The Milkweed

Dairy's best information and insights

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"Float like a butterfly, sting like a bee."
— Muhammad Ali

Uncertainty Reigns Over Dairy as 2026 Begins

by Pete Hardin

Dairy begins 2026 facing very strong farm milk production trends and very low prices for key dairy commodities – Cheddar cheese, butter and nonfat dry milk. USDA reported November 2025 milk output was up 4.7%, compared to November 2024's total.

The second half of 2025 witnessed a relative tidal wave of milk production and cream. That wave of milk devastated commodity prices. At press time (January 7), cash trading at the Chicago Mercantile Exchange (CME) yielded these prices: Grade A butter — $1.3225/lb., 40-lb. Cheddar — $1.3650/lb.; 500-lb. barrel Cheddar — $1.4000/lb., and Nonfat Dry Milk —- $1.2175/lb. Only Dry Whey (11% protein) is maintaining its price integrity. Dry Whey finished CME trading on 1/7/26 at $0.7000/lb.

Despite all that additional volume of milk and cream, the latest available inventory figures (as of 11/30/25) are quite normal, compared to the past couple years. From an historic basis, the very comfortable level of butter, cheese and nonfat dry milk inventories does not square with the rock-bottom commodity prices and the resulting, ruinous farm milk prices.

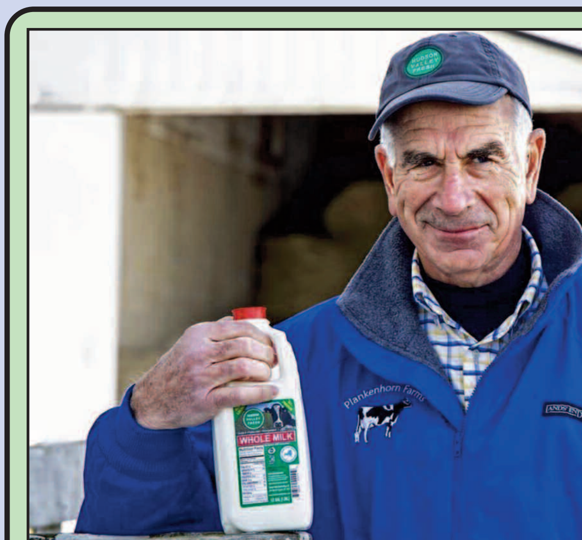
Very frankly, if the current low farm milk prices persist very long into 2026, terrible financial and psychological damage will accrue to many dairy farms. Confidence is being shattered. Some analysts persist with claims that sales of pricey "black" (beefxdairy) calves and cull cows will help dairy farms weather the low milk price storm That (il)logic only goes so far. Money from such sales were already calculated in the farms' ledgers upcoming months. Income from sales of those livestock will stave off financial boogeymen only so long. Many U.S. dairy farmers are looking at net milk checks below $15/cwt. for the first couple months of 2026. West Coast dairy producers are being hit particularly hard because that region has a high percent of Class IV (butter-powder) utilization … in addition to market deducts by regional cooperatives.

The Midwest's high percent of Class III (cheese) milk use means that high whey prices will somewhat avert disaster. Strong whey prices – driven by America's protein binge — are adding over $2.00/cwt. to Class III milk prices.

Dairy processors and marketers also face financial challenges. For firms closing their annual (or quarterly) books on December 31, 2025, rock-bottom commodity prices guarantee painful write-downs of inventory values.

Amid this low-price vortex, dairy livestock are generally holding their value. Heifers seem scarce. We hearing reports that buyers are paying around $3,500 per head for good Grade Holstein milk cows. Good Holstein springing heifers are bringing prices of $4,000 for springing Holstein heifers. Top-end "black" calves at Wisconsin auctions continue to peak around $1,400-$1,500.

Overall, dairy finished 2025 with some good trends, fueled by protein. Cottage cheese demand again grew by 10%, yogurt demand spiked by 7.7%. Whey demand is very strong. Supply – too much milk – is the challenge in 2026.



Sam Simon's career took him from a NY dairy farm to medical school and a career as a bone doctor. But in his early 50s, Sam and his wife, Gail, started a dairy farm. About 20 years ago, Sam and neighboring farmers started their own milk brand: Hudson Valley Fresh. Today, those farmers' investment in Hudson Valley Fresh yields $25/cwt. paid for the percent of their milk processed into their own products. Read Sam's remarkable history, starting on page 5 of this issue.

Beef Supplies Stay Tight, Consumer Demand Remains Solid

by Jan Shepel

As 2026 begins, one certainty in the beef industry is that domestic cattle supplies supplies – those born and bred in the good old U.S. of A — will remain tight. Cattle numbers are as low as they have been for many decades. But a question remains whether or not Americans will choose to spend their disposable income on high-priced beef at grocery stores and supper clubs or will they trade down to cheaper proteins.

A lot of what happens next boils down to consumer demand, says Don Roose an analyst with U.S. Commodities, Inc. Many have wondered when the cattle "bubble" will burst and Roose is among those wondering if the market will stall or make new highs. A selloff at the end of November made the market wonder if the beef trade was cooling, but live cattle prices rebounded in December.

Fed cattle finished last year at $230.48/cwt on the cash market and cash feeders were at $344.58/cwt, he noted. As has been the case all year, cow-calf producers are in the driver's seat on feeder prices. Roose noted that packers have been losing $250 per head of cattle processed and that beef in cold storage was down 3.4% compared to year-ago levels, meaning that the supply is still tight. But consumer beef demand remains strong and continues to support the live cattle prices.

One of the things driving up feeder prices is the lack of light feeder cattle from Mexico. That avenue was closed earlier in 2025 when a New World Screwworm outbreak caused officials to close the U.S. border to those cattle. (See sidebar.)

That is another one of the reasons that placement of cattle in U.S. feedlots continues to decline and losses to packers continue to affect the processing industry. In late November Tyson Foods announced its plan to end operations at a Lexington, Neb. beef processing plant and said it would reduce shifts at its Amarillo, Texas beef processing facility.

Various experts estimated that these changes will reduce U.S. beef slaughter capacity by nearly 7%. Even so, they said that the number of cattle going to slaughter is still short of filling available slaughter capacity.

Two new plants in Nebraska and Missouri are expected to be completed and start operations in 2026. There has been some reporting that a proposed plant in northern Texas is being contemplated that would handle 6,000 head per day.

Cattle market analysts said that fed cattle numbers are likely to decline for two to three more years because cow/calf producers have not expanded their herds. The reduction in slaughter plant capacity will likely help the nation's remaining plants to run more efficiently and improve efficiencies at those plants – allowing them to better compete for available cattle.

The plant closure announcements had some short-term impact on cash markets for calves, feeder cattle and fed cattle but that impact was over quickly. Amazingly, consumers' demand for beef, despite higher prices, remains strong and supports these higher live cattle prices.

By early December, feeder cattle and calf auction prices had also recovered much of the loss incurred when the White House said it would import beef from Argentina – causing an uproar among U.S. beef producers and in the market. Right now, a greater risk to cattle prices is related to the lack of Mexican feeder cattle that can't come into the country. If and when that border re-opens cash feeder and calf prices along with feeder cattle and live cattle futures would be the first to move down, experts said.

The effect of that will depend on how many cattle are backlogged in Mexico, they added.

University of Arkansas economist John Lovett is among the experts noting that beef prices are projected to keep increasing as U.S. beef production declines and there are no signs of a rebuilding of the U.S. cattle herd. Cattle inventories are at their lowest since the 1950s and the U.S. cattle industry has been in liquidation mode since inventories peaked at 94.7 million head in 2019. According to Lovett, the nation's beef herd has decreased by 8 million head of cattle since that peak.

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Big Increase in NYS Dairy Processing To Exceed Available Milk

by Pete Hardin

Perhaps no other state better reflects the coming milk supply shortage due to overt milk plant expansions than New York State. When calculating the daily farm milk needs for recently completed dairy plants, and other facilities now being built or in the planning stages, access to farm milk supplies in New York State will be a dairy version of "Musical Chairs."

