.08	48.000	152.250	2.110	2.0420	241.125
8-26	May 23	20.60	21.45	45.975	156.000	2.117	2.1040	242.825
8-29	May 23	20.60	21.53	45.975	157.000	2.118	2.0930	243.250
8-30	May 23	20.35	21.30	45.975	157.250	2.118	2.0750	243.250
8-31	May 23	20.30	21.26	45.975	155.250	2.118	2.0750	243.250
9-1	May 23	20.20	21.05	45.975	154.000	2.118	2.0500	241.125
8-26	June 23	20.62	21.50	46.975	156.500	2.090	2.1040	238.025
8-29	June 23	20.58	21.50	46.975	157.000	2.090	2.0900	239.750
8-30	June 22	20.40	21.20	46.975	157.000	2.090	2.0690	239.250
8-31	June 23	20.37	21.22	46.975	156.500	2.090	2.0680	239.250
9-1	June 23	20.25	21.16	46.975	153.975	2.090	2.0640	239.000
Sept. 1		**27,632**	**12,817**	**2,595**	**7,597**	**646**	**17,517**	**9,027**

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DAIRY PRODUCT MARKETS

AS REPORTED BY THE US DEPARTMENT OF AGRICULTURE

WHOLESALE CHEESE MARKETS

NATIONAL - AUG. 26: Cheese makers are running busy production schedules in the Northeast and West. In the Midwest, production is mixed as downtime at some plants is contributing to increased milk availability for others. Cheese inventories are available for spot purchasing in the Northeast and West, but some producers in the Midwest say orders are starting to outpace availability.

NORTHEAST - AUG. 31: Milk production is steady to lower. Cheese makers say volumes remain available, allowing them to run busy production schedules. Some plant managers are running below capacity due to staffing shortages and supply chain delays. Spot purchasers say inventories of both cheese barrels and blocks are available. Retail demand for cheese is steady to lower. Contacts report some customers are combatting higher cheese prices by purchasing private label brands of cheese in lieu of name brands. Foodservice sales are steady. International demand for cheese is steady to higher as US produced loads are currently priced favorably to cheese produced in other countries.

Wholesale prices, delivered, dollars per/lb:

Cheddar 40-lb block:	$2.2300 - $2.5175	Process 5-lb sliced:	$1.9750 - $2.4550
Muenster:	$2.2175 - $2.5675	Swiss Cuts 10-14 lbs:	$4.2900 - $6.6125

MIDWEST AREA - AUG. 31: Midwestern cheese makers are, interestingly, relaying a tighter spot milk market this week than in previous weeks. Reported spot milk prices range from Class to $1 under Class, and processors say offers have noticeably quieted down. In a typical week, this would not necessarily be of circumstance, but ahead of a holiday weekend it does eschew the more common trend of increasing milk availability at discounted offer prices. Cheese sales are mixed, but some producers say business is picking up. Some pizza cheese and retail Cheddar producers have reported that they are having to limit some customers' orders to ensure all other orders are being met. Market tones are uncertain, at best, as the block to barrel spread on the CME continues to grow, in favor of barrel prices.

Wholesale prices delivered, dollars per/lb:

Blue 5# Loaf :	$2.2725 - $3.4825	Mozzarella 5-6#:	$1.8025 - $2.8900
Brick 5# Loaf:	$2.0025 - $2.5700	Muenster 5#:	$2.0025 - $2.5700
Cheddar 40# Block:	$1.7250 - $2.2675	Process 5# Loaf:	$1.8525 - $2.3200
Monterey Jack 10#:	$1.9775 - $2.3250	Swiss 6-9# Cuts:	$3.8050 - $3.9075

WEST - AUG. 31: Demand for cheese is mixed. Some contacts note an uptick in foodservice sales, particularly for Mozzarella from pizza makers. This is contrasted by recent declines in foodservice demand as some restauranteurs are operating with reduced hours and menu offerings. Retail demand for cheese is unchanged. Export demand is strong, as contacts say competitive prices for domestically produced loads are keeping international purchasers interested. Contacts report loads of cheese are available for spot purchasing. Production is steady in the region. Some plant managers say labor shortages and delayed deliveries of production supplies are preventing them from running closer to capacity.

