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Make Allowances, Other Formula Factors Are Order Hearing Focus

NMPF Testifies In Support Of Proposal 13, To Restore Original Class I Skim Milk Price Mover

Carmel, IN—Testimony at USDA's federal milk marketing order (FMMO) last Friday and this week continued on proposals to update make allowances and other Class III and Class IV formula factors, and also began on base Class I skim milk price proposals.

Terry Brockman, senior vice president dairy of procurement, ingredients and industry affairs for Saputo USA, testified on Proposals 3, 6, 8 and 9.

Proposal 3, which would remove 500-pound barrels from the National Dairy Products Sales Report (NDPSR), should be rejected, Brockman testified, as should Proposal 6, which would add Mozzarella cheese to the product price surveys.

Saputo USA supports Proposals 8 and 9, submitted by the Wisconsin Cheese Makers Association (WCMA) and International Dairy Foods Association (IDFA), respectively, Brockman said. Those proposals would raise make allowances in Year 1 as follows: cheese, from the current 20.03 to 24.22 cents per pound; dry whey, from the current 19.91 to 25.82 cents per pound; nonfat dry milk, from the current 16.78 to 21.98 cents per pound; and butter, from the current 17.15 to 22.51 cents per pound.

Make allowances would be increased in each of the next three years, reaching 28.40 cents per pound for cheese, 31.72 cents per pound for dry whey, 27.16 cents per pound for nonfat dry milk and 27.85 cents per pound for butter in Year 4.

These proposals wouldn't adopt any of these make allowances if, prior to January 1 of that year, USDA has been provided authority and funding to conduct audited dairy product cost studies of all manufacturers of products used to set Class III and Class IV prices, has promulgated regulations implementing that authority, and has adopted make allowances persuant thereto, Brockman said.

"Updating the current manufacturing allowances are a must," Brockman noted in his written testimony. "Dairy manufacturers need FMMO make allowances to accurately reflect the costs to produce Cheddar, whey, NFDM and butter. Without this, manufacturers will be sent wrong financial signals impacting investment, capital disbursement and FMMO pooling decisions."

The WCMA's first hearing witness was Kim Heiman, president of Nasonville Dairy, Marshfield, WI, who testified in support of Proposal 8.

"Accuracy in make allowances is important to the proper functioning of classified milk pricing," Heiman said. "Cheese plants like us, and smaller cheese makers and the large operators, need up-to-date make allowances that reflect production costs that have skyrocketed in recent years."

In 2022, Nasonville showed a cost of 32.26 cents per pound to produce colored Cheddar cheese in 40-pound blocks, Heiman said.

• See **FMMO Hearing,** p. 11

US Milk Production Fell 0.3% In Aug.; Cow Numbers Rose Slightly From July

Washington—US milk production in the 24 reporting states during August totaled 18.2 billion pounds, down 0.3 percent from August 2022, USDA's National Agricultural Statistics Service (NASS) reported Monday.

July's milk production estimate for the 24 reporting states was revised down by 27 million pounds, so July production was down 0.8 percent from July 2022, rather than down 0.6 percent as originally estimated.

Production per cow in the 24 reporting states averaged 2,038 pounds for August, two pounds below August 2022, according to NASS figures.

The number of milk cows on farms in the 24 reporting states in August was 8.91 million head, 15,000 head less than August 2022, but 1,000 head more than July 2023.

August milk production for the entire US totaled 19.0 billion pounds, down 0.2 percent from August 2022.

Production per cow in the United States averaged 2,021 pounds for August, one pound below August 2022.

The number of milk cows on farms in the US in August was 9.39 million head, 16,000 head less than August 2022 but no change from July 2023.

California's August 2023 milk production totaled 3.33 billion

• See **Milk Output Falls,** p. 6

DCMA, Prairie Farms Both Support USDA Recommended Decision For Southeast Orders

Washington—Both the Dairy Cooperative Marketing Association (DCMA) and Prairie Farms Dairy support the US Department of Agriculture's (USDA) recently released recommended decision affecting three orders in the southeastern US.

The DCMA and Prairie Farms also requested that the amended orders be implemented by Dec. 1, 2023.

USDA in mid-July had published a recommended decision proposing to amend the transportation credit balancing fund (TCBF) for the Appalachian and

• See **Southeast Orders,** p. 10

Dairy, Food Retail Concerns Aired In Comments On Draft Merger Guides

Washington—Dairy industry and food retailing were among the concerns raised in comments submitted to the Federal Trade Commission (FTC) and the US Department of Justice (DOJ) concerning the agencies' review of their *Merger Guidelines*.

The FTC and DOJ two months ago had released a draft update of the *Merger Guidelines*, which describe and guide their review of mergers and acquistions to determine compliance with federal antitrust laws.

The draft guidelies build upon, expand, and clarify frameworks set out in previous versions of the guidelines.

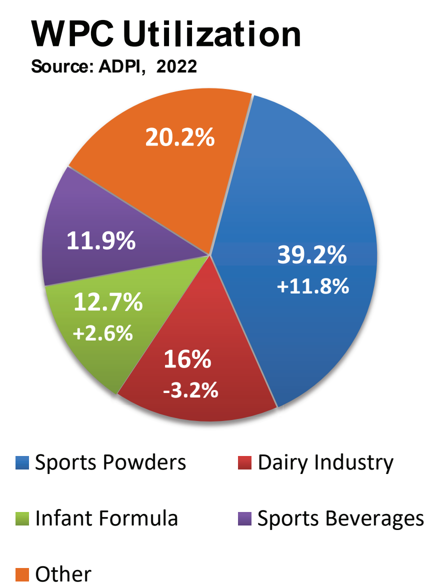
The agencies accepted comments on the draft guidelines through Monday, Sept. 18. Since then, they received over 1,500 comments.

Farm Action, a farmer-led advocacy organization, noted in its comments tnat an "important factor" driving consolidation in the dairy sector is "backward vertical integration" into milk processing by the nation's largest grocery chains — Walmart, Kroger, and Albertsons, specifically.

Kroger was the first to move into milk processing in 1975, Farm Action noted. By the 2000s, Kroger was processing and bottling between 90 percent and 100 percent of the milk sold in its stores.

Walmart and Albertsons followed Kroger's lead only recently, in the 2010s, Farm Action stated. Albertson's opened its first plant in 2014. Walmart announced it would open its first plant in 2016.

• See **Merger Guidelines,** p. 9



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EDITORIAL COMMENT

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Well, it sounds like these plant-based recipes all result in what's commonly referred to as "ultra-processed" foods. Last time we checked, ultra-processed foods were generating considerable controversy.

Flawed Studies On Milk, Meat, And Plant-Based Alternatives

The dairy and meat industries continue to come under considerable criticism for alleged contributions to greenhouse gas emissions and other offenses, so we thought we'd take a look at a couple of recent studies in this area and provide our (admittedly biased) perspective.

Just last week, a study published in *Nature Communications* concluded that replacing 50 percent of milk and meat products with plant-based alternatives by 2050 can reduce agriculture and land use-related greenhouse gas emissions by 31 percent and halt the degradation of forest and natural land.

The study, which was highlighted in separate press releases by the University of Vermont (one of the study's 13 authors is affiliated with the University of Vermont) and the International Institute for Applied Systems Analysis (six of the authors are affiliated with the IIASA), has garnered a fair amount of publicity over the past week or so, in the US as well as in several other countries.

There are at least a couple of noteworthy aspects to this study that weren't mentioned in any of the coverage we read, but are worth noting nonetheless.

First, as noted earlier, the study has a total of 13 authors from a variety of entities, including the aforementioned University of Vermont and IIASA. Interestingly, three of the authors are with Impossible Foods, whose mission, according to the company's website, is "to make the global food system truly sustainable by eliminating the need to make food from animals."

Impossible Foods produces and markets a variety of plant-based "meat" products, including, among others, beef, pork and chicken. The new study specifically looks at the "main animal products" (pork, chicken, beef and milk).

Granted, in a section at the very end of the study (on page 12, after the 100 references, plus acknowledgements and author contributions), there's a section labeled "Competing interests." Here it mentions that three of the authors declare the following competing interests: they were or are employees of Impossible Foods Inc., "which is a company that develops plant-based substitutes for meat products."

Since this "competing interest" doesn't appear to have been mentioned in any of the other coverage this study received around the globe, we thought we'd mention it here.

Also noteworthy about this study is how the research was conducted. For the study, researchers used sets of hypothetical plant-based "recipes" designed to be nutritionally equivalent to the original animal-derived products, and also selected "realistic ingredients that could feasibly be produced within existing food manufacturing capabilities and for global production (to balance global and regional abundance)."

The recipes, according to the study, allow for the use of more diverse ingredients and are "largely agnostic to current recipes on the market." One or more modeled recipes are similar to the Impossible Burger and Beyond Burgers. The novel alternatives recipes were constructed using processed ingredients such as flours and protein concentrates. Each of the recipes also calls for the inclusion of a vegetable oil.

Well, it sounds like these plant-based recipes all result in what's commonly referred to as "ultra-processed" foods. Last time we checked, ultra-processed foods were generating considerable controversy, regarding everything from how they should be defined to how harmful they are, or aren't, to human health.

Another recent study that caught our attention was conducted by researchers at Stanford University, and compared innovations and policies related to plant-based and lab-grown alternatives to animal meat and dairy in the US and European Union. This study was published in *One Earth*.

The study states that a transformation of the food system "is required to reduce its impact on climate, deforestation, and biodiversity," and that GHG emissions of the food system, especially livestock production, "must be greatly reduced to avoid the most extreme impacts of climate change."

The study goes on to note that, in the past decade, "substantial investments" have gone into developing a new generation of animal-derived food analogs, such as meat, milk, and dairy products derived from plants, biomass and precision fermentation, and cell cultivation.

The study's main hypothesis "is that governments are de facto hindering the diffusion of animal product analogs through a policy mix that preserves the dominance of animal farming systems." One section of the study specifically mentions the Dairy Pride Act, which would prohibit food not containing animal-derived ingredients from being marketed as dairy. As the study points out, the bill has been "repeatedly introduced" in Congress, but as not noted, it has never passed.

Meanwhile, the US Food and Drug Administration, in draft guidance released early this year, said plant-based milk alternatives may use the term "milk."

Given that FDA's draft guidance drew praise from several organizations that advocate plant-based alternatives, it's hard to see how government policy is hindering that industry. Seems like it's actually helping.

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Global Dairy Trade Price Index Rises 4.6%; Only Cheddar Price Declines

Auckland, New Zealand—The price index on this week's semi-monthly Global Dairy Trade dairy commodity auction increased 4.6 percent from the previous auction, held two weeks ago.

In this week's auction, which featured 176 participating bidders and 121 winning bidders, prices were higher for skim milk powder, whole milk powder, butter and anhydrous milkfat; and lower for Cheddar cheese.

Results from this week's GDT auction, with comparisons to the auction held two weeks ago, were as follows:

Cheddar cheese: The average winning price was $4,044 per metric ton ($1.83 per pound), down 1.7 percent. Average winning prices were: Contract 1 (October), $4,134 per pound, down 4.3 percent; Contract 2 (November), $4,052 per ton, down 3.6 percent; Contract 3 (December), $4,047 per ton, up 0.2 percent; Contract 4 (January 2024), $3,983 per ton, down 1.8 percent; Contract 5 (February), $3,997 per ton, down 2.8 percent; and Contract 6 (March), $4,165 per ton, up 4.6 percent.

Skim milk powder: The average winning price was $2,400 per ton ($1.09 per pound), up 5.4 percent. Average winning prices were: Contract 1, $2,365 per ton, up 6.8 percent; Contract 2, $2,358 per ton, up 6.4 percent; Contract 3, $2,426 per ton, up 4.0 percent; Contract 4, $2,459 per ton, up 5.3 percent; and Contract 5, $2,496 per ton, up 2.3 percent.

Whole milk powder: The average winning price was $2,799 per ton ($1.27 per pound), up 4.6 percent. Average winning prices were: Contract 1, $2,784 per ton, up 2.8 percent; Contract 2, $2,758 per ton, up 4.2 percent; Contract 3, $2,812 per ton, up 4.9 percent; Contract 4, $2,854 per ton, up 6.5 percent; and Contract 5, $2,954 per ton, up 7.7 percent.

