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Dairy Markets

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Cash dairy prices under pressure

By LEE MIELKE
For the Capital Press

Cash cheese prices were mostly steady in the President's Day holiday-shortened week last week. The 40-pound block Cheddar closed Friday at \$1.5450 per pound, up 1 1/2-cents on the week but 61 3/4-cents below a year ago.

The blocks were unchanged Monday and Tuesday. The barrels closed Friday at \$1.4850, unchanged on the week but 67 1/4-cents below a year ago. They were also unchanged Monday but lost a quarter-cent Tuesday, and slipped to \$1.4825, 61/4-cents below the blocks, a spread that typically runs 3-5 cents.

Three cars of each traded hands last week but six loads of block were traded Tuesday and three of barrel so production may be starting to make its way to Chicago.

Cash butter finished Friday at \$1.7225 per pound, up a quarter-cent on the week but 6 1/4-cents below a year ago. It dropped 5 1/4-cents Monday and 2 3/4-cents Tuesday, likely resulting from bearish cold storage data, and fell to \$1.6425. Twelve cars were sold last week and 13 had already sold as of Tuesday this week.

Cash Grade A nonfat dry milk reversed four weeks of gains, starting last week with a 5-cent gain only to give it back Thursday and lose another 4 cents Friday, closing at \$1.11 per pound, down 4 cents on the week. The spot powder lost a penny and a quarter Monday and a penny and a half Tuesday, dipping to \$1.0825. It has plunged almost 12 cents in the last four sessions. The trade saw 24 carloads exchange hands last week, down from 44 the previous week and 54 the week before that.

January milk production up 2.1%

U.S. milk production continued to top year-ago levels for the 13th consecutive month, according to preliminary data in this afternoon's December Milk Production report. The Agriculture Department estimates output in the top 23 producing states at 16.5 billion pounds, up 2.1 percent from January 2014. The 50-state total, at 17.6 billion pounds, was also up 2.1 percent from a year ago.

Spread of antibiotic resistant illnesses a growing problem

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actors, but for the most part everyone's jumping on board and have made their plans to operate without using them."

New herd management practices and advances in vaccines and nutrition have led to healthier animals, said David Daley, a cattle producer and interim dean of California State University-Chico College of Agriculture.

"What's changed in many operations is they've changed their strategies ... so that there's less need for the therapeutic use of antibiotics," said Daley, a California Cattlemen's Association first vice president who's worked on the antibiotics issue at a national level for several years.

Large impact

The spread of antibiotic resistant illnesses is a growing problem in human medicine. The U.S. Centers for Disease Control and Prevention have estimated that antibiotic-resistant infections cause 23,000 deaths and 2 million illnesses nationwide each year.

The annual impact of antibiotic-resistant illnesses on the U.S. economy has been pegged at as much as \$35 billion in direct health care costs and another \$35 billion in lost productivity, said a panel of scientists commissioned by President Barack Obama to study the issue.

In his budget outline in January, Obama proposed nearly doubling funding to combat and prevent antibiotic resistance to more than \$1.2 billion, which would include \$77 million to the U.S. Department of Agriculture for tracking antibiotic use and developing alternatives.

"That in itself is a big change in policy," said Ellen Jo Baron, a former associate director of clinical microbiology at Stanford University's School of Medicine who now works for a high-tech molecular diagnostics firm.

Within agriculture, topics to consider are changing diets for cows during the last weeks before slaughter to reduce the incidence of enterohemorrhagic E. coli growth in their guts and moving toward more antibiotic-free livestock — especially chickens, she said in an email.

Forming much of the basis for Obama's actions was the work of the 20-member President's Council of Advisors on Science and Technology, which spent a year consulting with experts to craft recommendations for combating antibiotic resistance.

Issued in September, the group's 65-page report suggested improving surveillance of bacteria, developing appropriate-use standards for antibiotics and increasing the rate at which new antibiotics are developed.



David Daley, a rancher and interim dean at California State University-Chico's College of Agriculture, says many livestock operations have changed their strategies so there's less need for the therapeutic use of antibiotics.



Dennis Hermesch, a veterinarian for Elanco, said his company has seen a greater interest among cattle producers in preventive measures such as vaccines, which reduce the need for antibiotics later.

Human medicine

The report placed much of the blame for the drug-resistance crisis at the feet of human medicine, noting that the "vast majority" of antibiotics prescribed in outpatient settings are used for acute respiratory tract infections.

"Yet most respiratory tract infections are caused by viruses, against which antibacterial drugs are useless," the scientists wrote. "Such inappropriate use contributes directly and substantially to increased antibiotic resistance, increased adverse drug reactions ... and increased cost of care."

"The important point is there's greater recognition of the problem," said Dr. Stuart Levy, an author and nationally recognized expert on antibiotic resistance at Tufts University in Boston who was an advisor to the president's panel. "There's greater interest among many of the professional societies now in having parts of their outward activities devoted to antibiotic resistance, which we've never seen before."

Levy's organization, the Alliance for the Prudent Use of Antibiotics, has surveyed physicians and found that medical professionals "are now touting the careful use of antibiotics" and that "stewardship is now the key word," he said.

