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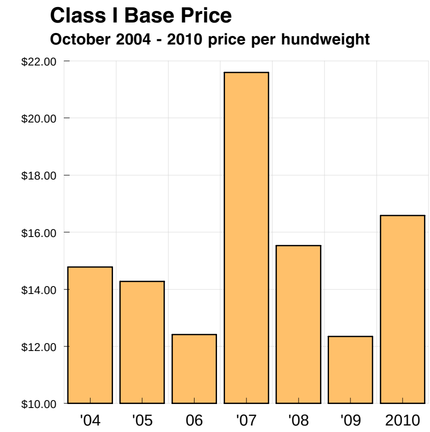

House OKs Bill Requiring Mandatory Weekly Dairy Product Price Reporting

Washington—The US House of Representatives on Wednesday approved legislation that will require the weekly electronic reporting of dairy product prices.

The Mandatory Price Reporting Act of 2010 was passed by the US Senate several weeks ago, so the measure now goes to President Obama for his signature.

According to the National Milk Producers Federation (NMPF), which supports the bill and has been working for a decade to improve the transparency of dairy pricing, , the price reporting bill contains the following specifications:

■ Requires the US secretary of agriculture to establish an electronic reporting system for dairy.

■ Directs the secretary to publish the information reported through the electronic reporting system by 3:00 p.m. Eastern time each Wednesday.

■ Requires the secretary to implement the electronic reporting system for dairy not later than one year following enactment of this legislation.

"NMPF believes a key element of improved dairy marketing is accurate, timely price information," said Jerry Kozak, NMPF's president and CEO. "After years of half-measures, the Mandatory Price Reporting Act will ensure that the USDA implements to the fullest mandatory dairy price reporting."

The Mandatory Price Reporting Act of 2010 is also supported by, among others, the International Dairy Foods Association, American Farm Bureau Federation, National Farmers Union, and National Cattlemen's Beef Association. r

Senator's Concerns Likely Mean No Food Safety Bill Before Elections

Washington—Senate action on food safety legislation might be delayed until after the November elections due to regulatory, cost and other concerns cited by one senator.

US Sen. Tom Coburn (R-OK) on Wednesday issued a lengthy memo detailing his concerns with S. 510, the FDA Food Safety Modernization Act of 2010, the Senate's version of food safety legislation.

Thursday, on the Senate floor, Senate Majority Leader Harry Reid (D-NV) noted that lawmakers "have worked for this entire Congress on food safety," but due to Coburn's objections, "likely we are not going to be able to get this done before we go home for the elections."

In a statement posted on his website Thursday, Reid said, "My hope is that Senator Coburn will reconsider his obstruction, and work with us to make sure that when it comes to food, parents have the peace of mind that all Americans deserve."

Coburn on Thursday issued a statement encouraging Reid to bring the food safety legislation to the Senate floor for a full and open debate.

"If Majority Leader Reid believes this legislation is a matter of life and death he should bring it to the floor immediately for a full and open debate," Coburn said. "His claim that I am blocking the Senate from considering the bill is false, and he knows it is false."

Supporters of the legislation are scrambling to get the bill on the legislative calendar as Congress's remaining work days are dwindling this year. The Senate Health, Education, Labor and Pensions Committee passed a food safety reform bill last November, and the full US House passed its version of food safety reform on July 30, 2009.

Last month, six key members of the Senate, including three Democrats and three Republicans, reached agreement on food safety reform legislation, an agreement that was viewed as making it possible to bring the legislation to the Senate floor by early September (for more details, please see *Agreement by Six Key US Senators Could Bring Food Safety Reform Bill To Senate Floor By Early Sept.*, on page 1 of our August 13th issue).

In his memo, Coburn notes, among other things, that the Senate food safety legislation will cost $1.4 billion over five years, not including an additional $230 million in expenditures that are directly offset by fees collected for those activities (re-inspections, mandatory recalls, etc.).

The total cost of the bill is over $1.6 billion over five years, of which $335 million are for non-FDA programs, such as a food allergy grant program.

If future appropriations do not add up to the amount the Congressional Budget Office (CBO) is estimating, the "likely result" is that none of these provisions can be fully implemented or, worse, FDA is forced to cut corners in other areas it regulates to fund the added regulatory burden on foods, Coburn said.

The Senate bill contains 225 pages of new regulations, "many of which are problematic," Coburn said. While some regulations are "potentially onerous, but perhaps reasonable" — such as requiring every facility to have a scientifically based but flexible food safety plan—others give FDA sweeping authority with "potentially significant consequences."

• See **Food Safety Bill,** p. 4

In Growing Hispanic Market, Biggest Dairy Opportunity Is With Newer Immigrants

Dallas, TX—The greatest opportunity to increase dairy consumption in the Hispanic market lies with the less acculturated or newer immigrants, according to a new Innovation Center for US Dairy white paper.

The paper was the focus of a session at the International Dairy Show here this week.

There are currently an estimated 47 million Hispanics in the US, representing 15 percent of the total population, with an estimated spending power upwards of $951 billion, the white paper noted. The Hispanic population is expected to continue to grow, outpacing total population by about three to one.

However, Hispanics are a highly diverse group with different beliefs, customs, experiences and behaviors, and they move through the acculturation process differently. Mexican-Americans comprise about two-thirds of all US Hispanics, with the remainder representing Central America, Puerto Rico, South America, Cuba, the Dominican Republic and other countries or regions.

Acculturation level is a significant driver of consumption behaviors, which is evident when looking at dairy, the paper said. As consumers take on new habits, the most acculturated Hispanics mirror the general population in relevant shopping, consumption, media usage, etc.

Definitions of Hispanic acculturation vary slightly from research group to research group. For this white paper, acculturation levels are broadly categorized as follows:

■ Foreign-born, less acculturated immigrants. Hispanics in this group tend to have large families and lower incomes.

■ Foreign-born, more acculturated immigrants. Individuals in this group tend to share many traits with less acculturated immigrants, but as

• See **Hispanic Market,** p. 7

Most Dairy Product Prices Increase In Fonterra's Online Dairy Auction

Wellington, New Zealand—Prices for three of the four dairy commodoties traded on Fonterra's global-DairyTrade online trading platform increased during this week's trading session.

The trading session marked the first time two trading sessions have been held in one month. Since the trading platform was launched by Fonterra in July of 2008, global-DairyTrade events had been held just once a month.

The gDT-TWI index was up 1.9 percent after this week's trading event, which included 127 participating bidders and 73 winning bid-

• See **Dairy Prices Rise,** p. 3

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EDITORIAL COMMENT

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It's becoming increasingly clear that today's generation of kids will grow up consuming relatively flavorless dairy products. Fat equals flavor, and so does salt. So to the extent fat and salt are removed from products marketed to kids, flavor will also be removed.

Childhood Obesity And The Changing Face Of Some Dairy Products

President Obama earlier this month declared September to be National Childhood Obesity Awareness Month. This is an issue, and a month, that should be marked with great caution by the dairy industry.

That's because, when you get right down to it, the childhood obesity issue will have a number of pretty big impacts on the dairy industry, a few of them positive but some of them pretty negative. And pretty much all of them costly.

In the negative column, the first thing that comes to mind is that the dairy industry can forget about schools ever again being major markets for butter. Considering that saturated fat and sodium are two of the major items that schools are trying to reduce, well, butter just doesn't have a chance.

That's too bad. It means that not only will kids probably not be seeing butter at any time when they eat school foods (this includes both school lunch and school breakfast), it also means the only exposure the current generation of kids will get to butter will be at home. And oftentimes that exposure is nonexistent.

As far as cheese is concerned, obviously the above-noted concerns about saturated fat and salt will have an impact on the types of cheese kids are exposed to when eating school foods. And this means that at least some cheese companies wishing to participate in this rather large market will have to figure out how to reduce the fat and sodium in their foods and still keep the products reasonably flavorful.

What does this mean for the future of the cheese business? Well, for one thing, it means kids today will grow up consuming a lot of cheese that's somewhat to quite a bit lower in fat, a little bit lower in salt, and possibly a lot lower in flavor than what is typically the case.

And that might mean these kids will continue to prefer milder cheeses as they become adults.

What about fluid milk? Pretty much any time child nutrition is discussed or debated, dairy products are included in the conversation and highlighted as important to a balanced diet, but always, or almost always, the qualifiers "lowfat" and "fat-free" are included.

Thus, kids in school will be consuming lowfat and fat-free milk in the future. How likely is it that they will start drinking whole milk once they become adults? Come to think of it, with some, most or all of the fat removed, how many of them will even really like the milk they are served in school?

Probably not that much, if recent research is any indication. That research found that when chocolate and other flavored milk is removed as an option in school cafeterias, milk consumption declines, and declines pretty significantly. We can't help but wonder if it wouldn't decline as much if whole milk was more plentiful, not just the less flavorful lower-fat varieties.

There's another interesting and potentially hazardous angle to this issue. A session at this week's International Dairy Show in Dallas focused on marketing food to kids, and some of the possible guidelines that are being developed would severely restrict the types of dairy products that can be marketed to kids.

The good news here is that these guidelines will, at least initially, be voluntary.

But the mostly bad news is that these guidelines are, like with school foods, very anti-fat, not to mention anti-sodium and anti-sugar.

That last item isn't necessarily a bad thing, if it makes dairy companies a little more reluctant to pour a lot of sugar (or the increasingly unpopular high fructose corn syrup) into yogurt and flavored milk products.

But the other items aren't very encouraging, from a dairy perspective. What appears at least possible is that marketing anything that's got more than a little bit of fat in it to kids is not going to be acceptable, under these voluntary guidelines.

That means string cheese might be a product that can't be marketed directly to kids, despite the fact that it's a very nutrient-dense product that kids love. The same is potentially true for products such as whole milk and full-fat yogurt.

So what's the bottom line with all of these happenings in the area of childhood obesity? At least a couple of thoughts come to mind.

First, it's becoming increasingly clear that today's generation of kids will grow up consuming relatively flavorless dairy products. Fat equals flavor, and so does salt. So to the extent fat and salt are removed from products marketed to kids, flavor will also be removed. This could have some pretty big impacts as these kids grow older.

