



# Weekly Update

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**April 23, 2010**

**Butter**

0 sales, 3 bids unfilled, 1 offer uncovered. Butter saw a 1-cent gain for the week following a 6-cent gain last week. Churning schedules across the country remain active with most butter producers taking advantage of available cream offerings. Class II cream demand is not overly strong as ice cream production is slow to increase in many markets. Butter demand is gaining momentum following the recent holiday period. Buyers are once again returning to the marketplace to replenish stock levels.

**Cheese**

59 sales, 16 bids unfilled, 6 offers uncovered. Blocks dropped 3 cents this week after falling 10 cents the previous week. Regular cheese varieties are available from manufacturers as milk and cheese volumes climb seasonally. Interest is often sluggish as recent price swings have many would-be promoters wondering what prices will do next. Some specialties are reportedly having better sales. Some increased orders are noted from summer resort locations and for Memorial Day promotions, mainly on process. The CWT program announced it will facilitate exports on another 4.5 million pounds of cheddar and announced adding Gouda, Colby, and Monterey Jack to cheddar as eligible varieties.

**Milk Production**

Milk production is increasing across the country. Weather patterns have been conducive to spring milk production increases. Milk solid levels are starting to trend lower as production increases. The NASS Milk Production report showed fewer cows producing more milk.

**Dry Products**

Prices for NFDM moved higher for the week. Recent international auction prices have influenced domestic markets. Export and domestic interest remains strong. Some older powder from recent swap programs is getting offered and purchased in addition to current production. California NFDM production is reported lower for the week with higher pricing.

Source: USDA Dairy Market News

**Weekly Update delivery options**

Send change of address or request for Update delivery to Western United Dairymen by phone or fax, or email to info@westernuniteddairymen.com.

**Commodity Markets: CME – California Plants**

Average	AA Butter	NFDM	40# Blocks	Barrels	Dry Whey
February	\$1.3555	\$1.0697	\$1.4691	\$1.4398	\$0.4050
March	\$1.4559	\$1.0213	\$1.2883	\$1.2665	\$0.4033
April	\$1.5239	\$1.0727	\$1.4144	\$1.3803	\$0.4000
Apr 23	\$1.5700	\$1.1112	\$1.3675	\$1.3475	\$0.4000
Week to date	↑ 1 cent	↑ 4 <sup>8</sup> / <sub>100</sub> cents	↓ 3 cents	↓ 1 <sup>3</sup> / <sub>4</sub> cents	Unchanged

**Estimated Producer CWT. Prices**

Month	Class 1	4a	4b	Overbase	Quota
February	\$16.62	\$12.84	\$12.95	\$13.11	\$14.81
March	\$16.60	\$12.84	\$11.13	\$12.41	\$14.11
April	\$14.52	\$13.47	\$12.30	\$12.65	\$14.35

**WUD, CMAB, CBC discuss ‘gas mask’ cow with Aquarium officials**

Western United Dairymen CEO Michael Marsh, Environmental Services Director Paul Martin, California Milk Advisory Board Director of Communications Jennifer Giambroni, and California Beef Council Executive Director Bill Dale met with Monterey Bay Aquarium officials Tuesday to discuss their climate change exhibit, *Hot Pink Flamingos: Stories of Hope in a Changing Sea*, and the concerns the California beef and dairy industries have with how cattle are portrayed.

A fake cow in the exhibit has a gas mask on. The cow has a word bubble on the side of her face saying: “Buurp! I can’t believe I’m saying this, but what the world needs now is less methane, and that means fewer cows.” The exhibit also includes statements that red meat and dairy foods cause nearly half of all carbon pollution from food.

Marsh said the group had a “very open and frank dialogue about the exhibit. We discussed how the image of a gas mask-wearing cow conveys a message of toxic or harmful emissions coming from dairy cows, dairies, milk and dairy products, and how unsettling that message can be to consumers as well as to California dairy families.”

The dairy representatives asked for a more balanced point of view and brought along documentation showing that a UN report released that day indicates U.S. dairy farms have the world’s lowest emissions of climate-changing “greenhouse gases.” American dairy farms emit about 45 percent fewer greenhouse gases per unit of milk produced compared to the global average for dairies, according to *Greenhouse Gas Emissions from the Dairy Sector – a Life Cycle Analysis*, published by the U.N. Food and Agriculture Organization (FAO).

