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UN Summit Aims To Transform Food Systems Around The World

New Climate Initiative, Pathways To Dairy Net Zero, Launches With Widespread Support

New York—A United Nations (UN) Food Systems Summit held here Thursday aimed at triggering the transformation of food systems worldwide.

The Summit is said to be the first of its kind to take on the incredible complexity of food systems in their entirety, asking countries to confront the reality of balancing food production with climate action, affordable food with healthy diets, and stable food supplies with fair and open trade, according to Dr. Agnes Kalibata, the UN secretary-general's special envoy to the 2021 Food Systems Summit.

US Secretary of Agriculture Tom Vilsack and Samantha Power, administrator of the US Agency for International Development (USAID), joined global partners at the Summit to spur urgent action to end hunger and malnutrition and build more sustinable, equitable, and resilient food systems in the US and abroad.

Demonstrating the US commitment to accelerating progress toward these goals, the US announced a planned multi-year investment of more than $10 billion to promote food systems transformation through innovation and climate-smart agriculture, improved infrastructure for food access and inclusive market opportunities, programs prioritizing women's and children's needs, improving nutrition, reducing food loss and waste, and climate change mitigation and adaption within the US and worldwide.

Out of that total $10 billion commitment, Vilsack announced that the US intends to invest $5 billion to strengthen food systems in the US, including through investments in systems and infrastructure to ensure access healthy diets for all Americans, and investments in fair and efficient markets to improve the inclusivity and resilience of food systems.

"We must use the power of ingenuity to improve on food systems so they provide safe, nutritious, affordable, and accessible food for all, while conserving natural resources, and combating the climate crisis," Vilsack said.

Power announced a $5 billion commitment over five years to Feed the Future, the United States government's global huner and food security initiative, and an expansion of Feed the Future target countries.

Other US commitments include launching the Global Coalition on Sustainable Productivity Growth for Food Security and Resource Conservation to sustainably feed the world, alleviate poverty, achieve global environmental goals and contront climate change; advancing the Agriculture Innovation Mission for Climate, a global initiative to accelerate investment in agriculture-based climate solutions; and joining coalitions to combat food loss and waste and to expand school feeding programs to children worldwide.

"At a time when food and nutrition insecurity is tragically increasing in many parts of the world, the US dairy industry is proud to be part of global solutions for feed

• See **UN Food Summit,** p. 5

Milk Production Rose 1.1% In August; Cow Numbers Fell For Third Straight Month

Washington—US milk production in the 24 reporting states during August totaled 18.0 billion pounds, up 1.1 percent from August 2020, USDA's National Agricultural Statistics Service (NASS) reported Monday.

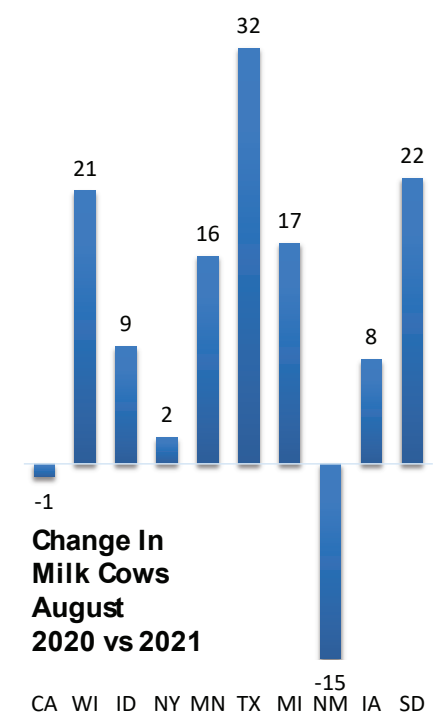
July's milk production estimate for the 24 reporting states was revised down by 18 million pounds, so July output was up 2.0 percent from July 2020, rather than up 2.1 percent as originally estimated.

Production per cow in the 24 reporting states in August averaged 2,007 pounds, three pounds below August 2020.

The number of milk cows on farms in the 24 reporting states in August was 8.97 million head, 112,000 head more than August 2020, but 20,000 head less than July 2021. Milk cow numbers in the 24 reporting states have now dropped by 27,000 head since reaching a 2021 high of 8.997 million head in May.

For the US as a whole, milk production during August totaled 18.8 billion pounds, up 1.1 percent from August 2020. Production per cow in the US averaged 1,987 pounds for August, one pound below August 2020. The number of milk cows on farms in the US in August was 9.48 million head, 106,000 head more than August 2020 but 19,000 head less than July 2021.

• See **Cow Numbers Fall,** p. 6



Senate, House Members Urge Vilsack To Close Loopholes In Organic Dairy Rules

Washington—More than a dozen House and Senate members from four northeastern states are requesting "urgent action" from US Secretary of Agriculture Tom Vilsack to support organic dairy producers in those states that are facing market loss.

Danone, the owner of Horizon Organic, recently notified 89 dairy farmers in Vermont, Maine, New York, and New Hampshire that their milk contracts will be terminated by August 2022, "leaving these farmers without buyers and effectively pulling out of New England altogether," the lawmakers noted in a Sept. 22 letter to

• See **Organic Rules,** p. 9

US, EU, Others Join Initiative To Reduce Global Methane Emissions

Washington—The US and European Union (EU) last Saturday announced the Global Methane Pledge, an initiative to reduce global methane emissions to be launched at the UN Climate Change Conference in November in Glasgow, Scotland.

Methane is a potent greenhouse gas and, according to a recent report of the Intergovernmental Panel on Climate Change (IPCC), accounts for about half of the 1.0-degree Celsius net rise in global average temperature since the pre-industrial era.

Rapidly reducing methane emissions is complementary to action on carbon dioxide and other greenhouse gases, and is regarded as the single most effective strategy to reduce global warming in the near term and keep the goal of limiting warming to 1.5 degrees Celsius within reach, according to a joint US-EU press release.

Countries joining the Global Methane Pledge are committing to a collective goal of reducing global methane emissions by at least 30 percent from 2020 levels by 2030 and moving towards using best available inventory methodologies to quantify methane emissions, with a particular focus on high emission sources.

In addition to the US and the EU, the following countries have indicated their support for the Global Methane Pledge: Argentina, Ghana, Indonesia, Iraq, Italy, Mexico and the United Kingdom.

The US is pursuing significant methane reductions on multiple

• See **Reduce Methane,** p. 10

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2810 Crossroads Drive, Suite 3000
Madison, WI 53718-7972
(608) 246-8430 • Fax (608) 246-8431
http://www.cheesereporter.com

DICK GROVES
Publisher/Editor
e-mail: dgroves@cheesereporter.com
608-316-3791

MOIRA CROWLEY
Specialty Cheese Editor
e-mail: mcrowley@cheesereporter.com
608-316-3793

KEVIN THOME
Advertising & Marketing Director
e-mail: kthome@cheesereporter.com
608-316-3792

BETTY MERKES
Classifieds/Circulation Manager
e-mail: info@cheesereporter.com
608-316-3790

REGULAR CONTRIBUTORS:
Jen Pino-Gallagher, Bob Cropp, Brandis Wasvick, Dan Strongin, John Umhoefer
You can e-mail our contributors at:
contributors@cheesereporter.com

The Cheese Reporter is the official publication of the following associations:

California Cheese & Butter Association
Lisa Waters,
1011 Pebble Beach Dr, Clayton, CA 94517

Central Wisconsin Cheesemakers' and Buttermakers' Association
Jim Mildbrand
jim.mildbrand@gmail.com

Cheese Importers Association of America
204 E St. NE, Washington, DC 20002

Eastern Wisconsin Cheesemakers' and Buttermakers' Association
Barb Henning, Henning's Cheese
21812 Ucker Road, Kiel, WI 53042

International Dairy-Deli-Bakery Association
8317 Elderberry Road, Madison, WI 53717

Missouri Butter & Cheese Institute
Terry S. Long, 19107 Factory Creek Road,
Jamestown, MO 65046

Nebraska Cheese Association
Ed Price, Fremont, NE 68025

New York State Cheese Manufacturer's Assn
Kathyrn Boor, 11 Stocking Hall,
Cornell University, Ithaca, NY 14853

North Central Cheese Industries Assn
Lloyd Metzger, SDSU, Box 2104,
Brookings, SD 57007

North Dakota Cheese Makers' Assn
Chuck Knetter, Medina, ND 58467

Ohio Swiss Cheese Association
Lois Miller, P.O. Box 445,
Sugar Creek, OH 44681

South Dakota State Dairy Association
Howard Bonnemann, SDSU, Box 2104,
Brookings, SD 57007

Southwestern Wisconsin Cheese Makers' Association
Ben Workman, Edelweiss Creamery LLC,
W6117 Cty Hwy C, Monticello, WI 53566

Wisconsin Association for Food Protection
Bob Wills
PO Box 620705, Middleton WI 53562

Wisconsin Cheese Makers' Association
John Umhoefer, 5117 W. Terrace Dr.,
Suite 402, Madison, WI 53718

Wisconsin Dairy Products Association
Brad Legreid, 8383 Greenway Blvd.,
Middleton, WI 53562

EDITORIAL COMMENT

DICK GROVES

Publisher / Editor
Cheese Reporter
e: dgroves@cheesereporter.com
tw: @cheesereporter

From this we can conclude that any sort of national order hearing addressing issues ranging from make allowances to the Class I mover will be extremely costly and time-consuming for the industry; and arguably won't help the actual marketing of dairy products.

Reforming Dysfunctional Federal Order System Won't Be Easy

The Senate Agriculture Committee held a rare public hearing on the federal milk marketing order system last week and, based on the testimony at that hearing, we've concluded that: the federal order system really, really needs reforming; and such an undertaking will likely leave everyone in the industry at least somewhat unhappy.

As reported on our front page last week, the hearing included six witnesses, including three dairy farmers, as well as representatives of a dairy cooperative and a cheese company, plus an ag economist.

In a nutshell, none of these witnesses was anywhere near satisfied with the federal order system as it currently exists. Criticisms were aimed at, among other things, the current Class I mover, make allowances, depooling, and negative producer price differentials.

Bob Wills, owner of Cedar Grove Cheese in Plain, WI, and Clock Shadow Creamery in Milwaukee, WI, was the only witness who questioned the overall need for federal orders. Wills leveled a number of criticisms at the federal order system, and perhaps summed up the situation from his perspective with this observation: "The survival of the dairy industry may depend on eliminating the rigidities of the market order system as soon as possible."

Unfortunately, we don't see that happening any time soon. Way back in April of 1995, we wrote an editorial with the following headline: "Time To Terminate The Federal Order Program." Since then, we've become more and more pessimistic that this will happen, especially since the California federal order was established and federal orders basically became more entrenched than ever.

This became even more obvious during last week's hearing. Jim Davenport, a New York dairy farmer, stated that completely eliminating the federal order "would be suicide. There would be chaos in the marketplace." Christina Zuiderveen, an Iowa dairy farmer, said the current federal order system "is necessary and provides a safeguard against the market power of large milk buyers."

And Catherine H. de Ronde, vice president, economics and legislative affairs, Agri-Mark Dairy Cooperative, said the federal order system "provides significant value and safeguards to dairy farmers, cooperatives and processors."

