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## Dairy/Livestock

### Dairy Markets

Lee Mielke



## Bears emerge as milk supply grows

By LEE MIELKE  
For the Capital Press

CME dairy prices rallied late in the post-Easter week after most had lost ground earlier.

Spurred perhaps by Thursday's Milk Production report, block cheddar closed Friday at \$1.5450 per pound, up 7 cents on the day and the week and 12 1/4-cents above a year ago.

The barrels, after dipping to \$1.3825 Thursday, gained 4 1/2 cents Friday to close at \$1.4275, unchanged on the week and a quarter-cent above a year ago. Five cars of block were sold on the week at the CME and 38 of barrel, 22 on Friday alone.

The blocks ticked up three-quarter cents Monday and held there Tuesday at \$1.5525, following a bearish Cold Storage report. The barrels were unchanged Monday and Tuesday but the spread is at a higher than normal 12 1/2-cents.

Milk continues to be readily available for Midwest cheesemakers, according to Dairy Market News, and a number of recently cut-off milk producers will be sending their milk into Midwest cheese vats due to actions by the Canadian government.

Cheese output in the West is also active, with abundant milk supplies. But, DMN says, "Several fast food chains are making a move to use more natural cheese on their menus."

HighGround Dairy warned in its latest Milk and Feed Market Update that "supply side fundamentals have become increasingly bearish. Production has continued to surge in the U.S. as herds in the Southwest and Midwest have grown at an aggressive pace, which has led to an abundance of milk."

Spot butter fell to \$2.0625 per pound last Tuesday but closed Friday at \$2.09, up a quarter-cent on the week and 6 cents above a year ago.

It gave up a penny and a half Monday but jumped 6 1/4 cents Tuesday, to \$2.1375.

Butter output continues at active levels with cream available. Stronger-than-expected sales were reported from some manufacturers. Western output is also steady.

Cash Grade A nonfat dry milk closed Friday at 85 1/2-cents per pound, up a penny on the week and 10 1/2-cents above a year ago.

Monday saw the powder drop a penny, then gain back three-quarters Tuesday and hit 85 1/4-cents per pound.

Powder is moving south to Mexico, where drought has taken a toll on milk output, but political tensions keep those exports under suspicion.

### No milk shortage

Preliminary USDA data pegs March milk output in the top 23 producing states at 17.5 billion pounds, up 1.8 percent from March 2016.

Cow numbers totaled 8.71 million, up 15,000 from February and 72,000 more than a year ago. Output per cow averaged 2,012 pounds, up 18 pounds from a year ago.

California output was below a year ago for the third month in a row, down 2.9 percent, on a 45 pound per cow loss and 12,000 fewer cows. Wisconsin was up 1.5 percent on a 30 pound gain per cow but cow numbers unchanged.

Texas again showed the biggest year over year gain, up a tank busting 16.4 percent, thanks to 47,000 more cows and 110 pounds more per cow. New Mexico was up 9 percent, on an 80-pound gain per cow and 16,000 more cows.

Michigan was up 3.5 percent on 9,000 additional cows and 30 pounds more per cow.

Idaho was down 1 percent, on a 45 pound per cow loss, but cow numbers were up 7,000. New York was up 3.6 percent, on a 65-pound gain per cow and 2,000 more cows.

# Beef demand keeps cattle moving through feedlots

By CAROL RYAN DUMAS  
Capital Press

The number of cattle placed into feedlots during March, up 11 percent year over year, was higher than expected and represented the highest placements for March since the USDA data series began in 1996.

At 2.1 million head, placements increased 210,000 over March 2016, USDA National Agricultural Statistics Service reported.

Most analysts were looking for a 6 to 9 percent increase, and that's probably why futures prices on fed cattle were off on Monday, said Derrell Peel, Oklahoma State University Extension livestock marketing specialist.

"Placements are probably the story everyone is focusing on, but placements can be over-

## Cattle on feed, placements, marketing and other disappearances, March

(Feedlots with 1,000-head capacity or more)

Item	(1,000 head)		Percent change
	2016	2017	
Placed on feed, March	1,892	2,102	11
Fed cattle marketed, March	1,747	1,914	10
Other disappearance, March*	62	56	-10
Item	(1,000 head)		Percent change
	2016	2017	
On feed, April 1	10,853	10,904	0.5

\*Includes death loss, movement from feedlots to pasture, and shipments to other feedlots for further feeding.

Source: USDA NASS

Capital Press graphic

played," Peel said.

