

# CHEESE MARKET NEWS<sup>®</sup>

The Weekly Newspaper Of The Nation's Cheese And Dairy/Deli Business



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## First public meeting for farm bill conferees set for Oct. 30

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WASHINGTON — U.S. House and Senate agriculture committee members this week announced that the first public meeting for the 2013 Farm Bill conference committee will be held Oct. 30. The meeting will include opening statements and discussion of H.R. 2642, the Federal Agriculture Reform and Risk Management Act of 2013.

While the House and Senate both approved versions of the farm bill earlier this year, action on finalizing the legislation has been stalled for some time due to lawmakers' disagreement on several key issues as well as the recent government shutdown.

However, with a continuing

resolution signed last week to temporarily end the shutdown in addition to the long-awaited appointment of House farm bill conferees, lawmakers are ready to move forward on the bill. The Senate appointed conferees earlier this year. (*For a list of farm bill conferees, see "Shutdown ends, Congress poised to move on farm bill" in last week's issue of Cheese Market News.*)

Rep. Frank Lucas, R-Okla., will chair the meetings, which will begin Wednesday with a format that permits all 41 committee members to make public statements.

Key issues in future negotiations will include the inclusion of the Dairy Security Act and a program to limit the supply of milk in times of low producer margins — a source of contention in the dairy industry — as well as discrepancies on cuts to the Supplemental Nutrition Assistance, or food stamp, program (SNAP).

The Senate bill would cut about \$4 billion from SNAP over the next decade, while the House bill would cut nearly \$40 billion over 10 years, mostly by rewriting eligibility rules for beneficiaries.

Senate leaders including

ag committee chair Debbie Stabenow, D-Mich., have indicated that Senate Democrats will oppose cuts much higher than those they approved in the Senate bill.

If Congress fails to pass a final bill by Jan. 1, the price of milk could rise because federal dairy policy would revert to a 1949 law — but both lawmakers and dairy industry stakeholders appear optimistic that a deal will be reached.

However, until a final deal is reached, several agriculture and nutrition programs are facing reductions in or elimination of funds.

USDA notes that millions of SNAP recipients will see their benefits reduced Nov. 1 as the result of the expiration in a temporary increase in SNAP benefits that Congress put in place with the economic stimulus package in 2008. It is estimated that a family of four will receive \$36 less per month, according to USDA.

Anti-hunger groups are concerned about the impact of the drop-off, and food banks and pantries expect to see a surge in already rising requests for help once monthly SNAP benefits are automatically reduced, according to

the International Dairy Foods Association (IDFA).

"According to USDA reports, SNAP recipients spend between 10 percent and 12 percent of their food budget on dairy products," says Ruth Saunders, IDFA vice president for policy and legislative affairs.

Meanwhile, Sen. Tom Johnson, D-S.D., USDA Undersecretary for Farm and Foreign Agriculture Services Michael Scuse and other USDA officials met with western South Dakota producers today to discuss the impact of the October blizzard and how the federal government can assist in the recovery process.

"Undersecretary Scuse and I spent much of today visiting areas of South Dakota that were hit by the blizzard earlier this month, and talking to producers that were affected by this terrible storm," Johnson says. "It's difficult to describe the stories we heard. This storm killed tens of thousands of livestock, decimating some folks' livelihoods."

Johnson notes that after "a long and frustrating process," Congress was finally able to overcome the gridlock and come up with a good, bipartisan

Turn to FARM BILL, page 11 ⇨

## CDFA rules not to raise prices, extends temporary price relief

SACRAMENTO, Calif. — California Department of Food and Agriculture (CDFA) Secretary Karen Ross this week announced that the department will extend current temporary price relief across all classes of milk through June 30, 2014, but will not make any additional increases to the state's 4b price or others as milk producers had hoped.

The decision follows a Sept. 12 milk price hearing, where producers had proposed emergency price relief for up to one year of up to \$0.46 per hundredweight for Class 4b milk and raising the ceiling in the sliding scale used to value whey in the Class 4b formula from \$0.75 per hundredweight to \$1.00 per hundredweight.

CDFA's decision, announced Tuesday, includes the extension of temporary price adjustments on the Class 1, 2, 3, 4a and 4b pricing formulas (implemented in May) through June 30, 2014, by continuing the following adjustments:

- Increasing the Class 1 price approximately \$0.03 per hundredweight by adding: \$0.0003 per pound to the milk fat price; \$0.0023 per pound to the milk solids-not-fat price; and \$0.0001 per pound to the milk fluid carrier price.

- Increasing the Class 2 and 3 prices approximately \$0.05 per hundredweight by adding \$0.0041 per pound to both the milkfat and milk solids-not-fat prices.

- Increasing the Class 4a and 4b prices approximately \$0.15 per hundredweight by adding \$0.0123 per pound to both the milkfat and milk solids-not-fat prices.

CDFA Secretary Karen Ross says she believes extending the price relief — an overall average price increase of 12.5 cents per hundredweight of milk each month — will provide a consistent level of revenue to producers to ensure a stable milk supply.

"While there are positive signs in the marketplace, the fragility of the country's economic recovery and the stability of the dairy sector

Turn to CDFA, page 12 ⇨

## Cheese production rises in August over prior year

WASHINGTON — Total U.S. cheese production, excluding cottage cheese, was 926.1 million pounds in August, up 3.9 percent from August 2012, according to data released this week by USDA's National Agricultural Statistics Service (NASS). (*All figures are rounded. Please see CMN's Dairy Production chart on page 11.*) The data had been scheduled to have been released earlier this month, but the release of the NASS report was delayed due to the partial government shutdown. August cheese production was 1.9 percent above July 2013.

Mozzarella was the most-produced cheese in August with 296.2 million pounds produced, 3.6 percent more Mozzarella than a year earlier. Italian-type cheese, of which Mozzarella is the largest component, totaled 386.2 million pounds in August, 3.8 percent above August 2012.

Turn to NASS, page 11 ⇨

## Gustafson's Dairy milk processing plant in Fla. closes

GREEN COVE SPRINGS, Fla. — The Gustafson's Dairy milk processing plant located here closed Oct. 11 because it was small and outdated, Southeastern Milk Inc. (SMI) says.

Gustafson's Dairy was in business for more than 100 years. It had been the largest family-owned dairy in the country before it was purchased by SMI in 2004.

Turn to CLOSED, page 11 ⇨



# MARKET INDICATORS

## Chicago Mercantile Exchange Cash prices for the week ended October 25, 2013

	Monday Oct. 21	Tuesday Oct. 22	Wednesday Oct. 23	Thursday Oct. 24	Friday Oct. 25
<b>Cheese Barrels</b>					
Price	\$1.7600	\$1.7925	\$1.8000	\$1.8000	\$1.8200
Change	-1/4	+3 1/4	+3/4	NC	+2
<b>Cheese 40-lb. block</b>					
Price	\$1.8575	\$1.8575	\$1.8575	\$1.8650	\$1.8750
Change	NC	NC	NC	+3/4	+1

Weekly average (Oct. 21-25): Barrels: \$1.7945(+.0215); 40-lb. Blocks: \$1.8625(+.0265).  
Weekly ave. one year ago (Oct. 22-26, 2012): Barrels: \$2.0290; 40-lb. Blocks: \$2.0640.

	Monday Oct. 21	Tuesday Oct. 22	Wednesday Oct. 23	Thursday Oct. 24	Friday Oct. 25
<b>Extra Grade NDM</b>					
Price	\$1.8200	\$1.8200	\$1.8200	\$1.8200	\$1.8500
Change	NC	NC	NC	NC	+3
<b>Grade A NDM</b>					
Price	\$1.8600	\$1.8600	\$1.8600	\$1.8675	\$1.9000
Change	NC	NC	NC	+3/4	+3 1/4

Weekly average (Oct. 21-25): Extra Grade: \$1.8260(+.0220); Grade A: \$1.8695(+.0190).

	Monday Oct. 21	Tuesday Oct. 22	Wednesday Oct. 23	Thursday Oct. 24	Friday Oct. 25
<b>Grade AA Butter</b>					
Price	\$1.4650	\$1.4700	\$1.4750	\$1.4750	\$1.4750
Change	-1 3/4	+1/2	+1/2	NC	NC

Weekly average (Oct. 21-25): Grade AA: \$1.4720(-.0425).

Class II Cream (Major Northeast Cities): 2.0446-2.1657.

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## Weekly Cold Storage Holdings October 21, 2013

	On hand		Week		Change since Oct. 1		Last Year	
	Monday	Change	Pounds	Percent	Pounds	Change	Pounds	Change
<b>Butter</b>	12,444	*	*	*	10,973	+1,471		
<b>Cheese</b>	108,430	*	*	*	117,523	-9,093		

(These data, which include government stocks and are reported in thousands of pounds, are based on reports from a limited sample of cold storage centers across the country. This chart is designed to help the dairy industry see the trends in cold storage between the release of the National Agricultural Statistics Service's monthly cold storage reports.)  
\*Numbers unavailable due to the government shutdown.

## CLASS III PRICE

(Dollars per hundredweight, 3.5% butterfat test)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2007	13.56	14.18	15.09	16.09	17.60	20.17	21.38	19.83	20.07	18.70	19.22	20.60
2008	19.32	17.03	18.00	16.76	18.18	20.25	18.24	17.32	16.28	17.06	15.51	15.28
2009	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14			

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## CHEESE FUTURES for the week ended October 24, 2013

(Listings for each day by month, settling price and open interest)

	Fri., Oct. 18	Mon., Oct. 21	Tues., Oct. 22	Wed., Oct. 23	Thurs., Oct. 24
OCT13	1.803 1,067	1.802 1,067	1.805 1,068	1.803 1,068	1.803 1,068
NOV13	1.810 1,465	1.802 1,463	1.823 1,463	1.833 1,463	1.847 1,463
DEC13	1.747 1,555	1.733 1,555	1.747 1,552	1.749 1,557	1.765 1,568
JAN14	1.690 820	1.675 833	1.680 844	1.688 851	1.692 855
FEB14	1.659 642	1.656 638	1.656 639	1.660 647	1.659 642
MAR14	1.655 683	1.655 683	1.655 684	1.655 688	1.650 683
APR14	1.655 562	1.655 562	1.655 563	1.655 578	1.655 578
MAY14	1.660 550	1.660 550	1.651 552	1.651 563	1.653 567
JUN14	1.687 512	1.687 513	1.677 513	1.677 524	1.677 527
JUL14	1.722 222	1.722 222	1.723 223	1.723 238	1.723 238
AUG14	1.725 229	1.725 229	1.725 230	1.726 245	1.726 245
SEP14	1.740 220	1.740 220	1.740 221	1.740 236	1.740 239
OCT14	1.730 218	1.730 218	1.730 219	1.730 234	1.730 234
NOV14	1.730 222	1.730 222	1.730 223	1.730 237	1.730 237
DEC14	1.725 198	1.725 198	1.725 199	1.725 214	1.725 214
Total Contracts Traded/ Open Interest	129/9,165	47/9,173	88/9,193	247/9,343	54/9,358

Daily market prices are available by visiting CME's online statistics sites at <http://www.cmegroup.com>.

