

# Washington dairies win concession on new manure rules

## Ecology to modify lagoon requirement

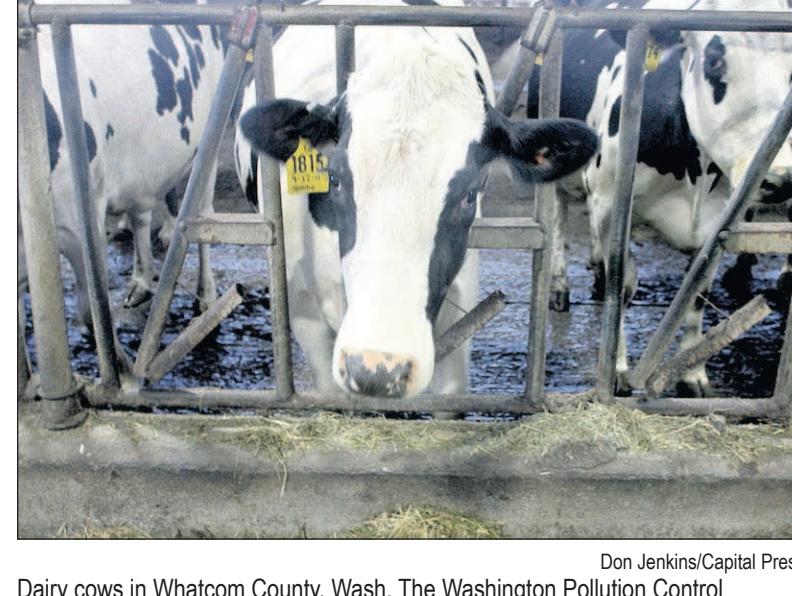
By DON JENKINS  
Capital Press

Washington dairies scored a victory Oct. 25 as an appeals panel told the Department of Ecology to revise its new manure-storage regulations to conform with Natural Resources Conservation Service standards for lagoons.

The ruling is particularly important for Western Washington dairies, which faced the prospect of having to lift NRCS-approved lagoon bottoms farther from groundwater. The Pollution Control Hearings Board ruled that Ecology failed to justify modifications that would have cost hundreds of thousands of dollars per lagoon.

"That would have been a killer for a lot of lagoons in Western Washington," said Dan Wood, executive director of the Washington State Dairy Federation. "I'm happy for the decision that NRCS standards need to be followed on lagoon liners."

Ecology issued new rules for



Dairy cows in Whatcom County, Wash. The Washington Pollution Control Hearings Board has ruled that the state's manure lagoon standards should match those of the Natural Resources Conservation Service for the separation between the bottom of lagoon liners and groundwater.

dairies with more than 200 cows last year. The rules could affect as many as 250 dairies that choose to apply for a confined animal feeding operation permit. A permit may provide some protection from government fines and lawsuits, but also

comes with new rules on storing and spreading manure.

Environmental groups, led by Puget Soundkeeper Alliance, appealed the rules to the hearings board, arguing the permit terms were too weak to prevent manure from

polluting waterways and groundwater.

The dairy industry appealed limits on spreading manure and requirements to test soils more often.

Complaints from both sides were combined and considered at a two-week hearing last spring.

The three-member appeals board upheld all of the rules, except the one that required at least 2 feet between the bottom of lagoon liners and groundwater. NRCS standards call for the separation to be measured from the top of the liner.

At a hearing last spring, the dairy industry offered testimony that the cost of raising the lagoons could cause some dairies to close.

"We'll modify the permit based on the ruling," Ecology spokeswoman Colleen Keltz said.

The appeals board also rejected a demand by environmental groups that dairies install monitoring wells to ensure manure wasn't polluting groundwater. The board agreed with Ecology that permit requirements were enough to protect groundwater.

Puget Soundkeeper Executive Director Chris Wilke said environmental groups will have to review

the ruling before deciding whether to take their objections to court.

"Right now it seems like a pretty uninformed opinion," he said. "It doesn't take into account the full pollution that is occurring."

Ecology has issued only 24 permits so far, including 18 to dairies. Four beef cattle operations, one poultry farm and one heifer-raising operation have also obtained permits.

Wood said dairies have been waiting to see the outcome of the challenges to the rules before deciding whether to apply for a permit. "It's going to be a farm-by-farm decision," he said.

Only dairies that discharge pollutants into water are required to have a permit. Ecology's position is that pollutants seep from all manure lagoons. "We hope that now that we have a ruling from (the appeals board) that it will give (animal operations) certainty about what's going to be in the permit," Keltz said.

The dairy industry did not win from the board any relief from new requirements to test the nitrate levels in fields in the spring, as well as current testing in the fall.