Butter: The average winning price was $4,723 per ton ($2.14 per pound), up 3.8 percent. Average winning prices were: Contract 2, $4,841 per ton, up 5.8 percent; Contract 3, $4,715 per ton, up 2.9 percent; Contract 4, $4,650 per ton, up 2.0 percent; Contract 5, $4,665 per ton, up 3.0 percent; and $4,725 per ton, up 4.2 percent.

Anhydrous milkfat: The average winning price was $4,787 per ton ($2.17 per pound), up 5.3 percent. Average winning prices were: Contract 2, $4,780 per ton, up 6.8 percent; Contract 3, $4,748 per ton, up 5.4 percent; Contract 3, $4,789 per ton, up 4.7 percent; Contract 5, $4,812 per ton, up 3.4 percent; and Contract 6, $4,908 per ton, up 3.3 percent.

The 4.6 percent gain on whole milk powder on this week's GDT auction builds on a 5.2 percent increase at the preceding GDT auction earlier this month, but ASB Bank remains cautious on the outlook. Prices are lifting off three-and-a-half year lows. ASB believes a sustained recovery in Chinese demand is a necessary precursor to a substantial recovery in prices.

On that front, ASB said it was pleasing to see a significant lift in the quantity of WMP purchased by China at this week's auction. China's share of WMP purchases at this event spiked, with the proportion on offer purchased not seen since April.

ASB is retaining its $6.60 per kilogram of milk solids milk price forecast for the 2023/24 season but said it is pleased to see some upside risk develop in this week's auction.

While the positive result of this week's GDT auction is welcome, global dairy prices remain low, Westpac noted.

WMP and overall prices are still down by 25 percent and 24 percent, respectively.

With that in mind, Westpac said it's difficult to judge yet whether prices have turned a corner. To make that call, Westpac will need to see further price lifts over October and into November. Indeed, the recent price increases may have more to do with the fact that low prices have brought buyers back to the market rather than any fundamental change or improvement in global dairy demand.

Looking ahead, the strength or otherwise of New Zealand spring milk production has the potential to provide fresh direction to prices over coming months, Westpac said. Westpac is maintaining its 2023/24 milk price forecast at $6.75 per kilogram of milk solids.

Fonterra on Thursday announced its results for the financial year ending July 31, 2023, with a final 2022/23 season farmgate milk price of $8.22 per kilogram of milk solids.

Kraft Heinz Recalls Some Kraft Singles Products Due To Packaging Defect

Pittsburgh, PA, and Chicago, IL—Kraft Heinz this week announced a voluntary recall of approximately 83,800 cases of individually wrapped Kraft Singles American processed cheese slices that the company said were shipped to a limited number of customers.

The recall comes as a precaution after a temporary issue developed on one of the company's wrapping machines, making it possible that a thin strip of the individual film may remain on the slice after the wrapper has been removed, Kraft Heinz explained.

If the film sticks to the slice and is not removed, it could be unpleasant and potentially cause a gagging or choking hazard, Kraft Heinz said.

The issue was discovered after Kraft Heinz received several consumer complaints about finding the plastic stuck to a slice, including six complaints from consumers saying they choked or gagged in connection with the issue. No injuries or serious health issues have been reported, the company said.

Class III Should Stay Around $18.00 For Remainder Of 2023

Dairy Situation & Outlook - Sept 18

DR. BOB CROPP,
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Milk prices continue to show strength. Class III was $18.52 in April but then steadily declined reaching a low of $13.77 in July. But Class III rebounded in August to $17.19 and will be around $18.35 in September.

Much higher cheese prices pushed Class III prices higher. Forty-pound Cheddar blocks averaged $1.6209 per pound in July but $1.9752 in August. Blocks have been mostly in the $1.92 to $1.96 per pound range in September but have now shown weakness at $1.88.

Cheddar barrels averaged $1.5404 per pound in July but $1.8190 in August. In September barrels were mostly in the $1.8275 to $1.87 per pound range but have also now shown some weakness at 1.77.

Domestic demand has been positive for higher cheese prices pushing the Class III price higher. While fluid (beverage) milk sales continue below a year ago the sales of both butter and cheese have been higher.

However, dairy exports, which set a record last year, have been below a year ago since last March. US has faced weaker demand in Asia and increased competition for markets from both Europe and New Zealand.

On a milk solids equivalent basis, the export volume for July was 12 percent lower than a year ago. Compared to July a year ago cheese exports were down 1 percent with year-to-date down 6 percent.

Butterfat exports were down 61 percent with year-to-date down 45 percent.

Dry whey product exports were down 43 percent with year-to-date down 17 percent.

Nonfat dry milk/skim milk powder exports were up 3 percent with year-to-date down just 1 percent.

Heavier exports to Mexico push July exports higher.

With expected feed prices and milk prices returns over feed cost will remain at unfavorable levels. Cow numbers will likely continue to decline.

The main driver of higher cheese prices and milk prices has been lower milk production. Milk production fell below year ago levels by 0.7 percent in July and 0.2 percent in August. January through August milk production was just 0.4 percent higher than a year ago.

August cow numbers were unchanged from July but were 16,000 head fewer than a year ago, a 0.2 percent decline. Cow numbers have declined by 54,000 since March.

Low milk prices and favorable cull cow prices have encouraged higher culling and slaughter of cows from the herd.

Hot temperatures impacted milk per cow with no increase from a year ago.

Compared to a year ago August milk production for the five leading dairy states was: California down 3.7 percent, Wisconsin up 1.2 percent, Idaho up 1.0 percent, New York up 3.8 percent and Texas down 3.2 percent. California had 9,000 fewer cows with milk per cow 3.2 percent lower. Wisconsin had 3,000 fewer cows with milk per cow 1.4 percent higher.

New York had 6,000 more cows with milk per cow 2.8 percent higher. Texas had 20,000 fewer cows with milk per cow 0.2 percent lower.

Other states with relatively strong increases in milk production were Iowa up 3.2 percent, Indiana up 3.0 percent, Georgia up 3.1 percent, Michigan up 3.7 percent and South Dakota up 6.0 percent. All of these states had more cows except Georgia. States with relatively high decreases in milk production were Colorado down 3.5 percent, Kansas down 4.3 percent, Minnesota down 0.7 percent, New Mexico down 8.0 percent, and Oregon down 3.2 percent.

Lower milk production has lowered cheese production. In July Cheddar cheese production was 2.6 percent lower than a year ago with total cheese production down 0.7 percent.

Cheese stocks have also tightened recently. Compared to a year ago, July 31st stocks of American cheese were 3 percent lower and total cheese stocks 2 percent lower.

The Class III price should stay at or near $18 for the reminder of the year. Milk production is not likely to show increases over a year ago.

Drought in the Midwest has reduced hay production. With expected feed prices and milk prices returns over feed cost will remain at unfavorable levels. Cow numbers will likely continue to decline.

Reports are that both butter and cheese sales remain higher than a year ago. Dairy exports are expected to remain below year ago levels.

Current Class III futures average just above $18 for October though December. USDA's latest price forecast has Class III averaging $18.05 October through December.

Dr. Bob Cropp is a professor emeritus in the University of Wisconsin-Madison department of agricultural and applied economics, and has been with the University of Wisconsin system since August 1966.

FROM OUR ARCHIVES

50 YEARS AGO

Sept. 21, 1973: Ottawa, Canada—The Canadian government will soon pay consumers a subsidy of five cents per quart of fluid milk, Canadian Ag Minister Eugene Whelan said. The objective of the subsidy, which consumers will receive through processors, is to contain and roll back milk prices.

Madison—Milk and dairy product markets hit the "panic button" last week, stating that the sudden demand for bulk milk supplies outside the state of Wisconsin could produce a shortage of butter in grocery stores in a few weeks.

25 YEARS AGO

Sept. 18, 1998: Washington—A proposal to temporarily reduce pooling standards for supply plants regulated by the Iowa federal milk marketing order was denied by USDA. Beatrice Cheese, which operates a supply plant under the Iowa milk order, requested a temporary reduction in the supply plant shipping requirement of 10 percentage points.

Washington—Large dairy and other livestock operations may be subject to tighter regulations under a plan put together by FDA and the EPA. In recent years, pollution from factories has been dramatically reduced, but runoff from ag activities continues to degrade the environment, agencies noted.

10 YEARS AGO

Sept. 20, 2013: Rosemont, IL—US food companies and consumers needlessly trash billions of pounds of food every year due to the country's dizzying array of food expiration date labeling practices, which need to be standardized and clarified, a joint report from the Harvard Food Law & Policy Clinic, and Natural Resources Defense Council said.

Washington—Legislation was announced this week in the US House and Senate that would, among other things, establish a single, standard front-of-package labeling system for all food products required to bear nutrition labeling. It would also require standard definitions for terms like "healthy" and "natural."

USDA Providing $5 Million In Second Round Of Organic Dairy Marketing Assistance Program

Washington—The US Department of Agriculture (USDA) on Wednesday announced a second round of payments for dairy producers through the Organic Dairy Marketing Assistance Program (ODMAP).

Under this second round of ODMAP payments, USDA will provide an additional $5 million to help dairy producers mitigate market volatility, higher input and transportation costs, and unstable feed supply and prices that have created hardships in the organic dairy industry.

USDA's Farm Service Agency (FSA) has already paid out $15 million in the first round of payments for eligible producers.

FSA accepted ODMAP applications from May 24 to August 11. Eligible producers for ODMAP included certified organic dairy operations that produce milk from cows, goats and sheep.

ODMAP provides financial assistance for a producer's projected marketing costs in 2023, calculated based on a cost share of marketing costs on the pounds of organic milk marketed for the 2022 calendar year (or a projection of 2023 pounds of organic milk marketed if warranted in certain situations), not to exceed 5 million pounds.

For ODMAP applications, the first payment was factored by 75 percent. USDA has determined that additional assistance is still needed and sufficient funding remains available so the second round of payments will provide the remaining 25 percent of requested assistance to each eligible applicant.

The second ODMAP payment is automatic. Participating producers do not need to take any additional action.

"This program is critical to keeping small, organic dairies sustainable as they continue to weather a combination of challenges outside of their control," said Zach Ducheneaux, FSA administrator. "In total, the Farm Service Agency is providing $20 million to give organic dairy producers additional economic support to stay in operation until markets return to more favorable conditions."

ODMAP complements other USDA assistance available to dairy producers, including Dairy Margin Coverage (DMC) and Supplemental DMC, with more than $1 billion in benefits paid for the 2023 program year to date, according to FSA.

Southeast Orders

(Continued from p. 1)

Southeast federal milk marketing orders (FMMO)s, and establish Distributing Plant Delivery Credits (DPDC) in the Appalachian, Florida, and Southeast orders.

The recommended decision was based on testimony submitted at a hearing held Feb. 28 through Mar. 2, 2023. The hearing had originally been requested by the DCMA, a common marketing agency consisting of nine Capper-Volstead cooperative members.

DCMA and Prairie Farms both submitted their comments on USDA's recommended decision prior to the filing deadline of Sept. 18 to assist USDA in reaching a final decision and order that could be implemented by Dec. 1.

In its comments, DCMA said it continues to endorse and support the recommended decision's adoption of the following revised factors in the calculation of the TCBF mileage reimbursement rate: the base cost of diesel fuel from $1.42 per gallon to $2.26 per gallon; the average miles per gallon (mpg) fuel consumption for over-the-road milk tankers from 5.5 mpg to 6.2 mpg; the average cost per loaded mile from $1.91 to $3.67; and the average payload from 480 hundredweight to 497 hundredweight.

DCMA said it also appreciates the proposed adoption of the revision in the calculation of the non-reimbursed mileage on TCBF payments from a fixed 85 miles to 15 percent of the total miles of the trip.

This will encourage efficiency in deliveries and appropriately reward closer-in milk required for the market, DCMA said.

Finally, the recommended revision of February from a mandatory payment month to a discretionary month is a "useful tweak" to the provisions which can facilitate lower pro-rations in the fall high-demand months, DCMA said.

DCMA also commended USDA for its recognition of the marketing conditions in the Southeast orders and the recommended implementation of Distributing Plant Delivery Credits to address those marketing conditions by providing support to handlers in acquiring in-area supplies for delivery to distributing plants. DCMA believes that the adoption and implementation of a system of Distributing Plant Delivery Credits will be a "very positive addition to orderly marketing" in the three Southeast orders.

