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Cornell wins new dairy product competition

By CAROL RYAN DUMAS
Capital Press

SUN VALLEY, Idaho — A team of food science students came 2,300 miles to beat out the competition and claim the grand prize in the 2016 Idaho Milk Processors Association new product development competition.

The Cornell University team captured the \$10,000 grand prize with its innovative Yo-Jito drinkable yogurt named Yo-Pop.

A spin on a typical drinkable yogurt, Yo-Pop is not only a nutritious and convenient snack high in protein and probiotics, it also comes with a fun factor — delicious popping boba.

Popping boba are small, edible spheres made from fruit-juice concentrates or flavor extracts. The boba remain sturdy until popped in the mouth, releasing a burst of flavor.

“Yo-Pop combines these surprising treats of popping boba into a creamy yogurt beverage for a fun and multisensory experience. The popping boba add textural contrast and an unexpected flavor element to consumers’ experience,”



Carol Ryan Dumas/Capital Press

The student team from Cornell University took top honors at the new dairy product contest sponsored by the Idaho Milk Processors Association, winning \$10,000. From left are Jiyu Zhu, first year graduate student from China; Linran Wang, senior undergraduate from China; Belen Vila, first year graduate student from Argentina; and Michelle Duong, first year doctoral student from Vietnam.

the team stated in its product report.

The popping boba are formed via a molecular gastronomy technique called spherification that’s more common to upscale restaurants than grocery aisles and transforms fruit-juice concentrate or flavor extracts into caviar-like pearls.

The Cornell team used mint popping boba in lime-flavored yogurt in competition, fashioned after the popular mojito flavors, but said combining boba flavors and yogurt flavors

presents endless possibilities of flavor profiles.

Containing 72 percent protein, one 8-ounce serving of Yo-Pop provides 22 percent of recommended daily protein and 35 percent of recommended daily calcium. It has 170 calories, 11 grams of protein, 2 grams of fat and 29 grams of carbohydrates.

The drinkable yogurt is made with acid whey — a byproduct of Greek yogurt production that usually goes to waste and poses an environ-

mental risk — and whey protein, a sub-product of cheese production, the students reported.

“The growing innovation these students bring to bear each year is incredible, and it’s very exciting for our industry,” said Alan Reed, new product competition chairman.

“When we launched the competition nine years ago, the teams were just suggesting basic, traditional dairy products and a few new flavors. Now we’re seeing true innovation where the students are developing revolutionary new food product concepts that contain at least 51 percent dairy ingredients,” he said.

Utah State University’s team earned first prize and \$5,000 with its PRO2GO high-protein frozen dessert, formulated with 63 percent dairy ingredients.

A collaborative effort by the University of Idaho and Washington State University took second prize and \$3,000 with Custard Delights, a quick refrigerated crème brûlée custard comprised of 75 percent dairy ingredients, a third of which is mascarpone — a mild cream cheese.

U.S. dairy herd largest since 2008

By CAROL RYAN DUMAS
Capital Press

The number of cows at U.S. dairies in July hit 9.332 million, the highest count since the 9.334 million in December 2008.

Milk production, at nearly 17.2 billion pounds, was up 1.4 percent year over year on an additional 18,000 cows producing an additional 23 pounds per cow, USDA National Agricultural Statistics Service reported Aug 19.

While milk prices are starting to recover, they’ve been below the cost of production for roughly 17 months. But a few other factors are driving cow numbers, said analyst Matt Gould of Dairy Market Analyst.

Dairymen with a level of milk production that provides economies of scale and lower cost of production have been able to make money and reinvest. And larger dairy farmers typically have hedging programs and probably locked in higher prices, he said.

Record prices in 2014 also led to planned expansion, and it takes two years for a calf to mature. There’s also been a slow switch to sexed semen, making more heifer calves available, he said.

“There’s been substantial growth for some time in the Midwest,” he said.

The market has found its bottom, prices are improving, but prices are returning to profitable levels for just about everybody, he said.

The July Class III price in federal marketing orders was \$15.24 per hundredweight, up \$2.02 per hundredweight from June and \$3.48 from May.

Producers in California and New England, however, have lost equity in the most recent downturn, and it’ll take some time before they’re back ahead, Gould said.

Those in the Northeast have been dealing with a lack of processing capacity and have been skimming and selling the fat off milk and dumping the residual since spring.

July milk production, top 10 states

(Millions of pounds)

State	July		Percent change
	2015	2016	
Calif.	3,405	3,377	-0.8
Wis.	2,509	2,562	2.1
Idaho	1,228	1,273	3.7
N.Y.	1,219	1,268	4
Mich.	888	928	4.5
Penn.	917	920	0.3
Texas	855	893	4.4
Minn.	810	822	1.5
N.M.	659	651	-1.2
Wash.	560	560	—
U.S.	17,665	17,915	1.4*

Source: USDA NASS *23 major states
Capital Press graphic

It’s a way of salvaging what they can and getting some value from it, he said.

With a seasonal decline in milk production, dumping should come to an end shortly, but it doesn’t solve the long-term problem.

On a national basis, Gould expects milk production and cow numbers to continue to grow at a slow pace.

Domestic demand for dairy products will continue to be strong. Unemployment levels are low, and wages should strengthen. Retailers are buying more dairy products and while foodservice sales are likely to remain mediocre the rest of the year, they should return to growth in 2017, he said.

