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## Dairy

# WSDA report identifies 'gaps' in rules

## Penalties and manure spreading considered

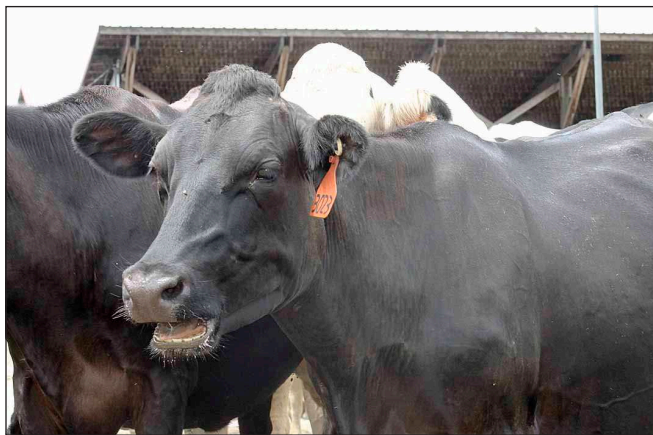
By **DON JENKINS**  
Capital Press

Washington's oversight of dairies could be toughened by stiffer penalties and more control over manure trucked to other farms, according to a new Washington State Department of Agriculture report.

The report doesn't make policy recommendations, but broaches "strategies" for plugging "gaps" in how the state's some 375 dairies manage manure to protect water.

WSDA compiled the report at the direction of state lawmakers and with the advice of a 15-member committee, which included several producers.

"I don't see that there's going to be a huge amount of regulations coming out of this," said Whatcom County dairyman Larry Stap, a committee member. "I see this



Don Jenkins/Capital Press

A new report by the Washington State Department of Agriculture broaches ways for changing how the state regulates manure from dairies. The ways include more fines, more plan updates and more control over manure trucked to other farms.

as accountability — proving we're doing a good job."

Lawmakers ordered the study two years ago to identify "gaps" in manure-handling regulations.

WSDA Director Derek Sandison met six times with the advisory committee, which also included representatives from the Department of Ecology, Environmental Protection Agency, Washington State University, USDA

and several other organizations.

The report outlines potential responses to concerns that emerged from those meetings.

A WSDA spokesman said Monday that the department will continue to meet with the advisory committee.

The department has not made any policy proposals, he said.

The concerns that emerged include:

- WSDA monitors manure applications at dairies, but not at other farms. The study suggests certifying all manure applicators could "create parity amongst all manure users."

Stap said that would hold other growers accountable for water quality.

Washington State Dairy Federation policy director Jay Gordon cautioned that such a policy could influence farmers to choose synthetic fertilizer over manure. "We do not want organic fertilizer to be stigmatized," he said.

- Penalties for manure-handling violations may not be high enough, broad enough or consistently applied, according to the report.

For example, dairies aren't penalized for applying too much manure unless WSDA documents pollution, according to the report. Also, dairies aren't fined for not following their manure-management plans.

Gordon questioned the need for such fines because dairy farmers overwhelmingly follow orders by WSDA inspectors to correct flaws in

how they're handling manure.

"The philosophy goes back 20 years or more. It's better to get the problem fixed than just paying fines into an account," he said.

WSDA says it will review penalties in the fall. Currently, WSDA can penalize a dairy up to \$10,000 a day for polluting water. Dairies can also be fined for failing to have a manure-management plan or keeping inadequate records.

Stap said WSDA may need a "bigger stick for a dairy that just plain doesn't care."

"But how big of a stick? That's always the challenge," he said.

- All dairies must have manure-management plans, but the plans don't have to be updated if the dairy expands. The report suggests requiring dairies to submit new plans every five years.

Stap said he told the committee that soil tests provide an annual report card on how well a dairy is handling its manure. "That is a living thing that means a whole lot more than a static thing that sits on a shelf," he said.

