# CHESE MARKET NEWS®

The Weekly Newspaper Of The Nation's Cheese And Dairy/Deli Business



# USDA to purchase \$50 million in fluid milk for hunger relief

## **INSIDE**

- ◆ Brian Rice, Pete Turk of Rice Dairy launch new risk services company. For details, see page 3.
- ◆ Guest column: 'Three million hours: A terrible thing to waste.' For details, see page 4.
- **◆ Ecolab, Cargill, Techstars partner on Farm to Fork Accelerator.** *For details, see page 8.*
- **♦ BYU team wins IMPA's new dairy product contest.** For details, see page 11.

WASHINGTON — USDA this week announced plans to purchase whole, 1-percent, 2-percent and skim fluid milk in half gallons for distribution to The Emergency Food Assistance Program (TEFAP).

The first-of-its-kind purchase of fluid milk will be made "under the authority of Section 32 of the Act of August 24, 1935, with the purpose to encourage the continued domestic consumption of these products by diverting them from the normal channels of trade and commerce," USDA says.

USDA notes the purchases are part of the normal operations of administering Section 32 and are not related or associated with the authority or administration of possible purchases under Section 5 of the Commodity Credit Corp. related to trade mitigation. Stakeholders say USDA expects to announce official guidelines for distribution of that previously announced \$12 billion aid package for farmers by Aug. 24. (See "Industry reacts to 'bailout' for farmers due to tariff pressure" in the July 27, 2018, issue of Cheese Market News.)

Solicitations for this announced fluid milk purchase will be issued in the near future and will be available electronically through the Web-Based Supply Chain Management (WBSCM) system, USDA says. A hard copy of the solicitation will not be available. All future information regarding this acquisition, including solicitation amendments and award notices, will be published through WBSCM and on the Agricultural Marketing Service's website at www.ams.usda.gov/sellingfood.

USDA says the contract type is anticipated to be firm-fixed price. Deliveries are expected to be to various locations in the United States on an FOB destination basis.

Pursuant to Agricultural Acquisition Regulation 470.103(b), commodities and the products of agricultural commodities acquired under this contract must be a product of the United States and shall be considered to be such a product if it is grown, processed and otherwise prepared for sale or distribution exclusively in the United States. Packaging and container components under this acquisition will be the only portion subject to the World Trade Organization Government Procurement Agreement and Free Trade Agreements, as addressed by FAR clause 52.225-5.

To be eligible to submit offers, potential contractors must meet the AMS vendor qualification requirements. Details of these requirements are available online at www. ams.usda.gov/selling-food/becoming-approved.

A pre-bid conference call to discuss the pending solicitation process will be held Aug. 22 from 1 to 2 p.m. EST. To join the call, dial 888-844-9904 and enter access code 1801764. A transcript of questions and answers will be shared on

the AMS Commodity Procurement Website following the call.

The pasteurized fluid milk purchased will be distributed through food assistance programs and food banks, such as those under Feeding America, the nation's largest domestic hunger relief organization. Stakeholders say USDA is expected to purchase between 12 to 15 million gallons of milk.

"As many as 41 million Americans, including nearly 13 million children, face hunger daily and are at risk of missing out on essential nutrients when they don't have access to milk," says Michael Dykes, president and CEO of the International Dairy Foods Association. "Simply having more milk available for those in need can make a positive impact on public health."

Dykes adds this purchase will address one of the United States' most significant challenges — hunger — and, at the same time, will have a positive impact on the dairy industry at a time of significant market uncertainty.

Julia Kadison, CEO of the Milk Processor Education Program, notes that milk is *Turn to PURCHASE*, page 15 ⇒

## State fairs offer unique venues for dairy promotion activities

By Rena Archwamety

**MADISON, Wis.** — Each summer, state fairs across the country celebrate agriculture with animal and culinary contests, family entertainment, and an array of foods served fried, on-a-stick, or in unorthodox combinations.

State fairs also traditionally have served as ideal showcases for the dairy industry, mixing food, fun activities and educational opportunities. From milking demonstrations, to grilled cheese and milkshake stands, to butter sculptures and dairy princesses, state and regional dairy organizations put great effort into creating positive and accessible dairy experiences for fairgoers.

"Milk is California's top agricultural product — significant for such a rich ag state — and nearly 20 percent of the nation's milk supply comes from here, but consumers are increasingly disconnected, especially in urban centers like Sacramento where the state fair is hosted," says Jennifer Giambroni, director of communications, California Milk Advisory Board (CMAB). "This is why representation is important for dairy as a way to connect with these local consumers, upwards of 750,000 people each year, so they get a better idea of not only where their food comes from but the assortment of wonderful dairy foods that come from fluid milk."

In many states, dairy foods and activities are sponsored by farmer-funded organizations, such as CMAB, Midwest Dairy and the Oregon Dairy and Nutrition Council. In Wisconsin, much of the activity is organized by the Wisconsin State Fair Dairy Promotion Board, made up of around 20 individuals from various ag and non-ag backgrounds who are dedicated to supporting the dairy industry. Local dairy processors and suppliers, 4-H clubs and student organizations also often provide support through donating time or resources at the state fairs.

Turn to FAIR, page 14 ⇒

## **U.S.-Mexico NAFTA talks** resume; tariffs continue

**WASHINGTON** — The United States and Mexico this week resumed talks to try to find solutions to the outstanding bilateral issues within the North American Free Trade Agreement (NAFTA). Canada has not been party to these recent talks.

Movement on U.S.-Mexico issues remains slow, and even once there is consensus, the United States still will have to find solutions to address the U.S.-Canadian differences, notes the International Dairy Foods Association (IDFA).

President Trump repeatedly has called for the end of Canada's protectionist dairy policies. As such, Class 7 pricing in Canada likely will be at the center of the discussion when the United States and Canada eventually meet, IDFA says.

Negotiators are also putting off talks on a "sunset clause." The sunset language would require all three countries

Turn to TRADE, page 12 

→

## USDA announces further shuffling of agency offices

WASHINGTON — U.S. Secretary of Agriculture Sonny Perdue recently announced further reorganization of USDA that the department says is intended to improve customer service, strengthen offices and programs, and save taxpayer dollars.

The Economic Research Service (ERS), currently under USDA's Research, Education and Economics Turn to USDA, page 12 ⇒

## **MARKET INDICATORS**



## **Chicago Mercantile Exchange**

Cash prices for the week ended August 17, 2018

	Monday	Tuesday	Wednesday	Thursday	Friday
	Aug. 13	Aug. 14	Aug. 15	Aug. 16	Aug. 17
Cheese Barrels Price Change	\$1.6475	\$1.6700	\$1.6750	\$1.6750	\$1.6700
	+2 3/4	+2 1/4	+1/2	NC	-1/2
Cheese 40-lb. Block Price Change	\$1.6600 +1/4	\$1.6550 -1/2	\$1.6600 +1/2	\$1.6550 -1/2	\$1.6550 NC

Weekly average (Aug. 13-17): Barrels: \$1.6675(+.1330); 40-lb. Blocks: \$1.6570(+.0460). Weekly ave. one year ago (Aug. 14-18, 2017): Barrels: \$1.6805; 40-lb. Blocks: \$1.7410.

Weekly average (Aug. 13-17): Grade A: \$0.8325(+.0060).

Grade AA Butter	¢0.0075	2 2055	#0.0 <b>5</b> 00	фо оооо	#0.00F0
Price	\$2.3675	2.3875	\$2.3500	\$2.3300	\$2.3050
Change	+2 3/4	+2	-3 3/4	-2	-2 1/2

Weekly average (Aug. 13-17): Grade AA: \$2.3480(+.0240).

Extra Grade Whey Price Change	\$0.4425	\$0.4450	\$0.4450	\$0.4450	\$0.4450
	NC	+1/4	NC	NC	NC
3					

Weekly average (Aug. 13-17): Extra Grade: \$0.4445(+.0055).

Class II Cream (Major Northeast Cities): \$3.1374(-.0001)-\$3.3698(-.0215).

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#### **Weekly Cold Storage Holdings** Aug. 13. 2018

	On hand	Week	Change sind	ce Aug. 1	Last Year		
	Monday	Change	<b>Pounds</b>	Percent	<b>Pounds</b>	Change	
Butter Cheese	52,368 81,895	+403 -261	-42 -744	-0 -1	34,222 108,613	+18,146 -26,718	

(These data, which include government stocks and are reported in thousands of pounds, are based on reports from a limited sample of cold storage centers across the country. This chart is designed to help the dairy industry see the trends in cold storage between the release of the National Agricultural Statistics Service's monthly cold storage reports.)

#### **CLASS III PRICE**

#### (Dollars per hundredweight, 3.5% butterfat test)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82
2015	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	14.44
2016	13.72	13.80	13.74	13.63	12.76	13.22	15.24	16.91	16.39	14.82	16.76	17.40
2017	16.77	16.88	15.81	15.22	15.57	16.44	15.45	16.57	16.36	16.69	16.88	15.44
2018	14.00	13.40	14.22	14.47	15.18	15.21	14.10					

#### **STAFF**

Susan Quarne. Publisher

(PH 608/831-6002; FAX 608/288-9093) email: squarne@cheesemarketnews.com **Kate Sander,** *Editorial Director* (PH 509/962-4026; FAX 608/288-9093)

Alyssa Mitchell, Managing Editor (PH 608/288-9090; FAX 608/288-9093) email: amitchell@cheesemarketnews.com Rena Archwamety. Senior Editor

(PH 608/288-9090; FAX 608/288-9093) email: rena@cheesemarketnews.com

#### **REGULAR CONTRIBUTORS**

Creative Business Services, FCStone, International Dairy Foods Association, Eric Meyer, National Milk Producers Federation, Rice Dairy, John Umhoefer, WOW Logistics, **Edward Zimmerman** 

**ADVERTISING/SUBSCRIPTION ORDERS & INFO** Contact: Susan Ouarne - Publisher P.O. Box 628254, Middleton, WI 53562

PHONE 608/831-6002 • FAX 608/288-9093

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#### CHEESE FUTURES for the week ending August 16, 2018

(Listings for each day by month, settling price and open interest)

	Fri., A	Aug. 10	Mon.,	Aug. 13	Tues.,	Aug. 14	Wed., A	ug. 15	Thurs.,	Aug. 16	
AUG18	1.567	4,089	1.565	4,081	1.566	4,079	1.566	4,079	1.562	4,075	
SEP18	1.662	3,779	1.651	3,761	1.666	3,728	1.657	3,711	1.640	3,726	
OCT18	1.694	3,673	1.681	3,708	1.683	3,727	1.676	3,731	1.657	3,751	
NOV18	1.691	3,519	1.678	3,588	1.679	3,592	1.670	3,619	1.656	3,666	
DEC18	1.674	2,975	1.658	3,021	1.660	3,032	1.655	3,035	1.644	3,086	
JAN19	1.652	818	1.642	839	1.638	853	1.634	855	1.629	888	
FEB 19	1.636	761	1.630	771	1.630	776	1.623	780	1.623	793	
MAR 19	1.637	771	1.631	782	1.630	786	1.625	790	1.624	803	
APR 19	1.650	657	1.646	660	1.646	663	1.643	674	1.640	692	
MAY 19	1.659	570	1.659	573	1.659	585	1.655	588	1.655	600	
JUN 19	1.668	473	1.665	473	1.670	476	1.665	483	1.665	497	
JUL 19	1.686	394	1.686	403	1.686	409	1.686	426	1.686	436	
AUG 19	1.710	187	1.710	234	1.710	242	1.710	302	1.710	305	
SEP 19	1.708	128	1.708	130	1.708	130	1.711	127	1.711	127	
OCT 19	1.701	117	1.701	117	1.707	117	1.707	117	1.707	117	
NOV 19	1.692	129	1.692	129	1.693	129	1.693	129	1.693	129	
DEC 19	1.680	117	1.680	117	1.683	117	1.683	117	1.683	117	
Total Contracts Traded/		led/									
Open Inter	est 428	8/23,157	550	)/23,387	289	)/23,441	451/	451/23,563		545/23,808	

Daily market prices are available by visiting CME's online statistics sites at http://www.cmegroup.com

## DRY WHEY FUTURES\* for the week ended August 16, 2018

(Listings for each day by month, settling price and open interest)

	Fri., Au	ıg. 10	Mon., Au	ıg. 13	Tues., Aı	ıg. 14	Wed., Aı	ıg. 15	Thurs., A	ug. 16
AUG18	36.125	689	36.125	689	36.125	680	35.950	684	36.200	681
SEP18	38.150	604	38.150	607	37.750	613	37.575	614	38.000	613
OCT18	38.525	549	38.400	550	38.400	552	37.750	556	38.300	580
NOV18	38.525	584	37.950	586	37.950	588	37.600	589	38.200	592
DEC18	38.375	600	38.125	601	38.125	603	37.275	603	38.200	612
JAN19	38.000	148	38.000	148	38.000	148	37.875	148	38.025	164
FEB19	37.225	152	37.225	152	37.225	152	37.225	152	37.300	152
MAR 19	37.025	175	37.025	175	37.025	175	37.025	175	37.025	175
APR 19	36.950	72	36.950	72	36.950	72	36.950	72	36.950	72
MAY 19	37.750	74	37.750	74	37.750	74	37.750	74	37.750	74
JUN19	38.000	61	38.000	61	38.000	61	38.000	61	38.000	61
JUL 19	36.600	11	36.600	11	36.600	11	36.600	11	36.600	11
AUG 19	35.600	10	35.600	10	35.600	10	35.600	10	35.600	10
Total Contracts Traded/										
Open Interest	2	8/3,761	12	2/3,768	26	3,771	17/	3,781	68/	3,829

Daily market prices are available by visiting CME's online statistics sites at http://www.cmegroup.com. \*Total Contracts Traded/Open Interest reflect additional months not included in this chart.