## DRY WHEY FUTURES for the week ended October 24, 2013

(Listings for each day by month, settling price and open interest)

	Fri., Oct. 18	Mon., Oct. 21	Tues., Oct. 22	Wed., Oct. 23	Thurs., Oct. 24
OCT13	58.25 269	58.23 269	58.00 269	58.00 270	57.85 270
NOV13	58.75 254	58.75 254	58.50 254	58.50 254	58.00 256
DEC13	59.50 262	59.33 262	58.88 262	59.35 269	59.00 269
JAN14	58.00 243	57.73 245	57.48 245	58.08 237	58.00 238
FEB14	57.00 211	57.00 211	56.83 217	57.35 226	57.50 229
MAR14	56.25 256	56.25 256	55.98 266	56.85 268	56.85 272
APR14	55.50 161	55.50 161	55.50 161	55.33 164	55.83 167
MAY14	54.25 163	54.25 163	54.50 171	54.50 172	54.55 178
JUN14	53.25 202	53.50 202	54.03 217	54.03 219	54.03 219
JUL14	52.00 93	52.00 93	52.50 104	53.00 107	53.00 107
AUG14	51.00 66	51.00 66	52.00 74	52.50 78	52.50 78
SEP14	49.00 46	49.00 46	49.75 44	50.00 48	50.00 48
OCT14	49.25 23	49.25 23	49.75 25	49.75 26	49.75 26
NOV14	49.25 41	49.25 41	49.75 41	49.75 42	49.75 42
DEC14	48.53 54	48.53 54	49.00 54	49.00 55	49.00 55
Total Contracts Traded/ Open Interest	22/2,344	2/2,346	77/2,404	80/2,435	22/2,454

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## Dry Products\*

October 25, 2013

### NONFAT DRY MILK

**Central & East:** low/medium heat \$1.8100-\$1.9500; mostly \$1.8500-\$1.9000.  
high heat \$1.9475-\$1.9800.

**West:** low/medium heat \$1.8000-\$1.8900; mostly \$1.8450-\$1.8700.  
high heat \$1.8400-\$1.9800.

**Calif. manufacturing plants:** extra grade/grade A weighted ave. \$1.8320(+.0198) based on 7,364,636 lbs. Sales to CCC: 0 lbs.

### WHOLE MILK POWDER (National):

\$1.8400-\$2.0500.

### EDIBLE LACTOSE

(FOB) Central and West: \$4.400-\$7.400; mostly \$5.800-\$7.200.

### DRY WHEY

**Central:** nonhygroscopic \$4.700-\$6.300; mostly \$5.200-\$5.600.

**West:** nonhygroscopic \$5.300-\$6.000; mostly \$5.300-\$5.825.

(FOB) Northeast: extra grade/grade A \$5.000-\$6.200.

**ANIMAL FEED (Central):** Whey spray milk replacer \$4.4050-\$5.0000.

**WHEY PROTEIN CONCENTRATE (34 percent):** \$1.3000-\$1.6400; mostly \$1.4850-\$1.5850.

### DRY BUTTERMILK

(FOB) Central & East: \$1.6800-\$1.8200.

(FOB) West: \$1.6200-\$1.7700; mostly \$1.7200-\$1.7400.

### CASEIN:

Rennet \$4.7000-\$5.0000; Acid \$4.8000-\$5.4000.

\*Source: USDA's Dairy Market News

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# MARKET INDICATORS

## International Dairy Markets

October 25, 2013

### Western Europe

**Butter:** 82 percent butterfat \$5,425-\$5,925.  
**Butteroil:** 99 percent butterfat \$6,300-\$7,100.  
**Skim Milk Powder:** 1.25 percent butterfat \$3,900-\$4,500.  
**Whole Milk Powder:** 26 percent butterfat \$4,875-\$5,200.  
**Whey Powder:** Nonhygroscopic \$1,250-\$1,500.

### Oceania

**Butter:** 82 percent butterfat \$3,750-\$4,500.  
**Cheddar Cheese:** 39 percent maximum moisture \$4,300-\$4,500.  
**Skim Milk Powder:** 1.25 percent butterfat \$4,350-\$4,675.  
**Whole Milk Powder:** 26 percent butterfat \$4,950-\$5,300.

Source: Dairy Market News. Prices reported in U.S. dollars per metric ton, F.O.B. port. To convert to price per pound: divide price by 2,204.6 pounds.

## CME FUTURES for the week ended October 24, 2013

### Class III Milk

	Fri., Oct. 18	Mon., Oct. 21	Tues., Oct. 22	Wed., Oct. 23	Thurs., Oct. 24
OCT13	18.25 3,633	18.24 3,602	18.25 3,583	18.24 3,543	18.25 3,378
NOV13	18.32 4,472	18.26 4,484	18.46 4,554	18.55 4,531	18.68 4,519
DEC13	17.72 3,385	17.55 3,450	17.71 3,521	17.71 3,584	17.88 3,649
JAN14	17.07 1,799	16.95 1,821	16.98 1,824	17.04 1,873	17.11 1,964
FEB14	16.77 1,531	16.75 1,542	16.73 1,548	16.80 1,558	16.78 1,570
MAR14	16.65 1,359	16.63 1,378	16.60 1,392	16.64 1,409	16.70 1,419
APR14	16.57 1,129	16.56 1,152	16.57 1,175	16.61 1,182	16.65 1,186
MAY14	16.65 1,167	16.60 1,175	16.60 1,204	16.61 1,230	16.64 1,230
JUN14	16.92 1,002	16.81 1,011	16.86 1,025	16.87 1,044	16.86 1,045
JUL14	17.12 542	17.09 546	17.04 552	17.06 563	17.08 565
AUG14	17.13 573	17.15 568	17.08 572	17.12 575	17.14 580
SEP14	17.12 569	17.14 567	17.09 573	17.12 583	17.17 590
OCT14	17.05 452	17.10 451	17.08 450	17.08 460	17.11 470
NOV14	17.00 405	17.04 404	17.01 405	17.03 409	17.05 420
DEC14	16.94 382	16.96 379	16.92 380	16.95 380	16.98 386
JAN15	16.25 1	16.25 1	16.25 1	16.25 1	16.25 1
Total Contracts Traded/ Open Interest	1,092/22,401	711/22,531	1,309/22,759	1,414/22,925	1,277/22,972

### Class IV Milk

	Fri., Oct. 18	Mon., Oct. 21	Tues., Oct. 22	Wed., Oct. 23	Thurs., Oct. 24
OCT13	20.20 649	20.17 647	20.15 647	20.20 649	20.20 649
NOV13	20.19 723	20.13 723	20.15 714	20.32 713	20.39 713
DEC13	19.79 692	19.70 692	19.79 694	19.96 690	20.17 696
JAN14	19.15 605	19.14 619	19.16 631	19.28 666	19.48 685
FEB14	18.79 470	18.80 479	18.80 489	18.92 526	19.00 554
MAR14	18.49 337	18.45 339	18.55 352	18.66 369	18.75 390
APR14	18.13 252	18.13 252	18.13 252	18.44 257	18.40 265
MAY14	18.16 256	18.16 259	18.20 260	18.40 276	18.40 288
JUN14	18.15 246	18.15 246	18.20 250	18.40 257	18.40 266
JUL14	18.00 94	18.00 94	17.99 94	18.00 102	18.00 106
AUG14	17.90 78	17.90 78	17.90 78	17.92 86	17.92 90
SEP14	18.07 82	18.07 82	18.07 87	18.10 89	18.17 94
OCT14	18.05 61	18.05 61	18.05 61	18.05 67	18.05 71
NOV14	18.00 49	18.00 49	18.00 49	18.00 57	18.00 61
DEC14	18.00 55	18.00 55	18.00 55	18.00 58	18.00 62
Total Contracts Traded/ Open Interest	48/4,649	79/4,675	51/4,713	200/4,862	167/4,990

### Cash-Settled NDM\*

	Fri., Oct. 18	Mon., Oct. 21	Tues., Oct. 22	Wed., Oct. 23	Thurs., Oct. 24
OCT13	183.40 306	183.40 306	183.40 306	183.50 303	183.50 316
NOV13	184.70 373	184.00 373	184.50 368	184.73 368	185.75 366
DEC13	183.30 338	183.00 335	183.00 331	185.00 331	187.00 332
JAN14	177.90 299	177.50 311	177.78 310	179.73 317	180.85 320
FEB14	173.48 259	172.75 261	173.25 260	175.00 273	176.15 278
MAR14	168.00 174	167.25 175	168.00 179	170.80 188	171.50 191
APR14	163.50 110	162.75 109	163.75 110	165.05 123	165.25 132
MAY14	162.75 115	162.48 116	162.78 116	165.00 129	165.25 136
JUN14	161.60 113	161.60 113	162.00 115	164.40 115	164.50 125
JUL14	158.00 33	158.00 33	158.00 33	160.08 34	160.08 34
Total Contracts Traded/ Open Interest	65/2,269	37/2,281	54/2,279	119/2,336	85/2,382

### Cash-Settled Butter\*

	Fri., Oct. 18	Mon., Oct. 21	Tues., Oct. 22	Wed., Oct. 23	Thurs., Oct. 24
OCT13	155.00 959	154.25 960	154.60 959	154.30 959	154.50 959
NOV13	152.75 1,218	151.00 1,217	152.25 1,215	152.75 1,216	152.85 1,222
DEC13	146.00 794	144.53 801	144.75 793	146.53 794	146.00 788
JAN14	142.50 369	142.00 386	142.50 404	142.80 420	142.90 433
FEB14	144.00 319	143.48 326	144.00 337	143.25 345	143.00 367
MAR14	148.15 230	147.00 234	147.50 246	147.00 257	146.98 263
APR14	148.50 204	147.75 207	148.00 226	147.50 240	147.50 257
MAY14	151.33 175	151.33 181	150.25 202	150.00 207	149.50 210
JUN14	153.68 151	153.83 158	153.00 179	152.50 183	152.00 195
JUL14	156.33 77	155.25 77	155.25 77	154.50 77	154.25 77
AUG14	158.25 48	157.98 56	156.50 57	156.05 61	155.98 61
SEP 14	159.00 48	158.00 48	158.00 48	158.00 48	158.00 48
Total Contracts Traded/ Open Interest	52/4,686	152/4,745	149/4,838	125/4,902	147/4,975

Daily market prices are available by visiting CME's online statistics sites at <http://www.cmegroup.com>.  
 \*Total Contracts Traded/Open Interest reflect additional months not included in this chart.