“The aquarium representatives expressed their regret that the dairy industry felt the exhibit was an attack on their business,” said Giambroni. Aquarium officials said their intent with the exhibit’s content was to get consumers thinking about climate change, how what happens on the earth affects the oceans and to spotlight renewable energy, energy conservation, and small ways consumers can help. “They thought the cow with a gas mask would be a humorous conversation starter and were very surprised at the idea of it relaying a message about toxicity,” explained Giambroni. “They expressed repeatedly how much thought, work and research went into the exhibit, and that they were not meaning to target the dairy or beef industry in any way.

WUD’s Paul Martin discussed the updated UN data, as well as the many hurdles facing dairies trying to build methane digesters. “We felt they had a genuine interest in what we had to say and were willing to listen to the science,” said Martin.

Marsh concluded, “We remain hopeful that the aquarium management will do the right thing and remove the gas mask from the cow and also work into the exhibit the many positive messages California dairy families have to tell about our industry’s leadership and commitment to sustainability.”

## WUD asks for temporary price support hike

Western United Dairywomen has written to USDA Secretary Tom Vilsack asking for implementation of another temporary price support increase. WUD asked for a temporary six-month increase to the same levels that were set for August through October 2009. Specifically, WUD requested increases in the support price paid for nonfat dry milk from \$0.80 per pound to \$0.92 per pound; for cheddar blocks from \$1.13 per pound to \$1.31 per pound; and for cheddar barrels from \$1.10 per pound to \$1.28 per pound.

Acknowledging that current market prices are above these levels, CEO Michael Marsh said the main goal of the increase at this time is “simply to provide floor price guarantee to the industry and those who support it.” WUD pointed out the current economic crisis has been felt beyond the farm, affecting many allied industries. “Dairy families need these service providers to stay committed to the industry,” said Marsh. “A temporary price support increase will send a strong message of assurance during a time of continued volatility and uncertainty.”

## U.S. dairies lead world with lowest carbon footprint

U.S. dairy farms have the world’s lowest emissions of climate-changing “greenhouse gases,” according to a report released this week by the United Nations. American dairy farms emit about 45 percent fewer greenhouse gases per unit of milk produced compared to the global average for dairies, according to *Greenhouse Gas Emissions from the Dairy Sector – a Life Cycle Analysis*, published by the U.N. Food and Agriculture Organization (FAO). According to the FAO report:

- Beef and milk production from the global dairy herd account for 4.1 percent of global greenhouse gas emissions. Milk production is responsible for 2.7 percent, and beef from dairy cows and non-milk producing dairy calves contributes 1.3 percent.
- Dairies in the industrialized nations of North America, Europe and Australia/New Zealand had the lowest carbon footprint, with North America lowest of all.
- Dairies in Central and South America and parts of Asia produce three to four times the carbon emissions of North American dairies, while dairies in sub-Saharan Africa produce up to seven times more emissions.
- While for dairies in industrialized nations, “methane emissions per kilogram of milk are relatively low,” the FAO said for dairies in developing nations, “marginal improvements of feed digestibility would achieve significant reductions in methane emissions per kilogram of milk.”

A report published by FAO in 2006, *Livestock’s Long Shadow*, estimated that livestock production worldwide—including components such as clearing forests in developing nations for new agricultural land, growing crops for animals, fuel, and transportation—is responsible for 18 percent of global greenhouse gas (GHG) emissions. Unfortunately, this information is sometimes misinterpreted to represent the role of dairy production rather than all livestock. Advocates of plant-based diets or a vegan lifestyle have cited the “Long Shadow” report to inflate the role of dairy in climate change. Fortunately, the latest FAO report adds new context to improve the understanding of where dairies fit in, globally, when it comes to climate change. And, this new information is consistent with estimates previously established in the U.S.

Since 1944, thanks to improvements in genetic selection, cattle care, housing, and nutrition, U.S. dairy farmers have reduced the carbon footprint of milk by 63 percent. In the same period, U.S. milk production increased by 59 percent, even as the total dairy cattle herd shrank from 25.6 million to 9.3 million cows. In 2009, the U.S. dairy industry announced additional measures designed to further reduce GHG emissions by 25 percent by 2020. Learn more at: [www.usdairy.com/sustainability](http://www.usdairy.com/sustainability).