DCMA's support for the recommended DPDC system is subject to several clarifying or corrective requests, including, among other things, adoption, announcement and publication of DPDC assessments; clarification of eligibility for TCBF and DPDCs in the "85 mile" perimeter; and clarifications regarding supply plant deliveries.

Prairie Farms commended USDA for the "well-reasoned approach" evident in the recommended decision, but said a few clarifications would be beneficial and improve the understanding of the recommended decision.

The hearing record explored the milk production deficit in the southeastern states for calendar year 2022 and earlier years.

"There is no reason to presume the trend line of this pervasive deficit has improved, and every reason to believe the deficit has progressively worsened since the Hearing earlier this year, and is likely to deepen in 2024," Prairie Farms noted. The milk deficit is the most pronounced in the Southeast order.

With a pronounced and deepening deficit, the Southeast order will require much more milk from outside the marketing area to service the marketing area's fluid needs throughout calendar 2024 than was needed in 2022. For this reason, Prairie Farms requested that the initial Southeast TCBF assessment rate be set at the maximum 60 cents per hundredweight and not at the initial reduced rate of 55 cents per hundred proposed at the hearing.

Prairie Farms said it also supports the use of the 85-mile range as normal "first haul" miles and appropriate to use in determining the counties located outside the marketing area that should be eligible for DPDC.

Milk produced in the Southeast, Appalachian and Florida orders is eligible for DPDC, Prairie Farms noted. Milk produced outside the Appalachian and Southeast marketing areas is eligible for transportation credits.

In Prairie Farms' interpretation of the recommended decision, the milk from a producer in the listed counties located outside the Appalachian and Southeast marketing areas would be eligible for the DPDC and would also be eligible for the transportation credit in some months, though not eligible for both credits on the same milk at the same time. The handler or cooperative would determine which credit would be applicable.

There are counties eligible for the DPDC listed in the recommended decision that are common to both the Southeast and Appalachian orders.

Milk Output Falls

(Continued from p. 1)

pounds, down 3.7 percent from August 2022, due to 9,000 fewer milk cows and 65 less pounds of milk per cow. California's July milk production had been down 5.5 percent from July 2022.

Wisconsin's August milk production totaled 2.76 billion pounds, up 1.2 percent from August 2022, due to 3,000 fewer milk cows but 30 more pounds of milk per cow. Wisconsin's July milk production estimate was revised up by 6 million pounds, so output was up 1.1 percent from July 2022, rather than up 0.9 percent as initially estimated.

Idaho's August milk production totaled 1.46 billion pounds, up 1.0 percent from August 2022, due to 11,000 more milk cows but 15 less pounds of milk per cow. Idaho's July milk production estimate was revised down by 29 million pounds, so output was unchanged from July 2022, rather than up 2.0 percent as originally estimated.

August milk production in New York totaled 1.38 billion pounds, up 3.8 percent from August 2022, due to 6,000 more milk cows and 60 more pounds of milk per cow. New York's July milk output had been up 3.7 percent from July 2022.

Milk production in Texas during August totaled 1.34 billion pounds, down 3.2 percent from August 2022, due to 20,000 fewer milk cows and five less pounds of milk per cow. Texas's July milk output was revised up by 19 million pounds, so output was down 3.0 percent from July 2022, rather than down 4.3 percent as initially estimated.

Michigan's August milk production totaled 1.03 billion pounds, up 3.7 percent from August 2022, due to 13,000 more milk cows and 15 more pounds of milk per cow. Michigan's July milk output was revised down by 2 million pounds, so production was up 3.9 percent from July 2022, rather than up 4.1 percent as originally estimated.

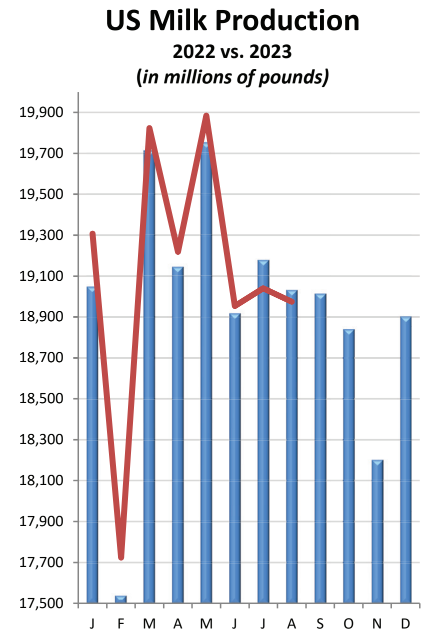
Minnesota's August milk production totaled 893 million pounds, down 0.7 percent from August 2022, due to 2,000 fewer milk cows and five less pounds of milk per cow. Minnesota's July milk production was revised down by 7 million pounds, so output was down 0.4 percent from July 2022, rather than up 0.3 percent as initially estimated.

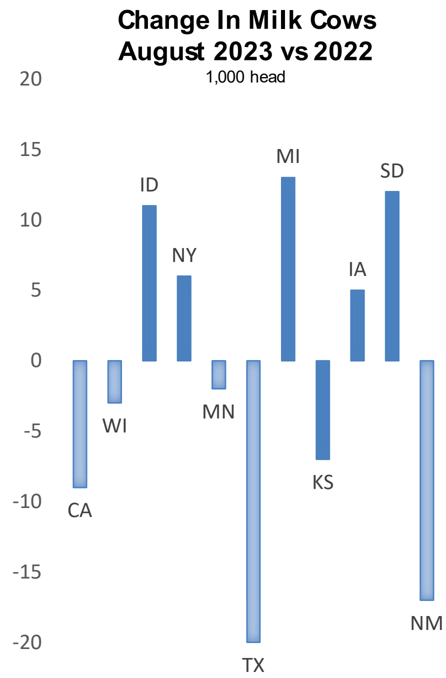
August milk production in Pennsylvania totaled 825 million pounds, up 0.5 percent from August 2022, due to 2,000 fewer milk cows but 15 more pounds of milk per cow. Pennsylvania's July milk output had been down 0.8 percent from July 2022.

New Mexico's August milk production totaled 541 million pounds, down 8.0 percent from August 2022, due to 17,000 fewer milk cows and 45 less pounds of milk per cow. New Mexico's July milk production had been down 9.1 percent from July 2022.

Washington's August milk production totaled 527 million pounds, up 1.5 percent from August 2022, due to 2,000 more milk cows and 15 more pounds of milk per cow. Washington's July milk output was revised down by 3 million pounds, so production was down 0.9 percent from July 2022, rather than down 0.4 percent as initially estimated.

All told for the 24 reporting states in August, compared to August 2022, milk production was higher in 16 states, with those increases ranging from 0.3 percent in Arizona to 6.0 percent in South Dakota; and lower in eight states, with those declines ranging from 0.5 percent in Utah to 8.0 percent in New Mexico.





Milk Production by State

STATE	Aug 2022	Aug 2023	% output change	Change Cows
	millions of lbs			
California	3463	3334	-3.7	-9000
Wisconsin	2728	2760	1.2	-3000
Idaho	1449	1463	1.0	11000
New York	**1329**	**1380**	**3.8**	**6000**
Texas	**1385**	**1340**	**-3.2**	**-20000**
Michigan	993	1030	3.7	13000
Minnesota	899	893	-0.7	-2000
Pennsylvania	821	825	0.5	-2000
New Mexico	588	541	-8.0	-17000
Washington	519	527	1.5	2000
Iowa	493	509	3.2	5000
Ohio	465	478	2.8	3000
Colorado	456	440	-3.5	-6000
South Dakota	**368**	**390**	**6.0**	**12000**
Indiana	**363**	**374**	**3.0**	**4000**
Arizona	**361**	**362**	**0.3**	**2000**
Kansas	348	333	-4.3	-7000
Vermont	**214**	**216**	**0.9**	**NC**
Oregon	**220**	**213**	**-3.2**	**-4000**
Utah	186	185	-0.5	NC
Georgia	163	168	3.1	NC
Florida	147	148	0.7	-1000
Illinois	138	139	0.7	-1000
Virginia	116	118	1.7	-1000

Duravant Acquires PPM Technologies

Downers Grove, IL—Duravant LLC, a global engineered equipment and automation solutions provider to the food processing, packaging, and material handling sectors, announced recently that it has acquired PPM Technologies from Stonehenge Partners.

PPM, headquartered in Newberg, OR, is a manufacturer of conveying, coating, and thermal equipment. The company designs, engineers, and manufactures processing solutions for a wide range of end markets, including dairy, confectionary, snack foods, frozen foods and extruded products.

PPM is an innovator of food handling technology with over 70 years of experience in designing and manufacturing conveyors and graders, Duravant noted. PPM has expanded its portfolio to include coating and thermal technologies to meet the growing demand for end-to-end integrated processing lines.

PPM serves customers in over 50 countries. PPM has two manufacturing sites in the US, a sales office in the UK, direct sales support in Mexico, and supports its global customer base with aftermarket parts and services.

"PPM is an ideal complement to our existing suite of products in our food processing and handling equipment portfolio," commented Mike Kachmer, Duravant's chairman and CEO. "Our new partnership with PPM bolsters our integration services capabilities which are in high demand as customers are increasingly relying on our applications and design expertise to deliver complete turnkey lines."

ADPI Releases Two New Standards For Edible Acid Casein, Infant Formula Grade WPPC

Elmhurst, IL—The American Dairy Products Institute (ADPI) recently announced that Ingredient Standards for Edible Acid Casein and Infant Formula Grade Whey Protein Phospholipid Concentrate have been approved and have been published for reference.

The two new standards are the culmination of months of collaboration by multidisciplinary task force teams and were recently voted into use by ADPI's executive committee.

The Edible Acid Casein Standard supports the ongoing re-emergence of domestic production for this ingredient, which until recently was dominated by international manufacturers.

Under ADPI's new standard, Edible Acid Casein is the milk product obtained by separating, washing, and drying the acid-precipitated coagulum of previously pasteurized skimmed milk and/or other products obtained from milk.

Under ADPI's Standard, Whey Protein Phospholipid Concentrate (WPPC) is a product obtained through the microfiltration of whey, which concentrates whey proteins and whey phospholipids.

WPPC for infant consumption complies with all provisions of the Federal Food, Drug, and Cosmetic Act.

"ADPI continues to leverage our members' vast pool of expertise to deliver timely and relevant ingredient standards that serve the interests of today's dairy ingredient industry," commented Andy Powers, ADPI vice president of technical services.

"These new standards reinforce ADPI's commitment to set the pace for US dairy and demonstrate that we have our fingers on the pulse of the industry we serve," Powers added.

ADPI recently announced public access to all of its ingredient standards. ADPI urges all producers, marketers, traders, and end users of dairy ingredients to adopt and adhere to its ingredient standards to promote consistency and to facilitate commerce, both domestically and internationally.

All ADPI Ingredient Standards can be found on the Institute's website, www.adpi.org, in the Ingredient Resource Center and may be downloaded in PDF format for ongoing use and future reference.

For additional information regarding ADPI Ingredient Standards, email adpi@adpi.org.

Oregon State Now Offering Dairy Foods Manufacturing Certificate

Corvallis, OR—Oregon State University is now offering an "Online Dairy Foods Manufacturing Certificate" designed for dairy manufacturing careers.

The program was specifically designed by working closely with the dairy industry to help plant employees gain the essential framework for career growth and professional development.

The knowledge gained from the dairy certificate tracks and modules will help participants with the essentials of operations, manufacturing, quality, supply chain, technical and scientific understanding, and regulatory and safety.

The modules and certificates are designed to train and upskill:

•Plant personnel new to dairy manufacturing with limited or no prior education in the dairy or food industry;

•Existing personnel aspiring to advance in the company by preparing themselves for work on the food quality team or food safety team; and

•Persons with supervisory skills or roles can deepen dairy-related technical and scientific knowledge to their skillset and increase career mobility.

Because of the close connection to industry, this program is also helpful to personnel in the regulatory space or in sales on the supplier side, OSU noted.

To make it accessible for everyone, this new program is on-demand and fully online. The highly modular, interactive program includes 23 learning modules (each one to two hours in length), which can be taken alone or as part of prescribed certificates.

