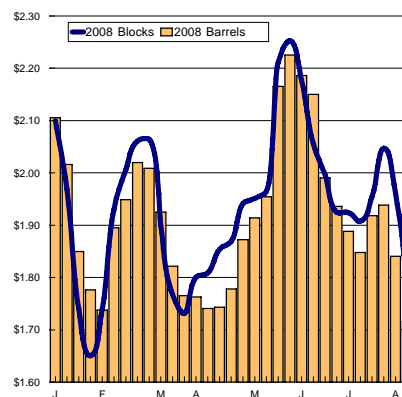




CHEESE REPORTER

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Australia, New Zealand Propose Easing Limits On Raw Milk Cheese

Proposed Frameworks Would Allow Manufacture, Sale, Import Of Raw Milk Products Produced To Acceptable Level Of Safety

Canberra, Australia, and Wellington, New Zealand—Separate discussion documents released this week in both Australia and New Zealand outline proposals that address issues relating to production and sale of raw milk cheese and other dairy products in those countries.

Currently, the Australia New Zealand Food Standards Code allows the sale in the two countries of French Roquefort cheese, extra-hard Parmesan-style grating cheeses and three raw milk Swiss cheeses (Emmental, Gruyere and Sbrinz).

The New Zealand Food Safety Authority's (NZFSA) proposed framework for the manufacture, importation, sale and export of raw milk products would allow for the manufacture and sale of raw milk products that have been produced to an acceptable level of microbial safety.

Under this proposed framework, it is expected that not all raw milk

products will be allowed to be manufactured or imported into New Zealand. For example, general sale of raw drinking milk is not expected to be permitted, although the current allowance for up to five liters of raw milk to be purchased for personal consumption from the farmgate would stay in place.

Meanwhile, Food Standards Australia New Zealand (FSANZ) this week released a discussion paper that details a proposal under which the Food Standards Code would be amended, for Australia only, to address: applications (current and potential future) for extended permissions in the Code for raw milk products; and providing nationally applicable standards rather than state-based provisions for raw milk products (except cheese).

In its discussion paper, the NZFSA said it believes it is possible to allow the importation of a wider range of raw milk products than is currently provided for, and to enable the production of equivalent products in New Zealand, by ensuring they are made from milk produced under particularly stringent conditions of animal health, and by fol-

lowing appropriate processing hygiene and controls.

In recent years, there has been growing interest in the availability of raw milk products within New Zealand. Requests have been made to the NZFSA to allow more raw milk products, particularly cheese, to be imported, and to develop the relevant technical criteria and other guidance material that would allow for the domestic manufacture and sale of raw milk products.

Interest in raw milk products comes from consumers, importers and domestic manufacturers, the NZFSA said. Some consumers want a wider range of products to be available in New Zealand as they are in other countries, and may consider that raw milk products are superior in flavor and texture, as well as offering health benefits.

Importers see potential business opportunities, for example to supply gourmet specialty cheeses, and are concerned about the restrictions imposed by current regulations.

And New Zealand dairy manufacturers, including smaller specialist

• See **Raw Milk Cheese**, p. 15

Hilmar Cheese Announces Phase II Expansion Project For Dalhart, TX, Facility

Dalhart, TX—Hilmar Cheese Company and its subsidiary, Hilmar Ingredients, this week announced the Phase II expansion project of their Dalhart, TX, facility.

Hilmar Cheese has been producing cheese and whey products in Texas for less than a year.

"The facility is very successful and operating ahead of plan," said John Jeter, president and CEO of Hilmar Cheese. "Our customers are pleased with our products and demand remains strong."

Designed for efficiency, the new operation has grown each month.

"We are proud of the quality and consistency from this new facility," said David Ahlem, Dalhart site manager. "Our employees have worked very hard to make sure production runs smoothly."

Hilmar Cheese had announced plans to build the Dalhart facility in November of 2005, and broke ground for the plant in March of 2006. Initial plans had called for the facility to be built in two phases.

Dalhart is centrally located in a region that has experienced significant dairy growth, Hilmar Cheese noted. Dairy farm expansion continues, with several new projects scheduled to break ground during the next year.