## **Dry Products\***

**August 17, 2018** 

**NONFAT DRY MILK** 

West:

Central & East: low/medium heat \$.7650-\$.8700;

mostly \$.7900(+1/4)-\$.8500(+1).

high heat \$.9500-\$1.0500.

low/medium heat \$.7675(-1 1/4)-\$.8800(-3);

mostly \$.8000(-2)-\$.8575(-3/4). high heat \$.9900-\$1.0675.

Calif. manufacturing plants: extra grade/grade A weighted ave. \$.7875(+.0094)

based on 10,624,349 lbs.

WHOLE MILK POWDER (National):

\$1.4400-\$1.6900.

**EDIBLE LACTOSE** 

(FOB)Central and West: \$.2400-\$.3900; mostly \$.2900-\$.3600.

**WHEY POWDER** 

Central: nonhygroscopic \$.2650-\$.4500; mostly \$.3500(+1 1/4)-\$.4300(+1).

West: nonhygroscopic \$.3525(+1 3/4)-\$.4500(+1/4);

mostly \$.3725(+1 1/4)-\$.4400(+2).

(FOB) Northeast: extra grade/grade A 3.3500(+1.1/4)-3.4300(+1).

**ANIMAL FEED WHEY (Central):** Whey spray milk replacer \$.2400(+4)-\$.3200(+1).

WHEY PROTEIN CONCENTRATE (34 percent): \$.7000-\$.9800;

mostly \$.7300(-1)-\$.8950(+3/4).

**DRY BUTTERMILK** 

(FOB)Central & East: \$.7800-\$.8200.

(FOB) West: \$.7500-\$.8650; mostly \$.7800-\$.8300.

**CASEIN:** Rennet \$2.3500(+18)-\$2.5000(+21); Acid \$2.9900(+8)-\$3.1000(-10).

\*Source: USDA's Dairy Market News

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## **NEWS/BUSINESS**



## Brian Rice, Pete Turk of Rice Dairy launch new risk services company

**CHICAGO** — Dairy brokerage/data industry specialists Brian Rice and Pete Turk this week announced the launch of a new company, Rice Dairy Risk Services (RDRS).

Based out of Chicago, RDRS offers insurance services to dairy producers through the newly-formed Dairy Revenue Protection (Dairy RP) program announced last week by USDA and the American Farm Bureau Federation. Sign-ups through the new company will begin Oct. 9. (See "USDA announces new dairy insurance plan" in last week's issue of Cheese Market News.)

RDRS plans to utilize this tool as part of an integrated risk strategy for U.S. dairymen and will expand existing advisory and technology solutions. The company will bring to the table an experienced team of advisors and customized

technology to support industry demand.

"This Dairy RP insurance product will be a valuable tool for dairy farmers, and we predict broad uptake," says Ryan Yonkman, vice president of Rice Dairy. "We know the most effective use of it will be in conjunction with other risk tools."

Pete Turk, an owner of RDRS and sister companies Rice Dairy and Vault Technologies, adds, "We are 'all in' on this for our dairies. Our technology, Vault, will support RP so they can holistically manage risk with full visibility, and the Rice Dairy team will use our knowledge of dairy hedging. Dairy farming can be a challenging business at times, and we know they need to maximize this new opportunity being presented to them."

Dairy operators can sign up now to stay informed about the new program with RDRS at www.ricedairy.com/rdrs. CMN

## MARKET INDICATORS

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## CME FUTURES for the week ended August 16, 2018 Class III Milk\*

	Fri., A	ug. 10	Mon., A	ug. 13	Tues., A	ug. 14	Wed., A	ug. 15	Thurs.,	Aug. 16
AUG18	15.04	4,657	15.02	4,664	15.02	4,621	15.00	4,658	14.99	4,650
SEP18	16.13	4,382	16.02	4,411	16.13	4,367	16.02	4,373	15.89	4,332
OCT18	16.43	3,618	16.26	3,660	16.31	3,684	16.16	3,722	16.09	3,691
NOV18	16.39	2,914	16.23	2,936	16.25	2,960	16.15	2,982	16.02	3,054
DEC18	16.20	2,478	16.05	2,487	16.07	2,508	16.00	2,517	15.89	2,603
JAN19	15.94	1,071	15.82	1,072	15.79	1,092	15.78	1,099	15.73	1,127
FEB 19	15.80	640	15.68	642	15.67	653	15.63	657	15.61	677
MAR19	15.78	672	15.68	677	15.67	665	15.65	671	15.62	664
APR 19	15.89	576	15.85	581	15.85	581	15.79	581	15.77	600
MAY19	15.98	391	15.97	398	15.97	398	15.90	400	15.90	414
JUN19	16.07	318	16.03	324	16.03	324	16.00	325	15.97	335
JUL19	16.19	200	16.19	200	16.19	200	16.14	200	16.14	212
AUG19	16.40	142	16.40	142	16.40	142	16.40	152	16.39	162
SEP19	16.44	132	16.44	132	16.44	134	16.44	134	16.44	144
OCT19	16.45	119	16.45	119	16.45	119	16.45	119	16.45	119
Total Contracts Traded/		ed/		Ţ						
Open Intere	st 1,227	/22,507	1,190	/22,642	1,122	/22,645	630/22,787		1,339/22,981	

#### Class IV Milk\*

	Fri., Aı	ıg. 10	Mon., A	ug. 13	Tues., A	ug. 14	Wed., A	ug. 15	Thurs.,	Aug. 16
AUG18	14.70	206	14.70	206	14.70	206	14.70	205	14.70	206
SEP18	15.21	185	15.32	185	15.33	185	15.31	186	15.27	186
OCT 18	15.36	168	15.49	168	15.51	168	15.49	169	15.49	169
NOV 18	15.52	177	15.65	177	15.65	177	15.62	177	15.62	177
DEC 18	15.52	155	15.72	155	15.72	155	15.63	155	15.63	155
JAN 19	15.41	131	15.51	131	15.51	131	15.51	131	15.51	140
FEB 19	15.44	139	15.52	139	15.52	139	15.52	139	15.52	139
MAR19	15.52	107	15.54	107	15.56	107	15.56	107	15.50	110
APR19	15.70	89	15.70	89	15.70	89	15.70	89	15.68	89
MAY19	15.75	30	15.75	30	15.75	30	15.75	30	15.75	30
Total Contra	acts Trade	ed/								
Open Interest 19/1,413		(	0/1,413	0.	/1,413	:	3/1,414	25	3/1,427	

#### **Cash-Settled NDM\***

	Fri., Aı	ug. 10	Mon., Aı	ıg. 13	Tues., A	ug. 14	Wed., A	ug. 15	Thurs., A	Aug. 16
AUG 18	81.950	1,148	82.050	1,148	82.050	1,150	81.750	1,163	81.625	1,164
SEP 18	86.375	1,094	85.750	1,094	85.250	1,095	84.800	1,082	86.750	1,079
OCT 18	88.275	1,129	88.150	1,126	87.775	1,111	87.750	1,107	89.875	1,109
NOV 18	89.525	813	89.675	823	89.200	822	89.075	817	91.300	820
DEC 18	90.775	987	91.000	987	90.425	987	90.250	981	91.925	981
JAN 19	91.800	524	91.925	541	91.925	541	91.025	540	92.650	540
FEB 19	92.425	399	92.750	402	92.250	402	92.000	402	92.850	401
MAR19	92.800	226	93.500	226	92.900	228	92.900	228	93.775	230
APR19	93.400	222	93.925	224	93.925	224	93.850	224	93.975	224
MAY19	94.425	69	94.625	71	94.625	71	94.625	71	94.675	71
Total Contr	acts Trac	led/								
Open Inter	est 6	0/6,705	65	6/6,736	7	6/6,725	170	6/6,709	172/	6,713

#### **Cash-Settled Butter\***

	Fri., A	ug. 10	Mon., A	ug. 13	Tues., A	Aug. 14	Wed., Aı	ıg. 15	Thurs., A	ug. 16
AUG18	232.000	1,397	232.000	1,397	232.000	1,397	232.000	1,397	232.000	1,397
SEP 18	235.600	1,263	239.750	1,254	241.000	1,242	238.000	1,242	234.000	1,246
OCT 18	236.250	1,215	239.050	1,219	240.250	1,220	238.250	1,226	233.700	1,229
NOV 18	236.750	960	239.250	968	239.750	984	237.200	1,012	233.500	1,021
DEC 18	234.850	879	236.950	878	236.950	878	235.000	890	231.100	890
JAN 19	231.300	182	232.000	249	232.000	251	231.975	253	229.000	257
FEB 19	230.750	182	231.250	244	231.000	248	230.975	252	229.000	262
MAR19	230.975	154	231.500	207	231.500	207	231.500	213	228.750	223
APR19	231.725	8	231.725	8	232.000	58	231.775	64	229.500	69
MAY19	234.175	6	234.175	6	234.175	6	233.950	13	231.950	24
Total Contracts Traded/										
Open Inter	rest 14	43/6,251	258	3/6,436	24	18/6,497	209	9/6,575	21'	7/6,631

Daily market prices are available by visiting CME's online statistics sites at http://www.cmegroup.com.

## International Dairy Markets August 17, 2018

#### **Western Europe**

**Butter:** 82 percent butterfat \$6,200(+75)-6,925(+375). **Butteroil:** 99 percent butterfat \$6,750(+150)-\$8,200.

**Skim Milk Powder:** 1.25 percent butterfat \$1,725(+75)-\$1,875(+75). **Whole Milk Powder:** 26 percent butterfat \$3,175(-50)-\$3,350(+50). **Whey Powder:** Nonhygroscopic \$925(+25)-\$1,025.

#### Oceania

**Butter:** 82 percent butterfat \$4,750(-200)-\$5,000(-100).

**Cheddar Cheese:** 39 percent maximum moisture \$3,575(-25)-\$4,125(+325).

**Skim Milk Powder:** 1.25 percent butterfat \$1,925(-25)-\$2,125. **Whole Milk Powder:** 26 percent butterfat \$2,950(-25)-\$3,250(+225).

#### **South America**

**Skim Milk Powder:** 1.25 percent butterfat \$2,200(-50)-\$2,500(-50). **Whole Milk Powder:** 26 percent butterfat \$2,900(+50)-\$3,300(+50). Source: Dairy Market News. Prices reported in U.S. dollars per metric ton, F.O.B. port. To convert to price per pound: divide price by 2,204.6 pounds.

### **National Dairy Products Sales Report**

			•	
For the week ended:	8/11/18	8/4/18	7/28/18	7/21/18
Cheese 40-lb. Blocks:				
Average price <sup>1</sup>	\$1.5682	\$1.5725	\$1.5765	\$1.5615
Sales volume <sup>2</sup>	12,742,660	12,054,415	11,335,975	13,267,695
Cheese 500-lb. Barrels:				
Average price <sup>1</sup>	\$1.5330	*\$1.4984	\$1.4629	\$1.4604
Adj. price to 38% moisture	\$1.4521	*\$1.4197	\$1.3884	\$1.3841
Sales volume <sup>2</sup>	12,349,026	*12,525,747	14,030,418	12,943,013
Moisture content	34.54	*34.56	34.67	34.58
Butter:				
Average price <sup>1</sup>	\$2.3161	*\$2.2707	\$2.2592	\$2.2503
Sales volume <sup>2</sup>	1,313,538	*2,797,778	2,546,962	2,762,376
Nonfat Dry Milk:				
Average price <sup>1</sup>	\$0.8054	*\$0.7983	\$0.7817	\$0.7896
Sales volume <sup>2</sup>	22,064,939	*21,685,986	*24,068,136	18,027,703
Dry Whey:				
Average price <sup>1</sup>	\$0.3622	*\$0.3542	\$0.3389	\$0.3377
Sales volume <sup>2</sup>	6,220,787	*5,201,989	5,507,484	7,402,634

\*/Revised. ¹/Prices weighted by volumes reported. ²/Sales as reported by participating manufacturers. Reported in pounds.