With all of this in mind, what's the best path forward for reforming federal orders? Agri-Mark's de Ronde suggested that changes to federal orders "should be made through the formal rulemaking process to ensure that a comprehensive approach is taken. The formal hearing process allows for producer, processor and consumer voices and perspectives to be heard and considered."

Her observation got us wondering what such a formal rulemaking process would actually look like. In fact, the dairy industry has pretty limited experience with national federal order hearings in recent years. There was a national producer-handler proceeding that took place in 2009 and 2010 that dealt with a specific type of Class I handler; the hearing took place over 12 days in May of 2009, with a final decision released the following March.

Prior to that proceeding, there was a make allowance proceeding, which was launched when Agri-Mark petitioned USDA in September 2005 to update make allowances in federal order pricing formulas. The initial hearing in that proceeding took place over four days in January 2006; it was reconvened in September 2006 and that reconvened hearing took place over two days.

A tentative final decision in the make allowance proceeding was released in November 2006. Three months later, USDA called a national hearing to consider proposals seeking to amend the Class III and Class IV product price formulas, including make allowances and yield factors.

Hearings for that proceeding took place over 13 days starting in February 2007 and finally ending in July 2007. Some 11 months later, a tentative partial final decision was released; that decision, which changed make allowances and the butterfat yield factor in the Class III and Class IV pricing formulas, became effective on Oct. 1, 2008.

One other federal order proceeding is worth mentioning here: the proceeding to establish a California federal order. That proceeding was launched in February 2015, after USDA was petitioned by three dairy cooperatives to establish a California order. The hearing took place over 40 days in September, October and November 2015, and the new California order became effective on Nov. 1, 2018.

From this we can conclude that any sort of national order hearing addressing issues ranging from make allowances to the Class I mover will: take at least a couple of years from when initial proposals are submitted until a final decision is rendered; be extremely costly and time-consuming for the industry; and arguably won't help the actual marketing of dairy products.

A second alternative would be another round of federal order reforms, mandated by Congress. The previous round of federal order reforms was mandated in the 1996 farm bill, and included a proposed rule released in January 1998 and a final decision issued in March 1999 (and released in early April 1999). Those reforms became effective Jan. 1, 2000.

From this brief review, we can conclude that federal order regulations aren't going to change anytime soon. And when they do change, the dairy industry will still be stuck with a system that, as described last week by US Sen. Kirsten Gillibrand, is, among other things, "convoluted," "inadequate" and "out of date."

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Global Dairy Trade Price Index Rises 1.0%; Only Cheddar, Butter Prices Fall

Auckland, New Zealand—The price index on this week's semi-monthly Global Dairy Trade dairy commodity auction increased 1.0 percent from the previous auction, held two weeks ago.

That was the third straight increase in the GDT price index.

In this week's auction, which featured 175 participating bidders and 112 winning bidders, prices were lower for Cheddar cheese and butter; higher for skim milk powder, whole milk powder and lactose; and unchanged for anhydrous milkfat.

Results from this week's GDT auction, with comparisons to the previous auction, were as follows:

Cheddar cheese: The average winning price was $4,274 per metric ton ($1.94 per pound), down 1.2 percent. Average winning prices were: Contract 1 (October), $4,270 per ton, down 1.5 percent; Contract 2 (November), $4,240 per ton, down 1.6 percent; Contract 3 (December), $4,301 per ton, down 0.4 percent; Contract 4 (January 2022), $4,241 per ton, down 2.1 percent; Contract 5 (February), $4,366 per ton, down 0.4 percent; and Contract 6 (March), $4,288 per ton, down 1 percent.

Skim milk powder: The average winning price was $3,302 per ton ($1.50 per pound), up 0.9 percent. Average winning prices were: Contract 1, $3,300 per ton, up 0.1 percent; Contract 2, $3,298 per ton, up 2.2 percent; Contract 3, $3,307 per ton, up 1.1 percent; Contract 4, $3,285 per ton, down 1.1 percent; and Contract 5, $3,325 per ton, up 0.4 percent.

Whole milk powder: The average winning price was $3,777 per ton ($1.71 per pound), up 2.2 percent. Average winning prices were: Contract 1, $3,815 per ton, up 1.4 percent; Contract 2, $3,777 per ton, up 2.1 percent; Contract 3, $3,768 per ton, up 2.6 percent; Contract 4, $3,758 per ton, up 2.6 percent; and Contract 5, $3,771 per ton, up 2.5 percent.

Butter: The average winning price was $4,857 per ton ($2.20 per pound), down 1.9 percent. Average winning prices were: Contract 1, $4,890 per ton, down 1.4 percent; Contract 2, $4,840 per ton, down 1.3 percent; Contract 3, $4,845 per ton, down 3.0 percent; Contract 4, $4,856 per ton, down 2.0 percent; Contract 5, $4,905 per ton, down 1.3 percent; and Contract 6, $4,855 per ton, down 2.3 percent.

Anhydrous milkfat: The average winning price was $5,962 per ton ($1.70 per pound), unchanged. Average winning prices were: Contract 1, $5,984 per ton, up 0.1 percent; Contract 2, $5,953 per ton, down 0.7 percent; Contract 3, $4,950 per ton, down 0.2 percent; Contract 4, $5,963 per ton, up 0.5 percent; Contract 5, $5,985 per ton, up 0.7 percent; and Contract 6, $5,975 per ton, up 0.7 percent.

Lactose: The average winning price was $1,183 per ton (53.7 cents per pound), up 1.3 percent. That was for Contract 2.

Global dairy demand continues to look healthy, while supply trends have been mixed, according to ASB Bank. While Chinese buyers are taking a bit of a breather after their "massive" whole milk powder buying frenzy earlier in this year, buyers elsewhere are stepping into the breach. And Chinese demand for skim milk powder continues to look healthy. That resilience in demand contrasts with the latest global dairy production data which has been a bit more variable.

ASB Bank acknowledged it was premature in lowering its Fonterra milk price forecast to $7.90 per kilogram of milk solids back in July. This week, ASB Bank returned its 2021/22 milk price forecast to $8.20 per kilogram of milk solids.

Fonterra on Thursday reaffirmed its 2021/22 forecast farmgate milk price range of $7.25 to $8.75 per kilogram of milk solids, with a midpoint of $8.00 per kilogram of milk solids.

Miles Hurrell, Fonterra's CEO, said the strong milk price is likely to continue. The impact of COVID-19 continues to be felt, particularly across the supply chain.

"We expect competitive tension in the global shipping market to continue this financial year," Hurrell said. "We have largely been able to mitigate this thanks to the strength of our Kotahi partnership which has allowed us to keep our product moving through the supply chain."

Established by Fonterra and Silver Fern Farms about 10 years ago, Kotahi works with exporters, importers and industry partners to create a sustainable, more efficient supply chain.

As Fonterra looks out to 2030, the fundamentals of dairy, in particular, New Zealand dairy, look strong, Hurrell said. The world "wants what we've got: sustainably produced, high-quality, nutritious milk. This comes at a time when we see total milk supply in New Zealand as likely to decline, and flat at best."

Tighter Margins Dampen Production Gains

Dairy Situation & Outlook - Sept 20

DR. BOB CROPP,
Professor Emeritus
University of Wisconsin

USDA's milk production report estimated August milk production to be 1.1 percent higher than a year ago. This is the first time the growth in milk production has been below 2 percent since March. Milk cow numbers have declined for three consecutive months. August cow numbers declined 19,000 from July and 29,000 from May. The number of cows was still 1.1 percent higher than a year ago.

Just nine of the 24 reporting states had fewer milk cows than a year ago with the largest reductions in New Mexico down 15,000 head and Washington down 10,000 head. Adverse weather impacted milk per cow with no increase over a year ago. Ten of the 24 states had milk per cow lower than a year ago.

The increase in milk production was lower than recent months in each of the five leading dairy states. Milk production was up 0.7 percent for California, 2.6 percent for Wisconsin, 1.1 percent for Idaho, 0.3 percent for New York and 3.2 percent for Texas. South Dakota led all states in increased milk production, up 16.2 percent from 22,000 more cows and higher milk per cow.

Seven of the 24 states had less milk production than a year ago and all seven had fewer milk cows.

The monthly increase in milk production from the prior year is likely to continue to decline for the remainder of the year and going into next year. Dairy producers are experiencing tight margins with higher feed costs. Severe drought particularly in the West has reduced forage supplies and driven prices higher. Corn and soybean meal prices are much higher than a year ago. With higher feed costs driving tighter margins dairy producers are likely further reduce cow numbers and milk per cow may be dampened some.

Thus far this month compared to August the price of butter has averaged 11 cents per pound higher, nonfat dry milk eight cents higher, barrel cheese five cents higher, 40-pound Cheddar blocks four cents higher and dry whey unchanged. With higher dairy product prices, the September Class III price will average about $16.60 compared to $15.95 for August and Class IV about $16.50 compared to $15.92 for August.

What can we expect for milk prices for the remainder of the year? Butter and cheese prices normally increase as do milk prices September through November. Milk production is seasonally lower late summer, schools open increasing beverage milk sales and dairy product buyers increase purchases of butter and cheese to build stock levels for the strong seasonal demand Thanksgiving through Christmas.

We can expect price increases this year, but the increase may be dampened by increased cheese production, relatively high stock levels and possibly some setback in food service if the surge in cases of the Delta virus and mask mandates make consumers more reluctant to eating out and attending events.

The latest dairy product report showed July production of American cheese up 2.3 percent from a year ago and total cheese production up 3.5 percent. July 31st stock levels show American cheese stocks up 4.2 percent from a year ago and total cheese stocks up 4.1 percent.

Despite some possible impact of Delta virus cheese sales should remain strong and higher than a year ago. With more eating out rather than home prepared meals beverage milk sales have been running below a year ago. Beverage milk sales for July were 6.3 percent lower than a year ago with year-to-date sales 5.3 percent lower. Butter sales may also not be as high as butter sales were strong a year ago with more home prepared meals.

Dairy exports have been a positive factor for milk prices and are expected to continue for the remainder of the year. US dairy product prices remain price competitive to other major exporters. Milk production amongst other major exporters is expected to be no more than 1 percent higher than a year ago.

July US export volume on a milk solids equivalent basis was 7 percent higher than a year ago, the sixth straight monthly increase. Increased exports to China and Mexico lead the way. Nonfat dry milk/skim milk powder exports were 3.1 percent lower due to reduced sales to Southeast Asia which may be partially explained by continued congestion at California ports. But whey product exports were up 17.8 percent, cheese exports up 26.8

• See **Cropp,** p. 6

FROM OUR ARCHIVES

50 YEARS AGO

Sept. 24, 1971: Chicago—If present trends continue, by 1979 no one will drink cream and on a per capita basis, Americans will cut their annual milk consumption in half from 109 to 53 quarts, the American Dairy Association reported. Also by 1979, skim milk sales will have doubled, but consumption of ice cream will not increase.

Washington—New Zealand cheese exporters have succeeded in making "Cheshire" a cheese declared eligible for importation to the US under a controversial quota granted 32 months ago. Cheshire cheese from New Zealand may now be classified as "other cheese."

