

CHEESE MARKET NEWS®

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



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Robust flavors, clean labels trending in processed cheese

By Rena Archwamety

MADISON, Wis. — As consumer demand grows for bold flavors, convenient products and better-for-you products, cheese processors have followed suit — including processed cheese processors. Expanding far beyond plastic-wrapped yellow slices, there are a number of new innovations in the processed cheese sector, from single-sized sauces to clean-label formulations to super-spicy spreads.

According to USDA's latest annual data on per capita cheese consumption, in 2014, Americans consumed an average of 6.75 pounds of processed cheese products — including

processed cheese, cold pack, cheese food and other foods and spreads — the most in the past five years. And while processed cheese in general is not a high-growth category, certain products recently have found great success.

"There is increased interest in high-end, high-cheese products — those that fit under the 'processed cheese' standard of identity," says Dana Wolle, assistant coordinator-cheese industry and applications group, Wisconsin Center for Dairy Research. "More high-end restaurants are serving these products, and some are making high cheese cold pack or spreadable products for consumption in-house.

"Interest in more flavors is also high, with increased use of non-traditional flavorings in process cheese, in addition to the old standbys," he adds

• Robust flavors

Wolle notes that in addition to traditional jalapeño, habanero and chipotle pepper flavorings, he is seeing more super-hot varieties such as ghost peppers in processed cheeses. He adds that there also are more unusual and strong flavors in the processed cheese market than there used to be.

"Complex and flavorful spice and herb blends, different types of base cheeses for process cheesemaking — Blue, Muenster, Parmesan, Emmentaler, aged Brick and Limburger — in addition to Cheddar, hotter types of peppers, additional inclusions in process cheese in addition to peppers, all of these are increasing in production and popularity," he says.

Dan Culligan, president of Dairyfood USA Inc., Blue Mounds, Wisconsin, says consumers are wanting more specialty flavors and tasty ingredients in processed cheeses. Hot and spicy products continue to be a very popular market segment and are associated with international influences in today's food industry, he adds.

"Some of the newer flavors we've developed over the past year or so for the hot and spicy market have been Nacho, Habanero Cheddar, Fiery Jalapeño and Spicy Sriracha," Culligan says. "In addition to the typical Cheddar and Swiss spreads, we have Cheddar and Bacon, Smoked Gouda, Parmesan Peppercorn, Garden Ranch, Asiago Garlic, Beer Cheese and a number of different additions to our offerings. Due to

consumer demand, flavors will continue to be more robust."

Culligan adds that there has been significant growth in Hispanic cheeses, such as the company's line of Queso Dips, due to their versatility and affordability. Another flavor segment that has been growing in popularity for some time is smoked cheeses. Culligan says Dairyfood USA, which specializes in naturally-smoked Gouda and other processed cheese varieties, has seen a 42-percent sales increase over the past three years just in its smoked cheeses.

"Consumers want specialty flavors and tasty ingredients," he says. "The growth rate of smoked cheeses for the last eight to 10 years has been incredibly significant."

In addition to growth in smoked cheeses, Culligan says the spreadable processed cheese segment has increased nearly 20 percent in retail sales over the past six years and is forecast to increase an additional 11 percent in the next five years.

"What's really interesting is everyone talks about artisan and natural cheeses, but there are many innovative new products in both natural and

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New report shows decrease in import refusals of cheese

WASHINGTON — Spices, flavors and salts' share of all FDA imported food refusals roughly doubled between 1998-2004 and 2005-2013, but cheese import refusals decreased, according to a new report from USDA's Economic Research Service (ERS).

As part of its oversight of U.S. food product safety, FDA inspects imported foods at the border or port of entry for evidence of adulteration or misbranding. With limited resources, FDA physically inspects about 1 percent of the approximately 60 million metric tons of food under its regulatory authority imported into the United States each year. FDA inspectors target certain firms and types of products that are prone to greater risks. When an inspector identifies an adulteration or misbranding violation, the shipment is subject to refusal into the United States.

In the report, "Patterns in FDA Food Import Refusals Highlight Most Frequently Detected Problems," ERS researchers analyzed the records of FDA refusals over 2005-2013 to assess patterns in import refusals by product category, violation type and exporting country and compared results with an earlier study analyzing similar data over 1998-2004. In both time periods, the top three products in terms of refusals were fishery/seafood products, vegetables/vegetable products and fruit/fruit products. The countries with the most food shipments refused by FDA — Mexico, India and China — have distinct sets of product categories that reflect the quantities and types of products they export to the United States, ERS notes.

According to the report, from 2005-2013, cheese and cheese products accounted for only 3.0 percent of FDA food import refusals, down from 3.7 percent in the 1998-2004 period.

In the 2005-2013 period, adulteration accounted for 57 percent of all violations for the products included in the study. Almost all of the remainder (41 percent) were violations for misbranding

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AUA Equity Partners buys yogurt maker Noga Dairies

NEW YORK — Raymundos Food Group LLC, an Illinois-based manufacturer of refrigerated snacks and desserts and a subsidiary of AUA Private Equity Partners LLC, has acquired Noga Dairies Inc., a manufacturer of yogurts, drinkable yogurts and other dairy products based in Farmingdale, New York. Terms of the transaction were not disclosed.

The acquisition deal was led by a team at AUA Private Equity Partners, which acquired Raymundos Food Group earlier this year.

AUA says the acquisition of Noga will help accelerate Raymundos' expansion into adjacent refrigerated categories, diversify its product offerings and strengthen its commitment to meeting consumers' needs and tastes.

The acquisition was completed in partnership with one of Noga's founders, Zami Leinson, who will continue as Noga's

Turn to AUA, page 9 ⇨

New cheese, dairy society launches in New York state

ARKVILLE, N.Y. — Nicole E. Day Gray and Jessica Halbrecht have announced the launch of the Cheese and Dairy Society of New York State (CDSNYS), a nonprofit which aims to unite all artisanal and farmstead cheese and dairy producers in New York through support, advocacy and promotion of local farmers, as well as educational opportunities.

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MARKET INDICATORS

Chicago Mercantile Exchange

Cash prices for the week ended April 1, 2016

	Monday March 28	Tuesday March 29	Wednesday March 30	Thursday March 31	Friday April 1
Cheese Barrels					
Price	\$1.4425	\$1.4425	\$1.4525	\$1.4525	\$1.4550
Change	-3/4	NC	+1	NC	+1/4
Cheese 40-lb. Blocks					
Price	\$1.4800	\$1.4700	\$1.4600	\$1.4600	\$1.4700
Change	-1	-1	-1	NC	+1

Weekly average (March 28-April 1): Barrels: \$1.4490(-.0166); 40-lb. Blocks: \$1.4680(-.0220).
 Weekly ave. one year ago (March 30-April 2, 2015): Barrels: \$1.5888; 40-lb. Blocks: \$1.5763.

	Monday March 28	Tuesday March 29	Wednesday March 30	Thursday March 31	Friday April 1
Grade A NDM					
Price	\$0.7250	\$0.7275	\$0.7150	\$0.7150	\$0.7175
Change	NC	+1/4	-1 1/4	NC	+1/4

Weekly average (March 28-April 1): Grade A: \$0.7200(-.0125).

	Monday March 28	Tuesday March 29	Wednesday March 30	Thursday March 31	Friday April 1
Grade AA Butter					
Price	\$1.9225	\$1.9500	\$1.9550	\$1.9550	\$1.9600
Change	NC	+2 3/4	+1/2	NC	+1/2

Weekly average (March 28-April 1): Grade AA: \$1.9485(+.0110).

Class II Cream (Major Northeast Cities): \$2.1313(+.1341)-\$2.2281(-.1375).

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CLASS III PRICE

(Dollars per hundredweight, 3.5% butterfat test)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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	18.22	18.83	18.95
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82
2015	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	14.44
2016	13.72	13.80	13.74									

CHEESE FUTURES* for the week ending March 31, 2016

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

	Fri., March 25	Mon., March 28	Tues., March 29	Wed., March 30	Thurs., March 31			
MAR16	1.517	4,006	1.517	3,994	1.516	4,907	1.525	3,783
APR16	1.525	3,683	1.520	3,699	1.519	3,744	1.545	3,842
MAY16	1.515	3,889	1.511	3,902	1.525	3,886	1.554	3,681
JUN16	1.518	3,619	1.515	3,670	1.527	3,677	1.579	3,483
JUL16	1.535	3,416	1.535	3,492	1.544	3,494	1.608	3,342
AUG16	1.567	3,327	1.572	3,341	1.574	3,343	1.630	3,023
SEP16	1.583	3,017	1.589	3,022	1.590	3,022	1.638	2,676
OCT16	1.596	2,667	1.602	2,674	1.605	2,676	1.636	2,990
NOV16	1.593	2,974	1.599	2,979	1.599	2,979	1.625	2,773
DEC16	1.591	2,758	1.599	2,765	1.597	2,773	1.614	503
JAN17	1.587	492	1.589	491	1.590	491	1.600	473
FEB17	1.586	461	1.587	463	1.587	463	1.607	436
MAR17	1.586	426	1.585	427	1.585	427	1.611	299
APR17	1.595	291	1.595	291	1.596	291	1.610	281
MAY17	1.605	273	1.605	273	1.605	273	1.616	227
JUN17	1.615	219	1.615	219	1.615	219	1.637	39
JUL17	1.637	39	1.637	39	1.637	39	1.668	6
Total Contracts Traded/ Open Interest		249/35,587	296/35,771	183/36,734	954/31,881			

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.