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## GUEST COLUMNIST



## CMN Exclusive!



## Perspective: Industry Issues

Hill Pratt is managing director/supply chain practice for Blimling and Associates Inc. He has 20+ years of experience in dairy logistics, supply chain and transportation. He contributes this column exclusively for Cheese Market News®.

## **Three million hours:** A terrible thing to waste

"Time is money" has never been truer than in today's hauling world. Fewer drivers. More regulation. Higher costs. It all adds up to massive challenges with equally big stakes for the dairy industry. And, from where we sit, there is a lot that needs fixing.

The logistics consulting team at Blimling and Associates spends a lot of time in plants with stop watches and clipboards gathering data on time and efficiency and figuring what the numbers mean across the industry. Here is what we find:

- Those drivers spend roughly half of their time on the road.
- Loading milk at farms makes up another 22 percent.
- Time spent at dairy plants accounts for the remaining 27 percent — nearly 8 million hours per year.

Excessive waiting consumes a lot of that plant time — nearly 40 percent, or more than three million hours. Bay congestion ... wait. Full silos ... wait. Equipment issues ... wait. All that time adds up. Conservatively, haulers lose \$40+ for every hour drivers and trucks spend idle. Multiply that by 3.2

million hours and you get about \$130 million wasted by excessive delays (8 million plant hours x 40% idle time x \$40 per hour = \$130 million).

Plants that turn trucks quickly—35 to 70 minutes — often enable haulers to pick up extra loads in a day. Because trailers are typically washed just once per day, these extra loads move through intake in less than half the time. But, when it takes a plant three hours to get trucks back on the road, there's rarely time to pick up another load and make a second journey through intake. Consequently, for the same volume of milk delivered, more loads wash. More washes mean more congestion. More congestion means more strain on drivers, equipment, earning potential, unpredictable "home" time and increased risk for hours-of-service violations if people have to push the limits.

Inbound schedules should theoretically reduce egregious hold times, but things do not necessarily work out that way. Blimling and Associates studies show that total wait time averages about 100 minutes at plants with inbound schedules. That compares to

less than 20 minutes for plants without schedules. Why? At plants with inbound schedules, drivers often arrive 30-40 minutes early because they do not want to miss their slots and get pushed to the back of the line. Plants often fall behind their own schedules due to capacity constraints, compounding wait time.

Drop yards offer a way for drivers to get back on the road faster. Haulers pull in to the parking lot, unhook their full trailer, hook up to an empty trailer and move on. While this usually produces faster driver in/out times, other costs come into play. The need for more trailers, for one thing. Plus, once you factor in the cost of labor to jockey equipment, washing nearly every trailer, and no driver help during the receiving process, drop yards often double the cost of receiving versus efficient live-unload plants.

That is just the plant story. Extra stops at farms can be a really expensive problem, too. When farms require extra pickups (perhaps on the off-day) due to insufficient bulk tank storage, haulers often have to drive well out of scheduled routes. That ends up adding cost via miles, time and driver hours of service.

So why do these situations persist? We are increasingly convinced that the answer has to do with incentives.

Take stop charges for farms. Outdated hauling programs levy \$12-to-\$15 charges, a fraction of the real cost.

Looking for a better way, progressive handlers have revamped their member hauling programs. The Blimling and Associates Supply Chain Team analyzed many milk hauling programs and helped handlers align their farm hauling deductions with true cost. Done right, this creates economic incentives for farms to do their part to optimize. With shared interest in reducing costs, farms and haulers can reach new levels of collaboration. No more arguments and finger pointing — everyone is on the same team. With incentives in the right place, everyone can win.

On the plant side, persistent oversupply of milk makes many handlers more apt to absorb high rate or detention charges rather than invoice milk buyers. This means that slow-turn plants often lack financial incentives to improve milk receiving — resulting in large, ongoing losses for the industry.

"With shared interest in reducing costs, farms and haulers can reach new levels of collaboration."

Hill Pratt

Blimling and Associates best practice and benchmarking assessments have successfully identified the most cost-effective solutions for improving plant intake performance. For instance, inexpensive pump changes, reallocating receiving tasks and improving sample handling and testing procedures speed the process by up to 25 percent. Beyond that, we are currently working to crack the incentives nut with carefully-calibrated structures that pay plants to turn trucks quickly. Resulting savings can fund improvements and create net benefits for all dairy supply chain participants — haulers, plants and cooperatives.

The industry is facing a tough challenge in retaining drivers and hauling capacity. Hauling rates have surged 35 percent over the last two years in some sectors. Those trends could continuewith dairy farms and plants paying the price. Cutting wasted hours has big potential for stemming the red tide. CMN

The views expressed by CMN's guest columnists are their own opinions and do not necessarily reflect those of Cheese Market News®.

## **NEWS/BUSINESS**



## **New Dairy Food Safety Alliance aims to keep industry informed, educated on food safety**

MADISON, Wis. — The Dairy Food to maintain and enhance the industry's says Adam Brock, director of food safety, in part to the wealth of training that's Safety Alliance, a new group designed to deliver the latest in food safety news to dairy product manufacturers, processors and suppliers, recently was launched by the Wisconsin Cheese Makers Association (WCMA), Center for Dairy Research (CDR) and Dairy Farmers of Wisconsin (DFW).

"New regulations and the recent uptick in food recalls have cheesemakers devoting more time and resources than ever to food safety efforts," says John Umhoefer, executive director, WCMA. "Our organizations aim to provide the support members need not only to meet the requirements of the Food Safety Modernization Act (FSMA), but also

reputation for quality."

The Dairy Food Safety Alliance will meet twice a year, with its first meeting set for Oct. 8 in Madison, Wisconsin. Meetings will feature speakers from USDA, FDA, the Wisconsin Department of Agriculture, Trade and Consumer Protection and leaders in the field of food safety and quality assurance. The alliance says more details will be available soon, but interested quality assurance staff and cheesemakers are invited to make plans to attend.

"Food safety best practices should be no secret, and collaboration among organizations is critical to ensure food safety throughout the supply chain."

quality and regulatory compliance, DFW.

For the past two years, the Artisan Dairy Producer Food Safety Initiative has been directed by CDR and WCMA with support from DFW. This program. funded by a USDA-NIFA (National Institute of Food and Agriculture) grant, provided FSMA training and on-site consultations to more than 80 dairy manufacturers and processors in Wisconsin, Minnesota and Iowa. The new Dairy Food Safety Alliance was formed in response to participant companies' request for ongoing educational opportunities and policy updates.

"Wisconsin dairy manufacturers are leading the charge on FSMA, thanks

available to them via our organizations," savs Marianne Smukowski, outreach program manager, CDR. "Over the past two years, we've helped dozens of cheesemakers develop and implement their FSMA plans, and we're here to support them through inspections and regulatory changes, too."

Participation in the Dairy Food Safety Alliance is open to all dairy manufacturers, processors and related suppliers, regardless of location or membership with WCMA. For more information or to get involved, contact Kirsten Strohmenger, events manager, WCMA, at kstrohmenger@wischeese makers.org.orcall 608-286-1001. CMN

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## Idaho Milk Processors Association raises record \$30,000 at dairy products auction

SUN VALLEY, Idaho — The Idaho Milk Processors Association (IMPA) raised a record \$30,000 for student scholarships through auctioning off winning entries in this year's IMPA Dairy Product Contest. The auction took place at a wine and cheese social Aug. 9 at the IMPA Annual Conference in Sun Valley, Idaho.

Twelve ounces of the Grand Champion Fresh Marinated Galbani Mozzarella Fresca made by Sebastien Robert, Sorrento Lactalis, were purchased by Carl Hamann of Nelson Jameson, Marshfield, Wisconsin, for a total of \$2,300. (See "Sorrento Lactalis Fresh Marinated Mozz wins Idaho Milk Producers competition" in last week's issue of Cheese Market News.)

In addition to the champion cheeses and class winners, the auction also featured donations from the University of Idaho/Washington State University School of Food Science: a set of Crimson Fire (Pepper Jack), Garlic and Dill Jack and 1-year Cougar Gold cans, as well as a special can of Cougar Gold made in 1995 for the 50th anniversary of the creamery and presented in a handmade wooden box.

Below are the buyers of the winning cheeses in each class:

#### • Current Cheddar (less than 3 months)

John Park, Complete Filtration, Marshfield, Wisconsin, purchased 40 pounds of Current Cheddar Cheese made by Team 3, Agropur-Jerome, for a total of \$1,800.

#### • Medium Cheddar (3-6 months)

Jamie Ries, Advanced Process Technologies, Cokato, Minnesota, purchased 40 pounds of Medium Cheddar made by Team 1, Agropur-Jerome, for a total of \$2,300.

#### • Aged Cheddar (12-24 months)

John Lyne, Chr. Hansen Inc., Milwaukee, purchased 10.7 pounds of Aged White Cheddar Cheese made with special Malty Culture made by Megan Armstrong, Aggie Creamery, for a total of \$1,200.

#### Aged Cheddar (older than 24 months)

John Lyne, Chr. Hansen Inc., Milwaukee, purchased 12 pounds of Aged White Cheddar made by Team A, Gossner Foods, for a total of \$1,600.

#### Colby/Monterey Jack/Muenster

Greg Alberts, Kelley Supply, Colby, Wisconsin, purchased 40 pounds of Monterey Jack made by Team 3, Agropur-Jerome, for a total of \$2,200.

#### • Hard Italian Cheese

Brad Kapple, Evan's Grain, Ogden, Utah, purchased 10 pounds of Asiago Piacevole made by Donald Greenberg, Nelson Ricks Creamery, for a total of \$1,200.

#### • Soft/Semi-soft and Fresh Italian Cheese

Roald Mason, DuPont, New Century, Kansas, purchased 6 pounds of Galbani whole-milk, low-moisture String Cheese made by Marie Solere, Sorrento Lactalis, for a total of \$1,400.

#### • Open Reduced Fat Cheese

Brad Kapple, Evan's Grain, Ogden, Utah, purchased 3 pounds of Darigold 2-percent lowfat Cottage Cheese made by Zoran Vrebar, Darigold-Boise, for a total of \$400.

#### • Open Class

John Lyne, Chr. Hansen Inc., Milwaukee, purchased 32 ounces of Marinated Labneh made by Brush Creek Creamery for a total of \$500.

#### • Swiss Cheese

Carl Hamann, Nelson Jameson, Marshfield, Wisconsin, purchased 12 pounds of Swiss made by Team B, Gossner Food/Magic Valley, for a total of \$1,800.

#### Farmstead

Brad Kapple, Evan's Grain, Ogden, Utah, purchased 25 pounds of Cracked Black Pepper and Chives made by Russel Kohler, Heber Valley Artisan Cheese, for a total of \$800.

#### Artisan

Michael Greenberg, Nelson Ricks Creamery, Sugar City, Idaho, purchased 20 pounds of Trufflehive made by Oliver Ford, Beehive Cheese Co., for a total of \$1,000.

#### • Cultured Dairy Products

Michael Greenberg, Nelson Ricks Creamery, Sugar City, Idaho, purchased 3 pounds of Darigold 4-percent Small Curd Cottage Cheese made by Zoran Vrebar, Darigold-Boise, for a total of \$600.

#### Butter

Brad Kapple, Evan's Grain, Ogden, Utah, purchased 55 pounds of Unsalted Sweet Cream Butter made by High Desert Milk for a total of \$600.

Second: High Desert Milk, Salted Sweet Cream Butter, 99.55.

• Sharp Cheddar (6-12 months) (Second Reserve Champion)

Brad Kapple, Evan's Grain, Ogden, Utah, purchased 20 pounds of Promontory 6-12 months made by Eulogio Martinon, Beehive Cheese Co., for a total of \$2,400.

#### • Spiced Cheese (First Reserve Champion)

John Park, Complete Filtration, Marshfield, Wisconsin, purchased 40 pounds of Habanero Jack Red & Green made by Nada Heric, Glanbia Nutritionals-Twin Falls, for a total of \$3,500.

#### • Flavored Cheese (Grand Champion)

Carl Hamann, Nelson Jameson, Marshfield, Wisconsin, purchased 12 ounces of Galbani Mozzarella Fresca

- Fresh Marinated made by Sebastien Robert, Sorrento Lactalis, for a total of \$2,300.

#### Donated Cheese

John Lyne, Chr. Hansen Inc., Milwaukee, purchased the 3-pound set of Crimson Fire, Garlic and Dill Jack and Cougar Gold donated by the University of Idaho/Washington State University School of Food Science, for a total of

John Park, Complete Filtration, Marshfield, Wisconsin, purchased the special 50th Anniversary 1995 Cougar Gold donated by the University of Idaho/Washington State University School of Food Science for a total of \$2,400.

