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Dairy

USDA expands dairy donation program

By CAROL RYAN DUMAS
Capital Press

USDA is building on its Milk Donation Reimbursement Program with a new program to help expand partnerships between dairy organizations and food banks to provide products to food-insecure households.

The Dairy Donation Program provides one-time funding of \$400 million to reimburse dairy farmers, cooperatives and processors to help offset the costs associated with processing and donating dairy products, USDA announced.

Unlike the Milk Donation Reimbursement Program — which only applied to fluid milk donations — the new program also includes dairy products such as cheese and yogurt. In addition, it helps offset some of the costs of manufacturing and transportation, which the fluid



Dairy West

A new USDA program will help pay the cost of processing and transporting dairy products that are donated to food banks and other anti-hunger groups.

milk program does not provide.

Dairy organizations have eagerly awaited details of the program and commended USDA for supporting

the industry's continued efforts to address hunger and food insecurity.

"This important program will help dairy farmers and the cooperatives they own to do what they do best: feed families nationwide," said Jim Mulhern, president and CEO of National Food Producers Federation.

"Dairy stakeholders are eager to enhance their partnerships with food bank and other distributors to provide dairy products to those experiencing food insecurity, which the COVID-19 pandemic has only exacerbated," he said.

NMPF worked closely with USDA to ensure the program addressed additional costs such as processing and transportation, as well as other elements that make the program more viable. The provision covering the cost of processing is a significant enhancement from the previous program, it said.

NMPF will continue to work with Congress to secure additional funding for the program in the future, Mulhern said.

Since the start of the pandemic, U.S. dairy producers and dairy food companies have led efforts to feed the hungry and support struggling communities, said Michael Dykes, president and CEO of the International Dairy Foods Association.

USDA's Dairy Donation Program is providing the industry with one more tool to reach Americans in need, while ensuring a fair market value for donated products for dairy food producers, he said.

"The dairy industry welcomes the opportunity to continue to partner with nonprofits, charities and other organizations working to combat hunger and nutrition insecurity," he said.

Congress directed USDA to develop the program in December

through the Consolidated Appropriations Act of 2021 to facilitate dairy product donations and reduce food waste.

Dairy farmers, cooperatives or processors that purchase fresh milk or bulk dairy products to process into retail-packaged dairy products and meet other requirements are eligible to participate.

Those eligible dairy organizations will partner with nonprofit organizations that distribute food to individuals and families in need. Those partnerships can apply for and receive reimbursement related to eligible dairy product donations since Jan. 1, 2020.

The program is part of USDA's broader \$6 billion plan to expand assistance to more producers using discretionary funding from the Consolidated Appropriations Act and other funding that went unspent by the Trump administration.



Glanbia

The new Midwest Cheese plant in St. Johns, Mich. The 370,000-square-foot plant is one of the largest cheese manufacturing facilities in the U.S.

Glanbia builds on success

By CAROL RYAN DUMAS
Capital Press

Glanbia's successful joint venture with Dairy Farmers of America and Select Milk Producers at Southwest Cheese in Clovis, N.M., has provided a springboard for a new cheese plant in St. Johns, Mich.

The \$470 million Midwest Cheese plant began operations in October 2020, processing 2.9 billion pounds of milk annually — 8 million pounds daily. It produces 300 million pounds of cheese and 20 million pounds of whey a year in one of the most technologically advanced dairy processing facilities in the U.S.

Things have changed a lot in the 15 years since the New Mexico plant began operation. Those changes are reflected in the design of the Michigan plant, said George Chappell, vice president of dairy operations for Glanbia Nutritionals.

Dairy Farmers of America and Select Milk Producers are also partners in the new plant, supplying the milk, while Glanbia makes and markets the cheese and whey.

Glanbia used a lot of 3-dimensional modeling with the general contractor to line up all the equipment, pumps, pipes, hole penetrations and electrical lines for operations.

"It was amazing the accuracy of which we could predict where we needed to place equipment," he said during the latest "Dairy Download" podcast.

The benefit of that was less rework, less chance for error and the ability to take the plant to full production as quickly as possible without "bumps along the way" once it was built, he said.

"One of the things that's really made this project a success is we brought together kind of what we consider to be some of the best of the best in the industry," he said.

Glanbia is efficient at owning and operating a large cheese manufacturing facility, he said.

"So even on the outset, we had a very clear vision of what we wanted this plant to deliver. And we laid out very clear success criteria for our contractors," he said.

Due to the size of the facility — 370,000 square feet — operations have to be broken into chunks. One of the contractors on the project said Glanbia effectively designed seven buildings under one roof, he said.

But plant design is not the only thing that has changed over the years.

"There's been some good advances in the process equipment and what you can do in controlling variability. But the biggest thing for us over the past two decades has really been automation," he said.

"It's the secret sauce that you don't see behind the scenes," he said.

Dairy processor focuses efforts on niche markets

By CAROL RYAN DUMAS
Capital Press

Kansas Dairy Ingredients, a world leader in manufacturing and marketing ultrafiltered concentrated milk products, announced in June it is investing \$45 million to expand its processing facility in Hugoton, Kan.

In addition to its ultrafiltered milk products, which have more protein and calcium and less carbohydrates, the company produces European-style butters, cheese and cheese curds.