DRY WHEY FUTURES* for the week ended March 31, 2016

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

	Fri., March 25	Mon., March 28	Tues., March 29	Wed., March 30	Thurs., March 31			
MAR16	25.200	658	25.200	658	24.770	675	24.250	638
APR16	25.175	633	25.175	625	25.025	631	24.600	654
MAY16	25.500	654	25.000	650	25.000	650	24.750	643
JUN16	25.975	640	25.525	640	25.525	640	24.625	451
JUL16	26.050	445	25.250	448	25.250	448	25.000	459
AUG16	26.450	448	25.750	448	25.750	452	25.500	459
SEP16	26.500	445	26.500	445	26.500	450	27.025	382
OCT16	27.075	373	27.075	381	27.075	381	26.775	333
NOV16	27.250	323	27.250	323	27.250	323	27.300	321
DEC16	28.500	318	28.500	318	27.900	318	28.000	33
JAN17	29.225	29	29.225	29	29.225	29	30.225	32
FEB17	30.225	28	30.225	28	30.225	28	28.025	33
MAR17	28.025	31	28.025	31	28.025	31	28.025	29
APR17	28.025	25	28.025	25	28.025	25	28.025	27
Total Contracts Traded/ Open Interest		2/5,145	27/5,144	25/5,176	114/4,574			

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.

Weekly Cold Storage Holdings

March 28, 2016

	On hand Monday	Week Change	Change since March 1 Pounds	Percent	Last Year Pounds	Change
Butter	24,204	+1,227	+3,019	+14	10,647	+13,557
Cheese	94,015	-1,657	+185	+0	94,742	-727

(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.)

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Dry Products*

April 1, 2016

NONFAT DRY MILK
Central & East: low/medium heat \$.7100-\$.8325(-3/4); mostly \$.7400-\$.8100.
 high heat \$.8500-\$1.0400(-6).
West: low/medium heat \$.6600(-1 3/4)-\$.7950(-1 1/2); mostly \$.7150(-1/2)-\$.7575(-3/4).
 high heat \$.8400-\$1.1025.
Calif. manufacturing plants: extra grade/grade A weighted ave. \$.7511(+.0068) based on 13,183,836 lbs.

WHOLE MILK POWDER (National): \$1.1200-\$1.3500(-9 3/4).

EDIBLE LACTOSE (FOB)Central and West: \$.1800-\$3500(+3); mostly \$.2050-\$2600(+1/2).

WHEY POWDER
Central: nonhygroscopic \$.1800-\$.2925(+3/4); mostly \$.2200-\$.2625(-1/4).
West: nonhygroscopic \$.2300-\$.2800; mostly \$.2300-\$.2600(-1).
(FOB) Northeast: extra grade/grade A \$.2200-\$.2875.

ANIMAL FEED WHEY (Central): Whey spray milk replacer \$.1250-\$.2325(+3/4).

WHEY PROTEIN CONCENTRATE (34 percent): \$.5100-\$.7300; mostly \$.6000(+6)-\$.6200.

DRY BUTTERMILK
(FOB)Central & East: \$.7200-\$.8125(-1 1/4).
(FOB) West: \$.6800-\$.8100; mostly \$.6900(-3)-\$.8000.

CASEIN: Rennet \$2.2200-\$2.9000; Acid \$2.3600-\$3.0500.

*Source: USDA's Dairy Market News

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NEWS/BUSINESS



CME to enable implied options functionality for dairy commodities beginning April 3

CHICAGO — The Chicago Mercantile Exchange (CME) Group last week announced that beginning April 3, it will enable implied options functionality for several products for trading on CME Globex.

According to CME Group, implied functionality combines real orders from multiple outright and spread markets to

create liquidity that isn't visible when looking at a single book.

The following dairy commodities are included in the change: cash-settled butter, cash-settled cheese, Class III milk, Class IV milk, dry whey and nonfat dry milk.

For more information, email Dairy@cmegroup.com. **CMN**

Class & Component Prices

	March 2016	February 2016
Class III:		
Price	\$ 13.74/cwt.	\$ 13.80/cwt.
Skim Price	\$ 6.25/cwt.	\$ 5.68/cwt.
Class IV:		
Price	\$ 12.74/cwt.	\$ 13.49/cwt.
Skim Price	\$ 5.21/cwt.	\$ 5.36/cwt.
Class II:		
Price	\$ 13.57/cwt.	\$ 14.30/cwt.
Butterfat Price	\$ 2.2098/lb.	\$ 2.3848/lb.
Component Prices:		
Butterfat Price	\$ 2.2028/lb.	\$ 2.3778/lb.
Nonfat Solids Price	\$ 0.5786/lb.	\$ 0.5951/lb.
Protein Price	\$ 1.9206/lb.	\$ 1.7389/lb.
Other Solids Price	\$ 0.0501/lb.	\$ 0.0492/lb.
Somatic Cell Adjustment Rate	\$ 0.00076/1,000 scc	\$ 0.00076/1,000 scc
Product Price Averages:		
Butter	\$ 1.9905/lb.	\$ 2.1350/lb.
Nonfat Dry Milk	\$ 0.7522/lb.	\$ 0.7689/lb.
Cheese	\$ 1.5162/lb.	\$ 1.5170/lb.
Dry Whey	\$ 0.2477/lb.	\$ 0.2469/lb.

International Dairy Markets

April 1, 2016

Western Europe

Butter: 82 percent butterfat \$2,550-\$2,700.

Butteroil: 99 percent butterfat \$3,475-\$3,950.

Skim Milk Powder: 1.25 percent butterfat \$1,650-\$1,800.

Whole Milk Powder: 26 percent butterfat \$1,975-\$2,200.

Whey Powder: Nonhygroscopic \$500-\$700.

Oceania

Butter: 82 percent butterfat \$2,650-\$2,850.

Cheddar Cheese: 39 percent maximum moisture \$2,400-\$2,700.

Skim Milk Powder: 1.25 percent butterfat \$1,675-\$1,800.

Whole Milk Powder: 26 percent butterfat \$1,925-\$2,200.

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.

National Dairy Products Sales Report

For the week ended: 3/26/16 3/19/16 3/12/16 3/5/16

Cheese 40-lb. Blocks:

Average price¹ \$1.5153 *\$1.5028 \$1.5025 \$1.5044

Sales volume² 12,534,169 *13,420,586 12,150,449 *11,850,311

Cheese 500-lb. Barrels:

Average price¹ \$1.5712 \$1.5779 *\$1.5695 \$1.5683

Adj. price to 38% moisture \$1.4981 \$1.5041 *\$1.4976 \$1.4962

Sales volume² 8,890,623 10,275,065 *9,708,171 9,874,812

Moisture content 34.98 34.96 *35.02 35.01

Butter:

Average price¹ \$1.9448 *\$1.9929 \$2.0004 \$2.0309

Sales volume² 4,594,048 *4,900,505 3,819,313 3,963,381

Nonfat Dry Milk:

Average price¹ \$0.7449 *\$0.7421 *\$0.7613 *\$0.7619

Sales volume² 18,565,308 *26,673,344 *17,041,256 *25,646,780

Dry Whey:

Average price¹ \$0.2451 *\$0.2390 *\$0.2566 \$0.2530

Sales volume² 6,488,153 *8,727,457 *6,916,287 6,142,267

¹/Revised. ²/Prices weighted by volumes reported. ³/Sales as reported by participating manufacturers.