## Aghazarian named to legislative post at CDFA

Former Assemblyman Greg Aghazarian has been appointed to a position with the state Department of Food and Agriculture. On Wednesday, Gov. Arnold Schwarzenegger announced that Aghazarian, 45, was appointed to the position of deputy secretary for legislation and special assistant to the secretary of the department. Compensation for the position is \$115,000 per year and does not require Senate confirmation. Aghazarian was Republican Caucus chairman in 2006. During his three terms in the Assembly, from 2002 to 2008, he represented the 26th District, which includes part of Stockton. In 2008, he ran unsuccessfully for state Senate.

## Card Check bill gets Senate Labor Committee approval

Card check legislation is being proposed once again in the state Legislature and, not surprisingly, on Monday the bill was approved by the Democratic-controlled Senate Labor and Industrial Relations Committee. Four previous bills similar to this year’s SB1474 by Senate president pro tem Darrell Steinberg (D-Sacramento) have been vetoed by Gov. Schwarzenegger in the past. The card check legislation undermines the existing secret ballot process now used for agricultural employees choosing a collective bargaining representative. The bill would allow greater opportunity for union organizers to threaten, harass, or intimidate employees into voting in favor of union representation. SB1474 was approved by a 4-to-2 vote and sent to the Senate Appropriations Committee.

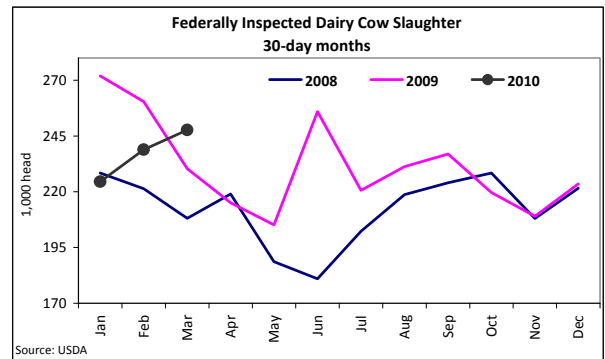
## Monthly USDA Cold Storage Report

March 2010 Report	% change from		
	Mar 2010	Mar 2009	Feb 2010
Products (1,000 pounds)			
Butter	196,585	-7%	-3%
Total Cheese	1,000,778	+9%	+2%
American Cheese	600,754	+10%	+0%

## Culling rates move higher

This month's USDA *Livestock Slaughter* report revealed the first monthly year-over-year increase in culling activity over the heavy levels witnessed early in 2009. In March, a total of 256,000 dairy cows were sent to slaughter, compared to 238,000 in March 2009, for an increase of 18,000 head or 7.6%. Culling was up 9,000 head from February 2010 levels, when adjusted to 30-day months.

Weekly dairy slaughter figures for the first two weeks of April also show increased culling rates nationwide. Region 9 which includes Arizona, California, Hawaii and Nevada has shown fairly consistent year-over-year weekly increases since mid-February of this year.



## Inspector General seeks tighter residue monitoring

An audit released this week by the USDA Inspector General reported major problems with monitoring residues in beef and veal for veterinary drugs including antibiotics, pesticides, and heavy metals. "Plants handling dairy cows and bob veal [meat from male calves] were, in 2008, responsible for over 90% of residue violations found," according to the report, *FSIS National Residue Program for Cattle*. The report noted that Hazard Analysis and Critical Control Point (HACCP) plans that do not include controls for residues were not sufficient for cull dairy cows and bob veal. "We found that residue is a hazard 'reasonably likely to occur' in the absence of preventive controls," according to the IG report.

The national residue monitoring program is administered by the USDA Food Safety and Inspection Service in cooperation with the Food and Drug Administration and the Environmental Protection Agency. FDA and EPA have roles in setting tolerances for veterinary drugs and pesticides, respectively. The IG report was critical of all three agencies. FSIS has agreed with the 14 recommendations within the report and written formal plans to resolve the problems by next March.

## Clean Water Act legislation introduced in Congress

The chairman of the House Transportation and Infrastructure Committee, Rep. James Oberstar (D-Minnesota), has introduced HR5088 to remove the word "navigable waters" from the Clean Water Act and replace it with the phrase "waters of the United States." The Supreme Court has ruled that the phrase "navigable waters" limits EPA to regulating only waterways large enough for ship traffic. Eliminating "navigable waters" from the Clean Water Act increases federal EPA authority over bodies of water, and such authority may include irrigation canals and backyard ponds, as well as the rivers and lakes already covered by the Clean Water Act. Concerns have been raised that the proposed bill infringes on property rights, in addition to state and local authority. Groundwater and wastewater are exempted from the legislation. A similar measure was approved by a Senate committee last year and is awaiting further consideration.