### **Conventional dairy ads decrease 19 percent**

**WASHINGTON** — The total number of conventional dairy advertisements decreased 19 percent last week from the prior week, and conventional cheese ads decreased 26 percent, says USDA's Agricultural Marketing Service (AMS) in its latest weekly National Dairy Retail Report released Aug. 10.

AMS says national conventional varieties of 8-ounce natural cheese blocks last week had a weighted average advertised price of \$2.39, up from \$2.35 one week earlier and one year earlier.

Natural varieties of 1-pound cheese blocks last week had a weighted average advertised price of \$3.58, up from \$3.57 one week earlier but down from \$4.15 one year earlier, AMS says, while 2-pound cheese blocks had a weighted average advertised price of \$6.41, up from \$5.90 one week earlier but down from \$6.77 one year ago.

AMS says natural varieties of 8-ounce cheese shreds last week had a weighted average advertised price of \$2.16, down from \$2.27 one week earlier but up from \$2.15 one year earlier, while 1-pound cheese shreds had a weighted average advertised price of \$3.69, up from \$3.41 one week earlier but down from \$4.13 one year earlier.

Meanwhile, national conventional butter in 1-pound packs last week had a weighted average advertised price of \$4.08, up from \$3.41 one week earlier and \$3.70 one year ago, AMS says. CMN

## **SPX Flow announces V-Line is its new** channel partner for Middle East operations

LONDON — SPX Flow has announced a new channel partner for its Middle East operations: V-Line Middle East.

Based in Jubail, Saudi Arabia, V-Line Middle East is a subsidiary of V-Line Group, which is headquartered in Germany and has four global offices. V-Line Middle East will be assisting SPX Flow customers with rapid supply of OEM spares and components for ranges including APV, Waukesha Cherry-Burrell, Anhydro and Seital Separation.

"Our partnership with V-Line will be a great benefit to our customers in this area. They will have a local contact with

fully trained support teams to handle their components and spare parts needs. V-Line will hold extensive stock locally and so will be able to respond to enquiries and deliver parts very quickly," says Tom Cork, channel manager for SPX Flow.

"We are delighted to partner with SPX Flow and help them increase responsiveness to customer needs in Saudi Arabia. We will be able to dispatch stock items the same day and tailor stock holdings to meet specific customers' spares requirements," says Mohammed Imran Khan, division director at V-Line Middle East. CMN



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## **PEOPLE**



## NDA awards scholarships worth \$15,000

**NORTH SYRACUSE, N.Y.** — The Northeast Dairy Association Inc. (NDA) has announced the award of 10 scholarships for the 2018-19 academic year totaling \$15,000.

Applicants had to be an immediate family member of a current NDA member company or student member of NDA, enrolled for the 2018-19 academic year as a full-time student with a minimum of 12 credit hours and have a GPA of 2.50 or greater to be eligible.

The NDA scholarship committee awarded five \$2,000 scholarships to students whose majors are related to the dairy/food industry or an agriculture program related to the dairy/ food industry, including Eric Bates, Cobleskill, New York: senior, animal science, Cornell University; Lilyanna Berghorn, Akron, New York: sophomore, animal science, Cornell University; Jenna Freyer, North Syracuse, New York: junior, food science, Ohio State University; Rachel Turck, Litchfield, Minnesota: senior, farm operation and management with dairy emphasis, Ridgewater College; and Yiren Yue, Amherst, Massachusetts: senior, food science, University of Massachusetts-

Additionally, the scholarship committee awarded five \$1,000 scholar-

ships for students studying any major, including Madeline Hanford, Clarence State, New York: senior, environmental engineering, Michigan State University; Lily Daily, Lexington, Kentucky: junior, communication sciences and disorders, University of Kentucky; Ryan Burnham, Fairport, New York: senior, computer science and mathematics, Clarkson University; Bailey Klein, North East, Pennsylvania: junior, biomedical engineering, Penn State University; and Emily Roloson, Castleton, New York: sophomore, biomedical engineering, University of Virginia.

Scholarship information is made available on the association's website each year after Feb. 1, with applications due by June 1. Funding for the scholarships comes from the association's annual dairy industry clambake, members' dues and sponsorship of annual dairy industry events. The Northeast Dairy Association Inc. is located in Syracuse, New York, and is a full-service trade group representing vendors and supplier companies selling to and service dairy product processors, manufacturers and distributors in the northeast United States since 1932.

For more information, visit www.neastda.org. CMN

## **Comings and goings ... comings and goings**

Fonterra Cooperative Group has announced that Miles Hurrell will take over as the cooperative's interim chief executive.

Hurrell currently is COO of Fonterra, Farm Source — the unit responsible for working directly with the cooperative's farmer-owners. In that role, he is responsible for Fonterra's global cooperative farming strategy.

Hurrell first joined Fonterra in 2000. His 18 years' experience in the dairy industry has spanned four continents, including roles in Europe, the United States, the Middle East, Africa and Russia.

The Kroger Co. has named Gil Phipps, currently vice president of "Our Brands," to vice president of branding, marketing and Our Brands.

Phipps joined Kroger in 2012 and led the transformation of Our Brands by evolving existing brands and introducing new brands. He started his grocery career in 1987 as a store director for Fresh Plus Grocery in Austin, Texas, then became brand manager for Guiltless Gourmet before moving into brand marketing positions at both Michael Angelo's Gourmet Foods and Hormel Foods. In 2001, Gil joined H-E-B as a brand manager before earning a series of promotions that placed him as the leader of H-E-B's store brands program.

Kroger Co. also announced Valerie Jabbar, currently president of the Ralphs division, as group vice president of merchandising for the company, effective Sept. 1. Mike Murphy, currently vice president of operations

for the Columbus division, will succeed Jabbar as president of the Ralphs division.

William (Bill) K. Ritcey has been named vice president of sales for Mosaic Meadows, a company of family-operated cheesemakers including Wisconsin-based LaClare Family Creamery and Saxon Creamery, as well as Verona, Pennsylvania-based Lamagna Cheese Co.

A 38-year veteran of the food industry, Ritcey joins Mosaic Meadows after 16 years at Oak Brook, Illinois-based Tree-House Foods, where he held a variety of sales and marketing positions, most recently director of redistribution sales. Prior to that, Ritcey moved to Wisconsin in 1992 to start Appleton, Wisconsin-based IPAP (Independent Procurement Alliance Program), a cheese and dairy redistribution company that grew to provide more than \$100 million annually of Wisconsin cheese products to retail and food service accounts nationally.

The Wisconsin Cheese Makers Association (WCMA) welcomes Sara Schmidt as its new office and member service coordinator, a position that will support WCMA's expanded array of benefits to member organizations. Schmidt will focus on office management, accounting and handle special projects, including WCMA's annual member directory and scholarship program.

In addition, WCMA's Caitlin Peirick recently has been promoted to the role of events manager and will work closely with Events Director Judy Keller to plan and run the Wisconsin Cheese Industry Conference and International Cheese Technology Expo. CMN

## John Kappelman named board chair of PDPF

JUNEAU, Wis. — John Kappelman of Cedar Grove, Wisconsin, has been elected board chair of the Professional Dairy Producers Foundation (PDPF).

Kappelman was raised on a family-owned dairy farm in eastern Wisconsin. After a 32-year dairy career, Kappelman left dairying and joined Cereal Byproducts Co. as a consultant. He devotes his time to dairy production and business consulting, international dairy development and writing for several dairy and farm publications. Kappelman joined the

PDPF board in 2013.

New to the PDPF board executive committee are Mark Diederichs, Lake Breeze Dairy, vice president, and Joan Behr, secretary/treasurer. Retiring from the board are Ellen Schaefer, Running Creek Farm, and Ed Strauss, Majestic Crossing Dairy.

PDPF is a national foundation established in 2002 to raise funds and award grants for educational programs and initiatives that benefit the U.S. dairy community.

For more information, visit www.dairyfoundation.org. CMN

## **Obituary**

#### **Fritz Steinhauer**

MADISON, Wis. — Frederick Charles "Fritz" Steinhauer, age 89, passed away July 26 at his home surrounded by his five children.

Steinhauer was born Oct. 6, 1928, in Madison, Wisconsin, to Rubert M. and Olive (Bruns) Steinhauer. He grew up in the village of Maple Bluff, Wisconsin, graduated from Wisconsin High School and Wartburg College in Waverly, Iowa, in 1952. He married Nancie Baumann of Wauwatosa, Wisconsin, in 1951.

After graduation, Steinhauer worked for Madison Dairy Produce Co. and became the owner in 1962. He also was a founding member of the Wisconsin Dairy Products Association and served on its board of directors. Additionally, he served on the boards of the American Butter Institute and Valley Bank.

He is survived by his children, Chuck (Denise) Steinhauer, Gary (Terri) Steinhauer, Tom (Ellen) Steinhauer, Randy (Mary) Steinhauer and Sherri Steinhauer; his grandchildren Meredithe (Whitney) Bodner, Alan (fiancée Laura) Steinhauer, Katherine

(Michael) Kirtman, Madeline (Ben) Zwank, Nancy (Chris) Platta, Andrew (Stephanie) Steinhauer, Brian (Lisa) Steinhauer, Randy II (Arya) Steinhauer, Patricia (Brian) Christie and Amanda (Ryan) Schwoegler; and greatgrandchildren Maxwelton Steinhauer, Oliver, Frances, Gigi and Fritz Kirtman, Josephine and Samantha Zwank, Mason, Logan, Liam and Molly Platta Randy III, Max, and Ava Steinhauer, and Cameryn Schwoegler. He also is survived by his siblings, Mary Ellen Christensen, Shirley Sundquist, and John (Cathy) Steinhauer; brothers-inlaw and sisters-in-law, Alan and Barbara Baumann, and Wilbur and Lois Baumann; and many nieces and nephews.

Steinhauer was preceded in death by his parents, his wife, his brother Harold, sister Jeanette Erickson, sister-in-law Betty Steinhauer and brothers-in-law Rev. Stan Christensen, William Sundquist and Eugene Erickson.

Services were held at St. John's Lutheran Church in Madison, Wisconsin. CMN

## **AUCTION**

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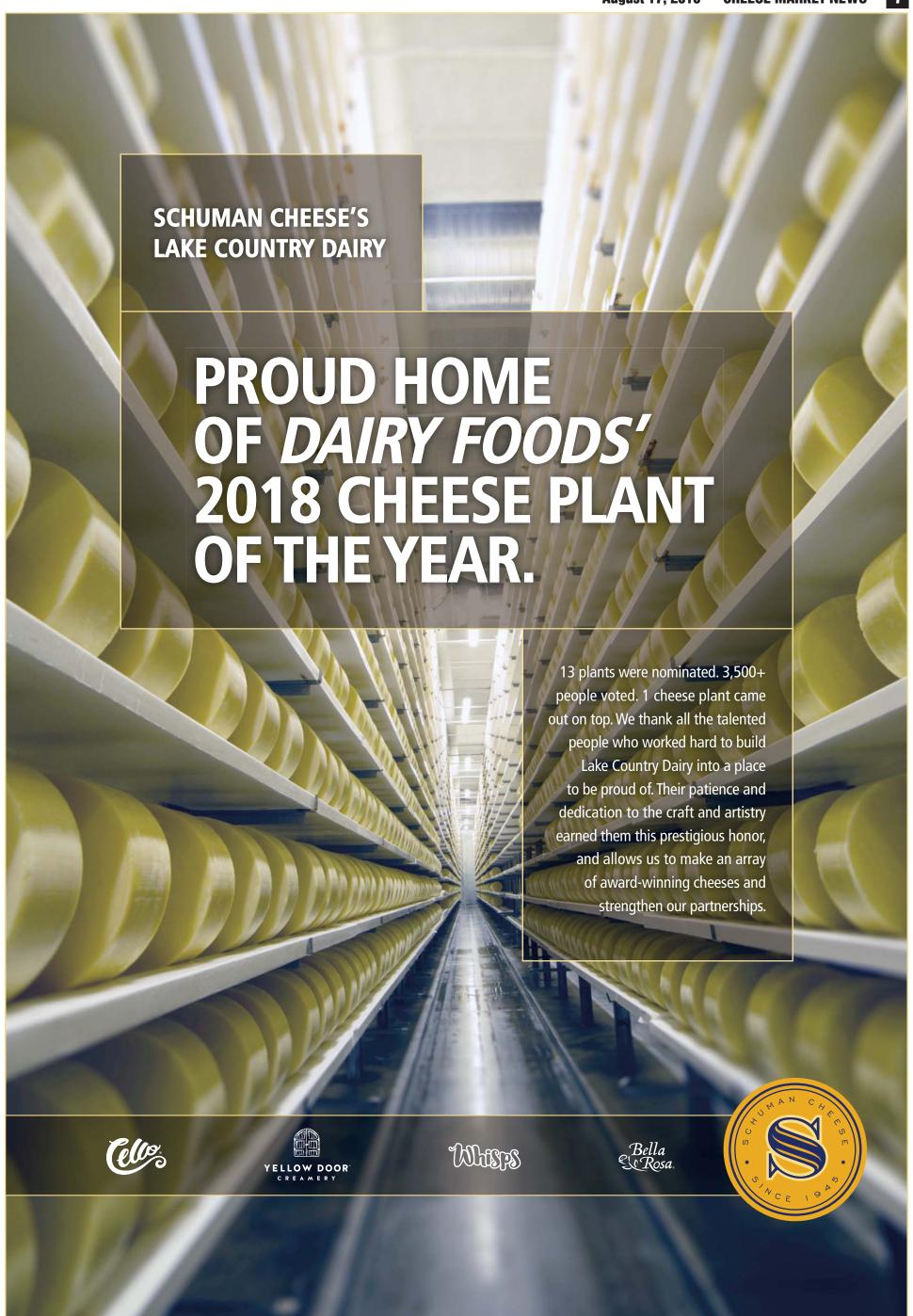
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  Award winning cheese, ice cream, butter, yogurt, sour cream dips and other dairy products from the World Dairy Expo Championship Dairy Product Contest.
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#### 8

## **NEWS/BUSINESS**



## **Ecolab, Cargill, Techstars partner on Farm to Fork Accelerator**

By Alyssa Mitchell

ST. PAUL, Minn. — Cargill and Ecolab have teamed up with Techstars — a startup accelerator, funding and mentorship network — to launch a Farm to Fork Accelerator. The focus of the accelerator — which launched July 16 in St. Paul, Minnesota — is to work with startups to develop tech innovations to address some of the greatest challenges facing the food system.