Reported in pounds. *More information is available by calling AMS at 202-720-4392.*

MARKET INDICATORS



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CME FUTURES for the week ended March 31, 2016

Class III Milk*

	Fri., March 25	Mon., March 28	Tues., March 29	Wed., March 30	Thurs., March 31				
MAR16	13.77	3,686	13.77	3,690	13.74	4,096	13.78	4,764	
APR16	13.84	4,879	13.80	4,865	13.76	4,787	14.01	4,934	
MAY16	13.75	4,621	13.71	4,668	13.87	4,760	14.11	4,168	
JUN16	13.78	4,059	13.76	4,067	13.91	4,101	14.36	3,159	
JUL16	13.98	3,093	13.95	3,109	14.09	3,123	14.69	2,645	
AUG16	14.34	2,588	14.30	2,596	14.40	2,589	14.90	2,566	
SEP16	Markets	14.52	2,532	14.55	2,534	14.58	2,538	15.03	2,125
OCT16	Closed	14.66	2,056	14.71	2,059	14.68	2,060	15.03	2,018
NOV16		14.69	1,929	14.72	1,932	14.73	1,933	14.95	1,962
DEC16		14.69	1,841	14.70	1,841	14.67	1,849	14.77	436
JAN17		14.66	415	14.71	418	14.64	419	14.75	391
FEB17		14.69	318	14.74	324	14.67	331	14.72	369
MAR17		14.75	299	14.75	299	14.68	320	14.80	187
APR17		14.80	161	14.80	161	14.80	181	14.89	178
MAY17		14.89	154	14.89	154	14.89	174	14.93	183
Total Contracts Traded/ Open Interest		710/33,265	346/33,348	977/33,912	1,761/30,585				

Class IV Milk*

	Fri., March 25	Mon., March 28	Tues., March 29	Wed., March 30	Thurs., March 31				
MAR16	12.84	215	12.84	215	12.74	320	12.76	263	
APR16	12.83	263	12.79	263	12.76	263	12.96	283	
MAY16	13.09	284	13.09	284	12.96	284	13.28	252	
JUN16	Markets	13.38	253	13.38	252	13.28	252	13.55	263
JUL16	Closed	13.67	264	13.67	263	13.55	263	13.94	206
AUG16		13.99	206	13.99	206	13.96	206	14.03	178
SEP16		14.20	177	14.20	177	14.10	177	14.25	231
OCT16		14.25	230	14.25	230	14.25	230	14.40	151
NOV16		14.46	150	14.46	150	14.41	150	14.27	171
DEC16		14.30	169	14.30	169	14.27	170	14.29	10
JAN17		14.29	10	14.29	10	14.29	10	14.52	13
Total Contracts Traded/ Open Interest		0/2,260	3/2,258	4/2,364	6/2,046				

Cash-Settled NDM*

	Fri., March 25	Mon., March 28	Tues., March 29	Wed., March 30	Thurs., March 31				
MAR16	75.600	1,105	75.600	1,105	75.220	1,175	74.550	961	
APR16	76.150	960	76.050	978	75.175	948	76.300	952	
MAY16	78.250	946	78.000	951	76.900	944	79.300	795	
JUN16	Markets	81.000	769	80.025	772	79.700	771	81.500	697
JUL16	Closed	83.000	681	82.525	683	82.075	688	83.525	651
AUG16		85.500	620	85.500	620	84.650	638	85.550	486
SEP16		87.150	468	87.000	466	86.500	478	86.750	336
OCT16		88.425	296	88.225	310	87.750	323	87.750	376
NOV16		89.575	345	89.350	356	88.675	358	89.050	385
Total Contracts Traded/ Open Interest		29/6,596	177/6,648	377/6,733	431/5,732				

Cash-Settled Butter*

	Fri., March 25	Mon., March 28	Tues., March 29	Wed., March 30	Thurs., March 31				
MAR16	199.500	937	199.500	937	199.050	996	198.000	1,065	
APR16	195.025	1,061	196.000	1,059	196.025	1,059	202.000	921	
MAY16	198.500	917	199.000	921	199.025	919	203.750	854	
JUN16	Markets	201.250	859	202.000	855	201.750	853	205.600	609
JUL16	Closed	202.675	605	204.000	604	203.500	602	206.300	601
AUG16		204.025	600	206.000	605	205.525	609	208.050	611
SEP16		205.775	597	207.250	603	207.000	606	209.275	434
OCT16		206.775	435	207.300	435	208.025	435	210.000	405
NOV16		206.050	405	206.050	405	206.550	405	205.275	274
DEC16		201.575	258	202.025	260	202.475	265	195.025	6
Total Contracts Traded/ Open Interest		15/6,698	169/6,708	38/6,773	124/5,798				

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.

DISCLAIMER: Cheese Market News® has made every effort to provide accurate current as well as historical market information. However, we do not guarantee the accuracy of these data and do not assume liability for errors or omissions.

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WCMA UPDATE



Perspective: WCMA

John Umhoefer is executive director of the Wisconsin Cheese Makers Association. He contributes this column monthly for *Cheese Market News*®.

Market as well as you make

Here's how the marketplace has changed: The next generation of American families is no longer grateful that the dairy industry is producing products for their table.

Dairy has millions of fans, of course, but the industry no longer gets a marketing "free pass." The kind of pass where processors can put uninspired plastic jugs of skim milk on a shelf and expect consumers to buy more and more each year.

But don't worry. Having to earn it — having to sell the nutrient density of dairy, its purity and deliciousness to a generation drinking antioxidant-infused coffee fruit beverages — is the best thing that ever happened to dairy manufacturers.

Companies have reacted with varying speed to dairy's metamorphosis from consumer staple to consumer choice. The rise of farmstead and artisan cheesemaking is a product of this change. Fluid milk is its victim. Today's consumer says: Give me something I feel good about buying, something I'm excited to try.

Emmi Roth (Roth Kase before that) started making its Grand Cru cheese in 1991. Twenty-five years later, this bedrock cheese for Roth has been named World Champion Cheese. Seeing a consumer trend is just the first step. Perfecting new products and building markets to become a product of choice takes time.

In the same month Roth proved to the world that American cheesemaking can compete with the best, *Hoard's Dairyman* ran an editorial with the lead: "It was refreshing to hear a global dairy processor suggest that Federal Milk Marketing Orders and the associated regulations haven't prevented his company from growing in the U.S."

Hoard's misunderstood a clear message from Saputo Cheese CEO Lino Saputo Jr. "Our job is to be the best processor," *Hoard's* quoted Saputo saying at the U.S. Dairy Forum. "Our job isn't to change regulations." Saputo Inc. doesn't dwell on arcane milk classifications and pricing formulas. They're busy making family-friendly snack cheeses and high-end specialty cheeses.

Hoard's tried to tell dairy that Saputo is growing and federal milk marketing orders "haven't prevented" them. "We don't impede growth!" is hardly a rallying cry for the value of federal orders. Fretting about government pricing is old dairy thinking — a laser focus on delighting the consumer is new dairy.

Today, cheese manufacturers are strung out along the path to consumer-focused products and marketing. Yogurt makers are years ahead and ice cream and novelties have understood their consumer for a long time.

In the last year, buttermakers have been handed a golden opportunity to capitalize on consumers' renewed acceptance of this natural fat source. Perhaps consumers looking for wholesomeness and convenience will soon be

able to buy butter in a size not expressed in pounds, or learn the health benefits of butter on packaging.

It's no longer good enough to make good cheese. Consumers want to believe in your brand and in your commitment to quality and new products, to the environment and to your dairy farm partners and their animals. They want your reassurance that cheese is nutritious and pure. Your messages and your packaging are as important as the cheese inside.

The natural simplicity of dairy should be the foundation of all marketing. Consumers making a choice should implicitly understand that moving away from dairy means leaving behind a clean, wholesome, nutritious foodstuff to try something that must be "infused" to become healthy. And cheesemakers must back their marketing with dairy products crafted with clean ingredient statements, flawless safety protocols and consistent quality.

Cheesemaking in the United States has never been better. The quality and diversity of products has exploded in the last 20 years, culminating in an international panel of judges selecting a U.S. cheese as No. 1 in the world. It's a good start. Now manufacturers must put as much effort into telling that story as they have in making it true. 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

Pennsylvania Milk Marketing Board keeps over-order premium at \$1.60 per hundredweight

HARRISBURG, Pa. — The Pennsylvania Milk Marketing Board (PMMB) last week decided to maintain the state's over-order premium at \$1.60 per hundredweight from April 1 through Sept. 30, 2016.

The decision was based on testimony and evidence presented at a March 1 hearing on Pennsylvania's over-order premium, which applies only to Class I milk produced, processed and sold in the state. Pennsylvania's over-order premium has been \$1.60 per hundredweight since July 2013.

Several Pennsylvania dairy industry stakeholders testified at the hearing in favor of maintaining the over-order premium at \$1.60 including The Pennsyl-

vania Association of Dairy Cooperatives (PADC) — members of which include Dairy Farmers of America, Land O'Lakes and others — the Pennsylvania Farm Bureau (PFB) and dairy producers.

