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## Dairy/Livestock

# California dairy groups split over TPP

By **CAROL RYAN DUMAS**  
Capital Press

California dairy groups are split over their support for the Trans-Pacific Partnership.

Western United Dairymen Executive Director Anja Raudabaugh said she wonders if the dairy producer members of the Wisconsin Farmers Union are members of the U.S. Dairy Export Council and National Milk Producers Federation, both of which endorse TPP.

While imports and currency manipulation are valid concerns, trade agreements over the last two decades

have made U.S. dairy a net exporter, she said.

Wisconsin is increasing milk production, but it's a different situation in California — which is experiencing declines and trying to find ways to sell more dairy products. The only way to do that is to have strong trade partners, she said.

There still needs to be some strengthening of the currency manipulation provisions, but TPP is one of the strongest agreements for the U.S. when it comes to dispute settlement, keeping it in the hands of the U.S. Trade Representative, she said.

It also takes the right direction in

addressing sanitary and phytosanitary issues, which frequently affect California's industry, and in protecting the use of common food names, she said.

WUD had some concerns with TPP and took its time coming to a position of support, but USDA an USTR refined the agreement to resolve those concerns, she said.

California Dairy Campaign disagrees. Its executive director, Lynne McBride, said she is not surprised by the Wisconsin response, noting that the Dairy Campaign also works with its state Farmers Union organization.

"I think dairy farmers are all too

familiar with the promises of these agreements," she said.

The Dairy Campaign's measure of trade agreements is the net value to U.S. producers, and both USDEC and National Milk have stated that an analysis shows market access will be neutral to slightly positive. But CDC thinks those analyses underestimate imports, she said.

Everyone gets caught up in exports, but it's the net value to dairy farmers that matters, she said.

In addition, TPP gives a tribunal of unelected officials the authority to strike down domestic laws with its investor-state dispute settlement

provision. It happened with the WTO eliminating mandatory country-of-origin labeling, and that sticks in the minds of our members, she said.

"We don't want to see more of that. It diminishes or completely deletes our ability to have a democratic process in our country," she said.

The agreement also fails to address currency manipulation, leaving it unclear how competitive U.S. products will be in Japan, she said.

The Milk Producers Council has not taken an official position on TPP, said Kevin Abernathy, MPC director of regulatory affairs.

## Dairy market offers its own surprises

By **LEE MIELKE**  
For the Capital Press

LECTION week dairy prices brought some surprises of their own.

After block cheddar climbed to \$1.9425 per pound Wednesday, the highest price since November 2014, it fell 5 3/4-cents on Friday, Veteran's Day, to \$1.8850, down 1 1/2-cents on the week but 26 1/2-cents above a year ago.

The barrels finished at \$1.7550, down 10 1/2-cents on the week, 28 3/4-cents above a year ago, but were at a Trump-Clinton size difference of 13 cents below the blocks.

The blocks were unchanged Monday and Tuesday as traders weighed the impacts of Monday's 7.8 magnitude earthquake in New Zealand and Tuesday morning's Global Dairy Trade auction.

The barrels dropped a nickel Monday and inched a quarter-cent lower Tuesday, to \$1.7025, enlarging the spread to 18 1/4-cents.

Midwest cheesemakers say milk intakes are holding steady and many plants are running at or near full capacity to keep up with holiday orders, reports Dairy Market News.

Cash butter topped \$2 for the first time since late September, closing Friday at \$2.01 per pound, up 11 3/4-cents on the week but still 8 3/4-cents below a year ago, with an impressive 36 cars coming to the CME.

The \$2 spot was short-lived however. The price slipped 2 cents Monday and a penny Tuesday, to \$1.98, with 10 loads trading hands.

DMN says butter production is steady in the Central region and Western output is active "to keep up with strong seasonal demand."

Grade A nonfat dry milk closed Friday at 87 3/4-cents per pound, up 3 cents on the week and 6 3/4-cents above a year ago.

The powder was unchanged Monday and but gained a penny and a half Tuesday, hitting 89 1/4-cents per pound.

**GDT up 4.5 percent**  
Tuesday's Global Dairy



**Dairy Markets**  
Lee Mielke

Trade auction saw a third consecutive gain, up 4.5 percent on the weighted average for all products offered, following an 11.4 percent gain Nov. 1, and 1.4 percent on Oct. 18.

Gains were registered in all products offered, led by buttermilk powder, up 13.3 percent. Cheddar cheese was up 11 percent, skim milk powder was up 9.8 percent, anhydrous milkfat was up 4.4 percent, whole milk powder was up 3.2 percent, and butter was up 1.1 percent.