USDA milk production statistics reflect the growth of the state's milk output. Milk production in Texas grew from 6.44 billion pounds in 2005 to 7.4 billion pounds in 2007, and growth has continued this year, with first-quarter output up 11.7 percent from a year earlier and second-quarter production up 14.4 percent.

"The decision to begin Phase II is a timely addition to cheese and whey capacity," Jeter said. "The global market is looking for innovative value-added dairy products."

Privately owned Hilmar Cheese Company was established in 1984 by 12 local dairy farm families in Hilmar, CA. The company's Hilmar facility is billed as the world's largest single-site cheese and whey products manufacturing facility. •

Cheese Production Rose 1.3% In June; Butter, Milk Powder Production Jump

Washington—US cheese production during June totaled 803.3 million pounds, up 1.3 percent from June 2007, the US Department of Agriculture (USDA) reported Monday.

Cheese production during the first half of 2008 totaled 4.877 billion pounds, up 0.8 percent from the first half of 2007.

June cheese production in the three regions, with comparisons to June 2007, was as follows: Central, 354.6 million pounds, up 5.8 percent; West, 343.1 million pounds, down 2.2 percent; and Atlantic, 105.6 million pounds, down 1.2 percent.

Cheese output in the leading states during June, with comparisons to June 2007, was as follows: Wisconsin, 206.3 million pounds, up 1.5 percent; California, 172.4 million pounds, down 8.8 percent; Idaho, 65.7 million pounds, up 2.1 percent;

• See **More Butter, Powder**, p. 6

Companies Invest In New SDSU Dairy Plant To Boost Pool Of Qualified Personnel

Jackrabbit Dairy Council Aims To Shorten 'Come Up Time' For Qualified Dairy Science Graduates

Brookings, SD—Most people have heard the old adage that good people are hard to find.

Well, some of the largest dairy companies in the US have had so much difficulty finding good people that they have invested heavily in the design, construction, and operation of a new dairy plant at South Dakota State University.

Termed as a heavy investment in human resources, the seven companies, known as the Jackrabbit Dairy Council (named after SDSU's mascot), are trying to use the new dairy plant to increase the job pool of qualified supervisory-level people.

The 13,000 square foot university dairy plant will be completely modern. It will be attached to the existing dairy plant, which will be used as supporting space for the new

dairy plant.

The Jackrabbit Dairy Council is being spearheaded by the three largest dairy companies in the South Dakota region: DAVISCO Foods International, Valley Queen Cheese Factory and Wells Dairy.

Other manufacturing members include: Glanbia Foods, Hilmar Cheese and Southwest Cheese Company. In addition, industry suppliers and foundation members include Dairy Management, Inc. (DMI), Ecolab, the S.A. Education Foundation which was placed in honor of Alfred Gonzenbach and Alfred Nef, and Tetra Pak CPS.

Jon Davis, chief operations officer for the three cheese plants under DAVISCO Foods, said the job pool is insufficient or underskilled.

"Currently, there aren't enough candidates," Davis said. "Or the candidates are underqualified or haven't been trained in the current dairy plant operation."

• See **Jackrabbit Council**, p. 10

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Jackrabbit Council

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Davis also stated that dairy companies can't keep hiring or recruiting each other's qualified staff.

"Digging into each other's qualified job pool isn't in the best interest of the industry," Davis said. "So we're going to create a new pool."

Davis said there are a few companies that are still "sitting on the fence", but for the most part, convincing the companies to "pony up" was pretty easy once they had the opportunity to see what they were guaranteed in return.

Dr. Vikram Mistry heads the dairy science department at SDSU.

"In many ways it was easy," Mistry said, "because the one thing we knew was, and what remains, is that demand for graduates in the industry is incredible."

Glanbia Foods has two cheese plants and a whey plant in Idaho, as well as a 50:50 partnership with Southwest Cheese in Clovis, NM.

John Lanigan of Glanbia says the long-term sustainability of his company, as well as the industry as a whole, depends on new people entering the industry.

