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## Dairy/Livestock

# Capitol crowd bullish on Beef

Tasty tri-tip proves a bipartisan treat

By DON JENKINS  
Capital Press

OLYMPIA — By mid-morning Thursday, tri-tip was smoking on the grill and anticipation was building for the beef industry's self-described "shameless promotion."

Cattlemen were preparing to serve 570 pounds of Tyson Foods meat for their annual Beef Day at the Capitol. "I know it's a favorite day for a lot of people around here," House Majority Leader Pat Sullivan said in one of his meatier remarks at a morning meeting with reporters.

There are many "days" during the legislative session — Gifted Education Day, Credit Union Day, Message Awareness Day. The potato industry has its day, and it's also popular.

But Beef Day is more like a phenomenon.

Sen. Brian Hatfield, D-Raymond, held a tray with two raw steaks and spoke into a camera for a pro-beef video taped by legislative staffers.

"It's everybody's favorite day," he said.

The Washington Cattlemen's Association, Washington Cattle Feeders Association and Washington State Dairy Federation serve slices of beef on buns, with chips and milk. There isn't much more to it than that. But the line started forming shortly after 11 a.m. By 11:30, it stretched about the length of a football field. The lined moved fast, but for more than an hour, it never got shorter.

"It's a shameless promotion of beef," the cattlemen's executive vice president, Jack Field, said. "It's a great opportunity."

Cattlemen held their first beef day about eight years ago. Franklin County rancher Larry Olberding said cattlemen were kicking around how to raise their profile at the Capitol and came up with Beef Day. "We decided we'd give it a shot, and it's taken off since then," he said. "I think it's one of our best outreach days. It puts a face on who's doing this and that there are consequences, good and bad, to policies."

At noon, Gov. Jay Inslee dropped by. He ate a slice of beef and mixed with ranchers in the easy-going manner of a successful politician. He pointed to the line. "Thank you for feeding the masses," he cracked.



Don Jenkins/Capital Press

Don Blakemore of Tuchet, Wash., seasons the meat April 9 on the Capitol campus in Olympia. Producer groups host the popular Beef Day each year to promote the industry.

Olberding, a past president of the cattlemen's association, said agriculture needs to engage the public.

"I think agriculture as a

whole has gotten tremendously better in the last 10 years, but we started too late, and we're still playing catch up, but strides have been tremendous," he said.

## Butter, cheese prices still strong; powder down

By LEE MIELKE  
For the Capital Press

Cash cheese prices at the Chicago Mercantile Exchange saw little change the first full week of April.

The block Cheddar closed Friday in Chicago at \$1.5775 per pound, down a quarter-cent on the week and 59 1/4-cents below a year ago when they tumbled 18 cents, to \$2.17. The blocks were unchanged Monday but slipped a half-cent Tuesday to \$1.5725.

The Cheddar barrels closed Friday at \$1.61, up 1 1/2-cents on the week and the highest they have been since Dec. 1, 2014, but are 47 cents below a year ago when they rolled 14 1/2-cents lower to \$2.08. They are also 3 3/4-cents above the blocks, as of Tuesday, a spread that typically runs 3-5 cents below the blocks. The barrels were unchanged Monday and Tuesday.

Cash butter closed Friday at \$1.7525 per pound, up 1 1/4-cents on the week and 21 3/4-cents below a year ago. It was unchanged Monday but jumped 1 3/4-cents Tuesday, to \$1.77. Only one car traded hands last week.

Cash Grade A nonfat dry milk finished last week at 93 cents per pound, down 4 3/4-cents on the week, 97 cents below a year ago, and the lowest spot price since Aug. 3, 2009. The powder was unchanged Monday but inched a quarter-cent lower Tuesday, to 92 3/4-cents per pound. Fifteen cars were sold at the CME last week. The CME powder is the only product currently priced below the global price.

### Dairy Markets

Lee Mielke



### California Class I inches higher

The California Department of Food and Agriculture announced its May Class I milk prices at \$17.06 per hundred-weight for the north and \$17.34 for the south, up 12 cents and 13 cents, respectively, from April but a whopping \$8.82 and \$8.81 below May 2014.

That puts the five-month average at \$17.45 for the north, down from \$24.42 a year ago at this time and compares to \$19.66 in 2013. The southern five month average is \$17.72, down from \$24.69 a year ago and \$19.93 in 2013. The May federal order Class I base price will be announced by USDA on April 22.

