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Dairy/Livestock

Analysts see milk prices stabilizing

By CAROL RYAN DUMAS
Capital Press

Although U.S. milk prices in April were well below a year earlier, dairy market analysts are seeing signs that domestic markets are stabilizing.

April's all-milk price in federal marketing orders averaged \$16.50 per hundredweight in April, \$8.80 below April of 2014 and \$7.47 below the average for all of 2014, but only \$0.10 below March.

The slowing decline in milk prices and in dairy exports combined with the moderating increase in milk production, modest stock building and gains in domestic consumption indicate stabilizing domestic markets, National Milk Producers Federation reported on Friday.

Milk production is proving lower than USDA anticipated, up 1.7 percent year over year both in the first quarter of the year and in April, with USDA reducing its 2015 annual forecast from a 2.4 percent increase to 1.3 percent.

A production decline of 3 percent or more in California and New Mexico — which together produce almost a quarter of the nation's milk — were largely responsible for the modest rate of national production growth in the first quarter, National Milk analysts reported.

"Most states, including those with growing milk production, are showing the



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same pattern of moderating production growth as USDA is predicting nationally," the analysts reported.

An increase in milk production well below 2 percent is bullish for milk prices. But with lower feed prices than last year, margins (return over feed costs) are still conducive to increased milk production, Bob Cropp of the University

of Wisconsin Extension, reported in his May Dairy Situation and Outlook report.

At this time, it doesn't appear milk prices could either fall or increase sharply for the remainder of the year and could average \$6 to \$7 lower than last year's record high prices, he said.

Dairy futures show continued strength, with Class III in

the \$17s by September and for the remainder of the year and Class IV reaching the \$15s by August and the \$16s for November and December, Cropp said.

But world milk supply might be larger than earlier anticipated on expected additional New Zealand production and the end of the milk production quota in the EU.

USDA average federal order milk prices

(Dollars per hundredweight)

Month	All-milk	Class III
2015		
April	\$16.50	\$15.81
March	16.60	15.56
Feb.	16.80	15.46
Jan.	17.60	16.18
2014		
Dec.	20.40	17.82
Nov.	23.00	21.94
Oct.	24.90	23.82
Sept.	25.70	24.60
Aug.	24.20	22.25
July	23.30	21.60
June	23.20	21.36
May	24.20	22.57
April	25.30	24.31

Source: USDA AMS

Capital Press graphic

It is quite possible that milk prices could weaken some in June through July before showing some strength this fall, he said.

USDA Economic Research Service is forecasting the 2015 all-milk price at \$17.20 to \$17.60 and relatively low feed costs, with corn between \$3.55 and \$3.75 per bushel and soybean meal at \$365 per ton.

Longer range, the agency is forecasting an all-milk price of \$17.45 to \$18.45 in 2016, with \$3.30 to \$3.80 per bushel corn and \$305 to \$345 for a ton of soybean meal.

Restoring grasslands featured at conference

By DOUG WARNOCK
For the Capital Press

Planned multi-paddock grazing restored soil and vegetation and increased productivity and profitability, while improving the quality of life for ranchers, according to Richard Teague, Rangeland Research Scientist at Texas A&M University. Teague was the keynote speaker at a recent grazing conference held at the Washington Family Ranch near Antelope, Ore.

Teague's research involves whole ranch units in which the managers are monitoring and adjusting in order to achieve their goals relating to the nutrition and health of soils, plants, animals and the people involved.

"Healthy agro-ecosystems are considerably more productive, stable and resilient than those in poor condition. Ranch livelihoods depend on healthy ecosystems. The value of ecosystem services is worth more to society than agricultural earnings," Teague stated.

Teague cited grassland restoration that was accomplished over a 10-year period on the Noble Foundation's Coffey Ranch. Animal unit days per acre, which is a measure of grassland's livestock carrying capacity, increased to more than three times its original amount. He said this was achieved by managing for desired outcomes by:

- Matching animal numbers to available forage.
- Spreading grazing over the whole ranch.
- Defoliating plants moderately during the growing season.
- Having short grazing periods.
- Using high-density grazing, which puts more litter on the ground.
- Allowing adequate recovery before re-grazing.
- Grazing before the plants become too mature.
- Adapting as needed to allow for changing conditions.

