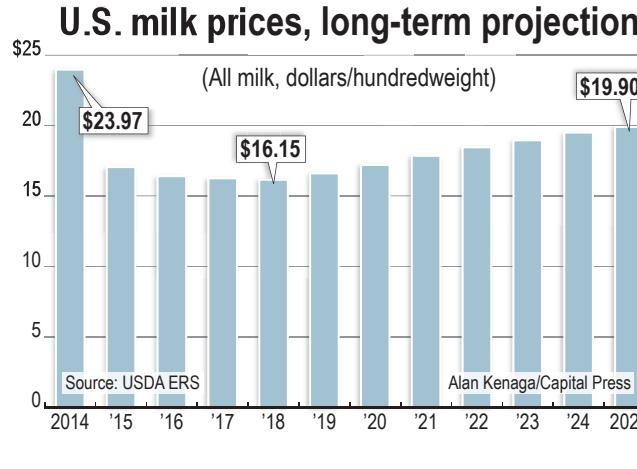


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Dairy/Livestock



Leap-year bonanza aside, U.S. milk production growing

By CAROL RYAN DUMAS
Capital Press

U.S. milk production gained 739 million pounds year over year in February due to an extra day of milking, bringing the total to 16.9 billion pounds — a whopping 4.6 percent increase over February 2015, according to USDA National Agricultural Statistics Service.

But the year-over-year gain on a Leap Year-adjusted basis is only an unsensational 1 percent.

That is the relevant number. It is below the historical trend, although it is the largest increase since August, said Matt Gould of Dairy & Food Market Analyst.

One day of extra milk is a lot, but it's not going to affect markets; there'll also be one more day of demand this year, he said.

What will affect markets is booming production in some regions of the country, he said.

Milk production growth in the Midwest, Upper Midwest and the Northeast is right in line with what processors are saying — milk supply is soon going to exceed processing capacity, he said.

Processors in those regions have requested a temporary change in Federal Order rules to allow co-ops to dump milk without taking a total loss. The change will take effect April 1, he said.

The anticipated surplus is primarily a result of temperate weather in February and more production per cow due to better feed quality in those regions, he said.

Gould hasn't heard of any dumping yet, but it is expected given processors' worries and the spring flush, which typically hits its peak Memorial Day weekend, he said.

Year-over-year growth in milk production is expected through the rest of the year because of higher feed qual-

ity, lower feed prices and easier-to-beat comparables, he said.

In addition, dairy farmers in the Midwest, New York and Idaho are still in expansion mode, he said.

However, Idaho's increased milk production in February, up 2 percent on an adjusted basis, was a bit of a surprise, he said. Processors in the region were reporting tight supplies and producers were reporting increased mastitis due to a really cold January, he said.

It's fair to say Chobani is taking more milk than it had been, and the company just announced a significant expansion to its Twin Falls plant, he said.

Idaho's total production in February, at 1.1 billion pounds, was up 2 percent on an adjusted basis with producers adding 7,000 cows year over year, NASS reported.

Production increases were even higher elsewhere, particularly in the Midwest.

Milk production on an adjusted basis was up 7.8 percent in Michigan on 11,000 additional cows, 5.1 percent in Wisconsin on 5,000 additional cows, and 4.4 percent in Indiana on 3,000 additional cows.

On a daily basis, New York increased production 4.6 percent on an additional 4,000 cows, and South Dakota was up 10.6 percent on an additional 11,000 cows.

California dairymen whitened down the herd by 5,000 cows year-over-year and at 3.3 billion pounds, decreased milk production 2.9 percent on an adjusted basis.

Production in New Mexico and Texas was also down, suffering from the residual effects of winter storm Goliath. New Mexico's production was down 6 percent on 12,000 fewer cows, and production in Texas was down 2 percent on 13,000 fewer cows.

Dairy prices mixed as more milk goes to cheese vats

By LEE MIELKE
For the Capital Press

Cash CME dairy prices weakened in the Good Friday holiday-shortened week.

