

Milk production slows; cow numbers decline slightly in June

By CAROL RYAN DUMAS
Capital Press

The latest milk production report from USDA brought some good news, with a slowing of the milk spigot.

June's milk production was up 2.9% year-over-year after increasing 4.7% year-over-year in May.

Even though May's milk production was gauged against a low comparable — with May 2020 being up only 0.8% year over year — June's output was quite an improvement when it comes to slowing milk production, said Bob Cropp, an economist with the University of Wisconsin.

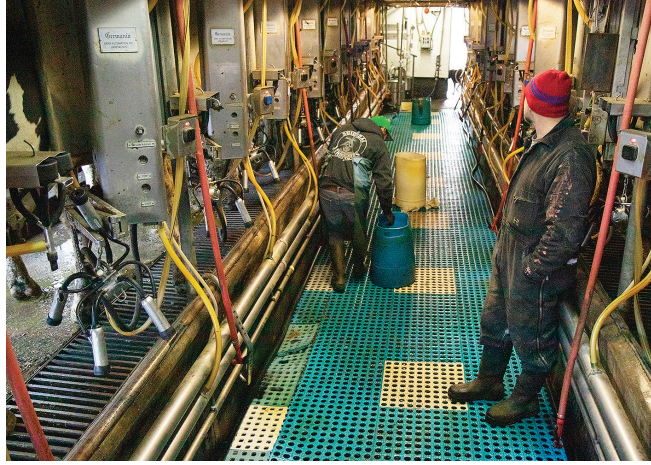
More good news is that cow numbers in June showed a slight decline from May

after increasing monthly since July 2020. There are still a lot of cows, about 153,000 more than a year ago, but production per cow was more normal with only a 1.3% increase year-over-year, he said during the latest "Dairy Situation and Outlook" podcast.

"It is an improvement but, boy, we've had a head of steam up and we still have a lot of cows," said Mark Stephenson, fellow economist at the university.

But there have been all kinds of problems in the West with heat, drought, fires and water rationing, he said, and he wonders if production levels will hold in the region.

The Midwest is now seeing heat as well, and the feed situation is not good. Large herds have nutritionists who



Sierra Dawn McClain/Capital Press

U.S. milk production slowed in June.

can balance rations to temper the impact, but the heat will have an impact, Cropp said.

"So I look for milk production to continue to slow, which I hope it does," he said.

He expects cow numbers to decrease slowly, but maybe not until next year, he said.

The U.S. has seen big milk production and big dairy product production, but

stocks haven't blown up and milk prices are OK, Stephenson said.

"But I'm a little concerned about margins on farms, particularly those farms in the West," he said.

If they're not able to water and harvest alfalfa, purchasing it is going to be expensive. The same goes for other crops, he said.

"Those margins are looking pretty tight. We'll have to see what that does for milk production," he said.

There's a lot of uncertainty, but USDA is forecasting a 2.5% increase in milk production this year. That's a lot of milk, and it's going to keep pressure on milk prices, Cropp said.

But milk production does decrease seasonally in the summer. Things getting

back to normal with in-person school and events should help demand. Dairy exports have been doing great, and the holidays should bring a boost in demand for butter and cheese, he said.

July's Class III milk prices are looking like they'll be in the low \$16s a hundredweight, down from \$17 in June. But the cheese market has really taken a hit in the last couple of weeks. If cheese prices don't improve, Class III milk could drop below \$16, he said.

But if milk production continues to slow, schools and event get back to normal and exports stay strong, he expects Class III milk to get in the \$17 by October. If milk production slows even more, prices could move into the high \$17s, he said.

Wheat tied to corn prices as more of it enters feed market

By MATTHEW WEAVER
Capital Press

Wheat prices will be tied to the corn market for the next few months as more of it goes for livestock feed, a Washington State University economist say.

When corn prices are high, wheat begins to enter the livestock feed market, Randy Fortenbery, WSU small grains economist, told the Capital Press.

The higher prices mean less export volume, Fortenbery added. Current export projections are less than at the same time last year, but that's offset by higher feed use.

"We're in the first quarter of the marketing year," he said. "This is a very unsettling time because we've started (harvesting), but we don't really know what we have, and we don't know the quality yet of what we have."

Some Northwest farmers may be interested in storing their wheat, but Fortenbery considers that risky.

"Our prices are already pretty strong relative to other parts of the country," he said.

If the corn crop outlook improves, the price of futures may decrease. USDA's corn yield projections may be high relative to crop progress reports. The first corn field report will be in August, Fortenbery said.

Farmers might see higher prices for wheat, but if they have poor yields because of drought, they may need to file insurance claims.

"It's going to be very farm-specific this year, in terms of crop insurance payments, whether you do or don't get hit with a discount because of protein, and what your individual yields are," Fortenbery said.

Fortenbery is also watching the labor picture.

Much of the Pacific Northwest, particularly fruit producers, rely on migrant or seasonal labor. Immigration concerns are likely to be the biggest issues into next year, Fortenbery said.

The trucking industry is having a hard time attracting truckers, and the food service industry is having difficulty hiring employees, he added.

Some employees have been drawn to other industries by higher wages or more schedule flexibility.

"If you can't effectively move product, prices tend to go up at the retail level and they kind of go down at the farm level," Fortenbery said.

Fortenbery isn't sure there's a specific solution to the problem.