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## Advanced Prices and Pricing Factors

	November 2013	October 2013
Base Skim Milk Price for Class I <sup>1</sup> :	\$14.86/cwt.	\$14.55/cwt.
Advanced Class III Skim Milk Pricing Factor:	\$12.74/cwt.	\$13.22/cwt.
Advanced Class IV Skim Milk Pricing Factor:	\$14.86/cwt.	\$14.55/cwt.
Advanced Butterfat Pricing Factor <sup>2</sup> :	\$1.6755/lb.	\$1.4727/lb.
Class II Skim Milk Price:	\$15.56/cwt.	\$15.25/cwt.
Class II Nonfat Solids Price:	\$1.7289/lb.	\$1.6944/lb.
Two-week Product Price Averages:		
Butter:	\$1.5551/lb.	\$1.3876/lb.
Nonfat Dry Milk:	\$1.8358/lb.	\$1.8008/lb.
Cheese:	\$1.7938/lb.	\$1.7739/lb.
Dry Whey:	\$0.5757/lb.	\$0.5791/lb.

**Note:** The Class I price equals the Class I skim milk price times 0.965 plus the Class I butterfat price times 3.5, rounded to the nearest cent.

**For information only:** The Class I base price is \$20.20.

<sup>1</sup>/ Higher of advanced Class III or IV skim milk pricing factors. The Class I skim milk price equals this price plus applicable Class I differential.

<sup>2</sup>/ The Class I butterfat price equals the price plus applicable Class I differential divided by 100.

Data provided by USDA

## National Dairy Products Sales Report

For the week ended:	10/19/13	10/12/13*	10/5/13*	9/28/13*
<b>Cheese 40-lb. Blocks:</b>				
Average price <sup>1</sup>	\$1.7890	\$1.7890	\$1.8036	\$1.8061
Sales volume <sup>2</sup>	10,733,703	**	**	**
<b>Cheese 500-lb. Barrels:</b>				
Average price <sup>1</sup>	\$1.8508	**	**	**
Adj. price to 38% moisture	\$1.7691	\$1.7697	\$1.7857	\$1.8136
Sales volume <sup>2</sup>	10,164,642	**	**	**
Moisture content	35.14	**	**	**
<b>Butter:</b>				
Average price <sup>1</sup>	\$1.5677	\$1.5425	\$1.5476	\$1.5003
Sales volume <sup>2</sup>	3,537,562	**	**	**
<b>Nonfat Dry Milk:</b>				
Average price <sup>1</sup>	\$1.8431	\$1.8284	\$1.8289	\$1.8196
Sales volume <sup>2</sup>	15,797,396	**	**	**
<b>Dry Whey:</b>				
Average price <sup>1</sup>	\$0.5711	\$0.5802	\$0.5805	\$0.5803
Sales volume <sup>2</sup>	6,920,888	**	**	**

\*Equivalent pricing constituents not available. \*\*/Numbers not available due to government shutdown.  
<sup>1</sup>/Prices weighted by volumes reported. <sup>2</sup>/Sales as reported by participating manufacturers. Reported in pounds. More information is available by calling AMS at 202-720-4392.

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## Perspective: Industry Innovation

**John Lucey**, director of the Wisconsin Center for Dairy Research at the University of Wisconsin-Madison, contributes this column for *Cheese Market News*®.

## Raw milk: risk vs. benefit

The everyday, safe and nutritious glass of milk is often taken for granted. After all, it has been more than 100 years since Chicago, in 1908, became the first U.S. city to introduce cow's milk pasteurization into municipal law (except for cows that were certified tuberculosis-free). Other cities soon followed their example and in 1924 the U.S. Public Health Service developed a regulation known as the Standard Milk Ordinance for voluntary adoption by state and local agencies; this is now called the Grade "A" Pasteurized Milk Ordinance (PMO) and it has helped to make milk a safe and nutritious product that is enjoyed by millions daily.

According to the PMO, in 1938 milkborne outbreaks constituted for 25 percent of all disease outbreaks due to infected food/water. Today milk and fluid milk products account for less than 1 percent of such reported outbreaks. According to a report (*The Pasteurization of Milk*) published by G.S. Wilson in the *British Medical Journal* (1943), between 1912 and 1937 about 65,000 persons in England and Wales died of tuberculosis of bovine origin. Wilson (writing in 1943) also states that "a few years ago, owing to insufficient evidence, scientific opinion was divided on pasteurization. Since then numerous experiments have been carried out in the laboratory and in the field, the results of which show that pasteurization brings about no detectable change of any significance in the nutritive value of milk. Objections are frequently raised to it on pseudo-scientific grounds."

Today, his conclusions remain as true as they were in 1943. While pasteurization of milk is often hailed as one of the greatest ever public health achievements, many groups are still actively promoting the sale of raw milk. While some of the diseases routinely transmitted by milk a hundred years ago have been reduced, other pathogens have emerged. This is a concern for the dairy industry and the public as milk is not a sterile product. As the past shows, unpasteurized milk can be a dangerous and even fatal product should harmful pathogens be present.

Raw milk advocates continue to ar-

gue that pasteurization destroys many of the beneficial properties of milk. For example, advocates claim that enzymes in raw milk may aid in digestion and that the heat involved in pasteurization eliminates the nutritional value of milk. In the most recent study regarding health benefits and risks of raw milk, researchers noted that there was no significant difference between raw and pasteurized milk in regards to nutrition.

"Raw or Heated Cow Milk Consumption: Review of Risks and Benefits," published in *Food Control*, September 2012, states "(native) milk enzymes hardly contribute to the digestibility of milk. Moreover, most milk enzymes are destroyed in our (human) digestive system by pepsin and/or gastric pH." Additionally, the study states that "common pasteurization conditions have no significant effect on the lactose level" and thus would have no impact on lactose intolerance. Pasteurization has only a minor impact on vitamin levels. Some raw milk contains beneficial probiotic bacteria but much less than the very high numbers (millions) that would have to be ingested to possibly gain any health benefit. Some claim that raw milk somehow prevents the growth of pathogens; unfortunately, pathogens can grow well in this rich medium. Some claim that drinking raw milk provides some type of protective immunity effect, but there is no scientific evidence to support this idea. Based on this review and many others like it, there is NO proven scientific benefit to the consumption of raw milk. In fact, there are many studies and statistics showing the dangers of raw milk consumption.

Pasteurization, particularly high-temperature, short time (HTST), destroys harmful pathogens such as *Listeria*, *Salmonella* and *E.coli*, preventing them from causing foodborne illness. HTST heats raw milk to 161 degrees Fahrenheit for a minimum of 15 seconds before the milk is cooled to 45 degrees Fahrenheit. This fairly simple and quick process can eliminate the harmful pathogens from milk while leaving most nutrients intact. This is a similar concept to cooking raw meat or eggs before consumption, as this process

of heat-treating eliminates many of the most harmful bacteria and greatly reduces the risk of foodborne illness. In fact, according to the Center for Disease Control, between 1993 and 2006, 60 percent of all dairy-related outbreaks reported to the CDC were related to raw milk. Additionally, 75 percent of those outbreaks were in states where it is legal to sell raw milk.

Remember that even extremely clean and well taken care of cows can succumb to mastitis, a common bacterial infection of a cow's udder. There are at least four different sources by which raw milk might become contaminated by pathogens: direct passage from the blood (of the cow) into milk (systemic infection), mastitis (udder infection) and fecal contamination (external contamination of milk during or after milking) or contamination from skin. Pathogens are not visible to the naked eye and measurements of their numbers can take several days to complete, so it can be extremely difficult to determine the safety of raw milk before that milk has been consumed. Occasional testing of raw milk does not guarantee that pathogens are absent from the milk supply on days when no testing is done (e.g., due to contamination during milking). This makes the consumption of raw milk an extremely risky behavior, especially to those with compromised immune systems or for the young, pregnant women and the elderly. Fortunately, these pathogens are destroyed by pasteurization.

Finally, it is important to note the distinct differences between raw milk and a raw milk cheese. FDA does allow for the sale of raw milk cheeses in the case of certain varieties, which must be aged for 60 days at 35 degrees Fahrenheit. The specific rules and regulations regarding this measure can be found under the Code of Federal Regulations, Title 21, Part 133. Several studies have shown that certain varieties of raw milk cheese (e.g. Cheddar) can be safe

for consumption when manufactured under hygienic conditions, but 60 days in the safe temperature range does not guarantee a safe product for all cheese types. Cheeses with a pH over 6 should not be manufactured with raw milk. Additionally, pathogens can survive even in a raw milk cheese with a pH under 6 if proper manufacturing (and sanitation) measures are not taken. So, it is critical that raw milk cheeses be made with the highest quality milk and that extreme care is taken during manufacture and beyond. Recently, FDA estimated that soft cheeses made with unpasteurized milk were between 50 to 160 times more likely to cause a *Listeria* infection than when these cheeses were made with pasteurized milk (*Listeria* can grow at refrigeration temperatures and has a relatively low infective dose).

Overall, it's important to remember that many food products have the potential for foodborne illness. Pasteurized dairy products have a lower incidence of foodborne illnesses and if there is an issue it is often caused by a post-pasteurization contamination issue such as poor sanitation. Raw milk, however, has a history of causing foodborne illness, and there is no peer-reviewed science suggesting a significant benefit to consuming raw milk vs. pasteurized milk. Consumer interest in less processing of foods (or raw foods) is one factor encouraging raw milk sales but such a serious decision requires an unbiased risk vs. benefit analysis. It is up to scientists and the regulatory agencies to educate themselves and the public on the importance of protecting our food supply and maintaining a trusted reputation. Why repeat the tragic mistakes of the past? CMN

*The views expressed by CMN's guest columnists are their own opinions and do not necessarily reflect those of Cheese Market News®.*

## NEWS/BUSINESS



## Gort's Gouda cleared to sell cheese after products recalled due to E. coli outbreak

**SALMON ARM, British Columbia** — Gort's Gouda, which previously had been linked to an *E. coli* outbreak in Canada, recently announced that it has been cleared to once again sell cheese. The company recalled several of its cheeses last month after certain contaminated cheese products manufactured at its facility in Salmon Arm, British Columbia, were identified as the source of the outbreak. (See "*Canadian cheese linked to 23 E. coli cases*" in the Oct. 4, 2013, issue of *Cheese Market News*.)