Massive expansions of dairy plant processing capacity have been, are being, and will be brought on line. Dairy processing capacity expands as New York and Northeast dairy producers face ruinous milk prices and a shortage of replacement dairy heifers. Let's review some of these expansions:

Great Lakes Cheese brought on line in late 2024 its new cheese plant at Franklinville, New York – capacity 3.5 to 4 million lbs. of farm milk per day. NYS' Department of Environmental Conservation has shut down that plant because the back-end treatment facility wasn't working properly. In mid-summer, pollution from the cheese plant killed over 10,000 fish in the nearby creek. DEC shut down that $700-$800 million facility for a couple months following that August 2025 incident. Great Lakes Cheese has been allowed to operate … while still polluting the nearby creek. On a conditional basis, DEC allows Great Lakes Cheese' plant wastes to enter the creek, based on the volume of water flow in that creek. If water flow declines, Great Lakes must scale back production accordingly. DEC's curious allowance of the cheese plant wastes to enter the creek based in water flow volumes is a new twist to the old adage, "Dilution is the Solution to Pollution."

fairlife started processing at its new milk plant at Webster, New York. While that plant is still operating on a reduced-volume, "shakedown cruise" basis, intended daily capacity is for 5 million lbs. of farm milk. Sales of fairlife lactose-reduced1, high-protein beverages have skyrocketed. The firm needs more capacity to meet consumers' demand.

Chobani is building a massive cultured products plant near Rome, New York. That plant is targeted for start-up some time in 2027. Chobani's intended, full capacity is humongous: 12 million lbs. of farm milk per day. It's believed that Chobani will target phase 1 volume at around 5 million lbs. Besides its famous Greek-style yogurt products, Chobani is also planning to process high-protein, dairy-based beverages at the site. Chobani also processes numerous plant-based beverage products. Ultimately, 12 million lbs. of milk per day at the Rome facility???

UNC Co-op (Upstate-Niagara) is expanding its cultured products plant in a Buffalo suburb. The co-op aims to dramatically boost its cottage cheese production there. Expanded daily farm milk needs are not known.

Lactalis – the French dairy firm – has invested about $40 million at its Buffalo cheese plant (the former Sorrento Cheese facility). Increased daily milk needs are not known.

Cayuga Marketing recently competed construction on a massive expansion of its facilities at Auburn, New York. The reported cost of the project is between $200 and $300 million dollars. That expansion will greatly emphasize long shelf-life beverages. Cayuga Marketing is a dairy co-op of about three dozen large producers in the Finger Lakes region. During the past year, Cayuga Marketing has secured marketing arrangements with smaller dairy cooperatives in the region. That's a first for Cayuga, management of which is securing more milk volume ahead of the coming tight milk supply headaches.

Belgioioso Cheese has announced investments to expand its cheese plant at Campbell, New York (formerly a Kraft Foods/Pollio facility). No word on how much more Belgioioso Cheese will need there. UNC is the primary milk supplier.

Add to this lengthy list a Texas-based firm with announced plans to build a dairy protein powder/butter facility near Adams, New York. This firm will be among the "last-in" plant projects completed. Daily volume is unknown.

A few million here, a few million there …

In October 2025, New York State produced nearly 1.4 billion lbs. of milk – or 46,000,000 lbs. per day. Just taking the known volumes for three new plants on line or under construction – Great Lakes Cheese, Chobani, and fairlife – adds up to increased milk needs of roughly 20 million lbs.. That volume is equal to 43% of current New York State farm milk output … without any consideration for the other above-listed expansions.

There is no way that New York State or Northeast dairy farmers can grow the milk supply to adequately supply all of the expanded and expanding dairy plants in the state.

In the 1980s, Cornell University conducted a study of dairy plant profitability. That study determined the single greatest factor correlating with dairy plants' profitable operations was operating at or near full capacity.

The State of New York, under the present and former governors, has overseen wide-ranging economic credits for dairy plant expansions … shelling out tax and energy-cost subsidies like a drunken sailor. All those tax credits were designed to create jobs in upstate New York. Already, NYS' DEC is looking the other way on water pollution issues at the malfunctioning Great Lakes Cheese plant.

Those overt NYS tax subsidies to build and expand dairy plants have laid the foundations for red-ink operations and bankruptcies in the years ahead. There will never be enough milk produced in New York State.

The Milkweed

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Impact of Lower Farm Milk Prices in Wisconsin

Let's throw out some numbers to try to project the impact of declined farm milk prices on Wisconsin's economy. The projections are scary. Remember: 90% of Wisconsin's farm milk goes into the cheese vat.

• The Class III (cheese) milk futures prices projected for January-February 2026 average right around $15.50 per hundred lbs. of farm milk testing 3.5% milk fat.

• For the most recent Class III price peak – September-October 2024 – the Class III price averaged right around $23.00.

Therefore, the difference between 2026's first two months projected Class III milk prices vs. the most recent peak (September-October 2024) is $7.50 per hundredweight. What does that $7.50/cwt. decline mean to rural Wisconsin?

In October 2025, Wisconsin dairy farms cranked 2.7 billion lbs. of milk. That's 27 million out hundredweights of milk. Multiply 27 million cwt. of milk by $7.50. The result is right around $200 million less milk income per month in Wisconsin. Divided by the state's slightly more than 5,000 dairy farms, that's a reduction about $35,000 less milk income per farm per month for January-February 2026. Ouch!

Dec. '25 Class III Price at $15.86/Cwt. (Down $1.37)

For December 2025, all manufacturing Class milk prices declined from the prior month's levels. The biggest decline came for Cheddar.

For December, the USDA calculated the Class III (cheese) milk price at $15.86 per hundred pounds of Grade A farm milk testing 3.5% milk fat. That's a sharp drop of $1.37/cwt. from the November 2025 Class III. Full credit for that sharp drop rests with declining commodity Cheddar cheese prices.

Meanwhile, the Class II (cultured products) milk price in December was $14.41/cwt. – down $0.13/cwt. from November 2025. And once again, the Class IV (butter-powder) price declined. December's Class IV value was $13.64/cwt. – off 25 cents per hundredweight from November's Class IV. Recent months' Class II and Class IV prices have been depressed by sharply declining commodity butter and nonfat dry milk prices.

Dairy enters 2026 with a cautionary eye on monthly milk production volumes. The second half of 2025 saw a tremendous spike in farm milk supplies (vs. 2024), as well as the milk fat content of that additional milk. It's estimated that June-November 2025 farm milk production in the United States came in at 3.6% (or slightly more) than for the same period one year ago. That year-over-year farm milk supply growth has few, if any precedents.

For December 2025's manufacturing milk Class prices, the USDA used the following values in its calculations:

Butterfat .... **$1.571/lb.**
Protein .... **$2.4563/lb.**
Nonfat Solids .... **$0.9057/lb.**
Other Solids .... **$0.4352/lb.**

Early January 2026 projections for Class III and Class IV milk futures/options do not reflect positive trends. The industry continues to be awash in farm and milk fat, while puzzling over the coming year's trends in consumer demand. Barring severe adverse weather or geopolitical events, the global market will likely offer fewer opportunities for U.S. dairy in 2026. Global dairy commodity prices have been generally declining for nearly the past three months. The global dairy scene has shifted to a buyers' market.

PRICES PER POUND	November '25	December '25	November-December Difference
Butter	$1.6360	$1.5287	-10.73¢/lb.
Nonfat Dry Milk	$1.1609	$1.1541	-0.68¢/lb.
Cheddar Cheese	$1.7419	$1.5271	-21.48¢/lb.
Dry Whey	$0.6415	$0.6893	+4.78¢/lb.

Grain Trade Awaits Highly Anticipated January '26 USDA Report

by Jan Shepel

Grain trading in the first full-day back after two weeks of holiday hiatus was a full, "risk-on" session. Buyers were active just in grain markets and in the broader commodity sectors as well.

Jacob Christy, with Andersons Grain, reported online on Tuesday morning (January 6) that March corn contracts were unchanged at $4.44 a bushel; wheat was also unchanged at $5.12 a bushel and soybean contracts were up 4 cents at $10.66.

"There was interest across all markets and probably some pent-up demand and buying as traders returned for the first time from the holidays in full force. It was a nice recovery for our space (grain) as prices had dipped to some pretty depressed levels last week," he said.

Some of the grain trade focused on rumors that China had secured ten more ship cargoes of soybeans from the United States – a fact that remained unconfirmed at press time (January 7).. Also, Russia struck a Ukrainian port facility on the Black Sea and that geopolitical concern sparked a recovery effort that then took on "risk-on" trends by midday, Christy said.