25 YEARS AGO

Sept. 27, 1996: Tulare, CA—Some California dairy leaders want to form a bargaining organization to keep prices up, but critics think an attempt at unity will fail. A master association of dairy producers would set prices for their milk under a proposed single market pricing concept.

Madison—The WCMA is "disappointed in the tone and message" of a recent memorandum to dairy plant operators on the state's new volume premium-related regulations. Regarding the memo, WCMA argues it "endorses lawsuits between competing dairy plants, and lawsuits between producers and dairy plants as effective enforcement."

10 YEARS AGO

Sept. 23, 2011: Bongards, MN—A Blue cheese entry made by Jeff Jirik from Caves of Faribault, Faribault, MN, earned the Grand Champion title at the 2011 NCCIA Cheese Contest. Jirik's winning Blue earned a score of 98.50 in the Miscellaneous Cheese category.

Denver, CO—Cheese-centric lectures, tastings festivals and celebrations have been planned for next month as October marks the first annual American Cheese Month. Created by the American Cheese Society, the month-long celebration spotlights America's artisan, farmstead and specialty cheese makers. It also recognizes the distributors, retailers, cheese mongers, educators and chefs who bring artisan cheeses to the table.

UN Food Summit

(Continued from p. 1)

ing more people, more nutritiously and more sustainably than ever before," said Krysta Harden, president and CEO of the US Dairy Export Council (USDEC).

"Throughout these food-systems discussions, a few key principles are clear. Rules-based international trade matters. Science-based, practical policies matter. Access to affordable, nutritious foods matter," Harden said.

National Milk Producers Federation (NMPF) thanks Vilsack and Power "for clearly laying out key commitments of the United States in the journey to enhanced food systems," said Jim Mulhern, NMPF's president and CEO.

"US dairy farmers are proud of our industry's critical support of food and nutrition security and sustainability through world-leading farming practices that create high-quality milk and dairy products," Mulhern said. "Animal agriculture plays an important role in providing a sustainable source of nutrition that's critical for healthy diets and communities as well as a healthy planet, and we are encouraged by the many statements by world leaders today recognizing this important fact.

"US dairy is proud to be part of the new Coalition of Action for Sustainable Productivity Growth for Food Security and Resource Conservation led by the US government," Mulhern continued.

This effort, Mulhern explained, includes encouraging innovation through initiatives such as US dairy's Net Zero Initiative. It means applying the best science learned and adapted through the FARM Program. And it also means through working to mitigate food and nutrition insecurity by advocating for school milk programs worldwide, along with other important priorities.

Pathways To Dairy Net Zero

Just prior to Thursday's UN Food Systems Summit, Pathways to Dairy Net Zero, a new climate initiative, was launched. Some 40 organizations, including 11 of the 20 largest dairy companies, have already declared their support for the iniative.

"Pathways to Dairy Net Zero will accelerate climate efforts already underway and drive further necessary action to reduce dairy's emissions over the next decades," said Hein Schumacher, chief executive officer of FrieslandCampina and chairman of Global Dairy Platform.

The Pathways to Dairy Net Zero is underpinned by key principles:

Mitigation: Continuing to improve production and process efficiency to further reduce the greenhouse gas emissions intensity of milk and dairy products.

Greenhouse gas removals: Enhancing production practices that protect carbon sinks (soil, forests, grass, peatlands) and complement natural ecosystems.

Avoidance and adaptation: Improving practices such as feed, manure, fertilizer and energy management.

Insets and offsets: Identify and implement alternative, credible reduction options.

Measurement and monitoring: Measuring greenhouse gas emissions to plan mitigation and monitor progress.

Overall support: Promoting the global initiative and emphasizing the industry's climate ambition.

A multi-stakeholder group of organizations, including the global dairy sector and representatives from the scientific and research communities, are working together to develop science-based methodologies, tools and pathways that work for every dairy system. Research is underway to identify where positive climate change action is possible.

Organizations suporting the initiative include: NMPF, USDEC, International Dairy Foods Association, Nestle, Dairy Farmers of America, Danone, Fonterra, FrieslandCampina, Arla Foods, China Mengniu Dairy Company, Saputo, Meiji Holdings, Savencia Fromage & Dairy, Agropur Dairy Cooperative, Ace Farming Company, Agri Networking Tools, Australian Dairy Products Federation, Brazzale, Dairy Australia, Dairy Connect, Dairy Farmers of Canada, Dairy Management Inc., Dairy UK, Dutch Dairy Association, First Milk, FOSS Analytics, Glanbia, Granja Tepeyac, Innovation Center for US Dairy, La Vida Lactea, Land O'Lakes, Lekhanath Dairy International, Leprino Foods Company, Livestock Improvement Corporation, Megmilk Snow Brand, Morinaga Milk Industry, National Dairy Development Board (India), Palmhouse Dairies, Pioneer Natural Capital, and DSM.

Olam Food Ingredients Details Plans For New Plant In New Zealand

Singapore—Olam Food Ingredients (OFI) confirmed plans to develop a new dairy processing facility in the North Island town of Tokoroa, New Zealand.

The first stage of the investment, expected to be commissioned in the third quarter of 2023, in time for New Zealand's peak season, will involve the construction of a spray dryer facility, capable of producing high-value dairy ingredients.

Naval Sabri, senior vice president OFI Dairy, said additional facilities at Tokoroa will be added over time to expand the range of high-value ingredient products manufactured at the site, targeting key customer applications in dessert, bakery, beverage, and confectionery categories.

The facility, which will source milk from farms in New Zealand's dairy heartland of the Waikato, is expected to create 50 to 60 full-time jobs when fully operational.

Olam is a leading food and agribusiness, supplying food, ingredients, feed and fiber to 17,300 customers worldwide.

Cow Numbers Fall

(Continued from p. 1)

California's August milk production totaled 3.4 billionpounds, up 0.7 percent from August 2020, due to 1,000 fewer milk cows but 15 more pounds of milk per cow. California's July milk output was revised down by 9 million pounds, so production was down 1.0 percent from July 2020, rather than down 0.7 percent as initially estimated.

Wisconsin's August milk production totaled 2.684 billion pounds, up 2.6 percent from August 2020, due to 21,000 more milk cows and 20 more pounds of milk per cow.

Wisconsin's July milk production was revised up by 7 million pounds, so output was up 4.9 percent from July 2020, rather than up 4.6 percent as NASS originally estimated.

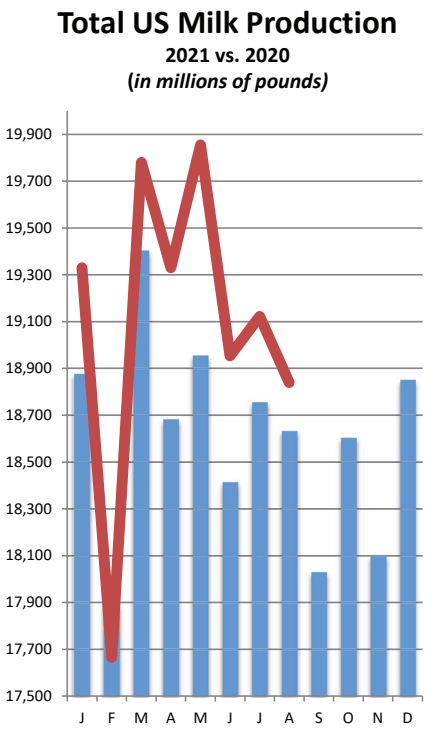
Idaho's August milk production totaled 1.43 billion pounds, up 1.1 percent from August 2020, due to 9,000 more milk cows but five less pounds of milk per cow. Idaho's July milk output was revised down by 4 million pounds, so production was up 0.5 percent from July 2020, rather than up 0.8 percent as initially estimated.

August milk production in New York totaled 1.3 billion pounds, up 0.3 percent from August 2020, due to 2,000 more milk cows but unchanged milk per cow. New York's July milk production had been up 2.8 percent from July 2020.

Milk production in Texas during August totaled 1.27 billion pounds, up 3.2 percent from August 2020, due to 32,000 more milk cows but 45 less pounds of milk per cow. Texas's July milk output was revised down by 3 million pounds, so production was up 7.0 percent from July 2020, rather than up 7.2 percent as NASS originally estimated.

Michigan's August milk production totaled 1.03 billion pounds, up 3.9 percent from August 2020, due to 17,000 more milk cows but unchanged milk per cow. Michigan's July milk production had been up 4.3 percent from July 2020.

Minnesota's August milk production totaled 890 million pounds, up 2.3 percent from August 2020, due to 16,000 more milk cows but 25 less pounds of milk per cow. Minnesota's July milk output had been up 4.2 percent from July 2020.



August milk production in Pennsylvania totaled 841 million pounds, unchanged from August 2020, due to 7,000 fewer milk cows but 25 more pounds of milk per cow. Pennsylvania's July milk production was revised down by 2 million pounds, so output was down 1.4 percent from July 2020, rather than down 1.2 percent as initially estimated.

New Mexico's August milk production totaled 608 million pounds, down 9.3 percent from August 2020, due to 15,000 fewer milk cows and 100 less pounds of milk per cow. New Mexico's July milk output had been down 2.3 percent from July 2020.

Washington's August milk production totaled 541 million pounds, down 6.6 percent from August 2020, due to 10,000 fewer milk cows and 65 less pounds of milk per cow. Washington's July milk production was revised down by 3 million pounds, so output was down 7.2 percent from July 2020, rather than down 6.7 percent as originally estimated.

All told for the 24 reporting states in August, compared to August 2020, milk production was higher in 16 states, with those increases ranging from 0.3 percent in New York to 16.2 percent in South Dakota; lower in seven states, with those declines ranging from 0.5 percent in Arizona to 9.3 percent in New Mexico; and unchanged in Pennsylvania.

Milk Production by State

STATE	Aug 2020	Aug 2021	% Change	Change Cows
California	3373	3397	0.7	-1000
Wisconsin	2615	2684	2.0	21000
Idaho	1413	1429	1.1	9000
New York	1296	1300	0.3	2000
Texas	1233	1272	3.2	32000
Michigan	993	1032	3.9	17000
Minnesota	870	890	2.3	16000
Pennsylvania	841	841	-	-7000
New Mexico	670	608	-9.3	-15000
Washington	579	541	-6.6	-10000
Ohio	474	484	2.1	6000
Iowa	451	463	2.7	8000
Colorado	441	452	2.5	5000
Arizona	370	368	-0.5	-1000
Indiana	372	388	4.3	8000
Kansas	339	341	0.6	1000
South Dakota	272	316	16.2	22000
Oregon	220	221	0.5	1000
Vermont	215	213	-0.9	-1000
Utah	188	194	3.2	2000
Florida	174	167	-4.0	-3000
Georgia	136	142	4.4	2000
Illinois	143	141	-1.4	-1000
Virginia	121	118	-2.5	-1000

millions of pounds 1,000 head

Cropp

Continued from p. 4

percent, and butterfat exports up 86.1 percent.

