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## Dairy

# National Milk seeking emergency pricing reform

By **CAROL RYAN DUMAS**  
Capital Press

The National Milk Producers Federation will request an emergency USDA hearing on changing the Class I fluid milk price mover in federal marketing orders.

The pandemic uncovered an unexpected flaw in the mover, and National Milk's board of directors voted Friday to request a hearing.

The mover sets the Class I base price to which a location differential is added. The calculation for the mover was changed in 2019 to provide better risk management for fluid milk processors. But that change proved costly to dairy farmers in the pandemic's wildly

abnormal markets.

The previous mover was calculated as the "higher of" the advance Class III and Class IV prices. It was changed to the average of Class III and Class IV plus 74 cents per hundredweight, which reflected the average difference of the Class III and Class IV prices and the higher of the two.

The change was meant to be revenue-neutral, with equity among market participants a stated goal. It functioned as such until July 2020. Fueled by government purchases for food boxes, cheese and Class III milk prices soared.

The significant gap between Class III and Class IV prices

resulted in an average price lower than what the previous "higher of" calculation would have been.

Thus the Class I mover was lower than what it would have been under the previous mover, and dairy farmers lost money on Class I milk. Revenue from that milk is shared in federal order pools.

National Milk estimates dairy farmers lost more than \$725 million compared with the previous mover.

Its proposal would help recoup the lost revenue and ensure that neither farmers nor processors are disproportionately harmed by future significant price disruptions.

The proposal would modify the current Class I mover by adjusting the 74 cent amount added to the average of the Class III and Class IV price every two years based on conditions over the previous 24 months, with the current mover remaining the floor.

"As the COVID-19 experience has shown, market stresses can shift the mover in ways that affect dairy farmers much more than processors. This was not the intent of the Class I mover formula negotiated within the industry," Randy Mooney, a dairy farmer and chairman of National Milk's board of directors, said in a press release.

"Dairy farmers were pleased

with the previous method of determining Class I prices and had no need to change it, but we tried to accommodate the concerns of fluid processors for better risk management," he said.

"Unfortunately, the severe imbalances we've seen in the past year plainly show that a modified approach is necessary. We will urge USDA to adopt our plan to restore equity and create more orderly marketing conditions," he said.

National Milk's request will be to limit the hearing specifically to proposed changes to the mover, after which USDA would have 30 days to issue an action plan that would determine whether USDA would act on an emergency basis.

## Idaho student team wins prestigious dairy competition

By **CAROL RYAN DUMAS**  
Capital Press

A student team from the University of Idaho took top honors at the 2021 North American Intercollegiate Dairy Challenge held April 14-16.

The students are from the university's College of Agricultural and Life Sciences Department of Animal, Veterinary and Food Sciences.

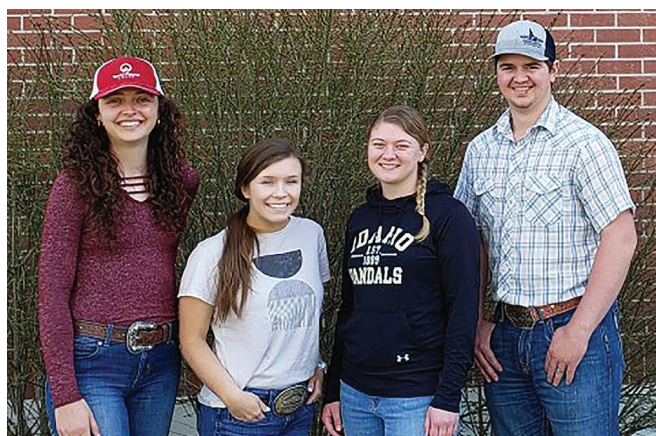
The team won a first-place platinum award in the competition.

The competition presented students with an applied dairy management challenge. Teams analyzed a commercial farm to develop a comprehensive program including recommendations for nutrition, reproduction, milking procedures, animal health, housing and financial management.

Each team of four students used its classroom education to consult with dairy operators to improve their businesses. Panels of dairy producers, veterinarians, farm-finance specialists and agribusiness professionals judged the student teams' efforts.

University of Idaho dairy science professor Amin Ahmadzadeh coached the winning team.

