CHEESE REPORTER

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2810 Crossroads Drive, Suite 3000
Madison, WI 53718-7972
(608) 246-8430 • Fax (608) 246-8431
http://www.cheesereporter.com

DICK GROVES
Publisher/Editor
e-mail: *dgroves@cheesereporter.com*
608-316-3791

MOIRA CROWLEY
Specialty Cheese Editor
e-mail: *mcrowley@cheesereporter.com*
608-316-3793

KEVIN THOME
Advertising & Marketing Director
e-mail: *kthome@cheesereporter.com*
608-316-3792

BETTY MERKES
Classifieds/Circulation Manager
e-mail: *info@cheesereporter.com*
608-316-3790

REGULAR CONTRIBUTORS:
Mike Comotto, Bob Cropp, Don Dahlstrom, Neville McNaughton, Ray Mueller, Rice Dairy, Dan Strongin, John Umhoefer
e-mail: *contributors@cheesereporter.com*

The Cheese Reporter *is the official publication of the following dairy associations:*

California Cheese & Butter Association
Lisa Waters,
1011 Pebble Beach Drive, Clayton, CA 94517

Central Wisconsin Cheesemakers' and Buttermakers' Association
Jim Mildbrand, PO Box 160
Greenwood, WI 54437

Cheese Importers Association of America
204 E St. NE, Washington, DC 20002

Eastern Wisconsin Cheesemakers' and Buttermakers' Association
Barb Henning, Henning's Cheese
21812 Ucker Road, Kiel, WI 53042

International Dairy-Deli-Bakery Association
Carol Christison, P.O. Box 5528,
Madison, WI 53705

Iowa Dairy Products Association
Norm Mokledstad, 4623 Douglas Ave.
Des Moines, IA 50310-2742

Missouri Butter & Cheese Institute
Terry S. Long, 19107 Factory Creek Road,
Jamestown, MO 65046

Nebraska Cheese Association
Ed Price, 3104 Nebraska, Fremont, NE 68025

New York State Cheese Manufacturer's Assn
Kathyrn Boor, 11 Stocking Hall,
Cornell University, Ithaca, NY 14853

North Central Cheese Industries Association
Lloyd Metzger, SDSU, Box 2104,
Brookings, SD 57007

North Dakota Cheese Makers' Assn
Chuck Knetter, P.O. Box 309,
Medina, ND 58467

Ohio Swiss Cheese Association
Darlene Miller, P.O. Box 445,
Sugar Creek, OH 44681

South Dakota State Dairy Association
Howard Bonnemann, SDSU, Box 2104,
Brookings, SD 57007

Southwestern Wisconsin Cheese Makers' Association
Myron Olson, Chalet Cheese Coop,
N4858 Cty Hwy N, Monroe, WI 53566

Wisconsin Cheese Makers' Association
John Umhoefer, 8030 Excelsior Drive,
Suite 305, Madison, WI 53717

Wisconsin Dairy Products Association
Brad Legreid, 8383 Greenway Blvd.,
Middleton, WI 53562

EDITORIAL COMMENT

DICK GROVES

Publisher / Editor
Cheese Reporter
dgroves@cheesereporter.com

In the ongoing economic recession, sustainability issues, at least when it comes to food, seem to be taking a back seat to such issues as price and, well, price.

Sustainability, Changing Milk Use May Alter US Dairy Herd

Let's face it, the Holstein is a pretty cool symbol for the dairy industry. And it's a pretty visible symbol; think California's Happy Cows, just to cite one example.

But we can't help but wonder if maybe the Holstein is more a symbol of the US dairy industry of the past than the US dairy industry of the present and the future. Put another way, we wonder if the US dairy industry needs fewer Holsteins and more of some other breeds.

In addition to being known for its black and white appearance, the Holstein cow is also known for her productivity. Holsteins have been in the US for many years; indeed, Holstein Association USA, which bills itself as the world's largest dairy breed association, is celebrating its 125th anniversary this year.