Second, it seems like these products are being pushed with little or no regard to cost. If you look at what USDA pays for lite Mozzarella versus low moisture part skim Mozzarella, it's obvious that the lite product is more expensive.

And what is the benefit? Is the science that certain when it comes to milkfat and health?

Hardly. Indeed, it seems like more and more research is finding that there are actually health benefits to consuming full-fat dairy products.

And anecdotal evidence certainly suggests that the push to reduce fat intake has been accompanied by an increase, not a decline, in obesity, in both kids and adults. Maybe the pendulum should swing back to an emphasis on full-fat dairy products.

Further, there's even some evidence emerging that the relationship between dietary fat intake and health was never all that strong in the first place. Keep in mind that, a just a decade or two ago, margarine was considered nutritionally superior, perhaps far superior, to butter. Obviously that's no longer the case.

What National Childhood Obesity Awareness Month really boils down to, from a dairy industry perspective, is that the dairy industry should be aware that the issue of childhood obesity will likely have some pretty significant impacts for the foreseeable future. These impacts will range from product formulation to marketing.

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Dairy Prices Rise

(Continued from p. 1)

-ders. In September's first trading event, which included 151 participating bidders and 75 winning bidders, the gDT-TWI index had increased 16.9 percent.

Results by product in this week's trading event, with comparisons to the session held two weeks ago, were as follows:

■ Whole milk powder: The average price was US$3,602 per metric ton FAS, up 1.4 percent.

Average prices for each contract period were: Contract 1 (November 2010), $3,649 per ton, up 0.1 percent; Contract 2 (December 2010-February 2011), $3,568 per ton, up 3.3 percent; and Contract 3 (March-May 2011), $3,566 per ton, down 1.5 percent.

■ Skim milk powder: The average price was $3,229 per metric ton, up 1.0 percent.

Average prices for each contract period were: Contract 1, $3,163 per ton, up 0.7 percent; Contract 2, $3,204 per ton, down 0.1 percent; and Contract 3, $3,556 per ton, up 5.6 percent.

■ Anhydrous milkfat: The average price was $5,189 per ton, up 10.2 percent.

Average prices for each contract period were: Contract 1, $5,283 per ton, up 11.8 percent; Contract 2, $5,140 per ton, up 10.1 percent; and Contract 3, $5,176 per ton, up 4.5 percent.

■ Buttermilk powder: The average price was $2,992 per ton, down 6.4 percent.

Average prices for the two contract periods were: Contract 1, $2,960 per ton, down 5.3 percent; and Contract 2, $3,065 per ton, down 9.1 percent.

European Union's Milk Quality Standards Expected To Govern SCCs In US By 2011

By Ray Mueller

Kimberley, WI—Within the next year, it is likely that any dairy farmers who are shipping milk that frequently has somatic cell counts (SCC) of more than 400,000 per milliliter or with a standard plate bacteria count of over 100,000 will have difficulty finding a commercial buyer for such milk. That is set to happen because of the European Union's (EU) milk quality standards that date to 1994.

That was the message from Land O'Lakes Inc. procurement manager John Miles at the semi-annual farm management update for agribusiness professionals that is sponsored by the Extension Service offices in Wisconsin's east central counties.

He said these standards, which are opposed by the US Dairy Export Council and the National Milk Producers Federation, have already been put off by six months but are now scheduled to be implemented on December 1.

Miles doesn't think the EU standards will be in place until sometime in 2011 for milk that is converted into manufactured dairy products which could be exported to Europe. "Farmers don't want to hear it but it will come," he remarked.

The EU standards are now being applied to milk that is commingled in trucks or in silos before it is tested for somatic cell and plate counts but the new standard will be applied to the milk from each farm, Miles pointed out. For the US market, milk with a somatic cell count of up to 750,000 is acceptable under the Pasteurized Milk Ordinance.

Under the new limits, nearly all milk processors will not be able to accept milk with an SCC above 400,000, Miles indicated. He explained that the new standard will apply almost universally for US processors because virtually all of them handle some cream, whey, milk powder, or cheese that finds its way into the EU export market.

To protect their access to that market, milk processors will have to track milk from each farm that ships to it and by silo, Miles stated. He said he did not have an answer to how many milk producers consistently or occasionally do not meet the higher standards.

While it is very likely that the EU standards will be enforced, Miles reported that not all of the criteria and details have been determined. He suggested that quality tests for individual farms might be run once a month rather than on every load or every on-farm pickup and that a processor might refuse to accept the milk if, for example, the shipper does not meet the standard in three of five months.

Any milk shippers not meeting the EU standards would have to find a buyer, most likely a small cheese plant, which does have any product that is exported to Europe, Miles stated. That's why producers whose market for milk would be in jeopardy should do what's necessary to meet the standards, he advised. The dairy field staff at Land O'Lakes and at most other milk processors has been pushing the shippers who are not always meeting the standards to be aware of what's ahead, he said.

A formal step that's required before the EU standards take effect will be an agreement on the final process between the EU, USDA and FDA, Miles said. The process for certifying the criteria would be similar to that for rulemaking under the federal milk marketing orders.

As a way to address the EU standards and much wider goals, Miles also called attention to the national dairy farm program that's titled Farmers Assuring Responsible Management (FARM). Initiated in 2006 by the Professional Dairy Producers of Wisconsin and formally launched in 2008, FARM is designed to protect market access for producers, enhance the dairy industry's image, and introduce farms to food safety protocols similar to those in food plants, he explained.

Dairy farmers are being encouraged to be evaluated according to the FARM criteria which cover livestock care and management and the farm's facilities and environment, Miles noted. He said the program, which includes 77 questions and takes three to five hours for a facility inspection, is receiving varied reactions from dairy farmers but emphasized that all of those which have undergone an evaluation have found at least some value in the process.

Miles reported that Land O'Lakes has conducted evaluations on the farms of about 50 of its approximately 3,000 cooperative members across the US, has hired five full-time employees for the project, and expects to complete its evaluations in about three years. He said the information that's gathered is disclosed only to the milk buyer and the National Milk Producers Federation.

Dairy cooperatives and other milk processors are approaching FARM in varying ways, Miles stated. He concluded, however, that all of them share a common goal of reducing the opportunity for "another bad video" to surface on how dairy cattle are handled, moved, transported, and managed overall.

Food Safety Bill

(Continued from p. 1)

"While it is hard to pull out just one or two regulations in the bill that make the entire thing unpalatable, on the whole this bill represents a weighty new regulatory structure on the food industry that will be particularly difficult for small producers and farms to comply with (with little evidence it will make food safer)," Coburn noted.

He said the following proposed regulations are "perhaps the most troubling":

■ Performance standards. The bill gives the secretary of the Department of Health and Human Services (HHS) the authority to "issue contaminant-specific and science-based guidance documents, action levels, or regulations." The way the bill is written the authority is "extremely broad and could be used by FDA to issue very specific and onerous regulations on food facilities, without even the normal rulemaking and guidance process FDA food regulations normally go through."

■ Traceability. FDA is required to establish a "product tracing system within the FDA" and develop additional recordkeeping requirements for foods determined to be "high risk." Anything further than the one-up-one-back requirement in the bioterrorism law will be "very onerous" on industry.

Other regulations in the food safety bill are "overly punitive" and could set up an "adverse relationship" with industry, Coburn said.

For example, on the issue of administrative detention of food, the bill lowers the threshold for detaining articles of food to "adulterated or misbranded." The threshold is currently higher for a reason, Coburn said: administrative detention is an authority that should only be used when there is clear, imminent danger.

Also under the bill, facility registration may be suspended if there is a reasonable probability that food from the responsible facility will cause serious adverse health consequences or death to humans or animals. "Reasonable probability" isn't a difficult enough burden for FDA to prove when the consequence is closing down a private business, Coburn said.

The Senate bill allows FDA to assess fees for compliance failures (recalls and re-inspections). These fees give FDA incentive to find reasons to re-inspect a facility or order a mandatory recall, the only ways FDA can collect money for its efforts, Coburn said.

The legislation also provides FDA with the authority to force a recall, and collect fees to pay for it. Coburn said it is unclear why this authority is necessary; even in the worst food safety oubreaks, there do not appear to be any instances in which tainted products were on the shelves or with distributors that the company at fault did not work with FDA to conduct a voluntary recall.

Allowing FDA to collect fees for forcing a mandatory recall could also push FDA to pull the trigger early on a mandatory recall, putting the agency "at odds with the company responsible," Coburn added.

New Criminal Offense Bill

In other food safety-related developments, US Sen. Patrick Leahy (D-VT) on Monday introduced legislation to hold violators of food safety standards accountable for their crimes.

The Food Safety Accountability Act would create a new criminal offense in the criminal code for any individual or corporation that knowingly distributes tainted food products, and would establish fines and prison sentences for those convicted of such a crime.

> 'Reasonable probability' isn't a difficult enough burden for FDA to prove when the consequence is closing down a private business.
>
> US Sen. Tom Coburn

"The fines and recalls that usually result from criminal violations under current law fall short in protecting the public from harmful products. Too often, those who are willing to endanger our children in pursuit of profits view such fines or recalls as just the cost of doing business. This common sense bill increases the sentences that prosecutors can seek for people who knowingly violate our food safety laws," Leahy said.

"In order to protect the public, we need to make sure that those who knowingly poison the food supply will go to jail," Leahy added.

Federal Inspectors Speak Out

Government could do a much better job of preventing contaminated food from reaching consumers' plates in the first place, according to the Union of Concerned Scientists (UCS).

To evaluate how well the government uses science to protect the food supply, the UCS, working with researchers at Iowa State University, sent a 44-question survey to almost 8,000 food safety employees at FDA and USDA. More than 1,700 employees responded.

"Their answers reveal a food safety system where, far too often, special interests and public officials inhibit the ability of government scientists and inspectors to protect us," UCS noted in its report, *Driving the Fox from the Henhouse*.

Executive branch reforms — aimed at protecting government scientists, increasing transparency and accountability, and restoring scientific integrity—are needed to "combat the political and corporate interference" at FDA and USDA, the report said.

Also, the laws governing the system "badly need to be updated" to meet 21st century challenges, the report continued.

