Dairy West annual meeting set Nov. 13-14 in Boise

By BRAD CARLSON
Capital Press

Market and geopolitical conditions, and the impact of well-crafted branding in a challenging industry are among topics that will be addressed at the upcoming Dairy West annual meeting.

It will be Nov. 13-14 at Boise Centre, 250 S. Ninth St., Boise. "Building for the Future" is this year's theme.

Dairy West represents dairy farm families in Idaho and Utah in promoting the industry and its products worldwide. More than 850 people attended the 2018 annual meeting in Boise, the group said. The event also features a trade show.

The dairy community in recent years "has seen a lot of change and experienced uncertainty, yet we consistently see our Idaho farmers embracing a pioneering spirit even through hardship," Senior Vice President of Marketing Kristi Spence said. On-farm innovation and efficiency improvement are among the industry trends.

Capital Press File

Dairy farmers from across Idaho and Utah will meet at the Nov. 13-14 Dairy West meeting in Boise.

"Farm-level impacts regarding milk prices and consumer expectations regarding stewardship practices are top-of-mind for the industry today," she said.

Nov. 13 events include a panel discussion about whether Idaho and Utah should be part of the Federal Milk Marketing Order system, a Milk Quality Awards luncheon and a presentation by the University of Minnesota's Marin Bozic, who is expected to cover global geopolitical impacts on the industry. He is associate director of Midwest Dairy Foods Research Center. His dairy-research program covers policy, risk management, demand for dairy goods and the economics of new processing technologies.

Spence said Idaho and Utah left the federal marketing order in 2004. "And with California recently joining the federal order system, there are questions surrounding how Idaho's and Utah's future inclusion might impact the prices for our dairymen."

On Nov. 14, a panel is slated to discuss the National Milk Producers Federation's Farmers Assuring Responsible Management (FARM) program, which is certified by the International Organization for Standardization.

Spence said FARM's animal-care standards are revised every three years to reflect current science and best-management practices in the dairy industry. Scheduled panelists including National Milk CEO Jim Mulhern and members of the program's technical-writing committee will offer perspective and answer questions about currently proposed changes.

TO REGISTER

Information and registration: 208-327-7050 or dairywest.com.

September milk up 1.3%

By LEE MIELKE
For the Capital Press

DAIRY MARKETS

Lee Mielke

Some call it a September surprise. Others call it fodder for the bears.

Monday's Milk Production report showed preliminary output at 17.6 billion pounds, up 1.3% from September 2018. Output in the top 24 states totaled 16.8 billion pounds, up 1.6%.

Revisions added 10 million pounds to the original 50 state August total, now put at 18.29 billion pounds, up just 0.2% from August 2018. Revisions added 32 million pounds to the top 24 states total.

Cow numbers continued to slip. The head count in the 50 states totaled 9.315 million, down 2,000 from August, which was revised lower by 1,000 cows, and 53,000 head below a year ago.

Output per cow averaged 1,891 pounds, down 72 pounds from August but 34 pounds above a year ago.

California output was up 1.6%, thanks to a 35-pound gain per cow offsetting 5,000 fewer cows milked. Wisconsin was up 0.6%, on a 20-pound gain per cow. Cow numbers were down 6,000 from a year ago.

Virginia had the biggest loss, down 7.3% on 8,000 fewer cows, followed by Arizona, down 4.9% on 11,000 fewer cows.

Texas showed the biggest increase, up 9.3%, thanks to 30,000 more cows and a 70-pound gain per cow.

Idaho was up 3.6%, thanks to 17,000 more cows and a 15-pound gain per cow. New York was up 1.7%, on 6,000 more cows and a 15-pound gain per cow and Minnesota was up 1.1% on a 40-pound gain per cow offsetting 5,000 fewer cows.

Michigan was up 3.8% on a 50-pound gain per cow and 6,000 more cows. New Mexico was up 2.0%, on a 40-pound gain per cow. Oregon was up 3.4% on a 15-pound gain per cow and 3,000 more cows.

Pennsylvania continues to struggle, down 3.8% on a drop of 32,000 cows from a year ago, though output per cow was up 40 pounds.

Washington state was 1.8% on 4,000 more cows and a 10-pound gain per cow.

No shortages

Monday's September Milk Production report fed the bears. Tuesday's September Cold Storage report may add a little more fodder.

September butter stocks totaled 302.1 million pounds, down 2.2 million pounds, or 0.7%, from August but were 19.8 million pounds, or 7.0%, above September 2018.

American cheese stocks totaled 771.4 million pounds, up 5.5 million pounds, or 0.7%, from August but were 32.3 million, or 4.0%, below a year ago.

Stocks in the "other" category climbed to 571.6 million pounds, up 2.1 million pounds, or 0.4%, from August but were up 26.5 million, or 4.9%, from a year ago.

Dairy farmers sign on for revamped insurance program

By CAROL RYAN DUMAS
Capital Press

With an assured payout for 2019, participation is high in USDA's Dairy Margin Coverage Program — which replaced the underperforming Margin Protection Program.

The program insures a producer's margin between a national all-milk price and a national average feed cost when that margin falls below a certain dollar amount selected by the producer — from $4 to $9.50 per hundredweight of milk.

Enrollment closed on Sept. 27 for 2019, but the new program is retroactive to Jan. 1 — and program margins have already been calculated for the first eight months of the year. The program margin was below $9.50 for seven months and below $9 for five months.

So dairy farmers knew indemnity payments were assured at the highest coverage level for January through July, and they took advantage of that assurance.

On Tuesday, USDA Farm Service Agency reported 80.3% of dairy operations with established production history for participating in USDA programs signed up for DMC.

The 20,800 participating operations are expected to receive indemnity payments totaling more than $305 million for 2019.

The program is geared for average milk production in the U.S. of 5 million pounds annually, which represents a herd of 200 to 250 cows. It offers lower premiums and higher insurable margins (above $8) than the Margin Protection Program for that average amount of production.

Most large producers in the West saw little benefit in MPP beyond the free catastrophic coverage of a $4 margin.

In addition to program calculations that were out of line with their milk prices and feed costs, premiums for production above the lower level were too high and (like all producers) they had to insure at least 25% of their production.

But DMC allows larger producers to insure their first 5 million pounds of production at the same affordable premiums as smaller producers. If they insure above the former top margin of $8, they can choose the free $4 margin on the balance of their insured production — instead of having to cover all enrolled production at the same margin in MPP.

In addition, producers can insure as little as 5% of their production.

The changes and the assured payout in 2019 seem to have appealed to large producers in the West. Participation in California is 80.3% of operations with established production history. That figure is 72.9% in Idaho, 72.8% in Texas, 77.4% in New Mexico and 68.1% in Arizona.

Aliya Hall/For the Capital Press

The USDA says that 80.3% of dairy producers have enrolled in its Dairy Margin Coverage Program.

Wisconsin, by far, has the highest number of operations enrolled at 5,848 — 86.3% of operations with production history. New York, Minnesota and Pennsylvania follow with 2,352, 2,330 and 2238, respectively.

Nationwide, producers had enrolled a total of nearly 176 billion pounds of milk as of Oct. 7 — 82.5% of established production history and almost 41 billion pounds more than what was enrolled in MPP.

DMC enrollment for 2020 is underway and closes Dec. 13.