With three years of herd expansion, no one should be surprised by higher placements. What shouldn't be overlooked are marketings of fed cattle out of feedlots. Those have been at "very good rates" since the middle of last year, helping feedlots to stay current and

contributing to strong fed cattle markets this year, he said.

"They're as important a story as just placements," he said.

Marketings out of feedlots during March, at 1.91 million, were up 167,000 head and 10 percent year over year, NASS reported. The number of cattle on feed is growing slowly. The

industry is doing a good job of managing increased supplies. Feedlots are making money. The cost of gain is favorable, so they're buying cattle and moving them through — on-feed time is down, he said.

"They're moving more cattle through faster," he said.

Feeder cattle markets have also been strong. The relationship between fed cattle and feeder cattle works. And with improving pasture in the Southern and Central Plains, both feedlot and grazing demand will keep feeder cattle prices stable, he said.

"Underneath it all is demand," he said.

Beef production is expected to continue to increase, but it appears consumers are willing to buy that beef as prices adjust downward on higher supply. And exports are up this year. Both have led to stron-

ger-than-expected cattle markets this spring, he said.

As long as that continues, there's no reason for pressure on cattle prices. Cattle markets already made adjustments from the record highs a couple of years ago and are pretty well in balance he said.

Looking ahead, the general trend will be growing placements. That shouldn't be a surprise, with more cattle out there working through the system. The herd is probably still expanding, meaning placements will be larger in 2018 and 2019 as well, he said.

There is a potential for supply to pressure cattle prices, and he wouldn't be surprised if prices came down a little. But continued strong demand could minimize price pressure going forward, he said.

"It's wait-and-see at this point," he said.

# S. Idaho Livestock Hall of Fame honors inductees

By CAROL RYAN DUMAS  
Capital Press

TWIN FALLS, Idaho — The Southern Idaho Livestock Hall of Fame celebrated its newest inductees at the organization's 58th annual banquet on April 11.

The honored inductees were cow-calf operators Duane and Mary Ramseyer of Filer; cattle breeders Cordell and Patty Sheridan of Almo; dairy producers Jerry and Carol Visser of Castleford; lamb producer, marketer and industry lobbyist Stan Boyd of Eagle; and ag broadcaster Evan Slack of Denver, who also runs cattle in Southern Idaho.

The Ramseyers are from pioneer families in Southern Idaho, and Duane grew up involved in his family's cattle, sheep and pig operation. After marrying, the Ramseyers ran a cow-calf operation with Duane's father and brother at Antelope Springs Ranch in



Carol Ryan Dumas/Capital Press

This year's inductees into the Southern Idaho Livestock Hall of Fame gather following the organization's 58th annual banquet in Twin Falls on April 11. From left are Duane and Mary Etta Ramseyer; J.D. and Sabrina Messner (accepting for Evan Slack); Stan Boyd; Cordell and Patty Sheridan; and Jerry and Carol Visser.

southern Twin Falls County for 25 years, investing in ongoing range improvements that are still paying off in abundant forage. They sold the ranch in the 1980s and continued farming in the Filer area.

They were members of the 71 Grazing Association, and Duane has been a member

of the Idaho Cattle Association, served on the boards of the American Falls Reservoir and Snake River Sugar Co., served on the Idaho Potato Advisory Commission and has mentored many 4-H projects.

The Sheridans grew up on their respective families' cattle ranches and decided

to focus their operation on purebred cattle, establishing a respected breeding program and running a commercial cow-calf operation.

They showed cattle at the state, regional and national levels, and Cordell helped organize the Idaho-Utah Gelbvieh Association and served as its first president. He served as the Cassia County Fair beef superintendent for 12 years and now serves on the fair board. Both served as 4-H leaders for more than 30 years.

The Vissers went into partnership with Jerry's parents to expand the family's Chino Valley, Calif., dairy. They relocated to Idaho to start a new dairy and built an operation that is consistently recognized for its high-quality milk and animal care. Jerry has served on the board of Milk Producers Council and the Dairy Herd Improvement Association.

Boyd, who also raises

lamb, has been involved with the Rocky Mountain Sheep Association for more than 40 years, first as a marketer and then as general manager. He also served as long-time executive director of the Idaho Wool Growers Association — shepherding many industry bills through the state legislature — executive secretary of the Idaho Sheep and Goat Health Board and secretary-treasurer of the Boise District Grazing Board.

Slack has been an agricultural broadcaster for more than 50 years — providing news, insight and market information to producers in the West.

