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Dairy

Dairy industry faces marketing challenges

By CAROL RYAN DUMAS
Capital Press



Carol Ryan Dumas/Capital Press

Sarah Hanson, executive vice president of the Innovation Center for U.S. Dairy, talks about the need to rebuild consumers' trust in dairy products and dairy producers during the Idaho Milk Processors Association annual conference in Sun Valley on Aug. 10.

SUN VALLEY, Idaho — Despite bringing one of the most nutritious products to the table in a sustainable way and contributing to their communities, dairy farmers and processors are facing an onslaught of counterclaims and detrimental mislabeling of products.

Too many consumers don't know dairy's incredible story, and they are easily misled. It's up to the industry, producers and brands to increase and restore their trust, Sarah Hanson, executive vice president of the Innovation Center for U.S. Dairy, said during the Idaho Milk Processors Association annual conference.

"When you look at your marketing, are we focusing on the positive and building

love for dairy products?" she asked.

More than ever, consumers want to know where their food comes from.

But the disconnect be-

tween urban and rural has never been wider. Consumers are also into experimenting and exploring different products, diets and lifestyles, and they are looking to non-tradi-

tional sources such as celebrities for nutritional advice, she said.

They are also putting their money where their mouth is, making purchases based on their social causes, she said.

"When it comes to trust, we have to walk the talk," she said.

That means putting consumers first, addressing social responsibility, aligning production with best practices, documenting and demonstrating, she said.

Instead, the industry is shifting its focus away from the goodness of dairy and its unparalleled nutrition. Absence-claim marketing (such as hormone-free) is so pervasive, and it's being used within the industry itself, she said.

Brands need to be brands, but the industry needs to work on building consumer trust

on a pre-competitive basis. Building trust is the basis of the "Undeniably Dairy" campaign, she said.

"This is really up to all of us to engage in this campaign. This is a platform that can work no matter where you sit in the value chain," she said.

Protecting and defending the integrity of dairy is a really important issue for the industry, Jim Mulhern, president and CEO of National Milk Producers Federation, said.

"If we don't have trust with consumers, we don't have a marketplace," he said.

While the industry takes the high road through dairy checkoff promotion, "we also have to engage in the rough and tumble out there," he said.

NMPF is doing that on two major fronts, battling ab-

sence-claim marketing and mislabeling of imitation dairy products with dairy terminology, he said.

The issue with absence claims is fear-based marketing, such as when one of the largest yogurt companies marketed its product as coming from cows that consumed GMO-free feed. That marketing is a race to the bottom as other companies match the claim, he said.

NMPF's Peel Back the Label campaign is calling out companies that use such marketing and pushing back by trying to get consumers to question the scientific validity of the claims associated with such labels as GMO-free or hormone-free, he said.

NMFP is hoping the effort will persuade consumers to not buy into fear-based marketing, he said.

Industry invests in future dairy foods researchers

By CAROL RYAN DUMAS
Capital Press

SUN VALLEY, Idaho — Training the next generation of dairy scientists has long been a priority in Idaho's dairy industry, and it's depended on the Western Dairy Center to educate and mentor students who will ultimately fill critical roles in the dairy

foods arena.

The center — one of six across the country established through the dairy checkoff in the late 1980s — is a collaboration of western universities, which has produced numerous scientists working in the dairy industry today, Eric Bastion, Dairy West vice president of industry relations, said during the Idaho Milk Processors As-

sociation annual conference.

But the center has been losing funding and faculty, and there's been a decline in the universities' ability to train young dairy scientists, he said.

Bastian, who led research and development at Glanbia for 18 years, said the industry was seeing a significant decline in output from the

center. He and noted dairy scientist Don McMahon, the director of the center, teamed up to address the issue.

In 2012, they co-founded BUILD Dairy — Building University-Industry linkages through Learning and Discovery — a network of professors, researchers, students and dairy food companies.

The program's goal is to attract talent and build a pipeline of technically trained experts to sustain the industry going forward, he said.