Dean Ellinwood testified on behalf of PADC at the March 1 hearing, noting Pennsylvania's milk production has not kept pace with the national average and lost ground over the fourth quarter of 2015. U.S. milk production during 2015's fourth quarter was up 0.6 percent from a year earlier, while Pennsylvania's output was down 0.6 percent from a year earlier, he notes.

Ellinwood adds that Pennsylvania dairy farmers have seen a drastic reduction in milk prices, with little change ex-

pected through the third quarter of 2016.

During testimony before PMMB, PFB noted that dairy farmers are not only getting paid less for the milk they produce, but the margin between what they are paid and the cost to produce the milk is increasing.

"Frankly, the price for feed, fuel and other inputs have not declined at the same rate as the significant reduction in milk prices we've experienced over the past two years," says Glenn Stoltzfus, a Somerset County dairy farmer who is a member of PFB's state board of directors and chairman of its state Dairy Committee. "This means dairy farmers are likely to face tougher times ahead as they struggle to remain economically

viable."

PFB notes the over-order premium is essential to assisting Pennsylvania dairy farmers during times of uncertainty and falling prices.

"The level of premium established by the board plays an important and helpful role in the financial stability of Pennsylvania's dairy farms," Stoltzfus says.

"The board thoughtfully reviewed all the testimony and evidence presented by stakeholders in making the decision to maintain the existing premium price for milk," adds PFB President Rick Ebert. "We will continue to monitor declining milk prices, which are challenging the profit margins of dairy farmers." CMN

ADPI releases new industry standards for skim colostrum, whole colostrum powder

ELMHURST, Ill. — The American Dairy Products Institute (ADPI) has released new official ADPI standards for skim colostrum powder and whole colostrum powder.

"An important part of the mission of ADPI is the development of industry standards for dairy ingredients that serve to build customer and consumer confidence and trust in these U.S.-produced products," says Dave Thomas, CEO, ADPI. "We are pleased to add these two new stan-

dards to the growing portfolio of products that are covered by an ADPI standard."

Skim colostrum powder is obtained by the partial removal of fat and water from colostrum that comes from cows within 48 hours after giving birth, ADPI notes. It contains fat (less than 6 percent), proteins, carbohydrates, vitamins and minerals.

Product applications for skim colostrum powder include beverages and beverage bases, dairy product analogs,

milk, milk products, nutrition bars and snacks. The product should be stored and shipped in a cool, dry environment with temperatures below 80 degrees Fahrenheit and relative humidities below 65 percent. Stocks should be rotated and utilized within 2-3 years, ADPI says.

Whole colostrum powder is obtained in the same manner and contains fat (less than 17.5 percent), proteins carbohydrates, vitamins and minerals, ADPI notes.

Product applications for whole colostrum powder are the same as with skim colostrum powder, with the same storage and shipping recommendations, ADPI says.

ADPI encourages the industry to use its product standards as a guide in the manufacturing, marketing and purchasing of dairy products for use as functional and nutritional ingredients.

To view the standards, click the "Product Standards" button at www.adpi.org. CMN

Shredded/Grated Cheese & Anti-Caking Agents:

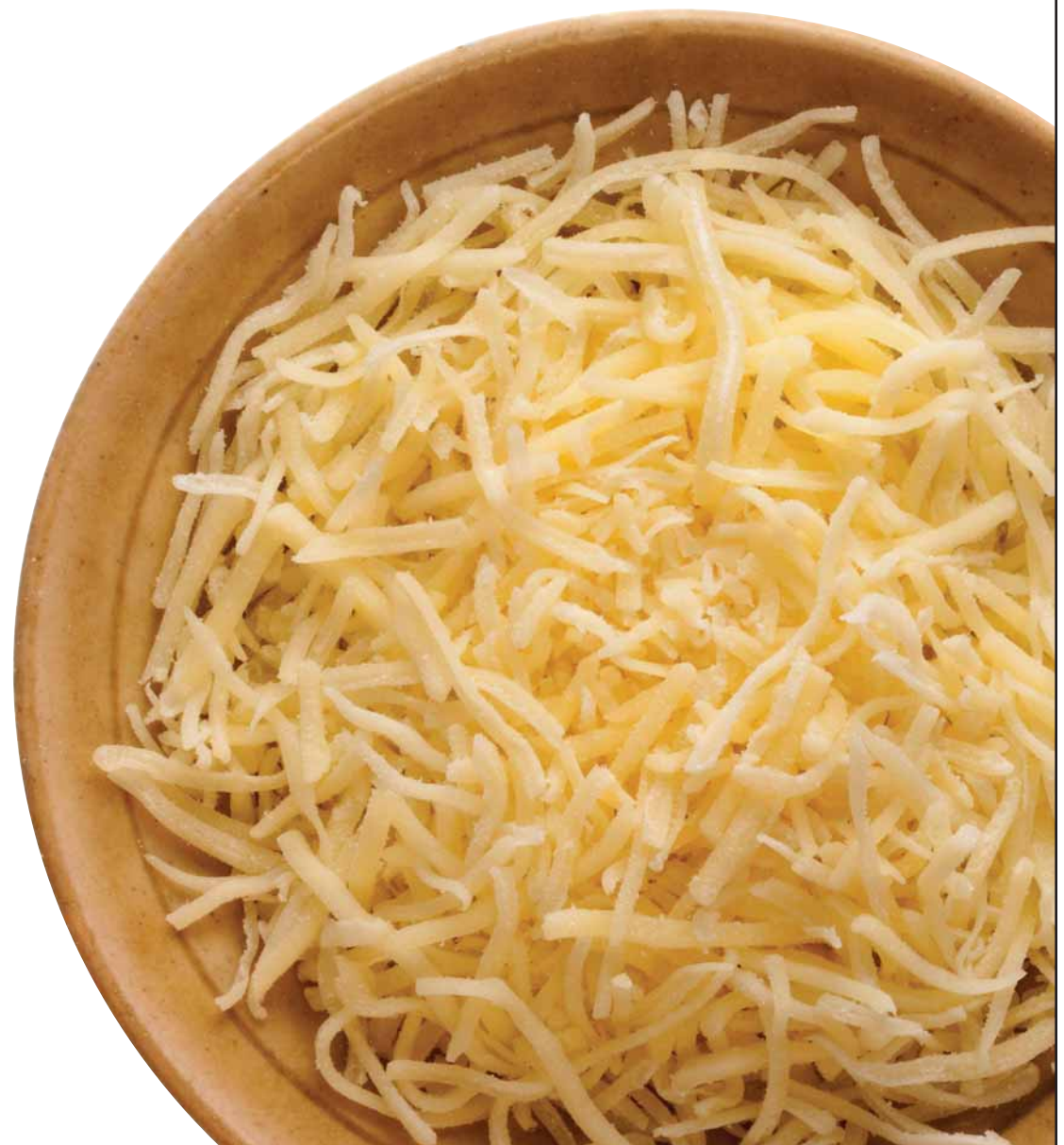
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NEWS/BUSINESS



DATCP to draft emergency milk contractor rule, approves final rule to create ATCP 65

MADISON, Wis. — The board of the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) recently approved a scope statement to promulgate an emergency rule related to milk contractors.

The board also approved final rules relating to milk and milk products, licensing bulk milk tankers, and food plants, warehouses and milk distributors.

The emergency rule DATCP will draft is necessary to ensure the continuation of the Agricultural Producer Security Fund assessment exemption for milk contractors.

Last December, DATCP received an actuarial study detailing the need for changes to the Agricultural Producer Security Fund (APSF) to ensure fund stability and to mitigate the impact of large defaults in the future.

Without the emergency rule, licensed milk contractors would have to take on the burden of repaying a large portion of the APSF overall fund balance while new policies are developed and implemented, according to the scope statement.

An emergency rule effective May 1, 2016, is necessary, as the next license

year (assessment period) for milk contractors begins May 1, 2016, the scope statement says.

DATCP will propose an emergency rule that will reduce the APSF minimum fund balance from \$11 million set by rule to \$5 million, which is the minimum set by statute. This reduction will allow the continuation of the fund assessment exemption for milk contractors.

The proposed rule will slow the growth of the overall fund balance, as the milk contractor industry would otherwise be required to pay an additional \$420,000 to \$800,000 annually, according to the scope statement.

Meanwhile, the DATCP board also has approved a final draft rule which consolidates ATCP 60 (dairy farms) and ATCP 80 (dairy plants) and creates a new rule, ATCP 65 (milk and milk products).

