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Calif. producers weigh in on federal milk order

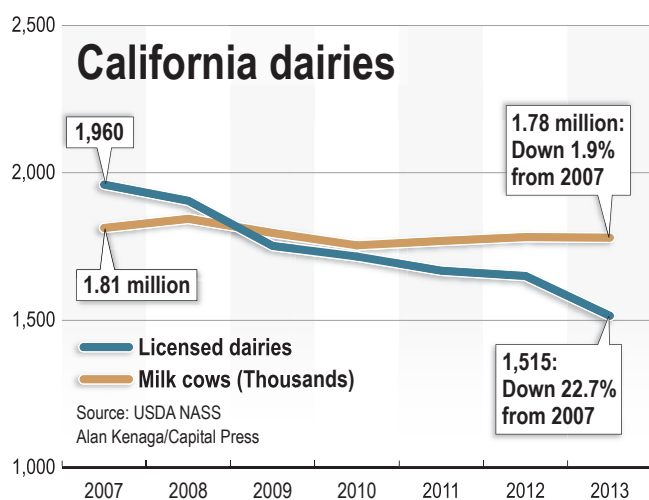
By CAROL RYAN DUMAS
Capital Press

With upcoming outreach meetings by USDA on establishing a federal milk marketing order for California and to review proposals, dairymen are weighing in on what they're after and what might sink the deal.

At the heart of the issue — which led three dairy co-ops to petition USDA in February for an FMO in California — is the discrepancy between the prices of California's milk going to cheese manufacturing and milk going into cheese vats in federal orders.

Producer groups have contended the discrepancy is a major factor in the loss of more than 200 California dairies in recent years.

For the past five years, prices to producers for California's 4b milk have averaged \$1.84 per hundredweight below federal Class III milk for a total of more than \$1.7 billion in lost revenue to dairymen, said Rob Vandenhuevel, general manager of Milk



Producers Council.

For a typical 1,000-cow dairy in California, that's a loss of more than \$1 million since January 2010, he said.

That's why California Dairies Inc, Dairy Farmers of America and Land O'Lakes — which together developed a federal order proposal and petitioned USDA — and the state's three dairy-producer groups support a federal order for the state, he said.

"There's a lot riding on the (FMMO) process; we've tried everything else," he said.

Producers and their co-ops spent the last five years unsuccessfully trying to fix the state's pricing system for 4b through the California Food and Agriculture Department, which administers the state's milk marketing order, and the state Legislature.

Western United Dairymen and California Dairy Campaign also support the federal order

proposal as written.

Joining the federal order system would raise minimum prices on all classes of California milk, particularly 4b — which accounts for more than 40 percent of the state's milk production, said Joe Augusto, president of CDC.

An increase in that price will dramatically increase the overall value of the state's milk pool, he said.

The wildcards in a final USDA proposal are the co-ops' proposed provisions to maintain the state's quota system (which provides additional payments to Grade A producers holding quota certificates) and all-inclusive pooling, which requires all processors to pay regulated minimum prices for milk, he said.

Those two provisions, unique to California's order, don't exist in existing federal orders, he said.

California's quota system came about in the late 1960s to gain support for a state marketing order that would blend milk prices for different uses and dis-

tribute payments more evenly. In return for their support, the quota system would pay producers selling into the higher-value Class I market (milk for fluid consumption) an amount above the blend price.

Quota certificates, which can be transferred or sold, are worth more than \$1 billion, Augusto said.

There's an awful lot of money invested by producers in quota. It's an important asset and has to be protected, said Paul Martin, WUD interim CEO.

A marketing order that doesn't retain quota is a deal-breaker, Augusto said.

All-inclusive pooling is another big-ticket item, Vandenhuevel said.

He claimed there's a big problem in federal orders of processors gaming the system, jumping in and out of the milk pool — de-pooling — on a monthly basis after minimum regulated prices are announced, which is allowed in federal orders.

Processors in a federal order

who opt to de-pool don't have to pay the announced minimum price for Grade A milk received. However, in California, a plant that de-pools must continue to pay the announced minimum price for milk received.