## USDA announces energy efficiency program

Agriculture Secretary Tom Vilsack has announced an initiative to help agricultural producers transition to more energy efficient operations. The initiative will make funding available for individual on-farm energy audits designed to save both money and energy when fully implemented. Approximately 1,000 on-farm energy audit evaluations in 29 states, including California, will be funded by \$2 million made available through the Environmental Quality Incentives Program (EQIP) in fiscal year 2010.

The energy audits will be individually tailored to ensure coverage of each farm's primary energy uses such as milk cooling, irrigation pumping, heating and cooling of livestock production facilities, manure collection and transfer, grain drying, and similar common on-farm activities. Information about how to apply for an Agricultural Energy Management Plan (AgEMP) is available online at [http://www.nrcs.usda.gov/programs/eqip/EQIP\\_signup/2009\\_signup/index.html](http://www.nrcs.usda.gov/programs/eqip/EQIP_signup/2009_signup/index.html). Dairy, beef, poultry, swine, and other agricultural operations are included in this energy efficiency initiative. NRCS, in partnership with USDA Rural Development, will implement the agricultural energy conservation and efficiency initiative.

## DWR raises 2010 water delivery projection to 30%

Citing the wintry Sierra storms of April, on Friday the California Department of Water Resources increased its 2010 allocation of State Water Project (SWP) deliveries to 30 percent. The allocation had been set at 20 percent of contractors' requests earlier in April. The initial 2010 allocation estimate, made in December 2009, was 5 percent. That projection rose incrementally as snowpack accumulated during late winter and early spring. Later in May, DWR expects to make a final allocation announcement. "The spring storms have been good to California's snowpack, allowing us to increase our water deliveries to communities, farms and businesses this year," says DWR Director Mark Cowin.

Electronic snow surveys indicate that, statewide, mountain snowpack water content is 132 percent of normal for the date. A final, manual snow survey will be conducted on April 30. Fishery agency restrictions on Delta pumping continue to limit the amount of water that can be delivered to SWP contractors serving the Bay Area, San Joaquin Valley, Central Coast, and Southern California. In 2009, SWP deliveries were 40 percent of the amount requested by the 29 public agencies with long-term contracts. Contractors deliver water to about 25 million Californians and 750,000 acres of irrigated farmland.

## National on-farm energy production survey

The most recent Census of Agriculture counted more than 20,000 farms and ranches producing energy. USDA will further explore how this energy is generated when it conducts the first national On-Farm Energy Production Survey. In early May, NASS will mail surveys to farmers and ranchers nationwide who indicated on the 2007 Census of Agriculture that they were engaged in on-farm energy production. Recipients are required to respond by May 24. Respondents are guaranteed by law (Title 7, U.S. Code) that their individual information will be kept confidential. NASS uses the information solely for statistical purposes and only publishes data in tabulated totals. NASS will publish the survey results in February 2011. For more information about the On-Farm Energy Production Survey, visit [www.agcensus.usda.gov](http://www.agcensus.usda.gov).

## Bill introduced to stop sale of animal cruelty videos

Two days after the Supreme Court struck down, on free-speech grounds, a law making it a federal crime to sell videos depicting animal cruelty, Rep. Elton Gallegly (R-Simi Valley) responded by introducing a "narrowly tailored" bill aimed at passing constitutional muster targeting so-called animal crush videos. The legislation comes after the court overturned the conviction of a Virginia man prosecuted under Gallegly's "Depiction of Animal Cruelty Act" for selling dog-fight videos. Chief Justice John G. Roberts Jr. said the 1999 law was too broad and could allow prosecutions for selling hunting videos. By Wednesday, Gallegly and Rep. James P. Moran (D-Virginia), co-chairmen of the Animal Protection Caucus, had the new language and lined up 55 of their colleagues, from both parties, as co-sponsors.