This type of management is accomplished by having an adequate number of pasture divisions or paddocks so that plant exposure to grazing is for a short time and plants have adequate time for regrowth before being grazed again. Teague has learned:

- It takes a minimum of 10 paddocks just to stop overgrazing of plants.
- Ranchers with 8 or fewer paddocks are not rotationally grazing, but rotationally overgrazing.
- To support decent animal performance takes 14 to 16 paddocks.
- The most rapid range improvement takes 30 paddocks.
- The biggest decrease in workload and greatest improvement has been with over 50 paddocks.

Teague emphasizes the value of creating an annual grazing plan, utilizing what was learned from previous years. "At the beginning of every year consider what you would do in the event of an average precipitation year, a drier-than-average year and a wetter-than-average year. Have a plan for each of these three possibilities."

He has found that ranch management decisions should be based on a goal; land restoration and wildlife needs are to be incorporated into the plan each year; managers should regularly assess the forage available and adjust either stock numbers or the area grazed; and grazing periods should be based on the recovery rate of the plants, which change by season during the growing year. This grazing conference was sponsored by Country Natural Beef, the Pacific Northwest Center for Holistic Management and Washington Family Ranch.

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.

Greener Pastures

Doug Warnock



Cattle industry leader dead at 58

By CAROL RYAN DUMAS
Capital Press

Richard Gebhart, a fourth-generation cattleman from Claremore, Okla., and an Oklahoma and national beef industry leader, died May 30 after a short illness. He was 58, National Cattlemen's Beef Association reported in a press release Monday afternoon.

With his family, Gebhart operated Beacon Hill Ranch, a Hereford operation established in northeastern Oklahoma in 1909.

He was an active vol-

unteer leader in the cattle industry for many years at all levels. He was named treasurer of the National Cattlemen's Beef Association in 2014, and served as a member of the Beef Promotion Operating Committee, chairman of the Federation of State Beef Councils and vice chair of the Joint Issues Management Subcommittee.



Richard Gebhart

He also served as an ad-

viser on several sustainability efforts involving the beef supply chain, and participated in writing a comprehensive Life Cycle Assessment of the U.S. beef supply chain.

"The contributions Richard made to our industry at the national level were extraordinary," NCBA President Philip Ellis said in the release.

"He was a giant of a man when it came to his generosity of time, expertise, leadership and knowledge. He will be deeply missed," he said.

Gebhart was a lifetime

member of the Oklahoma Cattlemen's Association and serving as its president at the time of his death. He was also vice-chairman and former treasurer of the Oklahoma Beef Council.

"The Oklahoma Cattlemen's family is saddened by the loss of our friend Richard," Charlie Swanson, Oklahoma Cattlemen's Association president-elect, said in the release.

"He was an outstanding leader with an unparalleled vision and commitment for moving our cattle industry forward. His laughter and

smile were contagious; his words were always seasoned with wisdom and sound thought. His presence was always fully engaged to the task at hand," Swanson said.

Gebhart is survived by his wife, Susan; daughter and son-in-law, Erica and Matt Boyer; daughter Roxanne Gebhart; and grandchildren McKenzie and Gus.

A celebration of Gebhart's life was to take place at the Claremore Expo Center on June 4, which would have been his 59th birthday.

For more on Gebhart: <http://www.beefusa.org/>

Boulder cattle get a moo-ve on in push to tame oatgrass

BOULDER, Colo. (AP) — You could hear them long before they came into view.

Bellowing across the mesa, along the often-muddy trail and up through the ponderosa pine, some 70 pairs of cows with their calves went rumbling up Shanahan Ridge on Tuesday morning.

They were a throwback presence in a pristine area where calls of the black-capped chickadees or the wind out of the mountains and through the trees are often the only sounds to split the silence.

The red and black angus are being put to work — if eating can really be called work — by Boulder's Open Space and Mountain Parks department.

The city hopes the grazing cattle will combat an invasive tall oatgrass that has taken hold on 72 acres just south of the National Center for Atmospheric Research.

Tall oatgrass is a short-lived perennial bunchgrass from northern Europe that is believed to have been introduced to the Shanahan/NCAR area during ranching operations in the 1950s.

It typically becomes in-

vasive after a number of decades without any grazing, and the area targeted in this initiative is believed not to have been grazed since the late 1960s.