"Building an informed and interested job pool of cheese and whey industry professionals is vital for the

long-term success of our cheese and whey plants," Lanigan said. "We realize that changes in tomorrow's dairy operations will create new and greater opportunities.

"It is our hope that the students utilizing the new dairy plant at SDSU and its curriculum will come to Glanbia or to others in the Jackrabbit Council trained in our current operations but also with new ideas that will make us a more efficient food company," Lanigan added.

"We're going to get to the point where the graduate can switch cap and gown for hairnet and whites and get to work."

—Jon Davis, Davisco Foods

Rick Kaepernick of Hilmar Cheese said it is hard to find students who want to get involved in dairy product technology.

Because it is hard to find these students, Kaepernick said his company can't afford to just recruit on the West Coast.

"We have some real good universities here on the West Coast;

whether it's Cal Poly or UC Davis or Washington State, they all have some version of dairy products, but I don't think we can limit our recruiting to just the West Coast," Kaepernick said.

Mistry said that many of the companies on the Jackrabbit Council employ SDSU graduates.

"There are two schools that offer dairy programs which cover dairy production, dairy manufacturing in one department," Mistry said. "That's us and Cal Poly. What industry tells us is that there is a shortage of graduates. So they keep coming back to us for graduates and more graduates."

Davis understands the process of recruiting from other areas of the country, but is also in firm belief that diluting the pot, dilutes the pool.

"Our goal is to increase the job pool and create the most qualified student. As processors we need to pick a horse and fund one program at one university, not sprinkle money in a couple of spots," Davis said. "There is just so much money to go around. I can't see how five universities with archaic equipment and no room for towers or dryers can compete with one state-of-the-art facility."

Davis said he has no problem with those schools who offer the open vat, specialty cheese way of doing things. "But from our council's viewpoint, we need a teaching facility that runs like our plants."

Davis said DMI's contributions to SDSU is a perfect example.

"DMI's funds are directed towards whey processing, evaporation concentration and spray drying technology areas. If that money was to be directed to say, four universities, the four parts would never equal the whole at SDSU."

One thing agreed on by everyone is the need to get educated students that are able to immediately contribute to the dairy plant.

Dr. Lloyd Metzger, who is an associate professor of dairy science at SDSU, said shortening the "come up time" or the time the new employee can work on his own, was the ultimate objective of the new dairy facility.

"Right now the students come out of the program with some practical experience and a very strong dairy education," Metzger said. "If we have a state-of-the-art dairy plant, we can shorten that timeframe or the 'come up time' the student has after they come out of the program."

Davis said the "come up time" to train someone is usually a year and a half or even two years, depending on the education level and field experience.

"There might be a lot to learn and a lot to teach. We might be paying them two years before we start making our investment worthwhile," Davis said. "We're going to get to the point where the graduate can switch cap and gown for hairnet and whites and get to work."



Join The Jackrabbit Council

An investment to the Jackrabbit Dairy Council ensures new graduates will be entering our industry fully equipped with the technical skills and education background needed to face the challenges of the future.

Contact Jon Davis, Davisco Foods International for more information or to join.

Jon.Davis@DaviscoFoods.com
507-665-3353 or circle #100 on the Reader Response Card on p. 22

The Jackrabbit Council has set out to increase the job pool in three progressive methods.

Designing Dairy Plant

By investing in the dairy plant, the council has ensured students at SDSU will have the "latest and greatest" in cheesemaking equipment including a vat, cooker stretcher, tower, spray dryer, evaporator, filtration equipment and other state-of-the-art dairy processing equipment.

Included in the dairy plant will be processing facilities designed for training students, research and development facilities, and the popular dairy store.

"We're going to build this modern dairy plant, with all the latest and greatest technologies so students can get exposed to the current, real world of dairy processing, including cheese production and whey processing," Davis said.

Tetra Pak CPS quickly joined the Jackrabbit Council and will supply some of the equipment that will be operated in the new dairy plant.

"This dairy plant and the SDSU program will allow targeted training using the same degree of technology and automation with which these newer plants are being designed," said Tim High, president of Tetra Pak CPS.