The expansion will include a 90,000 square-foot plant to manufacture cheese and butter. The company currently process 1.6 million pounds of milk a day in its 45,000 square foot concentration plant. The company expects to process 3 million pounds of milk a day total when the cheese and butter plant goes on line.

The company was founded in 2012, with KDI working with a handful of strategic customers that needed milk solids for cheese and other products, said Tim Gomez, a founder of KDI and CEO of KDI Cheese Co.

"Our growth strategy has been in place for several years," he said during the latest "Dairy Download" podcast.

About 4 years ago, KDI made a large investment in its Kansas plant to be able to fully treat its wastewater and be in a position to grow in the future. That future is now, he said.

"We've strategically tried to stay away from the commodity products," he



KDI

The Kansas Dairy Ingredients plant in Hugoton, Kan.

said.

Instead, the company has focused on niche markets, which are a little more problematic for very large facilities, he said.

"We think we can do it on a smaller scale and provide good service to the customers that we're working with," he said.

With the expansion, KDI will have some portion of its business that makes commodity cheese, but it is definitely not the focus, he said.

"We understand that you've got to have some scale and volume to be efficient. But we really see our niche being able to service cheeses that are hard Italian or Hispanic and then maybe some strategic American-style cheeses," he said.

"So we're wanting to slow our processes down so that we can make very high-quality cheeses that give foodservice as well as retail ... a vehicle to be able to provide products that we feel consumers are wanting and they're wanting more of," he said.

The company moved its operational office to Colorado Springs, Colo., about four years ago with a mission to have Colorado as its focus market. It wanted to launch that effort in the spring of 2020 with a focus

on foodservice but had to pivot due to the pandemic shutdowns.

The company instead targeted consumers directly with a home-delivery service and jumped into farmers markets to get its name out there, he said.

"We started talking to consumers and really it became very organic in the sense that we started to learn what consumers were wanting," he said.

Communities and chefs in Colorado have really supported KDI and gave the company confidence that it was on the right path, he said.

"They appreciated the focus on a high-quality, more premium type product," he said.

Consumers are also interested in what's happening on the farm, what farmers are doing for sustainability and what KDI is doing to be sustainable, he said.

The farmers who supply milk to KDI have been good stewards of the land and are investing in their facilities to make their facilities and businesses sustainable, he said.

"We just want to carry that message forward for them, and if we can do that a little bit through our products that's our goal, he said.

University names third class of Chobani Scholars

Capital Press

The University of Idaho College of Agricultural and Life Sciences has selected four students as its next class of Chobani Scholars.

The high school graduates receive \$20,000 each from Chobani to support their four-year degree. This is the third year in a row that Chobani has funded the grants.

All four of this year's students are from the Magic Valley in south-central Idaho, where Chobani operates a yogurt plant. The students are majoring in animal, veterinary and food sciences at CALS and will pursue a variety of careers as the next generation of Idaho dairy professionals.

Their career ambitions include helping to improve the public's understanding of the dairy industry's sustainability and animal well-being practices, the university said in a press release.

"The future of dairy matters to us and one of the best ways to help Idaho farmers is to equip tomorrow's dairy leaders with the tools they need to thrive," said Peter McGuinness, president and COO of Chobani.

"The Chobani Scholars program is one way that Chobani is investing in the future of dairy in our home states," he said.

"We are excited to welcome the next group of four outstanding young people to the Chobani Scholars program and to the U of I College of Agricultural

and Life Sciences," said Michael Parrella, CALS dean.

The Chobani Scholars program was established at the University of Idaho in 2018. The scholarships are for Idaho students with family connections to dairy farming and who intend to pursue a career in the dairy farming industry. In addition to the scholarship, the Chobani Scholars will also have an opportunity to intern with Chobani during their college careers.

The 2021 Chobani Scholars:

- Reina Elkin graduated from Buhl High School and plans to major in pre-veterinary science.

- "I want a career in the ag industry because I'm fascinated by the opportunities that are available for women especially. I plan to use my degree to develop my knowledge in pursuing a career as a veterinarian, she said."

- Juan Jaquez graduated from Minico High School in

Rupert and plans to major in pre-veterinary science.

"I know that dairy farms have a huge place in the economy of Idaho. This is why I want to become a veterinarian because I will help farmers have healthy cows to grow Idaho's economy," he said.

- Ariana Olmos graduated from Minico High School in Rupert and plans to major in pre-veterinary science.

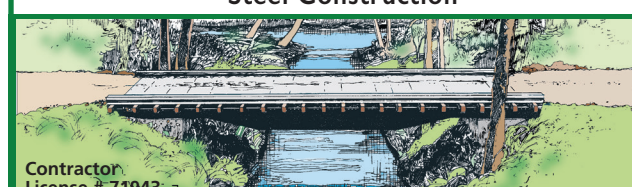
- "I would like a career in dairy farming because it's part of a huge industry in southern Idaho and I would like to come back and help communities here. These opportunities will lead me to have real world experiences," she said.

- Avrie Ottley graduated from Burley High School and plans to major in dairy science.

- "Obtaining a degree will give me more opportunities for a higher-paying job, better positions and a stronger understanding of the agricultural workforce," she said.

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