As of now it seems reasonable that Class III could be something like $16.60 for September, $17.25 for October and peaking around $17.60 for November and falling back to $17.40 for December. Current Class III futures are not this high being in the low $17's October through December. Class IV could be in the high $16's to low $17's September through December.

If milk production slows down more than expected and domestic sales are higher along with strong exports prices could end up higher.

First District Celebrates Anniversary, Expansion; Product Flexibility Added

Celebrating 100 Years of FDA: Joining in on the festivites were: Bob Huffman, CEO & president of First District Association (FDA); Josh Barka, chairman of FDA; Doug Anderson, FDA director of operations; Minnesota state representative Dean Urdahl; and Anna Euerle, Princess Kay of the Milky Way.

Litchfield, MN—Members of the First District Association (FDA) celebrated the cooperative's 100th anniversary last weekend.

The celebration was highlighted by a tour that provided attendees a look inside the most recent expansion, which gives the co-op the processing capability to go from 5.5 million pounds of milk per day to 7.5 million.

For nearly 50 years, First District Association was primarily a major producer of 500-pound barrel cheese. With this expansion, the co-op now has the capability to package 40-pound blocks which will give FDA the ability to respond to customer needs as well as more flexibility to adjust to other market conditions.

"Projects have been going on here for many years with the vision of getting to the final endpoint and 7.5 million pounds of equivalent a day," said Doug Anderson, FDA director of operations, during the ceremony. "It's crazy to end up with kind of a grand opening and a 100th anniversary at the same time."

With the expansion, First District Association will manufacture over 800,000 pounds of cheese a day; roughly 140,000 pounds of whey protein concentrate per day; and nearly 150,000 pounds of lactose per day, Anderson stated in a video that played during the event.

FDA Thanks Partners, Suppliers

First District Association's history traces back to 1921.

Bob Huffman, president and CEO, who started in his role at FDA in 2019, praised the previous 100 years of leadership for their vision.

"It's amazing the amount of talent, foresight and thought that was put into what you see here today," Huffman said.

I would like to recognize all the people who have been part of the First District over the past 100 years, Huffman said.

Current chairman of FDA, Josh Barka, also praised the determination of previous generations.

"We owe a lot to the group of farmers who had the courage and vision and leadership to move things forward," Barka said. "I don't think they could have imagined today the size and scope that is (today's) dairy industry, but I think they'd be proud that the co-op is still a great market, is farmer-owned, and patron controlled."

The new cheese plant contains the largest cheese belt in the world; a three-story cheese belt manufactured by Tetra Pak where cheese travels 250 linear feet across all three belts before reaching the end and conveyed to towers. The belt is designed to produce 40,500 pounds of cheese an hour.

Tetra Pak also manufactured the co-op's new cheese vats and block towers, as well as all the wet processing on the milk and whey side, Anderson said.

"One thing we take pride in here at First District is a lot of long-term relationships with our vendors and suppliers," Anderson said in thanking all of the suppliers that contributed to the new plant. "Tetra Pak has done multiple projects with us over the years. They are part of the team."

We are really spoiled here at First District, Anderson said.

"We have some really good equipment manufacturers within a 50-mile radius. We worked with all of them for many, many years. So the most difficult part for me was which ones do we pick," Anderson said. "We definitely split it up a little bit, just from our standpoint of having the project spread out and not overwhelming just one supplier."

APT (Advanced Process Technologies) put together the automated barrel room. The co-op is able to fill a 500-pound barrel in 43 seconds, FDA said. APT also built the eight-bay, drive-through milk receiving facility.

"We've done a number of projects over the years with them (APT)," Anderson said. "I like to say we designed the best milk intake in the country, but I have to give APT credit for it because they actually did that," he said.

RELCO designed the powder processing building, Anderson said. It's a "state of the art" facility that dries protein and lactose. "The entire facility is designed to provide infant formula grade products. I like to say it's one of the nicest drying facilities designed in the entire US if not the entire world," Anderson said.

Caloris built the evaporators, which were designed back in 2010. "We told them at that time we were going to run this much milk through it and then we were going this level and then we're going to run this level," Anderson said. "And they've adjusted that evaporator for all three levels."

Finally Anderson acknowledged Anderson Chemical, which has been supplying FDA "in the ballpark of 60 years" and Excel Engineering, which has been with the co-op since "around 2012".

"Through this expansion we focused on the big equipment and the big processes," Anderson said.

Huffman also thanked all the businesses who share in the celebration.

"I just want to give a special thanks to all the partners who First District works with in the audience, partners that we work with, other dairy cooperatives, partners who have helped us put this together through the expansion and the last 100 years," Huffman said.

As First District celebrates its 100th anniversary, the co-op also looks to the future.

"We truly are looking forward to make sure the 200th anniversary is even larger and more special," Huffman said. "And we'll do everything in our power to make sure we continue to follow what our previous" leaders have helped build here.

In 2020, Minnesota's milk output totaled 10.15 billion pounds, up 2.3 percent from 2019 and the first time Minnesota's milk output has topped 10 billion pounds since 1990. As of August 2021, Minnesota had 16,000 more milk cows than it had a year earlier.

National Dairy Board Proposal Would Shift One Board Seat From Southeast To Idaho

Washington—USDA's Agricultural Marketing Service (AMS) is inviting comments on a proposed amendment to the Dairy Promotion and Research Order that would modify the number of National Dairy Promotion and Research Board members in two of the 12 regions.

This modification was requested by the Dairy Board, which administers the Dairy Order, to better reflect the geographic distribution of US milk production.

The Dairy Order is administered by a 37-member Dairy Board, with 36 members representing 12 regions within the US and one member representing importers.

The Dairy Order provides that the Dairy Board will review the geographic distribution of milk production volume throughout the US and, if warranted, recommend to USDA a reapportionment of regions and/or modification of the number of producer members from regions in order to best reflect the geographic distribution of US milk production.

The Dairy Board is required to conduct the review at least every five years and not more than every three years. The Dairy Board conducted the previous reapportionment review in 2016 based on 2014 milk production.

For the purposes of this reapportionment analysis, the procedure for calculating the factor of pounds of milk per Dairy Board member will remain the same as the 2016 reapportionment, by using USDA's National Agricultural Statistics Service (NASS) milk production data and dividing by 36 to determine a factor of pounds of milk represented by each domestic Dairy Board member. The resulting factor was then divided into pounds of milk produced in each region to determine the number of Dairy Board members for each reason.

Accordingly, the same process using 2019 milk production data was employed for the current reapportionment calculation. In 2019, US milk production totaled 218.4 billion pounds, and each of the domestic Dairy Board members as currently apportioned would represent 6.066 billion pounds of milk.

Based on 2019 milk production data, the Dairy Board is proposing that member representation in Region 8 (Idaho) be increased from two members to three members. Milk production in Region 8 increased from 13.9 billion pounds in 2014 to 15.6 billion pounds in 2019, indicating three Dairy Board members, compared to two members based on 2014 data.

Also based on 2019 milk production data, the Dairy Board is proposing that member representation in Region 10 (Alabama, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, and Virginia) be reduced from two members to one member. Milk production in Region 10 declined from 10 billion pounds in 2014 to 8.5 billion pounds in 2019, indicating one Dairy Board members, compared to two members based on 2014 data.

Comments on this proposal are being accepted until Oct. 21. Comments may be submitted through the federal e-rulemaking portal, at *www.regulations.gov*.

Finland's Valio, DKSH Sign Agreement For Distribution Of Special Milk Powders In Asia

Helsinki, Finland—Finnish dairy and food company Valio and DKSH have signed an agreement on the distribution of special milk powders to Valio's industrial customers in the Asian market.

Valio and DKSH see a lot of collaboration potential in the Asian market for various gut-friendly, value-added, and wellness products. The majority of the population in Southeast Asia is not able to enjoy dairy products because of lactose, Valio said.

"Industry-tailored, lactose-free Valio Eila® products are an example of our pioneering and research-based product development. Thanks to our unique technology, they are gut-friendly and can be enjoyed also by people who typically can't consume milk products," said Timo Pajari, senior vice president heading Valio's international sales of special milk powders. "We help local food industry companies to develop products for their own customers, products like protein-rich yogurts and low-sugar chocolate, that meet local nutritional needs and are gut friendly."

"It was natural for us to partner with DKSH because they have a strong foothold in Asia and long-term expertise in the food and beverage segment," Pajara commented.

PERSONNEL

After a lifelong career in Wisconsin's dairy industry, BOB BRANDL announced this week plans to retire Oct. 1. Brandl spent the bulk of his career – 29 years –with **All Star, LLC,** most recently serving as company vice president. He also led operations as All Star president from 1991 to 2020, providing clients with his product knowledge, application experience and industry contacts. From 2009 to 2014, he also served as director of Serv-Fresh Foods. For the balance of the year, Brandle will be available to All Star partners on a limited basis.

RECOGNITION

KANSAS DAIRY INGREDIENTS (KDI) of Hugoton, KS, was selected by the Environmental Protection Agency (EPA) for its **EPA Region 7 2021 Pollution Prevention Award**. The award will be presented during ceremonies at the Midwest Environmental Compliance Conference in Kansas City. Pollution prevention is any practice that reduces, eliminates, or prevents pollution at its source. Also a 2018 and 2019 awardee, KDI is being recognized for completing the second phase of its plant effluent treatment project by constructing an irrigation pond to hold the treated water previously discharged to the city of Hugoton. This pond was then used for crop irrigation, which has saved over 48 million gallons of well water over the past two growing seasons. In late 2021, KDI will commission a 90,000-square-foot cheese and butter manufacturing facility.

Hart Design Partners With MilkyLAB To Expand Pasta Filata Cheese Capabilities

Green Bay, WI—Hart Design & Manufacturing this week announced a new strategic alliance and partnership with MilkyLAB.

MilkyLAB, based in Modena, Italy, has since 1980 been designing and producing equipment and production lines with automatic systems for the production of Mozzarella, pizza cheese, String cheese, spread/processed cheese, Ricotta, and analog Mozzarella.

From cheese vats, molding machines, and stretchers to robust production lines for spherical Mozzarella, String cheese, pizza cheese and more, these new offerings from MilkyLAB are only available exclusively through Hart in North America.

"We are very excited to partner with such a great, innovative company. MilkyLAB is family-owned like Hart, and we share the same family-oriented values," said Timm Schaetz, CEO, Hart. "With this partnership, we can round out our complete product line offering, and further offer our customers a one-vendor approach for all their cheese processing and packaging projects.

"Furthermore, MilkyLAB gains a 46-year gold-standard company in the cheese industry to act as their sales partner in North America," Schaetz added.

"Hart is very excited to partner with MilkyLAB. This partnership will significantly increase our offerings to our customers as well as expand and complement the existing Hart lines. We have noticed a demand for these lines of equipment, but with little North American representation or service. Hart is proud to fill this void," said Todd Delebreau, vice president of sales, Hart.

Green Bay, WI-based Hart Design & Manufacturing has been crafting cheese processing and packaging equipment since 1975, Hart described.

The company was formed by two food-packaging engineers, Gilbert Hannon and Gerald Schaetz. Through their vision, the company has become a global leader in the design and construction of standard, specialty and proprietary stainless steel equipment for use in the dairy and food industries.