"There is currently no existing facility that is able to train future managers, operators and supervisors for the high performance dairy production facilities that are being built today," High continued. "We think this will be a great opportunity for us to grow with tomorrow's users of Tetra Pak CPS equipment."

Some of those "high performance facilities" High mentioned are in the mode of the newest dairy plants being built today, including Davisco's Lake Norden, SD, plant, Southwest Cheese in Clovis, NM, and Hilmar's new operation in Dalhart, TX.

"When you go into this plant,

• See **Jackrabbit Council**, p. 14

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Jackrabbit Council

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what you're going to see is an industry plant," Mistry said. "The industry has had a lot of input to the design."

Metzger said the experience dealing with the industry in designing the plant is like nothing else he's experienced in academia. The council has been central in the design of the plant, he added.

"The council has a stake in the dairy plant, and that has allowed us to come up with a design that is top notch."

"It's really a merger of industry with academia to essentially continue the education process. We are the training arm of industry and industry is the extended education arm of university."

—Vikram Mistry, SDSU

Mark Leddy of Valley Queen Cheese, Milbank, SD, said it was very important to get involved in both the design of the facility and the curriculum.

"We feel that involvement from industry in the design of the plant is extremely important. This will ensure that the investments being made will be in tune with the current technology being utilized in the dairy industry," Leddy said.

By supporting the upgrade of the facilities, Leddy continued, he hopes to ensure that the graduates of SDSU will have exposure to equipment and processes that they will see and be involved with upon their entry into the dairy industry.

The plant should be operational by the end of 2009 and process nearly 750,000 pounds of milk from the SDSU farm.

Designing Curriculum

Besides working in the dairy plant, students will be going through curriculum developed by the Jackrabbit Council and professors at South Dakota State University.

"It's not just going to be boilerplate curriculum like it has been," Davis said. "With the professors, we're going to have a handle on the student's education focusing on specific aspects, rather than the generic. We know what they're lacking and the new curriculum will fill that hole."

Mistry said the curriculum will provide the necessary education to fulfill the BS degree in dairy science.

"Along with the new plant, the

training program will be designed so the student will be able to run the equipment; will have a BS in dairy science and have experience in dairy plant management," Mistry said.

Internships and Recruitment

Much like college sports coaches entering high schools to recruit athletes, Davis envisions entering high schools and talking with the nearly graduated about the SDSU dairy program.

"We're going to tell these kids that they can get a college education, turn around, move back to the area where their friends and family are and make \$50,000 on the first day. And if they're good, they can make \$100,000 and run a cheese plant," Davis said. "We're going to steer these kids in our direction at the high school level."

And because the dairy plants on the Jackrabbit Council are spread out around the US, Davis said the plan is to be going into the areas of dairy; points of interest will be Roswell, NM; Wausau, WI; Twin Falls, ID; northern New York and Vermont; Fresno or Visalia, CA.

"There is 100 percent placement of graduates in the dairy industry," said Mark Spence of Davisco, who is working very closely with Mistry on the project. "We need to get more students, so we're going to recruit in high schools and we're going to try and convince those kids to go to South Dakota State."

Valley Queen Cheese receives a good number of graduates from the SDSU program, Leddy said.

"We hope by participating in the Jackrabbit Council, we can ensure that this situation exists into the future," Leddy said.

Mistry said it was imperative to bring in students from around the Jackrabbit Council areas.

"We need to make sure these companies bring in students from their home areas, educate them and let them go back and work near their family and friends," Mistry said.

One of the problems with the changing real estate of the dairy industry is getting good training from nearby universities.

"I'm interested in dairy production technology people and they (SDSU) have a good program there," Kaepernick said.

When Hilmar expanded in Dalhart, TX, there wasn't a university in the area that could train the type of worker Hilmar would need at the new plant.

"I'm really hoping some of those Panhandle kids look at South Dakota State and say 'you know, that may be a place I might want to go,'" Hilmar's Kaepernick said.

He said he would hope they'd go to SDSU get the proper education and come back to Texas and work at the Dalhart facility.