The full certificates (Essentials and Advanced Certificates in Dairy Manufacturing) provide an in-depth exploration of core topics related to dairy manufacturing. They are ideal for new hires with limited or no prior dairy or food industry education, and those looking to brush up on foundational knowledge, OSU said.

The Essential Dairy Foods Manufacturing Certificate consists of 12 essential modules plus one elective. By the end of the program, participants will: know the basics of chemistry and microbiology; recognize factors that affect quality and consistency (both positively and negatively); and understand the function of key dairy unit operations, how they apply to a variety of products and why it matters.

The Advanced Certificate in Dairy Foods Manufacturing builds on the Essential Certificate and includes all 23 modules. By the end of the program, participants will: have a basic understanding of the processes for a range of dairy products, how they differ and how they're same and how that links to quality and consistency; describe characteristics of good and poor quality raw milk and understand factors that affect milk quality; and understand the function of key dairy unit operations, how they apply to a variety of products and why it matters.

Micro Certificates and individual modules focus on specific specialties in dairy manufacturing, and are ideal for existing personnel seeking career advancement, supervisors, and others looking to deepen their dairy-related technical and scientific knowledge, according to OSU.

Micro Certificates are offered in four areas. The eight-module Dairy Quality Certificate teaches participants the fundamentals of basic microbiology and pasteurization in processing, and students will gain the tools to analyze and evaluate quality and safety in a production dairy setting.

The five-module Dairy Food Safety Certificate focuses on creating a culture of safety in a dairy facility both for the products themselves as well as the team that produces them. This certificate includes the essentials of: dairy basics; GMPs, food safety systems and culture; regulatory environment for dairy; and supply chain management. This certificate is geared toward working in large and small facilities as well as regulatory environments and supply chain management.

The nine-module Fermented Dairy Product Certificate starts with the basics of dairy production and then goes into the essentials of fermented products within the dairy facility. The certificate focuses on understanding fermentation and how to make delicious and safe dairy products that range from cheese to yogurt.

This certificate includes the essentials of: dairy chemistry and microbiology; pasteurization technologies; sanitation; fundamentals of cheesemaking; specialty cheeses; and cultured products.

The 10-module Dried Dairy Products Certificate is focused on the systematic process of making dried dairy products as well as the science and safety that ensure a high-quality product.

For more information, or to register, visit *www.pace.oregonstate.edu/dairy*.

PERSONNEL

Schenekoske Retires From Tosca; Adam Krause Is His Successor

Green Bay, WI—Tosca, a leader in reusable packaging solutions, recently announced the retirement of Steve Schenekoske, a seasoned cheese industry veteran.

Schenekoske has served as the director of sales for the cheese business at Tosca since 2015, after contributing his expertise to the food industry for over three decades.

A passionate advocate for both cheese as a product and the cheese industry itself, Schenekoske's legacy of critical solutions and industry insights will be remembered fondly as he enters a well-deserved retirement, Tosca said. His commitment and contributions to the cheese industry have left an irreplaceable mark on Tosca and its customers. He helped Tosca become the national leader in pooling for 640 cheese containers, fostering strong relationships with customers and partners.

As Schenekoske transitions into retirement, Adam Krause will take over as his successor. Krause is skilled and knowledgeable in the industry, having worked for Tosca for more than 10 years out of Green Bay in procurement, operations and leadership roles, the company noted.

Krause brings with him a rich family cheese industry legacy and an enduring connection to the company following in the footsteps of his father, Steve Krause, who also dedicated 15 years of service to Tosca.

"It's hard to say goodbye to my Tosca family and customers, but I know I leave everyone in great hands with Adam," Schenekoske commented.

Bell Flavors & Fragrances, Inc. (Bell) has promoted ALLAN KAPLAN to the leadership role of chief financial officer. In his 10-plus years with Bell, Kaplan has held positions of increased responsibility, most recently serving as vice president of finance. In his new role, Kaplan will oversee Bell's finance and accounting departments, and serve as a member of the company's executive management committee. CRISTALLE KEANE, a 23-year Bell employee, as been promoted to vice president, sweet and dairy, flavor creation and application. Keane will continue to lead the Flavorist team, as well as drive business development and innovation in sweet and dairy flavor applications. A 15-year Bell employee, CHRIS WARSOW has been promoted to vice president, savory and culinary; flavor creation, application and delivery systems. Warsow most recently served as director of culinary application, savory flavor development and delivery. MAURO BATISTEZA assumes the role of vice president, international finance, and will partner with Bell's international leaders to support business growth across 60 global locations. MIKE BARRON was promoted to vice president, information technology.

Organic Valley Erects Dairy Farm In Rockefeller Center For Climate Week

From left: chief brand officer Jaclyn Cardin; farmers Ruth Buck, Minnesota; Jordan Settlage, Ohio; and Abbie Corse, Vermont; CEO Jeff Frank, marketing events manager Kendra Arch; senior director of communications Samantha Sackin; and brand public relations manager Heather Johnson.

New York—Organic Valley transformed the iconic Rockefeller Center Channel Gardens into a pop-up organic dairy farm here this week in celebration of a new environmental effort.

Organic Valley's *Protecting Where Your Food Comes From* campaign highlights the importance of protecting small organic family farms that help reverse the effects of climate change.

The launch coincides with Climate Week NYC – an event first launched in New York City in 2009.

The summit takes place alongside the UN General Assembly, and brings together international leaders from business, government and civil society to showcase global climate action.

On Wednesday and Thursday at Rockefeller Center, attendees and members of the public were able to sample Organic Valley dairy products and learn about climate-friendly dairy innovation.

"We're here at Climate Week NYC to change the narrative: not all dairy is created equal," said Organic Valley chief brand officer Jaclyn Cardin.

"There's often a one-sided view presented about animal agriculture and a perceived need to reduce milk and meat consumption to lower carbon impact, but we aim to showcase the other side: ethically sourced organic dairy done right - organically on family farms," Cardin continued.

"Unlike the green-washers out there, what we do is non-fiction marketing – all the animals, birds, and farmers featured in our campaign videos and activations across the country are real and found on our small family farms," she continued.

"By choosing Organic Valley over the alternatives, people contribute to the protection of over 400,000 acres of certified organic pasture land and diverse ecosystems," Jaclyn Cardin continued. "Not all dairy is scary, and our aim is to broaden the perspective of those who believe otherwise."

Organic Valley is also collaborating with Whole Foods Market for Fall Roadshow retail events, focusing on New York, Denver, Boston and Atlanta. Activities at stores in those four markets coincide with Climate Week NYC, involving live art, product sampling and more – all aiming to inspire consumers to protect where their food comes from by choosing climate-friendly dairy from small, organic family farms.

Organic Valley is also elevating its campaign through social media blitzes and new video content across platforms like TikTok, YouTube, Instagram, Hulu and Amazon.

Styled like wildlife documentaries, videos showcase biodiversity found on organic farms, highlighting the urgency of protecting small, family-owned and operated organic farms.

Visit *ov.coop* for more information.

FDA Updates Cronobacter Prevention Strategy

Silver Spring, MD—The US Food and Drug Administration (FDA) this week provided an update on its work to advance its strategy to help prevent Cronobacter sakazakii illnesses associated with the consumption of powdered infant formula.

A draft outline of the prevention strategy was first released in November 2022 in response to the infant formula shortage earlier that year following a large-scale recall and temporary shutdown of one of the nation's largest infant formula manufacturing facilities prompted by safety concerns at the facility.

At the time, FDA committed to using the strategy to guide its work to enhance the safety of powdered infant including through engagements with the infant formula industry and other stakeholders. These engagements further supported the strategy that was laid out, and at this time the strategy will continue forward without further actions being added.

This week, FDA provided an update on the significant actions that have been taken to advance the goals of the strategy, including, among others:

•Continuous collaboration with industry, coalitions, academia, and consumer groups to better understand and explore ways to enhance the safety of powdered infant formula.

•Issuance of a letter to the powdered infant formula industry to share current safety information and a call to industry to take prompt action to improve processes related to the safe production of powdered infant formula.

•Initiation of hiring to establish a dedicated cadre of investigators to conduct infant formula inspections.

•Initiation of hiring of staff to support the new Office of Critical Foods.

•Supporting the Council of State and Territorial Epidemiologists (CSTE) position on elevating Cronobacter to a nationally notifiable disease, which was successfully adopted by the CSTE on June 29, 2023.

•Updating and reorganizing infant formula-related materials on FDA.gov to provide both consumers and industry with more accessible information, including infant formula and Cronobacter sakazakii.

•Initiating work with the National Advisory Committee on Microbiological Criteria for Foods (NACMCF) to address knowledge gaps regarding Cronobacter sakazakii (formerly Enterobacter sakazakii).

Merger Guidelines

(Continued from p. 1)

"These moves had an immediate effect on the dairy industry," according to Dairy Action. Dean Foods, the leading dairy processor at the time, had sold 15 to 20 percent of its production to Walmart for years at that time. In early 2015, there was a dispute between the companies: Walmart wanted Dean to lower its prices in tandem with milk commodity prices so Walmart could make more profit. Dean declined. Walmart responded by lowering the price of its private-label milk steeply below Dean's branded milk. Sales of Dean's brand milk "slowed to a crawl" at Walmart stores. By the end of 2016, Dean Foods had lost around 5 percent of its total sales.

"But the hits did not stop there," Farm Action continued. Food Lion, a grocer with 1,000 stores on the East Coast, ended its contract with Dean in 2018, opting to buy its milk supply from Kroger. By the time Walmart's plant opened a few months later, Dean "was in bad shape." Dean filed for bankruptcy in November 2019.

"The primary merger enforcement concerns in the dairy context relate to buyer power and vertical foreclosure," Farm Action stated. On the one hand, Walmart bought 15 percent of Dean Foods' total fluid milk production. It did not have to divert all of its purchases in order to drive Dean into bankruptcy.

Granted, Dean Foods was in "tough shape" before Walmart's milk plant opened in 2018, but that was also primarily caused by Walmart's decision to cut the price of its private-label milk, Farm Action said.

If such a relatively small amount of market share being foreclosed due to internal expansion by a grocer could drive the once-largest dairy processor in America to bankruptcy, the FTC and DOJ "should address mergers that increase vertical foreclosure in buyer markets in their incipiency" — not wait until it reaches 50 percent, Farm Action said.

Anticompetitive Buyer Power

The National Grocers Association (NGA) said the draft updated guidelines "reflect a proper concern about the harm to suppliers resulting from powerful buyers." However, NGA requested that the final updated guidelines should go further and directly address the anticompetitive effects of mergers that enhance buyer-side market power that also results in economic discrimination against the merged buyers' competitors.

"In the grocery sector, the large national chains have significant bargaining leverage over suppliers because the national chains are critical 'gatekeepers' between grocery suppliers and consumers," NGA noted. "These retailers control a substantial proportion of the shelf space — whether physical or digital — that provides the key distribution channel for suppliers' products."

This bargaining leverage, NGA continued, is "asymmetric; the largest grocery retailers are not nearly as dependent on a particular supplier as the supplier is on the retailer. This is because a particular grocery supplier's products generally represent only a small fraction of a grocery retailer's sales, which may encompass tens of thousands of products."

Further, a dominent retailer often enjoys several potential branded suppliers for a particular product in addition to selling its own, private-label-brand versions, NGA said. As a result, a dominant retailer has a "substantial advantage" over its suppliers in a negotiation because the risk for the retailer, if the supplier refuses its demands and no deal results, is "substantially smaller than it is for the supplier."

Because of this asymmetry in leverage between the largest grocery buyers and grocery suppliers, buyer-side market power in the grocery sector can exist at market shares and concentration (of purchases) that are lower than would traditionally trigger concerns over seller-side market power, NGA said. The indispensable buyer's leverage is particularly acute in industries such as grocery which has a long tail of relatively smaller — albeit still large, multi-billion-dollar — competitors.

Both the prior merger guidelines and the recently released draft guidelines fail to account for this buyer-side bargaining leverage dynamic, NGA stated.

Another anticompetitive effect of unchecked buyer-side market power is increased concentration upstream in the grocery supply chain, according to NGA. Power buyers' demands on suppliers for lower costs are forcing consolidation among food and consumer goods manufacturers.