"The strength of the



University of Idaho

**From left, Nicole Poxleitner, Taylor Stephenson, Sadie Hurley and Taythen Larson of the University of Idaho won the annual Intercollegiate Dairy Challenge.**

team and their presentation was in recognizing some of the issues related to the host dairy farm, which were agreeable, in most part, with judges' view," he said.

"They also identified several great opportunities for the dairy, which could bring profit to the dairy in a reasonable amount of time," he said.

The team was able to substantiate and back up its findings with graphs, data and photos, he said.

"The students' enthusiasm and positive attitude to be a part of this valuable educational experience was the icing on the cake," he said.

The team included

pre-veterinary science major Taythen Larson of Albion, dairy science major Nicole Poxleitner of Cottonwood, animal science-production major Taylor Stephenson of Kuna and animal science-production major Sadie Hurley of Filer. The team members won \$200 scholarships and plaques.

The team analyzed the Wall-Stone Holsteins dairy of De Soto, Wis. The free-stall dairy operation milks 870 cows with 22 full-time employees.

Twenty-six universities, including three teams from Canada, in five separate brackets participated in the 2021 virtual Dairy Challenge.

## Fire damages Oregon creamery

By **SIERRA DAWN McCLAIN**  
Capital Press

McMINNVILLE, Ore. — Firefighters brought a three-alarm fire under control April 20 at the Organic Valley Creamery in McMinnville.

The structural damage is severe, officials say, but there were no injuries to employees or first responders.

The cause of the fire is unknown.

The fire started around 2 p.m. in the creamery's warehouse at 700 North Highway 99 West.

Officials told the Capital Press the fire was so big that units from Salem, Willamina, Lafayette, Carlton, Yamhill, Amity and Tualatin were called to help.

At 2:30 p.m., the McMinnville Fire Department asked residents within a quarter-mile radius of the creamery to evacuate and take shelter as a precaution against refrigerant leaks. At 7:35 p.m., the department lifted the order.

Firefighters were still working on the property April 21. Ann Hanifan, operations chief of the McMinnville Fire Department, told the Capital Press she had just returned from the site, where damage was "serious" and the fire is contained but "still smoldering."

"(The site) is fairly damaged," Hanifan said. "We were able to stop (the fire) from taking out a portion of the building, but they'll have to do some sort of major restructuring of the place."

Mark Pfeiffer, Organic Valley's vice president of internal operations, said the scale of damage is "quite devastating."

Pfeiffer estimated Organic Valley has spent up to \$23 million since 2016 renovating the McMinnville plant. After survey-



Courtesy of Amy Hanifan/McMinnville Fire Department  
**Firefighters battle the flames Tuesday at the Organic Valley Creamery in McMinnville, Ore.**

ing the damage, Pfeiffer said he believes the smaller 2,500-square-foot dryer facility survived but the larger 25,000-square-foot main plant was a total loss.

Pfeiffer said he doesn't know yet whether the cooperative will rebuild the facility or move elsewhere.

"Honestly, I can't speculate on that yet," he said. "I'm kind of reeling."

Pre-fire, the facility handled about 500,000 pounds of milk daily from 42 area farms. Pfeiffer said in the short term, the cooperative is trying to divert milk to its "extensive network of co-manufacturing partners" so that farmers won't have to dump milk. In the longer term, Pfeiffer said, the plan is not yet clear.

In a statement April 20, Organic Valley said how the fire started is still unknown.

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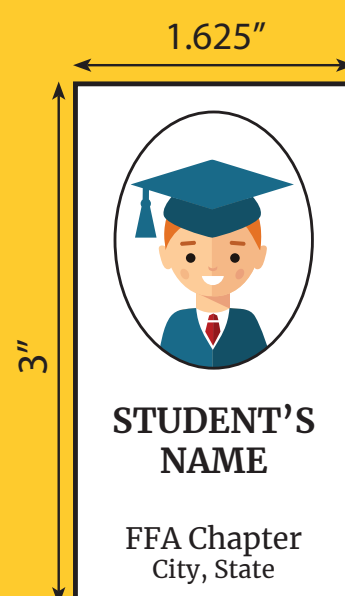
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