Congress should give FDA and USDA additional authority, such as the ability to: mandate food recalls, establish a science-based system for detecting harmful pathogens in the food supply, require food manufacturers to disclose more information to the government, and increase government surveillance of food imports.

Congress should also provide adequate resources to more effectively police the food supply, the report added. r

FROM OUR ARCHIVES

50 YEARS AGO

Sept. 16, 1960: Salem, OR—The State Department of Agriculture has refused the petition of Foremost Dairies, Inc. to add lactose to milk or milk products sold in Oregon.

New York—In the face of declining farm prices, four major dairy cooperatives in the New York-New Jersey milkshed have requested a meeting with vice president Richard Nixon and Sen. John F. Kennedy. They also announced a joint session in Syracuse last week to develop a program to counteract the "worsening situation."

25 YEARS AGO

Sept. 20, 1985: Madison—The future for Italian cheese varieties through retail, industrial and foodservice channels is bright, said Martin Spurgeon of Mid-America Farms this week. In the retail segment, Mozzarella and Provolone are becoming more popular as a table cheese to be eaten "as is," Spurgeon said.

New York—The US cheese market hit $12.4 billion in sales in 1984, and is expected to hit $20 billion by 1990. The dramatic increase in cheese sales will continue until the end of the century, when the total market should hit $47 billion. Partly fueled by the trendy demand of "yuppies," the sharp rise in consumption should spell significant opportunities for cheese manufacturers.

10 YEARS AGO

Sept. 15, 2000: Williamsburg, VA—The use of forward contracts for the buying and selling of raw milk is expected to continue growing in the future as everyone from dairy producers to end-users of dairy products seeks tools to help them better manage price risk.

Washington—Two US senators this week urged the Clinton administration to re-evaluate its position on how states would be allowed to receive Pasteurized Milk Ordinance (PMO)-defined Grade A milk products produced outside the US. Senators Russ Feingold (D-WI) and Jim Jeffords (R-VT) made the request. Globalizing the US Grade A standards "would create a major new loophole for new dairy imports" at a time when manufacturing milk prices in the US are at their lowest levels in more than two decades, said David Krug, president, Family Dairies USA.

Corn Refiners Petition FDA To Allow Optional Use Of 'Corn Sugar' As Alternative Name For High Fructose Corn Syrup

Washington—The Corn Refiners Association (CRA) this week petitioned the Food and Drug Administration (FDA) to allow manufacturers the option of using "corn sugar" as an alternative name for high fructose corn syrup (HFCS).

High fructose corn syrup has been used for more than 40 years, and is used as a sweetener in a number of dairy products, including flavored milks, yogurt and ice cream.

High fructose corn syrup or corn sugar contains the same two simple sugars as table sugar (glucose and fructose) and is handled the same by the body as table sugar, the Corn Refiners Association noted. The American Dietetic Association found that "once they are absorbed into the bloodstream, the two sweeteners are indistinguishable."

But recent research has demonstrated that the current labeling is confusing to consumers, the CRA noted. For example, research indicates that nearly 58 percent of survey respondents believe high fructose corn syrup has more fructose than other table sugar.

Ongoing scientific reports and media accounts about high fructose corn syrup and health and nutrition have also increased consumer uncertainty, the Corn Refiners Association pointed out.

"Consumers need to know what is in their foods and where their foods come from and we want to be clear with them," said Audrae Erickson, CRA president. "The term 'corn sugar' succinctly and accurately describes what this natural ingredient is and where it comes from: corn."

"The last thing we want is for Americans to think that avoiding high fructose corn syrup is the answer," said Carolyn O'Neil, a registered dietician.

"All added sugars should be consumed in moderation – corn sugar, table sugar, honey and fruit juice concentrates. These sugars contain an equal number of calories that must be burned off, or the body will convert them to fat," she added.

Michael F. Jacobson, executive director of the Center for Science in the Public Interest (CSPI), said the term high fructose corn syrup "has misled many people into thinking that the sweetener is composed largely of fructose. But it is not.

"Sugar and high fructose corn syrup are nutritionally the same," Jacobson continued. "So soft drinks and other products sweetened with sugar are every bit as conducive to weight gain as products sweetened with high fructose corn syrup."

Jacobson noted that, in Canada, high fructose corn syrup is called glucose-fructose syrup.

Arla Foods UK Acquires Stake In Balancing Plant, Westbury Dairies Limited

London, England—First Milk and Milk Link this week announced that they have agreed to terms for Arla Foods UK plc to become a shareholder in Westbury Dairies Limited, the joint venture company that operates what is described as the United Kingdom's most modern skimmed milk powder and bulk butter production facility, located in Westbury, Wiltshire.

In doing so, First Milk and Milk Link have agreed to sell a minority share in the company to Arla Foods UK.

"Today's announcement marks the next strategic step for Arla in the UK," commented Peter Lauritzen, CEO of Arla Foods UK. "This joint venture with Milk Link and First Milk in Westbury Dairies will give us access to the high quality balancing facilities which we require, following the closure of our Northallerton creamery."

Westbury Dairies will remain strategically important for both Milk Link and First Milk and will continue to provide long-term balancing requirements for both businesses, along with Arla in line with their strategic requirements.

The addition of Arla to the joint venture will reduce the share of costs borne by the original shareholders, Milk Link and First Milk, and provide a more economic balancing solution for all three businesses.

The joint venture secures the long-term future of Westbury Dairies, the announcement noted. As such, it will continue to play an important role in providing the key balancing capacity necessary for the British dairy industry to meet its annual peaks in production, particularly in support of the fresh liquid milk market.

Looking ahead, all three parties will work to explore ways to develop further the potential of the Westbury site to complement its existing skimmed milk powder and bulk butter production capabilities.

"Arla becoming a shareholder, we believe, is a positive development for Westbury Dairies Ltd., the site and the wider British dairy industry," commented a Westbury Dairies spokesperson. "Westbury undertakes a very valuable role as the country's major milk balancing facility."

PERSONNEL NOTES

PAT LENNON joins the DCI Cheese Company as a plant engineer, responsible for managing capital projects including preparation, installation and startup; providing leadership in equipment reliability; and improving plant processes utilizing continuous improvement techniques to improve safety, efficiency and quality. He has over 30 years of engineering experience and has worked for Sargento Foods, Unilever and BelGioioso Cheese in project/process engineering leadership roles. MONICA GIACONE joins DCI as a merchandiser, providing support to one of the company's largest customer accounts. She comes to DCI with merchandising experience, having worked at Acosta Sales & Marketing as a fresh foods technician and territory sales manager. ASHLEY HERTEL has joined DCI as a production supervisor, and will manage shift employees. She comes to DCI with more than five years of plant supervisory experience, most recently with Tufco Technologies as a manufacturing supervisor. JIM HINTZ joins DCI as a helpdesk coordinator, responsible for installation and support of hardware, desktop software, operating systems and network connectivity. Hintz has been an IT contractor at DCI since March 2010. ALAINA MUCHE joins DCI as an assistant account coordinator/merchandiser. Most recently, Muche worked at Tab Products as a customer service representative. DONNA OTTO joins DCI as a customer service representative. She formerly worked for Bay Valley Foods and for Agrilink Foods. BRITTANY RAUTENBERG joins DCI as marketing coordinator. Rautenberg worked as a marketing intern for DCI. In her new role, she will focus on production scheduling, coordinating trade shows and maintaining a variety of DCI's customer-specific in-store marketing programs. KIM DYER has been promoted to product development coordinator, responsible for new item requests, creating product specifications and managing the sample request process. DOUG KOCH'S role as director of distribution was expanded to include the role of asset manager for DCI's Shred and Slice Departments. In this enhanced role, Koch will be responsible for the safety, quality, productivity, reliability and process improvements in the shred and slice lines. In addition, Koch will add support to the Warehouse Department as needed. BRETT LA RONGE'S leadership role over the Warehouse Department has been expanded. La Ronge will work with Koch to further improve DCI's Warehouse Department. Hintz, Muche and Rautenberg will work from the company's headquarters in Richfield, WI. Dyer, Hertel, Koch, La Ronge, Lennon and Otto will work from the Green Bay facility, and Giacone will be based out of Dallas, TX.

ADAM FINNEY has joined the Food Processing Suppliers Association (FPSA) as director of membership and communications. Prior to joining FPSA, Finney served 10 years as vice president of membership services for the Natural Products Association, where he was responsible for leading a department that developed benefits and services to over 10,000 manufacturers and retailers of natural products. ANDY DRENNAN has been named FPSA's vice president of international market development. In this role, Drennan will focus on international promotion of Process Expo.

GIOVANNA "GIGI" VITA has been appointed president of Fonterra North America. Headquartered in Rosemont, IL, Vita will be responsible for overseeing operations in Canada, the Caribbean, Central America and the US. She comes to her new role from PepsiAmericas, where she was senior voce president, marketing and sales strategy. Before that, Vita was vice president of sales at Nabisco International, where she directed global and regional sales training initiatives.

TAMMY BECKHAM has been selected as the new director of the National Center for Foreign Animal and Zoonotic Disease Defense (FAZD Center) at Texas A&M University. Beckham as served as the FAZD Center's interim director since March. She will continue to serve as director at the Texas Veterinary Medical Diagnostic Laboratory (TVMDL). Before joining TVMDL in 2008, Beckham worked for the US Department of Agriculture and Homeland Security at the Plum Island Animal Disease Center. In addition to her new role, Beckham will serve as director of the Institute for Countermeasures Against Agricultural Bioterrorism (ICAB). The Institute's mission is to organize and enhance research, extension and service programs dealing with biological agents that could be used against US agriculture.

ROB SHOEMAKER has been appointed West Coast representative for Phoenix stretch wrappers. Shoemaker will manage sales and customer service for the company's line of automatic and semi-automatic stretch wrapping products throughout the West Coast. Shoemaker brings 15 years of experience to his new post, having worked as West Coast regional manager for Orion Packaging Systems.

CHRISTINE RICH has been named sales and logistics coordinator for Johanson Transportation Service (JTS) at the company's Intermodal Division in Roseville, CA. In this role, Rich will be responsible for sales, appointments, tracing, customer service and truck dispatchment. Prior to joining JTS, Rich spent three years as shipping coordinator for NutraCea at the company's West Sacramento facility, and coordinated inbound and outbound traffic for three additional locations.