The program first was announced late last year, with applications accepted in early 2018. Program partners Techstars, Ecolab — a leader in water, hygiene and energy technologies and services that protect people and vital resources — and Cargill, a provider of food, agriculture, financial and industrial products and services, will utilize their knowledge and industry expertise to help entrepreneurs navigate a path from idea to impact, says Brett Brohl, managing director of Techstars Farm to Fork Accelerator.

"Techstars Farm to Fork Accelerator is our first program focused on the tech/digital side of food and agriculture," Brohl says. "The program is looking for the best entrepreneurs across the entire food value chain, from agtech, manufacturing and supply chains, to food safety, waste reduction and traceability."

Brohl notes globally, food safety is a growing concern, yet the industry doesn't have the solutions to create more land or enough fresh water needed to feed the growing population.

"Now is the time to change the way things get done," he says. "Great entrepreneurs tackle big problems, and the Techstars Farm to Fork Accelerator is thinking huge."

He adds that Cargill and Ecolab are working with Techstars to see the global challenges and possible solutions through

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the eyes of entrepreneurs. They want to work closely with these innovators and help develop technologies that take advantage of opportunities and solve big problems.

"Broadly speaking, the digital side of the food value chain is of most interest to us," Brohl says. "This could be companies building smart devices, working with big data, artificial intelligence or creating a new software solution."

From mid-July to mid-October, participating companies in the Farm to Fork Accelerator—the 2018 accelerator class—will work to solve real problems across the entire food value chain, from food safety to supply chain management and restaurant efficiencies to the upcycling of food waste. The accelerator site in St. Paul is just under 10,000 square feet and is located in the city's downtown technology hub, Brohl says.

The first class of participants includes entrepreneurs from several U.S. states, Canada, Brazil and India. Nine startups were selected for the first accelerator class. While in St. Paul, the companies will have access to more than 100 mentors, including business leaders and subject matter experts from Ecolab, Cargill and the Techstars entrepreneurial community.

The Techstars Farm to Fork 2018 Class of startups includes Big Wheelbarrow, Dishq, EIO Diagnostics, HeavyConnect, Induction Food Systems (IFS), pepr, Renewal Mill, TradeLanes and Traive.

Meredith Englund, Ecolab's corporate liaison to the accelerator, and director of strategic technology partnerships at Ecolab, says when looking to select participants, program coordinators were interested in company startups that could have an impact across the food supply chain.

"At Ecolab, we were particularly interested in projects that could impact food

safety and companies that could utilize our expertise as part of the program," she says. "We also were looking for companies that had a digital or technological angle that could potentially apply to cheese/ dairy companies down the line."

Ecolab and fellow partners Cargill and Techstars also selected subject matter experts from their companies to serve as mentors to participants in the program.

"We have expertise and an extensive network that we can share with these companies," Englund notes. "We hope that working closely with these startups will help us to think about our industries in new and different ways."

Lawrence Wang, corporate liaison for Cargill, says the company sees the partnership with Techstars as a way to inject startup energy inside Cargill, which is committed to creating a culture that fosters technology innovation through internal expertise and external partnerships.

"We are thrilled to welcome some of the brightest minds in food and ag tech to St. Paul, right in Cargill's backyard," he says.

Following the 13-week program, participating startups will have the opportunity to pitch their business concept during a demo day Oct. 8 for investors, community members and business leaders in downtown St. Paul.

"Everyone wins. Because at Techstars and with our partners, we share a give-first mentality, we're going to help entrepreneurs do more faster," Brohl says.

Two more sessions of the accelerator program are planned for the summer of 2019 and summer of 2020. The next application period is expected to open in January.

For more information, contact Brohl at brett.brohl@techstars.com or visit www.techstars.com/farm-to-fork-program. CMN

### NMPF to EPA: WOTUS rule must be permanently repealed, rewritten

ARLINGTON, Va. — The 2015 version of the Waters of the U.S. (WOTUS) rule must be permanently rescinded, and the prior version of the regulation re-codified, to provide certainty for dairy farmers, the National Milk Producers Federation (NMPF) says in comments submitted to the U.S. Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers (ACE) on Monday.

In the comments, NMPF outlines its support for both agencies' proposal to repeal the current definition of WOTUS and rewrite it to reflect common-sense approaches to protecting the environment.

In addition, NMPF joined numerous farm and food organizations to submit an additional 22 pages of comments that provided an extensive legal and technical assessment of what they say the two agencies did wrong three years ago in an attempt to update the regulation.

"Dairy farmers undertake extensive efforts to manage the natural resources that are critical to their livelihoods," says Jim Mulhern, president and CEO, NMPF. "WOTUS must provide proper clarity on what falls under its jurisdiction so that farmers can better meet the industry's shared commitment to clean water."

In early 2017, the Trump administration ordered a review of the WOTUS rule in response to concerns many farm groups had raised since the measure was finalized in 2015. Because the WOTUS regulation significantly expanded the EPA's authority over waterways used by farmers for drainage and irrigation, the measure was challenged in a federal appeals court and ultimately put on hold.

"The 2015 rule should be repealed and, for absolute clarity, done so permanently," NMPF says. "We believe the 2015 rule failed to provide regulatory certainty and consistency and exceeded the agencies' legal authority under the [Clean Water Act]."

NMPF says EPA and ACE need to apply the definitions of the WOTUS rule in ways that are consistent with recent Supreme Court decisions and long-standing farming practices. Re-codifying the regulations that existed before the 2015 rule was developed will provide continuity and certainty for dairy farmers, other regulated entities, states governments, agency staff, and the public, the comments say.

NMPF also says EPA and ACE should proceed with a notice-and-comment rulemaking process, in which the two agencies re-evaluate the definition of WOTUS. NMPF says this must be done to correct the 2015 rule's lack of clarity on keyterms, such as "adjacent," "floodplain" and "significant nexus."

Dairy producers must be able to understand what constitutes federallyregulated waters of the United States, so they can better manage water quality on their farms, NMPF says. CMN

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### **Dairy Experience**



Photo courtesy of Midwest Dairy

ST. PAUL, Minn. — Midwest Dairy, which represents 7,000 dairy farm families across a 10-state region, recently sponsored the inaugural Dairy Experience Form to provide insights on how to better meet the needs of today's consumers with the goal of giving them a better dairy experience and driving overall demand for dairy foods. The forum, which centered on the theme, "The Critical Connection — Engaging with Consumers to Build Dairy Demand," took place July 24-26 at the Radisson Blu in Bloomington, Minnesota.

During a panel discussion, Chad Vincent (left), CEO of Dairy Farmers of Wisconsin, Brad Gruen (center), vice president of marketing, Fairlife, and Michael Dykes (right), CEO of the International Dairy Foods Association, discussed that in today's culture of choice, there is opportunity for the dairy industry to better understand the consumer and connect on the values they share with farmers. While it's natural to want to educate consumers on why dairy is good for them, the panel said, an emotional connection to the dairy farmers needs to be established first. **CMN** 

## Mississippi launches rebranding program

JACKSON, Miss. — Mississippi Commissioner of Agriculture and Commerce Andy Gipson has announced the Mississippi Department of Agriculture and Commerce's new state branding program, Genuine MS.

"We are extremely excited to share Genuine MS with the world," Gipson says. "This statewide initiative creates a brand for Mississippi products and connects consumers across the globe with our products. Genuine MS serves as an economic development tool to promote the products grown, raised, crafted and made right here in Mississippi."

Genuine MS was developed by the Mississippi Department of Agriculture and Commerce to identify and promote products created or produced by Mississippi farmers, artisans, entrepreneurs and manufacturers. The purpose of the Genuine MS program is to increase public awareness of Mississippi's farm, food, crafted and fabricated products.

There are four classifications of membership in the Genuine MS program — Grown, Raised, Crafted and Made. The Grown classification consists of farmers who grow plants ranging from produce, nuts and row crops to horticulture and timber in

Mississippi. The Raised classification consists of farmers, ranchers and aquaculturists with animals and aquaculture products raised in Mississippi or those selling products from animals and aquaculture products raised in Mississippi. The Crafted classification consists of crafters whose products are hand-created in Mississippi from agricultural products, which includes specialty foods and beverages and pet and artisan products. The Made classification consists of manufacturers whose products are at least 51 percent manufactured in Mississippi.

Genuine MS also offers an associate membership status for those who support agriculture. The Associate Member classification consists of retailers who sell Genuine MS products, restaurants who serve dishes that incorporate Mississippi agricultural products, farmers markets with local Mississippi farmers, agritourism operations and organizations and associations that support Mississippi agriculture.

For more information, visit www. genuinems.com or contact the Mississippi Department of Agriculture and Commerce's market development division at 601-359-1159 or info@genuinems.com. CMN

### 2018 milk production forecast unchanged, but product price forecasts up in WASDE

WASHINGTON — In its "World Agricultural Supply and Demand Estimates" report released last week, USDA left its 2018 U.S. milk production forecast unchanged at 217.9 billion pounds, but raised its 2019 milk production forecast from the previous month on slightly higher cow numbers and increased milk per cow. Milk production in 2019 now is forecast at 220.9 billion pounds.

For 2018, the forecast for fat-basis exports is raised from the previous month on higher sales of butter and other fat-containing products. The fat-basis import forecast also is raised on higher expected imports of butterfat products.

The skim-solids basis export forecast for 2018 is lowered on weaker sales of nonfat dry milk (NDM) and the imposition of tariffs by China on lactose and other dairy products, USDA says. The import forecast is unchanged.

For 2019, the fat-basis import and export forecasts are unchanged from the previous month. The skimsolids basis export forecast is lowered on expected continued weak sales of lactose. The skim-solids import forecast for 2019 is reduced from the previous month on lower expected imports of milk protein concentrates.

For 2018, cheese, butter, NDM and whey price forecasts are raised for 2018. Cheese is forecast to average in the \$1.550-\$1.570 per pound range in 2018, up from \$1.540-\$1.570 in last month's report. Butter is forecast to average \$2.265\$2.305, up from \$2.245-\$2.305. NDM is forecast at \$0.755-\$0.775, up from \$0.730-\$0.760. Dry whey is forecast at \$0.295-\$0.315, up from \$0.275-\$0.295.

Prices for cheese, NDM and whey also are raised for 2019 as demand strength is expected to carry into next year. Cheese is forecast to average\$1.590-\$1.690, up from last month's forecast of \$1.575-\$1.675; NDM is forecast at \$0.755-\$0.825, up from \$0.740-\$0.810; and dry whey is forecast at \$0.300-\$0.330, up from \$0.280-\$0.310.

The 2019 butter price forecast remains unchanged from the previous month at \$2.220-\$2.350.

The 2018 Class III and Class IV price forecasts are raised from the previous month to reflect the higher dairy product price forecasts. The 2018 Class III price is forecast at \$14.50-\$14.70 per hundredweight, up from \$14.30-\$14.60 in last month's report. The 2018 Class IV price forecast is \$13.95-\$14.25, up from \$13.65-\$14.05.

