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Cheese
prices
skyrocket,
then slip

By LEE MIELKE
For the Capital Press

Block Cheddar cheese has hit the highest price in five years and is the highest priced cheese in the world. It closed “Friday the 13th” at \$2.2050 per pound, up an astounding 20 3/4-cents on the week and 60 cents above a year ago, as traders anticipated Wednesday’s August Milk Production report.

The barrels finished Friday at \$1.92, up 17 3/4-cents on the week and 50 cents above a year ago. Only 9 cars of block were traded last week at the CME and 14 of barrel.

The blocks ticked up 3 1/4-cents Monday, hitting the highest level since Oct. 22, 2014, but fell back 6 3/4-cents Tuesday, to \$2.17, with 8 cars changing hands.

The barrels were up 2 cents Monday on a single trade, highest since Nov. 11, 2014, then gave back a nickel Tuesday, dropping to \$1.89, on 5 uncovered offers. The spread is at an unsustainable 28 cents.

FC Stone dairy broker Dave Kurzawski explained in the Sept. 16 “Dairy Radio Now” broadcast that tightened milk supplies resulting from crimped margins on U.S. dairy farms the past few years meant lower cheese output.

Washington to fund rancher-led bid to keep wolves at bay

By DON JENKINS
Capital Press

For the first time, a cattlemen’s group will receive state money to help ranchers avoid conflicts with wolves in four northeast Washington counties.

With the \$144,908 grant, announced Wednesday, the Cattle Producers of Washington will put people in the field to work with ranchers in Ferry, Okanogan, Pend Oreille and Stevens counties.

“They will have loyalties to the rancher,” Cattle Producers President Scott Nielsen said. “We want them to have credibility with the ranchers, so ranchers will use them.”

The Northeast Washington Wolf-Cattle Collaborative was also awarded \$189,492 to monitor herds in wolf territories. The grants were announced by the Washington State Department of Agriculture.

The Legislature created the program two years ago to give “community-based” organizations a shot at preventing wolf attacks on livestock.

A year ago, the Cattle Producers submitted a plan endorsed by county sheriffs and commissioners. The Department of Fish and Wildlife, however, criticized the proposal, and the committee that reviewed the applications rejected it.

Fish and Wildlife spokeswoman



NE Washington Wolf-Cattle Collaborative

Jay Shepherd, right, works with ranchers and range riders to minimize the number of wolf attacks on northeast Washington livestock. The Cattle Producers of Washington and Shepherd’s group have received state grants to help ranchers keep wolves away from livestock.

Staci Lehman said Wednesday that the department welcomes help from the Cattle Producers. “Whether it’s with us or with them, as long as ranchers are working with somebody, great,” she said.

The Cattle Producers applied for \$210,600 to hire conflict specialists and buy equipment, including trail cameras and horse trailers. Nielsen said he thinks the group will be able to trim its budget and still cover the four counties.

Nielsen said he anticipates conflict specialists will keep ranch-

ers informed about wolves in their area. He also said he expects they will keep watch on depredation investigations by Fish and Wildlife.

“I think we can get ranchers to do what’s expected of them. In return, we want the department to do what’s expected of it,” he said.

The Northeast Washington Wolf-Cattle Collaborative received a similar-sized grant last year. The director, Jay Shepherd, said the group mostly employed people this summer in the Kettle River Range,

a hotspot for depredations that led to the lethal removal of wolves.

“It’s a tough neighborhood to have success,” Shepherd said. “One problem with doing what you hope to do is wolves don’t do what you hope they would do.”

In the future, herd monitors may be more useful in keeping packs from developing a taste for cattle, he said.

“Once they’re habituated toward cattle, it’s hard to break,” Shepherd said.

Fish and Wildlife eventually resorted to shooting eight wolves in the OPT pack. Department Director Kelly Susewind has authorized removing the Togo pack’s two known wolves. So far, no wolves have been removed.

Shepherd, a former Fish and Wildlife biologist, said protecting livestock from wolves is “more complicated than people think.”

“Given the political climate of the state, do we have a choice but to figure it out? I’d say ‘no,’” he said. “So let’s have a concerted effort to determine what’s effective.”

A board representing conservation districts in the four counties reviewed the applications and awarded the grants.

Three other organizations applied but did not receive funding. The department distributed all the money appropriated by lawmakers, keeping \$17,600 for administering the program.

Analysis: Milk supply management offers some benefits

By CAROL RYAN DUMAS
Capital Press

Management of milk production in the U.S. to help dairy farmers’ bottom line has been debated for years. But a persistent downturn in milk prices since 2015 is bringing the issue to the forefront.

To get a better understanding of the impacts of supply management, the Wisconsin Farmers Union asked two leading dairy economists to evaluate the effects of three proposed programs had they been implemented in the 2014 Farm Bill.

The long slog in depressed milk prices hasn’t led to a decrease in milk

production, Chuck Nicholson, adjunct associate professor at Cornell University’s Charles H. Dyson School of Applied Economics and Management, said in a podcast on the analysis.

“A number of programs going back a long number of years have been recommending that we ought to think about doing something about milk production growth,” he said.

The analysis looked at how different supply-management programs might have affected milk prices and farm income from 2014 to 2020, compared to the status quo.

He and Mark Stephenson, director of Dairy Policy Analysis and the Center for Dairy Profitability at the Univer-

sity of Wisconsin-Madison, ran models of the programs.

Two programs include market access fees — from \$0.015 to \$3 per hundredweight of milk — for dairy farmers who exceed a specified allowable annual growth in production.

One version operates on a continuous basis, assessing a payment on milk production above allowable growth and distributing the funds to farms that constrain milk production.

The other version of that program operates in a similar fashion but is triggered by the milk-feed price ratio.

The third program the economists evaluated would be activated when the margin between

milk prices and feed costs is below a specified trigger for one or two months. The program would pay a much lower price for milk beyond a specified reduction.

“The bottom line on what we found was generally pretty positive in terms of thinking about what these programs can do,” Nicholson said.

They reduced price variation, enhanced prices, increased net farm operating income, reduced the rate of farm exits and reduced government expenditures.

One downside was decreased domestic consumption, depending on the dairy product and the program, he said.

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