Consolidation of these two rule chapters will eliminate numerous, and sometimes confusing, cross-references between the two chapters, according to a summary of the final rule.

The rule revises certain existing provisions and creates new provisions, as necessary, to ensure that Wisconsin's Grade A and Grade B dairy sectors

comply with the federal Pasteurized Milk Ordinance (PMO) and USDA standards, respectively, when they meet Wisconsin regulatory requirements; and state regulations do not unnecessarily hinder technological advancement by Wisconsin's dairy industry.

The DATCP board also approved a final draft rule of a modified ATCP 82 (bulk milk collection, sampling and transportation). The rule maintains the requirement that bulk milk tankers hauling Grade A milk and dairy products in Wisconsin must hold a Grade A permit issued by DATCP or the appropriate regulatory agency in another state.

A permit issued in Wisconsin has no associated fee, but the final rule does adopt an increase in the reinspection fee to cover DATCP's cost for those re-inspections, which are conducted when the department finds that a tanker has a regulatory violation.

Finally, the DATCP board approved final draft rules for ATCP 70 (food processing plants) and ATCP 71 (food warehouses and milk distributors).

The rule modifies current food warehouse rules to clarify which types of food processing activities in a food warehouse do not obligate a licensed food warehouse operator to obtain a separate food processing plant license.

The rule harmonizes the food warehouse refrigeration temperature requirements for dairy products, eggs, fish and fishery products in reduced-oxygen packaging. To reduce confusion about which federal food safety regulations must be followed by food warehouse operators, the rule adopts federal regulations by reference for certain types of food warehouses and indicates that other food warehouses can qualify for an exemption from most requirements of the federal preventive controls rule. CMN

Total conventional dairy ad numbers up 15 percent, March 25 AMS report says

WASHINGTON — Total conventional dairy advertisement numbers increased 15 percent last week from the prior week, says USDA's Agricultural Marketing Service (AMS) in its latest weekly National Dairy Retail Report released March 25.

AMS says national conventional varieties of 8-ounce natural cheese blocks last week had a weighted average advertised price of \$2.51, up from \$2.20 one week earlier and \$2.47 one year earlier.

Natural varieties of 1-pound cheese blocks last week had a weighted average advertised price of \$3.84, down from \$4.07 one week earlier and \$4.03 one year earlier, AMS says, while 2-pound

cheese blocks had a weighted average advertised price of \$5.49, down from \$5.69 one week earlier and \$7.25 one year ago.

AMS says natural varieties of 8-ounce cheese shreds last week had a weighted average advertised price of \$2.28, up from \$2.07 one week earlier but down from \$2.42 one year earlier, while 1-pound cheese shreds had a weighted average advertised price of \$2.93, down from \$4.22 one week earlier and \$3.92 one year earlier.

Meanwhile, national conventional butter in 1-pound packs last week had a weighted average advertised price of \$2.70, down from \$3.07 one week earlier but up from \$2.69 one year ago. CMN

SPX FLOW awarded more than \$55 million in dairy contracts; factories to operate in 2017

CHARLOTTE, N.C. — SPX FLOW Inc. this week announced it has been awarded three contracts worth more than a combined \$55 million.

SPX FLOW has been contracted to design, engineer and construct three dairy factories for customers expanding capacity to meet growing consumer demand. The new factories are expected to begin operations in 2017.

In China, SPX has been contracted to design, engineer and construct two greenfield liquid dairy factories that will produce a range of fresh and long-life dairy products including a variety of yogurts, milks, cheeses and nutritionally-enriched dairy beverages.

These fresh dairy factories will feature an array of SPX FLOW fluid handling components including milk separators, homogenizers and agitators along with the latest vacuum mixing, membrane, Leancreme and Infusion thermal processing technology to enable efficient and flexible production

of a wide range of dairy products, SPX notes.

In France, SPX has been contracted to design, engineer and construct a fresh dairy factory that will utilize SPX FLOW's pasteurization, cream incubation and clean-in-place technologies.

"Consumer demand for fresh dairy and nutritional dairy products continues to increase globally, driven largely by Chinese consumers. We are recognized as having market-leading expertise in dairy processing technology," says Marc Michael, president and CEO, SPX FLOW. "This expertise, combined with our significant experience executing projects in China and in France, was a key driver in our ability to win these orders."

Michael adds SPX is working closely with its customers to develop flexible and optimized process solutions to meet their needs.

"We are very excited to help them establish these state-of-the-art dairy factories," he says. CMN

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NEWS/BUSINESS



IMPORTS

Continued from page 1

and about 2 percent were not easily categorized as either adulteration or misbranding, ERS says. In 1998-2004, the share of misbranding violations was lower (33 percent) and the share of adulteration violations was higher (65 percent).

The share of violations due to adulteration or misbranding varied by product category, ERS notes. For some categories in 2005-2013 — such as non-chocolate candy, bakery products/dough/mix/icing, and chocolate and cocoa products — the most common violation was for misbranding rather than adulteration. Most of these misbranding violations were for lacking a nutrition label, ERS says.

For other products, adulteration was the primary violation, in one of three forms: pathogen or toxin; chemical (pesticide residues, drug residues, or unsafe additives); and other (including filthy or decomposed appearance and failure to register processes for canned food products). “Other” adulteration violations accounted for 50.4 percent of adulteration violations over 2005 to 2013; chemical contamination, 32.8 percent; and pathogen/toxin violations, 16.9 percent, the study says.

The most frequent violation in 2005-2013 in the pathogen/toxin adulteration category was for the presence of *Salmonella*, the report notes. *Salmonella* violations accounted for 83.7 percent of pathogen/toxin adulteration violations, up from 63.0 percent in 1998-2004. The most *Salmonella* violations were in fishery and seafood products (42.0 percent of total), followed by spices, flavors and salts (33.2 percent).

For cheese and cheese products, in 2005-2013, there were less than 5,000 instances of violations, with the majority due to adulteration, some due to misbranding and a small amount due to “other,” the report says. The only product categories with less violations than cheese and cheese products were whole grain/milled grain products/starch and dressings and condiments, the report says.

Following *Salmonella*, ERS notes that *Listeria* was the second-most common violation for pathogen/toxin adulteration in 2005-2013. However, *Listeria* violations were down substantially from 1998-2004, the report notes. Fishery and seafood products had 59.4 percent of *Listeria* violations, more than double the share in 1998-2004. Meanwhile, the share of *Listeria* violations in cheese and cheese products fell to 32.0 percent from 49.6 percent in 1998-2004, according to the report.

The product category with the highest number of chemical adulteration violations per year in 2005-2013 was vegetables/vegetable products, with more than 1,500 violations, ERS notes. Cheese and cheese products had less than 500 chemical adulteration violations in 2005-2013, but had slightly more than in the 1998-2004 period.

ERS research shows that problems with adulterated and misbranded food imports persist, despite FDA’s deterrence and detection efforts. Fishery/seafood products, vegetables/vegetable products, and fruit/fruit products were the industries with the most shipments refused in 2005-13 and also in 1998-2004. The safety of imported seafood clearly continues to be of significant concern. Spices, flavors, and salts were refused more often in 2005-13 than in 1998-2004,

and pathogen and toxin adulteration was responsible for more violations in the latter period.

ERS says some of the persisting problems year after year in food import shipments suggest that FDA’s inspection regime may not have sufficiently deterred producers and importers from offering food shipments that violate U.S. regulations. At the same time, country-related patterns do not necessarily indicate increased problems with the safety of food products from particular countries, ERS adds. Violations and shipments refused by FDA reflect the outcome of a complex system that depends on import volumes and FDA’s expectations about the safety of the products offered for import.

As the total volume of imported

food has risen, the number of shipments refused has declined relative to the volume of food imports, the study says. This relative decline may reflect improvements in compliance with U.S. laws among foreign producers and importers, or it may reflect FDA’s limited resources and capacity to inspect, detain and refuse imported food. Because FDA inspections of imports are not conducted randomly, but are risk-based and designed as deterrents, additional data on the value and volume of shipments (as a share of total shipments) for various groups of producers would be needed for a careful analysis of the risks presented by specific products and producing countries, the study says.

To view the study, visit www.ers.usda.gov. CMN

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Rabobank report says trend of consolidation in U.S. milk production is 'here to stay'

ST. LOUIS — A new report from the Rabobank Food and Agribusiness Research (FAR) and Advisory group, "Economies of Scale Driving Consolidation in U.S. Dairy: Farmers and Processors Should Both Pay Attention" finds dairy farming in the United States has historically been a smallholder pursuit dominated by small, family-run farms.

