

CHEESE MARKET NEWS[®]

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



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U.S. continues NAFTA talks, makes progress on other deals

WASHINGTON — As a trade war continues between the U.S. and China, reports this week indicated a meeting between the two nations may be coming soon. Meanwhile, the United States this week also continued talks with Canada on the North American Free Trade Agreement (NAFTA) and made progress in trade issues with the European Union and Turkey.

• China

News reports this week indicated that China and the United States may hold a new round of trade talks as tit-for-tat tariff escalation between the two countries continues.

Reports have indicated President Trump could move to impose new tariffs on \$200

billion worth of Chinese goods. The proposed tariffs, if implemented, would bring the total value of Chinese goods Trump has hit with tariffs to about \$253 billion—or about half of current U.S. imports from China.

China, in turn, has threatened to retaliate on another \$60 billion worth of U.S. goods, bringing its total to about \$113 billion of its \$130 billion in imports from the United States, reports say.

Stakeholders are hopeful new talks between the United States and China may delay any further tariff escalation.

Until tariff issues are resolved, agricultural stakeholders continue to speak out on the harm tariffs are inflicting on U.S. ag markets.

Americans for Free Trade, a new coalition of trade groups representing the retail, manufacturing and services sector, this week joined with the Farmers for Free Trade advocacy group to launch a multimillion dollar campaign to combat the Trump administration's tariffs.

The "Tariffs Hurt the Heartland" campaign will hold town halls; run television, radio and online advertisements; and reach out to lawmakers about the tariffs' negative effects.

The campaign includes a

geographically searchable map (available at www.tariffshurt.com) that allows users to find stories of job losses, deferred investments, higher prices and other negative consequences for farmers and businesses.

Members of the National Farmers Union (NFU) also expressed frustration with the Trump administration's trade disputes this week as hundreds of farmers gathered in Washington, D.C., for NFU's legislative fly-in.

"Family farmers and ranchers are in the midst of the worst decline in the farm economy in decades, and they want to see action from their federal representatives," says NFU President Roger Johnson. "It is critical right now for family farm agriculture to have the support of Congress and the administration. And that support can come through immediate passage of the farm bill and movement on a long-term, legislative solution that protects family farmers from the significant damage occurring to our trade markets."

• NAFTA

This week, talks continued between the United States and Canada on the North American Free Trade Agreement (NAFTA).

New reports say Canada has indicated it is ready to offer the United States limited access to

the Canadian dairy market as a concession in negotiations to rework NAFTA. As the Oct. 1 deadline to renegotiate the trade agreement approaches, Canada is said to be considering similar concessions on the dairy industry to those that it agreed to in free trade deals with the European Union and Pacific Rim nations, report say.

Trump has indicated that if Canada doesn't sign on to a new NAFTA deal, he would move forward with a bilateral deal with Mexico.

Trade officials hope any deal involving Mexico can be signed before Mexican President Enrique Peña Nieto's last full day in office Nov. 30. Under the Trade Promotion Authority law, Trump is required to send Congress text of any agreement by the end of this month for that to be able to happen.

News reports say U.S. Trade Representative (USTR) Robert Lighthizer is expected to meet with lawmakers soon to discuss the status of NAFTA talks.

• Other trade updates

This week Lighthizer met with European Union Commissioner for Trade Cecilia Malmström to initiate the Executive Working Group to improve trade

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UW officials, donors celebrate groundbreaking on renovation

By Alyssa Mitchell

MADISON, Wis. — Officials from the University of Wisconsin-Madison's Babcock Hall Dairy Plant and College of Agricultural and Life Sciences (CALs) gathered with donors and government officials last Friday to celebrate the start of a long-anticipated renovation of Babcock Hall and the Center for Dairy Research (CDR).

More than 150 cheese industry leaders, project leaders and government and university officials gathered for the celebration and luncheon, held Sept. 7 at UW's Dejepe Residence Hall. The celebration kicked off with a small parade of students from the UW Marching Band and included comments from CALs, Babcock and government officials, as well as industry leaders including John Umhoefer, executive director of the Wisconsin Cheese Makers Association, which has been a key fundraiser and donor for the project.

"We did it!" Umhoefer exclaimed excitedly when he got on stage. "Scores of people have worked hard to make this new dairy center a reality."

Scott Rankin, UW-Madison's Department of Food Science chair and professor, noted that when he recently moved to a new office, he found a flier from the last time Babcock Hall was renovated — in 1951.

The new \$47 million renovation of Babcock Dairy Hall and a new, three-story addition to CDR is being made possible with funding from donors, the state of Wisconsin and UW-Madison. Donors, primarily from Wisconsin's cheese industry, raised more than \$18 million to support the project.

"We are deeply grateful for everyone's efforts on behalf of this project," says CALs Dean Kathryn VandenBosch. "We could not have done this without the support of our industry investors, UW-Madison and the state. I can't say 'thank you' enough."