Markets had dipped into some deeply over-sold territory, so the Russian attack and China rumors — combined with a highly anticipated USDA report next week — led Christy to say he wasn't overly surprised to see some type of correction off of the over-sold conditions. Key South American weather developments are just ahead too.

Corn and soybean futures are right at their 200-day moving averages, given that traders are not likely to open huge new positions prior to Monday's (January 12) USDA reports. Christy said he will be on the lookout for confirmation of the additional China soybean purchases and South American weather – "especially Argentina where corn is in its key developmental stages. Market prices are jittery and on edge until we get through Monday's report."

On the Iowa Public Television show "Market to Market", grain analyst Don Roose with U.S. Commodities Inc., noted that the wheat market isn't clear of the geopolitical risk brought on by Russia's war in Ukraine – now about to enter its fourth year. But with wheat prices standing around $5 a bushel, he said, "There's just too much wheat in the world."

Russia's grain minister, he said, upped that country's wheat production figure. That's important because Russia is the largest wheat producer in the world. In addition to Russia's production, Australia and Argentina had record wheat numbers. "To get the market out of the doldrums we will probably need some North American weather problems," Roose said.

In the corn market, March 2026 contracts are hovering about $4.40, and despite great exports the market keeps going down, he noted. Again, to move prices up will require lower yields and possibly weather problems in South America. Because it is a *La Nina* year, Argentina has weather that's currentlh warmer and drier.

As U.S. farmers contemplate their planting decisions for 2026, Roose believes soybeans will go up 4 to 5 million acres and corn acreage on U.S. farms will go down accordingly. "The corn market may have better fundamentals than it had this last year due to those lower acreage numbers," he added.

The fundamentals on soybeans are not great, he said, with weaker export demand and a huge crop in the offing in Brazil.

As he watches the market, Roose said the large South American soybean crop will loom and he will keep an eye on how it gets digested in the market. Weather will also be a factor. Roose wonders what policies Washington may come up with for biofuel mandates/production that might put some support under the soybean market. The acreage report from USDA will come in March.

Some market analysts are noting that China's economic data seems to show economic stress in that country, which is affecting their imports. Poorer than expected industrial output, weak retail sales growth and lower numbers for investments are all factors that are having an impact on consumer spending habits. Data from China shows that fresh vegetable prices are up 14.5% from a year ago and beef prices are up 6.2% from last year.

The markets continue to watch South American corn and soybean production, with Brazil only weeks away from beginning its soybean harvest. Soybeans from the United States will soon begin to see export competition from these beans as China has been actively buying Brazilian beans recently. Analysts said it would not be a surprise to see U.S. bean sales drop off once the Brazilian crop begins to come off the fields.

In trade talks with the White House, China had agreed to purchase 12 million metric tons of U.S. soybeans in 2025. They are nearly at that target, some sources report.

The analytical firm Oil World has come up with different soybean stock numbers from what the USDA has issued. The group sees U.S. soybean exports falling to 1.39 billion bushels this marketing year, based on slower Chinese buying. This is well below the USDA export number of 1.64 billion bushels. Oil World's soybean carryout number of 500 million bushels is well above the 290 million bushel figure the USDA is using in its reports.

Grain market analyst Karl Setzer, said that once the Brazilian soybean harvest begins, growers there will turn to planting the safrinha corn crop, but he notes that soybean development is slightly behind normal such that it might cause a delay in the planting of that corn crop. That could push their corn exports back until July. "This will open a wider door for U.S. exports especially with export issues in the Black Sea and low Chinese crop quality. Several economists have stated that they believe U.S. corn demand is front-loaded this year," he wrote.

Deadly Screwworm Found in Newborn Mexican Calf

by Jan Shepel

The devastating pest New World Screwworm (NWS) has been detected in a newborn calf — 197 miles from the U.S.-Mexico border in the Mexican state of Tamaulipas. That area lies about one-third of the way down from Texas on the Gulf coast.

Mexico's National Service of Agriculture, Alimentary Health, Safety and Quality reported the new case on December 27. NWS maggots had infected an umbilical lesion in a six-day-old calf. Texas animal health officials said there were no other detections of NWS in the area and called this a "one-off" finding, adding that there was no evidence of any established NWS fly populations in the area.

Livestock officials said a NWS infestation in the United States would be a real threat to Texas and the nation's livestock industries, as well as wildlife (which could also be infected and spread the pest). The threat from wildlife concerns ranchers and farmers since, there is no way to control NWS in deer herds. Deer hunting has been a growing source of recreation and tourism income in Texas, with high numbers of deer in that state. There are approved topical treatments for the NWS parasite in livestock, but that wouldn't be possible to treat wild deer.

The use of sterile male flies remains the key to eradicating this pest, USDA/APHIS officials said. Where populations of NWS are found, sterile male flies are released and they mate with the resident population of females. Then both flies die and no reproduction occurs.

For more information on the NWS and efforts to fight it, the USDA has created a dedicated website at screwworm.gov or go to aphis/usda.gov/livestock-poultry-disease/stop-screwworm/current-status.

Mexican and U.S. officials are in a full-scale effort to fight NWS as it can be deadly to animals where it sets up a population. Though not common, NWS may sometimes be deadly to humans. It is currently not found in the United States and the cattle industry hopes it stays that way. The NWS looks not that different from other black flies that affect cattle. The NWS flies lays eggs in living tissue – the maggots burrow into the flesh of a living creature and feed off of it. Damage is serious and often deadly. The flies and their maggots can infest livestock, pets, and wildlife.

These "flesh-eating" maggots and the blowflies that lay them were found in the Florida Keys in 2016. There were reports at the time that 100 deer died from the pest and a feral cat, a feral pig and a dog also tested positive. Prior to that, the last reported U.S. case was in 1982 in Texas. The 2016 Florida outbreak was that state's first in 50 years.

Entomologists note there are two kinds of screwworm – Old World Screwworms, which are present in Africa, Southeast Asia and some Persian Gulf countries. The New World Screwworm species, *cochliomyia hominivorax*, so named as a "man-eater" is prevalent in the Western Hemisphere, but the two are largely similar in their attacks and life cycles.

Experts say the NWS is worse because it can lay six to eight batches of eggs at a time, making them truly devastating. Death appears to be a more common outcome with NWS than with the Old World variety. It is not uncommon for them to burrow into umbilical stumps, as was seen last week in Mexico.

The United States has been off-limits to Mexican and Central American cattle sporadically since November 2024 because of NWS. The border was shut down in May 2025 when imports of cattle, horses and bison imports were prevented. At that time NWS had been found in cattle about 700 miles from the U.S. border.

With the border closed, U.S. feedlot operators are missing a significant number of light feeder cattle. The United States has historically imports 1.1 to 1.2 million head of cattle from Mexico annually and most of that number are feeders. There were 1.25 million head imported in 2024 — the most since 2020. That peak number came despite a brief closure of the border due to NWS.

Beef Supplies Tight, Demand Solid, con't from pg. 1

As we read about the record low number of cattle in the United States, it's worth noting that the USDA's numbers in that category include dairy and beef animals and the agency's reporting breaks it down into categories. In 2018, the dairy sector contributed 5.6 billion pounds of beef to the commercial U.S. beef supply. That's 21% coming from finished steers, fat heifers and cull cows. The peak percentage of dairy in the total beef supply came in 2015, when it was 24%.

In recent years, the "market share" of dairy beef in the U.S. total beef supply has ranged from 18% to 24% and the actual pounds of dairy beef contribution have ranged from 4.7 to 5.7 billion pounds.

Another University of Arkansas economist, James Mitchell, noted that liquidating inventories is part of a 10- to 12-year cycle in the cattle industry, driven by changes in producer profitability. This time, the cycle was exacerbated by drought in Western states where many producers were prevented from grazing their cattle. The impacts of the historically tight cattle numbers are being felt at every stage of the beef supply chain, he said.

The U.S. Bureau of Labor Statistics clocks the retail price of foods for U.S. consumers. Retail prices for beef averaged $8.56 per pound through August 2025 which is up 60 cents from the same period last year. Lovett noted that beef has been running about four times more expensive per pound than chicken over the past two years.