In a statement on the company's website, Gort's Gouda says after being informed that some of its raw milk cheese may have been affected by *E. coli*

contamination, it cooperated fully with investigators and all its summer raw milk cheese was destroyed to eliminate any risk of further illness.

"Together with our support team and the government authorities, we have now thoroughly gone through our entire facility to possibly identify and rectify any issues we may have had," the company says. "No *E. coli* was found in our plant, but a few test samples did show the presence of *E. coli*. These were all destroyed."

On Oct. 18, Gort's Gouda was given the green light to sell all its pasteurized cheese as well as its raw milk cheese made prior to May 27, 2013. CMN

## NEWS/BUSINESS



## September sees decline in total U.S. imports of cheese subject to licensing requirements

WASHINGTON — Imports of cheese subject to licensing requirements in September totaled 15.5 million pounds, down 11 percent from September 2012, according to the latest data released by USDA's Foreign Agricultural Service. January-September licensed U.S. cheese imports total 118.4 million pounds, down 2 percent from the first nine months of 2012. (The figures released by USDA are in kilograms; Cheese Market News has converted the data to pounds by multiplying by 2.2046.)

Licensed imports of Swiss and Emmentaler with eye formation in Sep-

tember totaled 3.7 million pounds, up less than 1 percent from a year earlier. Year-to-date licensed imports of these cheeses total 32.8 million pounds, up 4 percent from January-September last year.

U.S. imports of Italian-type cheeses subject to licensing requirements totaled 1.3 million pounds in September, up 4 percent from September 2012. January-September licensed imports of these cheeses total 8.6 million pounds, down 26 percent from the same period in 2012.

September imports of Edam and

Gouda subject to licensing requirements totaled 1.2 million pounds, up 14 percent from September last year. January-September licensed Edam and Gouda imports total 9.0 million pounds, up 11 percent from the same months in 2012.

Licensed imports of processed Gruyere in September totaled 855,918 pounds, up 59 percent from September 2012. Year-to-date licensed imports of processed Gruyere total 4.1 million pounds, up 12 percent from the same nine months last year.

September licensed Cheddar imports totaled 836,935 pounds, down 71 percent from a year ago. January-September licensed Cheddar imports total 6.7 million pounds, down 29 percent from the same period last year.

Imports of Blue mold cheeses subject to licensing requirements totaled 577,191 pounds in September, up less than 1 percent from September 2012. January-September licensed imports of these cheeses total 4.4 million pounds, an increase of 11 percent over last year's nine-month total.

Licensed imports of other cheese not-specifically-provided-for (NSPF) totaled 7.0 million pounds in September, down 6 percent from a year earlier.

Year-to-date licensed imports of other cheese NSPF total 52.6 million pounds, down less than 1 percent from the same period last year.

September licensed butter imports totaled 650,156 pounds, down 51 percent from September a year ago. January-September licensed butter imports total 7.4 million pounds, up 19 percent from January-September 2012.

September imports of butter substitutes subject to licensing requirements totaled 309,427 pounds, down 59 percent from a year earlier. January-September licensed imports of butter substitutes totaled 3.9 million pounds, down 55 percent from the same 2012 period.

Imports of high-tier cheese and other dairy products year-to-date total 20.2 million pounds, up less than 1 percent from the high-tier cheese import total January-September last year. The top high-tier category is Italian-type cheese, with 10.4 million pounds imported year-to-date, down 3 percent from the first nine months of last year. The second-highest category of high-tier cheese imports is "Other Cheese NSPF" with 4.2 million pounds imported so far this year, a 13-percent decline from the same period in 2012. **CMN**

## USDA extends deadlines for import licensing

WASHINGTON — USDA's Foreign Agricultural Service recently announced extensions to deadlines in the U.S. Dairy Import Licensing Program.

Due to the recent government shutdown, the dairy import licensing website was unavailable from Oct. 1 through Oct. 16, and during this period, program participants were unable to surrender quantities of 2013 licenses or to apply for 2014 licenses.

To permit participants to complete these submissions, the deadline to surrender amounts of 2013 licenses was extended from Oct. 1 to the end of the

day Oct. 21, 2013. The deadline to apply for 2014 licenses has been extended from Oct. 15 to the end of the day Oct. 29, 2013.

Import licensing is one of the tools USDA uses to administer the tariff-rate quota (TRQ) system for U.S. imports of dairy products. Under these TRQs, a low tariff rate, called the low-tier rate, applies to imports up to a specified quantity. A higher tariff rate, called the high-tier rate, applies to any imports in excess of that amount. TRQ rates and quantities vary by product. **CMN**

## TEA grant to help Organic Valley expansion

CASHTON, Wis. — Wisconsin Department of Transportation Secretary Mark Gottlieb visited Organic Valley's Cashton, Wis., facility this week to present a \$1.4 million Transportation Economic Assistance (TEA) grant to help the village of Cashton with the necessary road improvements for Organic Valley to expand its facility.

Wisconsin Department of Agriculture, Trade and Consumer Protection Secretary Ben Brancel joined Gottlieb to present the TEA grant and promote job creation for the state's dairy industry. This project will retain 138 jobs and create 200 new jobs at Organic Valley's Cashton location. **CMN**

## Mountain Fresh Dairy LLC awarded loan to assist in launch of kosher dairy business

BINGHAMTON, N.Y. — Mountain Fresh Dairy LLC recently was awarded a \$200,000 loan from the Broome County, N.Y., Industrial Development Agency for the dairy to purchase machinery and equipment for a new business that will produce Cholov Yisrael, or high kosher, dairy products. Mountain Fresh Dairy will operate out of the former HP Hood plant in Binghamton, N.Y., which the company recently purchased. It is anticipated that 87 jobs will be created there in three years.

"This is a unique and exciting partnership for us, and it brings life back to a very well-known facility in the heart of Binghamton," says Kevin McLaughlin, executive director, Broome County Industrial Development Agency.

The company plans to produce milk and other dairy products that will be 100-percent Cholov Yisrael, meaning that 100 percent of its milk and other products will be produced under the

highest standards of kosher supervision.

"We are happy to join the Binghamton economy. We are inspired by the great workforce available, and the great attitude of all the officials. We thank Empire State Development, the Broome County IDA and the City of Binghamton for your great advice and help, by way of tax incentives and by way of low-cost loans to make our project a reality," says Zeev Rothschild, a principal of Mountain Fresh Dairy LLC.

Mountain Fresh Dairy plans to directly serve markets in Miami, Baltimore, Washington, Philadelphia, Atlanta, Boston, Montreal, Toronto and many cities in Ohio. Company representatives say once their milk and bottled water operations are running successfully, they intend to expand their product lines to include Greek yogurt and hard cheeses. Other products proposed for this facility include ice cream, liquid cream, juice drinks and yogurt drinks. **CMN**



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## NEWS/BUSINESS



## Advantage Sales & Marketing LLC announces acquisition of Tri-Venture Marketing Inc.

IRVINE, Calif. — Advantage Sales & Marketing LLC (ASM) has announced its Oct. 16 acquisition of Tri-Venture Marketing Inc. Tri-Venture is a food brokerage company focused on cheese, deli, meat, bakery, produce, seafood and frozen food clients and customers. Terms of the transaction were not disclosed.

“Tri-Venture has delivered best-in-class service to the perishables industry of more than three decades,” says Tanya Domier, ASM CEO. “We are pleased to enhance our perishables service portfolio to include Tri-Venture’s expertise, talent and industry relationships.”

Mike Salzberg, ASM president and chief operating officer, says the ac-

quisition represents a significant step forward in ASM’s plans for national coverage with strong leaders and category expertise dedicated to the fresh business.

“With our planned investments in category management and technology, Advantage Tri-Venture, along with earlier acquisitions of Action, Priority and Program, puts this combined team in a position to compete at a very high level in the industry.”

Eugene Giddens, previous CEO of Tri-Venture, and Jeff White, previous president, will lead the new business unit which will operate as “Advantage Tri-Venture.”

“ASM has a strong foundation and reputation for outstanding service to clients and customers. ASM’s mission, vision and values are consistent with our company culture, and our associates are thrilled to be a part of the ASM family,” Giddens says. “For 35 years, Tri-Venture has consistently delivered value for manufacturers, customers and

associates. We are confident Advantage Tri-Venture will offer expanded services, leading technology and industry insights and will continue to drive growth for both our clients and customers.”

Tri-Venture operates seven offices, predominately in the Southeast United States. The new business unit will continue to be based in Lakeland, Fla. CMN

## Penicillin found in raw milk from Wash. dairy

ARLINGTON, Wash. — Old Silvana Creamery LLC, a raw milk dairy in Arlington, Wash., recently was notified by the Washington State Department of Agriculture that a milk sample from the dairy tested positive for penicillin residue.

In updates on its Facebook page, Old Silvana Creamery says the small traces of penicillin found in the milk are not likely to produce a reaction, but the state of Washington has a zero tolerance

for any kind of antibiotic residue in dairy products, and those with allergies to certain types of penicillin might choose to avoid the milk. The dairy has offered its customers a refund or exchange if they wish to return the unused portion. The milk in question has an expiration date of Oct. 25. The dairy also says samples of its milk with the dates of Oct. 26, Oct. 27 and Oct. 28 that were tested by the state all came back negative. CMN

## PEOPLE



## Sandy Toney is first female assistant chief World Championship Cheese Contest judge

MADISON, Wis. — Sandy Toney will serve as an assistant chief judge at the Wisconsin Cheese Makers Association’s (WCMA) 2014 World Championship Cheese Contest, which marks the first time a woman has been selected for that role.

Toney was recently named vice president of corporate and quality product development at Masters Gallery Foods Inc., Plymouth, Wis. She has been a licensed cheese grader for almost 20 years and has served as an expert technical judge for the U.S. Championship Cheese Contest and the World Championship Cheese contest for nine years.

“This is a terrific honor for Sandy.