Supply chain concentration is "particularly acute" in private label manufacturing, the grocery supply sector that manufactures store brand versions of food products and consumer goods, such as packaged foods, NGA added. Under pressure from dominant retailers, the private label sector is "consolidating dramatically."

Fuzzy Udder Tops Maine Cheese Contest With Polar Vortex Blue Entry

Pittsfield, ME—A Polar Vortex Blue cheese entry from Fuzzy Udder Creamery, Whitefield, ME, won Best of Show honors at the Maine Cheese Festival here earlier this month.

First runner-up went to Noisy Acres Farm in Buxton for its Marinated Chevre in Oil entry, while Springdale Farm of Waldo earned second runner-up honors for a Triple Creme entry.

First, second, third place and honorable mention winners in each of the 11 contest categories are:

Fresh Goat Cheese

First place: Fuzzy Udder Creamery, Whitefield, Polar Vortex
Second place winner: Cosmic Goat Farm & Creamery, Litchfield, Stargazer
Third place: Noisy Acres, Buxton, Chevre
Honorable Mention: ChiGoBee Chevre, Pownal

Fresh Cow/Mixed Milk

First place: York Hill Dairy, Washington, McCurdy
Second place: York Hill Dairy, Plain Dairy Duet
Third place: Balfour Farm, Pittsfield, Bevre
Honorable Mention: Springdale Creamery, Waldo, Fresh Cream Cheese

Flavored Goat Cheese

First place: Noisy Acres, Marinated Chevre in Oil
Second place winner: Noisy Acres, Everything But the Bagel Chevre cheese
Third place: Copper Tail Farm, Waldoboro, Aleppo Pepper Chevre in Oil
Honorable Mention: Kennebec Farm, Sun dried Tomato Chevre in Oil

Flavored Cow/Mixed Milk

First place: York Hill, Black Peppercorn Duet
Second place: York Hill, Green Peppercorn Duet
Third place: Balfour Farm, Garlic & Herb Bevre
Honorable Mention: Crooked Face Farm, Skowhegan, Lemon Fennel Ricotta

Feta

First place: Fuzzy Udder Farm, Whitehead
Second place: Three Charm Farm, Alfred
Third place: Copper Tail Farm, Waldoboro, ME
Honorable Mention: Abraham's Goat Farm & Creamery, Newport

Bloomy Rind Cheese

First place: Springdale Farm, Triple Cremé
Second place: Winter Hill Farm, Freeport, Frost Gully
Third place: Fuzzy Udder, Waldo Smog
Honorable Mention: Spring Day Farm, Durham, Evangeline

Washed Rind Natural Cheese

First place: Kennebec Cheesery, Sidney, Old Speck
Second place: Kennebec Cheesery, Sebasticook
Third place: Josh Pond Farm, Whiting, Rosy Woodsman
Honorable Mention: Winter Hill Farm, Terzetto

Aged Natural Cheese

First place: Josh Pond Farm, Meddybemps
Second place: Fuzzy Udder Creamery, Landslide
Third place: Balfour Farm, Torrin Tomme
Honorable Mention: Crooked Face Farm, Bernadette

Cheddar

First place: Pineland Farms Dairy, Bangor, 5 Year Cheddar
Second place: Pineland Farms Dairy, Plain Curds
Third place winner: Pineland Farms Dairy, 1 Year Aged Cheddar
Honorable Mention: Creamy Acres, Troy, Mild Cheddar

Flavored Aged Cheese

First place: Balfour Farms, Cotswold
Second place: Pineland Farms Dairy, Southwest Cheddar
Third place: Balfour Farm, Smokey Ghost
Honorable Mention winner: Pineland Farms Dairy, Garlic & Dill Curds

Blue Cheese

First place: Fuzzy Udder Creamery, Polar Vortex
Second place: Josh Pond Farm, Whiting, Eskar Blue.

The contest was hosted by the Maine Cheese Guild, which will also sponsor the statewide Maine Open Creamery Day on Sunday, Oct. 8.

The contest was also sponsored and hosted by Local Goods Gathered.

For more information, visit *www.mainecheeseguild.org.*

dsm-firmenich Launches Delvo®Fresh Pioneer Starter Cultures For Yogurt

Kaiseraugst, Switzerland, and Heerlen, Netherlands—dsm-firmenich this week launched Delvo®Fresh Pioneer, a new generation of starter cultures for very mild yogurts.

Enabling exceptional pH stability during processing and throughout shelf life, this launch addresses yogurt manufacturers' need for high quality ingredients, stable production processes and consistent mildness throughout shelf life, dsm-firmenich said.

With this generation of cultures, yogurt pH is extremely stable for up to 60 days in cold storage, representing a significant improvement compared to other cultures for mild yogurt recipes, the company added.

Designed by dsm-firmenich experts, Delvo®Fresh Pioneer starter cultures offer modern dairy manufacturers remarkable flexibility to create various mild yogurt recipes with optimal consistency in taste, texture and quality from batch to batch, dsm-firmenich said. Delvo®Fresh Pioneer lead to significant and measurable reductions in post-acidification compared to other mild cultures.

The significant pH stability is even more apparent with more challenging storage conditions, such as higher temperatures, the company added.

"We're investing heavily in culture development as we know the possibilities are near limitless, and more taste, texture and health benefits are out there to discover. These new cultures complement our fermented dairy toolkit of starter, bioprotective and probiotic cultures, enzymes, hydrocolloids and nutritional solutions," commented Karoline Kjaerulff, global business development manager, Fermented Milk & Plant, dsm-firmenich.

"The new Delvo®Fresh Pioneer cultures give yogurt manufacturers the tools needed to produce delicious, mild yogurt — consistently," Kjaerulff continued. "The ideal pH stability enabled by these new cultures is what sets them apart, and for dairy manufacturers consistency and flexibility really are key to success."

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

FMMO Hearing

(Continued from p. 1)

Testimony on make allowances at federal order hearings often describes a zero-sum game, according to Bob Wills, president of Cedar Grove Cheese in Plain, WI. That is, some people believe that a higher make allowance, one that covers the costs of most processors, is presented as taking money away from dairy farmers.

"This is a false tradeoff," Wills testified. "At market prices, a market order pool only generates a certain amount of total product sales. The formulas are complicated, but ultimately the money available to pay farmers is no more than those sales less the cost of making the products.

"The market order make allowances do not dtermine either consumer purchase decisions or the cost of producing those goods," Wills continued. "If the make allowances do not cover the cost of production, then processors must either pay less than the market order minimum price or stop producing."

When make allowances were more than adequate, Cedar Grove paid farmers over-order premiums, Wills said. But in recent years, make allowances "have not been close to covering the cost of production, and many proprietary processors, like Cedar Grove Cheese, have been forced to depool some or all of their farmers' milk."

If make allowances are set high enough, most processors will be able to cover their production costs and pay the minimum prices, Wills said. Then, all farmers associated with those processors can benefit from the value of the market order pool.

"Lower make allowances mean the pool draw will go to some farms, but not others," Wills added. "Farmers will not receive equal treatment under the order, and competition for dairy products will deteriorate further."

Mike Brown, IDFA's chief economist, testified in support of Proposals 8 and 9, which, he noted, are "substantively identical." He also testified in opposition to Proposal 7, from National Milk Producers Federation (NMPF), which would raise make allowances to 24.0 cents per pound for cheese, 21.0 cents per pound for butter and nonfat dry milk, and 23.0 cents per pound for dry whey.

Current make allowances are based upon cost data submitted more than 16 years ago, Brown noted in his written testimony. "Unless those make allowances are adjusted in response to changes in industry costs, manufacturers are trapped in either losing money on every pound of product produced or stopping production entirely."

IDFA understands and appreciates the concerns of its members' dairy farmer patrons for whom increased make allowances mean lower regulated minimum prices, Brown said.

But make allowances that understate the cost of manufacture are "a disaster for all," as they inhibit needed investment in plant capacity, and the resulting loss of viable outlets for milk, and decline in competition, causes greater pain for everyone, including dairy farmers, he said. "Such losses of plant capacity result in the disorderly marketing conditions that FMMOs are designed to alleviate, not exacerbate."

Yield Factors, Butterfat Recovery

Several representatives of Select Milk Producers, Inc., testified in support of Proposals 10, 11, and 12, all of which Select submitted.

Proposal 10 would increase the butterfat recovery factor in the Class III price formula to 93 percent, which would necessitate a corresponding increase in the butterfat yield in cheese to 1.624.

Proposal 11 would update the specified yield factors to reflect actual farm-to-plant shrink. The yield factors for nonfat solids and other solids would remain unchanged. The proposed yield factors are: butterfat, 1.22; protein value in cheese, 1.386; and butterfat value in cheese, 1.582. Proposal 12 would update the nonfat solids factor from 0.99 to 1.03.

Chris Allen, Select's senior director for industry relations and analytics, stated that all of Select's proposals, and its evaluation of the other proposals under consideration at this hearing, are governed by one overriding principle: formulas establishing the minimum prices paid to producers should reflect current economic realities of processing, transporting, and marketing milk and dairy.

IDFA's Brown testified in opposition to Proposals 10, 11 and 12.

These three proposals "would require pool handlers to pay for butterfat that cannot be uniformly recovered or valued at the Grade AA price; pay for milk that may not actually be received in the cheese vat for manufacture; and for nonfat solids presumes a theoretical, rather than real world system where there are no losses before or after the conversion of solids nonfat into nonfat dry milk," Brown stated."Further, the proposals choose to update only factors that are revenue enhancing and ignore others, like the current, overstated whey cream valuation in cheesemaking."

Leprino Foods Company also opposes the three proposals from Select, according to Alison Krebs, Leprino's director of dairy and trade policy. Leprino's opposition to these proposals rests primarily on the fact that a more comprehensive review of the yield assumptions and the losses throughout the balance of the manufacturing process must be completed in conjunction with any changes.

Rob Vandenheuvel is senior vice president of member and industry relations for California Dairies, Inc. (CDI), which is a member of NMPF, and opposes Proposals 10, 11 and 12.

"CDI strongly supports a thorough examination of all elements of the Class III and IV formulas, including the various price discovery mechanisms, make allowances and product yields," Vandenheuvel said.

Return To 'Higher Of' Class I Mover

Peter Vitaliano, NMPF's vice president, economic policy and market research, testified in support of Proposal 13, submitted by NMPF, which would amend the base Class I skim milk price by replacing the simple average of the Class III and Class IV advanced skim milk pricing factors with the "higher of" the two factors and remove the additional 74 cents per hundredweight.

The current "average of" Class I mover is inconsistent with the federal order reform justifications for the "higher of" and does not operate as intended because it builds in an unintended asymmetric risk to producer income, which has resulted in nearly $1 billion in losses of producer income in little more than four years of operation, Vitaliano said.

COMING EVENTS

www.cheesereporter.com/events.htm

Sponsorships Offers Available For CheeseExpo April 16-18 In Milwaukee

Milwaukee, WI—A multitude of sponsorship opportunities for every business budget are now available for CheeseExpo 2024, set for April 16-18.

More than 4,000 industry leaders are slated to attend the three-day event, hosted by the Wisconsin Cheese Makers Association (WCMA) and the Center for Dairy Research (CDR).

More than 20 sponsorship options are available with complete details online at *CheeseExpo.org*.

"CheeseExpo offers an unparalleled showcase of the latest in technology and services, engaging and insightful seminars, and valuable networking opportunities, making it dairy processors' must-attend event," said WCMA senior director of events Judy Keller.

Companies may consider new, high-visibility partner level sponsorships, offering support for the show floor lunches, registration stations, or printed floor plans.

Advertising opportunities are also now available in the 2024 CheeseExpo program, a "who's who of the dairy processing industry," distributed to attendees.

"Where else but CheeseExpo can you reach all of the dairy processing industry's decision-makers," added WCMA events director Caitlin Peirick.

To learn more, visit *CheeseExpo.org*.

For questions, contact WCMA's Caitlin Peirick at *cpeirick@wischeesemakers.org*.

Oregon State 'Farm-To-Fork' Webinar Looks At Reverse Engineering Foods

Corvallis, OR—The "culinary detective work" of reverse engineering foods will be covered in Oregon State University's (OSU) "Farm-to-Fork" webinar series on Monday, Oct. 20.

The free course is led by Ellen Bradley, founder and principal food scientist for River City Food Group.