AWARDS

DAIRY FARMERS OF AMERICA, INC. (DFA) is celebrating a milestone of two years with no lost-time accidents at its plant in Monett, MO. More than 80 employees operate the plant, which manufactures Cheddar cheese ingredients and whey products. Under the leadership of plant manager MICKEY DURBIN, 14 employees comprise the Monett plant's peer-elected safety and harmony committee, including DARYL BASYE, CHAD CALVIN, CODY DODSON, ROGER HENSON, JEREMY HUSE, SAAD IBRAHIM, BRANDON LANDRY, STEVE MAGGIO, JOE METTLACH, RAYMOND SCHMIDT, DARRELL STOCKTON, JIM THOMPSON, TRACY WIMBERLEY and MIKE ZEBERT.

Milk Specialties Global Acquires Fond du Lac, WI, Plant From Saputo; Plant Has Drying, Evaporating Capabilities

Eden Prairie, MN—Milk Specialties Global has announced that it has acquired a former Saputo Cheese USA processing facility in Fond du Lac, WI.

This plant, which is equipped with both drying and evaporating capabilities, will be a key production facility for whey proteins as well as permeate processing, Milk Specialties said. Estimated start-up is planned for December of 2010.

The plant acquired by Milk Specialties Global is the former Waterford/Avonmore/Galloway-West plant, which had been a leading supplier of bulk sweetened condensed milk for a number of years.

Saputo Cheese USA continues to own and operate a separate cheese plant (the former Tolibia Cheese plant) in Fond du Lac, WI.

"I am very excited about Milk Specialties' acquisition of the Fond du Lac plant," said Steve Hollins, executive vice president of the Milk Specialties Dairy Solutions division.

"Our strategic vision is to be the leader in providing nutritional ingredients, while being the best partner for the cheese industry, ultimately supporting the dairy industry," Hollins continued. "The acquisition of the Fond du Lac plant is another great investment which supports our vision as well as provides jobs to families in the Fond du Lac community."

Milk Specialties has been steadily expanding manufacturing facilities throughout the Midwest. With this new acquisition, the company has a total of eight operating facilities located in Wisconsin, Minnesota and Nebraska.

Milk Specialties Global is a manufacturer of nutritional ingredients serving the food and beverage segment of the health and wellness industry.

For more information, visit www.milkspecialtiesglobal.com.

Hispanic Market

(Continued from p. 1)

they move along the acculturation continuum, their income often goes up and they start adopting certain aspects of US culture.

■ US-born Hispanics/most acculturated. Many US-born Hispanics are more similar in their attitudes and behaviors to non-Hispanics than they are to foreign-born Hispanics. While they may not have a strong emotional connection to their home country, many still favor Hispanic food traditions they learned from their parents.

The opportunity for the dairy industry is to appeal to the unique dairy traditions Hispanics carry with them to the US, while recognizing the layering on of new habits. While total dairy consumption may be similar for Hispanics versus the general population, the product mix and methods of use can be very different, the white paper pointed out.

Cheese Preferences Vary

Hispanics in the US consume about the same amount of cheese per capita as the total population, and a majority of US Hispanics across acculturation levels say they love/like cheese.

While US Hispanics expand their consumption and repertoire of cheese as they acculturate to be on par with the total US population cheese consumption, Mexicans tend to eat less cheese in their home country than they do in the US, suggesting an opportunity for earlier adoption of some US-style cheeses upon immigration, the white paper said.

Foreign-born Hispanics hold tight to their affinity for Latin American cheese styles, such as Queso Fresco and Queso Blanco. They also gradually and gladly adopt US-style cheeses.

Cheddar is popular among US-born, but foreign-born Mexicans prefer a milder, creamier white cheese. Among those who have tried Cheddar, few less acculturated say they love it, while a quarter say they don't like it.

Cheddar is eaten regularly by nearly one in five Puerto Ricans, and US-born Mexicans cite it as a staple cheese.

When asked to share how much they like or love a particular cheese, Hispanics showed a particular affinity for Queso Fresco and Queso Blanco, Mozzarella and American cheese. As Hispanics acculturate, they are less likely to shop in Hispanic grocery stores, but they still like and want to purchase authentic cheese.

Some 81 percent of Hispanic mothers with kids in the household say they eat cheese a few times a week or more, versus 62 percent of women without kids in the house. Penetration of kid-friendly string cheese is higher among Hispanics (37 percent) than non-Hispanics (29 percent) and consumption increases as Hispanics acculturate.

Hispanics are more likely than non-Hispanics to buy block cheese. Some 69 percent of less acculturated say they prefer to buy block cheese. And the majority of US-born Hispanics say they prefer to buy block cheese and then slice or shred it themselves.

Higher-Fat Milks Preferred

Per capita milk consumption is much lower in Mexico than it is in the US, but Hispanics in the US consume about the same amount of milk per capita as the total population, suggesting that Hispanics are increasing their milk consumption as they arrive in the US.

But as Hispanics acculturate, their milk consumption declines, and US-born Hispanics drink much less milk than foreign born, the white paper noted. Spanish-dominant households buy 59 percent more milk than English-dominant households, suggesting a stronger propensity for less acculturated Hispanics to drink more milk.

Hispanics, particularly less acculturated, prefer whole milk over lowfat, driven by a taste preference for creaminess, representing one-third of total white milk volume purchased by Hispanics. Almost half of the milk purchased by Hispanics nationally is whole and/or 2 percent.

Many Hispanics have dairy traditions that are unique to their heritage. Beverages and usages, such as licuados or batidos, are very popular among immigrants and keep milk consumption high. As they assimilate and adopt more US traditions, Hispanics tend to let go of these nostalgic dairy trends and there is a significant drop-off for US born.

Yogurt Is Heavily Consumed

Hispanics are heavy consumers of yogurt and yogurt products, according to the white paper. Flavored, fruited and drinkable yogurts are showing preference among Latinos in their countries of origin, despite higher pricing.

Foreign-born Hispanics consume more yogurt than US-born Hispanics but, unlike milk, adult consumption doesn't appear to drop off with acculturation.

Hispanics appear to trade cup yogurt for more kid-friendly forms, showing preference for kid-sized, drinkable, and squeezable yogurts. Reported yogurt consumption among kids drops off from less acculturated to US-born.

"Our research shows that the unique nutrient package found in dairy products is extremely important to Hispanics," said Lynn Stachura, vice president of strategic insight with Dairy Management Inc. (DMI). "With the right products and messages, as well as increased distribution where Hispanics shop most, the dairy industry has an opportunity to grow incremental sales." r

Dairy CPI Fell Slightly In August; Retail Cheese, Butter Prices Increase

Washington—The Consumer Price Index (CPI) for dairy products was 198.712 in August (1982-84=100), down 0.1 percent from July but 3.3 percent higher than in August 2009, the US Bureau of Labor Statistics (BLS) reported today.

The overall CPI in August was 218.312, up 0.1 percent from July and 1.1 percent higher than in August 2009. August's CPI for food at home was 215.382, up 0.1 percent from July and 0.8 percent higher than in August 2009.

August's CPI for cheese and related products was 204.988, up 0.3 percent from July and 3.6 percent higher than in August 2009.

The US city average price for a pound of natural Cheddar cheese was $4.650 in August, up almost two cents from July and up almost 10 cents from August 2009. The US city average price for a pound of American processed cheese in August was $3.811, down more than 14 cents from July and down more than nine cents from August 2009.

August's CPI for whole milk was 198.712, down 0.1 percent from July but 3.3 percent higher than in August 2009. August's CPI for "milk" was 134.572 (December 1997=100), down 0.1 percent from July but up 7.9 percent from August 2009.

The US city average price for a gallon of whole milk was $3.303 in August, down one cent from July but up more than 32 cents from August 2009.

Relatively flat fluid milk prices continued in early September, according to the monthly federal milk marketing order market administrators' survey.

In early September, retail whole milk prices averaged $3.27 per gallon, up one cent from early August. Retail whole milk prices ranged from a low of $1.98 per gallon in Dallas to a high of $4.26 per gallon in New Orleans.

Retail prices for reduced fat (2 percent) milk averaged $3.20 per gallon in early September, unchanged from early August.

August's CPI for butter was 186.779, up 3.5 percent from July and 12.0 percent higher than in August 2009. At 186.779, the CPI for butter in August was at its highest level since October 2008, when it was 188.418.

The US city average price for a pound of butter was $3.242 in August, up almost nine cents from July and up almost 47 cents from August 2009. r

For more information, circle #5 on the Reader Response Card on p. 10

COMING EVENTS

www.cheesereporter.com/events.htm

ADGA Convention To Be Oct. 15-23 In AZ; Cheese Contest Entries Due Sept. 26

Tucson, AZ—The American Dairy Goat Association (ADGA) will hold its 106th convention here Oct. 19-20 at the Holiday Inn & Suites Tucson Airport North.

A major part of the annual convention is ADGA's annual Goat Cheese Competition, which will take place Oct. 19-20 and is open to all cheese makers, both commercial and amateur.

Awards will be given for Best in Show in both Commercial and Amateur Divisions, and ribbons will be given to first, second and third place winners in each division. Cheeses will be judged by Moshe Rosenberg and Tami Parr.

Commercial cheeses will be showcased at the Goat Products Reception on Thursday evening, which will be open to both conference attendees and the public. Since the event is intended as a promotion for goat's milk and specialty cheeses, contest organizers encourage producers to include promotional materials and distributor information along with entries. Promotional materials will be withheld during judging and placed with cheeses at the reception.

No amateur cheeses or products will be served at the reception, and no literature for amateur products will be displayed.

Only cheese and dairy items made from 100 percent goat's milk in the US and Canada will be eligible to participate in the contest.

For entries received by September 19, the cost is $20 per entry for ADGA members and $25 for non-members.

Entries must be received by Monday, Oct. 18. However, shipments should be timed to arrive on Oct. 15 to that entries will not sit in a warehouse over the weekend.