For 2019, the Class III price forecast is raised on higher forecast cheese and whey prices to \$14.95-\$15.95, up from \$14.70-\$15.70 in last month's report. The 2019 Class IV price forecast is raised on the stronger forecast NDM price to \$13.75-\$14.85, up from \$13.65-\$14.75.

The 2018 all-milk price forecast is raised to \$16.10-\$16.30 from \$15.95-\$16.25 in last month's report. The 2019 all-milk price forecast is raised to \$16.45-\$17.45, up from \$16.25-\$17.25 in last month's report. CMN



For more information please visit www.mssincorporated.com

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## **EVENTS**



## **Cheesemakers invited to participate in Green County Cheese Days demonstration**

MONROE, Wis. — The Foreign Type Cheesemakers Association is inviting cheesemakers to participate in the cheesemaking demonstration on the downtown square in Monroe, Wisconsin, Saturday, Sept. 15 during Green County Cheese Days.

The demo will begin at 11:45 a.m. with the delivery of milk to the Bussman Demonstration Factory and then continue through the afternoon.

Any cheesemaker with an interest is welcome to help stir the copper vat and speak with the demo audience. Chesemakers should check in with Master Cheesemaker Gary Grossen when they arrive so he will know they want to be included in the demonstration.

For questions or more information, contact Gail Zeitler, Foreign Type Cheesemaker's Association, at Gail.Zeitler@ftcma.com. CMN

## Cornell Extension will host artisan dairy food safety course in Iowa, North Carolina

AMES, Iowa — The Cornell Dairy Extension will host its Artisan Dairy Food Safety course in Ames, Iowa, Sept. 27-28, and in Raleigh, North Carolina, Oct. 24-25.

This coaching workshop is intended for artisan cheese and dairy food producers who are preparing to create, or are already developing, a Food Safety Modernization Act (FSMA)-compliant, preventive control (PC)-based food safety plan for their facility. The goal of this workshop is to provide Food Safety Plan review and coaching sessions that guide attendees through each step in the development process. Preventive Controls Qualified Individual (PCQI) lead trainers will be present to review key food safety plan topics, and after each section, participants will split into groups and develop those sections of their food safety plan with coaching from the trainers. Templates (digital and paper) will be provided to facilitate plan development. Attendees are

encouraged to bring their current or in-progress plans.

The workshop is limited to the first 20 registrants. Additional registrants will be added to a wait list and additional workshops scheduled as needed to meet demand.

PCQI certification is recommended (but not required) prior to enrollment.

Attendees should bring a plan to develop. Multiple products may be grouped under a single plan. Questions may be directed to the course instructor at alcaine@cornell.edu. Attendees who wish to work on digital versions of their plans are encouraged to bring their own laptops.

This course was made possible through the support of a USDA grant, obtained in collaboration with North Carolina State University, University of Connecticut and the Innovation Center for U.S. Dairy.

For more information, visit https://dairyextension.foodscience.cornell.edu/programs. CMN

### **NCCIA** announces 2018 conference, contest

SIOUX FALLS, S.D. — The North Central Cheese Industries Association (NCCIA) has announced it will host its 2018 annual conference at the Ramkota Hotel & Conference Center in Sioux Falls, South Dakota, Oct. 9-11.

The event will feature a Midwest Dairy Research Forum, along with NCCIA's cheese judging contest, cheese auction and presentations from academics and experts in the cheese and dairy industry.

Registration for the conference is \$170 for members and \$200 for non-members through Oct. 1, or \$180 for members and \$210 for non-members after Oct. 1. Online registration and forms are available at http://www.northcentralcheese.org/nccia-annual-conference.html.

Judging for NCCIA's annual cheesemaking contest will be held Sept. 11 at Bongards' Creameries in Norwood, Minnesota. The deadline for contest entries is Sept. 7.

Any current member of NCCIA can

enter the cheesemaking contest. All entries must list the manufacture date as well as the name and address of the individual entering the cheese. One entry per category can be submitted. Categories include Cheddar Block, Barrel and Miscellaneous. More information about contest entries is available at http://www.northcentralcheese.org/cheesemaking-contest.html.

The contest winners will be announced before Sept. 30 and recognized during the banquet dinner Oct. 10 at the NCCIA annual conference. NCCIA will award the Grand Champion with an engraved plaque, and first place in each category will receive \$40 cash from the Minnesota Department of Agriculture.

Award-winning cheeses also will be put up for auction at the Oct. 10 event, and all remaining cheese entries (except barrel) will be served as part of the cheese buffet served during the conference auction. CMN

## **WCMA** adds supervisor training offering

MADISON, Wis. — The Wisconsin Cheese Makers Association (WCMA) recently announced it has added an offering of its supervisor training course due to high member demand. The course, Front-Line Supervisor Training-Part B, will be held Thursday, Oct. 25, at Chippewa Valley Technical College's Gateway Campus in Eau Claire, Wisconsin.

WCMA says the course is focused on emotional intelligence, critical thinking, coaching and performance feedback.

"WCMA's Front-Line Supervisor Training courses are designed to help dairy processors retain their valued employees and to help supervisors foster more positive, productive work environments," says John Umhoefer, executive director, WCMA. "The waiting list for these trainings points to a clear interest in management education. And we find that graduates are recommending the training to other managers and peers."

The Front-Line Supervisor Training course offered in Eau Claire Oct. 25 is priced at \$149 per participant, which includes materials, instruction and meals. For additional details and to reserve space, visit wischeesemakers.org.

WCMA also has announced a new management education series called Learning to Lead, launching this fall. Learning to Lead emphasizes organizational performance and how to holistically strengthen workplace performance. Mid-level managers are invited to attend this series, which is limited to 20 spots.

Offered in partnership with Madison College, WCMA's Learning to Lead includes three workshops, with application projects to be completed between each offering. A "Critical Thinking and Decision Making" session is set for Sept. 18. "Effective Communications and the Building and Leading of Teams" will be held November 13, and a session entitled "Effective Delegation, Talent Development, and Situational Leadership" is set for Jan. 9, 2019.

The cost for the entire series, including materials, instruction, and meals, is \$475 per participant. Successful participants and their employers will be recognized with a certificate from Madison College at the Wisconsin Cheese Industry Conference, April 17-18, 2019, in Madison.

For more information, visit wischeesemakers.org or contact WCMA Communications, Education, and Policy Director Rebekah Sweeney at rsweeney@wischeesemakers.orgor608-286-1001. CMN





## Brigham Young University food science team wins 2018 IMPA new dairy product contest

SUN VALLEY, Idaho — A team of food science students from Brigham Young University (BYU) recently won the 2018 Idaho Milk Processors Association (IMPA) new product competition. They not only earned bragging rights, but \$10,000, too, for their new product idea — Sparkling Scoops, a carbonated, hard-pack ice cream, sold in single-serve, pull-top cans.

"The innovative process design and formulation enable a singular product experience only available via advanced carbonation technology applied to the world's favorite dairy dessert," the BYU teamwrites in its final report. "Our fizzy, creamy frozen treat is a curiously unique dairy product just waiting to tingle your taste buds. The sensory qualities of Sparkling Scoops truly represent an entirely new product category with limitless flavor applications. Our three current flavors—root beer, orange cream and cherry cola—are the perfect refreshment to share with a friend."

The BYU team is comprised of cocaptains Kate Hartmann and David Doxey and their colleagues Jeremy Arbon, Jeffrey Rime, Greyden Clark, Courtney Marshall and Alisa Larsen. Mike Dunn, Laura Jefferies and Brad Taylor serve as faculty advisors.

Utah State University, which submitted a frozen dessert called SCOOPs that is a good source of protein and contains phospholipids, captured second place and \$5,000.

"SCOOPs utilizes a low-value byproduct of whey processing called whey phospholipid protein concentrate," the Utah State team writes in its final report. "WPPC contains a high level of polar lipids that can be beneficial to gut and brain health, and is currently underutilized. Along with high phospholipid content from WPPC, this frozen dessert will also contain approximately two times the protein concentration of regular ice cream."

The team reports both the processing facility that supplies WPPC and consumers would benefit from increased WPPC utilization. Apart from using WPPC to form the body of the frozen dessert, the team used it to make caramel and chocolate fudge sauces that enhance the phospholipid content. The Utah State students have developed two SCOOPs flavors to date — sea salt caramel and chocolate fudge.

Utah State's team is comprised of David Dang, Brynli Tattersall, Minghao

**EVENTS** 

Li, Vidita Deshpande, Isaac Bowen, Jason Young, Austin Thomas, Zachary Cooper and Sujan Acharya. David Irish serves as faculty advisor.

South Dakota State University (SDSU) took third place and received \$3,000 with its team's Over the Moon sweet dairy spreads that feature a sugary and savory dairy flavor, smooth and creamy mouthfeel, and a spreadable texture at refrigerated temperatures.

The team developed two distinct flavors: Celestial Strawberry Jam, a combination of dairy and fresh fruit, and Silky Butter Bliss, a combination of butter and hydrolyzed milk permeate. The former contains 60 percent dairy and has a simple ingredient statement that includes fruit, hydrolyzed milk permeate, pectin and citric acid. The latter is 100 percent dairy and only contains sweet cream butter and hydrolyzed milk permeate.

"Over the Moon spreads also serve as a source of milkminerals, and consumers can enjoy them without worrying about lactose intolerance because they have less than 0.1 grams of lactose per serving," the SDSU teamwritesinitsfinalreport."Theyare also positioned to take advantage of the growing fruit jam and dairy spread categories. Both categories have experienced sustained growth in the last decade. In contrast to regular fruit jams, Celestial Strawberry Jam contains no added sucrose, and its sweetness comes from hydrolyzed lactose. In contrast to butter, Silky Butter Bliss has a subtle, sweet flavor and is spreadable right out of the refrigerator."

SDSU's team is comprised of Steven Beckman, Maryam Enteshari, Ahmed Hammam and Venkateswarlu Sunkesula. Lloyd Metzger serves as faculty advisor.

Brigham Young University-Idaho earned fourth place and \$2,000 with its SPARKS carbonated ice cream.

"This new twist on a favorite American classic is simple and sophisticated yet fun, drawing all ages to the clean-designed single-serve package," writes the BYU-Idaho team in its final report. "The first part of the sensory experience is when you pull back the foil lid of the ice cream cup and pressure is released, much like the excitement of opening a soda can. The ice cream is creamy and rich with bold flavor." So far the team has developed two flavors: root beer float and orange creamsicle.

BYU-Idaho's team is comprised of Travis Woodbury, Natalie Johnson, Madison Bunker and Benjamin Britt. Steven Winkel and Jeff Hamblin serve as faculty advisors.

Garnering fifth place and \$1,000, the Cornell University team developed Whey2Go — an on-the-go single-serve snack made of more than 60 percent dairy ingredients including five savory pancake dippers and one portion of ranch-flavored dipping sauce.

"Whey2Go is better for you and better for Earth," the Cornell team writes in its final report. "The main ingredient in Whey2Go is Greek Yogurt Acid Whey (YAW), an underutilized byproduct of the dairy industry. The 20-fold increase in Greek yogurt consumption in the past 10 years has resulted in the production of vast amounts of YAW, which can present a huge environmental impact if disposed improperly."

Cornell's team is comprised of Julie Camacho Flinois, Pedro Menchik and Ashton Yoon. Carmen Moraru serves as faculty advisor.

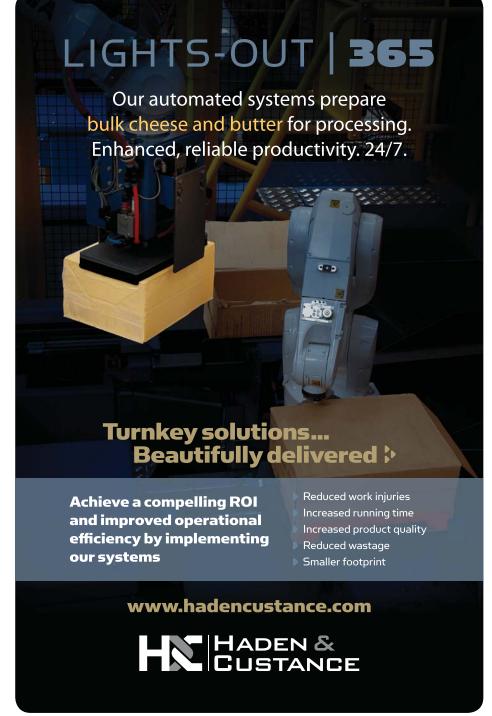
All Things Artisanal Kefir Dip, a collaborative effort by the University of Idaho and Washington State University, took sixth place and earned the team \$1,000. The dairy-based dip is made with heavy cream,

milk, grains, hydrocolloids (including a blend of xanthan gum, locust bean gum and guar gum, and a blend of carrageenan, maltodextrin and dextrose), garlic, shallot and butter. It is 85 percent dairy by weight.