We couldn’t be happier for her,” says Jeff Gentine, co-owner and executive vice president, Masters Gallery Foods. “She takes her craft very seriously, and it’s gratifying to see that recognized within our industry.”

Jane Cisler, contest manager, WCMA, says Toney will be one of four assistant chief judges at the 2014 World Championship Cheese Contest. Assistant chief judges are tasked with managing technical expert judges, administering judging instructions and occasionally stepping in to judge products themselves, if required.

“We’re very happy to have Sandy on our judging leadership team,” Cisler says. CMN

## WMMB’s Matt Mathison given award by Wisconsin Association of Food Protection

MADISON Wis. — The Wisconsin Association of Food Protection (WAFP) recently honored Matt Mathison, vice president of cheese company communications and technical services, Wisconsin Milk Marketing Board (WMMB), with its recognition award at an annual meeting held here.

Mathison has worked for WMMB for 16 years and provides technical resources to promote the safety and

quality of Wisconsin’s dairy industry. In addition, Mathison serves as administrative officer to the WAFP’s board of directors.

Before he joined WMMB, Mathison spent nearly two decades supplying dairy cultures and ingredients to dairy and food processors. He also partners with the Wisconsin Center for Dairy Research to provide technical resources to dairy processors around the state. CMN

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- **CHEESE TRAINING CLASSES:** **IMAC** will be starting state-of-the-art training classes in cheese technology in **IMAC’s** multi-million dollar teaching and R&D facility in Denver. These classes are recommended for all management and cheese plant personnel.
- **CHEESE AND DAIRY PRODUCT TESTING:** **IMAC** will be starting the microbiological and chemical testing for cheese and dairy products including product evaluation. Testing includes third-party testing for spoilage types and pathogenic bacteria and routine bacteriophage testing to eliminate culture failures.
- **CONSULTING SERVICES:** Soon to introduce consulting services including but not limited to elimination of product defects, improving cheese yields and quality, interpretation of government regulations, development of HACCP programs and sanitation procedures. New product development services and in-house training programs will also be offered.

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## Comings and goings ... comings and goings

Anuja Miner has been named executive director of the **American Butter Institute (ABI)**, Arlington, Va. Miner has served as the association’s program administrator since 1995. Miner also serves as vice president of member services for the National Milk Producers Federation and previously worked for International Dairy Foods Association.

Chris Campagna has been named vice president of marketing at **Carvel Ice Cream Co.**, Atlanta. Campagna previously served as vice president of marketing at Atlanta Bread Co. and has more than 18 years of marketing experience.

The **International Dairy-Deli-Bakery Association**, Madison, Wis.,

recently elected officers at its annual business meeting. **William Klump**, senior vice president of marketing, Butterball, LLC, was elected chairman of the board, and former chairman **Voni Woods**, senior director of deli, Giant Eagle Inc., will continue to serve on the board of directors as past chairman. In addition, **David Leonhardi**, events director, Wisconsin Milk Marketing Board Inc., was elected executive vice president; **John Cheesman**, vice president of sales and corporate accounts, Maplehurst Bakeries LLC, was elected vice chairman; **Jewel Hunt**, group vice president of pharmacy, health and wellness, Safeway Inc., was elected treasurer. CMN

## NEWS/BUSINESS



## U.S. consumers give highest ratings to Costco, Publix, Whole Foods Market store brands

STAMFORD, Conn. — Costco, Publix and Whole Foods Market earn the highest marks among consumers when it comes to store brand packaged food categories, according to a recent survey conducted by Consumer

Edge Insight.

Respondents were questioned about 25 store brands across 60 different packaged goods categories, including food and beverage. The survey asked how satisfied customers were with various store brands they had purchased and what their level of loyalty was.

Overall, the retailer with the highest average satisfaction among buyers of its store brands was Costco, with 63 percent of store brand buyers saying they were “very satisfied” with their purchase. Publix came in second place with 60 percent of store brand buyers saying they were “very satisfied.”

In terms of which retailers’ store brands appear to have the greatest positive effect on loyalty to the store, Whole Foods Market got the highest score with 60 percent of buyers saying they are more likely to visit Whole Foods Market as a result of the store brands sold there. Costco came in second with 57 percent of Kirkland brand buyers saying that the brand makes them more likely to shop at Costco.

“Most U.S. retailers continue to invest heavily in improving their store brand programs in order to win greater customer loyalty and improve their margins,” says David Decker,

president, Consumer Edge Insight. “Given the expanding scope of their programs, it’s very challenging for retailers to create and sustain a program that not only scores highly on satisfaction, but also makes customers more loyal to their stores. Costco, Publix and Whole Foods should be commended for their outstanding performance in the eyes of their customers.”

The survey that these conclusions are based on was fielded in July 2013 among a sample of 3,191 adults who were nationally representative of the U.S. population in terms of age, gender, income, region and race. CMN

## New traceability guideline released by industry groups

LAWRENCEVILLE, N.J. — A new implementation guideline for using GS1 global standards for traceability business processes in the dairy, deli and bakery supply chain recently was released by the International Dairy-Deli-Bakery Association (IDDBA), the International Dairy Foods Association (IDFA) and the standards organization GS1 US. The Traceability for Dairy, Deli, & Bakery US Implementation Guideline is available at [www.gs1us.org/DDBTraceabilityGuide](http://www.gs1us.org/DDBTraceabilityGuide).

The guide was developed with input from industry stakeholders to provide best practice recommendations to help dairy, deli and bakery manufacturers, exporters, wholesalers, suppliers, distributors, retailers, foodservice operators and service providers to improve product traceability processes by leveraging GS1 standards.

“Companies that implement the guidelines can establish an effective traceability program by identifying, capturing and sharing product data along the supply chain leveraging GS1 standards,” says Angela Fernandez, vice president, grocery retail and consumer packaged goods, GS1 US. “By utilizing GS1 standards for external product traceability, the entire industry will see improvements in supply chain visibility, business efficiency and food safety.”

The guidelines apply to all types of dairy, deli and bakery products, demonstrating “how to” instructions for product identification, use of batch/lot numbers, barcodes and other standards needed for traceability processes. It also includes a section on recalls with steps supply chain participants can follow if a product withdrawal or recall occurs.

Also to support the implementation of the traceability guidelines, GS1 US has developed the GS1 US Dairy, Deli, & Bakery Traceability Readiness Program that includes educational webinars, interactive tools and resources and a community of industry peers and standards experts with whom industry professionals can share industry best practices and discuss implementation challenges.

To learn more about the GS1 US Dairy, Deli, & Bakery Traceability Readiness Program, visit [www.gs1us.org/DDBreadiness](http://www.gs1us.org/DDBreadiness). CMN



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## 'Hunger for Growth' study shows food, beverage producers expect growth over next year

**CHICAGO** — After years of focus on cost reductions and operational efficiencies, executives and producers in the food and beverage industry are feeling confident again, according to the 2013 Grant Thornton Global Food and Beverage study "Hunger for Growth."

"Food and beverage industry leaders were forced to put certain plans for growth on hold during a difficult economic period," says Dexter Manning, Food and Beverage practice leader of Grant Thornton LLP, the U.S. member firm of Grant Thornton International Ltd. "Now that the global economy is showing signs of improvement, these leaders clearly have the appetite to strengthen their market positions and achieve sustainable growth through increased, focused investment."

The study shows a vast majority (90 percent) of food and beverage executives expect revenues to increase during the next year, and one-third are expecting sales growth greater

than 10 percent. Food and beverage companies have their sights fixed on profitable growth, with 82 percent of those surveyed citing that their profits will increase in the next 12 months, the study says. Industry executives (56 percent) also expect that employment will increase during the next year.

In addition, more than three-fourths of executives report that their organizations will increase spending on equipment, new product development and information technology in the next 12 months, the study says. The greatest appetite to invest in equipment is being shown by business leaders in North America (86 percent) and Australasia (85 percent), followed by Europe (77 percent). For investment in new product development, North America (86 percent) is showing the greatest enthusiasm, according to the study.

Regulatory concerns top the "worry list" of food and beverage processors, the study notes. Specifically, global execu-

tives cite the following types of regulations and the negative effect they may have on their companies: environmental (48 percent), taxes (44 percent), food labeling (38 percent), food traceability (33 percent) and employee health care (25 percent).

In the United States, it's unclear if proposed rules meant to improve food safety and supply-chain traceability under the Food Safety Modernization Act are enforceable — leaving some executives to wonder if they need to comply, the study adds.

"Many companies have programs in place, and they're trying to make adjustments so their programs comply with the rules," Manning says. "But at the end of the day, some executives look at it and say, 'Well, Congress hasn't funded it yet, and so they may not be

able to enforce it.' This means that many companies do not expect much impact, especially given U.S. budget deficits and cost-cutting."

Other highlights from the survey include:

- Nearly half of those surveyed consider expansion via mergers and acquisitions as a viable strategy to strengthen their market position;

- More than two-thirds of food and beverage executives expect costs to increase in the next 12 months, including utility and energy, transportation, labor, raw materials and packaging; and

- Food and beverage processors around the globe are moderately to significantly concerned about supply-chain risks related to product safety (51 percent), quality (50 percent) and traceability (35 percent). CMN

## EnWave announces launch of Moon Cheese

**VANCOUVER, British Columbia** — NutraDried LLP, a joint partnership between EnWave Corp. and Lucid Capital Management, has announced the commercial launch of Moon Cheese in Fred Meyer and Quality Food Centers (QFC) supermarkets.

Moon Cheese is marketed as a healthy, crunchy, 100 percent natural cheese snack that is gluten free, high in calcium and a source of protein. It is available in American Cheddar, Pepper Jack and Gouda varieties and initially will be available in 200 retail locations owned by the Kroger Co. in the Pacific Northwest.

In June, NutraDried entered into a long-term, royalty-bearing commercial

license to use EnWave's REV technology for the dehydration of 100 percent natural cheese products in the United States to create the product. The license stipulates that NutraDried will pay a 5 percent royalty on all future revenue back to EnWave.

"NutraDried received very positive feedback for Moon Cheese throughout the product approval process with Fred Meyer and QFC," says Tim Durance, chairman and co-CEO, EnWave. "In addition to the attractive taste and texture, we believe that the high protein content, gluten-free aspect and superior calcium levels will set Moon Cheese apart from competing snack items." CMN

## CDR assists entrepreneurs in development of drink made with whey protein isolates

**MADISON, Wis.** — The University of Wisconsin Center for Dairy Research (CDR) has provided entrepreneurial assistance to the developers of BadgerMax, a protein-rich sports beverage made using whey protein isolates. The product is now being supplied to the university's athletic department.

