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Dairy

Community leaders, public tour Meridian dairy

By SEAN ELLIS
Capital Press

MERIDIAN, Idaho — The public and community leaders got a close-up look at a dairy June 23, the latest effort by the industry to provide consumers with an on-farm experience. “A lot of people are wanting to know how their food is made and where it comes from and there’s no better way to do that than to actually have them on a farm so they can see first-hand,” said United Dairymen of Idaho spokeswoman Cindy Miller. “We can show pictures or videos but it’s different when they have the on-farm experience.”

During the day-long event, community and business leaders and then the public were taken on a tractor hay ride around the operation while co-owner Clint Jackson explained how the dairy operates and answered questions. The Jackson Family Farm, which has 600 milking cows and 500 calves and also grows beans, alfalfa, mint and corn, is one of a handful of dairies in Meridian. The operation is family-owned. Three generations of Jacksons were on hand to help with the tour. The event kicked off with an on-farm breakfast for community and business leaders. Jackson said it was a good opportunity to remind them of how important agriculture is to the state. “I think it’s important that the political leaders and the public in general realize how important agriculture and dairy agriculture are to the Idaho economy,” he said.

He reminded tour participants that this part of Southwestern Idaho was formerly just sagebrush and desert and farmers are the ones who created the valley’s irrigation system “that allows Meridian to be green now and have the beautiful trees that we have.” Jackson said he was happy to answer any questions people might have about animal welfare and milk quality. “People have questions about how the cows are cared for and they want to know that the milk they buy is a quality and safe product,” he said.

“We want to answer some of those questions and maybe remove some of the mystery.” Rick Naerebout of the Idaho Dairymen’s Association said the tour was part of a larger push by the industry to educate consumers and the media about what happens on dairy operations. “There’s definitely a concerted effort by United Dairymen of Idaho to reach out to media and also the general public to help them understand our industry and what happens on a dairy farm,” he said.

UDI was criticized last year for a letter it sent to hundreds of members that was interpreted by some groups as a suggestion to deny media access to their operations. UDI officials denied that was the intent and said they encourage dairy visits but they need to be coordinated because of the inherent dangers when tractors and machinery are operating, as well as food safety issues. The state’s industry has since held several tours of dairy operations for media and the public.

U.S. gets none of Japan’s butter buy

By RICHARD SMITH
For the Capital Press

TOKYO — New Zealand got the lion’s share of an extra 10,000 ton butter import by Japan.

But whereas a special import of 7,000 tons last year included 25 tons from the U.S., no U.S. butter won bids this year.

Under bids on tenders held June 9, 11, 16 and 25, Japan selected 7,569.8 tons of New Zealand butter.

Other countries with winning bids are Holland (915 tons), Germany (726.8 tons), Argentina (524.4 tons), France (192 tons), Switzerland (47 tons) and Belgium (25 tons).

Ruling out inferior quality products, bids were accepted on a lowest-priced basis.

In addition, bids for an extra import of 5,000 tons of nonfat dry milk were taken June 6.

Japan’s Ministry of Agriculture, Forestry and Fisheries announced May 27 its decision to make the extra import.

The butter will be imported by the end of October to stabilize butter supplies toward Christmas, when demand by the confectionery

industry peaks. In the Uruguay Round that led to the creation of the World Trade Organization, Japan committed to “minimum access” (MA) import purchases for designated dairy commodities of up to 137,000 tons in milk equivalent calculation. The commodities include butter, nonfat dry milk, edible whey, butter oil and dairy spreads. The special imports of butter have and non fat dry milk have come on top of the MA purchases. Butter shortages last year troubled shoppers, especially in the run-up to the Christmas cake-baking season. Stores rationed out butter, and shoppers often faced empty shelves.

Japan Dairy Association (J Milk) managing director Tetsuo Ishihara said releasing the extra import into the market will create a balance between supply and demand. But the extra import will only be enough to meet this year’s needs, Ishihara said. “Assuming there is no change in (Japan’s) raw milk production, we will probably need to import about as much next year,” he said.

WOW expands dairy storage, distribution in Idaho

By CAROL RYAN DUMAS
Capital Press

JEROME, Idaho — State, local and company officials were on hand June 24 at the groundbreaking of a new facility to expand storage and distribution of WOW Logistics, which serves major manufacturers of dairy products in the Magic Valley and from coast to coast.

The new 193,000-square-foot ambient storage facility, expected to be complete in January, will expand WOW’s capacity at Jerome to nearly 626,000 square feet, including more than 82,000 square feet of refrigerated space, said Howard Kamerer, WOW president and CEO. The entire capital expenditure for the project, including racking, is in the \$16 million range, he said.

The new dry-storage facility dedicated to whey powder and other specialty milk powders will be occupied by Davisco Foods International, parent company of Jerome Cheese, he said.

The new facility is a key performance indicator for the health of dairy-food manufacturing in the region, he said. It will be at 100 percent occupancy within 60 days of completion, meaning WOW is “already out of space,” which reflects on the industry as a whole in the Magic Valley, he said.



Carol Ryan Dumas/Capital Press

WOW Logistics President and CEO Howard Kamerer talks with Southern Idaho Economic Development Organization Executive Director Dan Rogers during groundbreaking ceremonies for WOW’s 193,000-square-foot expansion of its dairy-foods warehouse and distribution facility in Jerome, Idaho, on June 24.