The schools have a long-standing tradition of joining forces for the competition, although this year's team is comprised of UI students Maryam Baniasadidehkordi, Ivan Pettit, Fariba Zad Bagher Seighalani, Glenn Grout, Carly Piller and Kristen Sparkman. Helen Joyner from University of Idaho serves as faculty advisor.

Supported by Dairy West and judged by leading dairy farmers and industry experts, the annual contest challenges universities with strong nutrition and food science programs to create the most promising new food product containing dairy ingredients.

"The growing innovation these students bring to bear each year is incredible, and it's very exciting for our industry," new product competition chair Alan Reed says. "When we launched the competition nine years ago, the teams were just suggesting basic, traditional dairy products and a few new flavors. Now we're seeing true innovation where the students are developing revolutionary new food product concepts that contain at least 51 percent dairy ingredients." CMN



For more information please visit www.hadencustance.com

## **CWCBA** golf outing scheduled for Sept. 18

MARSHFIELD, Wis. — The Central Wisconsin Cheesemakers and Buttermakers Association will hold its annual golf outing Sept. 18 at the Holm's RiverEdge Golf Course in Marshfield, Wisconsin

Registration begins at 10:30 a.m., accompanied by a hamburger and brat bar. Tee off will be at noon.

A banquet will follow, starting with a happy hour at 4:30 p.m. and dinner at 5:30 p.m.

The cost to play and attend the banquet is \$100 per person. To attend only the banquet costs \$25. Sponsorship and donation opportunities are available.

To register, participants must send a list of their foursome along with a check made payable to CWCBA to Tayt Wuethrich, Grassland Dairy, P.O. Box 160, Greenwood, WI 54437.

Questions may be directed to Wuethrich at 715-267-5183. CMN

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#### **TRADE**

Continued from page 1

to convene every five years to reapprove the agreement or it would be automatically nullified. Canada and Mexico have objected to a NAFTA that includes this stipulation.

IDFA notes it continues to work closely with the administration during these negotiations to ensure market access will be maintained in Mexico and Canada's Class 7 pricing program is eliminated.

Meanwhile, escalation in tit-for-tat tariffincreases continues between the United States and China. This week, news reports say a Chinese delegation led by Vice Minister of Commerce Wang Shouwen will, at the invitation of the United States, visit the United States in late August to talk about bilateral economic and trade issues, according to China's Ministry of Commerce (MOC).

In response to the ongoing tariff disputes, late last week, the Western States Dairy Producers Association (WSDPA) — an association of dairy farmer trade associations including the California Milk Producers Council (MPC), Idaho Dairymen's Association and others — sent a letter to U.S. Agriculture Secretary Sonny Perdue outlining the significant impacts current trade disputes are having on U.S. farms.

In the letter, the association outlines ways that USDA can use its recently announced \$12 billion farmer "bailout" to help the U.S. agriculture industry, particularly the dairy sector. (See "Industry reacts to 'bailout' for farmers due to tariff pressure" in the July 27, 2018, issue of Cheese Market News.)

"We calculate that the cost of the trade war to American dairy farmers will be close to \$1.4 billion between June 1, 2018, and the end of this year," says Kevin Abernathy, general manager, MPC. "This is a huge hit, which causes real pain and damage to the dairy farming community."

In the letter, WSDPA recommends a compensation process that it says will get the help to where it's needed in the most direct and expeditious fashion.

"The Western states market a disproportionate percentage of our milk and dairy products to foreign buyers who are now engaged in this trade dispute with the United States," the letter says. "What this means is that Western dairy farmers are on the front lines in the trade war."

The letter notes that historically, many dairy assistance programs have been targeted toward small and medium sized farms.

"Dairies in the West are significantly larger than the national average, but the erosion of milk prices as a result of the trade war impacts all dairy farmers on all of their milk production," the letter says. "Our members implore that any direct payments to dairy farmers be distributed on all milk produced, without production caps. Any other outcomes would disproportionately saddle our member dairies with the consequences of market losses."

WSDPA says that its recommendation is that USDA provide direct assistance to all dairy producers of \$1 per hundredweight of milk produced over a 6-month period of time from June 2018 to November 2018.

"Based on actual milk production for June 2018 and estimates for production going forward, we calculate the cost of such payments to be approximately \$1 billion," the association says.

USDA also has indicated that in addition to direct cash payments to producers, the authority of the Commodity Credit Corp. will be used to develop a program to purchase dairy products directly from the market.

"We have some advice on that issue as well. It is important that any purchases not unnecessarily disrupt the supply/demand balancing that naturally goes on in the dairy industry under normal marketing conditions," WSDPA says. "We also encourage that purchases of dairy products in addition to cheese, butter and powder be made if it is determined that such purchases would have a greater impact on balancing supply and demand." CMN

#### **USDA**

Continued from page 1

mission area, will realign once again with the Office of the Chief Economist (OCE) under the Office of the Secretary. Additionally, most employees of ERS and the National Institute of Food and Agriculture (NIFA) will be relocated outside of the national capital region. The movement of the employees outside of Washington, D.C., is expected to be completed by the end of 2019.

"It's been our goal to make USDA the most effective, efficient and customer-focused department in the entire federal government," Perdue says. "In our administration, we have looked critically at the way we do business, with the ultimate goal of ensuring the best service possible for our customers and for the taxpayers of the United States. In some cases, this has meant realigning some of our offices and functions, or even relocating them, in order to make more logical sense or provide more streamlined and efficient services."

Moving ERS back together with OCE under the Office of the Secretary makes sense because the two have similar missions, Perdue says. ERS studies and anticipates trends and emerging issues, while OCE advises the secretary and Congress on the economic implications of policies and programs. These two agencies were aligned once before, and bringing them back together will enhance the effectiveness of economic analysis at USDA, he says.

Regarding the relocation of ERS and NIFA, Perdue says new locations are yet to be determined, and it is possible that ERS and NIFA may be co-located when their new homes are found. USDA is undertaking the relocations for three main reasons:

- To improve USDA's ability to attract and retain highly-qualified staff with training and interests in agriculture, many of whom come from land grant universities. USDA has experienced significant turnover in these positions, and it has been difficult to recruit employees to the Washington, D.C., area, particularly given the high cost of living and long commutes, Perdue says.
- To place these USDA resources closer to many of stakeholders, most of whom live and work far from the Washington, D.C., area.

• To benefit the American taxpayers. There will be significant savings on employment costs and rent, which will allow more employees to be retained in the long run, even in the face of tightening budgets, Perdue says.

No ERS or NIFA employees will be involuntarily separated. Every employee who wants to continue working will have an opportunity to do so, although that will mean moving to a new location for most. Employees will be offered relocation assistance.

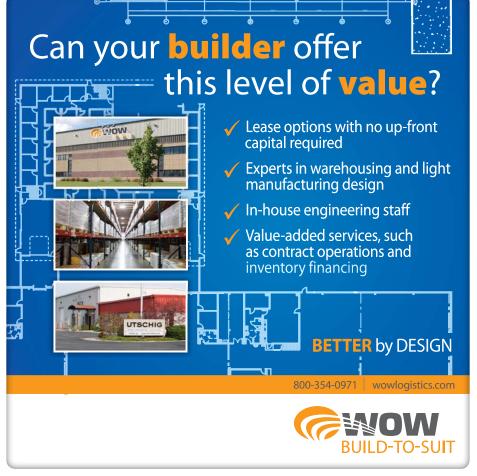
For those who are interested, USDA is seeking approval from the Office of Personnel Management and the Office of Management and Budget for both Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments.

"It's been our goal to make USDA the most effective, efficient and customer-focused department in the entire federal government."

> Sonny Perdue USDA

"None of this reflects on the jobs being done by our ERS or NIFA employees, and in fact, I frequently tell my Cabinet colleagues that USDA has the best workforce in the federal government," Perdue says. "These changes are more steps down the path to better service to our customers, and will help us fulfill our informal motto to 'Do right and feed everyone."

Perdue previously announced other significant changes at USDA. In May 2017, USDA created the first-ever Undersecretary for Trade and Foreign Agricultural Affairs and reconstituted and renamed the new Farm Production and Conservation mission area, among other realignments. In addition, in September 2017, Perdue realigned a number of offices to improve customer service and maximize efficiency. Those actions involved consolidation and the rearrangement of certain offices into more logical organizational reporting structures, USDA says. CMN



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## Senior Manager —

Valley Queen Cheese Factory, Inc. is a premier organization known for award winning cheese, whey, lactose and anhydrous milk fat products for some of the largest food brands in the world.

#### **Position Summary:**

Director of supply chain management and product control position manages all aspects of purchasing, production planning and scheduling, inventory, shipping and receiving; designs and executes strategies and plans to meet company's short-term and long-term supply chain management/production control requirements. This position will have multiple directreports and requires up to 25% travel.

#### **Essential Functions:**

- Implement a fully functional supply chain management/production control infrastructure.
- · Develop processes and systems that support an efficient purchasing function of all manufacturing supply items.
- Manage the storage and outbound transportation of finished goods.
- Drive cost efficiency for inbound milk transportation.
- Efficiently coordinate production scheduling efforts that align with customer demand.

Four-year degree, with minimum 5-7 years production control/supply chain management experience. Experience with purchasing, quality/continuous improvement initiatives, manufacturing safety practices and relevant software applications. Working knowledge of Microsoft Office Applications (Word, Excel, Outlook, and PowerPoint).

#### Preferred Education and Experience:

Master's degree in industrial engineering. Experience in dairy processing and familiar with standard industry concepts, practices and procedures. Bilingual in English/Spanish.

Valley Queen Cheese Factory, Inc. offers competitive pay and benefits, including health, dental, vision and life insurance, 401(k) match, company stock profit sharing plan, health club membership and more.

Valley Queen Cheese Factory, Inc P.O. Drawer 351 • Milbank, SD 57252 Colleen Gluth • 605.432.9629 Email: cgluth@vqcheese.com



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MARKETING

**CHEESE/DAIRY** 

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- MISCELLANEOUS
- STORAGE 13

## **Senior Manager - Cheese Procurement**

Marathon Cheese Corporation, one of the nation's largest and most diversified natural cheese packaging companies, is seeking a Senior Manager of Cheese Procurement to join its innovative, growing and fast-paced environment.

This position will report to the Director of Procurement and assist with supply chain management, inventory control, problem solving and continuous improvement opportunities. The ideal candidate will have a four-year degree in Food Science or related field and a minimum of 10 years of progressive experience in cheese procurement or manufacturing. Strong organizational and communication skills are required. Knowledge of SAP, quality systems, regulatory standards, and risk management are desirable

Interested candidates should send their resumes to:

Rachel Yach, Human Resources Email: ryach@mcheese.com

Mail: 301 East Street P.O. Box 185 Marathon, WI 54448



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CHEESE/DAIRY

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CHEESE/DAIRY

12

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STORAGE

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#### **FAIR**

Continued from page 1

#### • Cheese, please!

One of the most popular featured foods at many state fairs recently has been grilled cheese sandwiches, ranging from standard American to more elaborate variations.

A new Grilled Bacon Mac and Cheese sandwich debuted at this year's Missouri State Fair, which opened Aug. 9 and runs through Aug. 19. The featured grilled cheese is sold at the Gerken Dairy Center, one of the Missouri State Fair's most popular concessions owned by the state's dairy farm families, along with standard grilled cheese, 19 hand-dipped ice cream flavors and shakes.

"We hadn't had a new product for quite a while," says Stacy Dohle, Midwest Dairy's Missouri State Fair manager. "Earlier this year in March, we did a promotion with a local retailer in Springfield. There was a kids' cooking class, and some kids put together a mac and cheese, bacon and grilled cheese sandwich. We thought it would be fun at the fair. It's going over really well so far. Anything with bacon and cheese, how could you go wrong? It looks like it may be a permanent item here before

too long."

The American Dairy Association of Indiana (ADAI) sponsors an annual grilled cheese contest Indiana State Fair, which runs through Aug. 19. The winning grilled cheese then is featured the following year at the Indiana State Fair Dairy Bar, also supported by ADAI.

"It started as a milk tent in the 1940s, where all they served was milk," says Jenni Browning, senior director of communications and wellness, ADAI. "Now it's a huge Dairy Bar with a variety of grilled cheese sandwiches and milkshakes, along with milk, pretzels and cheese, yogurt, kids' meals, scooped ice cream and Mozzarella sticks."