UW-Madison alumni Andrew Berns and Brandon Duck set out to develop an isotonic beverage that could be marketed in powder form as well as in a ready-to-drink bottle.

"We spoke with several coaches at the high school and college level and they all mentioned that they had concerns regarding the nutritional content of certain drinks being consumed by students," Duck says. "That's when we began to explore the feasibility of making a great-tasting,

all-natural, protein-rich recovery drink."

Duck and Berns wanted to create a product with Wisconsin-sourced ingredients and Wisconsin manufacturing ties. The two approached CDR staff for help in developing the drink in 2012. K.J. Burrington, a dairy ingredients and functionality coordinator who has worked on the development of protein-rich isotonic beverages since 2005, was enlisted to help. Whey protein isolate, a filtered byproduct of the cheesemaking process, was chosen as the source of protein for the drink.

CDR says whey is known for its ability to aid in muscle recovery. In particular, whey is one of the most nutritionally complete proteins known to man. It contains the highest amount of essential amino acids found in food and it is especially high in leucine, a branch chain amino acid directly linked to muscle protein synthesis. In fact, as little as 10 grams of whey can stimulate muscle protein synthesis.

BadgerMax and CDR developed two isotonic, clean-label, protein-rich beverages — grape and fruit punch flavored BadgerMax Protein Boost that each contain 12 grams of protein.

"Having had experience in developing isotonic beverages that contain whey, it really didn't take us too long to come up with a finished product," Burrington says. "By August 2012, BadgerMax had a final product to show to the UW athletic department."

After securing the Dr. Pepper Snapple Group as a distributor, BadgerMax was named beverage supplier to the UW athletic department. Its Protein Boost sports drink is currently available exclusively to the athletic department this time, but statewide distribution of the product is anticipated before next spring. Meanwhile, another BadgerMax product, Premium Spring Water, is being sold at the athletic facilities and several stores around Wisconsin.

For more information visit [www.badgermax.com](http://www.badgermax.com). CMN

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## EVENTS



### The Epicurean Connection releases 2014 schedule of home cheesemaking classes

**SONOMA, Calif.** — The Epicurean Connection has released its schedule of home cheesemaking classes planned throughout 2014.

Each class is 90 minutes long and includes a demonstration, a glass of wine, tasting of artisanal cheeses, recipes and the Sonoma Marin Cheese Trail Guide.

The following classes will all be held from 1-2:30 p.m. at the Sonoma Valley Inn:

- Jan. 5, 2014: Crème de Ricotta & Winter Compote.
- Feb. 2, 2014: Crème de Ricotta, Champagne & Chocolate.
- March 2, 2014: Crème de Ricotta & Spring Leek Tapenade.
- April 6, 2014: Crème de Ricotta & Meyer Lemon Preserve.
- May 4, 2014: Crème de Ricotta & Arugula Pesto.
- June 1, 2014: Crème de Ricotta &

### Dates announced for Academie Opus Caseus courses

**ST. HAON LE CHATEL, France** — Academie Opus Caseus, an authorized education center for the American Cheese Society Certified Cheese Professionals program, will hold four cheesemaking courses in 2014.

The following courses are scheduled:

- Feb. 10-21, 2014: Essential Foundations for Cheese Professionals
- May 5-16, 2014: Essential Foundations for Cheese Professionals
- July 14-26, 2014: Affinage: The Art and Science of Maturing Cheese
- Oct. 6-17: Affinage: The Art and Science of Maturing Cheese

For more information or to register visit [www.academie-mons.com](http://www.academie-mons.com). CMN

### Washington State University to hold basic cheesemaking course Feb. 19-21

**LYNDEN, Wash.** — Washington State University (WSU) will hold a three-day Basic-Plus Cheesemaking Short Course here Feb. 19-21.

The short course is designed for beginning cheesemakers who would like to pursue cheesemaking as a business at the farmstead or artisan level. Avid hobbyists also are welcome to attend.

Attendees will learn about opportunities and challenges facing small-scale cheesemakers; milk sources, composition and quality; steps of the cheesemaking process; acidity testing and measurements; cheese cultures and enzymes; and cheese evaluation and sanitation.

Registration is \$529. A late fee of \$30 will be applied to registrations received within two weeks of the event.

For more information or to register visit <http://public.wsu.edu/~creamery/basicplus.htm>. CMN

Backyard Harvest.

- July 13, 2014: Crème de Ricotta & Edible Flowers & Honey.
- Aug. 10, 2014: Crème de Ricotta & Summer Berries.
- Sept. 14, 2014: Crème de Ricotta & Heirloom Tomato Basil.
- Oct. 12, 2014: Crème de Ricotta & Autumn Harvest.
- Nov. 9, 2014: Crème de Ricotta & Brandy Cranberry.
- Dec. 14, 2014: Crème de Ricotta & Holiday Tortas.

Each class is limited to 12 attendees and costs \$45 per person. To reserve a space call 707-935-7960. CMN

### Sterling College to hold short course Jan. 13-16

**GREENSBORO, Vt.** — Sterling College will collaborate with the Cellars at Jasper Hill to hold a two-week short course in artisan cheesemaking here Jan. 13-16.

The program, led by cheesemaker and educator Ivan Larcher, is designed to provide students practical and scientific knowledge in creating small-scale artisan cheese. Students will learn the full process of cheesemaking from milk production, lactic technology and coagulants to salting, tasting, ripening and cheese quality.

At workshops offered on the Sterling College campus, Cellars at Jasper Hill and at the Center for an Agricultural

Economy, Hardwick, Vt., students also will learn about the business of cheesemaking, sales and distribution and marketing. The program also will include visits to local producers and an overview of the history of cheesemaking in Vermont.

“Both Jasper Hill and Sterling College are passionate about cheese and artisan culture. We want to give hands-on classes in cheesemaking, and also work with people interested in moving our food system in a much more responsible direction,” says Mateo Kehler, co-owner of Jasper Hill Farm.

For more information or to register visit [www.sterlingcollege.edu](http://www.sterlingcollege.edu). CMN

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## NEWS/BUSINESS



## Arla plans new global innovation center

**AARHUS, Denmark** — Arla Foods recently announced plans to build a new state-of-the-art innovation center for the company's global product development.

In recent years, Arla has increased its innovation efforts by redesigning processes and structure, the company says. Developing new cheeses, yogurts, infant nutrition powder and butter products that consumers from all over the world will find appealing and relevant has become an increasingly important and strategic part of Arla's business in the face of tough international competition.

Arla notes it has had a healthy pipeline of new product launches in recent years. However, the current centers in Denmark and Sweden do not have the capacity to deliver on Arla's future growth agenda. Given the strategic importance the company is placing on innovation, Arla's board of directors has decided to invest \$49 million in a new global innovation center that will gather all of Arla's innovation resources in a single location.

"Today we are launching more new products than ever before, and the ability to generate original ideas and products for the consumers is increasingly crucial for the business," says Paul Cornillon, senior vice president and head of strategic innovation at Arla.

"Arla is one of the world's leading dairy companies, and we must be in a position to drive and lead dairy innovation on a global scale in order to increase the value of our products and create new business for Arla worldwide."

The new global innovation center will be a 10,000-square-meter state-of-the-art facility with open space and project rooms. It will become part of the Danish Food Cluster, which is an international cluster of excellence in innovation and distribution of knowledge within the agriculture and food sector.

"Various locations around Europe have been analyzed before our ultimate decision to base the center in Aarhus," Cornillon says. "The facility will be placed close to the many global functions that are based in Arla Foods' headquarters, and we also see many opportunities to enter into partnerships and sharing knowledge with existing and future organizations in the Danish Food Cluster, which will strengthen Arla Foods' innovation culture, reputation and performance."

The construction of Arla's new global innovation center will begin in the spring of 2014. Construction is expected to be completed by the third quarter of 2016. The center will employ 120 people — 65 of which will be transferred from the current center in Aarhus. **CMN**

## Silliker opens food lab in Querétaro, Mexico

**QUERÉTARO, Mexico** — Silliker recently opened a 139,931-square-foot analytical food lab here.

The facility was built to support growing global food safety and quality challenges and demands.

The lab features analytical chemistry capabilities and instrumentation that will be used for testing of food composition and nutritional labeling. Additionally, the facility allows for advanced testing methods to provide lower detection limits for emerging chemical contaminants and DNA-based technology.

"Our aim is to ensure that Mérieux NutriSciences is the food industry's leading partner to improve food safety,

nutrition and public health throughout the world," says Philippe Sans, president and CEO, Mérieux NutriSciences Corp., which owns Silliker.

The new lab in Querétaro also will feature an integrated quality systems program, which is standard across the Mérieux NutriSciences global network.

"Providing clients with scientific services for all their food testing needs exemplifies our commitment to delivering practical and innovative solutions throughout the food supply chain," says Erwan Gilet, managing director, Silliker Mexico.

For more information visit [www.merieuxnutrisciences.com](http://www.merieuxnutrisciences.com). **CMN**

## General Mills looks to sustainable sourcing

**MINNEAPOLIS** — General Mills has committed to sustainably source 100 percent of its 10 priority ingredients by 2020, including its dairy ingredients. The company says priority ingredients represent 50 percent of its total raw material purchases.

The commitment, part of General Mills' long-term sustainable sourcing strategy, includes oats, wheat, corn, dairy, fiber packaging, cocoa, vanilla, palm oil, sugar cane and sugar beets.

The opportunities for each priority ingredient are unique and geo-

graphically specific, which requires General Mills to pursue a range of sustainable approaches including certification, verification, continuous improvement and origin-direct investment.

In addition to its sustainable commitment, General Mills says it will continue to support the humane treatment of animals in agriculture. The company will enforce its animal welfare policy, which covers pork, milk and egg production, antibiotic use and animal testing. **CMN**

## Five EU member states exceed milk quota

**BRUSSELS, Belgium** — Five European Union member states — Austria, Germany, Denmark, Poland and Cyprus — exceeded their milk quotas for deliveries in 2012/2013 and must therefore pay penalties, or "superlevies," totaling approximately 46 million euros (\$62 million). Though these countries exceeded their quotas, total EU deliveries remained well below (-6.0 percent) the total quota volumes, compared with -4.7 percent in 2011/12. In addition, the Netherlands overshot its direct sales quota by 1.4 percent and faces a levy of 301,000 euros (\$409,000).