Calls to Dairy Institute of California, which represents processors, have not been returned, but the state's processors have argued that if they are forced to pay the higher prices of a federal order, they should also be allowed federal-order ability to de-pool and not pay the regulated minimum price.

Producers might be a little flexible on mandatory pooling, with a small amount of de-pooling from the regulated price acceptable. But the purpose of marketing orders is the orderly marketing of milk, and significant de-pooling would run counter to that purpose, Augusto said.

That gives producers confidence that a final proposal would likely allow zero or only a small amount of de-pooling, he said.

Cheese strength drawing attention

By LEE MIELKE
For the Capital Press

Dairy Markets
Lee Mielke



Cash dairy product prices, particularly butter and cheese, were heading higher until Wednesday's Global Dairy Trade auction crash appeared to put a damper on things.

Interestingly, block Cheddar cheese closed the shortened Good Friday week at \$1.58 per pound, up 4 cents on the week and the highest level it has been since Jan. 13 but a whopping 77 cents below a year ago.

The blocks inched back a quarter-cent Monday, to \$1.5775, and were unchanged Tuesday. The barrels finished Thursday at \$1.5950, up a nickel on the week and 63 cents below a year ago. They were unchanged Monday but ticked up a penny and a half Tuesday, to \$1.61. The inverted spread jumped to 3 1/4-cents. Again, typically the blocks run 3-5 cents above the barrels. Six cars of block traded hands last week and three of barrel.

Cash butter jumped 5 1/4-cents on March 27, then gained 3 1/4-cents the following Tuesday, only to give back 2 1/2-cents Wednesday and lose another 2 cents Thursday and closed at \$1.74 per pound, down 1 1/4-cents on the week and 23 cents below a year ago.

The butter was steady Monday and Tuesday. Thirteen carloads were sold last week at the CME.

Cash Grade A nonfat dry milk closed Thursday at 97 3/4-cents per pound, up a quarter-cent on the week.

The powder inched up a quarter-cent Monday and gained a penny Tuesday, closing at 99 cents per pound. Only two cars traded hands last week in the spot market, six were traded on Tuesday this week.

Benchmark milk price up a dime

The Agriculture Department announced the March Federal order Class III benchmark milk price last week at \$15.56 per hundredweight, up 10 cents from February, \$7.77 below March 2014, but \$1.59 above California's comparable Class 4b cheese milk price. It equates to about \$1.34 per gallon, up a penny from February and compares to \$2.01 a year ago.

That put the First Quarter Class III average at \$15.73, down from \$22.61 a year ago and \$17.44 in 2013.

Looking ahead, the April Class III futures contract settled Monday at \$15.62; May, \$15.65 and June at \$15.61, with a peak of just \$17.23 in November.

The March Class IV price is \$13.80, down 2 cents from February and \$9.86 below a year ago. The First Quarter Class IV average stands at \$13.62, down from \$23.14 a year ago and \$17.71 in 2013.

Wild turkeys overrun Spokane neighborhood

Handling of wildlife problem shows double standard, lawmaker says

By MATTHEW WEAVER
Capital Press



Matthew Weaver/Capital Press

SPOKANE — Residents of the South Hill section of Spokane say they are being overrun by a flock of wild turkeys, and state wildlife officials have stepped in to help.

"They're proliferating like crazy and they're causing a lot of problems for a lot of people," said Madonna Luers, public information officer for the Washington Department of Fish and Wildlife in Spokane.

Since December, wildlife conflict specialist Candace Bennett has received at least 60 different complaints about wild turkeys from South Hill residents. Complaints include feces, vehicle damage because bottom turkeys see their reflection in cars and attack them, turkeys roosting and breaking tree limbs, noise and intimidation of small children and pets, Luers said.

To get rid of the turkeys, the department is looking for volunteers to collect the turkey eggs or addle them, applying corn oil to the eggs to stop them from developing.

A legislator from rural Washington state sees a double standard in the department's response to the turkey problem compared with predator problems plaguing some ranchers.