The 40-pound Cheddar blocks closed Thursday at \$1.49 per pound, unchanged on the week but 5 cents below a year ago. The 500-pound Cheddar barrels ended three weeks of gains, finishing at \$1.45, down 5 cents on the week and 9 1/2-cents below a year ago. Only six cars of barrel were traded last week.

The blocks lost a penny both Monday and Tuesday, slipping to \$1.47 per pound. The barrels were down three-quarters Monday but were unchanged Tuesday, holding at \$1.4425.

With schools closed for the Easter-Passover holiday, more milk was flowing into the cheese vat, plus spring flush is increasing the amount of milk coming to the plants, and slowed dairy exports are all putting pressure on prices.

Cheese sales slow

Dairy Market News reports that many plants are operating full schedules to handle milk intakes. "Some reports of cheese sales slowing are heard, both due to buyers having fuller storage facilities, and due to buyers opportunistically watching price movements which they can comfortably do, being well stocked already. The market undertone remains resigned to heavy milk and full invent-

Dairy Markets
Lee Mielke

tories."

Western manufacturers continue to report good retail demand for natural cheese but supplies are outpacing demand for process cheese and cheese entering manufacturing lines, according to DMN. "Many contacts perceive cheese inventories are already long and growing. Cheese production is very active. Some additional milk is being diverted into cheese vats as area educational institutions go on spring break though milk supplies are currently in fairly good balance.

But, as the region more fully enters into spring flush, some contacts are concerned that growing milk intakes could further translate into heavy cheese inventories."

Cash butter ended Easter week at \$1.9225 per pound, down 2 3/4-cents but still 17 cents above a year ago. Sixteen carloads traded hands at the Exchange. The USDA-surveyed butter price average slipped to \$1.9940, first time it's been below \$2 per pound since August 2015.

The spot butter was un-

Sheep group president worries about new FDA rules

By MATTHEW WEAVER
Capital Press

The federal Food and Drug Administration's new rules for antibiotics will leave sheep producers without a key drug used to prevent abortions in their animals, the president of the Washington State Sheep Producers says.

Sheep producers typically feed chlorotetracycline to prevent abortions in ewes before lambing, said Jill Swannack, president of the sheep producers organization and a veterinarian and rancher in Lamont, Wash.

Sheep producers now can go to feed stores to buy the product and mix it into rations. But the new rule, effective Jan. 1, 2017, says users of antibiotics in livestock feed or water have to follow label directions. The drug is labeled only for cattle use.

It's generally been accepted that ranchers or veterinarians could use the drugs for medically necessary cases beyond their labeled use in sheep, swine and other minor species not listed on the label, Swannack said.

The new rule is called the Veterinary Feed Directive. It requires ranchers to establish a relationship with a veterinarian to get a prescription for the antibiotics. The new guidelines also require a veterinarian to engage with the farmer to have "sufficient knowledge" of an animal through examinations or visits to the facility where it is managed to make judgments about the animal's health.

The FDA says the changes are necessary to make sure the drugs "are used judiciously and only when appropriate for specific animal health purposes." The concern is that overuse of the drugs could result in disease-causing bacteria becoming resistant to them, according to the agency.

"It's basically been unofficial at the FDA that they're not going to pursue these things, they understood they were happening and they were going to turn a blind eye," Swannack said.

Now the FDA will enforce the rule, banning the additional uses beyond those allowed on the label.

After the change, there won't be labeled products for sheep at the dosage necessary to control abortions, Swannack said.

"The only thing you can do is get the whole flock in and



Matthew Weaver/Capital Press

Lamont, Wash., veterinarian and Washington State Sheep Producers president Jill Swannack holds a new lamb on March 2.

give injections every several days, and that's not practical for large producers," she said.

"It's not practical animal welfare-wise, to bring these pregnant sheep in every couple

days and give injections."

The change will also affect the swine industry for small producers and 4-H and FFA hogs. Products exist for them, Swannack said, but the

FDA requires a valid veterinarian-client-producer relationship to obtain a prescription. The new requirements will also be cost-prohibitive, Swannack said.

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