A regular survey done by Kansas State University showed that consumers' willingness to pay (WTP) has increased on both retail and food service demand for beef compared to a "Meat Demand Monitor" survey done earlier last year. Consumers said that taste and freshness are their primary drivers for spending on beef – outranking price. Most of the consumers in that survey placed a priority on the eating experience.

"Price matters, but so far, consumers are putting taste and freshness ahead in importance," the economists said. They also noted that ground beef price trends tend to be more critical as an economic indicator compared to premium steak price because steaks are purchased most often by higher-income consumers who are less concerned about small increases in price.

Tariff reductions on lean beef trimmings from South America have driven higher volumes of imports on those products, which are incorporated into U.S. ground beef. Prices for contracted loads of the lean trimmings to be delivered in the first quarter of 2026 are at record highs – up 20% from year-ago levels.

According to reporting from Bloomberg, Brazil – a world source of cheap beef supplies – may be starting a cycle that signals shrinking supplies in their country. For the past two years, Brazil experienced a jump in exports and producers were encouraged to send more cattle to slaughter. Now, economists are seeing ranchers hold back heifers in an effort to build their herds and that marks the beginning of a tightening supply cycle.

Looking at Butter Markets from Several Angles

by Pete Hardin

For good reason, let's return to butter pricing. Historically, the milk fat portion of the dairy farmers' monthly milk payments has yielded 55-65% of total milk income. The drastic collapse of butter prices merits further review.

Commodity butter prices at the Chicago Mercantile Exchange (CME) have collapsed by more than 50% since the most recent peak. CME butter peaked at around $3.10-3.15 per pound in mid-September 2024. During 2025's second half, CME butter prices nose-dived from $2.62/lb. down to as low as $1.40/lb. at Christmas.

Compared to those September 2024 prices, CME butter prices have dropped $1.70-$1.75 per pound – a decline of 55%. During 2025's second half, CME butter cash trading pulled down Grade A butter prices by $1.22/lb. — a drop of 46%. Ouch.

Through the federal milk order system, each month's manufacturing Class milk prices are based on economic formulas that use the monthly average of four major dairy commodities' prices. Those commodities are: Grade A butter, Grade A nonfat dry milk, Cheddar cheese, and Dry Whey (11% protein).

A few starting points ...

That ancient fact of life – supply/demand – weighs heavily on depressed commodity prices for block Cheddar, butter and nonfat dry milk. Starting in June 2025 and going through November, U.S. farm milk supplies have ballooned by 3.6% to 3.7%, compared to the same six-month stretch in 2024. The USDA's November 2025 data for dairy's top 24 states projects that month's gains at an astronomical 4.7% increase over November 2024's total.

Even more astounding, the overall milk fat content in June-November 2025's milk supply is a couple decimal points above 5% for the same period in 2024. A lot more milk during 2025's second half … and an even higher percentage of more cream. From a supply/demand standpoint, there should to be no surprises for collapsed CME butters prices. However ….

2025: Butter output & sales rise

With cream abundantly available during 2025, butter plants made a lot more butter. USDA's latest Dairy Products report (issued 1/6/26) shows that for January-November 2025, the nation's butter plants churned out 2.161 billion lbs. of product – 6.2% more than 2024's first 11 months. Not only was there more cream, but that cream was bargain-priced, compared to the prior several years.

Meanwhile, butter demand – both domestic and export – has been very strong. In 2024, domestic per capita consumption of butter climbed to just over 6 lbs. Data reported by *The Milkweed* in the December 2025 issue showed an 8% increase in supermarket butter sales for the four-week period ending November 15 (vs. the same period in 2024). The weeks running up to Thanksgiving and Christmas comprise the annual peak for retail butter sales. Lower retail butter prices helped spur increased consumer butter purchases. As reported here last month, national retail data showed consumers' prices for one-pound packages of salted butter declined by about 7.5% during mid-October to mid-November 2025, compared to the same stretch in 2024.

For 2025, U.S. exports of butter spiked dramatically. This year's U.S. butter exports were boosted by the fact that domestic commodity butter prices were dirt-cheap: as much as $1.50 to $1.75 per pound lower than global butter prices, particularly those in Western Europe. Those low-ball prices allowed U.S. butter plants to easily fill export orders for 82% butter – the global standard. (The common U.S. standard for butter is 80% milk fat.)

Wow. Another sign of strong seasonal butter demand at year's-end: USDA reported sky-high manufacturers' sales of butter in the weeks just prior to and after Thanksgiving. The December 3, 2025 National Dairy Products Sales Report (NDPSR, which covers events about two-weeks prior) showed spectacular sales volume of butter (aged 30 days or less): 5,369,226 lbs. moving from manufacturers to buyers. These volumes reflect "hurry-up" antics in the supply chain to keep up with strong retail butter sales.

Strong domestic and export demand for butter kept the warehouses from busting at the seams during 2025's second half, mercifully.

11/30/25 inventories BELOW year-ago

Surprise! USDA's Cold Storage report for November 30, 2025 shows that – at 210.5 million lbs. – butter inventories in U.S. warehouses were lower than the corresponding dates for 2023 and 2024. (Note: USDA's inventory data includes butter and other high milk fat products such as Anhydrous Milkfat aged 30 days or more.) Here's a comparison of the past three years' November 30 Cold Storage report butter inventory volumes and nearest Friday's closing price for CME butter prices.

Date:	Butter Inventories	CME Butter $
11/30/23	212.785 mil. lbs.	$2.6550/lb.
11/30/24	231.629 mil. lbs.	$2.4525/lb.
11/30/25	210.457 mil. lbs.	$1.4500/lb.

A curious person might marvel at how end-of-November butter inventories can be lower than the two prior years, but that CME cash prices for butter in late 2025 were $1.00 (or more) lower than the two prior years. The answer might be that the continued tidal wave of cream has kept a lid on potential upwards price movement for commodity butter.

USDA survey, not CME, sets FMMO milk fat $$$

CME butter prices **DO NOT** establish monthly values for milk fat regulated by the USDA's federal milk marketing order system. The ups and downs of CME cash markets **DO** set the climate for butter and the other dairy commodities.

Rather, USDA's price data comes from a mandatory, weekly survey of sales volumes and prices for Grade A butter, Grade A nonfat dry milk, Cheddar cheese, and Dry Whey (11% protein). That weekly survey is reported as the National Dairy Products Sales Report (NDPSR). USDA combines the weekly data into monthly price averages for those commodities. Due to the lag period for the USDA to collect and analyze weekly data, the NDPSR numbers tend to average about two weeks behind real-time CME prices.

Important to note: In recent weeks and months, the CME Grade AA butter prices have consistently fallen below USDA's monthly NDPSR numbers … sometimes by 12 to 15 cents per pound. Those higher NDPSR butter prices (vs. CME) will help soften some of the milk-price pain from current rock-bottom CME butter prices.

Why the recent months' noteworthy differences between CME and NDPSR butter price data? Two theories:

#1) The NDPSR reports weekly butter sales by manufactures of product 30 days or less. The NDPSR survey does not specify whether butter sales were for domestic 80% milk fat product … or for premium 82% butter made to fill export orders. The 82% fat butter sold for export will command higher prices by the manufacturer – likely adding to the weekly NDPSR.

#2) Contracts by manufacturers to supply butter to major buyers (such as retail chains) are often negotiated weeks, or even a couple months, in advance. Those agreements include defined prices. Thus, some major butter sales deals were conducted in advance of fall 2025's further tanking of CME butter prices. When viewed from the earlier perspective of August or September 2025, late 2025, the sharp drop to CME butter prices below $1.50/lb. was not foreseeable.

Butter: many ???s for Q1 2026

Plenty of important questions loom for the nation's butter trade in 2026's first quarter. A year's first three (or so) months feature inventory-building months that often reflect the year's lowest commodity butter prices as well as low cream "multiples." (The cream "multiple" is a given day's value for spot cream sales negotiated between the seller and the buyer. Multiples are used as their basis for the daily or weekly CME butter price, plus a premium … or minus a "negative premium" … depending upon supplies and other perceived factors.)

Come March 1, 2025, butter sellers cannot offer for sale at the CME any product that was made before December 1, 2025. That CME rule is intended to keep out overly aged products. The 210 million pounds of butter inventories as of November 2025 will not be salable at the CME after February 28, 2026. If cream supplies remain super-abundant and inventories start climbing to worrisome levels, dumping of aged butter inventories is likely. And if dumping becomes significant, CME butter prices could further deteriorate in this year's first quarter.