"It seems like there's two different sets of standards when there's wildlife conflict in an urban area and another in more rural areas," Rep. Joel

Kretz, R-Wauconda, said. The wolf debate is filled with discussions about nonlethal and preventive measures, Kretz said.

"If it was wolves, that would be the whole conversation — are these people doing the preventative, nonlethal alternatives, have they exhausted all of those before they go to a lethal (measure)?" he said. "I didn't really see that in the conversation on the turkey thing. It was 'Oh, they've irritated some residents, so we're basically going to destroy next year's crop.' It really makes it really clear (there are) double standards."

Because the birds are within the city limits, ordinances prohibit hunting the turkeys with firearms or bows and arrows, Luers said. Even nonlethal projectiles such as paintballs

or beanbags are prohibited. Many residents are reluctant to kill the turkeys, she said.

"This is an incredibly abundant, very common, game-classified, non-native species, and they spread like crazy," Luers said. "We're not concerned about wiping turkeys off the face of the earth. Not gonna happen."

Trapping turkeys is difficult because of the small, densely populated urban setting, Luers said.

In a Facebook post, Kretz asked if the beleaguered Spokane residents have tried fladry, brightly colored flags hung from a line, commonly cited by the department and wolf advocates as a deterrent to wolves.

Fladry is based on a canine instinct to avoid something out of the ordinary, Luers said.

"I don't know about turkeys — there's a big difference with an animal that can fly," she said. "I doubt it would have the same effect."

"Yeah, they're not endangered, but I would argue, neither are wolves. It's that typical two different standards (between) urban and rural," Kretz said.

"Wolves are a state endangered species, federally endangered in the western two-thirds of the state," Luers said. "(They are) still at a recovery stage in their population. They are returning on their own to where they used to exist. They are a native species. Until we meet our wolf management conservation plan guidelines for delisting them and reclassifying them as something else, we have different parameters to work with."

Conference spotlights planned grazing

By DOUG WARNOCK
For the Capital Press

Greener Pastures
Doug Warnock



Identifying management practices that regenerate grasslands and sustain the people depending on the land is the focus of Richard Teague's research at Texas A&M University. Teague will be the keynote speaker at the grazing conference on May 6 at the Washington Family Ranch, near Antelope, Oregon. On May 7 two concurrent workshops, on monitoring grasslands and holistic planned grazing, are offered for those who want to stay another day and learn more.

Teague grew up in a farming community in the southern African country now known as Zimbabwe. He learned much about grazing and managing grazing animals through his studies and observations there. For the last 40 years he has been conducting research on various aspects of rangeland management. His work is unique because it involves whole ranch units. His studies show higher profits, healthier

ecosystems and more resilient rural communities from planned, multi-paddock grazing as compared to traditional grazing practices.

The purpose of Teague's research is to conduct ranch-scale, multi-county assessments of three aspects of ranch management:

- How the grazing strategy affects ecosystem processes of soil, water, production and economic viability.
 - The extent that grazing strategies can be effective in mitigating climate change.
 - The long-term economic result of using grazing management to restore rangeland health and production.
- Two breakout tracks during the conference will provide information on water quality and riparian management; resilience, recovery and planning for fire and drought; improving soil health and carbon sequestration; planned grazing for profit and productivity; and rangeland monitoring and plant identification.

was for sale.

The ranch was purchased by the Dennis Washington family of Montana, who gifted it to the Young Life organization in 1997. The Dennis and Phyllis Washington Foundation provided for development of the camping facilities where about 8,000 middle and high school students attend week long camps each summer.

The conference and workshops offer an opportunity to learn and exchange ideas with interesting people in a pleasant, peaceful setting. Housing and meals are available.

Those interested in attending the conference and workshops can register online at www.brownpapertickets.com and get additional information at www.pnchm.org.

Doug Warnock, retired from Washington State University Extension, lives on a ranch in the Touchet River Valley where he writes about and teaches grazing management. He can be contacted at dwarnockgreenerpastures@gmail.com.

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