### California processors speak up

California's dairy processors, through their Dairy Institute of California, are diving into the, pardon the pun, milk pool by offering an alternative proposal in the effort to consider a federal milk market order in the Golden State. So are the California Producer Handlers Association and Ponderosa Dairy.

You'll recall that an initial petition to begin the process was filed by three of California's largest dairy co-ops, California Dairies Inc., Dairy Farmers of America and Land O'Lakes.

The Dairy Institute charges

that "there are no significant disorderly marketing conditions that would warrant either a hearing or, after any hearing, the promulgation of a California Federal Milk Marketing Order." They add that "the Cooperatives' conclusion that there are disorderly marketing conditions is merely their assertion and rests squarely on the perceived inequity caused by differences between the regulated prices for milk used to produce cheese and why under the FMMO and California Food and Agriculture programs, respectively."

"Their failure to present any real evidence of disorderly marketing conditions is not surprising, given that no such evidence exists," the Dairy Institute charged, but adds that "recognizing that the secretary may nonetheless notice a promulgation hearing on this subject matter, we are concerned that the proposal submitted by the cooperatives would actually create disorderly marketing conditions where none now exist. Therefore, the Dairy Institute's membership has voted unanimously to submit a complete alternative proposal for a California Federal Milk Order."

Read all of the petitions offered at: <http://www.ams.usda.gov/AMSV1.0/CAOrder>

### USDA lowers 2015 output again

The Agriculture Department lowered its 2015 milk production forecast for the sixth time in a row in its latest World Agricultural Supply and Demand Estimates report issued Thursday, again blaming growth in output per cow being constrained by dry conditions in the West. It also raised the Class III

milk price average and lowered the Class IV.

2014 production and marketings were reported at 206.0 billion pounds and 205.1 billion, respectively, both unchanged from last month's report. If realized, 2014 production would be up 2.4 percent from 2013.

2015 production and marketings were projected at 210.0 billion and 209.0 billion pounds, respectively. The production estimate is down 1.1 billion pounds and the marketing estimate is down 1 billion from a month ago.

If realized, 2015 production and marketings would be up about 1.9 percent from 2014.

Fat basis imports were raised on demand for butterfat, but skim-solids imports were unchanged. Exports are hampered by relatively weak international prices and the strong dollar; thus forecasts for both fat and skim-solids are reduced from last month.

Product price forecasts for butter and cheese were raised on domestic demand strength. However, relatively weak exports of nonfat dry milk are expected to pressure prices lower. The whey price forecast was unchanged.

The Class III milk price was raised on the strength of cheese prices. Look for the 2015 average to range \$16.20-\$16.70 per cwt., up from the \$15.95-\$16.55 expected a month ago, and compares to \$22.34 in 2014 and \$17.99 in 2013.

The Class IV price was reduced as a lower NDM price more than offsets a higher butter price. Look for the Class IV to averaged \$14.45-\$15.05, down from the \$15.30-\$16.00 expected last month, and compares to \$22.09 in 2014 and \$19.05 in 2013.

## Calif. processors say FMMO hearing unneeded

By CAROL RYAN DUMAS  
Capital Press

Dairy Institute of California, representing dairy processors, contends a hearing by USDA to consider establishing a federal milk marketing order for California is not warranted.

It did, however, submit an alternative proposal to USDA outlining its preferences if the Agricultural Marketing Service moves forward with a proposal.

The Institute responded to a proposal seeking a federal order by California Dairies Inc., Dairy Farmers of America and Land O'Lakes. The co-ops submitted a proposal and a petition for a hearing on the matter in early February to obtain a more equitable price for their members on milk used to manufacture cheese.

The Institute contends the co-ops' proposal fails to meet the minimum requirements for a marketing order — that disorderly marketing conditions exist. It says the co-ops only assert a perceived inequity due to differences between regulated prices in federal orders for Class III milk and the state's regulated prices for California's Class 4b.

The Institute says the point of the federal statute establishing federal orders was to remove self-defeating competition among producers and allow them to share benefits of Class I fluid milk profits. The basis of every federal order has been that Class I milk revenues are not being shared, the Institute stated.

"But that is quite clearly not the principal or principled basis for the cooperatives' proposal," the Institute's attorney stated in comments to USDA.