For more information, visit *HartDesign.com*.

MilkyLAB has been a leader in designing and producing machines and automatic systems to produce Pasta Filata cheese since 1980.

To view the full line of MilkyLAB pasta filata equipment available through Hart, visit *https://hartdesign.com/milkylab/*.

Organic Rules

(Continued from p. 1)

Vilsack.

"Danone appears to be consolidating their supply to prioritize more concentrated producers for transportation economies and abandoning smaller and more dispersed family farms," the letter continued. "We believe this matter further underscores the long overdue need to close existing loopholes in the rules governing how livestock are transitioned to organic and strengthen enforcement of the pasture rule, particularly for large-scale complex dairies."

The organic dairy industry is an "important economic engine" in the Northeast, but for years, the region's organic dairy farmers "have been put at a significant competitive disadvantage that is now threatening their livelihood and shaking consumer confidence in the organic label," the letter said.

The origin of livestock rule, which Vilsack first initiated in 2015, when he served as agriculture secretary during the Obama administration, would close a loophole that has allowed large-scale producers in some states to expand herd sizes quickly through continual transition of conventional animals in and out of organic management, according to the letter.

USDA's "ongoing delay in finalizing this rule, which continues to enjoy widespread support within the sector, has contributed to the oversupply of organic milk in the market, placed the integrity of the organic label at risk, and kept farmers in our states at a severe financial disadvantage," the letter said.

After years of inaction by USDA, an appropriations bill in 2020, which was signed into law on Dec. 20, 2019, included an "explicit congressional directive" for USDA to finalize the origin of livestock rule by July 17, 2020, a directive still unmet.

On July 12, 2021, for the third time in over six years, a comment period on the proposed rule closed, "and we strongly urge you to now issue a final rule that reflects the thousands of comments received since 2015, meets the intent of the Organic Foods Production Act, and fulfills consumer expectations, as soon as possible.

In addition to preserving the integrity of the seal, the lawmakers requested that Vilsack use tools at his disposal and "work quickly to support the farmers affected by Danone's decision and work with stakeholders to expand market channels for their products. This includes targeted and increased support through USDA's Pandemic Assistance for Producers program, targeted investments in processing capacity and transportation efficiencies for businesses that can contract with these farmers, as well as temporary price supports to allow these farmers to transition to new markets."

Last week, Maine Gov. Janet Mills urged Vilsack to provide support to the organic dairy farms in Maine, as well as other Northeast states, who were recently notified that their contracts won't be renewed by Danone's subsidiary, Horizon Organics.

"Danone's intent to discontinue Horizon contracts poses a significant threat, not only to 14 dairy farms in Maine and 89 across the Northeast which will be directly impacted by this decision, but to family businesses, supply chains and the overall dairy community in our region," Mills wrote.

Reduce Methane

(Continued from p. 1)

fronts, the press release noted. The US Department of Agriculture is working to expand the voluntary adoption of climate-smart agriculture practices that will reduce methane emissions from key agriculture sources by incentivizing the deployment of improved manure management systems, anaerobic digesters, new livestock feeds, composting, and other practices.

The EU has been taking steps to reduce its methane emissions for almost three decades, the press release stated. Under the European Green Deal, and to support the EU's commitment to climate neutrality by 2050, the EU last year adopted a strategy to reduce methane emissions in all key sectors covering agriculture, energy and waste.

A new, location-specific agricultural greenhouse gas emission study, led by University of Illinois Urbana-Champaign atmospheric sciences professor Atul Jain, found that food-based agriculture accounts for 35 percent of all human-made greenhouse gas emissions. Of that, plant-based foods emissions contribute 29 percent, consisting of 19 percent carbon dioxide, 6 percent methane and 4 percent nitrous oxide emissions; animal-based food emissions contribute 57 percent, consisting of 32 percent carbon dioxide, 20 percent methane and 6 percent nitrous oxide emissions; and nonfood utilization such as cotton and rubber production contributes 14 percent.

Although carbon dioxide is the most important and most frequently discussed greenhouse gas emission, methane generated by rice cultivation and animals, and nitrious oxide from fertilizers, are 34 and 298 times more powerful than carbon dioxide, respectively, when it comes to trapping heat in the atmosphere, according to Xiaoming Xu, a University of Illinois postdoctoral researcher and lead author of the study.

Within the next 30 years, the US dairy and beef sectors can reach a point at which they're no longer contributing warming to the atmosphere through considerable reductions in methane emissions, according to a new white paper by Sara E. Place, chief sustainability officer at Elanco Animal Health; and Frank Mitloehner, an air quality specialist at the University of California, Davis.

The white paper highlights possible paths in which the two cattle sectors, dairy and beef, can reach climate neutrality, while arguing that a goal of net zero warming, versus net zero carbon, makes more sense for the cattle sectors that primarily produce methane.

The dairy and beef sectors aren't alone in aiming for climate neutrality, the white paper noted. In fact, the effort puts them on the same trajectory as sectors that primarily emit carbon dioxide and aim for net zero carbon. But because the warming footprint of animal agriculture is largely made up of methane, a short-lived greenhouse gas, its ability to reach net zero warming doesn't require emissions to reach net zero, but only a constant source of emissions.

Accomplishing net zero warming, also known as climate neutrality, will require major reductions in emissions from US dairy and beef cattle production. There are various iterations of a pathway to climate neutrality by 2050 for US dairy and beef production; the white paper considers two of them.

Both scenarios require reducing enteric methane emissions per animal, which is counter to the trend of the past 30 years, during which the herd size declined, but emissions per animal grew as each animal's productivity rose because of their increasing feed intake.

The emission reductions needed to achieve climate neutrality will be substantial departures from how operations produce today and will require development and adoption of new innovations, the white paper noted. Of particular importance is development of solutions to lower enteric methane emissions from cattle on pastures developing and delivering methane-reducing feed additives, developing low methane-emitting breeding strategies and other innovations.

By employing new manure-management techniques, the California dairy industry has achieved a 25-percent reduction in methane emissions from manure since 2013.

Beef and dairy cattle production that no longer contributes to warming in 2050 could be achieved by lowering methane emissions by 18-32 percent, depending on the species and the source, according to the white paper.

DFA, 13 Of Its Regional Milk Brands Launch 'Fuel Their Drive' Promotion

Kansas City, KS—Dairy Farmers of America (DFA), along with 13 of its regional milk brands, this fall is helping to fuel school athletic programs with its first "Fuel Their Drive" promotion, which will award $1 million to high school athletic programs across the US.

Over 250 grants ranging from $1,000 to $10,000 will be awarded across 13 of DFA's brand communities in 26 markets.

All shoppers have to do is buy beverage milk from one of DFA's participating regional milk brands, including Alta Dena Dairy, Cass-Clay Creamery, Country Fresh Dairy, Guida's Dairy, Kemps, Lehigh Valley Dairy Farms, Mayfield Dairy Farms, Meadow Gold Dairy, Oak Farms Dairy, PET Dairy, Reiter Dairy, T.G. Lee Dairy, and Tuscan Dairy Farms.

After buying milk from one of these participating DFA brands, shoppers should snap a photo of their receipt, then go to *fueltheirdrive.com* and find the link to the page for their local particpating brand, where they can vote for their local high school.

High schools in each market with the most votes will win $10,000 and some winners will be chose at random for $2,000, so shoppers are being encouraged to purchase and upload often.

Community members and high schoolers have an additional chance to win $1,000 for their local school by showing and sharing their school pride on social media by participating in a school spirit challenge.

Pennsylvania Milk Marketing Board Keeps Over-Order Premium At $1.00

Harrisburg, PA—The Pennsylvania Milk Marketing Board (PMMB) this week decided to maintain the state's Class I over-order premium at $1.00 per hundredweight from Oct. 1, 2021, through Mar. 31 2022.

Pennsylvania's over-order premium, which applies only to Class I milk produced, processed and sold in the state, has been $1.00 per hundredweight since April 1, 2019. In May and June 2020, a market relief surcharge was added to help farmers deal with the effects of the coronavirus pandemic.

At a Sept. 1 PMMB hearing, Wayne Brubaker testified on behalf of Pennsylvania Farm Bureau. Brubaker, a consulting supervisor for MSC Business Services, recommended that the over-order premium be set at $1.00 per hundredweight from Oct. 1, 2021, through Mar. 31, 2022.

In his testimony, Brubaker cited continued high feed costs, relatively flat milk prices, and discontinuation of COVID-related payments as among the reasons for his recommendation.

Brubaker testified that for 2020, MSC-client dairy farmers had a positive net income of approximately $45,000, which was the second highest of the past decade. However, he also testified that the positive net income was overwhelmingly driven by COVID-related government payments, which added roughly $3.15 per hundredweight to MSC clients' incomes.

Without those payments, the expected net margin would have been negative $2.27 per hundred, the worst net margin of the past decade, Brubaker said.

Matt Espenshade, a seventh-generation dairy farmer, testified on behalf of Pennsylvania State Grange, and supported an over-order premium of $1.00 per hundredweight.

Espenshade is a member of Mt. Joy Farmers Co-op. He testified that members of the co-op receive the Pennsylvania over-order premium regardless of their milk's utilization. On his most recent statement, Espenshade said he received 4.5 cents labeled as "special premium" and that the over-order premium is also used to subsidize quality bonuses.

As a member of Mount Joy, which is affilated with Dairy Farmers of America (DFA), Espenshade noted that he and his fellow producers receive a blended price for the milk that is shipped. Because he is part of a co-op, the over-order premium is spread across all members, regardless of the milk's class, processor location, and final destination. About 30 to 35 percent of the milk produced by the co-op members goes to Class I facilities and is sold within Pennsylvania.

In the early period of the pandemic, co-ops struggled to find outlets for what soon became an overabundance of product, Espenshade noted. In response, DFA developed a Base Excess Program for its members. Under this program, each month a farm would receive full payment for the volume of milk which totaled 85 percent of the farm's production in March 2020.

Pounds of milk over that 85 percent would receive whatever value could be derived from the marketplace, with the understanding this would probably be substantially less.

A line appeared on Espenshade's April 2020 statement entitled "COVID-19 COST." It was an 87-cent per hundredweight deduction over all milk, which totaled more than $1,000 for the first month. Though the name has changed over the past 15 months, as well as the way it is depicted on the statements, "our net payment received each month has been lower due to impacted market conditions brought on by the continuing global pandemic," he testified.

3-A SSI Announces Five-Year Project To Revise 3-A Sanitary Standard For General Requirements

McLean, VA—3-A Sanitary Standards, Inc. (3-A SSI) this week announced a five-year project for revision of ANSI/3-A 00-01-2018, "3-A Sanitary Standard for General Requirements."

The revision project was referred to 3-A Working Group 14 (General Requirements) by approval of the 3-A SSI Steering Committee.

Following final drafting by the Working Group and recommendation of the 3-A SSI Steering Committee, the proposed draft will be available for consideration in accordance with "Operating Procedures for the Development of American National Standards by 3-A Sanitary Standards, Inc." These are the procedures observed by 3-A SSI for candidate American National National Standards.