"I think we're adjusting to a new normal," he said. "I don't think we've arrived there yet."



Randy Fortenbery



Capital Press File

A hemp plant.

Idaho hemp plan makes progress

By BRAD CARLSON
Capital Press

Idaho aims to submit its hemp plan to the U.S. Department of Agriculture by Sept. 1.

"From there, we expect a fairly quick turnaround time on the review by USDA," Idaho State Department of Agriculture Deputy Director Chanel Tewart said.

ISDA could accept license applications from growers and handler-processors from mid-October through year's end if USDA approval comes when anticipated, she said.

First, ISDA will deliver the plan in early August to Gov. Brad Little and the Idaho State Police — involved because the 2018 Farm Bill requires it and the state's new law addresses transport — for

review and approval. Draft administrative rules and other supporting documents will be included.

The Idaho Legislature this year approved industrial hemp production, to be overseen by ISDA. The Legislature in 2022 would review related administrative rules. First plantings could come in the spring of 2022.

The law allows production and transport of hemp containing tetrahydrocannabinol up to the 2018 Farm Bill's limit but does not allow in-state possession or sale of THC-containing products.

Tewart said USDA must approve Idaho's plan including the state statute and proposed administrative rules. USDA also must verify the state can fulfill requirements of federal hemp rules.

ISDA negotiated rule-making meetings with stakeholders June 23 and June 30 each drew about 40 people, she said.

Braden Jensen, of the Idaho Farm Bureau Federation, said the sessions attracted more prospective handler-processors than growers, "which is good because processing and capacity can be a bottleneck in the system."

"There is a handling portion of the (draft) rule because the new Idaho law references handling," Tewart said. "We need to ensure the product can get from the farm to a drying facility or grain facility. So we have accounted for that in the process."

She said the draft rule calls for a \$100 application fee. Applicants would report GPS coordinates of fields or facilities, and

complete a background check.

Growers would pay \$500 for an annual license and \$250 per lot for inspection. Handler-processors would pay \$1,000 for a license and \$500 for an annual inspection.

"Inspection is required in the federal rule and will be in the state rule," Tewart said. Inspections will include verifying paperwork and pulling samples tested for THC content. A crop exceeding the allowed limit would have to be destroyed or remediated.

Tim Cornie of 1000 Springs Mill participated in rule-making sessions. The Buhl business plans to apply for a state license to handle hemp grain.

"Everything is totally manageable," he said of the draft rule.

EPA fine sours Yakima cold-storage owner

By DON JENKINS
Capital Press

The Environmental Protection Agency has levied six-figure fines against two Yakima County cold-storage enterprises for missing the annual deadline for filing two-page forms reporting that their facilities store anhydrous ammonia.

Stadelman Fruit LLC was fined \$238,875, while Hollingbery and Sons Inc. and the related Hollingbery CA and Cold Storage LLC were penalized a total of \$118,200.

The federal Emergency Planning and Community Right-To-Know Act requires companies that store hazardous chemicals to submit the forms, mostly a checklist, by March 1 to state and local emergency planners, and the local fire department.

Bud Hollingbery, president of the Hollingbery companies, said Friday his businesses have been sending in the information for years. In 2020, the employee who files the forms had a family emergency, and the forms weren't submitted until May 12, he said.

By then, according to EPA, the Hollingbery companies had committed 12 violations — three late forms for four cold-storage facilities in Yakima.

The maximum poten-

tial fine for each violation was \$59,017, for a total of \$708,204 for the 12.

Bud Hollingbery said he spent about \$12,000 on an attorney to negotiate a smaller fine, but didn't admit to any of the allegations.

"The amount of money we would have had to spend (in court) would have been prohibitive, and we'd still have been at risk, that's why we quit," he said. "You argue it down as much as you can and pay. It leaves a really bad taste in your mouth."

"The fine was not commensurate with the infraction," Bud Hollingbery said. "This didn't impact the risk to the community at all. The only impact was that the paperwork was late."

Stadelman Fruit also was fined for missing the March 1, 2020, reporting deadline for its four cold-storage facilities in Zillah. Stadelman agreed to settle, but also did not admit to the allegations. Efforts to obtain comment from the company Friday were unsuccessful.

The EPA announced the fines in a press release. "Zillah and Yakima families deserve better protection from chemical hazards," the agency stated.

Congress passed the Right-To-Know Act in 1986, two years after a chemical disaster in Bhopal, India, killed thousands.

A MIXER FOR EVERY OPERATION
147 – 1960 cu. ft. mixing capacities

VT: Vertical Twin-Auger

THE MOST COMPLETE MIXER LINE IN THE INDUSTRY

VS: Vertical Single-Auger

VXL: Triple-Auger Mixer

Botec: 4-Auger Mixer

RA: Reel Mixer

We are committed to creating innovative mixers that will provide a quality ration and years of low-maintenance service.

California		Oregon		Washington	
Papé Machinery	Papé Machinery	Boyd's Implement	Farmer's Equipment	Papé Machinery	Central Machinery Sales
Fall River Mills	Cornelius, Madras,	Tillamook	Burlington	Chehalis, Lynden,	Pasco
Fortuna	Merrill, Tangent		Lynden	Mount Vernon,	Sunnyside
				Quincy, Sumner,	
				Yakima	

INVEST IN QUALITY™
www.kuhn.com

Visit your local KUHN Livestock dealer today!

5228122-1