However, the profitability of large dairy farms is driven by economies of scale, leading Rabobank to believe the trend of consolidating milk production is here to stay, the report says.

"Over the last few decades we have seen a transition in the industry and the rise of larger farms," says Tom Bailey, report author and Rabobank dairy analyst. "These larger operations have created a great deal of positive change for the U.S. dairy industry, including reduced environmental impact through much more efficient production."

The report notes the increase in larger dairy operations has picked up speed over the last decade as market volatility and industry changes have made dairy farming more challenging. Data going back to 1970 indicate the U.S. dairy industry has seen a steady increase in the average size of dairy farms as larger operations benefited from economies of scale.

The report notes that higher rates of volatility can wreak havoc on dairy farms of all sizes, with 2009 being an example of low prices taking a toll on both large and small producers.

While the full impacts from the current downturn are yet to be seen, it likely will result in more consolidation, the report adds.

"The dairy market is definitely more

volatile than it was 30 years ago, but if consolidation and growth are done properly, the operation is ultimately more profitable for large and efficient producers," Bailey says.

The increasing rate of change has boosted consolidation of U.S. milk production, putting increasing influence in the hands of large farms and sending ripples throughout the U.S. dairy industry, the report notes. With large farms likely accounting for the majority of growth in the coming years, U.S. dairy producers and processors alike should be considering the potential impact of this change, the report says.

The report adds that larger farms are not on-trend with consumer tastes and preferences, and they may need to invest in ways to connect with consumers in order to help alleviate concerns about big farms.

Meanwhile, many smaller producers may feel increased pressure to sell their farms or change their models as they face cost pressures, succession challenges and tempting offers from large producers looking for growth opportunities, the report says.

"We find many of the most motivated and successful dairy owners seek growth as part of their future strategy," Bailey says. "We expect both challenges and opportunities for producers and processors alike over the next 10 years. As large farms increase their market share, they will continue to put pressure on processors to give them a voice in how their milk is used. They will also face headwinds from increased regulations, consumer push back and the implications of being a highly visible part of the industry. For large farms to appropriately address these challenges will take time and money." CMN

GEA opens powder test lab in New Zealand

DÜSSELDORF, Germany — GEA recently opened an in-house test laboratory at its facility in Hamilton, New Zealand, that will enable GEA engineers to carry out extensive tests on the properties of powders and to design powder packaging systems for dairy and food industries to optimize production and reduce waste.

In the past, tests have focused on characteristics such as particle size and density, but this did not allow engineers to predict how the powder would flow or how it would react to fluidization and compaction on the production line, GEA says. The new lab equipment measures seven key characteristics of any given powder and enables engineers to design systems to suit each individual product.

"Until now, working out how any given powder would behave was something of a 'black art' or at least a 'black science,' relying very much on experience and gut feel," says Chris Singleton, engineering manager, GEA. "We have used outside labs in the past, but the turn-round was very slow and it was very expensive. Having our own lab

means we can get accurate quantifiable numbers quickly and relatively cheaply and use them in the design process."

GEA says having accurate information about the powders also enables its engineers to advise customers on the design of factors such as the optimum wall angle of the filling hopper and the most suitable discharge diameter from vessels. GEA also will size and shape vessels to ensure customers don't have any problems with product transport or clogging during discharge.

The new laboratory also is able to carry out the more traditional tests to classify powders for flowability, bulk density and particle size distribution. A vacuum filling test also is available to allow engineers to measure the accuracy that can be achieved when filling containers such as packs or cans with the customer's product. The lab can test a range of powders including those for infant formulas, coffee, muscle-building formulas and for the manufacture of sports drink.

For more information, visit www.gea.com. CMN

DMI announces National Dairy Board scholarship applications now accepted

ROSEMONT, Ill. — Applications are being accepted for college scholarships that are awarded by America's dairy farmers and dairy importers through the National Dairy Promotion and Research Board (NDB). NDB funds, in part, Dairy Management Inc. (DMI), which manages the national dairy checkoff program.

Eleven scholarships worth \$2,500 each will be awarded. Additionally, NDB awards a \$3,500 James H. Loper Jr. Memorial Scholarship to the outstanding scholarship recipient.

According to DMI, students in their sophomore through senior year majoring in one of the following fields are eligible: communications/public relations, journalism, marketing, business, economics, nutrition, food science and agriculture education.

Scholarships are awarded based on academic achievement, an interest in a career in a dairy-related discipline and demonstrated leadership, initiative and integrity. Candidates are expected to complete an application form, submit an official transcript of all college courses and write a short statement describing their career aspirations, dairy-related activities and work experiences.

Entry forms can be downloaded at www.dairy.org/about-dmi/scholarship-program or by sending an email to Nate Janssen at nate.janssen@dairy.org.

Completed applications should be submitted to the National Dairy Board c/o Nate Janssen, Dairy Management Inc., 10255 W. Higgins Road, Suite 900, Rosemont, Illinois 60018-5615. They must be postmarked no later than April 22. CMN

Correction

In our March 25, 2016, story "Arla Foods, DFA announce U.S. Cheddar joint venture" we incorrectly stated the amount of milk that will be supplied annually to the facility. The eight farms supplying the milk will supply approximately 154 million pounds of raw milk per year.

Cheese Market News apologizes for the error and any inconvenience it may have caused. CMN

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NEWS/BUSINESS



PROCESSED

Continued from page 1

processed cheese,” Culligan says “The United States now is starting to be much more like Europe in offering premium processed cheeses. In Europe, high-end, premium processed cheese has been popular for many years.”

In the United States, Cheddar is the most common base for processed cheese manufacture. However, in Europe, many additional cheeses are used as the base cheese to produce many different flavors, Wolle explains.

“In Europe and Asia, more varied flavors, from herbs and spices to sweet blends, are used,” Wolle says. “Packaging is more innovative and varied there as well than in the U.S., though we are catching up with more new products.”

• Convenient packaging

One major advantage for processed cheese is its ability to be marketed in convenient, shelf-stable formats and packaging. And as consumers continue to look for more convenient and customized food options, new processed cheese innovations have emerged.

“Packaging is key for processed cheese. People want something convenient and portion-sized,” says Kaitlin Kane, regional sales and marketing manager, Winona Foods, Green Bay, Wisconsin.

Winona Foods has recently introduced new processed cheese retail items designed for convenience. Its “Alejandro On the Go” grab-and-go packs include three individually-sized cups of Cheddar or Jalapeño Cheddar cheese dips. The company also has just rolled out new ready-to-use Cheese Crafters Cheese Mac sauce, packaged with two 3-ounce portions in a pack. This shelf-stable sauce can be used over pasta or other dishes.

“We give serving suggestions on the back,” Kane says. “You can use it with quinoa or vegetables. It doesn’t get much easier, but you’re still creating it at home. There’s still a chef behind it. It’s giving people ownership of what

they create, giving them options.”

In addition to its shelf-stable portion packs that appeal to consumers’ desire for convenience, Winona Foods also uses its packaging to highlight quality.

“One thing we’ve learned from the Wisconsin Milk Marketing Board is any time we market a cheese product and the cheese used is from Wisconsin, having the Wisconsin Cheese seal on the product produces the perception that it is a better item,” says Bob Starkey, vice president of business development, Winona Foods.

“The United States now is starting to be much more like Europe in offering premium processed cheeses.”

Dan Culligan
DAIRYFOOD USA INC.

The company also does call-outs to highlight the real cheese contained in each product.

“On our snack cheese, the first call-out is ‘Made with Real Cheese’ or ‘A Slice of Wisconsin’ in every pouch,” Kane says. “We never make the claim that it is 100-percent cheese — that would not be a processed item. But we do speak to the benefit of the product and the quality to the consumers.”

• Clean alternative

While many consumers nowadays are searching for more “natural” or “clean label” products, processed cheese can appeal to those seeking a better-for-you option that still is convenient.

“It’s everything in moderation. Millennials still want to indulge in decadent cheese cups,” Kane says, adding that portioned packaging makes it easy to keep it in moderation. “They can still enjoy it when dipping celery in it. They’re still indulging, but they’re being smart.”

Culligan says new products and single-serving packages in the processed

cheese industry highlight the fact that consumers are no longer focused on fat and sodium, but rather looking for products that are high in protein and calcium. He adds that Dairyfood USA is always striving to have the cleanest label as possible for its products.

“We don’t offer products with any starches, fillers, gums or dairy powders added to our formulations,” he says. “The vast majority of what we do is offer natural cheese with emulsifying salts and the fewest ingredients as possible.”

Wolle says he has seen some interest in a “natural” label for processed cheese, and some producers are looking for natural preservatives to use in place of sorbates and benzoates.