3-A SSI is inviting anyone directly and materially affected by 3-A Sanitary Standards and Accepted Practices to participate in the 3-A SSI Working Groups.

To get involved in the 3-A SSI Working groups, visit *http://3-a.org/Standards-Committees/Working-Groups*.

Coming Events

www.cheesereporter.com/events.htm

Cornell Hybrid Course Will Teach Basic SOPs, Technical Writing; Begins Oct. 1

Ithaca, NY—Cornell University's Dairy Foods Extension is offering a hybrid Introduction to SOP & Technical Writing workshop, beginning with an online session kicking off Oct. 1, with a follow-up, activities-based live session on Nov.16, 2021.

This course presents the process of writing and maintaining Standard Operating Procedures for both regulatory compliance and everyday employee usage.

Its designed to provide students with information on regulatory requirements; tense and word choice; how to identify the audience; and document compliance.

After completing the course, participants should be able to determine which processes to document; evaluate the relationship between process documents; explain systems, activities and processes; write effective documents; and master the revision process, organizers stated.

Cost to attend is $725 for New York State residents and $880 out-of-state residents.

Spots Available In Fall Lineup

Spots are still available for Dairy Extension workshops through the fall semester. Online and instructor-led courses include:

Oct. 7-Nov. 4: Pathogen Environmental Monitoring

Oct. 6-7: Science of Cheese, Advanced Level

Oct. 12-14: High Temperature Short Time Pasteurization

Nov. 8-10: Preventive Controls for Human Food

Dec. 1-2: Food Microbiology Lab Practices

Cornell's Intentional Adulteration Vulnerability Assessments workshop will be held Oct. 26 at the Stewarts Processing Plant, Saratoga Springs, NY.

Visit *cals.cornell.edu/dairy-extension/course-calendar* for details.

Live Cheesemonger Invitational Returns To NYC Next Month

Brooklyn, NY—The popular, historically sold-out Cheesemaker Invitational returns next week in a new venue.

The competition was founded in 2010 by Adam Moskowitz, CEO of Larkin Cold Storage.

The competition typically coincided with Fancy Food Shows in New York and San Francisco. However, this year's Fancy Food Show scheduled for Sept. 27-29 at New York's Javits Center transitioned to a completely virtual event.

The in-person Cheesemonger Invitational will go ahead September 29 - October 1 at the Brooklyn Expo Center, invitational organizers stated.

The competition is open to 40 cheese mongers and a limited number of spectators – both of which must provide proof of vaccination.

Rules state all contestants must be currently employed as a cheese monger.

The competition will evaluate their technical skills, knowledge of cheese and salesmanship, organizers said.

Tickets are $100 per person and include unlimited food and beverages. It is recommended that those interested check the website for potential changes. For rules or more information, visit *www.cheesemongerinvitational.com*.

PLANNING GUIDE

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

•

Oct. 25-28: ADPI Dairy Ingredients Technical Symposium & Global Cheese Technology Forum, Peppermill Resort & Casino, Reno, NV. Visit www.adpi.org.

•

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

•

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

•

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

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Equipment for Sale

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

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

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

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

Equipment for Sale

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

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

Equipment Wanted

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

Replacement Parts

REPLACEMENT PARTS: Spares for nearly all sanitary pumps, valves and sensors. Contact **GD PROCESS DESIGN** at Sales@gdprocessdesign.com or 262-361-4080.

Reconditioning

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

Cheese Moulds, Hoops

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

CHEESE FORMS, LARGEST SELECTION EVER: Includes perforated forms! **Rectangular sizes:** 11" x 4' x 6.5" • 10.5" x 4" 6.5" • 10" x 4" x 4" **Round sizes:** 4.75" x 18" • 7.25" x 5" • 7.25" x 6.75". Many new plastic forms and 20# and 40# Wilsons. Call **INTERNATIONAL MACHINERY EXCHANGE** for your cheese forms and used equipment needs. 608-764-5481 or email ***sales@imexchange.com*** for more information.

Real Estate

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

Co-Packing, Manufacturing

Cheese & Dairy Products

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

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

Promotion & Placement

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

Help Wanted

Warehousing

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

Walls & Ceiling

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

16. Testing Services

Promote your **MICROBIOLOGICAL, NUTRITIONAL OR FOOD SAMPLE TESTING SERVICES** here. Call 608-246-8430 for more information or email info@cheesereporter.com to advertise here and at www.cheesereporter.com. FAX: 608-246-8431

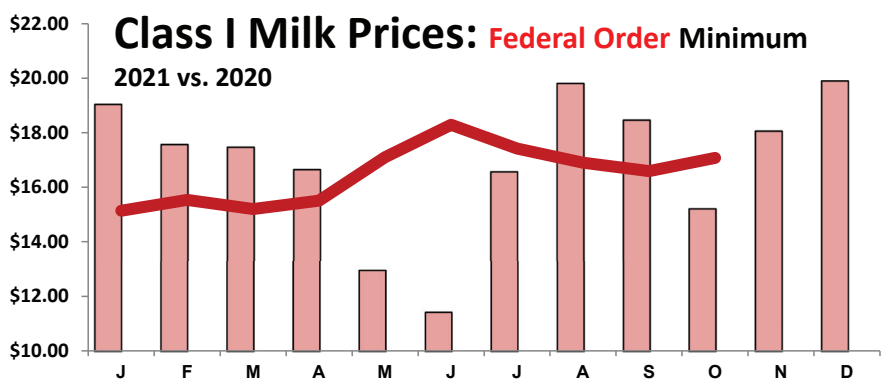
Dairy Product Stocks in Cold Storage

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

	Stocks in All Warehouses			August 31, 2021 as a % of		Public Warehouse Stocks
	Aug 31 2020	**July 31 2021**	**Aug 31 2021**	**Aug 31 2020**	**July 31 2021**	**Aug 31 2021**
Butter	371,519	396,474	366,956	99	93	340,957
Cheese						
American	789,923	817,627	823,609	104	101	
Swiss	20,602	22,768	22,465	109	99	
Other	562,824	609,395	582,638	104	96	
Total	1,373,349	1,449,790	1,428,712	104	99	1,106,565

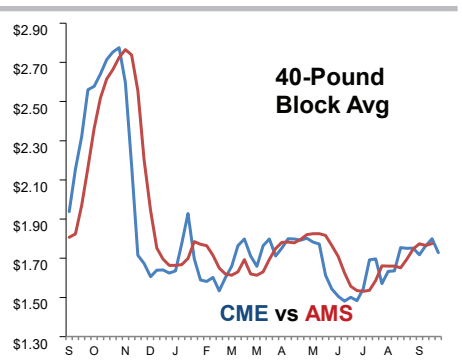
Federal Order Class 1 Minimum Prices & Other Advanced Prices - October 2021

Class I Base Price (3.5%)	$17.08 (cwt)
Base Skim Milk Price for Class I	$10.66 (cwt)
Advanced Class III Skim Milk Pricing Factor	$9.90 (cwt)
Advanced Class IV Skim Milk Pricing Factor	$9.93 (cwt)
Advanced Butterfat Pricing Factor	$1.9421 (lb.)
Class II Skim Milk Price	$10.63 (cwt)
Class II Nonfat Solids Price	$1.1811 (lb.)
Two-week Product Price Averages:	
Butter	$1.7752 lb.
Nonfat Dry Milk	$1.2822 lb.
Cheese	$1.6242 lb.
Cheese, US 40-pound blocks	$1.7698 lb.
Cheese, US 500-pound barrels	$1.4686 lb.
Dry Whey	$0.5310 lb.



DAIRY PRODUCT SALES

September 22, 2021—AMS' **National Dairy Products Sales Report**. Prices included are provided each week by manufacturers. Prices collected are for the (wholesale) point of sale for natural, unaged Cheddar; boxes of butter meeting USDA standards; Extra Grade edible dry whey; and Extra Grade and USPH Grade A non-fortified NFDM. *•Revised*



Week Ending	Sept. 18	Sept. 11	Sept. 4	Aug. 28
40-Pound Block Cheddar Cheese Prices and Sales				
Weighted Price		**Dollars/Pound**		
US	1.7753	1.7650	1.7737	1.7469
Sales Volume				
US	10,217,542	11,894,307	13,084,772	12,998,051
500-Pound Barrel Cheddar Cheese Prices, Sales & Moisture Contest				
Weighted Price		**Dollars/Pound**		
US	1.5435	1.5480•	1.5817	1.5447
Adjusted to 38% Moisture				
US	1.4664	1.4707•	1.5011	1.4658
Sales Volume		**Pounds**		
US	12,653,335	12,966,150	14,197,797	13,460,143
Weighted Moisture Content		**Percent**		
US	34.74	34.74	34.67	34.66
AA Butter				
Weighted Price		**Dollars/Pound**		
US	1.7828	1.7604•	1.7526	1.6906
Sales Volume		**Pounds**		
US	2,875,743	1,485,773•	1,031,626	3,437,533
Extra Grade Dry Whey Prices				
Weighted Price		**Dollars/Pounds**		
US	0.5259	0.5370	0.5386	0.5515
Sales Volume				
US	6,460,868	5,560,029	3,950,506	5,216,340
Extra Grade or USPHS Grade A Nonfat Dry Milk				
Average Price		**Dollars/Pound**		
US	1.2902	1.2718•	1.2622•	1.2619
Sales Volume		**Pounds**		
US	20,316,265	15,465,402•	20,507,752•	17,935,994

