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## Dairy



Tom Vilsack

### Dairy West sets annual meeting for Boise

Dairy West, a USDA-qualified program that promotes the dairy industry and its products on behalf of Idaho dairy producers, plans its annual meeting Nov. 7-8 at Boise Centre, Ninth and Front streets, Boise.

"Partnerships for Impact" is the theme of the event, which starts at 7 a.m. Mountain on Nov. 7 and 7:30 a.m. Nov. 8.

Shawna Hagerty, operations director for Meridian-based Dairy West, said the theme refers to teamwork and cooperation in dairy markets, and the community, by producers, processors, health professionals, educators and others.

The conversation will focus on "how we're standing together, relying on each other's strengths to become better and more successful as an industry," she said.

Guest speakers Nov. 7 include former U.S. Agriculture Secretary Tom Vilsack, now president and CEO of the U.S. Dairy Export Council and a Feeding America board member; Sara Dorland, managing partner at Ceres Dairy Risk Management; and Alison Van Eenenaam, University of California-Davis animal biotechnology and genomics researcher. A public showing of the film "Food Evolution" is slated at 7 p.m.

# Lost Valley wastewater problems still persist

By MATEUSZ PERKOWSKI  
Capital Press

PORTLAND — Wastewater problems at a controversial Oregon dairy have persisted despite a federal trustee taking control of the operation last month, state farm regulators said during a hearing Friday.

Lost Valley Farm of Boardman, Ore., has repeatedly run into trouble with the Oregon Department of Agriculture since the facility began operating last year.

The financial problems of its owner, Greg te Velde, led him to file for bankruptcy protection to prevent creditors from auctioning off the dairy's herd to make money available for debt repayment.

On Sept. 13, a bankruptcy judge ordered a U.S. trustee, Randy Sugarman, to take control of the dairy due to te Velde's spending company money on gambling and otherwise failing to properly account for funds and loans.

The change in operators occurred shortly before te Velde faced a court-ordered Oct. 5 deadline to begin bringing the facility into regulatory compliance with wastewater rules.

Nina Englander, an attorney representing ODA in legal proceedings against te Velde, said in a circuit court hearing Friday she recognized the transition in operators explains some of the continued problems at the dairy but the state government wants to avoid future lapses.

Notably, wastewater recently overtopped one manure lagoon at the facility while the wind sprayed wastewater from another one, she said.



E.J. Harris/EO Media Group File

Wastewater problems persist at Lost Valley Farm outside Boardman, Ore. The dairy has repeatedly run into trouble with the Oregon Department of Agriculture since it began operating last year.

A pipe on the property was also found by ODA inspectors to be "spewing liquid manure" when the facility was being flushed, Englander said.

"I offer that as an example of the systemic problems going on," she said.

The dairy must empty enough wastewater from its lagoons to make 75 acre-feet of storage capacity available by Nov. 13.

However, there were recently only 26 acre-feet of capacity in the lagoons, down from 47 acre-feet in August, Englander said.

Elizabeth Howard, an attorney representing the dairy operator, said that despite the setbacks, the facility had made "substantial progress" in meeting a remedies order issued by Multnomah County Circuit Court Judge Kelly Skye. The judge issued that order in August when te Velde was found to be in contempt of court for violating an earlier settlement deal

with ODA.

The dairy has completed the switch to using recycled water — which is intended to reduce its generation of wastewater — and plans to soon begin applying manure from the lagoons to about 1,500 acres once the current crops are harvested, Howard said.

The manure application is contingent on soil tests and approval from ODA to ensure the field's nutrients remain at a level that can agronomically be absorbed by crops.

Emptying the lagoons will be necessary to install the steel gauges required by the court's remedies order, she said.

The dairy had also hit a "bump in the road" regarding the installation of water flow meters at the facility because it was difficult to figure out the exact sources of water and where it flowed, Howard said.

A water dye test that "turned it green and blue" has resolved that issue and flow meters will likely be installed within about a month, she said.

The facility expects to have a digital weather station installed by Nov. 13 and a new manager — Joel Edmonds, a dairy nutrient and management consultant — was recently hired to run the dairy, Howard said.

Getting the dairy into regulatory compliance is the top priority of the federal trustee, Randy Sugarman, she said.

"We're going to do what needs to be done, period," said Sugarman, who is a longtime certified public accountant with experience in agriculture.

Howard said the trustee does not plan to challenge whether the court-ordered remedies sanction for te Velde applies to him even though it's "a gray area of the law."

Dairy Markets  
Lee Mielke



### Dairy market falls back

By LEE MIELKE  
For the Capital Press

Cash dairy prices started October strong, then reversed. CME block Cheddar climbed to \$1.7475 per pound last Monday, the highest price since Nov. 1, 2017, but closed Friday at \$1.65, down 4 cents on the week and 11 cents below a year ago.

The barrels finished at \$1.3675, down 1 1/2-cents on the week and 37 3/4-cents below a year ago. There were 21 cars of block traded on the week, following two weeks where none was traded, and 36 of barrel.

Direction reversed Monday, with the blocks regaining 3 cents and the barrels up three-quarters, only to see the blocks give back 2 1/2-cents Tuesday, slipping to \$1.6550. The barrels rolled a penny and a half lower, to \$1.36, 29 1/2-cents below the blocks.

FC Stone's Dave Kurzawski warned in Monday's Early Morning Update: "At current international prices of \$1.57 per pound in New Zealand and \$1.60 per pound in the EU, it's going to be hard to win new export sales with U.S. blocks in the \$1.60s or \$1.70s."

Dairy Market News reports that American-style cheese production is or has already increased, as heavier fourth quarter orders are beginning to come. Inventories are reportedly tight. Some pizza cheesemakers continue to see steady demand. Milk handlers are swamped with calls from cheesemakers and spot milk prices ranged from Class III to \$1.50 over. But the market tone is "puzzled." News from cheese producers is generally positive but many are perplexed regarding current prices, particularly the large block to barrel price gap and "how inextricable that chasm is with bearish market sentiment."

Western demand remains strong. Intakes from retail and restaurants have increased and contributed to higher block prices. Mozzarella demand by pizza manufacturers is active and stocks are starting to tighten. Market players are still concerned with export sales, despite the trade news.

Export demand is mixed and some reports suggest that several global customers are looking for alternative buying opportunities. Cheese production is generally steady to increasing due to many plants running at or close to full capacity. Cheese stocks are sufficient. However, some industry players state that their inventories are fully committed for the rest of 2018.

Cash butter climbed to \$2.3350 per pound last Tuesday, highest since Aug. 15, 2018, but closed Friday at \$2.29, down 3 cents on the week and 5 cents below a year ago, with a hefty 50 cars trading hands last week.

The butter was down 3 cents Monday and lost a penny Tuesday, slipping to \$2.25.

FC Stone's Kurzawski says, "Fundamentals, especially stocks to use, would suggest a butter market closer to \$2.10 and approaching \$2.00 towards the end of the year. However, sentiment in the market seems to be that there is still one more push higher left, before seasonally trending goes lower."

"Butter producers are still going lighter on the churns," says DMN, "as cream availability is sligher than some expected this time of year. Milkfat is reportedly slight, along with other components."

Western butter output is brisk in preparation for the fall season and cream supplies are sufficient. Food service orders have remained strong and retail orders are building.

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