Wholesale prices delivered, dollars per/lb:		Monterey Jack 10#:	$2.0925 - $2.3675
Cheddar 10# Cuts:	$2.1050 - $2.3050	Process 5# Loaf:	$1.9775 - $2.1325
Cheddar 40# Block:	$1.8575 - $2.3475	Swiss 6-9# Cuts:	$3.0975 - $4.5275

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

Variety	Date: 8/31	8/24	Variety	Date: 8/31	8/24
Cheddar Curd	$2.52	$2.52	Mild Cheddar	$2.52	$2.52
Young Gouda	$2.33	$2.32	Mozzarella	$2.28	$2.29

FOREIGN -TYPE CHEESE - AUG. 31: Retail cheese demand is trending higher as the summer holidays end. The growth is largely due to interest of shoppers seeking store brands and discounted goods. Specialty cheese items are finding sales, but often in smaller package sizes as consumers seek to take the sting out of market prices. Foodservice demand is stable for many cheese varieties. Order fulfillment for commercial uses and exports is proving tricky as buyers are sensitive to increased costs, and sellers are hesitant to let too much of their inventories go. Foreign type cheese stocks are tight, and with weak European farm milk intakes, it may be difficult for manufacturers to stay ahead of cheese orders if demand picks up significantly. Production is on par with current milk supplies.

Selling prices, delivered, dollars per/lb:	Imported	Domestic
Blue:	$2.6400 - 5.2300	$2.0875 - 3.5750
Gorgonzola:	$3.6900 - 5.7400	$2.5950 - 3.3125
Parmesan (Italy):	0	$3.4750 - 5.5650
Romano (Cows Milk):	0	$3.2775 - 5.4325
Sardo Romano (Argentine):	$2.8500 - 4.7800	0
Reggianito (Argentine):	$3.2900 - 4.7800	0
Jarlsberg (Brand):	$2.9500 - 6.4500	0
Swiss Cuts Switzerland:	0	$4.3250 - 4.6500
Swiss Cuts Finnish:	$2.6700- 2.9300	0

NDM PRODUCTS - SEPTEMBER 1

NDM - CENTRAL: Mexican demand is showing a little more promise in recent weeks, as markets have stabilized from the regular declines earlier in the summer. Production has steadied a little more, as employee retention at balancing plants has improved, despite still being far from ideal. High heat NDM prices moved lower on the bottom of the range, although high heat NDM availability is still slim, spot market demand has yet to move the price needle higher. NDM market tones are quiet and are expected to remain somewhat quiet in the shortened market trading week upcoming.

NDM - WEST: Domestic demand for low/medium heat NDM is holding steady. Meanwhile, international demand is trending higher. Contacts report the recent rebound in prices for low/medium heat NDM has contributed to increased sales to purchasers in Mexico who are wary of further price increases. Loads of low/medium heat NDM are available for spot purchasing. Some drying operations in the region are running below capacity due to labor shortages and delayed deliveries of production supplies. Production of low/medium heat NDM is steady. Lighter regional milk production has enabled some plant managers to increase their production of high heat NDM. Despite this increase, strengthening demand for high heat NDM is keeping spot inventories tight.

NDM - EAST: Following a relatively active trading week, regionally, spot market activity slowed to a lull during week 35. End users are not rushed, as current stocks are enough. That said, they are expected to come to the table in the next few weeks.

NATIONAL - CONVENTIONAL DAIRY PRODUCTS

Total conventional dairy ad numbers increased by 23 percent and organic ads were up 1 percent. The most advertised dairy item was conventional ice cream in 48- to 64-ounce containers, and the weighted average advertised price for this was $3.44.

The most advertised conventional cheese item this week was 8-ounce-shred, which appeared in 46 percent more ads than last period. The weighted average advertised price for this item fell 16 cents to $2.36. In contrast to this, 1-pound shred style conventional cheese appeared in 52 percent fewer ads this week. This item's weighted average advertised price increased by 32 cents this period to $4.10. There were no ads for organic cheese items this week.