This year's competition will include 28 classes: Unflavored and Flavored Soft Cheese, Unflavored and Flavored Surface Mold Ripened Cheese, Blue Veined, Flavored and Unflavored Rindless Blue Veined, Flavored and Unflavored Mozzarella, Flavored and Unflavored Feta, Flavored and Unflavored Pasta Filata Types, Flavored and Unflavored Washed Rind Cheeses, Unflavored and Flavored Semi Soft, Flavored and Unflavored Hard Cheese; Sweet, Cultured and Salted Butter; Flavored and Unflavored Yogurt; Flavored and Unflavored Fermented Milk, and Confections.

For more information on the cheese competition, contact Nicci at (541) 846-6246 or via email: *catlettclan@starband.net*.

ADGA is also hosting a judges training conference Oct. 18-19 as part of its annual convention. Attendees also have the opportunity to attend a number of educational workshops, focusing on beginning and advanced cheesemaking, marketing farmstead products, and optimal goat health.

Registration for the full week is $210 per person if received by Sept. 25, and includes convention events and receptions. Some workshops and events require additional fees.

For more information, contact Betty Henning at (520) 384-3959 or visit www.adga.org. r

PLANNING GUIDE

Sept. 21-22: IDFA's Better Process Cheese School, Offices of Dairy Management, Inc., Rosemont, IL. For more information or to register online, visit www.idfa.org.

•

Sept. 26-28: Northeast Dairy Convention, Toftrees Resort, State College, PA. For more information or to register, visit www.neastda.org.

•

Sept. 28: WDPA Dairy Products Grading & Evaluation Clinic, Alliant Energy Center, Madison, WI. Visit www.wdpa.net.

•

Oct. 14-15: North Central Cheese Industries Association Annual Conference, Days Inn Brookings, Brookings, SD. For more details, call (612) 624-7786 or visit www.nccia.clearsiteinternet.com.

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Oct. 17-21: 2010 SIAL, Paris-Nord Villepinte Exhibition Center, Paris, France. For more information, visit www.sial.fr.

•

Oct. 26-28: NMPF Joint Annual Meeting, the Grand Sierra Resort, Reno, NV. For more information, visit www.nmpf.org.

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Oct. 31-Nov. 3: Pack Expo International 2010, McCormick Place, Chicago, IL. For more information, visit www.packexpo.com.

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November 1-2: Grocery Manufacturers of America (GMA) and Packaging Machinery Manufacturers Institute (PMMI) Manufacturing Excellence Conference, McCormick Place, Chicago, IL. Registration is now available online at www.packexpo.com

•

Nov. 8-11: World Dairy Summit 2010, SkyCity Convention Center, Auckland, New Zealand. Visit www.wds2010.com.

Washington State University Announces 2011 Dairy Industry Short Courses; Registration Begins Nov. 1

Save The Date: Basic, Advanced Cheesemaking, Pasteurization Courses Announced

Pullman, WA—Washington State University (WSU) Creamery has released its 2011 schedule of short courses for the cheese and dairy industry.

Registration for all courses begins Nov. 1. The schedule includes:

■ **Feb. 16-18 – Basic-Plus Cheesemaking, Lynden, WA.** This three-day course is designed for beginning cheese makers who are serious about pursuing cheesemaking as a business activity at the farmstead or artisan level. Hobbyists and enthusiasts are also welcome.

The course includes hands-on cheesemaking and a field trip to local cheese plants.

■ **March 15-17 – 25th Advanced Cheesemaking Short Course, Pullman, WA.** This three-day course is intended for experienced cheese makers, supervisory, management, quality control and marketing personnel from commercial and/or industrial plants.

Instruction will be provided from leaders in the cheese industry community, and it is recommended that attendees have some experience in cheesemaking. The course will also include hands-on cheesemaking at the WSU Creamery.

■ **April 20-21 – Pasteurization Workshop, Pullman, WA.** The two-day pasteurization class will cover both vat and basic High Temperature Short Time (HTST) systems, along with magnetic flow timed systems and operations with auxiliary equipment.

The course is designed for plant operators, maintenance personnel, quality control personnel, management and industry suppliers. Hands-on activities will be conducted at the WSU Creamery.

For more details, visit www.wsu.edu/creamery or contact Marc Bates at (509) 595-8652. r

Third Annual Cal Poly Fall Dairy Producer Symposium To Be Oct. 15-16

San Luis, Obispo, CA—The dairy science department at California Polytechnic Institute and the Cal Poly Dairy Farm Advisory Team will host the third annual Cal Poly Fall Dairy Producer Symposium & Symposium Sale here Oct. 15-16 at the Embassy Suites Hotel.

The theme of this year's symposium is the "Future of Milk Price." The event kicks off Friday night at 5 p.m. with a barbeque at the Cal Poly Dairy.

New this year is the first annual symposium sale following the barbeque dinner at the Dairy Pavilion on campus.

Sale attendees can bid on 60 live lots that include 40 lots of Jersey and Holstein cows and 20 lots of embryos. Admission to the sale is free and tickets for the Friday night BBQ prior to the sale event are $10.

The event will also feature a number of educational sessions. Attendees will learn about current legislation that may affect dairy producers, and will hear about the National Milk Producer's Federation Foundation and its future.

Participants will also hear from industry and academic experts about why milk prices became volatile and what is being proposed to fix the issue, and participate in a question-answer session with speakers and lawmakers.

The symposium runs Saturday from 8 a.m. to 1 p.m.

Tickets are $75. Ticket holders must present a ticket with their name to enter the event.

The registration deadline for the event is October 11. A block of rooms is reserved for attendees at the Embassy Suites. Room block registration closes September 13.

For registration and information about the symposium and sale, visit www.calpoly.edu. r

MARKET PLACE

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1. Equipment for Sale

FOR SALE: Evaporator and Dryer, Blaw-Knox Co. Serial #M13602 - year 1981, #M13603, #M13604. Large APV Plate, type HMBT, 8000 pounds per hour. 2 - 20,000 gallon silos. 1-6000 gallon horizontal, 2 - 600 h.p. boilers. For more information, call **Ullmer's Dairy Equipment** at (920) 822-8266

FOR SALE: Swiss Cheese equipment including 2 "OO" vats, 15,000 pound capacity. Phone: (330) 897-8755 for details.

FOR SALE: MSA200 WESTFALIA SEPARATOR: Frame and dome only. Excellent back-up machine or spare parts unit. Only $19,500. Call Dave Lambert, **Great Lakes Separators** at (920) 863-3306 or e-mail drlambert@dialez.net.

FOR SALE: HMRPX614 ALFA-LAVAL SEPARATOR: Late model unit — just arrived. Call Dave Lambert, **Great Lakes Separators** at (920) 863-3306 or e-mail drlambert@dialez.net

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

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

SEPARATOR NEEDS - Before you buy a separator, give us a call. Top quality, reconditioned machines at the lowest prices in the industry. Call Dave Lambert, **GREAT LAKES SEPARATORS** at (920) 863-3306 or e-mail drlambert@dialez.net.

FOR SALE: 6000 pound per hour HTST - skid mounted. Two-30,000 gallon silo's loaded price. Call **Ullmer's Dairy Equipment** at (920) 822-8266.

2. Equipment Wanted

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

2. Equipment Wanted

WANTED TO BUY: A-frame Kusel cheese presses and horizontal 2 row and single row. Call **Ullmer's Dairy Equipment** at (920) 822-8266.

3. Packaging Supplies

PACKAGING: Barrier bags; short and long hold; 40# block bags and Bulk Packaging; custom bags and structures for your particular needs; vacuum pouches. Visit: **www.HighBarrier.com**.

4. Walls, Flooring

EXTRUTECH PLASTICS Sanitary POLY BOARD© panels provide bright white, non-porous, easily cleanable surfaces, perfect for non-food contact applications. CFIA and USDA accepted and Class A for smoke and flame. Call **EPI at 888-818-0118.**

EPOXY OR FIBERGLASS floors, walls, tank-linings, and tile groutings. Installed by **M&W Protective Coating Co. LLC**. Call (715) 234--2251.

5. Business For Sale

GENERAL MANAGER

White Hill Cheese Company LLC, a joint venture between Swiss Valley Farms and Emmi-Roth Kase, is hiring a General Manager for its new facility located in Shullsburg, Wisconsin.

The GM will manage all production operations and will be involved in equipping and staffing the plant which is scheduled to open in February 2011.

Experience in managing a cheese production facility is required, Swiss cheese experience is preferred. This is a position for an experienced manager with an entrepreneurial spirit who has demonstrated the ability to build a team in a dairy plant environment. The GM will report to the Board of Directors.

Well qualified individuals should submit a resume at:

www.roth-kase.com/careers.html

5. Business For Sale

LEELANAU CHEESE, SUTTONS BAY, MI - A premier producer of Swiss-style Raclette and Fromage Blanc. *** ACS: 2007 Best of Show, 2006 1st Runner-Up. ***WCMA: 2005 1st Runner-Up. We are a small company prime to expand. Send contact info to: leelanaucheese@centurytel.net Please, no phone calls

6. Help Wanted

FREE 3 MONTH SUBSCRIPTION: Have you been recently downsized and looking to stay in the dairy industry? Contact Cheese Reporter at info@cheesereporter.com for a free three month subscription. Or call Cheese Reporter at 608-246-8430 to request your subscription. Stay in touch with current open positions by visiting www.cheesereporter.com/helpwanted.htm.

7. Positions Wanted

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

8. Consultants

www.processedcheese.info Processed and Imitation Cheese Product and Process Development service for companies manufacturing block, slices, portions, spreads and liquid processed and imitation cheese. A professional service drawing on twenty years experience in this industry. Check out the website or simply e mail *proccheese@eircom.net* with your query. We look forward to hearing from you.