Agriculture's role

As for animal agriculture, the group asserted that disease prevention in farm animals "is a laudable goal," but that recent studies have made it "clear" that agricultural use of antibiotics can affect human health. For instance, one recent study of over 200 livestock workers suggested methicillin and multidrug resistant Staphylococcus aureus — known by the acronym MRSA — can be transmitted from livestock to workers, the group noted.

The group strongly endorsed the guidelines the FDA issued in late 2013 phasing out the use of medically important antibiotics in livestock for promoting growth or feed efficiency and ensuring that licensed veterinarians oversee other uses of such drugs.

The FDA is now revising its Veterinary Feed Directive to expand veterinarians' role, and all 26 animal-drug companies affected by the guidelines have agreed to remove references to growth promotion and feed efficiency from their labels.

While federal officials consider their next moves, the issue is also being debated at the state level. A CCA-backed bill to give the FDA guidelines the force of law in California was vetoed last year by Gov. Jerry Brown after animal welfare and environmental groups assailed the legislation as "weak."

Now the bill's author, Sen. Jerry Hill, D-San Mateo, has introduced new legislation that would bar the over-the-counter sales of antibiotics for livestock, and Brown has directed the state Department of Food and Agriculture to study the issue and

come up with its own proposals.

Ongoing research of the issue may create additional pressures on ranchers to change their practices. Doug Call, associate professor at Washington State University's College of Veterinary Medicine, said he's about to publish research that shows the population of drug-resistant bacteria is amplified in the manure of animals that have been given antibiotics, highlighting the need for producers to isolate sick animals from the rest of the herd.

"I think the only way to get there is to demonstrate empirically that there is a problem," Call said. "We've actually done the work (of identifying) how this process works and why it's important to pay attention to it."

Changes on the ranch

Daley, the rancher and Chico State dean, said he hopes livestock producers don't totally lose the use of antibiotics as a tool when animals get sick. He said it would be impractical to require veterinarians to administer the drugs to animals, which are often out on the range many miles from town.

"As a producer, I understand that they need tracking (of antibiotic use) but it should be on a macro level" and not require ranchers to file paperwork each time they administer the drugs, Daley said.

However, new management tools are helping livestock producers move away from using antibiotics even for illness, he said. In recent years, new vaccines have been developed to "cover more and different diseases," and ranchers are taking such measures as weaning calves at home before sending them to the sale barn to prevent stress-related illnesses, he said.

Vaccine and feed additive companies have noticed a new emphasis on prevention among their livestock-producer customers, their representatives said.

"That's where we've got to go," said Dennis Hermesch, a Nebraska-based veterinarian for Elanco, which makes cattle and poultry vaccines. "If prevention is good enough, we don't need antibiotics, and our company really feels strongly about that."

Producers are also looking to companies like Alltech for natural feed additives that are rich in carbohydrates and protein and enhance animal productivity, said Tyler Bramble, the company's Fresno, Calif.-based general manager of ruminant nutrition.

Online

Scientific council's report on antibiotic resistance: http://www.whitehouse.gov/sites/default/files/microsites/ostp/PCAST/pcast_carb_report_sept2014.pdf

Fact sheet on the president's executive order: <http://www.whitehouse.gov/the-press-office/2014/09/18/executive-order-combating-antibiotic-resistant-bacteria>

Read the California antibiotics bill, SB 27: <http://www.leginfo.ca.gov>

The 30-year-old multinational company did \$1 billion in sales last year and has seen its business grow by as much as 25 percent a year, Bramble said.

"We compete every day in the commercial feed additive market," he said. "I would say we are seeing more and more interest from the large players (in livestock production) that had been using antibiotics and are looking to us as an alternative."

Levy, a staunch critic of the non-therapeutic use of antimicrobial drugs in livestock, notices the change in approach. In a recent survey conducted by his Alliance group, 23 of 24 farms said they had eliminated antibiotics for growth promotion.

"What's interesting is that the industry is telling us they don't need it," Levy said. "Certainly in northern Europe — Sweden and the Scandinavian countries — they raise perfectly healthy livestock without antibiotics for growth promotion. There's a lot to be said for a change in attitudes and we're seeing it."

A tall order

Reducing the use of antibiotics in livestock could be a tall order considering its use had been on the rise before the tighter federal scrutiny began. Use of the drugs in the U.S. rose by 16 percent from 2009 to 2012, to 32.1 million pounds per year, according to the Pharmaceutical Journal.

Simply reducing the pounds sold won't necessarily lessen the instances of pathogens' disease resistance, UC-Davis' Maas cautions.

Maas faults the president's scientific panel for failing to consider such factors as dosing, noting that animals are given doses based on their weight while humans are mostly given the same doses regardless of their body size.

"It's about decreasing the bacteria that might be resistant so when we do need to use the drugs, they'll be effective," Maas said. He added the American Association of Bovine Practitioners, a veterinarians' group, will be coming out with practical guidelines in the next couple of months.

But all in all, Daley said he found the council report "pretty reasonable," and that the onus is on livestock producers to show the public they're concerned about the issue and that they know what they're doing.

"The bottom line is, I think the livestock sector has done an incredibly good job with judicious use and stewardship of antibiotics," Daley said. "We need to tell that story to the public and we need to keep improving what we do, and we should never rest."

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