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Dairy/Livestock



Carol Ryan Dumas/Capital Press

Joel Packham, right, University of Idaho Extension educator for Cassia County, and Don Morishita, a University of Idaho weed scientist, line up presentations on a laptop during the Idaho Ag Outlook seminar in Burley on Dec. 6.

Cash dairy market breaks volume records

By LEE MIELKE
For the Capital Press

Dairy Markets
Lee Mielke



CME block Cheddar fell to \$1.47 per pound last Wednesday but closed Friday at \$1.4750, down 8 3/4-cents on the week and the sixth consecutive week of decline, 23 1/2-cents below a year ago and 19 1/2-cents below the barrels.

The barrels closed the week at \$1.67, up 13 1/2-cents and 9 1/4-cents above a year ago, with 34 cars of block finding new homes last week and a whopping 56 of barrel.

The blocks lost 1 3/4-cents Monday and 1 1/4-cents Tuesday, dipping to \$1.4450, the lowest price since March 29, 2017.

The barrels were unchanged Monday, despite 36 cars being sold, a record single-day volume since daily trading started Sept. 1, 1998, and eclipsing the previous high of 35 loads set June 18, 2010, according to FC Stone. They were also unchanged Tuesday but with a record December inversion of 22 1/2-cents above the blocks.

Milk remains available for cheese production in the Midwest, according to Dairy Market News. Output is steady and not expected to slow until the holidays. Sales are steady to slower but the inverted prices remain a concern.

Western cheesemakers report a lot of milk is available and cheese production is active. Lower prices are generating new interest in international markets but cheesemakers are watching cheese and Class III milk futures closely.

Cash butter fell to \$2.19 per pound last Monday, then climbed back to \$2.2375

Thursday, and closed Friday at \$2.22, up a half-cent on the week and 15 1/2-cents above a year ago, with 60 cars selling last week.

Monday saw the butter down 3 cents but regained 1 3/4-cents Tuesday and inched back to \$2.2075.

Retail and food service orders in some cases were slower the previous two weeks. Others report steady to solid interest in both salted and unsalted product. Inventories are reportedly balanced but cream has become readily available.

Western churning is less active in some areas despite long cream supplies.

CME Grade A nonfat dry milk closed Friday at a record low 68 1/4-cents per pound, down 3 3/4-cents on the week and 29 cents below a year ago.

It was unchanged Monday and inched a quarter-cent lower Tuesday to a new record 68 cents per pound.

Cheese report

October cheese output totaled 1.07 billion pounds, up 5.2 percent from September and 1.7 percent above October 2016. Year to date output stands at 10.3 billion pounds, up 2.5 percent from a year ago.

California produced just under 212 million pounds of that cheese, up 9.3 percent from September but 0.7 percent below a year ago. Wisconsin, at 287.5 million pounds, was up 5.9 percent from September and 2.8 percent above a year ago.

Beef supply growing, demand strong

By CAROL RYAN DUMAS
Capital Press

BURLEY, Idaho — The U.S. cattle inventory is growing and beef production is rising, but domestic and foreign demand are keeping the market in balance.

The industry is in the building phase of the latest cattle cycle. The cattle inventory was 3 percent higher year-over-year on Jan. 1, 2016, and 2 percent higher at the start of 2017, Joel Packham, University of Idaho Extension educator for Cassia County, said during the university's annual Idaho Ag Outlook seminar.

"The beef industry is growing the beef herd in the U.S. and will continue to do so," he said.

At the first of the year, the beef cow inventory was 31.2 million head, up 3.5 percent year over year. That number is expected to be up 700,000 head in 2018 and up 200,000 head in 2019 before flattening out, he said.

The 2017 calf crop, at 36.2 million, is up 3.4 percent and is expected to grow to 37.7 million by 2019 before evening out.

Producers have also continued to retain replacement heifers, increasing those numbers to more than 6.4 million at the start of 2017, up 1.2 percent year over year.