## California ag license plate introduced

CDFA Secretary A.G. Kawamura has introduced a specialized license plate reading, "California Agriculture." Registration fees from the program will be used to assist California secondary students in agricultural education through career awareness activities, training, and leadership development. The plate will cost an additional amount beyond normal registration fees. The initial cost for the plates that can be used on autos, trailers, or commercial vehicles will be \$50 and then another \$40 a year to renew. For personalized plates, the additional initial cost is \$98, with a \$70 annual renewal fee. A minimum of 7,500 registrants are required before the DMV will produce the specialized plates. More information is available at [www.calagplate.com](http://www.calagplate.com). ❖

## Animal Wellbeing Workshop Schedule

Glenn Workshop #1 • Mon, Apr 26, 9:00a-noon  
 County Farm Bureau, 831 Fifth Street, Orland

Tulare Workshop #2 • Thu, May 6, 9:00a-noon  
 County Ag Center, 4437 Laspina Street, Tulare

Stanislaus Workshop #1 • Tue, Apr 27, 9:00a-noon  
 County Ag Center, 3800 Cornucopia, Modesto

Stanislaus Workshop #2 • Mon, May 10, 9:00a-noon  
 County Ag Center, 3800 Cornucopia, Modesto

Fresno Workshop #2 • Wed, May 5, 1:00p-4:00p  
 Memorial Hall, 3085 W Mt Whitney, Riverdale

Glenn Workshop #2 • Wed, May 12, 9:00a-noon  
 County Farm Bureau, 831 Fifth Street, Orland

## California production down in 20 of last 21 months

Source: USDA Dairy Market News

### Milk production in 23 major states

Arizona	-7.0	Indiana	+2.1	New Mexico	-3.8	Utah	0.0
California	-0.7	Iowa	+0.3	New York	+0.2	Vermont	+1.9
Colorado	-8.3	Kansas	-4.9	Ohio	+0.9	Virginia	-4.5
Florida	-6.8	Michigan	+4.5	Oregon	+2.6	Washington	+7.9
Idaho	+3.0	Minnesota	+3.8	Pennsylvania	+1.6	Wisconsin	+6.3
Illinois	+1.2	Missouri	-8.4	Texas	-2.6		

### Major 23 state milk production for March 2010 0.9% HIGHER than March 2009

- ◆ Major 23 states production per cow was up 51 pounds from March 2009
- ◆ Major 23 states milk cows were down 162,000 head from March 2009, and up 1,000 from February 2010

## WDR reports and activities

First of the month Photograph freeboard in each pond.

Weekly (Oct-May) Visually inspect production and waste storage areas, including ponds.

Ongoing

These actions should occur as described:

- Record visual inspections, volume and date for each process wastewater application.
- Record volume/density OR weight/moisture of solid manure applications.
- Record date, time, volume, duration, location, destination, field measurements and lab analysis of runoff from one-third of cropland areas of first and mid-season significant storm event.

July 1, 2010

Third annual report due to be filed with the CVRWQCB.

## Hay & Grain Report

Hay Grades	Tons	Wtd Avg
Modesto – Delivered:		
Supreme	750	189.77
Premium	400	164.69
Good	475	158.16
Fair	175	130.00
Tracy – FOB:		
Supreme	50	150.00
Premium	25	145.00
Northern Mountain – FOB:		
Fair (organic)	50	80.00
Supreme	100	160.00
Sacramento Valley – FOB:		
Good	75	110.00
South Valley – Delivered:		
Supreme	1,450	175.79
Premium	300	147.50
Good	160	152.50
Dos Palos – FOB:		
Premium	140	141.43
Good	160	125.00
Firebaugh – FOB:		
Supreme	270	146.67
Kern County – FOB:		
Supreme	89	140.00
Premium	100	135.00
Good	1,316	111.97
Fair	280	115.00
South State – Delivered:		
Supreme	3,000	160.83
Premium	1,600	155.00
Good/Premium	150	155.00
Fair	1,000	117.50
Antelope Valley – FOB:		
Supreme	150	145.00
Parker – FOB:		
Supreme	1,120	132.32
Supreme (store)	1,600	133.13
Premium	185	125.00
Premium (move)	1,600	120.00
Imperial Valley – FOB:		
Supreme	2,050	128.71
Supreme (move)	888	128.02
Supreme (store)	1,255	129.74
Premium/Supreme	200	125.00
Premium	1,500	124.33
Premium (move)	120	120.00
Good/Premium	200	110.00

## Grains

Soybean Meal, 47½ %:

Chino Valley 333.50 – 347.50

USDA Market News 4/23/2010