Bradley will demonstrate how to effectively perform reverse engineering to duplicate an ingredient or a competitor's product.

Oregon State's monthly Farm-to-Fork web series provides information about how food systems work, and the effort to make them more sustainable.

Students also learn how food science is connected to the entire chain.

Registration and a list of upcoming courses is available online at *www.foodsci.oregonstate.edu*.

CDR Class On Brick, Havarti, Muenster & Semi Soft Cheeses Set For Oct. 10-12

Madison—The Center for Dairy Research (CDR) will host an Advanced Cheesemaking workshop here October 10-12 in the new CDR addition to Babcock Hall on the University of Wisconsin-Madison campus, organizers said.

The advanced cheesemaking course will focus on various semisoft, washed-rind cheeses like Muenster, Brick, Havarti, and Farmers cheeses.

The class is also part of the Wisconsin Master Cheesemaker curriculum.

Course instructors will cover the chemistry behind soft, semi-soft and washed-rind cheeses, and identify defects, causes and solutions common to these particular varieties.

To register, attendees must have completed Cheesemaking Fundamentals or pre-approved work experience.

Cost to attend is $1,325 per student.

For registration and more details on this or any CDR classes, visit *www.cdr.wisc.edu/new-artisan-style*.

PLANNING GUIDE

ADPI Dairy Ingredients Seminar: Sept. 25-27, Santa Barbara, CA. Registration now open at www.adpi.org/events.

•

NCCIA Annual Conference: Oct. 10-12, Best Western/Ramkota, Sioux Falls, SD. Visit www.northcentralcheese.org for more information as well as registration updates.

•

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

•

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

•

NDB, NMPF, UDIA Joint Annual Meeting: Oct. 23-26, Orlando, FL. Agenda will soon be available online at www.nmpf.org.

•

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

•

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

•

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

•

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

•

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

•

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

•

Idaho Milk Processors Association: August 8 - 9, 2024, Sun Valley Resort, Sun Valley, ID. Visit www.impa.us for more information closer to event date.

MARKET PLACE

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Equipment for Sale

CHEESEMAKING EQUIPMENT FOR SALE: 3- 2002 30,000# Wincanton Vats • 3- 2016 Relco 3,500# Finishing Tables • 2016 Relco Curd take out system-Auger, Blower, Cyclone Scale / Prepress system • 20,000# Stoelting Horizontal Vat • 2018 3,000# Subana Prepress finishing table • MSA 90 Separator • 3, 4, and 5 tank CIP Systems. The above is the main equipment that is for sale but there are numerus items left like 40# block forms, carts, tables, racks and etc. No packaging equipment left. If you are interested in any of the items or if you are looking for something we may have, Please email **paulr@wischeese.com**

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,** (920) 863-3306 or e-mail *drlambert@dialez.net* for more information.

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 further details.

WESTFALIA SEPARATORS: New arrivals! Great condition. CONTACT: Dave Lambert at **Great Lakes Separators,** (920) 863-3306 or e-mail *drlambert@dialez.net* for more information.

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

Equipment for Sale

Equipment for Sale

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

Equipment Wanted

WANTED TO BUY: Westfalia or Alfa-Laval separators. Large or small. Old or new. Top dollar paid. CONTACT: Dave Lambert at **Great Lakes Separators,** (920) 863-3306 or e-mail Dave at *drlambert@dialez.net.*

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.**

Replacement Parts

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 Great Lakes Separators,** at **marleymachine2008@gmail.com** or call 920-676-8287.

Testing

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**

Interleave Paper, Wrapping

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

Cheese Moulds, Hoops

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 sis:** 4.75" x 18" • 7.25" x 5" • 7.25" x 6.75". Many new plastic forms and 20# and 40# Wilsons. Contact **INTERNATIONAL MACHINERY EXCHANGE (IME)** for your cheese forms and used equipment needs at 608-764-5481 or by emailing ***sales@imexchange.com*** for info.

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.

Cheese & Dairy Products

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

Warehousing & Storage

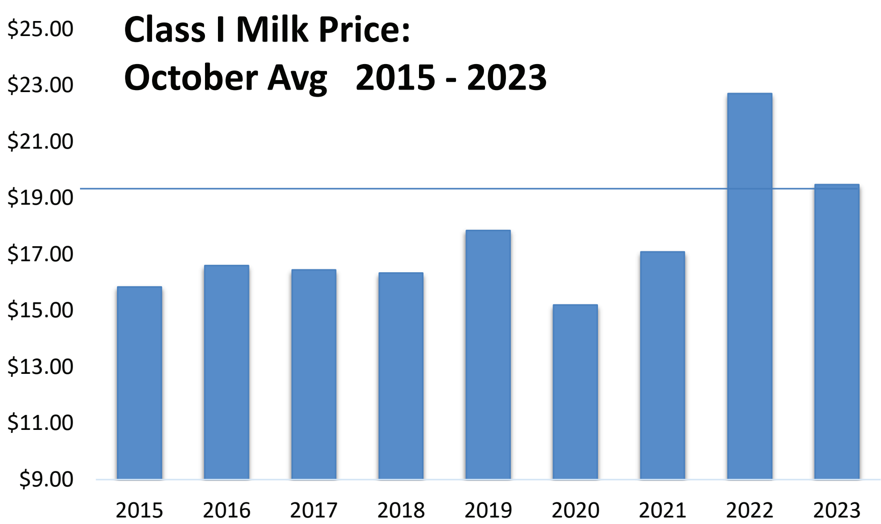
COLD STORAGE SPACE AVAILABLE: Sugar River Cold Storage in Monticello, WI. has space available in it's refrigerated buildings. Temperature's are 36, 35 and 33 degrees. Sugar River Cold Storage is SQF Certified and works within your schedule. Contact Kody at 608-938-1377. or, for information including new services, visit Sugar River's website at **www.sugarrivercoldstorage.com.**

Positions Wanted

Have You recently lost your job and need the ability to stay in touch with the latest job offerings? Apply for a free 3-month subscription to Cheese Reporter. Email info@cheesereporter.com for details.

Federal Order Class 1 Minimum Prices & Other Advanced Prices - October 2023

Class I Base Price (3.5%)	$19.47 (cwt)
Base Skim Milk Price for Class I	$9.12 (cwt)
Advanced Class III Skim Milk Pricing Factor	$8.20 (cwt)
Advanced Class IV Skim Milk Pricing Factor	$8.55 (cwt)
Advanced Butterfat Pricing Factor	$3.0477 (lb.)
Class II Skim Milk Price	$9.25 (cwt)
Class II Nonfat Solids Price	$1.0278 (lb.)
Two-week Product Price Averages:	
Butter	$2.6882 lb.
Nonfat Dry Milk	$1.1269 lb.
Cheese	$1.9610 lb.
Cheese, US 40-pound blocks	$2.0086 lb.
Cheese, US 500-pound barrels	$1.8887 lb.
Dry Whey	$0.2914 lb.



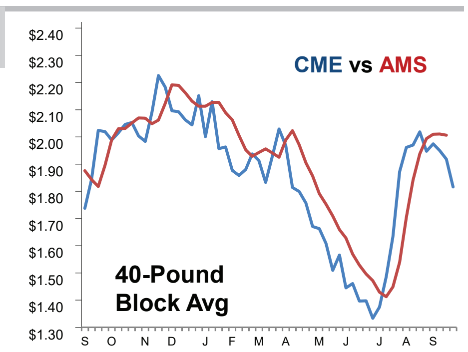
HISTORICAL MILK PRICES - CLASS I

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
'17	17.45	16.73	16.90	16.05	15.20	15.31	16.59	16.72	16.71	16.44	16.41	16.88
'18	15.44	14.25	13.36	14.10	14.44	15.25	15.36	14.15	14.85	16.33	15.52	15.05
'19	15.12	15.30	15.98	15.76	16.42	17.07	17.18	17.89	17.85	17.84	18.14	19.33
'20	19.01	17.55	17.46	16.64	12.95	11.42	16.56	19.78	18.44	15.20	18.04	19.87
'21	15.14	15.54	15.20	15.51	17.10	18.29	17.42	16.90	16.59	17.08	17.98	19.17
'22	19.71	21.64	22.88	24.38	25.45	25.87	25.87	25.13	23.62	22.71	24.09	22.58
'23	22.41	20.78	18.99	18.85	19.57	18.01	17.32	16.62	18.90	19.47		

DAIRY PRODUCT SALES

Sept. 20, 2023—AMS' National Dairy Products Sales Report. Prices included are provided each week by manufacturers. Prices collected are for the (wholesale) point of sale for natural, unaged Cheddar; boxes of butter meeting USDA standards; Extra Grade edible dry whey; and Extra Grade and USPH Grade A nonfortified NFDM.

•Revised



Week Ending	Sept. 16	Sept. 9	Sept. 2	Aug. 26
40-Pound Block Cheddar Cheese Prices and Sales				
Weighted Price		Dollars/Pound		
US	**2.0065**	2.0108	2.0094	1.9937
Sales Volume		Pounds		
US	11,295,057	10,857,567	9,711,180	10,809,681
500-Pound Barrel Cheddar Cheese Prices, Sales & Moisture Contest				
Weighted Price		Dollars/Pound		
US	1.9886	1.9763	1.9492	1.9361
Adjusted to 38% Moisture				
US	1.8959	1.8815	1.8534	1.8503
Sales Volume		Pounds		
US	12,518,654	12,422,366	12,218,130	10,817,013
Weighted Moisture Content		Percent		
US	34.97	34.88	34.80	35.12
AA Butter				
Weighted Price		Dollars/Pound		
US	2.7065	2.6704•	2.6765	2.6941
Sales Volume		Pounds		
US	4,913,668	5,065,739	3,687,024	5,460,136
Extra Grade Dry Whey Prices				
Weighted Price		Dollars/Pound		
US	0.2967	0.2852•	0.2761	0.2665•
Sales Volume				
US	4,884,501	4,234,749•	4,881,398	7,672,663•
Extra Grade or USPHS Grade A Nonfat Dry Milk				
Average Price		Dollars/Pound		
US	1.1207	1.1354	1.1068	1.1367
Sales Volume		Pounds		
US	18,024,919	13,023,098	17,030,872	13,993,544