DAIRY FUTURES PRICES

SETTLING PRICE *Cash Settled

Date	Month	Class III	Class IV	Dry Whey	NDM	Block Cheese	Cheese*	Butter*
9-17	Sept 21	16.61	16.40	53.100	128.350	1.780	1.6460	179.800
9-20	Sept 21	16.61	16.40	53.100	128.350	1.780	1.6480	178.750
9-21	Sept 21	16.60	16.40	53.100	128.000	1.780	1.6480	178.750
9-22	Sept 21	16.60	16.40	53.350	127.900	1.780	1.6490	178.750
9-23	Sept 21	16.54	16.40	53.350	127.900	1.780	1.6430	178.650
9-17	Oct 21	17.18	16.81	52.900	132.000	1.774	1.7130	182.000
9-20	Oct 21	17.10	16.81	52.250	132.800	1.750	1.7030	179.800
9-21	Oct 21	17.42	16.90	52.900	133.350	1.770	1.7340	182.750
9-22	Oct 21	17.35	16.86	53.500	133.750	1.770	1.7290	182.250
9-23	Oct 21	17.27	16.86	53.500	133.700	1.770	1.7170	178.000
9-17	Nov 21	16.98	16.93	49.525	134.000	1.746	1.7130	180.750
9-20	Nov 21	16.86	16.94	48.800	134.750	1.735	1.7010	181.500
9-21	Nov 21	17.15	17.07	50.000	135.850	1.750	1.7220	182.500
9-22	Nov 21	16.98	17.07	51.025	136.300	1.740	1.7050	182.750
9-23	Nov 21	16.96	17.07	49.725	136.000	1.721	1.6980	178.525
9-17	Dec 21	17.32	17.02	49.000	135.000	1.770	1.7500	181.025
9-20	Dec 21	17.17	17.02	48.450	135.500	1.769	1.7370	181.750
9-21	Dec 21	17.30	17.12	49.000	136.650	1.780	1.7510	183.250
9-22	Dec 21	17.19	17.11	50.000	136.950	1.766	1.7330	178.000
9-23	Dec 21	17.18	17.11	51.850	136.500	1.753	1.7280	179.700
9-17	Jan 22	17.35	17.07	48.500	135.150	1.800	1.7520	181.025
9-20	Jan 22	17.30	17.09	48.500	136.150	1.798	1.7510	180.050
9-21	Jan 22	17.44	17.09	48.500	136.650	1.798	1.7530	182.000
9-22	Jan 22	17.35	17.09	49.475	136.750	1.798	1.7500	179.000
9-23	Jan 22	17.32	17.09	50.600	136.750	1.796	1.7500	179.700
9-17	Feb 22	17.40	17.10	47.750	136.000	1.800	1.7630	178.125
9-20	Feb 22	17.35	17.10	47.750	135.750	1.800	1.7600	179.250
9-21	Feb 22	17.49	17.10	49.475	136.500	1.800	1.7630	180.550
9-22	Feb 22	17.40	17.09	49.475	136.350	1.800	1.7630	178.000
9-23	Feb 22	17.41	17.09	49.475	136.500	1.800	1.7630	178.100
9-17	Mar 21	17.47	17.33	48.000	135.750	1.814	1.7700	185.000
9-20	Mar 21	17.44	17.32	48.000	135.750	1.814	1.7700	185.000
9-21	Mar 21	17.55	17.35	48.000	136.600	1.814	1.7800	185.700
9-22	Mar 21	17.52	17.30	48.000	136.750	1.801	1.7770	184.000
9-23	Mar 21	17.55	17.30	49.000	136.750	1.801	1.7760	184.000
9-17	April 21	17.52	17.40	48.000	136.000	1.831	1.7780	187.000
9-20	April 21	17.50	17.38	48.000	136.000	1.831	1.7770	185.525
9-21	April 21	17.55	17.38	48.300	136.725	1.831	1.7800	187.000
9-22	April 21	17.54	17.38	48.500	136.850	1.831	1.7800	187.000
9-23	April 21	17.54	17.40	48.500	137.000	1.831	1.7800	185.000
9-17	May 22	17.64	17.50	48.000	136.000	1.840	1.7930	187.000
9-20	May 22	17.60	17.50	48.000	136.000	1.840	1.7880	185.775
9-21	May 22	17.66	17.42	48.000	136.825	1.840	1.7920	186.275
9-22	May 22	17.70	17.46	48.000	137.050	1.840	1.7920	187.025
9-23	May 22	17.70	17.46	49.000	137.150	1.840	1.7930	185.250
9-17	June 22	17.63	17.45	47.000	136.150	1.837	1.7990	187.400
9-20	June 22	17.66	17.45	47.500	136.150	1.837	1.7970	186.250
9-21	June 22	17.70	17.45	48.000	136.825	1.837	1.8010	185.500
9-22	June 22	17.70	17.40	48.000	137.000	1.837	1.8010	187.750
9-23	June 22	17.70	17.45	48.000	137.100	1.837	1.8010	185.750
9-17	July 22	17.73	17.50	48.000	136.400	1.809	1.8050	188.000
9-20	July 22	17.73	17.48	48.000	136.400	1.809	1.8050	187.250
9-21	July 22	17.73	17.48	48.000	136.975	1.809	1.8090	188.000
9-22	July 22	17.73	17.48	48.000	136.975	1.809	1.8080	188.000
9-23	July 22	17.74	17.48	48.000	137.000	1.809	1.8080	188.000
Interest - Sept. 23		**25,279**	**4,231**	**3,769**	**7,411**	**3,386**	**21,821**	**8,045**

DAIRY PRODUCT MARKETS

AS REPORTED BY THE US DEPARTMENT OF AGRICULTURE

WHOLESALE CHEESE MARKETS

NATIONAL - SEPT. 17: Spot milk prices in the Midwest were $.50 to $1 over Class III. Last year during week 37, prices were $4 under to Class, and two years ago prices were $.50 under to $1.75 over Class. Cheese demand tones are slightly weaker in the East and West, while some midwestern producers say they are booked for the rest of 2021. Inventories are mixed, but barrels are more available than block loads. Cheese market tones are uncertain. The large CME price gap between block prices and barrel prices remains relatively large.

NORTHEAST - SEPT. 22: In the Northeast, Class III sales are steady to lower this week. A few cheese operations are shut down for a couple days for scheduled maintenance. Cheddar, Mozzarella and Provolone cheese inventory levels are stable for the near term. Manufacturers report customers' cheese demands are seasonally growing. There are reports trucking challenges are factoring into supply chain challenges in the dairy industry. Retail cheese sales are solid for a variety of retail outlets. Cheese sales in the foodservice sector are mixed in some areas. Many restaurants are ordering regular cheese supplies for their immediate needs. Cheddar cheese block and barrel prices are steady to slightly lower.

Wholesale prices, delivered, dollars per/lb:

Cheddar 40-lb blocks:	$2.2525 - $2.5400	Process 5-lb sliced:	$1.5950 - $2.0750
Muenster:	$2.2400 - $2.5900	Swiss Cuts 10-14 lbs:	$3.3850 - $5.7075

MIDWEST AREA - SEPT. 22: Cheese makers say spot milk is somewhat steady regarding availability. Milk prices at the mid-week point are slightly over Class III, but some cheese makers are full. Production in some plants was briefly disrupted by maintenance over the weekend, but a commonality in plants throughout the region is staffing shortages. It has become a lingering issue across the industry, and cheese makers are not immune. Plant management reports that overtime usage has shifted higher, and nearly all shifts are understaffed. Barrel cheese production has increased. Barrel inventories are noted as available, but not overly concerning. Market price movements on Monday did exactly what a number of contacts expect in the periods of time when a relatively large barrel/block price gap persists. Block prices dropped by almost 7 cents, while barrel prices shot up 9 cents, closing the gap by nearly 16 cents in a single trading day.

Wholesale prices delivered, dollars per/lb:

Blue 5# Loaf :	$2.4375 - $3.5050	Mozzarella 5-6#:	$1.9675 - $2.9125
Brick 5# Loaf:	$2.1675 - $2.5925	Muenster 5# Loaf:	$2.1675 - $2.5925
Cheddar 40# Block:	$1.8900 - $2.2900	Process 5# Loaf:	$1.5800 - $1.9400
Monterey Jack 10#	$2.1425 - $2.3475	Grade A Swiss 6-9#:	$2.9000 - $3.0175

WEST - SEPT. 22: Demand for cheese across both retail and foodservice markets has held steady in the West this week. International demand is steady, as contacts report notable demand for export of cheese to Asian markets. Export loads are facing delays due to port congestion, causing warehouse inventories to build. A shortage of truck drivers and limited shipping supplies are causing further delays to loads, limiting available warehouse space. While warehouse inventories are high, much of these inventories represent near term contract needs. Spot purchasers report that available cheese barrel inventories have begun to tighten, while block availability is unchanged. The block/barrel price spread has narrowed since last Wednesday. Cheese production is strong in the region, as milk continues to be available for plants to run busy schedules.

Wholesale prices delivered, dollars per/lb:		Monterey Jack 10#:	$2.1150 - $2.3900
Cheddar 10# Cuts:	$2.1275 - $2.3275	Process 5# Loaf:	$1.5975 - $1.8525
Cheddar 40# Block:	$1.8800 - $2.3700	Swiss 6-9# Cuts:	$3.1925 - $3.6225

FOREIGN -TYPE CHEESE - SEPT. 22: Demand for European cheese is growing, and prices are slowly rising. Retail orders are strong. Buyer interest from the foodservice and ingredient sectors is growing. However, seasonally declining milk output has hampered European cheese production. In many cases, production is not able to keep up with demand. Cheese inventories are getting pulled lower, and the age profiles within aging programs are becoming younger. Export demand is present, but it comes at a cost. Shipping delays are common due to short cheese supplies and logistical challenges.

Selling prices, delivered, dollars per/lb:	Imported	Domestic
Blue:	$2.6400 - 5.2300	$2.2600 - 3.7475
Gorgonzola:	$3.6900 - 5.7400	$2.7675 - 3.4850
Parmesan (Italy):	0	$3.6475 - 5.7375
Romano (Cows Milk):	0	$3.4500 - 5.6050
Sardo Romano (Argentine):	$2.8500 - 4.7800	0
Reggianito (Argentine):	$3.2900 - 4.7800	0
Jarlsberg (Brand):	0	0
Swiss Cuts Switzerland:	0	$3.4200 - 3.7450
Swiss Cuts Finnish:	$2.6700- 2.9300	0

WHOLESALE BUTTER MARKETS - SEPTEMBER 22

WEST: Butter churning schedules remain mixed across the West, and plant managers throughout the region generally report that current cream supplies are meeting their varying production needs. Some contacts indicate strong ongoing demand for unsalted butter, in both domestic and international markets, is surpassing availability. Salted butter inventories, however, are abundant and available for spot and contract sales. Retail sales are steady. Some stakeholders say foodservice orders are trending level to higher, but others have noted spottier demand as some restaurants weather staffing shortages, reduced hours of service, and/or dine-in restrictions

CENTRAL: Butter markets have settled down a bit after a somewhat bullish previous week. Now, market tones have returned to their range-bound state. Butter makers continue to report similar overall notes from one week to the next. Cream is more available later in the week. Regional producers say they are finding more cream loads from Western sources, but there are also comparable prices for cream within the region. Butter production remains stunted by employee shortages and plant managers do not see a near-term remedy for this. Unsalted butter production is quite limited.

NORTHEAST: East butter plant stocks are satisfactory, but new butter production falls somewhat short of the usual penchant of manufacturers. Trucking issues tend to underscore frequent cancellations of cream deliveries, which prevent butter churns from running at ideal levels. Active micro-fixing supports the filling of sale orders as stocks are worked lower. Orders are picking up across retail and foodservice, on good demand, ahead of the fall baking season.

NATIONAL - CONVENTIONAL DAIRY PRODUCTS

The total number of conventional dairy ads is unchanged, but total organic ad numbers increased by 51 percent. Conventional ice cream in 48- to 64-ounce containers maintained the top spot as the most advertised dairy item. The national average advertised price for ice cream in 48- to 64-ounce containers is $2.91, down 11 cents from the previous week.

Conventional cheese ad numbers increased 4 percent, while organic cheese ads increased 114 percent. The average advertised price for conventional 8-ounce block cheese is $2.19, down 41 cents from last week, and the average price for conventional 8-ounce shred cheese is $2.33, down 30 cents from last week.

The national weighted average advertised price for conventional milk gallons is $2.99, compared to $1.15 for conventional milk half-gallons. The national average advertised price for organic milk half-gallons is $3.96, resulting in an organic price premium of $2.81. Organic half-gallon milk is the most advertised organic item. Conventional yogurt ad numbers increased by 14 percent and organic yogurt ads increased 53 percent.