Several New Cottage Cheese Facilities in the Works

by Pete Hardin

A dramatic expansion of cottage cheese production in the nation is underway.

By the time 2025's final data is available, 2025 will be the third consecutive year during which cottage cheese production in the United States will record near-10% gains.

Cottage cheese offers a versatile, high-protein/low carbohydrate source of nutrition. Health statistics show that about 8% of U.S. residents are taking a version of the GLP-1 family of weight-loss drugs. That's turns out to be a major demand driver for cottage cheese … and yogurt.

Those compounded, double-digit gains are spurring a dramatic expansion of plant capacity to meet perceived future growth of cottage cheese. Here's a list of the facilities being built or repurposed to boost cottage cheese output:

• **Daisy Brands** will complete a new cultured products facility in Iowa in late 2026 or early 2027. Daisy Brands is the nation's leading brand of cottage cheese. Virtually all competitors are regional or multi-regional, but do not have coast-to-coast distribution.

• **Dairy Farmers of America, Inc. (DFA)** is converting its Schuykill Haven, Pennsylvania fluid milk plant to cottage cheese production.

• **Michigan Milk Producers Assn.** recently announced it has re-acquired the former Leprino Foods cheese plant at Remus, Michigan. Michigan Milk will convert that old facility to cottage cheese production.

• **Upstate-Niagara (UNC Co-op)** is expanding its cultured products lines (including cottage cheese) at its Bison plant near Buffalo in western New York State.

• **The Westby Cooperative**, based in Westby, Wisconsin, is expanding its cottage cheese production capacity. The Westby Co-op has done well over the past decade-plus as a source for co-packing cottage cheese and other cultured products.

• Details are scarce regarding **Associated Milk Producers, Inc.** (New Ulm, Minnesota) announcement of plans to invest in a cottage cheese plant.

Need to connect up supply chain

Producing more cottage cheese is just "Step 1" for fulfilling consumer demand. Connecting to retail outlets is the necessary "Step 2" in the process. On one hand, retailers and distributors obviously want more cottage cheese volume and should be open-minded towards new suppliers. On the other hand, modern food retailers are looking for a proven track record for new suppliers. Retailers want to see consistent production and quality standards from new suppliers.

Regionalism is another concern for all the intended massive boosts in cottage cheese production. The above-listed expansions of cottage cheese production are all located in the Northeast, Mid-East, or Upper Midwest regions. Since cottage cheese distribution tends to be regional or multi-regional, will all these new facilities end up scrumming with each other for sales … a race to the bottom among new entrants to gain sales? (Note: There may be plans to expand cottage cheese in western states, with which *The Milkweed* is not familiar.)

Yes, cottage cheese demand is on a strong upwards trend, with solid legs underneath it, due to cottage cheese's high-protein, low-carbohydrate nutrition profile. But one must question all the intended expansions of production capacity in only a few regions off the country. Daisy Brands is the only firm to successfully market cottage cheese nationally at this time.

Sam Simon: Farm Kid, Bone Doctor, Dairyman & Marketing Visionary

by Pete Hardin

Sam Simon, 80 years savvy, has forged a unique career in dairy. He traded farmers' duds for surgeon's scrubs. Sam established his own medical practice in 1977 in Poughkeepsie, New York. Three decades later, in 1998 at age 52, Sam sold his Orthopedic practice and entered full-time dairying in New York State's Hudson Valley.

In the early 2000s, even though their Holstein herd averaging 23,000-24,000 lbs. of milk and earning top-shelf, $0.60 per hundredweight premiums gained for top-quality milk, Sam and wife Gail knew that financial returns from milking cows in the early 2000s weren't positive. What to do?

Sam had a vision: Assemble high-quality farm milk with selected neighbors and create their own brand of premium-priced, high-quality beverage milk and other dairy products. With several helpful partners along the farm-to-consumer supply chain, in 2005 Sam and two neighboring dairy farmers successfully birthed their own brand of consumer dairy products: "Hudson Valley Fresh."

Today, Hudson Valley Fresh products are sold to consumers in New York City, northern New Jersey, Connecticut and the Hudson Valley. That brand commands premium prices at retailers. The eight producer/owners currently supplying Hudson Valley Fresh with farm milk enjoy $25.00/cwt. for the approximate 50% of their total production processed at the dairy plant they own at Kingston, New York.

When farm milk prices were generating red ink in the early 2000s, Sam Simon puzzled what could he and other Hudson Valley dairy farmers do to improve their milk prices. His solution: form a business marketing their own brand of top-quality farm milk: Hudson Valley Fresh. Today, the eight owners of Hudson Valley Fresh receive $25/cwt. for the percent of their volume processed and marketed as their own brand.

Origins in historic Orange County, NY

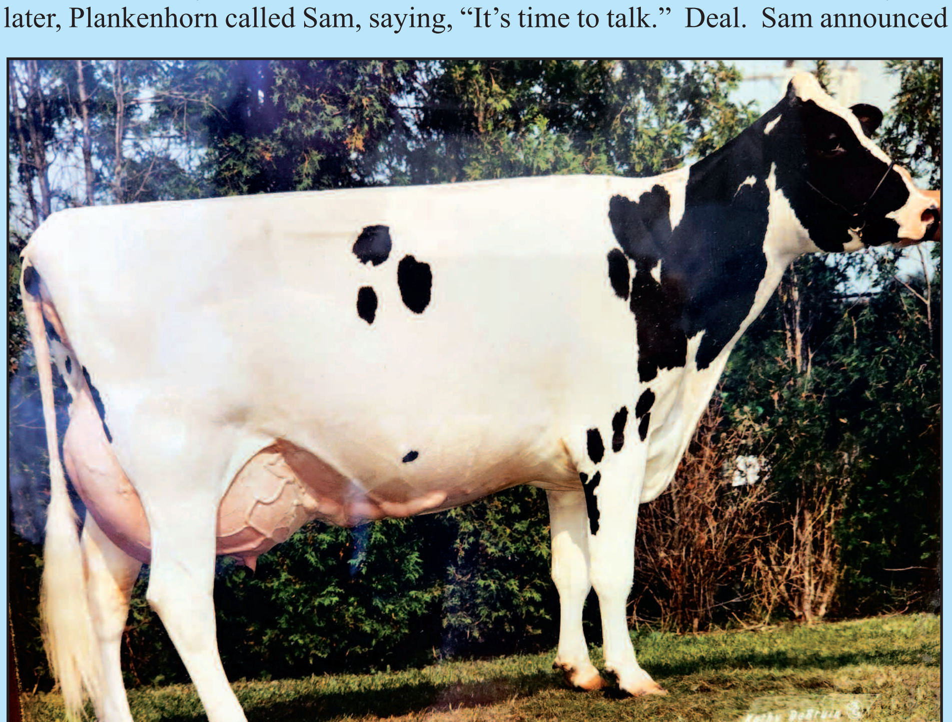
Sam grew up on his parents' dairy farm in what was then milk-rich Orange County, New York, near Middletown. Sam's parents – Kurt and Ida Simon – were dairy farmers and cattle dealers. When Sam was born in the mid-1940s, Orange County hosted several thousand dairy farms. That county had birthed the "country dairy business" in the early 1840s, when newly-laid railroad tracks allowed local dairy farmers' milk and cream to be sold in the nearby New York City market about 45 miles away.

In the mid-1800s, New York City dwellers' milk had been most frequently sourced from dairy cows kept in foul-smelling, dank, dark stables located next to breweries. The cows were fed primarily brewers' grains. The resulting white "swill" – commonly adulterated with water and chalk — was a public health scandal, the source for many illnesses and even deaths. Orange County farmers' rail access allowed them to provide fresh milk and cream – from pasture-grazed cows. The superior taste, quality, and healthfulness of Orange County milk established the format for the nascent United States' rural dairy industry.