Davis said he has been in talks about leveling the in-state and the out-of-state tuition in order to make

it more affordable to students coming from other areas of the country.

"Right now SDSU is very comparable," Davis said. "and it is something we are working on. There is only a \$1,400 difference, but we're trying to make it equal, and we're making headway."

Spence said SDSU was the most cost effective university offering dairy products technology in the US.

"When you compare it with the California universities, Minnesota, Wisconsin, Missouri; they don't compare. Then you add the fact the student will be trained in a state of the art facility, you get so much more bang for your buck than anyplace else."

Lanigan thinks that in places where his plants operate, opportunities like these create a win-win-win situation.

"This is an opportunity that maybe never existed before for some of these young people. We have many opportunities for local high school graduates in the Clovis and Twin Falls area at our cheese and whey facilities," Lanigan said. "We are anxious to begin work with these kids, to get them a college education and training and get them back here near their family with a good paying job. They win. We win. The economy in these areas wins."

"I'm really hoping some of those Panhandle kids look at South Dakota State and say 'you know, that may be a place I might want to go.'"

—Rick Kaepernick,
Hilmar Cheese

Another way Jackrabbit Council members will help train the students is through active internships. Davis said active internships are like summer employment.

"If a kid at South Dakota State wants to go out and work at Glanbia in Twin Falls in the summer between his sophomore and junior year, we're going to make that happen," Davis said.

Benefits of Membership On

Jackrabbit Council

Every company in the Jackrabbit Council has placed \$350,000 towards the construction of the SDSU dairy plant.

"The graduate will have had four years of dairy plant experience. He or she will have a BS degree. After all that, we are quite certain the graduate will make an immediate impact to any of our council members' dairy operation," Mistry said.

Davis said companies on the Jackrabbit Council will have exclu-

• See Jackrabbit Council, p. 16

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PERSONNEL NOTES

Tetra Pak Cheese and Process Systems has hired two new employees to its Process Engineering Group. **JERRY MILLER** will join the company and work out of Tetra Pak CPS' new Boise, ID, office. Miller will serve as senior process engineer. Miller comes from POWER Engineers and has a BS in mechanical engineering. In addition, **PAT BYRNE** has accepted the position of project manager. Byrne has nearly 20 years experience in positions ranging from design/drafting to project management. Byrne has an AAS in computer-aided drafting design technology. Byrne also spent time with POWER Engineers, but most recently owned his own design and drafting company.

JOHN CORE has been reappointed as CEO of the **Canadian Dairy Commission (CDC)**. Core began his career with the Dairy Farmers of Ontario as a board member in 1981, serving as chair from 1990 to 2001. From 1986 to 2001, Core also served as board member and president (1999-2001) of the Dairy Farmers of Canada. His tenure with the Canadian Dairy Commission began in 2002, when he was appointed chair and CEO of the organization. He continued in this dual role until April 2007, when the two positions were split. Following the split, Core carried on as the Commission's CEO and was reappointed to the position in October 2007.

JASON BIAN will serve as director of the **Packaging Machinery Manufacturers Institute (PMMI)** office in China, effective Sept. 6, 2008. Bian has served as a package engi-

neer in the paperboard and printing sector, and has more than 16 years experience in food industry product sales.

PAUL BUCK has joined **Delkor Systems, Inc.** as account manager. Buck will be responsible for handling all national accounts for the company out of his home office in Louisville, KY.

DEATHS

JEFFREY "JEFF" WARD, 52, of Onalaska, WI, died Tuesday, July 29, 2008, at his home. Ward was in the cheese and dairy industry all his life, in both Wisconsin and California, and most recently was the plant manager of Swiss Valley's Mindoro, WI, cheese plant, a job he truly loved. Ward also worked many years for the Damrow Company. Ward is the son of Glen and Joanne Ward of Holmen, WI.