FC Stone equated the average GDT butter price to \$1.9447 per pound U.S. CME butter closed Tuesday at \$1.98 per pound. GDT cheddar cheese equated to about \$1.6768 per pound U.S. and compares to Tuesday's CME block cheddar at \$1.8850.

GDT skim milk powder was at \$1.1620 per pound U.S. and whole milk powder averaged \$1.5526 per pound U.S. CME Grade A nonfat dry milk price closed Tuesday at 89 1/4-cents per pound.

### California Class I up

The strong cheese market propelled California's December Class I milk prices. The December price hit \$19.22 per cwt. for the north and \$19.49 for the south. Both are up \$3.09 from November and 89 cents above a year ago, and the highest Class I prices since January 2015.

The northern 2016 Class I average is \$16.26, down from \$17.69 in 2015 and \$24.76 in 2014. The southern average, at \$16.53, is down from \$17.96 in 2015 and \$25.03 in 2014.

### Milk output lowered

USDA lowered its latest U.S. milk production forecasts for 2016 and 2017 in its World Agricultural Supply and Demand Estimates report from a month ago as recent data indicated that the U.S. cow inventory increased less rapidly than expected. Output per cow was raised.

## Wisconsin Farmers Union dairy farmers reject TPP trade pact

### Northwest organizations continue to back agreement

By **CAROL RYAN DUMAS**  
Capital Press

Dairy members of the Wisconsin Farmers Union overwhelmingly reject the Trans-Pacific Partnership in its current form, citing an influx of low-price imports as their top concern, according to WFU.

Nearly 80 percent of the 1,000 dairy members surveyed said Congress should reject or place a moratorium on the agreement until those concerns are met.

In addition, they registered concerns about entering into trade agreements with countries that manipulate currency and the loss of U.S. sovereignty in trade disputes.

"We will be opening our borders to a flood of low-cost MPCs (milk protein concentrates) from New Zealand, which will displace Wisconsin milk in cheese production," WFU President Darin Von Ruden said in a press release.

The loss would supposedly be offset by access to the Japanese market, but that could evaporate overnight if Japan manipulates its currency to make U.S. imports more expensive, he said.

Wisconsin's Dairy Business Association, however, contends the state's dairy community has a lot to gain from increasing protein demand in Pacific Rim countries.

"Dairy foods from Wisconsin can help meet those demands. We're talking about nearly 500 million potential additional customers," said Tim Trotter, DBA executive director.

While TPP might not have achieved the hoped-for full



Capital Press File

A survey of 1,000 dairy operators belonging to the Wisconsin Farmers Union shows little support for the Trans-Pacific Partnership trade agreement, but Northwest dairy groups continue to back the treaty.

market access, it provides flexibility for expansion, opening even more opportunities for Wisconsin's farmers and processors to reach new markets, he said.

The Farmers Union is one of the few farm groups that is against trade agreements, so the results of the survey are unsurprising, said Jamie Mara, DBA director of public relations.

Much of the Farmers Union membership is farmers with smaller operations, and he doesn't know how many dairy members the organization has among Wisconsin's 9,600 dairy farmers, he said.

In the Pacific Northwest, Jay Gordon, Washington State Dairy Federation director of policy and government affairs, said PNW dairy farmers largely support TPP.

"I think most of our guys are very supportive of the fact that we need to have robust exports," he said.

The industry needs to keep exports rolling and take away barriers, he said.

With a lot of product exported from Seattle and Portland, Washington dairymen might view TPP differently than Wisconsin dairymen. And while there are pluses and minuses, all the economic studies show a net positive for the U.S., he said.

"I'd like to see organizations get together to pass it," he said.

Idaho Dairymen's Association remains strongly supportive of TPP, said Bob Naerebout, executive director of the organization.

"I think it increases the value of Idaho products by opening up markets for our products. It eliminates trade barriers," he said.

As for MPC imports, nobody who produces MPC in Idaho has expressed a concern, he said.

Imports of MPC and casein

are always a concern to dairymen, but the agreement on the whole is a net gain, said Brent Olmstead, executive director of Milk Producers of Idaho.

It offers new access to Canada, Japan and Asia and puts countries on an even level on sanitary and phytosanitary issues, he said.

Organization members have been split in their support, but he thinks they would be supportive of helping exports, he said.

Oregon, which exports a lot of products to the Pacific Rim, is "extremely supportive" of TPP, said Tami Kerr, executive director of Oregon Dairy Farmers Association.

"I think it's a no-brainer for us. We're producing more milk than we're consuming," she said.

As long as the TPP is properly implemented and enforced as written, Oregon's dairy industry is supportive, she said.

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