“Bacterial fermentation products, nisin and natamycin, are getting more attention as a result,” Wolle says. “There has also been some interest in replacing or augmenting emulsifying salts with other, more natural compounds.”

ICL Food Specialties, a global provider of ingredients for texture and stability in food and beverage products, recently introduced two new emulsifier products designed to specifically help cheese and other food processors to achieve cleaner labels.

“Clean’ can mean many things — from organic-compliant and non-GMO to shorter labels,” says Jeff Pfaff, regional market segment lead, dairy, ICL Food Specialties. “We’ve come up with some combinations of ingredients that can be tailored to deliver the functionality the customer is looking for.”

The two major products ICL Food Specialties now has for clean labels are BEKAPLUS NCE and BEKAPLUS DC 8, two emulsifiers that are both phosphate-free.

“BEKAPLUS NCE is what we consider a clean label natural cheese emulsifier,” says Aunna Sepulveda, food scientist, dairy and beverages, ICL Food Specialties. “It works similarly to some of our phosphate blends. You can use it to make blocks of processed American cheese. It can be blended and put in soups and sauces. There’s a wide range

of applications.”

Sepulveda says for BEKAPLUS DC 8, originally developed for UHT coffee creamers, it can be used as a buffering system in different beverages as well as in some processed cheese sauces as an emulsifier.

Pfaff says that while phosphates remain the optimal choice as an emulsifying salt, the clean label salts work very well.

“Part of the process of getting them to work is having to modify the manufacturing process or raw material,” he says. “That’s where we are able to leverage our expertise and work in collaboration with customers to help fit these emulsifying systems to their particular situation.”

Starkey notes that processed cheese has evolved into a higher-quality, more cheese-centered item than it was when the product was first introduced.

“One thing that’s interesting in the processed cheese category is that processed cheese in the ’70s was not the same as it is today,” Starkey says. “I grew up on Kraft American slices. Today’s its actually a cheese product.”

Winona’s foodservice customers are seeking more high-quality ingredients, including quality processed cheeses, even if they cost a little more, Starkey adds.

“The food industry continues to dumb products down when costs are challenging. We’re trying to reverse the trend,” Starkey says. “You can still have a quality product without taking the cheese out of it. You can still have cheese and eat it, too.” CMN

AUA

Continued from page 1

president to lead strategic growth and product development, AUA says.

“Noga is well-positioned to continue its impressive growth as a provider of top-quality custom dairy products to distributors, retailers and foodservice,” says Ric Alvarez, CEO, Raymundos. CMN

NEW YORK

Continued from page 1

“There is an energy in the air, from New York City throughout the whole state — an excitement about the producers, the product and New York itself,” says Halbrecht, executive director, CDSNYS. “We’re excited to bring it all together and step into the spotlight.”

Halbrecht says CDSNYS is growing quickly with 20 current members. The society has attended events, including the Great North East Cheesefest and Charcuterie Masters, both in Flushing, New York, where it has represented current members and showcased their products.

The main focus for CDSNYS is on educational events, such as forming

cheese and dairy trails with its members’ farms and offering tours of their facilities. CDSNYS also is focusing on the 2016-2017 calendar where it will attend cheese and food festivals in Vermont, Pennsylvania and New York City.

“People are increasingly diversifying their farmstead products and broadening value-added dairy processing,” says Gray, executive officer, CDSNYS. “There’s a new curiosity and enthusiasm that’s bridging the gap between new and experienced producers, and the chance to help promote everyone and educate the community on this movement is going to enhance the way people look at New York state.”

For more information, email cheeseanddairysocietyofnys@gmail.com or call 607-427-9848. CMN

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PEOPLE



Wisconsin Cheese Makers Association announces five student scholarships totaling \$15,000

MADISON, Wis. — The Wisconsin Cheese Makers Association (WCMA) has announced the 2016 winners of the WCMA Myron P. “Mike” Dean Cheese Industry Student Scholarship and the winner of the WCMA Cheese Industry Supplier Student Scholarship. In total, five scholarships worth \$15,000 will be awarded to students pursuing careers in agriculture and the dairy industry April 13 at the International Cheese Technology Expo (ICTE) in Milwaukee.

Winners of the 2016 WCMA Myron P. “Mike” Dean Cheese Industry Student Scholarship are:

- **Lauren Sipple:** daughter of Mike and Jennifer Sipple. Sipple is a junior at the University of Wisconsin-Madison pursuing a degree in food science and hopes to work in dairy product development. Her father is vice president of technical services at Agropur, where Sipple has interned along with Land O’Lakes Inc. and JM Smucker Co. She also has trained as a sensory panelist at the Wisconsin Center for Dairy Research.

- **Erica Helmer:** daughter of John and Lynn Helmer. Helmer will attend the University of Wisconsin-River Falls and work toward degrees in dairy science and agribusiness and a career as a dairy cattle geneticist. Her mother is a senior cost analyst, consumer products Division, Sargento Foods Inc.

- **Clare Gietzel:** daughter of Dave Gietzel, a cheesemaker at Edelweiss

Creamery in Monticello, Wisconsin, and Barb Gietzel. Gietzel currently is pursuing a degree in agronomy from the University of Wisconsin-Madison. She plans to pursue a career developing new crop varieties with the ultimate goal of tackling global food security issues.

- **Tyler Weber:** the son of David and Diane Weber. Weber has worked alongside his family members at Nasonville Dairy in Marshfield, Wisconsin, for the past four years. He also attends the University of Wisconsin-La Crosse pursuing a degree in biology with the hopes of working in quality assurance in the dairy industry.

“An investment in these students is truly an investment in the future of Wisconsin’s dairy industry,” says John Umhoefer, executive director, WCMA. “Mike Dean, a man who devoted his life’s work to training Wisconsin cheesemakers, would be happy to know that these bright young people are being encouraged to continue their studies.”

WCMA first initiated this scholarship program in 1997 and later named it in honor of Myron P. “Mike” Dean, a WCMA Life Member and dairy extension specialist at the University of Wisconsin, who passed away in 1999.

The 2016 recipient for the WCMA Cheese Industry Supplier Student Scholarship is Laura Kaiser. Kaiser, the daughter of John and Beth Kaiser,

is pursuing degrees in both chemistry and mathematics from the University of Wisconsin-La Crosse. Her father works as a design engineer for Loos Machine in Colby, Wisconsin. Kaiser hopes to follow in his footsteps in the dairy industry.

“Cheesemaking depends not only on folks who stand at the vat, but also on those who make the vats and other equipment,” Umhoefer says. “We’re for-

tunate to be able to aid those pursuing careers with companies that advance the dairy industry in supporting roles.”

The source of scholarship funds is the annual Championship Cheese Auction, where gold medal cheeses from WCMA’s Championship Cheese Contests are sold to the highest bidders. This year’s auction also will take place at the International Cheese Technology Expo April 13. **CMN**

Comings and goings ... comings and goings

Dairy Business Association (DBA), Green Bay, Wisconsin, has hired **Maria Woldt** as its director of industry relations. Woldt will oversee initiatives designed to enhance the association’s engagement with corporate partners, agriculture groups and community organizations. Previously, she worked as a communications consultant specializing in nonprofit organizations.

Sargento Foods Inc. has announced three recent additions to its Consumer Products Division. **Christina Becht** has joined the company as national customer business manager, West, **John Stanwood** has joined as senior marketing manager of alternate channels and **Matthew Brisley** has joined as a customer merchandising manager.

Becht will be responsible for driving results by establishing and strengthen-

ing customer relationships to support the achievement of Sargento corporate strategies and objectives. She will oversee regional customers in the western part of the country. Prior to joining Sargento, Becht worked at The Kraft Heinz Co. and progressed through many roles.

Within his role, Stanwood will collaborate with the marketing team to develop and execute strategies and new products. Previously, he worked with top brands at ConAgra Foods and Kimberly-Clark Corp.

Brisley will lead the Kroger Sales Team to achieve sales objectives and support strategic planning and execution. He also will be responsible for training, developing and maintaining retail relationships. Before joining Sargento Foods, Brisley worked as merchandising manager at PepsiCo Inc. in the Dayton market. **CMN**

EVENTS



Gold Medal Cheese Auction at ICTE April 13 will support WCMA’s charitable giving

MADISON, Wis. — The Wisconsin Cheese Makers Association (WCMA) has announced the 2016 Championship Cheese Auction will be April 13 at the International Cheese Technology Expo (ICTE) in Milwaukee. This year’s auction will include more than 80 cheeses.

All proceeds from the sale of World Championship Cheese Contest gold medal winning cheeses go to support WCMA’s strategic giving program, which includes donations to dairy industry education programs and dairy farmer organizations, student scholarships and improvements to the Championship Cheese Contests.

