



News & Views

The latest dairy news

March Class III Price Down \$1.50

The March Class III price is \$12.78, down \$1.50 from February but up \$2.34 from last year. The March Class IV price is \$12.92, up 2 cents from February and up \$3.28 from last year.

NMPF Continues to Develop Foundation for the Future Program

NMPF's major restricting of dairy policy, entitled Foundation for the Future, continues to develop momentum. The three subcommittees that are fleshing out details of the various programs—producer income insurance, production management, and Federal Order reform—have met repeatedly over the winter, and will continue to finalize details of their respective proposals.

The NMPF Board of Directors recently received a status update on the Foundation effort, and directed the association's staff to finalize the package in time for their Board meeting in June.

Pennsylvania dairy farmer Lauren Mosemann presented a summary of the program at a House Agriculture Committee hearing April 20 in Harrisburg, PA.

\$4.5 Million Paid to MMPA Members

Michigan Milk Producers Association made cash payments of \$4.5 million in equity retirements in April. These cash payments represent the retirement of the 2001 Equities. This is in addition to the \$1.7 million in cash patronage from 2009 earnings paid to members earlier this year. Combined, MMPA has paid \$6.2 million in addition to the monthly milk check to its dairy farmer members in the first four months of 2010.

During the past fiscal year MMPA returned extra cash payments in the form of equity payments, cash patronage refunds and a "13th" check in October. These payments totaled over \$8 million or about 21 cents per hundredweight on all the milk produced by MMPA members.

MMPA has achieved these benchmark goals through earnings from the Association's plant operations and from its bulk milk marketing operations.

MMPA is a member owned and operated dairy cooperative serving over 2,100 dairy farmers in Michigan, Wisconsin, Ohio and Indiana.

Michigan Youth Livestock Scholarship Fund

Scholarship applications and criteria for the Michigan Youth Livestock Scholarship fund are available at www.michigan.gov/mda-mylsf or by written request to the Michigan Youth Livestock Scholarship Fund, P. O. Box 13295, Lansing MI, 48901. The scholarship is funded by proceeds from the Michigan State Fair Youth Livestock Auction and the Michigan Livestock Expo Auction as well as charitable donations. Applicants must be a Michigan resident and a graduating high school senior or a high school graduate continuing their education at an accredited institution in the year in which they are applying.

A \$1,000 statewide scholarship is available to a youth exhibitor at a local, county, state-wide exhibition or state fair for a minimum of three years prior to the year of application. Another scholarship for \$1,500 is available to a youth exhibitor at the Michigan State Fair, the Michigan Livestock Expo or the Michigan Dairy Expo for a minimum of three calendar years prior to the year of application.

Completed applications must be postmarked no later than June 18, 2010.

Upcoming Events

June

17-18 MMPA/4-H Milk Marketing Tour – Novi

ME Cheese Prices Rise after CWT Activates Export Program

Cooperatives Working Together (CWT) reactivated its Export Assistance program to boost sales of U.S.-made cheddar cheese. Block cheese prices have risen by 25 cents per pound since the announcement on March 18.

Last used in 2008, CWT's Export Assistance Program assists member cooperatives with exporting eligible dairy products and establishing overseas markets for their members' milk. While the program had, in the past, exported whole milk powder, butter, and butterfat, the focus in the short-term was on cheddar cheese, as this would have the most impact on farm-level milk prices.

"After conducting a thorough economic analysis, it was clear that implementing the Export Assistance program and focusing on cheddar cheese could provide the most immediate positive signal to address continuing low producer milk prices," said Jerry Kozak, President and CEO of NMPF, which manages CWT. "Given the smaller spread between U.S. and global cheese prices, and given the sizeable inventories of cheese that are hampering a recovery in milk prices, using CWT's export program will be expedient and effective."

While the program had previously exported 186 million pounds of dairy products to 55 countries, CWT advised its members that it would provide additional incentives for sales to the target markets of Japan, Algeria, Egypt, Saudi Arabia, and Australia. CWT believed these were prime markets for sales of significant quantities of cheddar cheese, although it would consider bids for sales to other markets as well.

U.S. Dairy Export Council (USDEC) staff evaluates each bid received against world market conditions and the world product prices. If they determine that the assistance requested is reasonable, the bid is accepted. The cooperative does not receive payment from CWT until paperwork is submitted showing that the product has been delivered to the customer.

New Somatic Cell Certification Requirements to Take Effect on Exports to EU

NMPF, along with other representatives across the dairy industry, recently met with USDA and the U.S. Trade Representative (USTR) regarding the new EU export certification requirements that take effect October 1, 2010. These new requirements change the 400,000 somatic cell count requirement from sampling at the processor-level (co-mingled milk), to individual farms.

Moving forward, NMPF will work with the U.S. Dairy Export Council (USDEC) to present USDA with a reasonable and workable interpretation of what would satisfy compliance with the new EU regulations, and allow USDA to continue issuing certificates. NMPF will also be coordinating with the International Dairy Foods Association (IDFA) and the American Dairy Products Institute (ADPI) throughout that process. Additionally, we will continue to work with USTR as they initiate a dialogue with the EU regarding the WTO compliance of this requirement.



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