Processors contend the co-ops' proposal fails to provide any accepted basis for its claim of disorderly marketing and is legally insufficient and incomplete.

Recognizing that USDA might nonetheless hold a hearing on the issues, processors said they are concerned the co-ops' proposal would create disorderly marketing.

Unlike the co-ops' proposal, which fundamentally alters FMMO policy, the processors proposal is modeled on existing marketing orders, particularly the Upper Midwest order because it has similar Class

I utilization and significant cheese production, the Institute stated.

In addition to the price of California's 4b milk, processors and dairymen disagree over mandatory pooling of milk and its profits except for Class I fluid milk.

Both agree on maintaining quota value, which provides additional revenue for dairymen holding quota certificates, but they disagree on who will contribute to that additional payment.

Pooling of milk other than Class I is voluntary under federal orders, and the secretary of agriculture has routinely rejected mandatory pooling. The secretary has found opportunistic pooling (leaving and entering the pool on a monthly basis and a key concern for dairymen) to be destabilizing, but USDA's solution has been to limit re-pooling options in future months, the Institute stated.

On the price issue, the Institute maintains that market-clearing prices for manufactured products produced in California are different from such prices in other parts of the country — with federal order prices overstating the value to western dairy processors, especially for whey.

"Minimum regulated prices that are too high, when coupled with mandatory order pricing for milk used in manufacturing, will not be market clearing and will lead to disorderly marketing conditions," the Institute stated.

The Institute said regulated minimum milk prices be market clearing and reflect the western value of products on which they are based.

As for quota, the Institute disagrees with the co-ops' proposal to extract quota value from the total pool, which includes out-of-state dairymen, before calculating an order blend price. Out-of-state producers have never and will never own a quota, but the value of their pool will be based on the remainder of pool dollars, putting them at a disadvantage.

Proposals have also been submitted by California Producer Handlers Association and Ponderosa Dairy. The proposals are available at <http://www.ams.usda.gov/AMSV1.0/CAOrder>

## Parasites protect cattle from disease, study finds

By MATTHEW WEAVER  
Capital Press

Researchers have found that some parasites in African cattle may help the animals ward off another parasite that carries a lethal disease.

The researchers monitored 548 shorthorn zebu calves in Kenya. Of the 454 that survived the first year, 86 percent were infected by *Theileria parva*, which causes East Coast fever disease, the main cause of death among cattle in East Africa.

However, only 18 percent of the cows showed symptoms of the disease. The reason, the researchers found, was that other parasites, *Theileria mutans* and *Theileria velifera*, protected the cattle against the disease.

An international team, including co-author Thumbi Mwangi, a Washington State University infectious disease epidemiologist based in Kenya, recently published their findings in the journal *Science Advances*.

Animals often have more than one parasitic infection, and the expectation is that several infections would worsen the health of the host, Mwangi said. He works for the Paul G. Allen School for Global Animal Health at WSU.

"But here we are reporting a situation where infection with a parasite that does not usually cause disease (provides) protection against a lethal parasite responsible for most deaths in cattle in East Africa," Mwangi told the Capital Press in an email.

East Coast fever is responsible for "huge" economic losses for livestock keepers and is a major hindrance to livestock development in the region, translat-



Courtesy of WSU

Washington State University researcher Thumbi Mwangi, left, is co-author of a study that found a lesser parasitic infection may help livestock survive a more deadly parasite.

ing into poor economic growth and poverty, Mwangi said.

The study suggests a new weapon to fight East Coast fever, and a concept that can be applied to animals and people in any location.

"Our study demonstrates the value of looking at the multiple infections simultaneously as opposed to single-pathogen focus epidemiological studies," he said.

Research may reveal combinations of infections that show the infected individual has better outcomes than when infected with only the lethal pathogen, he said.

The finding also has some bearing for humans, Mwangi said. In the South Pacific, people with a genetic mutation that makes them susceptible to the less deadly *Plasmodium vivax* may be protected from the more deadly *Plasmodium falciparum*, which causes malaria.

The next step is to experiment to see if infecting animals with the benign *Theileria mutans* parasite will act as a vaccine against East Coast fever, Mwangi said.

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in Capital Press' 31<sup>st</sup> Annual Dairy Industry Special Section June 5<sup>th</sup>, 2015

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