9. Distributors, Brokers

10. Cheese & Dairy Products

DAIRY PRODUCTS MARKETING: Cheese sales specialists in all types of cheese. Visit our **NEW** website: www.dairyproductsmarketing.com and call (920) 921-9449

11. Wastewater

ODOR OR WASTEWATER PROBLEMS? We offer guaranteed, simple, low-cost solutions for wastewater Lagoons, Ponds and Tanks. **Lemna Technologies, Inc**. provides complete engineering and installation services. For a confidential proposal or questions, contact Heather at 612-253-2002 or e-mail techsales@lemna.com or check the web at **www.lemnatechnologies.com.**

12. Testing Services

DOES YOUR COMPANY TEST RAW MILK SAMPLES? Check pathogens and Somatic Cell Counts? Advertise you services here. Call 608-246-8430. or email info@cheesereporter.com

13. Reconditioning Services

Advertise here to notify the largest weekly readership of dairy manufacturers of your reconditioning services. Call 608-246-8430, or email: info@ cheesereporter.com for more information.

Federal Order Class 1 Minimum Prices & Other Advanced Prices - October 2010

Class I Base Price (3.5%)	$16.58 (cwt)
Base Skim Milk Price for Class I	$8.62 (cwt)
Advanced Class III Skim Milk Pricing Factor	$8.01 (cwt)
Advanced Class IV Skim Milk Pricing Factor	$8.62 (cwt)
Advanced Butterfat Pricing Factor	$2.3594 (lb.)
Class II Skim Milk Price	$9.32 (cwt)
Class II Nonfat Solids Price	$1.0356 (lb.)

Two-week Product Price Averages:

Butter	$2.1198 lb.
Nonfat Dry Milk	$1.1351 lb.
Cheese	$1.6747 lb.
Dry Whey	$0.3607 lb.

California Class 1 Minimum Prices & Other Advanced Prices - October 2010

Class 1:	Lb. Fat	Lb. SNF	LB. Fluid	Equivalent Per CWT
Northern CA	$2.4950	$0.8719	$0.0242	$18.44
Southern CA	$2.4950	$0.8719	$0.0273	$18.71

Statewide Average CWT Price

Based Upon Production	$18.46
Based Upon Utilization	$18.60

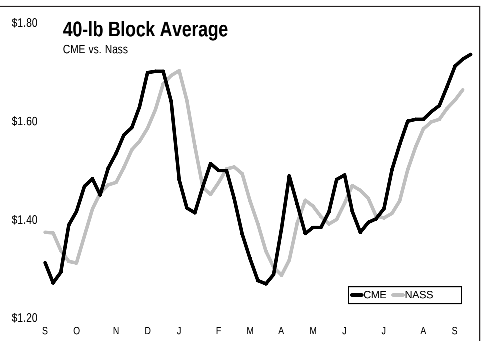
Commodity Market Prices

Product		$ Per LB.
Cheese, US 40-block, CME	(8-26 to 9-10)	$1.7123
AA Butter, CME	(8-26 to 9-10)	$2.2107
CA Extra Grade & Grade A NFDM	(Weeks ending 8/27 & 9/3	$1.1183
Western Dry Whey (Mostly)	(Weeks ending 8/27 and 9/3	$0.3725

Commodity Reference Price for October Class 1 - $18.9169

DAIRY PRODUCT PRICES

September 17—NASS,USDA. Prices included are provided each week by manufacturers. Prices collected are for the (wholesale) point of sale for natural, unaged Cheddar; boxes of butter meeting USDA standards; Extra Grade edible dry whey; and Extra Grade and USPH Grade A nonfortified NFDM. A transaction is complete when the product is "shipped out" and title transfers. *•Revised*



Style and Region	Sept. 11	Sept. 4	Aug. 28	Aug. 21
	WEEK ENDING			
40-Pound Blocks				
Average Price		**Dollars/Pound**		
MN/WI	1.7511	1.7402	1.7378	1.7021
Other States	1.6639	1.6350	1.6153	1.5943
US	1.6683	1.6417	1.6245	1.6029
Sales Volume		**Pounds**		
MN/WI	609,540	709,675	803,562	1,016,086
Other States	11,424,176	10,518,248	9,863,370	11,642,166
US	12,033,716	11,227,923	10,666,932	12,658,252
500-Pound Barrels				
Average Price		**Dollars/Pound**		
MN/WI	1.7773	1.7395•	1.6955•	1.6891
Other States	1.7778	1.7234	1.6949	1.6816
US	1.7776	1.7299•	1.6951	1.6851
Price Adj. to 38% Moisture		**Dollars/Pound**		
MN/WI	1.6968	1.6597•	1.6237	1.6115
Other States	1.6861	1.6462	1.6119	1.6043
US	1.6906	1.6516•	1.6166	1.6076
Sales Volume		**Pounds**		
MN/WI	3,517,375	3,521,915•	3,732,638•	4,223,315
Other States	4,864,052	5,289,605	5,579,440	4,806,533
US	8,381,427	8,811,520•	9,312,078•	9,029,848
Moisture Content		**Percent**		
MN/WI	35.06	35.06	35.26	35.03
Other States	34.63	35.09	34.81	35.01
US	34.81	35.08	34.99	35.02
Butter				
Average Price		**Dollars/Pound**		
US	2.1317	2.1013	1.9659	1.8940
Sales Volume		**Pounds**		
US	4,991,709	3,194,666	4,341,969	4,001,276
Nonfat Dry Milk				
Average Price		**Dollars/Pound**		
US	1.1195	1.1465	1.1420•	1.1490
Sales Volume		**Pounds**		
US	18,720,737	25,427,189	23,084,760	19,778,529•
Dry Whey Prices				
Average Price		**Dollars/Pounds**		
US	0.3602	0.3611•	0.3584	0.3553
Sales Volume		**Pounds**		
US	9,473,822	9,539,193•	11,075,916	10,965,330

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23	24	25	26	27	28	29
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44	45	46	47	48	49	50
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58	59	60	61	62	63	64
65	67	68	69	70	71	72
73	74	75	76	77	78	79
80	81	82	83	84	85	86
87	88	89	90	91	92	93
94	95	96	97	98	99	100
101	102	103	104	105	106	107
108	109	110	111	112	113	114
115	116	117	118	119	120	121
122	123	124	125	126	127	128
129	130	131	132	133	134	135
136	137	138	139	140	141	142
143	144	145	146	147	148	149
150	151	152	153	154	155	160

TYPE OF BUSINESS:
___Cheese Manufacturer/Processor
___Cheese Packager
___Cheese Marketer(broker, distributor, retailer
___Other dairy processor (butter, cultured products, ice cream, .
___Whey processor
___Food processing/Foodservice
___Supplier to dairy processor
___Other___________

JOB FUNCTION:
___Company Management
___Plant Management
___Plant Personnel
___Laboratory (QC, R&D, Tech)
___Packaging
___Purchasing
___Warehouse/Distribution
___Sales/Marketing
___Other___________

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DAIRY FUTURES PRICES

SETTLING PRICE — *Cash Settled

Date	Month	Class III*	Class IV*	Dry Whey*	NDM*	Butter*	Cheese*
9-10	October 10	15.80	16.92	37.500	120.000	203.000	1.6420
9-13	October 10	15.91	16.92	37.500	120.000	203.000	1.6540
9-14	October 10	15.92	16.92	37.500	120.000	203.000	1.6540
9-15	October 10	15.91	16.92	35.500	119.500	203.500	1.6650
9-16	October 10	16.14	16.92	35.750	119.000	203.000	1.6760
9-10	November 10	15.14	16.15	35.000	120.000	186.000	1.6100
9-13	November 10	15.50	16.15	35.250	120.000	185.975	1.6450
9-14	November 10	15.54	16.15	35.250	120.000	186.500	1.6450
9-15	November 10	15.51	16.15	35.000	119.500	186.500	1.6450
9-16	November 10	15.76	16.13	35.000	119.000	186.500	1.6590
9-10	December 10	14.70	15.54	34.000	119.950	172.250	1.5700
9-13	December 10	14.94	15.54	34.000	119.950	172.250	1.5790
9-14	December 10	15.03	15.54	34.000	119.975	171.750	1.6060
9-15	December 10	15.03	15.54	35.000	119.975	171.750	1.6150
9-16	December 10	15.30	15.54	35.000	119.950	171.750	1.6250
9-10	January 11	14.10	14.96	35.250	117.000	163.000	1.5000
9-13	January 11	14.19	14.96	35.000	117.000	161.500	1.5070
9-14	January 11	14.33	14.75	35.000	117.000	161.500	1.5070
9-15	January 11	14.38	14.70	35.500	117.000	162.000	1.5200
9-16	January 11	14.54	14.70	35.500	116.500	162.000	1.5290
9-10	February 11	13.81	14.61	33.500	117.000	157.000	1.4950
9-13	February 11	13.80	14.61	33.750	117.000	157.000	1.4950
9-14	February 11	13.90	14.50	33.750	117.000	157.000	1.4950
9-15	February 11	13.91	14.45	33.750	117.000	157.000	1.4950
9-16	February 11	13.95	14.45	33.750	117.000	157.000	1.4950
9-10	March 11	13.83	14.46	31.250	116.500	157.500	1.5150
9-13	March 11	13.83	14.46	31.250	116.500	157.500	1.5150
9-14	March 11	13.94	14.44	31.250	116.500	157.500	1.5150
9-15	March 11	13.94	14.40	32.000	116.500	157.000	1.5150
9-16	March 11	13.97	14.40	32.000	116.500	157.000	1.5150
9-10	April 11	13.71	14.18	30.500	115.000	156.000	1.5170
9-13	April 11	13.74	14.18	30.000	115.000	156.000	1.5170
9-14	April 11	13.84	14.13	30.000	115.000	156.000	1.5170
9-15	April 11	13.81	14.13	30.250	115.000	155.000	1.5170
9-16	April 11	13.79	14.13	30.250	115.000	155.000	1.5170
9-10	May 11	13.80	14.15	30.250	115.000	156.000	1.5150
9-13	May 11	13.83	14.15	30.250	115.000	156.000	1.5250
9-14	May 11	13.97	14.10	30.000	115.000	156.000	1.5250
9-15	May 11	13.92	14.05	30.250	115.000	156.000	1.5250
9-16	May 11	13.86	14.05	30.250	115.000	156.000	1.5250
9-10	June 11	13.92	14.06	30.250	110.000	158.000	1.5350
9-13	June 11	13.94	14.06	30.250	110.000	158.000	1.5350
9-14	June 11	14.05	14.01	30.000	110.000	158.000	1.5350
9-15	June 11	14.00	13.96	30.250	110.000	158.000	1.5350
9-16	June 11	13.98	13.96	30.250	110.000	158.000	1.5350
9-10	July 11	14.20	14.06	30.750	110.000	157.500	1.5300
9-13	July 11	14.29	14.06	30.750	110.000	157.500	1.5400
9-14	July 11	14.43	14.15	30.750	110.000	157.500	1.5400
9-15	July 11	14.35	14.15	31.000	110.000	157.500	1.5400
9-16	July 11	14.36	14.15	31.000	110.000	157.500	1.5400
9-10	August 11	14.59	14.33	32.250	116.250	160.000	1.5900
9-13	August 11	14.60	14.33	32.250	116.250	160.000	1.5900
9-14	August 11	14.62	14.33	32.250	116.250	160.000	1.5900
9-15	August 11	14.61	14.33	32.250	116.250	160.000	1.5900
9-16	August 11	14.70	14.33	32.250	116.250	160.000	1.5900
Open Interest - Sept. 9		**26,419**	**311**	**1,709**	**1,644**	**2,623**	**484**