Today, Holsteins comprise more than 90 percent of the US dairy herd, followed by Jerseys, at about 7 percent, and then other breeds such as Guernseys and Brown Swiss.

As Holstein Association USA explains, Holsteins are most quickly recognized by their distinctive color markings and "outstanding milk production." The 2009 average actual production for all US Holstein herds that were enrolled in production-testing programs and eligible for genetic evaluations was 23,151 pounds of milk. Production per cow for all US dairy cows last year was 20,576 pounds.

So obviously the Holstein can produce significant volumes of milk. But we can't help but wonder, is that really the most important feature of a dairy cow here in 2010?

Keep in mind that, for many decades, it was indeed milk volume that was being sought by the dairy industry. That's in large part due to the fact that most milk was used for drinking purposes.

Just to cite one illustration of this point: as recently as 1970, over 60 percent of all milk pooled on federal orders was used in Class I, or fluid milk.

But that percentage has been steadily declining for many, many years. By 1980, the percentage of federal order milk used in Class I dipped below 50 percent; it fell below 40 percent in 2000, and with a couple of exceptions when significant volumes of milk were depooled, it has remained below 40 percent ever since. Last year, Class I utilization was 36.7 percent.

And that percentage will continue to decline, as will the percentage of milk used for fluid purposes nationwide. From 1975 through 2009, total beverage milk sales varied in a fairly narrow range from about 51.8 billion pounds (in 1982) to 55.1 billion pounds (in 1991).

Meanwhile, milk production continues to grow, at least a little and sometimes quite a bit, pretty much every year. Therefore, it's safe to conclude that the percentage of US milk production being used for beverage use will continue to decline.

The flip side of that, of course, is that the percentage of milk production being used for other purposes will continue to increase. The largest use of milk currently is cheese, and that's expected to continue to be the case in the future.

And at least to some extent, as dairy markets shift from fluid to other products, the importance of overall milk volume from dairy cows declines and the importance of component production increases.

Again just to cite one example: 20 years ago there was no component pricing at all in federal orders; today, just four orders pay dairy producers on the butterfat and skim portions of milk, while the other six orders use multiple component pricing and pay producers based on pounds of protein, butterfat and other solids.

With these trends in mind, it was with great interest that we reported, on our front page last week, about a new study that concludes, among other things, that using milk from Jerseys rather than Holsteins to make cheese results in substantial reductions in water and land use, fuel consumption, waste output, and greenhouse gas emissions.

Per unit of cheese, the Jersey carbon footprint is 20 percent less than that of Holsteins, according to a life-cycle assessment study presented by Dr. Jude Capper of Washington State University at the joint meetings of five North American scientific societies for animal agriculture.

Major funding for the research, it should be pointed out, was provided by National All-Jersey Inc., which promotes the increased production and sale of Jersey milk and milk products.

That's one caveat when contemplating the study's findings. Another caveat might be: how much does sustainability and carbon footprint really matter when it comes to marketing dairy products?

In the ongoing economic recession, sustainability issues, at least when it comes to food, seem to be taking a back seat to such issues as price and, well, price. But sustainability remains important to at least some consumers today, and we expect the number of consumers who are concerned about sustainability and related issues to increase in the future.

So it would seem that maybe the US dairy herd should start to shift away from Holsteins and to breeds like Jerseys, which produce less milk by volume but milk with substantially higher fat and protein content. But how can that shift be hastened, if in fact Holsteins still account for over 90 percent of the US dairy herd despite the fact that fluid milk use keeps declining?

Maybe the US should take a cue from New Zealand, where Fonterra, that country's dominant dairy cooperative, pays its farmers on the basis of kilograms of milk solids. Of course, it could be argued that New Zealand has a very small fluid milk market (the country's population is under 4.5 million), and it exports more than 90 percent of its milk production, none (or very little) in fluid form.

From both sustainability and milk utilization perspectives, the US dairy industry might be better off slowly shifting away from the Holstein and towards other breeds that offer competitive advantages here in the 21st century. r

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