Several concentrated weeks of grazing by the cattle — they will spend their nights there, too, inside a temporary enclosure — are believed by the city to be the best method for defeating the tall oatgrass. The grass tends to form dense stands that shade and out-compete native species for light, moisture and nutrients.

"That grass wants to be grazed," said Lynn Riedel, a

plant ecologist for the city. "This is an extremely palatable grass. The cattle should go for it, and control it."

Laurie Dieter, the city natural resources specialist spearheading the project, said the precise length of the cattle's assignment will depend on the varying stages of the seed production of the tall oatgrass on which they are now dining.

"We'll see if their grazing preferences change," Dieter said. "If it does, then it might be time to move."

Officials say the cost to the city was "minimal," since the ranchers providing

the cattle lease other OSMP land from the city, and part of that lease agreement enables the city to request their help on such projects.

Apart from the calf that died, and the bull that briefly went stray, the cattle drive went off without incident, despite trails still left soupy with mud by the small rivulets of water flowing downhill as a result of the area's soggy spring.

And, in their wake, some of the livestock left behind on the public trails a few piles of what livestock inevitably tend to leave behind.

Global dairy auction may weigh down prices

By LEE MIELKE
For the Capital Press

Dairy Markets

Lee Mielke



Cash dairy prices at the Chicago Mercantile Exchange strengthened the last week of May but this week's Global Dairy Trade Auction may increase the downward pressure.

The block Cheddar closed Friday at \$1.6950 per pound, up 4 1/2-cents on the Memorial Day holiday-shortened week but still 26 1/2-cents below a year ago. They started June Dairy Month by tacking on another 4 1/2 cents Monday and 3 more cents Tuesday, hitting \$1.77 per pound.

The barrel Cheddar finished Friday at \$1.67, up 5 cents on the week and 26 1/4-cents below a year ago. They gained 3 1/2-cents Monday and 1 1/2-cents Tuesday, closing at \$1.72. CME cheese prices seem unfazed by GDT levels, which saw the May 19 Cheddar price at \$1.2451 per pound U.S.

Both CME prices are new highs for 2015 and the highest

block price since Nov. 20, 2014 and the highest barrel price since Nov. 24, 2014. Only two cars of block traded hands last week at the CME but 31 cars of barrel found new homes. Twelve cars of barrel had already exchanged hands as of Tuesday.

Spot butter, after dropping 8 1/4 cents the previous week, closed Friday at \$2.0050 per pound, up 10 1/4-cents on the day, up 13 1/2-cents on the week, but still 29 1/2-cents below a year ago when it had jumped 12 cents on the week. The spot price was unchanged Monday but dropped 5 1/4 cents Tuesday, as traders likely viewed Tuesday's GDT price. Seventeen cars traded hands last week at the CME.

Cash Grade A nonfat dry milk finished Friday at 90 3/4-cents

per pound, up 7 1/2-cents on the week but 92 1/2-cents below a year ago. The powder was unchanged Monday but lost 2 3/4 cents Tuesday, dipping to 88 cents per pound.

GDT prices down

There wasn't much encouragement from this week's Global Dairy Trade auction which saw the weighted average for all products offered drop 4.3 percent, following a 2.2 percent decline in the May 19 event. This is the sixth consecutive session of loss.

All products offers saw declines, led by butter, down 10.0 percent, following a 3.2 percent decline in the last event. Anhydrous milkfat was next, down 7.4 percent, following a 4.8 percent decline last time. Buttermilk powder was down 7.0 percent, following a 3.2 percent gain last time, lactose was down 6.9 percent, after a 0.9 percent gain last time.

The National Dairy Producers Organization, Inc.
The Producer's Voice

The Problem

The ability of dairy farmers to increase the supply of milk is far greater than anyone's ability to increase the profitable demand for the milk.

The ever increasing, unrestrained milk growth promoted by private, public and cooperative processors causes a milk supply in excess of profitable demand which in turn results in dairy farmers selling milk for less than what it costs to make, which in turn, results in the continued loss of dairy farmers.

The Solution

Dairy farmers need to do two things:

- 1) Re-define the goal and definition of co-operative success as being the sustainable profitability of it's dairy farmer members NOT the co-op management benefitting at the dairy farmers expense, Dairy farmers must take control of their processing co-ops and demand that management implement a business plan that pays a profitable price for their milk.
- 2) Balance the milk supply with profitable demand by culling dairy cows NOT dairy farmers.

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