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## Dairy/Livestock

# Quota passage clears path for Calif. FMMO

By CAROL RYAN DUMAS  
Capital Press

California dairy producers have approved the state's Quota Implementation Plan, a crucial component in moving ahead with their efforts to join the federal milk marketing order system.

The producer referendum showed overwhelming support for the measure, with 87 percent of voters in favor.

Producer groups are pleased with both the outcome and the turnout.

The department received 703 ballots of the 1,059 sent out with 613 in favor of the plan. Those in favor represent nearly 91 percent of the milk volume produced by voters.

"It was a huge vote in favor, even beyond our best projections," said Lynne McBride, executive director of the California Dairy Campaign.

"We think it's a very strong indication dairy producers want to move forward with the effort to consider a federal milk marketing order for our state," she said.

CDC has long called for



Tim Hearden/Capital Press File

Cows are milked at VanderWoude Dairy near Merced, Calif. California dairy producers are celebrating the outcome of the quota referendum and getting one huge step closer to abandoning the state milk marketing order for inclusion in the federal system.

California to join the federal system to align its milk prices with prices in other major dairy producing regions in the country. Passing the quota program was a key step in the process, she said.

The program pays quota certificate holders \$1.70 per hundredweight above the state blend price for the amount of milk covered by their certificate. Together those certificates are worth more than \$1 billion.

Quota is a critical asset

that dairy producers have invested in for years, McBride said.

"We think it's critical that it be maintained," she said.

The quota program was part of the state milk marketing order for about 50 years, but it doesn't exist in federal orders. Language sponsored by Rep. David Valadao, R-Calif., in the last farm bill allows California to maintain a stand-alone quota program if it joins the federal order system.

"The strong vote really shows us dairy producers are looking for a new system for milk pricing," McBride said.

Western United Dairy men is pleased with the turnout and outcome, said Annie AcMoody, WUD director of economic analysis.

"It was a critical step to be able to move forward in the FMMO process," she said.

The three dairy co-ops that petitioned USDA to allow California to establish

a federal order made it clear they would not continue to move forward without a plan in place for quota, she said.

California Dairies, Inc., Dairy Farmers of America and Land O'Lakes filed that petition in February of 2015.

The Milk Producers Council is "extremely excited" that producers resoundingly and overwhelmingly voted yes to the quota plan, said Kevin Abernathy, MPC general manager.

"It's the start of a new day," he said.

Abernathy said it means California dairy families have the opportunity to "end the insanity" of the state system and join the federal system.

Month in and month out, California producers receive the lowest milk prices in the country, he said. So instead of doing the same thing and expecting a different outcome, dairy producers get to do something different, he said.

The next step is a final decision from USDA on how a federal order would operate in California, followed by a producer referendum on the measure.

Dairy Markets  
Lee Mielke



## New Year unkind to cash dairy prices

By LEE MIELKE  
For the Capital Press

Cash dairy prices were mixed in the New Year's holiday-shortened week. The Cheddar blocks closed the first Friday of 2018 at \$1.4950 per pound, down 4 1/2-cents on the week and 17 1/2-cents below a year ago.

The barrels finished at \$1.39, down 5 1/4-cents on the week and 18 1/2-cents below a year ago.

Monday took the blocks down a half-cent, and they dropped 3 1/2-cents Tuesday, to \$1.4550.

Monday's loud crash were the barrels dropping 6 1/2-cents. They rolled 2 1/2-cents lower Tuesday, falling to \$1.30, the lowest price since May 12, 2016, and at a 15 1/2-cent deficit to the blocks.

Dairy Market News reports that some Central cheesemakers are no longer taking spot milk as they have more than needed and those that are, are paying \$1.50 to \$6.00 under Class III.

Western cheese production is active, and there's still plenty of milk, although some is refilling bottling pipelines as schools restart. "Export interest may be increasing," says DMN, "But it may be due to lower price points. While stocks have become more comfortable, there is the underlying sense that milk production regionally, nationally and globally, will continue to fuel the production of cheese and rebuild inventories."

Cash butter saw a Friday close at \$2.2375 per pound, up 3 cents on the week and 1 3/4-cents above a year ago.

Butter then lost 4 3/4-cents Monday and a penny Tuesday, dipping to \$2.18 per pound.

Butter churns were running actively New Year's week," says DMN, as cream supplies helped drive butter output.

Western butter supplies have been drawn down due to holiday demand and many retailers are replenishing post-holiday stocks sooner than usual.

Grade A nonfat dry milk remains in the cellar, closing Friday at 68 cents per pound, up a quarter-cent on the week but 37 1/4-cents below a year ago.

## Trade remains top priority for NCBA

By CAROL RYAN DUMAS  
Capital Press

The Trump administration has brought welcome relief to cattle producers in the area of environmental regulation, but it has also raised a good deal of concern over trade.

While restoring access to China for U.S. beef was a big win, pulling out of the Trans-Pacific Partnership and possible threats to NAFTA and the U.S.-Korea Free Trade Agreement have serious implications for the beef industry, a representative of the industry's largest trade group said.

The National Cattlemen's Beef Association was disappointed when Congress failed to enact TPP at the end of 2016 and President Trump withdrew the U.S. from the trade agreement shortly after being sworn in, Kent Bacus, NCBA director

of international trade, said in a webinar recapping 2017.

TPP offered the greatest access ever negotiated for U.S. beef into Japan, lowering the tariff rate from 38.5 percent to 9 percent, he said.

"Unfortunately, we traded in all of the benefits we would have had with TPP for the promise of even better deals under bilateral agreements," he said.

A year later, there is still no bilateral agreement with Japan and no formal negotiations have begun, he said.

"We've seen some economic dialogue but not a whole lot of advancement. So we're kind of frustrated ... but with that said, Japan is still a top priority for us," he said.

Japan is moving forward with TPP and has already formed a trade agreement with the European Union, essentially giving the EU the same terms of

trade the U.S. would have received with TPP, he said. The TPP originally included 12 Pacific Rim nations.

NAFTA, which includes the U.S., Mexico and Canada, is another area of focus for NCBA. Trump campaigned heavily against NAFTA, and every other person running for office seemed to oppose the agreement, he said.

"So we've been really focused on trying to see some changes there," he said.

There have already been several rounds of negotiations, and the goal of finishing by the end of the year has been extended to March, he said.

"Our message has been pretty simple. We're trying to just make sure that the high standards and the great access we already enjoy under NAFTA is not going to be jeopardized. So our message is pretty simple — just leave us alone," he said.

## Commission gives beef to needy

ELLENSBURG, Wash. — The Washington State Beef Commission recently provided 28,500 pounds of food, including 3- to 4-pound holiday roasts, to more than 885 needy families.

On Dec. 12, the commission provided 232 families in Toppenish with 10,000 pounds of food, assisted by Agri Beef, Washington Beef and Rosauers supermarkets employees.

The next day the commission gave 8,500 pounds of food to 353 families in Yakima with the help of Yakima County Cattlemen and Rosauers volunteers.

Dec. 14, the commission gave 10,000 pounds of food to more than 300 families in Ellensburg with the assistance of the Kittitas County Cattlemen and Cattlewomen, Super One volunteers and Ellensburg FFA members.

The Kittitas County Beef Community also provided the commission's Beef Counts program with \$4,625 to buy more beef to help neighbors in need.

— Dan Wheat

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