He established the Evan Slack Network, spanning numerous radio stations in 12 states and two Canadian provinces. He is a long-time member of the National Association of Farm Broadcasters, serving as its president in the 1980s.



Mateusz Perkowski/Capital Press File

Cows are milked at Threemile Canyon Farms near Boardman, Ore. The dairy helped forestall a bill that would impose regulations on air emissions from dairy farms across the state.

# Bills imposing new dairy regs fail to make it out of committee

## Two proposals debated in Senate Environment Committee

By MATEUSZ PERKOWSKI  
Capital Press

SALEM — Two large dairies in Oregon have forestalled a bill that would impose regulations on air emissions from dairy farms across the state.

State regulators would have been required to draw up rules restricting dairy air emissions under Senate Bill

197, which was opposed by the Oregon Dairy Farmers Association and Oregon Farm Bureau.

Supporters of the bill argued that a 2008 task force recommended that Oregon's Environmental Quality Commission devise new rules aimed at reducing dairy air emissions, such as methane and other "greenhouse gases."

Opponents countered that Oregon's air quality is highly regulated by the U.S. Environmental Protection Agency and that dairies are voluntarily adopting measures to reduce emissions.

An alternative to SB 197

was made possible by Three Mile Canyon Farms, a large dairy near Boardman, and Lost Valley Ranch, a proposed large dairy nearby, which have agreed to devise "best management practices" to control emissions and prevent haze in the Columbia Gorge, said Sen. Mike Dembrow, D-Portland.

Dembrow, chairman of the Senate Environment and Natural Resources Committee, will participate in a work group setting best management practices, along with representatives of the Oregon Department of Agriculture and Oregon State University.

# U.S. milk production recovering from hard winter

By CAROL RYAN DUMAS  
Capital Press

## U.S. milk production in March

Area	(Millions of pounds)		Percent change
	2016	2017	
Calif.	3,605	3,501	-2.9
Idaho	1,226	1,214	-1
Ore.	227	218	-4
Wash.	572	553	-3.3
U.S.	18,401	18,710	1.7

Source: USDA NASS

Capital Press graphic

Milk production on U.S. dairy farms in March showed signs of recovery from harsh winter weather that took a toll on cows in February, although the Pacific Northwest and California were still in negative territory for year-over-year production.

Six of the 23 major milk-production states showed production losses in March, compared to 14 in February. Nationwide, milk production was up 1.7 percent year-over-year in March, after being down 1.3 percent in February, according to USDA National Agricultural Statistics Service.

Total production in March nationwide was 18.7 billion pounds, up almost 300 million pounds from March 2016 on 59,000 additional cows and a 21-pound increase per cow.

February's cow count was up 54,000 cows, but output took a hit with a 33-pound decrease per cow, NASS reported.

States with some of the biggest declines in February and still showing lingering effects of cold, wet weather are California, Idaho, Oregon and Washington.

California's production declined 5.3 percent in February on 14,000 fewer cows and a drop of 85 pounds per cow year over year. Milk production losses moderated in March to a 2.9 percent decline with 12,000 fewer cows and 45 fewer pounds per cow.

Idaho experienced a production decline of 4.6 percent in February. Despite 7,000 additional cows, per-cow production was down 110 pounds. The state's dairy farmers also had 7,000 additional cows in March year over year, but output per cow dropped 45 pounds for a 1 percent year-over-year decline in milk production.

Oregon and Washington

had 2,000 and 3,000 fewer cows, respectively, in February and March. But lower output per cow contributed to milk production declines in February of 7.2 percent in Oregon and 7.5 percent in Washington. Oregon was down 95 pounds per cow in February, and Washington was down 125 pounds per cow.

Milk-production losses moderated in March to a 4 percent decline in Oregon on a per-cow loss of 40 pounds and a 3.3 decline in Washington on a per-cow loss of 45 pounds.

Arizona also took a big hit in February, with a 5.1 percent decline in milk production with 1,000 additional cows but a per-cow loss of 115 pounds. The top per-cow producer in the country, it recovered to a 0.4 percent increase in total milk production in March with 1,000 additional cows year over year and per-cow production equal to March 2016 at 2,260 pounds.

Other areas of the country marked robust production in March, including Texas, up 16.4 percent on 47,000 additional cows and 110 pounds per cow year over year. New Mexico was up 9 percent on 16,000 additional cows and 80 pounds more milk per cow.

Colorado increased milk production 7.3 percent on 9,000 additional cows producing an additional 25 pounds per cow. Kansas was up 6.6 percent on 8,000 additional cows producing 20 pounds more milk per cow.