## Dairy Markets

Lee Mielke



## Dairy prices inch higher on CME

By **LEE MIELKE**  
For the Capital Press

CME dairy trading was lackluster in the Fourth of July holiday-shortened week. The block cheddar closed Friday at \$1.5525 per pound, up 2 3/4-cents on the week, the first week of gain in six weeks, but 7 3/4-cents below a year ago, when cheese prices were inverted with barrels atop the blocks by 9 cents.

The blocks inched a quarter-cent higher Monday and jumped 6 cents Tuesday, to \$1.6150, the highest price since June 15, as traders awaited USDA's latest milk production and milk price estimates on Wednesday. Traders are also watching the rising temperatures and wildfires in the West. Thousands of dairy cows in California have died from the heat.

The barrels finished Friday at \$1.3750, up 2 1/4-cents on the week and 34 1/2-cents below a year ago.

They gained a penny Monday and 3 1/4-cents Tuesday, hitting \$1.4175 on 19 trades, still at a too-high 19 3/4-cents below the blocks.

Milk production has begun to taper in the Midwest, reports Dairy Market News, but cheese plants continue to take spot loads at \$1 to \$3 under class. Cheese production continues strong, demand is somewhat steady, and most inventories are long. Contacts are anxious over the large barrel-block price gap, ongoing since May.

Western cheese output is strong due to higher volumes of milk available. Demand is good. Exports are expected to increase due to U.S. cheese prices being so competitive internationally.

Spot butter fell to \$2.5725 per pound Thursday but closed Friday at \$2.5850, down 5 3/4-cents on the week, first loss in four weeks, but still 30 1/4-cents above a year ago.

The butter was up 3 cents Monday but gave back three-quarters Tuesday, slipping to \$2.6075.

Butter production is active and producers are storing it for upcoming demand and inventories are building.

Cream supplies in the West are less available as seasonal demand from Class II manufacturers is active.

The Daily Dairy Report's Sarina Sharp wrote in the June 30 Milk Producers Council Newsletter that butter prices in Europe are "climbing relentlessly, while the government's mountain of milk powder languishes."

"U.S. dairy exports to Russia, as well as those from Canada, the European Union, Australia and Norway, will not improve," according to the July 5 DDR, as "Russia has extended its import ban until December 2018 in response to economic sanctions placed against Russia following its annexation of Crimea and actions in eastern Ukraine."

Cash Grade A nonfat dry milk finished Friday at 86 3/4-cents per pound, up 2 1/4-cents on the week but 2 1/4-cents below a year ago.

Monday saw the powder inch a half-cent higher and hold there Tuesday, at 87 1/4-cents per pound, with 31 cars trading hands.

## Milk heads to vat

USDA's latest Dairy Products report shows May cheese output totaled 1.05 billion pounds, up 0.8 percent from April and 4.0 percent above May 2016. Year to date cheese output stands at 5.1 billion pounds, up 2.5 percent from a year ago.

# Global milk production modestly recovering

By **CAROL RYAN DUMAS**  
Capital Press

Higher milk prices and more favorable weather are contributing to a moderate increase in milk production in dairy exporting countries, following a sharp contraction in late 2016.

Those factors are providing much-needed relief for the world's dairy farmers after a three-year decline in milk values, although the production recovery is slower than many market watchers expected, according to Rabobank analysts in their latest dairy quarterly report.

Milk prices to U.S. farmers, who have steadily increased production, continue to track well above prices in Europe and Oceania, spurred by local demand and firmer export trade, they said.

"We expect, given continued good margins over feed, that milk production in the U.S. will continue to grow," the analysts said.

They also expect U.S. consumption of butter and cheese, after a slight stumble in the first quarter of 2017, will continue to drive solid domestic demand growth.

U.S. milk production grew 2 percent in the first four months of the year. Relatively low feed prices should keep the majority of producers slightly above breakeven, but the analysts said increasing labor costs will hold milk supplies below a 2 percent increase over the next 18 months.

Around the globe, the analysts expect the shortage of butterfat in the EU will maintain milk prices there. EU butter production was 4.5 percent below year-earlier levels in the first three months of the year, and butter exports were down 12 percent.