It all adds up to more cattle on feed, which stood at more than 11.3 million head on Nov. 1. Feedlots are keeping current in their marketing and slaughter weights are lower, so there's not as much beef in feedlots as one might think. But cattle on feed and beef production are rising and will continue to do so, he said.

Commercial beef production in the fourth quarter of 2017 is expected at about 6.7 billion pounds, compared with the average for that time frame of about 6.3 billion pounds for 2012 through 2016.

Beef production is expected to increase year over year in both 2018 and 2019 and is projected to reach 7.3 billion pounds in the third quarter of 2019.

But consumption is also up and is expected to increase, he said.

Per capita beef consumption is up 2 percent in 2017 to 55.6 pounds, and it's projected to rise 2.6 percent in 2018 to 58.1 pounds. The increase is due to rising U.S. median income, which increased 3 percent in 2016 and another 1 percent in 2017, he said.

"We believe people have the ability to pay for beef and are willing to do that," he said.

But pork and poultry production are also on the rise, which could be a limiting factor for beef, he said.

Beef exports are a bright spot and are taking care of a lot of the added beef production. Beef consumption in Japan is up 8 percent, and U.S. exports there are benefiting from tight supplies of Australian beef and high prices on that beef, he said.

But some of that market will dry up when Aussie production recovers because of higher tariffs on U.S. beef, he said.

Some Idaho milk producers lose contracts

By CAROL RYAN DUMAS
Capital Press

Some Idaho dairymen won't be having the brightest of holidays this year after buyers informed them they will no longer purchase their milk.

The Idaho Dairymen's Association estimates the shift in supply contracts will see upward of 10,000 cows sold off in the next few months, said Rick Naerebout, the association's CEO.

The cause is an increase in milk supply and the inability of buyers to continue to move any oversupply to surrounding states because of high costs. Buyers have done that in the past to balance markets during the peak production period of spring through fall, he said.

The bottom line is that even without a significant increase in cow numbers, dairymen's efficiency in turning feed to milk continues to increase milk produc-



Carol Ryan Dumas/Capital Press File

Cows feed at a dairy near Hansen, Idaho. Buyers in Idaho have notified some dairies that they will no longer buy their milk.

tion per cow. Idaho is now at a point where increasing milk supply is forcing dairy farmers to sell off cows, he said.

"We're at the point today where milk production is far greater than our ability to process it during the peak months," he said.

There is not enough processing capacity for the milk in the state or even the Salt Lake City market, he said.

The effects will be felt statewide. Affected producers with single facilities will potentially call it quits completely. Others with multiple facilities might idle one, he said.

"It's really unfortunate. It's a situation we've never had where somebody wasn't able to buy the milk," he said.

Washington dairies to put face on next generation

New 'Dairy Grown' series planned

By DON JENKINS
Capital Press

The Dairy Farmers of Washington, seeking ways to uplift the industry's image, will profile young men and women who grew up on dairies in stories to be posted online next year.

The series, "Dairy Grown," will introduce members of the industry's upcoming generation to consumers and may be even industry critics, said Aleah Bright, Dairy Farmers' communications coordinator. "That's the hardest audience, and it's been the biggest challenge," Bright said. "My hope is to make a connection between ag and growing great people."

The Dairy Farmers, an agricultural commission, is funded by assessments on

milk producers. Its mission includes educating the public about dairies. The organization this year hosted live Facebook videos featuring dairy farmers talking about their business and fielding questions.

"Dairy Grown" will be another venture into social media. Bright said she plans a half-dozen profiles of people under 30 years old.

The series is scheduled to lead off Jan. 4 with a story on Oklahoma State University student Ashley Hanson, the third generation of a dairy farm family in Elk, an unincorporated community in Spokane County.

"I think the potential is to put a face on who we are," said Bright, who belonged to 4-H while growing up in Monroe and graduated a year ago from Northwest University in Kirkland. "I'm passionate about telling the stories of our Washington kids."

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