DAIRY PRODUCT MARKETS

AS REPORTED BY THE US DEPARTMENT OF AGRICULTURE

WHOLESALE CHEESE MARKETS

NATIONAL - SEPT. 10: Wholesale prices across the country are increasing as weekly average prices at the CME have been steady or higher every week since early June. Total US cheese production is above year ago levels. Demand is matching the increased production as fall orders are being determined. Cream cheese production is also increasing as manufacturers prepare for fall holiday orders. Excess milk supplies from the holiday were easily absorbed by cheese makers.

NORTHEAST - SEPT. 15: Since the Fourth of July holiday, barrels have increased $0.3100 with only two sessions of price declines, while blocks have increased $0.2800 during that same period with no price declines. The weekly average prices rose for both barrels and blocks, resulting in increased wholesale prices. Prices for Swiss Cuts were unchanged after last week's increases. In the Northeast, Mozzarella, Cheddar for aging programs and lowfat Cheddar production schedules remain steady, while cream cheese makers are looking to increase production. Cream cheese orders are strong and some producers are having to tap inventories to cover current orders.

Wholesale prices, delivered, dollars per/lb:

Cheddar 40-lb blocks:	$2.0400 - $2.3150	Process 5-lb sliced:	$1.7950 - $2.1050
Muenster:	$2.0600 - $2.2650	Swiss Cuts 10-14 lbs:	$3.0475 - $3.3700

MIDWEST AREA - SEPT. 15: The cheese market is about steady, though with different industry perspectives on market direction in upcoming weeks. Current cheese varieties remain tight as manufacturing milk supplies remain limited. Natural packaging is steady to improved though retailers remain cautious about doing promotions at current price levels. Foodservice is fairly steady, though promotions on products such as cheeseburgers are impacted by high meat costs. Mozzarella has tightened but occasional loads can be found. Regular process interest is generally lighter seasonally. Some operations are still aided by filling government process contracts. Spot natural cheese interest is generally light to moderate, though some manufacturers are making a larger share as specialties such as PepperJack rather than just Cheddar. Some operations are having difficulty filling current orders. Reports indicate that milk volumes and components have started to improve, but remain at lower seasonal levels. Spot manufacturing milk availability is very limited.

Wholesale prices delivered, dollars per/lb:		Process 5# Loaf:	$1.9700 - $2.2425
Brick/Muenster 5# Loaf:	$2.1600 - $2.2325	Cheddar 40# Block:	$2.0000 - $2.5650
Monterey Jack 10#:	$2.0900 - $2.5650	Blue 5# Loaf:	$2.5700 - $2.8800
Mozzarella 5-6# (LMPS):	$2.0650 - $2.6650	Grade A Swiss 6-9#:	$2.4550 - $3.3300

WEST - SEPT. 15: Cheese production schedules are active with manufacturers working full schedules where milk supplies allow. Contract orders are handling most sales with little excess cheese being offered to spot markets. Demand into retail is good as more customers are buying product for home preparation.

Wholesale prices delivered, dollars per/lb:		Process 5# Loaf:	$1.8175 - $2.0750
Cheddar 40# Block:	$1.8550 - $2.2075	Cheddar 10# Cuts:	$2.0350 - $2.2550
Monterey Jack 10#:	$2.0450 - $2.2050	Grade A Swiss Cuts 6 - 9#:	$2.6250 - $3.0550

FOREIGN -TYPE CHEESE - SEPT. 15: The block cheese price held steady on Tuesday, closing at $1.7350. Since July 4, blocks have increased $0.2800 without a price decline. The weekly average price for blocks reflected the price increases and also advanced, which increased prices for domestic varieties. Swiss Cuts were unchanged following recent price increases. Swiss cheese production in the Northeast has declined as Class I demand has increased, limiting manufacturing milk supplies. Wholesale interest in Swiss remains fairly good. Imports of Swiss/Emmenthaler varieties from January through August 2010 totaled 28.8 million pounds, 8.7 percent less than the same period last year. Norway and Finland, the two top sources, account for 70.5 percent of Swiss/Emmenthaler imports.

Wholesale selling prices, delivered, dollars per/lb:	Imported	Domestic
Blue:	$2.6400-5.6900	$2.1800-3.6675
Gorgonzola:	$3.6900-6.9900	$2.6825-2.9425
Parmesan (Italy):	0	$3.5875-3.8450
Provolone (Italy)	$3.4400-5.8900	$2.2225-2.3800
Romano (Cows Milk):	0	$3.3700-5.5125
Sardo Romano (Argentine):	$2.8500-3.6900	0
Reggianito (Argentine):	$3.2900-3.8300	0
Jarlsberg (Brand):	$2.9500-4.6900	0
Swiss Cuts Switzerland:	0	$3.1400-3.4625
Swiss Cuts Finnish:	$2.5900-2.8500	0

US Cheese Imports (USDA-FAS)

Jan. - Aug.	2010 Imports (million lbs)	% Change From Year Ago	% Of Yearly Quota
High Tier	15.4	-0.4	N.A.
Quota	99.6	-24.7	33.3
Aug. Quota	4.4	+16.0	N.A.

OCEANIA CHEDDAR & BUTTER MARKETS

CHEDDAR CHEESE - SEPT. 16: Oceania cheese prices are steady to higher with very little being offered for a competitive pricing test. Export interest is fair to good into Asia with additional volumes expected to clear. Domestic demand is fair to good to accounts servicing those outlets. Production is trending higher seasonally, reflecting more milk being received at cheese plants as the milk season builds. Cheese supplies are becoming tighter and more committed.

39% MAXIUMUM MOISTURE: 3,750 - 4,200

BUTTER - SEPT. 16: Higher prices for anhydrous milk fat are helping the butter market. Demand is fair to good for offerings and best for prompt deliveries. Orders are strong and manufacturers want to keep stock moving. Butter churning is moving higher, reflecting the increasing milk flow in the region.

82% BUTTERFAT: 3,800 - 4,400

MILK EQUIVALENT, MILKFAT & SKIM SOLIDS

	Milkfat* Basis	Skim** Solids		Milkfat* Basis	Skim** Solids
Week of Sept. 13 - Sept. 17, 2010	0.0	0.0	Comparable period in 2009	-0.3	-15.4
Cumulative since Oct.1, 2009	0.0	1.5	Cumulative same period last year	161.9	3,215.0
Cumulative Jan. 1 - Sept. 17, 2010	0.0	0.0	Comparable Calendar year 2009	136.7	1,881.5

WHOLESALE BUTTER MARKETS

NATIONAL- SEPT. 10: Cream supplies for churning were somewhat more available within the past holiday week, although not as heavy as some butter producers anticipated. Although cream supplies were more available, pricing multiples did not ease as much as some butter producers desired. In some areas of the country, multiples dipped under 130 while most remained above that level. Churning was heavier over the Labor Day holiday weekend, but declined early in the week as competition for cream resumed. Overall butter demand is lighter this week as buyers assess inventory levels prior to re-entering the marketplace. For those that are in the market, orders appear to be holding up quite well for near term needs.

NORTHEAST - SEPT. 15: Butter prices have held steady after last Thursday's $0.0025 decline, closing Tuesday at $2.2225. Last Thursday's decline was the first decline in 71 trading sessions. Cream supplies continue to tighten after the Labor Day holiday as cream demand remains very strong. Prices and multiples are rebounding with strength, ranging from 155 to 162. Orders for butter have declined marginally after the holiday, but butter makers continue to draw down inventories in order to cover current orders.

CENTRAL - SEPT. 15: Churning activity in the Central part of the country has eased as cream supplies tighten once again. Class II demand has resumed following the recent Labor Day holiday period, thus limiting cream supplies for Class IV needs. Some butter producers continue to sell a portion of their cream supplies, while some that were selling cream have cut back on their sales. Some butter producers are now looking ahead to fourth quarter needs and trying to generate additional inventory for that period. Butter and anhydrous milk fat continues to be generated for export commitments now through February 2011, thus reducing volumes for domestic needs during the end of the year holiday period. Current butter demand is holding steady at current price levels. Many butter handlers are surprised at the stability of butter demand. Traders and handler are stating that typically, butter demand drops off when the cash price surpasses $2.00, but this has not yet happened. Retail orders are the most stable with foodservice orders lighter. Lighter foodservice and restaurant orders are typical for this time of the year as the summer vacation season comes to an end.

WEST - SEPT. 15: Wednesday's butter trading was unchanged at $2.2225. Last Thursday, the butter price went down $.0025 from $2.2250 and has remained at that price since. Trading activity has been nonexistent since the four loads sold last Thursday. Butter demand is described as good with buyers looking to secure supplies for fall needs. Manufacturers' inventories are down, but are sufficient to fill contracted needs in combination with current production. Cream supplies are increasing seasonally and some churns are still selling excess cream when available. Retail demand is being aided by specials to entice customers into the stores. According to the CME Group, weekly butter stocks in CME approved warehouses decreased negligibly last week to remain at 26.2 million pounds. This total compares to 95.4 million pounds in 2009 and 73.5 million pounds in the comparable week in 2008. The current level in storage at CME approved warehouses is the lowest level since the second week of 2005. Quota imports of butter for the first eight months of the year total 4.1 million pounds, 58.5 percent less than the same period in 2009. Imports for 2010 account for 26.6 percent of the total quota for 2010. Imports of High-Tier butter are 239,200 pounds, 36.5 percent of last year's amount.

