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Dairy Markets

Lee Mielke



Cash cheese takes off, then falters

By LEE MIELKE
For the Capital Press

Cash dairy markets saw block Cheddar cheese climb to \$1.66 per pound last Thursday, the highest price since November 2015, then drop to close Friday, July 1, at \$1.6250 per pound, still up 11 1/4-cents on the week and a half-cent above a year ago.

The barrel Cheddar shot up to \$1.71, the highest level since October 2015, then retreated, closing at \$1.67. That's up 13 1/2-cents on the week, 8 3/4-cents above a year ago, and 4 1/2-cents above the blocks, despite 28 cars of barrel exchanging hands on the week at the CME plus six of block.

The markets were closed for the 4th of July Monday but the blocks gave up 3 cents Tuesday on an offer, slipping to \$1.5950. The barrels held at \$1.67, an unsustainable 7 1/2-cents above the blocks.

Cheese production is steady in the Central region, according to Dairy Market News. Milk intakes remain high, and plant managers report little change in milk components and yields. Demand from retail and foodservice are both strong. Cheese stocks are seeing relief as strong sales prevail.

Cash butter closed Friday at \$2.35 per pound, up a half-cent on the week and 41 cents above a year ago, with six cars trading places on the week at the CME.

Tuesday saw the butter give back a penny on an offer and slip to \$2.34 per pound.

July is National Ice Cream month and the time of year that generally sees strong sales. Butter manufacturers are reportedly selling cream for America's favorite dessert instead of sending it to the churn, knowing butter stocks are well supplied.

Cash Grade A nonfat dry milk finished at 83 1/2-cents per pound, down 6 1/2-cents on the week but a quarter-cent above a year ago. Thirty-six cars traded hands on the week at the CME, 17 on Friday.

The spot powder jumped 4 cents Tuesday, climbing back to 87 1/2-cents per pound.

GDT prices slip

This week's Global Dairy Trade auction saw the weighted average for all products offered inch back 0.4 percent after holding steady on June 15, and jumping 3.4 percent on June 1.

Buttermilk powder led the losses again, down 7.5 percent, following a session leading loss of 6.6 on June 15.

Butter was down 3.1 percent, after gaining 5.3 percent last time. Whole milk powder was down 1.6 percent, after dropping 4.5 percent last time. Lactose was off 1.2 percent and Cheddar cheese inched 0.5 percent lower, after leading the gains last time at 6.9 percent.

Meat, poultry industry fuels economic activity

By CAROL RYAN DUMAS
Capital Press

Online

For the report, visit: www.meatfuelsamerica.com

Larger than the U.S. trucking and fast-food industries and nearly as large as the federal government — minus the Defense Department — the domestic meat and poultry industry generates more than \$1 trillion annually in total economic output and accounts for 5.6 percent of the gross domestic product.

That economic impact is validation of the significance of the industry, according to the North American Meat Institute, which commissioned an economic analysis of the industry by John Dunham & Associates.

The analysis found the industry directly employs near-

ly 1.9 million people, paying an average annual salary of \$47,332. The economic impact of those jobs and wages adds up to more than \$348 billion per year.

But the economic impact is much broader than direct employment in processing and packing, importing, sales, packaging and distribution. It also includes the economic impact of suppliers to the industry and the total multiplier effect on the economy of spending by employees of the industry and its suppliers.

That total effect amounts to

5.4 million jobs, \$257 billion in wages and the \$1.02 trillion in economic output.

"The industry is very proud of what it does — with or without this analysis — they provide high-quality food. The analysis just ratifies how important they are," said Barry Carpenter, Meat Institute president and CEO.

The impact on employment is something the industry certainly has an interest in, but it is also of interest to federal and state officials, he said.

"It's good information for lawmakers," he said.

The analysis shows what the industry contributes to the country. It's a substantial part of the economy, but the tax information also shows the industry is a substantial con-

tributor of funding to government, he said.