Total ads for conventional milk fell by 12 percent, and organic milk ads declined by 40 percent. The most advertised conventional milk item was gallon containers, despite appearing in 2 percent fewer ads than last week. Organic milk in gallon containers appeared in 48 percent fewer ads. The organic premium for gallon sized containers of milk was $2.07. Conventional Greek yogurt in 32-ounce containers appeared in 125 percent more ads this week.

RETAIL PRICES - CONVENTIONAL DAIRY - SEPTEMBER 2

Commodity	US	NE	SE	MID	SC	SW	NW
Butter 1#	4.15	4.68	3.38	3.40	3.08	3.92	4.29
Cheese 8 oz block	2.37	2.63	2.33	2.15	2.28	2.19	1.79
Cheese 1# block	4.45	4.91	4.29	3.14	NA	NA	NA
Cheese 2# block	.26	NA	NA	7.49	6.49	7.36	7.27
Cheese 8 oz shred	2.36	2.44	2.38	2.28	2.27	2.33	2.10
Cheese 1# shred	4.10	3.98	4.29	3.50	NA	3.98	3.98
Cottage Cheese	2.52	2.71	2.48	1.99	NA	1.98	NA
Cream Cheese	2.45	2.76	2.32	2.48	2.20	2.23	2.34
Flavored Milk ½ gallon	1.96	1.86	2.50	NA	NA	1.76	2.35
Flavored Milk gallon	3.08	3.03	NA	4.99	NA	2.84	3.03
Ice Cream 48-64 oz	3.44	3.37	3.45	3.52	3.58	3.29	3.22
Milk ½ gallon	2.47	2.51	NA	NA	NA	1.76	2.35
Milk gallon	3.62	3.68	5.49	NA	1.97	2.84	3.68
Sour Cream 16 oz	2.11	2.19	2.24	1.88	2.14	1.93	2.03
Yogurt (Greek) 4-6 oz	1.07	1.13	1.01	1.12	1.12	.93	1.00
Yogurt (Greek) 32 oz	3.97	4.29	4.00	3.88	3.37	3.99	3.33
Yogurt 4-6 oz	.60	.61	.60	.50	.59	.52	.64
Yogurt 32 oz	2.57	2.36	3.50	3.00	3.29	2.54	2.36

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

ORGANIC DAIRY - RETAIL OVERVIEW

National Weighted Retail Avg Price:			
Butter 1 lb:	$14.99	Greek Yogurt 4-6 oz:	NA
Ice Cream 48-64 oz:	$6.45	Greek Yogurt 32 oz:	$4.35
Cheese 8 oz block:	NA	UHT Milk 8 oz:	$2.39
Cottage Cheese 16 oz:	NA	Milk ½ gallon:	$4.33
Yogurt 4-6 oz:	NA	Milk gallon:	$5.69
Yogurt 32 oz:	$4.02	Sour Cream 16 oz:	$2.49
		Cream Cheese 8 oz:	NA

WHOLESALE BUTTER MARKETS - AUGUST 31

NATIONAL: In the Northeast and Central regions, cream volumes are tight. Some stakeholders in the West are paying premiums for additional loads of cream, as availability is tightening. Demand for cream is strong from butter and ice cream makers in the West. High cream multiples have enticed some butter makers in the Northeast into selling into Class II markets, reducing availability for butter makers. Some butter makers in the West say limited cream availability is impacting their ability to run at full production.

CENTRAL: Cream availability has held steady for butter churning in the region, but the amount of offers has not increased significantly. Some butter plant managers suggest churning and micro-fixing are somewhat even, on most days. At the plant level, employee hiring and retention have improved according to contacts. The challenge now, in regards to employment, is getting newer hires trained and ready for independent work. Butter demand is steady to slightly underperforming for this time of the year, but near-term expectations are more bullish than not. Demand tones from the industry are expected to pick up in the late summer/early fall, but the limited stocks of butter are and have been a concern for a number of months.

WEST: Cream production is declining, but availability is steady to higher. Contacts report some Class II production facilities are running shorter schedules during the upcoming holiday. Some regional butter makers are utilizing these additional loads of cream, allowing them to increase production schedules. Plant managers continue to run below capacity due to limited tanker availability and labor shortages. Butter inventories are tight. Demands for butter from foodservice and retail markets are steady. Demand for bulk butter is strong. Some stakeholders relay interest in loads of butter from purchasers in other regions.