WEEKLY COLD STORAGE HOLDINGS

SELECTED STORAGE CENTERS IN 1,000 POUNDS - INCLUDING GOVERNMENT STOCKS

DATE	BUTTER	CHEESE
9/13/10	12,127	131,385
9/01/10	14,120	132,287
Change	-1,993	-902
Percent Change	-14	-1

DRY MILK PRICES- SEPTEMBER 13-17, 2010

Nonfat Dry Milk:

Central & East	
Low/Med. Heat:	1.2200(NC) - 1.2800(NC)
Mostly:	1.2200(NC) - 1.2500(NC)
High Heat:	1.3200(NC) - 1.3800 (NC)
Western	
Low/Med. Heat:	1.1300(+1) - 1.2500(+1)
Mostly:	1.1700(+3) - 1.1900(+1½)
High Heat:	1.2000(NC) - 1.3600(NC)

Whole Milk:

National: 1.6100(NC) - 1.7100(NC)

Buttermilk Powder:

Central & East:	1.3000 (NC)- 1.4400(NC)
West:	1.2200 (+2) -1.2575(+¼)
Mostly:	1.2300 (+1) - 1.2400 (+1)

California Weighted Average NFDM:

Week Ending:	Price:	Total Sales:	Sales to CCC:
September 10	$1.0851	16,106,663	0
September 3	$1.1101	18,620,266	0

ORGANIC DAIRY MARKET - OVERVIEW

MARKET OVERVIEW - SEPT. 10: Organic manufacturers are increasingly factoring recent significant increases in non-organic cream and butter prices into organic production decisions. Some organic butter production has been deferred due to decisions to sell organic cream for non-organic use - intentionally - to take advantage of current high prices for non-organic cream. Satisfactory inventories of organic butter make this a realistic profit opportunity for some organic manufacturers. The strength of non-organic butter prices has narrowed the spread between organic and non-organic butter prices at retail. While not the norm, in some markets it is now possible to find occasional retail outlets with certain brands of organic butter priced lower than non-organic butter at other retail outlets. The national weighted average advertised price for half gallons of organic milk fell to $2.92, more within the general trend of weighted average advertised prices than two weeks ago, which was the highest weighted average advertised price of 2010. This

decline was driven by a 49 cent decline in both the top of range price to $3.50, as well as the lower concentration of prices toward the top of the range. The range remaining unchanged at the bottom, $2.50. The national weighted average advertised price for organic milk gallons fell 47

CCC PURCHASES

Butter	2009/2010	2008/2009
Central	None	None
West	None	4,639,010
East	None	None
TOTAL	**None**	4,639,010

NDM	2009/2010	2008/2009
Central	None	None
West	132,276	276,156,841
East	None	None
TOTAL	132,276	276,156,841

Cheese	2009/2010	2008/2009
Central	None	None
West	None	None
East	None	None
TOTAL	None	**None**

Milk Equivalent	2009/2010	2008/2009
Central	0.0	0.0
West	100.0	100.0
East	0.0	0.0
TOTAL	**100.0**	**100.0**

CASH PRICES - SEPT 13 - 17, 2010 - CME

Visit www.cheesereporter.com for daily prices

	CHEDDAR BARRELS	40-LB. BLOCKS	AA BUTTER	GRADE A NFDM	EXTRA GRADE NFDM
MONDAY September 13	$1.7100 (+½)	$1.7350 (NC)	$2.2225 (NC)	$1.2300 (NC)	$1.2250 (NC)
TUESDAY September 14	$1.7100 (NC)	$1.7350 (NC)	$2.2250 (NC)	$1.2300 (NC)	$1.2250 (NC)
WEDNESDAY September 15	$1.7100 (NC)	$1.7350 (NC)	$2.2225 (NC)	$1.2300 (NC)	$1.2250 (NC)
THURSDAY September 16	$1.7100 (NC)	$1.7350 (NC)	$2.2225 (NC)	$1.2300 (NC)	$1.2250 (NC)
FRIDAY September 17	$1.7100 (NC)	$1.7350 (NC)	$2.2225 (NC)	$1.2300 (NC)	$1.2250 (NC)
Week's AVG Change	**$1.7100 (+0.0175)**	**$1.7350 (+0.0087)**	**$2.2225 (-0.0013)**	**$1.2300 (NC)**	**$1.2250 (NC)**
Last Week's AVG	**$1.6925**	**$1.7263**	**$2.2238**	**$1.2300**	**$1.2250**
2009 AVG Same Week	**$1.2800**	**$1.2915**	**$1.2365**	**$1.0205**	**$0.9900**

DIRECTLY FROM THE CME FLOOR - RICE DAIRY

The rally in the cheese market continues with the average at the CME slowly approaching the $1.7500 average. Starting on Monday the barrel market traded up to a ½ cent higher on the day with a single load trading at that price. While there wasn't much a change in cash, futures responded with the 4th quarter rallying around 20 – 25 cents on average.

We were all steady on Tuesday with two offers getting lifted at UNCH, a single load in each market. Unlike the day before we saw futures hold relatively inactive with settlements coming around three higher on the day.

Sellers made their way to the exchange on Wednesday with 7 blocks and a single barrel trading, both markets traded at UNCH.

Futures responded with trades that came in a few points below unchanged, settlements around 2 lower. Thursday's and Friday's session saw the same cash session, steady with no markets being shown. Futures took a bit of a different spin in both days though.

Thursday after cash saw a pretty sharp rally with settlements coming in around 25 higher on the day. Friday however was a bit slower with prices trading up to about 5 higher on very light volume.

www.ricedairy.com

WHEY MARKETS - SEPTEMBER 13 - 17, 2010

FOR THE PERIOD SEPTEMBER 13 - SEPTEMBER 17, 2010

Whey Protein Concentrate—Central and West:
Edible 34% Protein: .9400(NC)–1.0400(NC) Mostly: .9500(NC)–.9800(NC)

Dry Whey—Central (Edible):
Nonhygroscopic: .3200(NC) –.3800(NC) Mostly: .3250(NC)–.3650(NC)

Dry Whey–West (Edible):
Nonhygroscopic: .3425(NC)–.4075(NC) Mostly: .3500(NC)–.3950(NC)

Dry Whey—Northeast: .3525(NC) - .3825(NC)

Lactose—Central and West:
Edible: .1800(NC)–.4225(NC) Mostly: .2900(NC)–.3525(NC)

Casein: Rennet: $3.9000(NC)–$4.3000(NC) Acid: $3.9000(NC)-$4.2500(NC)

Animal Feed Whey—Central: Milk Replacer: .24000(NC)–.3250(NC)

Visit www.cheesereporter.com for weekly prices

HISTORICAL MILK PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
'98	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
'99	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
'00	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37
'01	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80
'02	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
'03	9.78	9.66	9.11	9.73	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
'04	11.61	11.89	14.49	**19.66**	**20.58**	17.68	14.85	14.04	14.72	14.16	14.89	16.14
'05	14.14	14.70	14.08	14.61	13.77	13.92	14.35	13.60	14.30	14.35	13.35	13.37
'06	13.39	12.20	11.11	10.93	10.83	11.29	10.92	11.06	12.29	12.32	12.84	13.47
'07	13.56	14.18	15.09	16.09	17.60	20.17	**21.38**	**19.83**	**20.07**	**18.70**	**19.22**	**20.60**
'08	**19.32**	**17.03**	**18.00**	16.76	18.18	**20.25**	18.24	17.32	16.82	17.06	15.51	15.28
'09	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
'10	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18				

KCCO Seeks Regular Process Cheese For First Half Of 2011, Reduced Sodium Process Cheese For Second Half Of 2011

Kansas City, MO—USDA's Kansas City Commodity Office (KCCO) on Thursday issued separate invitations for process American cheese and and reduced sodium process American cheese for delivery in 2011.

KCCO is seeking more of the reduced sodium process cheese, delivery of which will be during the last half of 2011. Offers under both invitations are due by 9:00 a.m. Central time on Thursday, September 30.

KCCO is seeking a minimum of 4,950,000 pounds and a maximum of 27,205,200 pounds of process American cheese for delivery during the first six months of 2011.

Specifically, the agency is seeking 633,600 to 3,168,000 pounds of 6/5-pound loaves; 2,059,200 to 7,682,400 pounds of 6/5-pound loaves, sliced; 1,267,200 to 9,900,000 pounds of 12/2-pound loaves of blended cheese; 910,800 to 6,217,200 pounds of 6/5-pound loaves, sliced blended cheese; and 79,200 to 237,600 pounds of 6/5-pound loaves, sliced, white, kosher process cheese.

Bids should be submitted as a differential price per pound to the CME cash market price for barrel cheese. The contract price for a delivery month will be the total of the accepted differential price, plus the previous month average of the CME cash barrel cheese trading.

For the last six months of 2011, KCCO is seeking a minimum of 4,712,400 pounds and a maximum of 39,798,000 pounds of reduced sodium process cheese.

Specifically, the agency is seeking 712,800 to 5,068,800 pounds of 6/5-pound loaves of reduced sodium process cheese; 1,584,000 to 14,889,600 pounds of 6/5-pound loaves, sliced, reduced sodium process cheese; 910,800 to 8,712,000 pounds of 12/2-pound loaves, reduced sodium blended cheese; 1,425,600 to 10,810,800 pounds of 6/5-pound loaves, sliced, reduced sodium blended cheese; and 79,200 to 316,800 pounds of 6/5-pound loaves, sliced, white, kosher process cheese (reduced sodium does not apply to kosher process cheese).

Bids should be submitted as a differential price per pound to the CME cash market price for barrel cheese. The contract price for a delivery month will be the total of the accepted differential price plus the previous month average of the CME cash barrel cheese trading.

For more information, call (816) 926-6620. r

For more information, circle #6 on the Reader Response Card on p. 10