That tax analysis shows direct taxes paid by firms and their employees contribute more than \$108.4 billion in federal revenues to federal, state and local governments and \$3.26 billion in state taxes from the consumption of meat and poultry.

Those taxes contribute to such things as national defense, schools, health care, roads, veteran benefits and even the government regulation of the meat and poultry industry, Carpenter said.

The analysis shows the industry provides millions of good jobs in every state and every sector of the U.S. economy and contributes to the public finances of communities

across the country, he said.

The top states in both direct and multiplier economic impact are led by California, followed by Texas, Illinois, North Carolina, Georgia, Pennsylvania and Arkansas.

The analysis is the latest in a series to keep tabs on the health of the industry and provides information to explain to people how important the industry is to the U.S., Carpenter said.

The evaluation enables the industry in showing consumers, lawmakers, public officials and other industries where the meat and poultry industry fits in, he said.

"It's just prudent for us to have a good grasp of the importance of our industry," he said.

North Dakota farm group wants price protections for milk

BISMARCK, N.D. (AP) — The North Dakota Farmers Union will fight for better price protections for milk to stimulate the state's slumping dairy industry, the group's president said.

Watne said the price paid by consumers is not representative of the price paid to producers. The additional cost is "added by people beyond the farm gate," he told the Bismarck Tribune.

Watne said his group has joined Farmers Union groups from Wisconsin, Minnesota, South Dakota and California to lobby lawmakers for a higher price point that will cover the cost of milk and "allow dairies to survive."

The national average price received by farmers for milk fell to \$14.5 per hundred pounds in May compared with \$16.8 a year ago and \$24.2 per hundred pounds two years ago in May, according to U.S. Agriculture Department data.

"It doesn't happen overnight," Watne said of getting price protections started. "But we're out in (Washington) D.C. having those conversations already."

The group, which has more than 40,000 members, also wants farmers to have ownership in any new processing plant built in the Upper Midwest to add to their profits as the raw product is processed. He points to similar ownership structures in sugar beet processing.

The North Dakota Farmers Union led the campaign and spent more than \$1 million to reverse the Legislature's decision last year to exempt pork and dairy operations from the state's anti-corporate farming law. North Dakota voters overwhelmingly rejected the law last month.

State agriculture data show the number of dairy farms in North Dakota has decreased from about 540 in 2002 to fewer than 90 at present.



Cows feed at a Wendell, Idaho, dairy. Farmers Union groups from North Dakota, Wisconsin, Minnesota, South Dakota and California say they will lobby lawmakers for a higher price point that will cover the cost of milk and "allow dairies to survive."

McMinnville co-op members accept Northwest Dairy Association deal

By ERIC MORTENSON
Capital Press

Members of the Farmers Cooperative Creamery in McMinnville, Ore., have accepted an agreement that allows dairy farmers to apply for membership in the much larger Northwest Dairy Association of Seattle.

FCC dairies have 60 days to decide whether to apply. The two organizations have cooperated informally for several years on processing and marketing, according to a news release from FCC executive Mike Anderson. FCC has about 60 dairy members.

Northwest Dairy Association, also a cooperative, has about 500 dairy members in Washington, Oregon, Idaho, Montana, Utah and Northern California. Its members produce about 8.9 billion pounds of milk annually. The cooperative's marketing and processing subsidiary is Darigold Inc., which operates 11 processing plants in the Northwest.

A Farmers Cooperative Creamery plant in McMinnville is not included in the agreement with NDA. Ander-

son, the FCC executive, said that does not necessarily mean the plant will close.

In an email, Anderson said the agreement with NDA "is an extension of a relationship that has been developing for a number of years and is driven by common interests and good business opportunities and planning for a bright and secure future for all dairy-men."



Members of a small McMinnville, Ore., dairy co-op have been offered membership in Seattle-based Northwest Dairy Association. Darigold, which has 11 plants, including this one in Portland, is an NDA subsidiary.

Eric Mortenson/Capital Press

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