The higher milk prices are expected to increase milk production in the EU 1 percent year over year in the third quarter of this year, 2.2 percent in the fourth quarter, 1.2 percent in the first quarter of 2018 and 0.8 percent in the second quarter.

In New Zealand, higher



Don Jenkins/Capital Press

Cows gather at a dairy in southwest Washington. According to Rabobank, relatively low feed prices should keep the majority of producers slightly above breakeven.

milk prices have gotten the 2017/18 season off to a more confident start, with cash flows giving a much-needed boost compared to previous seasons, the analysts said.

Despite low volumes in June and July, the new season is expected to start strong with increased milking herd numbers and higher milk prices. Milk production is forecast to increase by 2 percent to 3 percent for the full season, and exports are expected to trend up slightly the remainder of the year and be up 1 percent to 2 percent in the early part of 2018.

Milk production declines in key regions in Australia are starting to slow. The country's

milk supply fell 8 percent in the season that just ended, and exports fell 2 percent year over year between July 2016 and April 2017.

The analysts expect modest recovery in Australia's milk production in the 2017/18 season, saying "seasonal and trading conditions continue to look mostly favorable for dairy farmers."

Lower production costs and good weather for pasture in Brazil are helping farmers' margins and favoring more milk production. Despite political instability, demand for dairy products has been surprisingly stable during the recession and should remain so in coming months.

Milk production in Brazil grew 1.5 percent in the first half of the year, and the analysts expect that growth rate to continue in the second half.

Higher milk prices in Argentina are starting to generate a mild recovery in milk production, but dairy farmers have experienced a tough couple of years.

Official data show the number of dairies declined to 5,300 in March, down from 5,900 in March 2016 and 6,200 in March 2015.

Farmgate prices have been rising rapidly, jumping 30 percent over the last 12 months — in part, reflecting the 12.5 percent decline in

milk production in 2016.

"The industry remains in a very difficult situation, with no relief in sight," the analysts said.

SanCor, the country's largest cooperative and milk processor, continues to show signs of distress and is dependent on government support. Other larger players are also feeling the strain of weak demand less availability of milk, rising costs and continued informality in the sector.

Argentina's dairy exports declined by 20 percent in value and 33 percent in volume in the first four months of 2017, negatively impacting the industry's income stream, the analysts said.

# Researchers say happiness turns dairy cows into cash cows

By **CARRIE ANTLINGER**  
Associated Press

SAUK CITY, Wis. — Dairy farmers, take note: The key to turning your dairy cow into a cash cow is udder happiness.

Give her a bigger stall, increase air circulation and provide some shelter to prevent overheating.

That's according to a University of Wisconsin initiative that focuses on making dairy cows happier so they provide more milk.

"I think it's really important that we give them the spa treatment," said Nigel Cook, who has directed the Dairyland Initiative at the University of Wisconsin-Madison's School of Veterinary Medicine since 2010.

Cook and his team visit farms to give advice about several issues, including behavior and easing cow stress. They also provide workshops and have created a website to share advice with farmers worldwide.

Cook said major concerns

include leg pain or lameness, especially among cows that stand for long periods without a comfortable resting place.

"It impacts the way she rests, the way she milks, the way she eats, her ability to reproduce and ultimately her ability to stay on the farm," he said.

One solution? Take her to the beach — or at least the farm equivalent.

"The deep soft bedding of sand creates an environment where cows can rest half the day," Cook said.

Other recommendations include adding sprinklers and feeding cows at the same time — since herd animals prefer to do things together. And while you're at it, regroup cows less around birthing time to decrease stressors associated with establishing a hierarchy.

It's advice Mitch Breunig has been closely following with his 400 cows at Mystic Valley Dairy in Sauk City, about 25 miles northwest of Madison. He has spent over \$100,000 in improvements aimed at making his cows

happier and says it's been worth it. He has even added an automatic brush in his barn that constantly cleans dust off his cows.

"If you take away their stress, they actually produce more milk, and the other thing that is actually interesting is they do it by eating less feed," Breunig said.

Breunig has seen milk production increase from about 13 gallons of milk a day per cow to 15 gallons. He said his cows also have fewer injuries and live about a year longer.