NORTHEAST: Retailers are starting to increase their holiday butter requests. However, manufacturers report inventories are tight. Butter stocks are comparable to those of 2018 and well below the stock levels of the last two years. Many butter makers are getting some extra loads of cream this weekend. While this may help them catch up with a few extra production runs of butter, it still does not fill the need completely. Through the last few weeks of the summer, cream multiples have been trending higher, and it has been more economical for cream handlers to sell the cream into Class II uses as opposed to moving the cream into the churn.

WEEKLY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT

DATE	BUTTER	CHEESE
08/29/22	52,559	78,168
08/01/22	56,430	79,430
Change	-3,871	-1,262
Percent Change	-7	-2

CME CASH PRICES - AUG. 29 - SEPT. 2, 2022

Visit www.cheesereporter.com for daily prices

	500-LB CHEDDAR	40-LB CHEDDAR	AA BUTTER	GRADE A NFDM	DRY WHEY
MONDAY August 29	$1.8600 (-2¼)	$1.7150 (-2½)	$3.0825 (NC)	$1.5700 (+1)	$0.4850 (+1½)
TUESDAY August 30	$1.8500 (-1)	$1.7500 (+3½)	$3.0500 (-3¼)	$1.5650 (-½)	$0.4800 (-½)
WEDNESDAY August 31	$1.8500 (NC)	$1.7250 (-2½)	$3.0550 (+½)	$1.5500 (-1½)	$0.4750 (-½)
THURSDAY September 1	$1.8500 (NC)	$1.7350 (+1)	$3.0925 (+3¾)	$1.5200 (-3)	$0.4700 (-½)
FRIDAY September 2	$1.8575 (+¾)	$1.7650 (+3)	$3.1000 (+¾)	$1.5200 (NC)	$0.4650 (-½)
Week's AVG $ Change	$1.8535 (-0.0255)	$1.7380 (-0.0320)	$3.0760 (+0.0375)	$1.5450 (+0.0055)	$0.4750 (+0.0140)
Last Week's AVG	$1.8790	$1.7700	$3.0385	$1.5445	$0.4610
2021 AVG Same Week	$1.3825	$1.7170	$1.7675	$1.3240	$0.4900

MARKET OPINION - CHEESE REPORTER

Cheese Comment: Monday's block market activity was limited to an uncovered offer of 1 car at $1.7150, which lowered the price. On Tuesday, 1 car of blocks was sold at $1.7500, which raised the price. The only block market activity Wednesday was an uncovered offer of 1 car at $1.7250, which lowered the price. Thursday's block market activity was limited to an unfilled bid for 1 car at $1.7350, which raised the price. On Friday, the block price rose on an unfilled bid for 1 car at $1.7650; that was the only activity. The barrel price fell Monday on an uncovered offer at $1.8600, declined Tuesday on a sale at $1.8500, then rose Friday on a sale at $1.8575.

Butter Comment: The price fell Tuesday on an uncovered offer at $3.0500, increased Wednesday on a sale at $3.0550, rose Thursday on a sale at $3.0925, and increased Friday on a sale at $3.1000.

Nonfat Dry Milk Comment: The price increased Monday on a sale at $1.5700, declined Tuesday on a sale at $1.5650, fell Wednesday on an uncovered offer at $1.5500, and dropped Thursday on a sale at $1.5200.

Dry Whey Comment: The price rose Monday on an unfilled bid at 48.50 cents, fell Tuesday on a sale at 48.0 cents, declined Wednesday on an uncovered offer at 47.50 cents, fell Thursday on an uncovered offer at 47.0 cents, and dropped Friday on a sale at 46.50 cents.