In the beginning, Glanbia was the sole funding organization until United Dairymen of Idaho, now Dairy West, decided to tackle the problem from within the organization, he said.

To that end, Idaho dairy farmers have contributed \$1.46 million in checkoff money to the BUILD program, and co-funding from processors and universities has added \$600,000.

The model is to build on university funding to recruit and train students from western states in dairy food technology and innovation.

Hot August Post-Harvest Specials

Dairy market roller coaster continues

By LEE MIELKE
For the Capital Press

Dairy Markets

Lee Mielke



It's fair season, and the roller coasters are back. At least it appeared that way last week at the Chicago Mercantile Exchange. Mid-August cash block Cheddar, after hitting \$1.66 per pound last Monday, closed Friday at \$1.6550, down a half-cent on the week and 10 cents below a year ago.

The barrels climbed to \$1.6750 Wednesday, the highest price since Nov. 15, 2017, but finished Friday at \$1.67, up a nickel on the week, 8 cents below a year ago, and 1 1/2-cents above the blocks.

Monday's trading took the blocks down 4 1/2-cents but recovered three-quarters Tuesday, hitting \$1.6175, as traders reacted to the morning's GDT auction and anticipated what will be in Wednesday's July Cold Storage report.

The barrels lost 2 3/4-cents Monday, as 22 carloads rolled into the CME, and screamed another 7 1/4-cents lower Tuesday to \$1.57, as 12 more cars found their way to Chicago.

Last week's cheese demand remained on par with previous weeks, according to Dairy Market News, and spot

milk prices ranged 50 cents under to \$2 over Class III. Some producers report that they will not take any spot milk over Class, "as current sales points do not warrant adding to production and inventories."

Western cheese output remains active with plenty of milk to run through the vats, but "the seasonal easing of milk production and the re-start of school milk bottling has taken some of the pressure off."

Butter climbed to \$2.3875 last Tuesday, highest CME price since June 11, 2018, but closed Friday at \$2.3050, down 3 1/2-cents on the week, ending five consecutive weeks of gain, and 34 cents below a year ago.

It lost 5 1/2-cents Monday and suffered a 1 1/4-cent loss Tuesday, slipping to \$2.2375.

DMN reports that, as cream prices shifted downward last week, churning increased. Retail butter sales are reportedly "ahead of last year's figures and meeting or better than expectations."

Western output is steady.

Good demand from ice cream and cream cheese processors has incited some butter plants to sell cream.

CME Grade A nonfat dry milk closed Friday at 86 1/4-cents per pound, up 3 1/4-cents on the week, and 3 cents above a year ago.

Monday's powder inched up a half-cent, then jumped 1 1/2-cents Tuesday, to 88 1/4-cents per pound, highest CME price since June 20, 2017.

Spot dry whey hit a new high of 44 1/2-cents per pound last week, up a quarter-cent.

It added a quarter-cent Monday and stayed there Tuesday at 44 3/4-cents per pound.

GDT down

The roller coaster was also at Tuesday's Global Dairy Trade auction (GDT) where the weighted average of products offered dropped 3.6 percent, after it was unchanged Aug. 7.

Butter led the losses, plunging 8.5 percent, after sliding 3.2 percent in the last event. Anhydrous milkfat was down 6.9 percent, after it inched up 1.2 percent last time. GDT Cheddar was down 4.7 percent, which follows a 1.3 percent gain, and powder made up the rest of the losses.

Year	Model	Serial Number	Hours	Header	Special Price
2013	S660	1H0S660SPD0755808	1270	615P	\$189,000.00
2011	9670	1H09770SCB0742844	2090	615P	\$148,000.00
2008	9670	H09670S725903	2046	615P	\$127,000.00
2008	9670	H09670S725887	2254	615P	\$124,000.00
2008	9670	H09670S725895	2654	615P	\$109,000.00
2008	9670	H09670S726119	2747	615P	\$107,000.00
2008	9670	H09670S726063	2927	615P	\$102,000.00
2008	9670	H09670S726053	3006	615P	\$99,000.00
2004	9660	H09660S706470	3479	615P	\$85,000.00



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