DAIRY FUTURES PRICES

SETTLING PRICE *Cash Settled

Date	Month	Class III	Class IV	Dry Whey	NDM	Block Cheese	Cheese*	Butter*
9-15	Sept 23	18.40	18.70	28.600	112.000	1.973	1.9450	267.650
9-18	Sept 23	18.37	18.70	28.600	111.950	1.975	1.9450	268.600
9-19	Sept 23	18.36	18.70	28.600	111.950	1.975	1.9430	268.975
9-20	Sept 23	18.28	18.76	28.600	111.950	1.975	1.9380	270.500
9-21	Sept 23	18.38	18.84	29.000	111.950	1.978	1.9400	271.650
9-15	Oct 23	18.10	18.96	30.500	111.800	1.960	1.9100	272.400
9-18	Oct 23	17.80	18.98	30.150	111.275	1.902	1.8750	273.000
9-19	Oct 23	17.54	18.94	30.250	111.125	1.902	1.8470	276.400
9-20	Oct 23	17.12	19.21	30.000	113.000	1.840	1.7980	280.000
9-21	Oct 23	17.01	19.75	30.400	114.000	1.818	1.7850	287.250
9-15	Nov 23	18.33	19.20	32.500	114.775	1.911	1.9110	271.300
9-18	Nov 23	18.02	19.20	32.500	115.125	1.911	1.8820	270.500
9-19	Nov 23	17.65	19.18	32.500	114.250	1.895	1.8470	273.000
9-20	Nov 23	17.25	19.42	32.000	116.050	1.850	1.8020	275.000
9-21	Nov 23	17.22	19.90	32.400	117.700	1.830	1.7970	282.000
9-15	Dec 23	18.35	19.01	33.525	116.000	1.925	1.9180	266.000
9-18	Dec 23	18.13	19.06	32.775	117.000	1.925	1.8790	264.250
9-19	Dec 23	17.90	19.08	32.775	116.850	1.901	1.8700	265.000
9-20	Dec 23	17.71	19.10	32.750	118.725	1.880	1.8600	258.500
9-21	Dec 23	17.74	19.51	33.025	119.700	1.878	1.8450	269.500
9-15	Jan 24	18.25	19.00	38.000	118.800	1.914	1.8900	258.000
9-18	Jan 24	18.10	19.00	38.000	119.650	1.914	1.8900	256.250
9-19	Jan 24	17.90	19.05	35.600	119.225	1.903	1.8700	257.000
9-20	Jan 24	17.88	19.05	35.600	120.750	1.903	1.8700	257.000
9-21	Jan 24	18.00	19.26	35.600	121.775	1.893	1.8650	260.100
9-15	Feb 24	18.25	19.10	38.000	120.950	1.918	1.8900	256.125
9-18	Feb 24	18.20	19.12	38.000	121.425	1.913	1.8890	256.125
9-19	Feb 24	18.08	19.12	38.000	120.925	1.912	1.8880	256.975
9-20	Feb 24	18.05	19.12	38.000	122.750	1.906	1.8820	257.000
9-21	Feb 24	18.08	19.25	38.000	124.250	1.906	1.8800	258.750
9-15	Mar 24	18.32	19.24	38.000	123.500	1.922	1.8860	257.000
9-18	Mar 24	18.22	19.26	38.000	123.500	1.914	1.8750	256.025
9-19	Mar 24	18.11	19.26	38.000	122.975	1.911	1.8760	256.975
9-20	Mar 24	18.05	19.27	38.000	124.500	1.911	1.8760	256.500
9-21	Mar 24	18.28	19.42	38.000	126.000	1.911	1.8800	256.500
9-15	April 24	18.38	19.41	39.000	124.850	1.919	1.8860	258.000
9-18	April 24	18.35	19.42	39.000	125.375	1.919	1.8750	255.025
9-19	April 24	18.30	19.42	39.000	125.225	1.915	1.8860	257.000
9-20	April 24	18.19	19.32	39.000	126.100	1.914	1.8770	256.500
9-21	April 24	18.30	19.50	39.000	128.000	1.914	1.8790	256.500
9-15	May 24	18.49	19.43	39.000	127.250	1.922	1.8960	256.000
9-18	May 24	18.45	19.40	39.000	127.500	1.922	1.8920	256.000
9-19	May 24	18.45	19.40	39.000	127.350	1.922	1.9020	256.475
9-20	May 24	18.39	19.40	39.000	127.600	1.922	1.8920	256.000
9-21	May 24	18.30	19.50	39.000	129.450	1.922	1.8950	257.000
9-15	June 24	18.45	19.53	39.500	129.500	1.924	1.9060	255.975
9-18	June 24	18.52	19.51	39.500	129.500	1.938	1.9010	255.975
9-19	June 24	18.33	19.40	39.500	129.500	1.935	1.9060	256.745
9-20	June 24	18.50	19.40	39.500	129.500	1.935	1.8970	254.000
9-21	June 24	18.45	19.65	38.000	130.900	1.925	1.9010	254.000
9-15	July 24	18.70	19.50	39.500	130.000	1.955	1.9210	254.000
9-18	July 24	18.70	19.50	39.500	130.000	1.955	1.9120	254.000
9-19	July 24	18.70	19.50	39.500	130.000	1.955	1.9120	254.000
9-20	July 24	18.66	19.50	39.500	130.000	1.955	1.9100	254.000
9-21	July 24	18.66	18.50	39.500	131.450	1.955	1.9150	254.000
Sept. 21		19,024	6,466	2,025	9,223	2,826	17,750	9,288

DAIRY PRODUCT MARKETS

AS REPORTED BY THE US DEPARTMENT OF AGRICULTURE

WHOLESALE CHEESE MARKETS

NATIONAL - SEPT. 15: Milk volumes are in balance with cheesemaking capabilities in the West, and plant managers in the region say they are operating steady production schedules. In the Northeast, heightened demand for milk from Class I processors is pulling on supplies which previously made their way to regional cheese makers. Contacts say labor issues persist in the Northeast but note strong Cheddar cheese production.

NORTHEAST - SEPT. 20: Strong milk volumes continue to clear into Class I operations, as school bottling orders remain steady. As a result, volumes of milk that were previously available for Class III operations continue to be lower. Cooler temperatures both during the day and at night have reached the East coast, and contacts suggest that upticks in milk production may be on the horizon. Cheese processing continues to be limited by persistent labor obstacles, as well as limited milk volumes. Contacts note demand for Cheddar is the strongest of the American-type cheeses, and Mozzarella continues to be in high demand due to steady foodservice orders. Retail demand remains strong.

Wholesale prices, delivered, dollars per/lb:

Cheddar 40-lb block:	$2.3650 - $2.6525	Process 5-lb sliced:	$1.9175 - $2.3975
Muenster:	$2.2525 - $2.7025	Swiss Cuts 10-14 lbs:	$3.1275 - $5.4500

MIDWEST AREA - SEPT. 20: Cheese sales vary. Curd sales are seasonally busy. Barrel producers, despite the market slips this week, say demand is steady if not busier and they are not reporting upticks in availability. Market tones are under some downward pressure, nonetheless. That said, there are not a lot of indications of bearishness in the region. Midwestern cheese makers continue to share above-Class prices on milk, similar to the past few weeks. They say Class I pulls are keeping spot milk loads snug, while some say they were open for more milk, but it was unavailable. Some processors are using recent milk availability slides to allot more time off on a weekly basis, as they have been quite busy for a majority of the year up to now with widely available milk supplies until the last month.

Wholesale prices delivered, dollars per/lb:

Blue 5# Loaf :	$2.4075 - $.3.6175	Mozzarella 5-6#:	$1.9375 - $3.0250
Brick 5# Loaf:	$2.1375 - $2.7050	Muenster 5#:	$2.1375 - $2.7050
Cheddar 40# Block:	$1.8600- $2.4025	Process 5# Loaf:	$1.7950 - $2.2625
Monterey Jack 10#:	$2.1125- $2.4600	Swiss 6-9# Cuts:	$2.6425 - $2.7450

WEST - SEPT. 20: Retail and foodservice demand for varietal cheeses is strong to steady. Export demand is moderate. Stakeholders have relayed demand from Asian purchasers has been inconsistent during the first three quarters of 2023. Cheese manufacturers are pulling strongly on Class III milk supplies. Production schedules are steady with current seasonal milk production volumes. Cheese manufacturers indicate production facilities are in good balance with supplies. However, some cheese makers note extra spot loads of Class III milk are short, not allowing for the desired, stronger production schedules.

Wholesale prices delivered, dollars per/lb:		Monterey Jack 10#:	$2.2275 - $2.5025
Cheddar 10# Cuts :	$2.2400 - $2.4400	Process 5# Loaf:	$1.9200 - $2.0750
Cheddar 40# Block:	$1.9925- $2.4825	Swiss 6-9# Cuts:	$1.9350 - $3.3650

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

Variety	Date: 9/20	9/13	Variety	Date: 9/20	9/13
Cheddar Curd	$1.77	$1.79	Mild Cheddar	$1.79	$1.82
Young Gouda	$1.70	$1.67	Mozzarella	$1.65	$1.62

FOREIGN -TYPE CHEESE - SEPT. 20: Milk production is mixed. Industry sources indicate favorable weather in parts of the region has contributed to increased cow comfort and milk output, allowing for strong cheese production. Contacts note strong demand from retail purchasers in Europe, while foodservice sales are steady. Cheese orders in European vacation destinations are tapering somewhat, but contacts note orders are following seasonal trends. Contacts say cheese inventories remain tight for some varieties, and some cheese makers are unable to fulfill orders from purchasers looking for additional loads. Prices for loads of cheese to deliver in October are trending somewhat higher.

Selling prices, delivered, dollars per/lb:	Imported	Domestic
Blue:	$2.6400 - 5.2300	$2.2225- 3.7100
Gorgonzola:	$3.6900 - 5.7400	$2.7300- 3.4475
Parmesan:	0	$2.6125 - 4.7250
Romano :	0	$3.4125 - 5.5675
Sardo Romano (Argentine):	$2.8500 - 4.7800	0
Reggianito (Argentine):	$3.2900 - 4.7800	0
Jarlsberg:	$2.9500 - 6.4500	0
Swiss:	0	$3.1625 -3.4875
Swiss Cuts Finnish:	$2.6700- 2.9300	

DRY PRODUCTS - SEPTEMBER 21

LACTOSE CENTRAL/WEST: Contacts report mixed demand for lactose; some say interest is picking up, while others report higher prices in recent weeks have created hesitance from market participants. Heightened demand in recent weeks has enabled some manufacturers to lighten warehouse inventories of lactose and reduced the number of loads they have been offering in the low teens. These contacts indicate inventories are not tight, just not as bloated as they have been.

WPC CENTRAL/WEST: Spot purchasers say they are no longer hearing spot loads of WPC 34% available priced below 70 cents. Sellers attribute the recent uptick in prices to an uptick in demand. Loads of WPC 34% are available, though some stakeholders say inventories are less ample than during the summer months. Contacts report inventories ofmsome preferred brands of WPC 34% are somewhat tight and say these brands are moving at prices near the top of the range. Production of WPC 34% is steady to lighter. Some plant managers are focusing their production on higher whey protein concentrates, as markets for these commodities are currently more bullish.

NORTHEAST DRY WHEY: Steady bottling orders from schools continue to draw upon volumes of milk clearing into Class III operations. Contacts say in certain areas there is little milk to spare since milk production has not yet increased seasonally. Plant processing capacity is further limited by persistent labor obstacles in the Northeast. Liquid whey volumes are sparse and drying continues to be limited. The increase in pricing is largely attributable to tightness of brand-preferred spot loads.

NATIONAL - CONVENTIONAL DAIRY PRODUCTS

Ads for conventional cheese grew 15 percent this week, while organic cheese ads declined by 3 percent. Shred style cheese in 6- to 8-ounce packages was the most advertised conventional cheese item, appearing in 4 percent more ads than last week with an average advertised price of $2.46. Organic 6- to 8-ounce packages of shred cheese was also the most advertised organic cheese product, with an average advertised price of $2.99.

Total conventional yogurt ads declined by 6 percent, while organic yogurt ads increased by 896 percent. Ads for regular style organic yogurt in 32-ounce containers increased by 689 percent. The number of ads for conventional regular yogurt in 32-ounce containers declined by 48 percent, with an average advertised price that was up 54 cents from last week to $3.55. Meanwhile, the weighted average advertised price for organic 32-ounce packages of regular yogurt dropped to $3.99.

RETAIL PRICES - CONVENTIONAL DAIRY - SEPTEMBER 22

Commodity	US	NE	SE	MID	SC	SW	NW
Butter 8 oz	2.81	2.89	2.77	NA	NA	NA	NA
Butter 1#	4.28	3.61	3.78	4.39	2.99	5.05	4.04
Cheese 6-8 oz block	2.25	2.35	2.26	1.99	2.73	1.90	2.50
Cheese 6-8 oz shred	2.46	2.56	2.02	2.68	2.69	2.33	2.14
Cheese 6-8 oz sliced	2.86	2.72	2.63	3.12	3.59	3.50	2.50
Cheese 1# block	5.07	5.34	4.29	NA	2.99	3.42	6.39
Cheese 1# shred	5.10	4.99	4.86	NA	2.99	3.79	6.39
Cheese 1# sliced	6.63	6.99	NA	NA	NA	NA	6.39
Cheese 2# block	7.89	9.99	NA	NA	NA	6.26	8.99
Cheese 2# shred	7.91	8.99	8.99	7.98	NA	5.99	NA
Cottage Cheese 16 oz	2.53	2.96	2.07	2.29	1.99	NA	1.94
Cottage Cheese 24 oz	3.94	2.81	3.68	3.39	NA	3.79	4.99
Cream Cheese 8 oz	2.75	2.58	NA	2.81	2.40	3.49	2.92
Ice Cream 14-16 oz	3.72	4.17	3.58	3.40	3.62	4.13	3.02
Ice Cream 48-64 oz	3.55	3.77	3.52	3.03	3.81	3.64	3.33
Milk ½ gallon	2.30	2.83	NA	NA	2.99	2.54	1.28
Milk gallon	3.13	3.71	2.66	2.62	3.12	3.60	NA
Flavored Milk ½ gal	2.50	NA	2.50	2.81	NA	NA	NA
Flavored Milk gallon	4.10	NA	NA	NA	NA	NA	NA
Sour Cream 16 oz	2.39	2.24	2.66	2.44	2.13	2.37	2.48
Sour Cream 24 oz	3.26	NA	3.18	3.98	NA	3.47	3.19
Yogurt (Greek) 4-6 oz	1.07	1.06	1.03	1.14	1.09	1.09	0.99
Yogurt (Greek) 32 oz	5.60	5.76	5.77	5.69	5.49	5.41	NA
Yogurt 4-6 oz	0.66	0.69	0.50	0.52	0.58	0.70	1.24
Yogurt 32 oz	3.55	3.43	NA	NA	3.00	3.76	NA

