



# News & Views

The latest dairy news

## June Class III Price Up \$2.07

The Class III price for June is \$20.25, up \$2.07 from May, and the highest price since December. The June Class III price is also up 14 cents from June 2006. The June Class IV price is \$15.92, up 66 cents from May and down \$4.84 from June 2006.

## New BSE Case Detected in Canada

Canada confirmed its 13<sup>th</sup> case of BSE in a five-year old Holstein cow from British Columbia on June 23. The cow was born after the introduction of the 1997 Canadian ban on feeding mammalian tissues to ruminants, and after USDA's effective date of March 1, 1999 for the Canadian feed ban. All of Canada's BSE cases have occurred in Western Canada. Given the geographic clustering of the recent cases and age of infected animals, NMPF is concerned about the efficacy of Canada's BSE prevention measures.

Canada is classified as a Controlled Risk country for BSE by the World Organization for Animal Health (OIE), but the detection of this animal does not affect Canada's status. In part, this OIE classification was considered for reopening the border to imports of Canadian cattle, including replacement dairy animals, to the U.S. The border was reopened to cattle imports last November. As of June 21, 2008, over 34,000 breeding age dairy animals have been imported into the U.S. from Canada.

## USDA Issues Decision Adjusting Make Allowances

The USDA's Agricultural Marketing Service recently announced a tentative partial final decision that proposes to change the manufacturing cost allowances used in Class III and Class IV product-price formulas as follows:

Product	Current – Proposed Allowance
Cheese	\$0.1682 – \$0.2003
Butter	\$0.1202 – \$0.1715
NFDM	\$0.1570 – \$0.1678
Whey	\$0.1956 – \$0.1991

The butterfat yield factor used in Class III and Class IV product-price formulas is also adjusted from 1.2 to 1.211.

The USDA stated that other proposals will be addressed in a separate recommended decision, including NMPF's pursuit of an energy cost adjuster. Other proposals include establishing a manufacturing cost survey, and cost of production add-ons that manufacturers could include in the selling price of their products, but that would not be included in the NASS survey prices.

The decision will go to producers for a vote in most orders sometime next week. In the meantime, USDA will accept comments on the proposed changes for 60 days following publication in the federal register. It will then issue a recommended final decision, which will go to producers for a final vote.

## Upcoming Events

### August

13-14 MMPA OYDC Conference – *Novi*

### September

23 Advisory Committee – *Novi*