This year's featured sandwich (and last year's contest winner) is the Inside Out grilled cheese, which includes a crunchy crust of mild Cheddar on the outside of garlic bread and Gouda on the inside. The Dairy Bar also sells the Mousetrap Grilled Cheese with slices of medium Cheddar, Havarti and Colby Jack on Texas-style toast, and classic grilled cheeses American on white, Colby on wheat and Muenster on cinnamon raisin bread. The winner of this year's grilled cheese contest, which will be featured at next year's Indiana State Fair, is Sweet Blue Haired Granny made with Chicory Blue cheese, Nightshade



Photo courtesy of the American Dairy Association of Indiana

**FAIR FOOD** — Lisa Biro, an *Indy Star* food critic, judges the 2018 Ultimate Grilled Cheese Contest, sponsored by the American Dairy Association of Indiana, at the Indiana State Fair Aug. 11.

hard cheese and cultured butter with sea salt from Tulip Tree Creamery, paired with rosemary, Granny Smith apple and Indiana wildflower honey on sourdough.

At the Wisconsin State Fair, which ended Aug. 12, sales at the Real Wisconsin Cheese Grill are the main source of funding for the Wisconsin State Fair Dairy Promotion Board. This year, the stand made more than 55,000 sandwiches using more than 5,000 pounds of Sargento cheese and 1,000 pounds of butter from Foremost Farms. Varieties included Cheddar, Swiss, Pepper Jack, Gouda and Havarti.

"With that money, we are able to share stories through our House of Moo with milking demonstrations and different activities," says Katy Katzman, board coordinator, Wisconsin State Fair Dairy Promotion Board. "Most of this is funded through \$3 grilled cheese."

#### • Dairy competitions

In addition to traditional livestock competitions, many state fairs feature dairy product competitions and dairy princess crownings, as well as other, less formal contests aimed at making dairy fun. The Oregon State Fair's Milk Chug-a-lug and Milk Mustache contests, which will be Sept. 1, are sponsored by the state's dairy princess program that is supported by the Oregon Dairy and Nutrition Council. The Chug-a-lug contest, open to anyone, is a race to see who can drink a pint of milk the fastest, while the Milk Mustache contest is geared more toward kids.

"They use a milkshake mix so they can get a good mustache. The dairy princesses will judge to see who has the best mustache, and they get a prize," says Pete Kent, executive director, Oregon Dairy and Nutrition Council.

The Minnesota State Fair, which starts Aug. 23, this year will feature the winner of the fourth annual Flavor of the Fair contest, "That's S'more Like it," in malts and sundaes served at Midwest Dairy's Dairy Goodness Bar. Fairgoers will be encouraged to suggest new creative flavors or possible combinations for the 2019 contest.

"In the spring, we pick three unique flavors and have people vote. This year there were over 2,000 votes," says Alex Larson, manager, marketing communications, Midwest Dairy.

State Fair-recipe vanilla ice cream or malts will be topped with graham cereal, tiny marshmallows and chocolate syrup, joining traditional flavors at the Minnesota State Fair.

"In addition to continuing to serve favorites like chocolate, vanilla, apple-caramel, rhubarb-strawberry and more, we love to introduce other flavors that get fairgoers excited about what dairy farmers have to offer," says Alyssa Olson, Midwest Dairy's Minnesota State Fair project manager.

#### • Education on display

Butter sculptures, usually featuring cows, are a mainstay at many state fair dairy displays. But the Minnesota State Fair takes a different approach, carving the likeness of the newly-crowned Princess Kay of the Milky Way as well as each of the 11 Princess Kay finalists in butter. The butter carvings also serve as an educational opportunity, where Princess Kay and the finalists share their dairy stories and answer questions from the crowd as they take turns sitting inside the 40-degree, rotating sculpting booth. They also will appear in Midwest Dairy's educational area across from the butter sculptures to share stories and answer questions about farmers' commitments to health, animal care and the environment. This year's butter carvings will begin Aug. 23, the day after the new Princess Kay is announced. The dairy princess carvings started at the Minnesota State Fair in 1965.

"It takes about six hours to complete a butter sculpture, Larson says. "They take breaks, but they bundle up and spend the majority of that time in there. It's very much a moment they savor and remember throughout their life. It's a very iconic tradition in Minnesota, the butter heads."

The Iowa State Fair this year introduced its first Farm to Fair Dinner, where 500 guests joined Iowa farmers at



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### Dynamic Conveyor Corp. completes office expansion

**NORTON SHORES, Mich.** — Dynamic Conveyor Corp. recently completed an office renovation and expansion at its Norton Shores, Michigan, facility.

Dynamic Conveyor is a secondgeneration, women-owned business offering conveyor solutions to the parts manufacturing and food processing industries. With the introduction of a second conveyor line, Dynamic Conveyor entered the food processing and packaging market in 2011. Since that time the company has been experiencing steady growth. Additional personnel have been hired to support the growth and the company found that it was running out of space. The new space includes additional offices, a larger conference room and break room that expands for company-wide gatherings.

Dynamic Conveyor was founded in 1991 when it introduced the DynaCon conveyor system to the plastic molding industry. The DynaCon conveyor systems offer parts manufacturers the ability to build their own conveyors using modules (like Lego building blocks) to configure and later reconfigure their conveyor layouts.

All conveyors offered by Dynamic Conveyor provide flexibility of design which includes choices for length, width, inclines, declines, lateral turns, belt styles and an array of accessory options. The systems are designed to require no maintenance, lubrication or need for belt tracking. CMN

#### **PURCHASE**

Continued from page 1

one of the most requested nutrition staples at food banks, yet it is rarely available.

"As one out of two kids ages 9 and up are falling short on calcium, vitamin D and potassium — essential nutrients that milk provides — there is an even greater need to make sure milk is getting to children and families who need it most," she says.

Jim Mulhern, president and CEO of the National Milk Producers Federation (NMPF), says NMPF is pleased that USDA now is including fluid milk in the assortment of foods it is buying and donating.

"This effort will help more Americans meet their U.S. Dietary Guidelines recommended daily consumption of milk," Mulhern says. "We appreciate this initial step and look forward to working with the department to continue building upon this effort."

For more information, contact Contracting Officer Jeffrey Jackson via email at jeffrey F.jackson@ams.usda.gov. CMN

#### **CONNECTION**

Continued from page 14

the "largest dinner table ever set" at the Iowa State Fair Aug. 12. Attendees had an opportunity to eat, learn, engage and discover facts about Iowa farming and food. A meal made by the Machine Shed restaurant featured locally-sourced ingredients. Included in the meal was milk as well as beef brisket sandwiches topped with cheese.

"We were able to invite 10 of our dairy farmers to the table. So they could have a very engaging conversation, organizers put out a survey asking people what they want to talk about and what questions they had. Some people had dairy questions and questions about milking, so we chose those," says Alyson Fendrick, manager, marketing communications,

Midwest Dairy, Iowa.

At the Wisconsin State Fair, located near Milwaukee, Katzman says interactions with farmers and live animals are some of the most popular dairy-related activities.

"I think because we're reaching out to a more urban audience, the chance to get up close and personal with live animals is exciting, and they're going to remember that experience for a lifetime," she says. "There's still lots of opportunity to get our message out there. Small and positive interactions the public can have with our industry do go a long way."

The California Milk Advisory Board featured a panel display on Healthy Communities, Healthy Land, Healthy Cows and Healthy Food at this year's California State Fair July 13-29. In 2017, a dairy station also was added to

the on-site California State Fair Farm in partnership with Dairy Council of California for use during the school year. During the state fair, this information about dairy production and nutrition is available to attendees in the Baby Barn, where they also can access "Cali" the Real California Milk mechanical milking cow.

"The state fair provides a platform for connecting consumers to where their food comes from in a very real way—with the livestock and the people who are responsible for the dairy foods they enjoy," Giambroni says. "The fair is a unique experience, one of the few places beyond a direct trip to the farm, where you get up close and personal with livestock and can ask a farmer or a farm kid a question about dairy production and on-farm practices and truly understand our shared values."



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## Italian dairy to build cheese plant in Indiana

WARREN, Ind. — Golfo di Napoli Dairy announced plans today to locate a commercial organic cheese plant in Huntington County, Indiana, creating up to 35 new jobs by 2021.

"Indiana's agriculture industry supports approximately 107,500 jobs, providing opportunities for Hoosiers and their families across the state," says Indiana Lieutenant Gov. Suzanne Crouch, who also serves as the state's secretary of agriculture. "With nearly 1,000 Hoosier dairies and 26 dairy processing plants, Golfo di Napoli Dairy will have quick and plentiful access to fresh milk, making Indiana the perfect fit for its first U.S. production facility."

Golfo di Napoli Dairy, a newlyestablished venture, will be owned and operated by a team of fourth-generation cheese producers from Italy. The company plans to invest \$9.5 million to establish the plant, constructing an approximately 30,000-square-foot plant on a 40-acre site in Warren, Indiana. The plant, which will utilize USDA-certified organic milk from Fair Oaks Farms, will produce Mozzarella, Burrata, Ricotta, Provolone and other pasta filata cheeses traditional to the Naples region.

"We chose Indiana because we believe that it is the perfect location to produce authentic Neapolitan Mozzarella, serving customers across the Midwest," said Antonio Somma, president of Golfo di Napoli Dairy. "This facility and our partnership with Fair Oaks Farm will allow us to expand our cheese production expertise to the U.S."

"We chose Indiana because we believe that it is the perfect location to produce authentic Neapolitan Mozzarella."

> Antonio Somma GOLFO di NAPOLI DAIRY

The company, which already has acquired the land, plans to begin construction in September once permits are finalized. Golfo di Napoli Dairy expects to begin hiring for the new facility before the end of 2018 in order to begin production in February 2019.

The Indiana Economic Development Corporation (IEDC) offered Golfo di Napoli Dairy up to \$300,000 in conditional tax credits based on the company's job creation plans. The Huntington County Board of Commissioners approved additional grant funding at the request of Huntington County Economic Development Corp.

## **Expanding Dairy Technology**



Photo courtesy of International Dairy Foods Association

**WASHINGTON** — The International Dairy Foods Association (IDFA) recently brought together leaders from FDA and the dairy industry to discuss updates to regulations that would allow dairy companies to use expanded filtration technologies when making standardized cheeses. FDA officials agreed to consider the request to modify the types of filtered-milk products that are allowed as ingredients in the cheese standards of identity.

There currently are three different techniques used to filter milk for cheesemaking: reverse osmosis, which concentrates the milk and only removes water; ultrafiltration (UF), which removes water and lactose; and microfiltration (MF) which removes water, lactose and whey protein.

Stakeholders say the advantages of using MF milk is that it allows for standardization and an increase of casein in the cheese milk, which results in better yield and output of high-quality cheese. The byproduct of MF milk, known as permeate, is value-added milk-derived whey. It has flavor and composition advantages over traditional cheese whey as a high-value dairy ingredient used in nutritional products, such as dietary supplements and infant formula.

In the meeting, IDFA and other dairy stakeholders stressed that FDA regulations should allow cheesemakers to use all types of milk filtration, including MF milk, that is produced in a plant or from outside sources to make any type of cheese. The dairy groups asked FDA to consider regulatory discretion for filtered milk in cheeses and work to codify the changes in a final rulemaking.

Pictured, from left, are: Veronique LaGrange, senior vice president of strategy and insights, American Dairy Products Institute; Elizabeth Fawell, partner, Hogan Lovells US LLP; Bill Graves, senior vice president of product research and food safety, Dairy Management Inc.; Michael Culhane, Ph.D., owner, Dairy Advance Business Consulting LLC; John Lucey, director of the Wisconsin Center for Dairy Research; Richard Scarsella, corporate quality manager, Great Lakes Cheese Co. Inc.; Sheila Harsdorf, Wisconsin Secretary of Agriculture, Trade and Consumer Protection; Michael Dykes, IDFA president and CEO; and Cary Frye, IDFA senior vice president of regulatory affairs. CMN



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## **Good Food Foundation launches alliance**

SAN FRANCISCO — The Good Food Foundation, which organizes the Good Food Awards, Good Food Guild and Good Food Mercantile, recently announced the launch of the Good Food Merchants Alliance, a membership organization for independent grocers, cheesemongers and food purveyors across the country.

The Good Food Foundation says its Merchants Alliance will bring together retailers at all stages of growth as it seeks to displace demand for industrially-produced food and replace it with mindfully-made, sustainable alternatives. The Good Food Merchants Alliance provides an opportunity for like-minded businesses to help each other and support other food crafters in an increasingly competitive and consolidated retail landscape, the Good Food Founda-

The new alliance offers three membership tiers: the entry-level Supporter (\$500), mid-level Sustainer (\$1,500) and the highest-level Collaborative (\$5,000). All membership levels offer the chance to convene and learn at an annual Merchants' Summit as well as tickets to the Good Food Awards Ceremony and other events throughout the year. Sustainers and Collaborative members are invited to judge the Good Food Awards. Collaborative members also participate in a day-long retreat with many influential retailers in the industry, including Bi-Rite Market, Di Bruno Bros. and Zingerman's Family of Businesses.

Membership is open to all independently-owned merchants. Those interested in applying can find more information and fill out an online application at https://goodfoodfdn.org/merchants/ sustainers-supporters/.