“Large manufacturing companies are driving this dairy industry,” he said.

WOW’s expansion is just one of many examples of ag-related economic growth in the Magic Valley, said Megan Ronk, Idaho Department of Commerce COO.

Headquartered in Appleton, Wis., WOW began operations in Jerome in 2002, following the success of the dairy industry in Idaho and its customer base, which included Davisco and Glanbia Foods doing business with WOW in other parts of the country, Kamerer said.

The company expanded its Jerome facility in 2004 and 2008, operating as a public warehouse, or third-party logis-

tics provider, for other regional dairy manufacturers as well, including Idaho Milk Products, Dairy Farmers of America, Darigold and Brewster Cheese, he said.

WOW Jerome facility also provides services for West Coast dairy manufacturers moving product eastward and East Coast manufacturers moving product westward. Its

nationwide customers include such companies as Schreiber Foods and T.C. Jacobi as well as artisan cheese makers, he said.

Nationwide, the company maintains 6 million square feet of warehouse space, including 22 million cubic feet of refrigerated area, with 10 locations in Wisconsin and the Jerome facility in Idaho. It employs 208 people nationwide.

It is also the largest private financier of dairy products in the U.S. and one of the largest in the world, providing cash flow to some of the largest dairy producers in the U.S., he said.

Jerome Mayor Dave Davis said WOW has been a “fantastic” community partner and thanked the company, his staff and local and regional economic development organizations for the company’s continued growth in Jerome.

Kamerer extolled the efforts of state, city of Jerome and Jerome County officials as well as Southern Idaho Economic Development Organization for the collaboration critical to the project.

Cheese prices continue to lose ground

By LEE MIELKE
For the Capital Press

Cash cheese lost more ground the last full week of June Dairy Month. The Cheddar blocks closed Friday at \$1.64 per pound, down 6 cents on the week and 38 cents below a year ago. They lost a penny and a quarter on Monday and three-quarters on Tuesday, dipping to \$1.62 per pound, the lowest level since May 15, 2015, as traders awaited Wednesday’s Global Dairy Trade auction.

The Cheddar barrels were down 3 1/2-cents last week, closing Friday at \$1.6250, 38 1/2-cents below a year ago. They rolled 2 1/2 cents lower on Monday and a penny and three quarters Tuesday, to \$1.5825, the lowest barrel price since March 30, 2015. Twenty cars of block traded hands last week at the CME and 29 of barrel.

FC Stone dairy broker Dave Kurzawski pointed out that last week was the sixth week in a row that barrel cheese has

Dairy Markets
Lee Mielke



Total cheese output averaged up 2.5 percent during the period.”

The good news, according to the DFMA, is that “domestic demand is growing too, and finally, at retail. After sluggish performance during the first 16 weeks of the year, retail natural cheese sales shot up 6.1 percent (an additional 12 million pounds) during the four weeks ending May 17, according to IRI data; the largest year-over-year increase since January 2014. One year ago, sales were off 2.7 percent. Processed cheese sales decreased just 2.2 percent this period. Interestingly: Natural cheese sold at an average price of \$5.26 per pound, down just 11 cents versus one year ago and up eight cents from the previous four-week period.”

Cash butter jumped 4 1/4-cents last Monday, only to drop 6 cents Tuesday following the May Cold Storage data and lost 1 3/4-cents Wednesday. It regained a penny Thursday and 2 1/2-cents Friday to close at

\$1.9150 per pound, unchanged on the week but 47 1/2-cents below a year ago, when it jumped 15 1/2-cents. The spot butter tacked on a penny on Monday but gave back three-quarters on Tuesday, to close at \$1.9175 per pound. Eight cars traded hands last week at the CME.

Butter output in the Central region is trending lower, according to Dairy Market News. Some producers report they are running into competition from Class II manufacturers for local cream supplies as ice cream-frozen dessert production gears up.

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

Deflategate for Dairy Farmers (USDA Projections)

	2015	2016
Class 3 and 4 milk price combined (CWT)	\$15.40	\$16.30
2014 class 3 and 4 combined (CWT)	22.72	22.72
Projected price deflation (CWT)	\$ 7.32	6.42

Hold those accountable who manage over 80% of U.S. milk production with 31 dairy co-op members and dozens of milk buying customer members. Call National Milk Producers Federation at 703-243-6111 or your local NMPF representative from the list below:

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Ken Nobis - MMPA	Wayne Palla - DFA	Cornell Kasbergen - LOL
Adrian Boer - NDA	Jeff Raney - DFA	Tom Wakefield - LOL
Mike McCloskey - SMP	George Rohrer - DFA	Jim Baird - LSMP
Keith Murfield - UDA	Dan Senestraro - DFA	Jay Bryant - MDVA
Doug Nuttleman - DFA	Bill Siebenborn - DFA	Dennis Tonak - MWDC
Pete Kappelman - LOL	Rick Smith - DFA	Jim Wegner - NDA
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It is time for a business plan that achieves the sustainable profitability for dairy farmers. The National Dairy Producers Organization has such a plan.

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8 PM East - 5 PM West

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