According to declarations for the year ending March 31, 2013, Austria, Germany, Denmark, Poland and Cyprus exceeded their national quotas by a total of 163,700 metric tons (360.9 million pounds) despite the 1-percent quota increase in the year 2012/2013 decided in the framework of the 2008 CAP Health Check.

The number of member states exceeding their quotas remains limited, and the concerned surplus production accounts for 0.1 percent of all milk delivered or covered by direct sales (0.2 percent in the previous milk quota year). Twenty-two member states remained under quota, and 13 of these were more than 10 percent below their delivery quota.

The dairy quota regime will be abolished on April 1, 2015, and to facilitate a smooth transition the

2008 CAP Health Check agreed that there should be a gradual increase in quotas (+1 percent every year) until quota year 2013/2014. The European Commission will present a report by mid-2014 on the state of the market, including a close look at how member states are implementing the 2012 milk package (see [http://ec.europa.eu/agriculture/milk/milk-package/index\\_en.htm](http://ec.europa.eu/agriculture/milk/milk-package/index_en.htm)), with proposals for changes if deemed necessary.

In late September, the European Commission organized a stakeholder conference on the dairy sector after 2015. A report with conclusions from this conference will be discussed in the European Parliament Agriculture Committee and by Ministers in Council before the end of the year, and this debate will feed into the preparation of the European Commission's report.

The dairy quota system was introduced in the 1980s in order to address problems of surplus production. Each member state has two quotas: one for deliveries to dairy processors, and the other one for direct sales at the farm level. These quantities are distributed among producers (individual quotas) in each member state. When a member state exceeds its national quota, a surplus levy or superlevy of 27.83 euros (\$37.79) per 100 kilograms is charged to the member state concerned and is paid by the producers in proportion to their contribution to the overrun. **CMN**



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# NEWS/BUSINESS



## FARM BILL

Continued from page 1

solution to open the federal government and to get USDA employees back into their offices

“The most important thing that can happen now to aid in the recovery is for Congress to complete the farm bill with funding for the livestock disaster assistance programs,” he says. “These programs won’t make producers whole again, but they will serve as a much-needed boost to help them recover.”

Scuse this week noted that conservation assistance is available from USDA for those affected by the blizzard. **CMN**

## CLOSED

Continued from page 1

SMI says Gustafson’s Dairy processed about 60 loads of milk a week at its plant in Green Cove Springs, Fla.

Although the Gustafson’s Dairy plant closed, Joe Wright, president, SMI, says the Gustafson’s brand of milk will remain on store shelves in Georgia, Florida, Alabama and Tennessee.

Thirty-six employees were affected by the closure. **CMN**

## NASS

Continued from page 1

Cheddar production totaled 269.9 million pounds in August, up 7.6 percent from August 2012. Total American-type production, of which Cheddar is the largest component, was 381.2 million pounds, up 7.9 percent from a year earlier.

Wisconsin led the nation’s cheese production in August with 232.8 million pounds, down 3.0 percent from its production a year earlier. California followed with 191.0 million pounds, up 6.2 percent from its production a year earlier. The next four cheese-producing states in August were Idaho with 81.3 million pounds, up 14.2 percent from a year earlier; New York with 66.5 million pounds, up 5.8 percent; New Mexico with 65.8 million pounds, up 12.6 percent; and Minnesota with 54.4 million pounds, up 7.3 percent.

NASS reports total U.S. butter production in August was 135.6 million pounds, up 4.7 percent from a year earlier and 1.5 percent above July 2013.

California led the nation’s butter production with 47.0 million pounds in August, up 4.6 percent from its production a year earlier. **CMN**

## USDEC study: U.S. suppliers find latest export opportunity in UHT milk

ARLINGTON, Va. — Chinese demand for imported UHT milk is soaring. Consumption jumped from nearly 18 million pounds in 2010 to a forecast 331 million pounds this year, according to a new research study from the U.S. Dairy Export Council (USDEC). Demand scenarios suggest China’s appetite for imported UHT milk could grow fourfold to more than 1.3 billion pounds by 2020. USDEC is funded primarily by U.S. dairy farmers through the producer checkoff.

“The rapid growth of China’s UHT milk market is creating opportunities for the United States to further extend its reputation as a global supplier,” says Ross Christieson, USDEC senior vice president, market research and analysis. “The U.S. industry produces large volumes of UHT milk annually, yet we have played only a minor role in serving booming Chinese consumption to date. Our research suggests that can and should change, particularly given that Chinese buyers have expressed growing interest in U.S. supply to meet spiraling demand.”

UHT or ultra high temperature milk refers to milk heat-treated and packaged to provide a 9- to 12-month shelf life without refrigeration. The Chinese UHT import mar-

ket was worth \$76 million in 2012. In just the first six months of 2013, value topped \$85 million. China is the largest packaged fluid milk importer in the world, and it is growing larger.

“While the growth is impressive, if you examine it in the context of the expansion of the Chinese dairy sector in general, it is a natural progression,” Christieson says.

The nation’s growing economy led to higher incomes, accelerated urbanization and cultivated the drive to consume more and better food. UHT milk has been one of many beneficiaries. Food safety concerns play a role in the appeal of imported UHT milk, but the surge in demand really began in 2011, well after the nation’s melamine-tainted milk powder scandal, suggesting longer-term supply and demand factors are the primary drivers.

USDEC research explored how the United States might be able to gain a larger share of the imported UHT sector as the scenario of rising demand and limited domestic supply plays out.

Among the recommendations: U.S. suppliers need to develop products that better match Chinese expectations. For example, U.S. UHT

milk is primarily consumed in half-pint and pint boxes and bottles, but the Chinese UHT market is dominated by 1-liter boxes.

“To be successful, we need to build capacity dedicated to exports that is closer to shipping points, as well as find a way to offer more competitive pricing for longer-term contract periods,” Christieson says.

The opportunity is broader than strictly UHT milk and China. USDEC sees potential in other Asian markets, including the Philippines, and for additional products such as UHT cream and lactic acid beverages.

“One of the reasons U.S. exports are on pace for their fourth consecutive record year is U.S. suppliers’ continuing movement toward broadening their product portfolios to meet the needs of overseas customers,” says Tom Suber, USDEC president. “Time and again over the past few years we’ve seen the U.S. dairy industry invest in the people and the processes needed to develop products specifically to meet the needs of foreign markets: bulk gouda cheese, milk protein concentrate, nonfat dry milk/skim milk powder with tighter specifications and, most recently, whole milk powder. UHT milk is the next in line.” **CMN**

### Dairy Product Production — August 2013

	Aug. 12	Aug. 13	% Change	YTD 2012 <sup>2</sup>	YTD 2013 <sup>2</sup>	% Change
<b>Cheese</b>						
American types <sup>1</sup>	353,406	381,201	7.9	2,891,296	2,977,009	3.0
Cheddar	250,895	269,937	7.6	2,102,422	2,166,894	3.1
Other American	102,511	111,264	8.5	788,874	810,115	2.7
Blue & Gorgonzola <sup>1</sup>	7,031	6,898	-1.9	59,112	63,021	6.6
Brick & Muenster	13,860	15,371	10.9	107,845	110,922	2.9
Cream & Neufchatel	76,156	67,959	-10.8	521,217	520,945	-0.1
Feta	9,456	8,840	-6.5	74,083	68,162	-8.0
Gouda	1,537	4,885	217.8	23,326	31,776	36.2
Hispanic	20,208	20,591	1.9	150,213	157,533	4.9
Italian types	372,140	386,158	3.8	3,081,787	3,145,184	2.1
Mozzarella	285,959	296,240	3.6	2,406,704	2,445,735	1.6
Parmesan	23,945	28,034	17.1	202,768	226,219	11.6
Provolone	31,974	29,820	-6.7	239,080	237,663	-0.6
Ricotta	20,592	22,248	8.0	153,457	156,306	1.9
Romano	3,739	3,494	-6.6	32,737	30,888	-5.6
Other Italian	5,931	6,322	6.6	47,041	48,373	2.8
Swiss	26,542	24,113	-9.2	217,363	197,842	-9.0
All other types	11,062	10,064	-9.0	96,399	100,461	4.2
<b>TOTAL CHEESE</b>	<b>891,398</b>	<b>926,080</b>	<b>3.9</b>	<b>7,222,641</b>	<b>7,372,855</b>	<b>2.1</b>
Butter	129,531	135,631	4.7	1,262,629	1,284,210	1.7
Cottage cheese - curd	39,346	36,656	-6.8	289,386	268,709	-7.1
Cottage cheese - creamed	30,398	28,760	-5.4	220,655	210,930	-4.4
Cottage cheese - lowfat	36,728	33,806	-8.0	265,879	256,926	-3.4
Sour Cream	109,505	109,137	-0.3	832,812	830,405	-0.3
Yogurt (Plain & Flav.)	386,947	422,134	9.1	2,978,209	3,156,351	6.0
Dry Whole Milk	5,799	7,077	22.0	39,291	49,383	25.7
NDM - Human	106,014	106,692	0.6	1,311,373	1,095,613	-16.5
Skim Milk Powders	40,346	55,074	36.5	208,527	399,664	91.7
Dry Skim - Animal	757	895	18.2	7,181	6,707	-6.6
Dry Buttermilk	6,787	7,582	11.7	73,462	84,501	15.0
Cond. Whey - Human	7,966	7,345	-7.8	68,976	63,884	-7.4
Dry Whey - Human	73,984	69,229	-6.4	648,216	605,355	-6.6
Dry Whey - Animal	4,038	3,855	-4.5	37,282	31,422	-15.7
Lactose - Human & Animal	84,124	86,928	3.3	690,572	702,661	1.8
WPC - Human	33,023	37,529	13.6	274,829	307,319	11.8
WPC - Animal	2,027	495	-75.6	19,167	6,376	-66.7
WPC 25.0-49.9 Percent	19,460	19,176	-1.5	159,832	153,997	-3.7
WPC 50.0-89.9 Percent	15,590	18,848	20.9	134,164	159,698	19.0
Protein Isolates	5,295	7,895	49.1	43,657	56,449	29.3
Ice Cream, hard	76,083	72,463	-4.8	573,922	567,764	-1.1
Ice Cream, lowfat, total	43,417	37,820	-12.9	342,572	303,133	-11.5
Frozen Yogurt	7,235	6,051	-16.4	54,084	50,154	-7.3

Notes: Production reported in thousands of pounds, except frozen products, which are reported in thousands of gallons.

Source: USDA. All production percentages are rounded.