WHEY MARKETS - AUG. 29 - SEPT. 2, 2022

RELEASE DATE - SEPTEMBER 1, 2022

Animal Feed Whey—Central: Milk Replacer: .3500 (NC) – .3900 (NC)

Buttermilk Powder:
Central & East: 1.8600 (NC) – 1.9400 (NC) West: 1.7350 (-2¾) –1.9200 (NC)
Mostly: 1.8000 (NC) – 1.8900 (NC)

Casein: Rennet: 5.4500 (NC) – 5.7800 (NC) Acid: 6.7000 (NC) – 7.2000 (NC)

Dry Whey—Central (Edible):
Nonhygroscopic: .4050 (+1½) – .5000 (-3) Mostly: .4450 (+½) – .4600 (NC)

Dry Whey–West (Edible):
Nonhygroscopic: .4000 (+1) – .5475 (-4¾) Mostly: .4500 (+1) – .5300 (-1)

Dry Whey—NorthEast: .4250 (NC) – .5600 (NC)

Lactose—Central and West:
Edible: .3800 (NC) – .5700 (NC) Mostly: .4100 (NC) – .5000 (NC)

Nonfat Dry Milk —Central & East:
Low/Medium Heat: 1.4800 (+5½) – 1.6200 (+3½) Mostly: 1.5400 (NC) – 1.5800 (+1)
High Heat: 1.6900 (NC) – 1.7700 (NC)

Nonfat Dry Milk —Western:
Low/Medium Heat: 1.4600 (+3½) – 1.6500 (+2) Mostly: 1.4750 (+3) – 1.5650 (+3)
High Heat: 1.6150 (+3) – 1.7700 (+2)

Whey Protein Concentrate—34% Protein:
Central & West: 1.3500 (+5) – 2.0000 (NC) Mostly: 1.7000 (NC) –1.9150 (NC)

Whole Milk—National: 2.1400 (+4) – 2.5000 (NC)

HISTORICAL MILK PRICES - CLASS III

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
'09	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
'10	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
'11	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
'12	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
'13	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
'14	**21.15**	**23.35**	**23.33**	24.31	22.57	21.36	21.60	**22.25**	**24.60**	**23.82**	21.94	17.82
'15	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	14.44
'16	13.72	13.80	13.74	13.63	12.76	13.22	15.24	16.91	16.39	14.82	16.76	17.40
'17	16.77	16.88	15.81	15.22	15.57	16.44	15.45	16.57	16.36	16.69	16.88	15.44
'18	14.00	13.40	14.22	14.47	15.18	15.21	14.10	14.95	16.09	15.53	14.44	13.78
'19	13.96	13.89	15.04	15.96	16.38	16.27	17.55	17.60	18.31	18.72	20.45	**19.37**
'20	17.05	17.00	16.25	13.07	12.14	21.04	**24.54**	19.77	16.43	21.61	**23.34**	15.72
'21	16.04	15.75	16.15	17.67	18.96	17.21	16.49	15.95	16.53	17.83	18.03	18.36
'22	20.38	20.91	22.45	**24.42**	**25.21**	**24.33**	22.52	20.10				

Restaurant Performance Index Fell 0.5% In July; Customer Traffic Declined

Washington—The National Restaurant Association's Restaurant Performance Index (RPI) stood at 100.8 in July, down 0.5 percent from June, the association reported Wednesday.

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 100.5 in July, down 1.2 percent from June.

For the first time in 17 months, a majority of restaurant operators in July did not report higher same-store sales compared to year-ago levels. Some 45 percent of operators said their same-store sales rose between July 2021 and July 2022, down from 64 percent who reported similarly in June, while 47 percent of operators said their sales were lower in July.

Restaurant operators' reporting of customer traffic was even more dampened than sales, with July representing the second straight negative month. Only 26 percent of operators said their customer traffic rose between July 2021 and july 2022, while 58 percent said their customer traffic declined.

The Expectations Index, which measures restaurant operators' six-month outlook for four industry indicators (same-store sales, employees, capital expenditures and business conditions), stood at 101.1 in July, up 0.2 percent from June and the first increase in seven months.

Restaurant operators are becoming more pessimistic about business conditions in the coming months. Only 35 percent of operators expect their sales volume in six months to be higher than it was during the same period in the previous year. That was down from 48 percent in June and the lowest level in almost two years.

Restaurant operators are even less bullish about the direction of the overall economy.

But while the outlook for business conditions remains uncertain, a majority of operators are still planning for capital expenditures.