RETAIL PRICES - CONVENTIONAL DAIRY - SEPTEMBER 24

Commodity	US	NE	SE	MID	SC	SW	NW
Butter 1#	3.15	3.45	2.67	3.74	3.10	2.99	2.96
Cheese 8 oz block	2.19	2.47	2.22	2.04	2.03	1.57	2.15
Cheese 1# block	4.07	3.99	3.99	3.00	NA	4.98	NA
Cheese 2# block	7.30	NA	NA	6.99	NA	NA	7.40
Cheese 8 oz shred	2.33	2.57	2.42	2.07	2.30	1.77	2.41
Cheese 1# shred	4.12	NA	NA	3.00	NA	4.98	NA
Cottage Cheese	2.08	2.22	2.16	2.02	1.49	NA	1.69
Cream Cheese	1.73	1.76	1.58	1.92	1.83	1.99	1.87
Flavored Milk ½ gallon	2.64	NA	2.50	1.85	NA	1.99	3.79
Flavored Milk gallon	3.85	4.99	NA	NA	2.49	NA	NA
Ice Cream 48-64 oz	2.91	2.91	2.99	3.00	2.84	2.62	2.97
Milk ½ gallon	1.15	NA	.88	.88	1.56	.88	.91
Milk gallon	2.99	NA	NA	2.58	2.83	3.19	NA
Sour Cream 16 oz	1.86	2.03	1.87	1.96	1.65	1.83	1.73
Yogurt (Greek) 4-6 oz	.94	.98	.93	.91	.97	.93	.87
Yogurt (Greek) 32 oz	4.35	4.49	4.84	4.50	2.99	4.14	3.28
Yogurt 4-6 oz	.52	.54	.55	.50	.45	.50	.54
Yogurt 32 oz	2.71	2.92	NA	NA	2.29	NA	NA

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

ORGANIC DAIRY - RETAIL OVERVIEW

National Weighted Retail Avg Price:			
Butter 1 lb:	$5.99	Yogurt 32 oz:	$3.45
Cheese 8 oz shred:	$3.91	Greek Yogurt 4-6 oz:	NA
Cheese 8 oz block:	$3.53	Greek Yogurt 32 oz:	$4.98
Cream Cheese 8 oz:	$2.73	Milk ½ gallon:	$3.96
Cottage Cheese 16 oz:	$3.64	Milk gallon:	NA
Yogurt 4-6 oz:	$0.99	Sour Cream 16 oz:	$2.40
		Ice Cream 48-64 oz:	NA

NDM PRODUCTS - SEPTEMBER 23

NDM - CENTRAL: Midwestern end users/brokers say NDM availability has tightened. Milk end usage is widely dispersed, therefore condensed skim drying has decreased. Latin American demand, and demand for domestic cheese production, are steadily healthy. Regionally, NDM market tones have received a bullish tailwind in the past couple weeks.

NDM - WEST: Contacts report that some international purchasers have become hesitant to buy NDM at current, higher market prices. Inventories available for spot purchasing are tight. Milk availability is limited, as production has declined seasonally. Due to this, low/medium heat NDM production is slowing as some plant managers are, reportedly, unable to obtain enough supplies to run full schedules. The price range for high heat NDM has shifted lower at the bottom, while the top is unchanged. High heat inventories are tight on the spot market, but remain in balance with current, limited, market demands. Production of high heat NDM is limited; plant managers are focusing their drying time on the production of low/medium heat NDM.

NDM - EAST: Trading activity was quiet this week. Availability is tighter and some end users are not rushing into the market right now, as prices in the region are landing in the mid $1.30s. Condensed skim is accessible, but there are definitely hurdles in production due to staff shortages. Trucker shortages and freight costs are becoming very apparent in the Mid-Atlantic and Northeast. High heat NDM prices shifted higher on the bottom of the range. High heat trading was also quiet. Inventories are noted as very tight. Eastern NDM market tones are steady to slightly bullish.

LACTOSE: Spot market activity is largely quiet, but covers a wide range in prices. Manufacturers report steady demand and supported prices for 200 mesh and lactose used for standardization. However, there is limited interest for other lactose. A few spot sales in the lower reaches of the price range continue to clear the market as processors offer some lactose for immediate shipment to free up space in the warehouse. Market participants are working through Q4 contracting. Lactose inventories are heavy but are also mostly committed.

WEEKLY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT

DATE	BUTTER	CHEESE
09/20/21	63,894	83,957
09/01/21	68,130	85,055
Change	-4,236	-1,098
Percent Change	-6	-1

CME CASH PRICES - SEPTEMBER 20 - 24, 2021

Visit www.cheesereporter.com for daily prices

	500-LB CHEDDAR	40-LB CHEDDAR	AA BUTTER	GRADE A NFDM	DRY WHEY
MONDAY September 20	$1.6000 (+9)	$1.7250 (-6¾)	$1.7725 (-1¾)	$1.3500 (NC)	$0.5350 (NC)
TUESDAY September 21	$1.6000 (NC)	$1.7500 (+2½)	$1.7500 (-2¼)	$1.3500 (NC)	$0.5500 (+1½)
WEDNESDAY September 22	$1.5800 (-2)	$1.7250 (-2½)	$1.7225 (-2¾)	$1.3600 (+1)	$0.5650 (+1½)
THURSDAY September 23	$1.6000 (+2)	$1.7075 (-1¾)	$1.7525 (+3)	$1.3700 (+1)	$0.5700 (+½)
FRIDAY September 24	$1.6000 (NC)	$1.7075 (NC)	$1.7275 (-2½)	$1.3600 (-1)	$0.5725 (+¼)
Week's AVG $ Change	$1.5960 (+0.1070)	$1.7230 (-0.0765)	$1.7450 (-0.0625)	$1.3580 (+0.0185)	$0.5585 (+0.0285)
Last Week's AVG	$1.4890	$1.7995	$1.8075	$1.3395	$0.5300
2020 AVG Same Week	$1.6385	$2.5765	$1.5515	$1.0835	$0.3700

MARKET OPINION - CHEESE REPORTER

Cheese Comment: Five cars of blocks were sold Monday, the last at $1.7250, which set the price. Three cars of blocks were sold Tuesday, the last at $1.7500, which set the price. On Wednesday, 2 cars of blocks were sold, the last at $1.7250, which set the price. No blocks were sold Thursday; the price declined on an uncovered offer of 1 car at $1.7075. Friday's block market activity was limited to an uncovered offer of 1 car at $1.7275, which left the price unchanged at $1.7075. The barrel price jumped Monday on a sale at $1.6000, fell Wednesday on a sale at $1.5800, then rose Thursday on an unfilled bid at $1.6000.

Butter Comment: The price fell Monday on an uncovered offer at $1.7725, declined Tuesday on a sale at $1.7500, dropped Wednesday on a sale at $1.7225, increased Thursday on a sale at $1.7525, then dropped Friday on a sale at $1.7275. 48 carloads of butter were traded this week at the CME

Nonfat Dry Milk Comment: The price rose Wednesday on a sale at $1.3600, increased Thursday on a sale at $1.3700, then fell Friday on a sale at $1.3600.

Dry Whey Comment: The price increased Tuesday on a sale at 55.0 cents, rose Wednesday on an unfilled bid at 56.50 cents, increased Thursday on an unfilled bid at 57.0 cents, and climbed Friday on an unfilled bid at 57.25 cents.

WHEY MARKETS - SEPTEMBER 20 - 24, 2021

RELEASE DATE - SEPTEMBER 23, 2021

Animal Feed Whey—Central: Milk Replacer: .3800 (NC) – .4200 (NC)

Buttermilk Powder:
Central & East: 1.2400 (+2½) – 1.3000 (NC) West: 1.2400 (NC) – 1.2950 (NC)
Mostly: 1.2500 (NC) – 1.2700 (NC)

Casein: Rennet: 4.7000 (NC) – 4.9000 (NC) Acid: 4.7000 (NC) – 5.1100 (NC)

Dry Whey—Central (Edible):
Nonhygroscopic: .4500 (+1) – .5500 (+¾) Mostly: .5000 (+2) – .5200 (NC)

Dry Whey–West (Edible):
Nonhygroscopic: .4800 (+1) – .5975 (-¼) Mostly: .5200 (NC) – .5600 (NC)

Dry Whey—NorthEast: .5000 (NC) – .5700 (NC)

Lactose—Central and West:
Edible: .3400 (NC) – .5600 (NC) Mostly: .4000 (NC) – .4800 (NC)

Nonfat Dry Milk —Central & East:
Low/Medium Heat: 1.3200 (+2) – 1.4000 (+1) Mostly: 1.3400 (+1) – 1.3600 (NC)
High Heat: 1.4400 (+2) – 1.5400 (NC)

Nonfat Dry Milk —Western:
Low/Medium Heat: 1.2875 (-1¾) – 1.4075 (NC) Mostly: 1.3200 (-1) – 1.3500 (-½)
High Heat: 1.4275 (-1¾) – 1.5425 (NC)

Whey Protein Concentrate—Central and West:
Edible 34% Protein: 1.0200 (NC) – 1.3200 (-1) Mostly: 1.0700 (NC) – 1.2175 (NC)
Whole Milk—National: 1.8200 (NC) – 1.9300 (+8)

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

HISTORICAL MILK PRICES - CLASS III

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

USDA Seeking Up To 60.7 Million Pounds Of American Cheese For 2022

Washington—The US Department of Agriculture (USDA) on Thursday issued a solicitation for a maximum of 60,712,800 pounds of natural American cheese for delivery during 2022.

Estimated monthly and total maxium quantities being sought by USDA are as follows:

Nature American cheese in 500-pound barrels: a total of 48,960,000 pounds, with a low of 651,200 pounds in May and a high of 6,487,200 pounds in August.

Reduced fat shredded Cheddar, 6/5-pound bags (generic): a total of 5,529,600 pounds, with a low of 76,800 pounds in May and a high of 883,200 pounds in July.

Shredded Cheddar, 6/5-pound bags (generic): a total of 4,224,000 pounds, with a low of 76,800 in April, May and June and a high of 883,200 pounds in August.

Cheddar 40-pound blocks (generic): a total of 1,999,200 pounds, with a low of 81,600 pounds in November and December and a high of 367,200 pounds in October.

Offers are due by 1:00 p.m. Central time on Tuesday, Oct. 5, 2021. Offers should be submitted as a differential price per pound to the CME barrel cheese cash market price for barrel cheese and the CME 40-pound block Cheddar cash market price for the other natural American cheeses.

The contract price for a delivery month will be the total of the accepted differential price, plus the previous month's average (PMA) of the CME cash barrel or block cheese trading.

The month average for the PMA is a simple average of all the closing prices for barrel or block cheese during the month of the CME cash market trading.

The natural American cheese products being procured under this solicitation are currently for the following government programs: the National School Lunch Program, Child and Adult Care Feeding Programs, Summer Food Service Program, Food Distribution Program on Indian Reservations, Commodity Supplemental Food Program, and The Emergency Food Assistance Program.

For more information on this solicitation, contact Jenny Babiuch, at (816) 823-1145; email *jenny.babiuch@usda.gov*.

For more information on selling dairy and other food products to USDA, visit *www.ams.usda.gov/selling-food*.