ORGANIC DAIRY - RETAIL OVERVIEW

National Weighted Retail Avg Price:

Sour Cream 16 oz:	$4.31	Yogurt 4-6 oz:	$1.44
Butter 1 lb:	$4.99	Yogurt 32 oz:	$6.92
Flavored Milk ½ gallon:	$5.71	Yogurt Greek 32 oz	$7.01
Cheese 2 lb shred:	$2.99	Cream Cheese 8 oz:	$3.68
Cheese shreds 6-8 oz:	$3.68	Milk ½ gallon:	$4.80
Cheese shreds 1 lb:	$3.00	Milk gallon:	$5.99
Cheese 6-8 oz block:	$5.21	Ice Cream 14-16 oz	$8.00
Cheese 6-8 oz sliced:	$4.49	Ice Cream 48-64 oz	$8.15

WHOLESALE BUTTER MARKETS - SEPTEMBER 20

CENTRAL: Butter production remains a mixture of micro-fixing and churning in the region. Butter plant contacts say cream availability is not ample, but not out of reach, either. There are still some cream spot loads available for churning at the mid- to late-week mark, according to contacts. Butter demand ranges from strong to meeting seasonal expectations. Retail butter customers are showing mixed interest. As butter market prices continue to push higher, there are still some contacts who suggest $3/lb butter prices are a potentiality. Even at current prices, moving toward the mid $2.80s, customers are expected to take a more conservative buying approach. That said, regional butter loads are being spoken for by a steadily active foodservice market.

NORTHEAST: Cream supplies remain tight. Butter plant managers note that as the holiday baking season approaches, butter demand is increasing. Some contacts say that unsalted butter is becoming the main production focus for the near term. Demand for cream continues to outpace supply and processors are largely reliant on contracted loads of cream. Cream multiples have moved higher this week, as have prices for butter on industry cash exchanges. As of today, the price of butter on the CME reached $2.83, which is not only the highest it has been this year, but the highest it has been since Dec.16, 2022, when the price was $2.8550.

WEST: Although cream volumes for spot purchasing are less limited in some areas, cream is tight. Much of the cream is fulfilling contracted obligations. Despite the heavier bottling season and some handlers reporting flatter weekly seasonal milk output decreases, stakeholders anticipate further near-term cream tightness. However, stakeholders report lower cream multiples on the bottom of the range, and more manufacturers indicate less favor in selling cream at higher multiples versus internal uses. Producers report looking to add inventory for anticipated Q4 demand and sentiments that Q4 prices will be favorable. Butter production is mixed.

WEEKLY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT

DATE	BUTTER	CHEESE
09/18/23	38,451	83,658
09/01/23	48,927	85,254
Change	-10,476	-1,596
Percent Change	-21	-2

CME CASH PRICES - SEPTEMBER 18- 22, 2023

Visit www.cheesereporter.com for daily prices

	500-LB CHEDDAR	40-LB CHEDDAR	AA BUTTER	GRADE A NFDM	DRY WHEY
MONDAY September 18	$1.7200 (-9)	$1.8800 (NC)	$2.7700 (+5¼)	$1.1125 (NC)	$0.2900 (-1)
TUESDAY September 19	$1.6600 (-6)	$1.8800 (NC)	$2.8300 (+6)	$1.1200 (+¾)	$0.2825 (-¾)
WEDNESDAY September 20	$1.6100 (-5)	$1.8000 (-8)	$2.8400 (+1)	$1.1275 (+¾)	$0.2875 (+½)
THURSDAY September 21	$1.5650 (-4½)	$1.7700 (-3)	$2.9350 (+9½)	$1.1600 (+3¼)	$0.2875 (NC)
FRIDAY September 22	$1.6000 (+3½)	$1.7800 (+1)	$3.0000 (+6½)	$1.1700 (+1)	$0.3025 (+1½)
Week's AVG $ Change	$1.6310 (-0.1480)	$1.8220 (-0.0790)	$2.8750 (+0.1480)	$1.1380 (+0.0305)	$0.2900 (-0.0075)
Last Week's AVG	$1.8165	$1.9010	$2.7270	$1.1075	$0.2975
2022 AVG Same Week	$2.1645	$2.0195	$3.1345	$1.5640	$0.4500

MARKET OPINION - CHEESE REPORTER

Cheese Comment: There was no block market activity on Monday. Tuesday's block activity was limited to unfilled bids for 2 cars of blocks, 1 each at $1.5000 and $1.5100, which left the price unchanged at $1.8800. On Wednesday, 1 car of blocks was sold at $1.8000, which set the price. No blocks were sold Thursday; the price fell on an uncovered offer of 1 car at $1.7700. Two cars of blocks were sold Friday, the last at $1.7875; an uncovered offer of 1 car at $1.7800 then set the price. The barrel price dropped Monday on an uncovered offer at $1.7200, declined Tuesday on a sale at $1.6600, fell Wednesday on a sale at $1.6100, dropped Thursday on a sale at $1.5650, then rose Friday on a sale at $1.6000.

Butter Comment: The price rose Monday on a sale at $2.7700, increased Tuesday on a sale at $2.8300, rose Wednesday on a sale at $2.8400, jumped Thursday on an unfilled bid at $2.9350, and rose Friday on a sale at $3.0000.

Nonfat Dry Milk Comment: The price increased Tuesday on a sale at $1.1200, rose Wednesday on an unfilled bid at $1.1275, jumped Thursday on a sale at $1.1600, and increased Friday on a sale at $1.1700.

Dry Whey Comment: The price fell Monday on a sale at 29.0 cents, declined Tuesday on a sale at 28.25 cents, increased Wednesday on a sale at 28.75 cents, and rose Friday on a sale at 30.25 cents.

WHEY MARKETS - SEPTEMBER 18- 22, 2023

RELEASE DATE -SEPTEMBER 21, 2023

Animal Feed Whey—Central: Milk Replacer: .2200 (NC) – .2500 (NC)

Buttermilk Powder:
Central & East: .8500 (NC) – 1.0000 (NC) West: .8500 (+3) –1.0000 (+5)
Mostly: .8700 (+2) – .9500 (+2)

Casein: Rennet: 3.9000 (NC) – 4.4000 (NC) Acid: 3.6500 (-10) – 3.9500 (-20)

Dry Whey—Central (Edible):
Nonhygroscopic: .2600 (-1) – .3400 (NC) Mostly: .2800 (NC) – .3000 (NC)
Dry Whey–West (Edible):
Nonhygroscopic: .2800 (NC) – .3600 (NC) Mostly: .3000 (NC) – .3500 (NC)
Dry Whey—NE: .2650 (+1) – .3375 (+1)

Lactose—Central and West:
Edible: .1400 (+2) – .4000 (-3¾) Mostly: .1800 (NC) – .3100 (NC)

Nonfat Dry Milk —Central & East:
Low/Medium Heat: 1.0600 (+1) –1.1300 (NC) Mostly: 1.1000 (+2) – 1.1200 (NC)
High Heat: 1.1950 (NC) – 1.3500 (NC)
Nonfat Dry Milk —Western:
Low/Med Heat: 1.0500 (+2) – 1.1600 (+2) Mostly: 1.0700 (+2) – 1.1300 (+1)
High Heat: 1.1900 (+1) – 1.3700 (NC)

Whey Protein Concentrate—34% Protein:
Central & West: .7000 (+3) – .9800 (NC) Mostly: .7600 (+2) –.8900 (-2)

Whole Milk: 1.8500 (NC) – 2.0500 (NC)

HISTORICAL MONTHLY AVG BARREL PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
'08	1.8774	1.9560	1.7980	1.8010	2.0708	2.0562	1.8890	1.6983	1.8517	1.8025	1.6975	1.5295
'09	1.0832	1.1993	1.2738	1.1506	1.0763	1.0884	1.1349	1.3271	1.3035	1.4499	1.4825	1.4520
'10	1.4684	1.4182	1.2782	1.3854	1.4195	1.3647	1.5161	1.6006	1.7114	1.7120	1.4520	1.3751
'11	1.4876	1.8680	1.8049	1.5756	1.6902	2.0483	2.1124	1.9571	1.7010	1.7192	1.8963	1.5839
'12	1.5358	1.4823	1.5152	1.4524	1.4701	1.5871	1.6826	1.7889	1.8780	2.0240	1.8388	1.6634
'13	1.6388	1.5880	1.5920	1.7124	1.7251	1.7184	1.6919	1.7425	1.7688	1.7714	1.7833	1.8651
'14	2.1727	2.1757	2.2790	2.1842	1.9985	1.9856	1.9970	2.1961	2.3663	2.0782	1.9326	1.5305
'15	1.4995	1.4849	1.5290	1.6135	1.6250	1.6690	1.6313	1.6689	1.5840	1.6072	1.5305	1.4628
'16	1.4842	1.4573	1.4530	1.4231	1.3529	1.5301	1.7363	1.8110	1.5415	1.5295	1.7424	1.6132
'17	1.5573	1.6230	1.4072	1.4307	1.4806	1.3972	1.4396	1.5993	1.5691	1.6970	1.6656	1.5426
'18	1.3345	1.4096	1.5071	1.4721	1.5870	1.4145	1.3707	1.5835	1.4503	1.3152	1.3100	1.2829
'19	1.2379	1.3867	1.4910	1.5925	1.6278	1.6258	1.7343	1.7081	1.7463	2.0224	2.2554	1.8410
'20	1.5721	1.5470	1.4399	1.0690	1.5980	2.3376	2.4080	1.4937	1.6401	2.2213	1.8437	1.4609
'21	1.5141	1.4442	1.4811	1.7119	1.6923	1.5639	1.4774	1.4158	1.5319	1.8008	1.5375	1.6548
'22	1.8204	1.9038	2.0774	2.3489	2.3567	2.2077	2.0581	1.8741	2.0690	2.1285	1.9454	1.8395
'23	1.6803	1.5761	1.8175	1.5921	1.5073	1.5037	1.5404	1.8190				

USDA Issues Solicitation To Purchase 75.1 Million Pounds Of Mozzarella

Washington—The US Department of Agriculture (USDA) on Wednesday issued a solicitation for 75,116,160 pounds of IDIQ (indefinite delivery, indefinite quantity) Mozzarella.

Bids under this solicitation are due on Wednesday, Oct. 4, by 1:00 p.m. Central time. Questions regarding this procurement should be directed to Harli Lovera, at Harli.lovera@usda.gov.

Under this solicitation, USDA is specifically seeking to purchase the following quantities of Mozzarella:

•Low moisture part skim unfrozen processor pack: 63,705,600 pounds.

•Low moisture part skim frozen 8/6-pound loaves: 4,435,200 pounds.

•Lite frozen shredded Mozzarella, 30-pound, box: 1,330,560 pounds.

•Low moisture part skim shredded frozen Mozzarella, 30-pound box: 5,644,800 pounds.

Offers must be submitted electronically via the Web-Based Supply Chain Management System (WBSCM). Offerors are cautioned to bid only quantities they can reasonably expect to produce and deliver. USDA's Agricultural Marketing Service (AMS) purchases a variety of domestically produced and processed commodity food products, including cheese and other dairy products, through a competitive process among approved vendors.

These purchases made by the AMS Commodity Procurement Program (CP) support US agriculture by encouraging the consumption of domestic foods. AMS-CP manages the WBSCM, the fully integrated, web-based ordering and procurement system used for the purchase of USDA Foods. The International Commodity Procurement Division, of the AMS Commodity Procurement Program, purchases and delivers US-produced food aid commodities to foreign countries; assisting vulnerable populations around the world.

The commodity food products, collectively called USDA Foods, are delivered to schools, food banks, and households in communities across the country and are a vital component of US food safety net.