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USDA raises most dairy price forecasts in report

WASHINGTON — In its "World Agricultural Supply and Demand Estimates" report released this week, USDA lowered its 2018 milk production forecast by 100 million pounds from its report last month to 217.8 billion pounds in this month's report due to slightly lower cow numbers and a slower rate of growth in milk per cow in the third quarter.

However, for 2019, the milk production forecast is raised from the previous month on slightly higher cow inventories. In 2019, U.S. milk production is forecast to total 221.0 billion pounds.

For 2018 and 2019, USDA's fat-basis export forecasts are reduced from the previous month on slowing shipments of whey products and a number of other dairy products, while fat-basis import forecasts for 2018 and 2019 are raised on higher purchases of imported butterfat products and cheese.

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Contract breach alleged in cheese company lawsuit

GREEN BAY, Wis. — Titledown Cheese Trading Co. LLC, De Pere, Wisconsin, has filed a lawsuit against Door Artisan Cheese Co. LLC, Egg Harbor, Wisconsin, that alleges a breach of contract.

According to the lawsuit, filed July 26 in Brown County, Wisconsin, Titledown Cheese and Door Artisan Cheese in October 2017 entered into a manufacturing

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NEWS/BUSINESS



Photos by Alyssa Mitchell/Cheese Market News

BREAKING GROUND FOR WISCONSIN'S DAIRY FUTURE — Ground has been broken on renovations to UW-Madison's Babcock Hall and Center for Dairy Research.



Photo by Alyssa Mitchell/Cheese Market News

GENEROUS DONORS — Keith Ripp, far left, assistant deputy secretary of agriculture for the Wisconsin Department of Agriculture, Trade and Consumer Protection; Kate VandenBosch, Dean of the University of Wisconsin-Madison College of Agricultural and Life Sciences; and Rebecca Blank, far right, UW-Madison chancellor; pose with major project donors, from left: Len Ivarson, Ivarson Inc.; Kristi Jankowski, Sargento Foods; Kevin Sweeney, Saputo; John Epprecht, Great Lakes Cheese; and Dave Fuhrmann (retired), Foremost Farms..



Photo by Alyssa Mitchell/Cheese Market News

WE DID IT! — Kate VandenBosch, far left, Dean of the University of Wisconsin-Madison College of Agricultural and Life Sciences; Scott Rankin, chair of UW's Department of Food Science; John Lucey, director of the Center for Dairy Research; and Rebecca Blank, third from right, UW-Madison chancellor; pose with project donors Ron Buholzer, Klondike Cheese; John Umhoefer, Wisconsin Cheese Makers Association; Dave Fuhrmann, Foremost Farms; and Tom Hedge, Schreiber Foods.

PROJECT

Continued from page 1

Rebecca Blank, UW-Madison chancellor, says the facility will be one of the premier dairy education and research centers in the nation.

"Most importantly, it's going to be a hub for discovery and innovation for Wisconsin's dairy industry, working closely with our faculty and students," she says.

The project will commence in three phases. Phase one, currently underway, involves constructing a new loading dock and milk receiving bay. The demolition of Science House, which took place in early August, also was part of the first phase.

Phase two, anticipated to start in early 2019, involves the construction of the CDR addition. The third phase is the Babcock Hall Dairy Plant renovation, which is expected to begin in early 2020. Projection completion is slated for later in 2020.

The renovation will modernize the dairy plant, adding a new ice cream maker, more freezer and cooler space,

an improved raw milk receiving bay, and new piping, pumps and valves to more efficiently move milk and milk products around the plant.

During construction, Babcock Hall Dairy Store, including the main entrance, will be open, but the plant will be shut down. Officials say customers may notice a reduction of some products, such as cheese and milk, and a possibly reduced selection of ice cream flavors.

Closure of the Babcock Hall Dairy Plant is expected in early 2020 and is anticipated to last for 13-14 months.

During the plant renovation, Babcock ice cream will continue to be made at an off-site frozen dessert manufacturing facility — following the dairy plant's special Babcock ice cream recipe — and will be available for purchase at Memorial Union, Union South and the Babcock Hall Dairy Store, as well as the other on- and off-campus sites where it usually is available.

The Babcock Hall Dairy Plant serves as a laboratory and learning facility for students, university researchers and industry personnel. It is utilized for product testing and recipe development, as well as professional training through short courses, college instruction and research projects.

Rankin notes the dairy plant shutdown will impact the students (course work), employees and extension clients with whom UW currently engages.

"We are working to minimize those impacts and to find creative alternatives during the shutdown period," he says.

John Lucey, CDR director, says the project will allow for expanded production of specialty cheese, with nine individual ripening rooms, new cheese vats and other equipment.

The entire square footage of the entire project — including the renovation and addition — is around 77,400 square feet.

The architectural plan for the project was developed with the support of a design team including representatives from UW-Madison, industry groups and the state Division of Facilities Development working with vendor Zimmerman Architectural Studios.

The general contractor of the project is C.D. Smith Construction Inc., Fond du Lac, Wisconsin. CMN

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