On the international front, Russia is still out of the market but China has returned. China is a big dairy importer and its domestic production was down 7 percent in the first half of the year, according to U.S. Dairy Export Council. That could provide opportunity for exports, Gould said.

EU milk production is slowing and has fallen below year-ago levels. Production there — as well as in New Zealand, Australia and Latin America — will likely be below year-ago levels for the rest of the year, he said.

Opportunity ahead for U.S. dairy exporters

By CAROL RYAN DUMAS
Capital Press

SUN VALLEY, Idaho — U.S. dairy exporters are having a tough time in today’s global climate of oversupply, economic weakening and soft commodity prices, but a growing global middle class offers opportunity ahead.

That was the message from U.S. Dairy Export Council President Tom Suber, who talked about current market dynamics and the structure of the U.S. dairy industry during the Idaho Milk Processors Association’s annual conference last week.

In today’s market, the U.S. can be at a disadvantage to

foreign competitors because U.S. exporters have a narrower product portfolio. While the more specialized portfolio of U.S. suppliers offers efficiency of scale and a focus on quality, it can also magnify risk, he said.

Competitors can price product based on internal returns from a broad product mix. The U.S. is generally specialized in one primary market, and that makes it hard to compete, he said.

“It’s an issue of diversity versus specialization,” he said.

A growing global middle class — expected to reach 3.2 billion by 2020 and 4.9 billion by 2030 — however, offers opportunity for U.S. suppli-

ers, particularly in cheese and skim milk powder, he said.

Global cheese trade grew 5.3 percent per year from 2007 to 2013, stagnating in 2014-2015 when Russia pulled out of the market. At 2.3 million tons in 2015, a growth rate of just 3 percent annually to 2020 would demand an additional 360,000 tons, he said.

The U.S. and the EU are in the best position to capture that growth, as other suppliers are too small to grow volumes without large investments and risk, he said.

In addition, the U.S. already has strong market share in some of the fastest-growing import markets for cheese, and the main growth sectors — cheddar, pizza and cream cheeses — fit well with the U.S. product portfolio, he said.

The U.S. is also performing well in meeting buyers’ re-

quirements — such as low salt and low moisture, producing the mild varieties in demand and meeting consumer preferences. As the world’s largest milk and cheese producer, it also has the ability to increase capacity, he said.

Skim milk powder also presents a good opportunity for the U.S. Global SMP trade grew 8.9 percent per year from 2007 to 2015. At 2.2 million tons in 2015, a growth rate of just 3.6 percent annually to 2020 would demand an additional 420,000 tons, he said.

Again, the U.S. has strong market share in some of the fastest-growing SMP markets, he said.

Global markets are going to be more competitive in the next decade than they were in the last, and the U.S. has to decide if it’s going to be opportunistic or aggressive — take the call or make the call, he said.

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Cheese prices up; butter slips

Cash block Cheddar cheese headed higher and butter saw a second week of decline the third week of August as traders absorbed Tuesday’s Global Dairy Trade auction and awaited Friday afternoon’s July Milk Production report.

The blocks closed Friday morning at \$1.8650 per pound, up 8 1/2-cents on the week, eliminating the inverted spread, 12 1/2-cents above a year ago, and the highest block price since November 2014. The barrels held all week at \$1.8650, 17 cents above a year ago. Twenty-seven cars of block were sold last week and none of barrel.

Monday saw a different scenario, with the blocks inching a half-cent lower and then dropped a penny and a half Tuesday, to \$1.8450, as traders meditated on Monday afternoon’s bearish July Cold Storage report. The barrels were unchanged Monday and Tuesday.

Dairy Market News reports that cheese production varies across the Central region, warning that as Class I demand grows some manufacturers will face dwindling milk supplies. Spot loads of milk are increasingly difficult to come by but contacts feel overall demand for cheese continues to grow and seem optimistic that it will continue.

Western cheese output remains active and plenty of milk is available. Cheesemakers in parts of the region are scrambling to get a few extra loads due to seasonal declines in production and the increased draw of fluid milk for school startups. Cheese inventories are long, but holding relatively steady. Retail demand is solid and manufacturers report cheese is moving well.

Butter continued its de-

Dairy Markets
Lee Mielke



cline, closing Friday at \$2.19 per pound, down 6 cents on the week and 18 cents below a year ago when it skyrocketed 30 1/2 cents and eventually peaked at \$3.1350 on Sept. 25. Fifteen cars were sold last week.

Monday saw a 6-cent meltdown and Tuesday the spot shed 2 1/4-cents, dipping to \$2.1075.

Churns are slowing for some manufacturers in the Central region as milk intakes are falling. Growth in demand is expected as Midwest schools begin again. Demand is steady from retail and food service outlets.

Western butter output remains steady. Manufacturers generally are content with the cream available. Inventories are large but many contacts are comfortable with stock levels knowing that Fourth Quarter butter needs can be met.

Cash Grade A nonfat dry milk closed Friday at 85 3/4-cents per pound, up 2 1/2-cents on the week and 9 cents above a year ago. Nine cars found new homes on the week.

The powder gave up a half-cent both Monday and Tuesday, slipping to 84 3/4-cents per pound.

July milk production in the top 23 producing states hit 16.8 billion pounds, up 1.4 percent from July 2015, according to preliminary data. The 50-state total, at 17.9 billion pounds, was also up 1.4 percent. Revisions raised the original June estimate 9 million pounds, to 16.7 billion pounds, up 1.6 percent from a year ago.

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