## Cheese prices continue to sink

**C**heese prices fell last week, taking futures with them, but then rallied a bit. Block Cheddar fell to \$1.47 per pound last Wednesday, the lowest price since June 26, 2018, but closed Friday at \$1.5150, up 1 3/4-cents on the week and ending three weeks of decline, but still 23 cents below a year ago.

The barrels plunged to \$1.2075 Wednesday, lowest price since June 27, 2018, and an earshot away from a 9-year low. They finished Friday at \$1.25, down 1 3/4-cents on the week and 45 1/2-cents below a year ago.

The blocks held at Friday's close Monday while the barrels rolled 1 3/4-cents lower. The blocks inched a quarter-cent lower Tuesday, to \$1.5125, as traders anticipated Thursday's September Dairy Products report. The barrels climbed 1 1/2-cents Tuesday, hitting \$1.2475, putting the spread at a still too high 26 1/2-cents.

FC Stone dairy broker Dave Kurzawski wrote in his Oct. 23 Early Morning Update: "This is the first time in 12 years that the price of barrel cheese fell below \$1.30 during the month of October." He also points out that the 10-year October block price average is \$1.7761, far above where it is today.

There is plenty of milk being produced, along with plenty of cheese, plenty in inventory, and with cheese prices falling, buyers will likely hold off some of their purchases, not having to be concerned over shortages and big price rises ahead.

Dairy Market News warns that some Midwestern cheesemakers are beginning to build inventories as buyers hesitate to take on extra cheese while markets falter. Cheese producers have generally had a healthy demand season and new customers are showing interest. Retail demand and prices have also shown relative stability. But, record price splits between process cheese and blocks, followed by continuing price slides "have taken their toll."

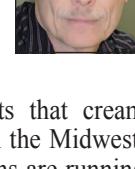
Western cheese makers say there is a lot of milk and a lot of cheese. Inventories are heavy, especially for barrels and mozzarella. Demand is good, but not great and it has taken some time for holiday retail demand to get started. "Export sales seem to ebb and flow according to price, with processors' phones ringing more as cheese prices fall."

Spot butter fell to \$2.1950 per pound last Tuesday, lowest price since Sept. 5, 2018, but closed Friday at \$2.2325, down 2 3/4-cents on the week and 7 cents below a year ago.

Monday's butter lost three-quarters and stayed there Tuesday at \$2.2250.

FC Stone blames continued weakness in the world fat market "finally spilling over

**Dairy Markets**  
Lee Mielke



in the U.S."

DMN reports that cream remains tight in the Midwest, thus some churns are running solely to meet contract needs.

The western butter market undertone seems to be strong. Several reports suggest that buyers are looking to purchase butter for the upcoming holidays and baking season.

Retail and food service orders are more solid as buyers replenish inventories.

Grade A nonfat dry milk inched a half-cent lower last week, to 86 3/4-cents per pound, 11 3/4-cents above a year ago. The powder was unchanged Monday and Tuesday.

### Culling declines

Dairy cow culling dropped in September and trailed that of a year ago, according to the Agriculture Department's latest Livestock Slaughter re-

port. An estimated 247,400 head were slaughtered under federal inspection, down 32,300 from August and 2,200 below a year ago.

A total of 2.3 million head have been culled in the nine-month period, up 99,200 head or 4.4 percent from 2017.

### Ratio up

A higher U.S. All Milk price average nudged the September milk-feed price ratio a little higher, the highest level since January 2018, though feed prices crept higher as well.

The Agriculture Department's latest Ag Prices report shows the September ratio at 2.10, up from 2.03 in August but down from 2.46 in September 2017.

The index is based on the current milk price in relationship to feed prices for a dairy ration consisting of 51 percent corn, 8 percent soybeans and 41 percent alfalfa hay. In other words, one pound of milk today purchases 2.10 pounds of dairy feed containing that blend.

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## Dairy foods association seeks candidates for summer internship

Capital Press

International Dairy Foods Association is taking applications for a 2019 summer internship to focus on legislative and regulatory issues in the dairy industry, IDFA said in a press release.

The selected candidate will work in Washington, D.C., for a firsthand view of IDFA efforts on dairy policy with Capitol Hill lawmakers.

The internship, which is a paid position, will start in May or June and last 10 to 12 weeks. The successful candidate will work with IDFA's legislative and regulatory affairs teams on special projects, research and events.

Students with an interest in food and agriculture policy are encouraged to apply.

Candidates must be currently enrolled in or have recently graduated from an accredited college or university.

They must also be pursuing or have obtained a bachelor of science or bachelor of arts degree with a major in business, political science, international affairs, agriculture, the food and beverage industry, food science or a related field.

Each candidate will be required to submit an application, a resume, a one-page essay and references.

To learn more about the internship and to apply, students can visit IDFA's internship page or contact Heather Soubra, IDFA chief of staff, at hsoubra@idfa.org or (202) 220-3551.

All applications and supporting material must be submitted by Jan. 15.

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