AWARDS

ALCAN PACKAGING has selected its Neenah Technical Center to receive the **Gold 2008 Bonsai Award** for its outstanding efforts in environment, health and safety. Each year, Alcan Packaging honors the highest achievements to improve EHS performance among its 129 plants worldwide. Neenah Technical Center was recognized for having worked 20 years without a lost-time incident or injury causing a worker to miss time from work. Part of Alcan Packaging's Food Americas sector, Neenah Technical Center houses the company's innovation center, research and development facility, pilot plant and customer service team.



An artist's rendering of the new dairy plant located on the South Dakota State University campus. Industry leaders, known as the Jackrabbit Dairy Council have invested in the facility as a means to increase the job pool in the dairy industry.

Jackrabbit Council

Continued from p. 14

sive rights to talk with these students.

"Obviously we can't force the kids to work for council members, but if you're not on the Jackrabbit Council, you're going to have to go off campus to recruit them," Davis said. "We're making the investment. The students are going to know who invested in their future. We're going to have first rights to the students, and we're going to do what we can to secure our investment."

Davis also said the council is aware of companies who are assisting in the project.

"Ecolab and Tetra Pak, First Premier of Sioux Falls and the Bank of the West have played an integral part in all of this," Davis said. "They already do business with council members. We like working with companies whose vision parallels ours. And as they support our goals, as we grow, we'll remember their efforts along the way, as well."

Spence said he's enjoyed working with organizations such as the

American Dairy Association of South Dakota, as well as the S. A. Education Foundation of Milbank, Bank of the West and First Premier of Sioux Falls, all of who have invested money and time to the project.

"These firms share the same vision and they should be commended for their hard work and understanding," Spence said.

Impact and Goals

Mistry said the goal is to increase the number of students attending SDSU's dairy science program and headway has already been made.

"We had 40 students about five years ago, Mistry said. "We're at about 70 today. Our goal is 125 or more once the dairy plant is operational."

Mistry said the SDSU dairy science department has already enrolled its first student from Idaho that he hopes will eventually go back and work for either Glanbia Foods or Jerome Cheese (owned by Davisco).

"It's really exciting for us to bring in students from outside our geographic comfort zone," Mistry said. "It brings in a lot of credibility."

Because of the uniqueness of the Jackrabbit Council, Mistry said the relationship between industry and academia has changed.

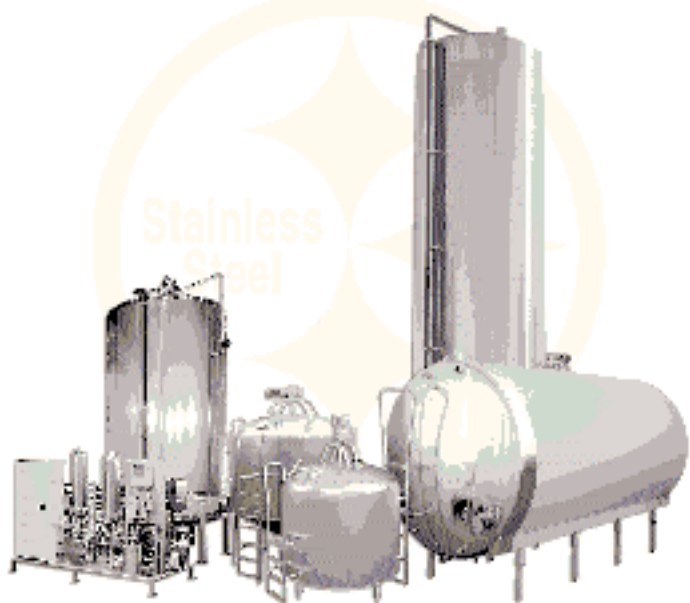
"Traditionally what academia does is to provide an education," he said. "Students get a degree and then they go. In their early days of employment they may have to undergo additional training. Thus, there is a gap between graduation and employment."

Mistry said in the end, the dairy industry and academia both benefit from this healthy collaboration.

"What this program with the Jackrabbit Dairy Council does in many ways is fill the gap," Mistry continued. "Where we almost become part of the industry. Where our end product is graduates and they become the raw materials for industry."

"It's really a merger of industry with academia to essentially continue the education process," he added. "We are the training arm of industry and industry is the extended education arm of university." r

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