“The auction is a real win-win,” says John Umhoefer, executive director, WCMA. “A successful bid gets you one of the best cheeses in the world and the knowledge that you’re supporting the modernization of our industry and the education of future generations of dairy researchers, cheesemakers and business leaders.”

In recent years, WCMA has directed \$500,000 to the construction of the new Dairy Plant and Center for Dairy

Research at the University of Wisconsin-Madison’s Babcock Hall, \$100,000 for the renovation of the University of Wisconsin-River Falls Dairy Pilot Plants and \$50,000 to support the cheesemaking facility at South Dakota State University. WCMA says its charitable gifts total more than \$1 million.

“A successful bid gets you one of the best cheeses in the world and the knowledge you’re supporting the modernization of our industry.”

John Umhoefer
WISCONSIN CHEESE
MAKERS ASSOCIATION

For information, visit www.cheeseexpo.org/wednesday-auction or call WCMA at 608-828-4550. **CMN**

3-A SSI 2016 annual meeting, education program will be May 16-19 in Milwaukee

MILWAUKEE — 3-A Sanitary Standards Inc. (SSI) will host its 2016 annual meeting and education program May 16-19 at the Clarion Hotel and Conference Center in Milwaukee.

On May 16, sessions include: Certified Conformance Evaluators Training; 3-A SSI for Beginners and the Basics of Sanitary Design; and 3-A Steering Committee Meeting.

On May 17, the agenda includes the 3-A SSI Education Program: Hygienic Design Integrity for the Future and a

networking reception followed by dinner.

On May 18, sessions include: 3-A SSI annual meeting and open comment session, a networking reception and work group meetings, which will include discussions led by subject matter experts on numerous revisions and updates to current and new documents.

On May 19, the agenda includes work group meetings throughout the day.

For more information, visit <http://www.3-a.org/Whats-Going-On-at-3-A/Events>. **CMN**

WDPA announces golf outing to be May 19

STEVENS POINT, Wis. — The Wisconsin Dairy Products Association’s (WDPA) has announced its 2016 golf outing will be May 19 at SentryWorld Golf Course in Stevens Point, Wisconsin. The golf outing will utilize the scramble format, which WCMA says allows golfers of all levels and abilities to participate. The registration deadline is May 4.

WDPA says as a result of a two-year renovation, SentryWorld again reclaims its status as one of the top golf courses

in the region.

The complete golf package includes: 18 holes of golf, carts, lunch, dinner, cheese reception, refreshments and prizes. Registration is \$195 for WDPA members and \$245 for nonmembers and limited to the first 148 participants.

The schedule of events is as follows: 8:45 a.m. registration; 10 a.m. shotgun start; noon lunch; 3 p.m. social hour; 4 p.m. dinner and awards.

For more information, visit www.wdpa.net or call 608-836-3336. **CMN**

NEWS/BUSINESS



Dynamic Conveyor Corp. celebrates its 25th year in business, looks to the future

MUSKEGON, Wis. — This year, Dynamic Conveyor Corp., a provider of conveyor systems to the food industry including cheese processors, is celebrating its 25th year of business.

Dynamic Conveyor is a second generation business owned by the daughters of founder Curtis Chambers.

“Our 25th anniversary has given us the opportunity to celebrate the past and plan for the future,” says Jill Batka, president, Dynamic Conveyor. “We are very proud of our history and appreciate the customer loyalty we have experienced. We strive to offer products that provide cost-saving advantages to our customers and are looking forward to continuing for the next 25 years and beyond.”

The company introduced the Dyna-Con conveyor system to the injection molding industry in 1991. The systems offer parts manufacturers the ability to build their own conveyors using modules to configure and later reconfigure their conveyor layouts.

The DynaClean line of conveyors was introduced to food processors in 2011 as a cost saving alternative to traditional stainless steel conveyors. DynaClean conveyors offer a design that is quick and easy to disassemble and clean. DynaClean conveyors can reduce cleaning times by half.

“All conveyors offered by Dynamic Conveyor provide flexibility of design, which includes choices for length, width, inclines, declines, lateral turns, belt

styles and an array of accessory options,” the company says. “The systems are

designed to require no maintenance, lubrication or need for belt tracking.” CMN

IMGC issues call for presentations, abstracts

DAVIS, Calif. — The International Milk Genomics Consortium (IMGC) has issued a call for presentation, poster abstracts and student travel award applications for the 13th International Symposium on Milk Genomics & Human Health, which will be held here Sept. 27-29.

The three-day event will bring together international experts in nutrition, genomics, bioinformatics and milk research to discuss and share the latest research.

Abstracts may be submitted in the following categories: oral presentation,

technical research poster and student travel award entry.

All submissions require a brief description of no more than 600 words. All presentations must be in English. Abstracts should have title, authors and affiliations listed on them.

The deadline for oral presentations and student travel award applications is April 22. Technical research applications are due July 29.

For more information, contact Laurie Jacobson at 805-235-1023 or email imgcinfo@gmail.com. CMN

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NEWS/BUSINESS



MMPA celebrates 100 years with donation

LANSING, Mich. — The Michigan Milk Producers Association (MMPA) will donate 100 gallons of milk per day for one year to the Food Bank Council of Michigan. The donation, totaling 36,500 gallons, was announced at the 100th MMPA annual state delegate meeting and is a component of MMPA's recognition of its 100th anniversary.

The meeting included an appearance by Michigan Gov. Rick Snyder.

"Michigan's food and agriculture industry is one of our state's largest, contributing \$101.2 billion annually to our state's economy," Snyder says. "The dairy industry plays a critical role in this success."

Eric Frahm, treasurer, MMPA,

presented the financial status of the cooperative, reporting a net savings in fiscal year 2015 of \$6 million. Total revenue for the year, as reported in MMPA's 2015 annual report, was \$892 million.

Dean Letter, director of member services, MMPA, and Frank Brazeau, member representative, MMPA, presented Jacob and Elaine Jahfetson of Baraga, Michigan, with the highest quality milk production award. The Jahfetsons achieved the best quality records in 2013, 2014 and 2015 among MMPA's 1,200 farms. Along with a plaque from MMPA, the Jahfetsons received a \$250 gift certificate for the MMPA Merchandise Program from Ecolab. CMN

Waterleau Group acquires Ecovation, Krofta Technologies to form Waterleau USA

VICTOR, N.Y. — Waterleau Group, a global provider of energy recovery and water, air and waste treatment, has completed the acquisition of the anaerobic biological wastewater treatment plant design-build business of Ecovation and the membership interests of Krofta Technologies and its Dissolved Air Flootation (DAF) technology from Ecolab.

The newly created organization, Waterleau USA, is based in Victor, New York, and Waterleau Group says operations will provide customers access to a portfolio of technologies and a single source for customized anaerobic, aerobic and membrane wastewater solutions

for the food and beverage industry.

"With the acquisitions of Ecovation and Krofta, Waterleau USA offers the North American market the best technology people armed with years of industry smarts, backed up with an in-house portfolio of technologies that can be combined in an optimal way to meet almost any environmental wastewater need," says Willy Gils, president, Waterleau USA.

"This acquisition is a new milestone for the Waterleau Group as we continue on our strategic growth plan."

Bart Goedseels
WATERLEAU GROUP

Ecovation, now Waterleau USA, offers design-build solutions to North American customers in various industries. Krofta, based in Dalton, Massachusetts, designs and supplies DAF clarifiers for wastewater treatment and liquid-solid separation. Waterleau Group says Krofta, whose name will remain the same, is a leader in DAF technology with more than 3,500 installations running successfully over the world.

"This acquisition is a new milestone for the Waterleau Group as we continue to execute on our strategic growth plan," says Bart Goedseels, CEO, Waterleau Group. CMN

Country View Dairy announces co-packing agreement

HAWKEYE, Iowa — Country View Dairy has announced a dairy that makes yogurt will transfer its processing to its Hawkeye, Iowa, plant in the near future.

"While I cannot mention the name of the company, I can tell you it would be an arrangement that would be beneficial for both of our companies as well as allow us to be able to use more of our cows milk for yogurt production," says Bob Howard, director, marketing and sales, Country View Dairy.

Currently, Country View Dairy uses 20 percent of its cow's milk for yogurt production. The rest is picked up and hauled to a cheese plant south of Country View Dairy.

Country View Dairy is owned and operated by Dave and Carolee Rapson. It makes yogurt at its farm and distributes to more than 60 stores, nine private colleges, 20 public schools, restaurants, corporate dining and other foodservice applications in six states via its current network of distributors. CMN

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