Med school beckoned, but …

Following high school, Sam's education tracked from an undergraduate degree from the University of Rochester, to medical school at St. Louis University. Next ... residency in orthopedic surgery at the University of Pittsburgh. Sam's heart never left the family dairy farm. In 1969 – during Sam's second year at medical school in St. Louis, his dad died unexpectedly at age 53. During the next 8 years, while in medical school and residency, Sam shucked the hospital scrubs and flew home for one long weekend each month to provide the family's loyal hired man, Howard Scott, with deserved time off. Post-graduation, Sam established his own medical practice in Poughkeepsie in 1977. But weekends were still devoted to help run his mother's dairy farm, located about 42 miles away. Ida Simon's dairy herd was dispersed in 1983. In addition to the demands of a successful medical practice and helping raise his children, Sam and Howard Scott kept the Simon farm operating until the late 1980s, raising dairy heifers, corn and hay.

While building his successful medical practice in Poughkeepsie, the dairy farming bug kept biting Sam. In the late 1980s, Sam had indicated to a knee-replacement patient – a successful local dairy farmer, Lester Plankenhorn – that if Lester's family ever wanted to sell its farm, Sam was interested. Seven years later, Plankenhorn called Sam, saying, "It's time to talk." Deal. Sam announced to Gail that he was selling his successful medical practice, buying the Plankenhorns' farm, and returning to milking Holsteins.



Sam and Gail Simon struck gold in 2002 when they bought two-year old "Lizzy" at a New York Holstein consignment sale. Price: $6,400. Lizzy was classified "Excellent" three-times, she yielded many heifer calves and embryos. Lizzy's milk fat ranged around 4.5% to 4.6%. The Holstein Association honored Lizzy as a gold star dam, since so many of her offspring were also classified as "Excellent." Lizzy remained in Simon's milking string until her 12th year. Sam remembers she was truly a "cash cow."

Lizzy — truly a cash cow

Sam bought a small dairy herd from a retiring dairyman, Rocco Manno, near Warwick, New York, and added some registered heifers. Sam began milking his herd in 1998. The Simons were milking about 45 head, with another 50 or so young stock and dry cows. Sam gives great credit to his herd manager, Tom Manning, for the dairy's success. Sam's enduring dream, however, was to milk high-end, registered Holsteins.

In 2002, Sam and Gail attended a New York Holstein Assn. consignment sale west of Rochester. Their long drive caused them to arrive later than intended. On a quick walk through the barn, MD-Carrollton BC Lizzy – a white 2-year old — enchanted Sam. He remembers her big, well-attached udder and strong legs. At that crowded sale, Gail sat in the bleachers in front of Sam. The bidding for Lizzy climbed to $6,400. After the auctioneer banged his gavel, Gail turned to Sam and realized that his number was "Lizzy's" winning bidder. Gail was incredulous. Sam just smiled.

Soon after Lizzy and a handful of other cattle from that sale arrived at the Simon's dairy, a neighbor farmer – Ray Vail — and his grandson arrived to see the prized purchase. Vail offered to buy a stake in Lizzy He wanted to show her at local fairs. Sam initially declined. His business style didn't include partners. But when Vail offered to take 100% responsibility for showing "Lizzy," Sam relented and sold him a 25% share. That summer, Lizzy won first place at the Dutchess County fair's dairy show in her 3 year old class, including "best udder." Later that summer, Lizzy brought home a second-place ribbon competing in her Holstein class at the New York State Fair. (She did garner "best udder" recognition at the State Fair.).

Lizzy milked well – yielding 23,000 lbs. of milk in her first lactation and 35,000 lbs. in her last milking cycle. Her fat test consistently ranged around 4.5 to 4.6%. She was scored Excellent 3E (94 points) by the Holstein Assn. classifier, gave birth to a succession of beautiful heifer calves, and stayed in the milking string until she was 12 years old. Lizzy earned status as a "Gold Medal Dam" from the National Holstein Assn. because so may of her daughters had classified as "Excellent." Sam recalls how Lizzy was kept in her own box stall in the milking barn, but went out to pasture with her herdmates … except Lizzy didn't like snow. If she reached the barn door and saw snow, she simply turned around and went back to her box stall.

Sam vowed not to super-ovulate and flush embryos from Lizzy until she was five years old. He believed too-early flushing damages a cow's mammary ligaments. At age 5, Lizzy was flushed, yielding 19 "number one" embryos. The embryos were implanted in heifers at the farm. Sam sold those 19 offspring at three months of age for prices ranging from $4,600 to $9,400 … ***each***. Sam remembers: "Lizzy was truly a 'cash cow' … she did it all!"

Forging a vision for better milk prices …

Despite carrying a herd average of 23,000-24,000 lbs. of milk, and earning top-shelf quality premiums from his milk cooperative, Agri-Mark, Gail and Sam repeatedly lamented there wasn't much profit yielded by milk income. "Remember," Sam admonishes, "I didn't have any debt." He'd transitioned to dairying using financial resources from sale of his medical practice. Even so, the Simon's dairy was consistently running $10,000 (or more) of red ink annually in the first half of the 2000s. There had to be a better way to achieve profits for dairy farmers producing quality milk within spitting distance of New York City.

A long meeting at a local diner with Agri-Mark's head of milk procurement, Robert Stoddard, sparked an idea. Could Agri-Mark assist members in the Hudson Valley producing top-quality milk with the logistics of finding a dairy plant to co-pack a farmer-owned brand of milk? Stoddard responded positively, suggesting a few local farmers to participate in that vision. Hudson Valley Fresh was hatched.

Ronnybrook Farms was kind enough to process Hudson Valley Fresh milk for a short time to test the market with milk in half gallon plastic containers. Their fluid milk was processed in glass containers. Subsequently, Simon, along with Barry Chase and the Coons Brothers family, approached Richard Boice, Sr., owner of the Boice Brothers dairy at nearby Kingston, New York. Would Boice process

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Gary Hanman, DFA's Architect, Passes at 91

by Pete Hardin

No individual is more responsible for our nation's dairy industry's current structure than Gary Hanman, the former CEO and President of Dairy Farmers of America, Inc. (DFA). Hanman, 91, died on December 5. DFA was and remains "Hanman's baby."

Hanman's legacy includes: Brutal anti-competitive actions against dairy farmers' milk markets, a wide array of civil antitrust lawsuits brought against DFA, repeated manipulation of commodity prices at the Chicago Mercantile Exchange in the early 2000s, and DFA's financial reports chockfull of bogus "assets."

Hanman rose through the ranks to become CEO of Mid-America Dairymen, Inc. (Mid-Am) in the mid-1970s. Starting in the 1960s, the federal Interstate Highway system's creation in the Midwest and Plains allowed milk trailers to travel longer distances. That longer-distance milk inspired consolidation of local dairy cooperatives into two mammoth entities. Sometimes those consolidations were achieved by hook or by crook, using threats of faraway milk disrupting local cooperatives' markets. Those two big co-ops – Mid-Am and Associated Milk Producers, Inc. (AMPI) — stretched from Texas to Minnesota.

Mid-Am operated as a single entity, evolving a modest focus on the consumer marketplace. AMPI was structured as three separate operating regions, with a single consolidated financial statement. AMPI primarily focused on politics. Two of AMPI's three regions — Mid-States and Southern — were top-heavy with dairy politicos as directors, often ill-suited to properly tend to business. The only well-run and well-equitized AMPI region was the North Central Region.

While ostensibly competitors, Mid-Am and AMPI commonly tried to restrict competition from certain other farm milk handlers. In the late 1960s, Mid-Am and AMPI jointly filed civil antitrust charges against the fledgling National Farmers Organization. NFO – a pipsqueak compared to the size of the two big cooperatives — tried to market members' milk to a Chicago fluid processor, Wanzer Dairies. (The Chicago area raw milk marketing agency in common – the Central Milk Producers Cooperative – was also a plaintiff in that filing against the NFO.) The "NFO Antitrust Case" dragged through the federal court system for nearly 20 years, before the United States Supreme Court ruled on behalf of NFO, awarding NFO about $20 million. That legal brouhaha – dairy farmers suing dairy farmers — became the longest-running, most voluminous (in terms of the number of documents' pages), civil (i.e., private) antitrust case in the history of the federal judiciary system.

The late 1970s, the Antitrust Division of the United States Department of Justice imposed a Consent Decree on Mid-America Dairymen, filed in the Federal District Court for the Western District of Missouri. That document restrained Mid-Am from certain anti-competitive antics revealed in the long-running NFO case. That Consent Decree, plus others was inherited by the merger that created DFA in 1997.