<sup>1</sup>Includes, Cheddar, Colby, Monterey and Jack. <sup>2</sup>YTD includes current plus revised previous months' data.

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## NEWS/BUSINESS



## CDFA

Continued from page 1

compel me to make this extension," Ross says in a letter to dairy industry stakeholders. "However, I am convinced that continued adjustments to the minimum price are inadequate to address the ongoing difficulties in the dairy industry. Our antiquated state

pricing system demands structural reform."

She also notes that since 2011, CDFA has held six hearings and denied five hearing requests, and in the last 10 years, it has held a total of 18 hearings and denied a total of 12 requests.

Ross says testimony in this most recent hearing failed to provide justification that price relief be based solely

on the whey factor and the 4b formula, but she says the cornerstone of any 21st century pricing system must begin with changes to Classes 4a and 4b, as they represent approximately 80 percent of the milk processed in California.

"A work group of industry technical experts is developing potential alternative pricing scenarios that could replace the formulas currently used,"

she says. "The department has contracted with Daniel Sumner, Ph.D., a University of California at Davis Professor of Agricultural & Resource Economics and a former USDA chief economist, to analyze the effects of different pricing scenarios on California's dairy industry."

Additionally, she says she has directed staff to develop comprehensive pricing proposals — in cooperation with stakeholders, industry experts and the legislature — by Dec. 15, 2013.

The Dairy Institute of California, which represents California cheesemakers, says it respects CDFA's decision.

"The data show very clearly that economic conditions for dairy farmers have improved substantially since last year," says Rachel Kaldor, executive director, Dairy Institute of California.

"Given the power of the market to add substantially to farmer prosperity, we should be working together to expand our global reach instead of relying on an antiquated pricing system that stifles growth and limits revenue," she adds. "Together we need to create a new market-driven system with high levels of investment and vigorous competition."

Michael Marsh, CEO of Western United Dairymen, says California dairy producers still are losing money, just not as fast.

"With feed costs moderating with a bigger harvest, it's encouraging, but we're just another drought away from catastrophe on the producer side," he says.

From the producers' perspective, Marsh says the CDFA decision not to increase prices was "pretty devastating," particularly as earlier this year they believed that the California state legislature had negotiated a deal with the state's cheesemakers to raise prices.

Ross addresses this in her letter to the industry.

"I understand there will be disappointment with this decision in light of the publicity surrounding the perceived agreement between producers and processors during the legislative session," she says. "However, the department was not jointly petitioned by producers and processors — only some producers — and when questioned by the hearing panel, processors responded that there was no agreement."

Marsh notes there were seven members of the California Legislature that testified in support of raising milk prices for producers, and that following the decision, they have reached out to see what else they can do to help.

"Dairy farmers in California simply need to have the price reconnected to the marketplace, just like every other state or around the globe," Marsh says, adding that some have considered bringing California into the federal order. "I think from the producer perspective, they're pretty disgusted with the hearing process." CMN

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## New Dupont Danisco range of protective dairy cultures is now available to industry

WILMINGTON, Del. — DuPont Nutrition & Health has expanded its range of protective dairy cultures with Holdbac YM Plus, which is part of the DuPont Danisco range. Holdbac YM Plus can be used to prevent spoilage and to ensure production of longer-lasting, fresher-tasting fermented dairy products, the company says.

By controlling a wider range of fungal contaminants — in particular spoilage yeast isolated from fermented dairy products — Holdbac YM Plus is designed to meet the needs of dairy manufacturers who are affected by product spoilage. In addition, Holdbac YM Plus presents clean label credentials.

A blend of selected and patented strains of *Propionibacterium* and *Lactobacillus* creates a broader inhibition spectrum, DuPont says. This contributes to increased effectiveness in preventing spoilage from yeast and mold growth and promotes longer-lasting, fresher-tasting fermented dairy products.

Manufacturers do not have to alter their production process to utilize Holdbac YM Plus. The cultures can be added to the milk with other starter cultures required for a range of fermented dairy products such as yogurt, quark, white cheeses and sour cream.

For more information visit [www.danisco.com](http://www.danisco.com). CMN

## Bosch Packaging Technology unveils hygienic, flexible packaging machine

NEW RICHMOND, Wis. — Bosch Packaging Technology has debuted the SVC 4020, a hygienic and flexible vertical packaging machine platform.

The SVC 4020 is designed for a variety of food products including infant powders and cheese. Bosch says it designed the SVC with simplicity, versatility and cleanability in mind, focusing on hygienic design to help manufacturers meet diverse food handling regulations.

“We designed the SVC vertical packaging platform to be uniquely customizable,” says Robert van Mol, product manager, Bosch Packaging Technology. “It can be tailored to meet the needs of numerous industries, as well as meet diverse hygienic levels. The SVC gives our customers a versatile and flexible solution to maximize business opportunities.”

Composed of a stainless steel frame, the SVC offers manufacturers a streamlined design, and its electric cabinet has been incorporated within the machine frame to reduce the number and length of cords and cables. The SVC also features quick and tool-less format changeovers to reduce downtime, Bosch says.

The SVC’s film input is designed ergonomically, sloping at 45 degrees to

**“We designed the SVC vertical packaging platform to be uniquely customizable.”**

Robert van Mol  
BOSCH PACKAGING TECHNOLOGY

provide the operator optimum access and enhanced speed for threading and splicing in new film, Bosch adds. There are fewer rollers compared to previous generations of packaging equipment, increasing bag per minute speeds. Total Preventive Maintenance has been incorporated in the basic design philosophy, so producers are reassured that their production will continuously run at its highest efficiency, the company says.

For more information visit [www.boschpackaging.com](http://www.boschpackaging.com). CMN

## DuPont Tate & Lyle Bio Products partners with Symrise on new flavor ingredient

WILMINGTON, Del. — DuPont Tate & Lyle Bio Products Co. LLC has announced a partnership with Symrise for the use of Zemea USP propanediol as a carrier for compounded flavors for dairy and other food products.

Zemea USP propanediol is a natural, 100-percent biobased solvent and humectant made from fermentation of glucose. It is an environmentally sustainable alternative to petroleum-based glycols and glycerin, where the product’s humectancy, preservative effects, unique solubility and taste properties may be beneficial in food and beverage applications, Dupont Tate & Lyle Bio Products says.

“Symrise is an excellent partner to develop and market innovative flavor formulations using our natural flavor carrier,” says Steve Hurff, vice president

of marketing and sales, DuPont Tate & Lyle Bio Products. “As a leader in this market, Symrise has the technical capabilities and market reach to make Zemea USP the carrier of choice for flavor compounds.”

Symrise is a global supplier of fragrances, flavorings, cosmetic active ingredients and raw materials as well as functional ingredients.

“We are very excited to enter into this exclusive launch partnership with DuPont Tate & Lyle Bio Products,” says Matthias Guentert, president of the Symrise Flavor & Nutrition Division in North America. “There is a growing need by our key clients for all-natural products, and Symrise will be in the excellent position to support this trend.”

For more information visit [www.dupont.com](http://www.dupont.com). CMN

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## Pasteurized Milk Ordinance makes progress as FDA accepts nearly all recommendations

WASHINGTON — The executive board of the National Conference on Interstate Milk Shipments (NCIMS) recently met in Chicago to finalize conference actions on the 2013 Grade A Pasteurized Milk Ordinance (PMO). The actions were based on FDA's approval of all but one of the proposals put forth by the NCIMS following its spring conference.

According to the International Dairy Foods Association (IDFA), as a next step, FDA will issue a detailed memorandum, IMS-a-49, outlining the specific changes to the PMO and related documents. The finalized proposals will take effect one year after the date that

the IMS-a memo is issued unless other effective dates for individual proposals have been established.

IDFA notes that two updates important to its members will take effect immediately following FDA's release of IMS-a-49, which is expected in the next few weeks. The International Certification Program, which ran successfully for six years as a pilot program, will become an official part of PMO. The certification program allows international dairy processing companies to use third-party inspectors to implement the regulations of the PMO for export of Grade A dairy products to the United States.

In addition, FDA agreed to modify the regulations for aseptic Grade A milk and milk products to include low-acid milk and milk products that are retorted, or sterilized, after packaging.

"We continue to advocate for reasonable regulations in the PMO that will enhance food safety and encourage trade, and the International Certification Program is an important step to remove market barriers for trade agreements," says Clay Hough, IDFA senior group vice president and NCIMS executive board member.

The lone proposal not accepted by FDA would have extended the allowable transit time for water samples before

testing from 30 hours to 48 hours. FDA cited "a lack of appropriate science" as its reason for not supporting the proposal, IDFA says. The board took formal action to disagree with FDA on this non-concurrence, which means procedurally the proposal will be returned for consideration at the 2015 NCIMS conference.

The PMO incorporates provisions governing the processing, packaging and sale of Grade A milk and milk products, including yogurt, fermented milk products, whey, whey products and condensed and dry milk products. The NCIMS, in accordance with the Memorandum of Understanding with FDA, recommends changes and modifications to the PMO at its biennial conferences. CMN

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## Chobani donates \$1.5 million to Cornell University

ITHACA, N.Y. — Chobani Inc. and Cornell University recently announced a partnership to promote innovation in dairy and food science. Made possible by a \$1.5 million gift from Chobani to the university, the partnership will support research and workforce training in dairy quality to help support New York's yogurt industry.

"Cornell's Department of Food Science is one of the leading programs of its kind globally—a match to Chobani's leading role in Greek Yogurt and our mission to bring better food options to everyone," says David Denholm, Chobani president and chief operating officer.

The gift from Chobani will benefit the dairy industry through staffing and training programs that support dairy quality, leadership and innovation. The funding will be used to create on-site opportunities for Cornell faculty, students and staff, including food safety and quality workshops as well as graduate student support for relevant research initiatives.

"This partnership will strengthen the science behind New York's dairy industry and help us better accomplish our land-grant mission to bring new information, technologies and a well-prepared workforce to this expansive industry," says Kathryn J. Boor, the Ronald P. Lynch Dean of the College of Agriculture and Life Sciences at Cornell. "Our goal is not only high-quality dairy products, but also economic growth in communities that need it the most."

Yogurt, including high-protein Greek yogurt, has become an economic powerhouse in Upstate New York, with New York firms now accounting for 70 percent of all Greek yogurt sales. Established in 2005, Chobani, headquartered in Norwich, N.Y., now has nearly 3,000 employees globally and sales of more than \$1 billion a year. CMN

For more information please visit [www.wmmb.com/expo](http://www.wmmb.com/expo)