The NFO case was just the first of defendant Mid-Am/DFA's many civil antitrust entanglements. Most were settled pre-trial. As those civil antitrust settlements piled up, one fact became clear: Crime Paid. The Settlements seldom came close to the loot swiped from dairy farmers' milk checks by DFA and its partners in crime. Equally obvious, Hanman's "magic" at DFA included immunity from federal antitrust enforcement, thanks to political relationships.

Early/mid '90s: bully in the Southeast

At some point in the early 1990s, Hanman's "Napoleon Complex" became evident, starting in the Southeast. Through a series of mergers and acquisitions, Mid-Am became the predominant dairy cooperative in the Southeast. One takeoover – of the Louisiana-based Gulf Dairy Assn. – revealed Mid-Am's true stripes. Mid-Am basically bought off the local co-op's manager, who stage-managed Mid-Am's take-over of that co-op. The Gulf Dairy Assn. had never paid members milk prices lower than the prevailing federal order "blend price." But almost immediately after Mid-Am was in control, local dairy farmers saw huge "reblends" – milk check deducts of $1.00 to $1.20/cwt. imposed to allegedly cover never-explained operating costs. Local dairy farmers mounted huge protests at Mid-Am facilities; television stations in New Orleans filmed protests by many dozens of angry dairy producers. Next, a couple "trouble-makers" were voted on to the local Mid-Am advisory board. One of those trouble-makers was Carole Knight, whose tenure on that local board lasted about three or four meetings before Mid-Am illegally terminated her family's membership agreement. Carole Knight's "sins" that caused her termination as a member? She took notes in board meetings; she asked too many questions; and would not sit down. (Besides her role on the Knight family's dairy farm, Carole was a business reporter. She suffered a sciatic nerve condition, which made sitting painful.)

Hanman's coast-to-coast expansion of Mid-Am and later DFA was just getting started. Al Capone would have been proud of Hanman's extortionate antics.

In mid-1997, the proposed merger of four major dairy co-ops became known: Mid-Am; AMPI's Southern Region; Western Dairy Cooperative, Inc. (WDCI); and Milk Marketing, Inc. (MMI). The first three of those co-ops were financially problematic. The Southern Region had a negative equity position. (Its liabilities exceeded its assets.) WDCI had near zero net equity. And Mid-Am had been consistently rolling over hundreds of millions of dollars of pending debt. Basically, the merger creating DFA was a move by the common lender – CoBank – to consolidate financially challenged co-ops into one.

Only MMI had any financial integrity. MMI members were shanghaied into the merger by promises that its president, Herman Brubaker, would get the top spot on the merged cooperative's board. Many MMI delegates and first vice president Joe Logan questioned the merger. At a contentious delegates' meeting in August 1997, MMI's delegates narrowly approved the merger. About 30 seconds after that vote, a previously unseen (by delegates) lawyer popped out from a side door in the meeting and warned delegates and directors that anyone speaking or acting against the merger could be sued and possibly lose their farms. (Welcome to the big leagues, suckers!)

Directors of a fifth co-op – AMPI's North Central Region – voted against merging into DFA by a single vote in summer 1997. The "Man Behind the Curtain" – CoBank, the National Bank for Cooperatives – bullied the North Central Region directors to revote the merger question. Board chair Cliff Schumacher championed the proposed merger. North Central Region CEO Mark Furth vigorously opposed the merger. Again, AMPI's North Central Region voted against joining DFA by a single vote.

(CoBank was a primary lender and bundler of loans to the various cooperatives in the merger creating DFA. Then and more recently, CoBank's strategy with financially troubled dairy cooperatives is to sweep the dirt under a bigger rug. DFA was and remains that "bigger rug" — deemed "too big to fail.")

Federal antitrust officials allowed the merger that created DFA with no additional constraints. Politics prevailed. As reported by the *Los Angeles Times*, in 1994, Gary Hanman gave a $25,000 check in a Washington, D.C. hotel room to disgraced former Justice Department official and Clinton family friend Webster Hubbell. That financial assist to Hubbell – who was financially bereft and charged with embezzling half a million dollars from his former law firm (at which Hillary Clinton was a partner) – bought a "See No Evil" attitude regarding DFA for the DOJ's Antitrust Division during the Bill Clinton presidency.

Once DFA was operating in January 1998, Hanman wasted no time strong-arming independent dairy farmers. In fall 1997, Mid-Am had purchased several Borden fluid milk plants in western states. Independent dairy farmers who'd been selling milk to those Borden plants were told to either join DFA or lose their milk markets. That dictate violated the 1977 Consent Decree. DOJ did nothing.

"It takes two to tango …"

A conspiracy requires more than one partner. Documents later unearthed during the Southeast Dairy Antitrust Case showed that as early as 1995-1996, Hanman and Suiza Foods' CEO Gregg Engle$ hatched a deal to force independent dairy farmers selling their milk to a fluid milk processor co-owned by Mid-Am and Suiza. Simply stated, Suiza forced the independent dairy farmers to join Mid-Am, or lose their markets. In turn, Mid-Am would charge Suiza a lower price for its raw milk purchases, compared to competitors' costs. Engle$ was the front man for Suiza – a fast-growing company that bit off huge debts to acquire dozens of dairy firms into what eventually became the largest fluid milk processing entity in the nation. Suiza's debt was bankrolled by the giant Texas-based investment firm: Hicks, Muse, Tate and Furst.

Engle$ — an Ivy League MBA – entered dairy entranced by the tremedous cash flow and fattening his pile of assets. In 2007, Engle$' compensation atop Dean Foods peaked at just over $60 million – nearly 4X the compensation pacage for the next highest-paid CEO in the food industry. That year he ushered through a one-time, $15-per share payout to stockholders, funded by $1.96 billion (!) of borrowed funds. Engle$' personally enjoyed $39 million from that $15/share bonus. In the late 2000s, Dean Foods' corporate debt was obviously unsustainable: around $6 billion … with only $12 billion in annual sales revenue.

In September 2000, in an audiotape distributed to DFA personnel, Hanman admitted a deal with Suiza to force hundreds of independent, Northeast dairy producers selling their milk to a Suiza/DFA joint venture farmers to join DFA. But Hanman stated in that audiotape that federal antitrust officials were looking closely at the co-op and the timing wasn't right.

In December 2001, the U.S. Department of Justice approved Suiza Foods' acquisition of Dean Foods. That corporate marriage paired the nation's two largest fluid milk processors. (The firm operated as Dean Foods until its 2019 bankruptcy and 2020 dissolution.) DOJ required a few fluid milk plants be spun off into DFA's waiting subsidiary (National Dairy Holdings) – a symbolic, if meaningless, appeasement of concerns about competition in the nation's fluid milk business. NDH's profits were non-existent.

DOJ Antitrust Division: Eyes wide shut

In early 2003 that time was right … Dean Foods forced most of its 2,000-plus independent dairy producers into marketing their milk through Dairy Marketing Services, which was controlled by DFA.

Important to note: Both Dean Foods and DFA had deep political capital in the George W. Bush administration. Bush II owed his financial grubstake to a multi-million dollar bonus he received as a partner in the sale of the Texas Rangers baseball team to billionaire Tom Hicks. Dean Foods got much of its borrowings through Hicks' Texas-based, big-money boys. DFA? Gary Hanman wasa close personal friend of fellow Missourian and Bush II's U. S. Attorney General, John Ashcroft. Hanman had hosted fund-raisers throughout much of Ashcroft's political career. He would brag about socializing with Attorney General Ashcroft when Hanman was in Washington, D.C. during Ashcroft's tenure atop the DOJ.

Quite unprofessionally, Vermont dairy farmer Alice Allen was told in a telephone conversation in the early 2000s with then high-level DOJ Antitrust Division attorney Joan Huggler, that, "We can't touch Dean Foods."

In the several years following the merger that created the "new" Dean Foods, the firm kept buying more fluid milk businesses. Predatory activities against independent dairy farmers' milk markets continued. On April 1, 2004, *The Milkweed* co-sponsored a one-day, dairy antitrust seminar in Syracuse, New York. That event, mustered with less than two months' advance notice, attracted 250 attendees and featured speakers such as Carole Knight and then New York State Attorney General Eliot Spitzer. (Spitzer was warned not to appear at that conference of rabble-rousers by then Dairylea Co-op president Clyde Rutherford, a bewigged phony and dairy power-broker.) Knight's presentation about how Mid-Am/DFA degraded her once-robust, local dairy farming community induced over half the attendees to tears.

In June 2004, the American Antitrust Assn.'s annual meeting focused on dairy industry competition. One presenter was New York dairy farmer John Bunting, a DFA member and regular contributing writer to *The Milkweed*. Officials at Southeast Milk, Inc. – a Florida-based dairy co-op that had been threatened in writing by DFA executive John Collins – huddled with DOJ Antitrust investigators around that event.

In July 2004, the DOJ's Antitrust Division launched an antitrust investigation in the Southeast, focusing on Dean Foods and DFA. That probe was headed by Allee Ramadahn, a 30-year veteran federal investigator. Ramadahn started digging in fertile soil — Louisiana. Local dairy farmers stayed up way past midnight — talking with Ramadahn amid copious amounts of fish, beer, and deer-hunting tales. (Ramadahn was a skilled bow hunter. He explained that bow-hunting deer was like antitrust investigations: one must first know the prey.)

2005: End of the trail for Hanman …

Gary Hanman's reign at DFA started unraveling in late July 2005. DFA's recently appointed CEO, Rick (alias, "Tricky Rick") summoned a special meeting of the corporate board's executive committee to a meeting in Chicago. Smith warned that Hanman was leading DFA to financial ruin. At that meeting, Smith was awarded additional management responsibilities and Hanman's role was downgraded.

As of December 31, 2005, Hanman was retired. Smith simultaneously fired Hanman's long-term financial "Rasputin" – Gerry Bos. Smith's charges about Hanman's "road to ruin" were clearly evidenced by DFA's 2005 financial audit, which noted:

• That year the co-op dumped $97 million into DFA's depleted pension funds, which included writing down members' equity by $59 million and throwing $38 million in cash into the pension morass. Even with those infusions, DFA's pension holdings were still underfunded by $145 million.

• 2005's "net savings" totaled only $10.159 million – down 84% from the prior year.

• Weird "assets" listed in the audit comprised $566 million – equal to 84% of "Total Members' Equity." Those "assets" included: "Intangibles" ($298.220 million), "Goodwill" ($118.561 million), and "Preferred Equity Securities" ($150 million). (Note: "Preferred Equity Securities" were actually debt, not an "asset." That item represents a borrowing by the co-op against members' equity – on which DFA was paying nearly 8% interest. When created in 2003, Moody's Investors Services noted that the "Preferred Equity Securities" were "debt-like." If DFA's audit – then and now – treated "Preferred Equity Securities" as a liability instead of an "asset," DFA's liabilities would have exceeded members' equity at the end of 2005.)

Curiously, the December 31 2005 financial report made no mention of Hanman, who'd served for over 30 years as CEO of DFA and its predecessor cooperative.

Hanman became "persona non grata" at DFA. At one point after his retirement, he entered DFA's offices and was escorted out by security personnel.

Hanman finally did appear at DFA's annual meeting in a recent year.

DOJ superiors ignored dairy antitrust investigarions results

Ramadahn's probe ultimately expanded to include a dozen and a half state Attorney General's offices and lasted just over two years. In late summer or early fall 2006, he submitted the investigations' results to his seniors at DOJ. Harsh measures against DFA and Dean Foods were apparently recommended. Ramadahn knew he was on politically thin ice, poking hard at two firms that had literally enjoyed "Stay Out of Jail Cards" from the DOJ.

Higher-ups at DOJ took no action against Dean Foods and DFA. Ramadahn informed his superiors that he'd "buried" a second copy of his report. DOJ officials demanded he unearth that copy and turn it over. Ramadahn refused. Next: DOJ fired Ramadahn. Worse yet: that firing stripped him of his pension accumulated over 33 years of federal service. Ranadahan salvaged his pension, if not his job, by threatening to claim racial and religions discrimination. He was a Black Muslim. Once again, DFA and its partner in grime, Dean Foods, escaped federal antitrust enforcement.

After DOJ's failures civil antitrust lawsuits start

In summer 2007, the Howrey law firm filed a civil antitrust case against DFA and Dean Foods., Dairy Marketing Services, and others. That case became known as the "Southeast Dairy Antitrust Case." Allegations were that for years the Defendants had conspired to limit Southeast dairy producers' access to milk markets and had underpaid regional producers for their milk deliveries. Suspicions were that a Howrey attorney, Ken Anderson, had a special connection to Allee Ramadahn. Decades prior, Anderson had hired young Ramadahn for his first federal job.

The Southeast Dairy Antitrust Case dragged on for years. Pre-trial, Dean Foods and DFA settled for $140 million each.

Similar allegations were filed on behalf of Northeast dairy farmers by the law firm of Cohen Milstein. But that firm poorly fashioned its Complaint versus Defendants DFA , Dean Foods and DMS, and had to pull in the Howrey firm to salvage the case. Ultimately, the Northeast Dairy Antitrust Case (Version #1, the *Allen* case, — named after the lead plaintiff – Alice Allen) settled for about $50 million dollars. DFA's Settlement in the *Allen* case yielded peanuts: a payout of 2 cents per hundredweight over several years' milk for producers who accepted the Settlement. Dean Foods had settled earlier for $30 million. Producers who accepted the *Allen* Settlement signed away any future rights to bring legal action against DFA, its subsidiaries, employees, etc.. (Regarding that future exemption from lawsuits, one attorney commented that no competent attorney would have agreed to those terms on behalf of a client.)

Some dairy producers objected to the piddling *Allen* Settlement. On behalf of dissidents, a separate antitrust civil lawsuit was filed against DFA (the *Sitts* case). Pre-trial, the *Sitts* case's settled and the terms were sealed. But *The Milkweed* reported shortly thereafter that *Sitts* yielded approximately 49 times more per hundredweight for plaintiffs than *Allen*.

Again, DFA escaped civil antitrust cases' Settlements relatively cheaply, when comparing Settlement costs to the amount of dairy producer revenue that was pirated.

Dean Foods' bankruptcy: more shenanigans

By 2019, Gregg Engle$ was long gone from Dean Foods. His earlier halo as dairy's "golden boy" had been replaced by national recognition as the worst-performing, most overpaid CEO in the nation.

In late spring 2019 – a few months before Dean Foods filed for bankruptcy – the rookie federal judge in the Western District of Missouri dismissed all Consent Decrees that were still binding on DFA. Coincidence?

Several years after he departed (taking the profitable Horizon subsidiary with him), Engle$' legacy of debt, debt and more debt ultimately sunk Dean Foods, which filed for Chapter 11 bankruptcy protection in November 2019. (The November 2019 issue of this publication had predicted Dean Foods' imminent bankruptcy.) The firm's common stock had plunged from a bit above $50/share in March 2007 … all the way down to about a dime per share at bankruptcy.

Dean Foods' bankruptcy process was as crooked as a boar's private anatomy. There was no intent to restructure the failing firm – as a Chapter 11 filing is designed to do. The not-so-hidden agenda was to turn over the majority of Dean Foods' assets – nearly 50 milk plants — to DFA. Once again, a marriage of the nation's two largest fluid milk processors was in the offing … DOJ's Antittrust Division did little to intervene. Competitors interested in perhaps buying certain Dean Foods milk plants were denied access to important financial information. The fix was on. Ultimately, a federal bankruptcy judge in Texas agreed to turn over nearly four dozen Dean Foods milk plants to DFA. Prairie Farms – another dairy co-op – gained eight milk plants from the Dean Foods empire. Sevesral items are worth mentioning:

1) Prairie Farms' 2019-2020 audit reported that the firm underpaid for milk plants acquired in the Dean Foods' bankruptcy by $31.588 million. With that savings, Prairie Farms assumed liabilities totaling $17.376 million. Dean Foods' assets were clearly undervalued.

2) Alone among creditors, DFA was allowed to offset its receivables due from Dean Foods against the value of the milk plants that DFA acquired from the bankruptcy.

3) One more time in a dairy financial fiasco, the "Man Behind the Screen" was CobBank. CoBank and its member units comprised 37% of all lenders to Dean Foods, months prior to the bankruptcy. "Geniuses" at the extended Farm Credit System had allowed the same $1 of receivables to be collateralized as many as three times ... by the processor (Dean Foods), the principle raw milk supplier (DFA), and in some cases the producer (i.e., borrows from the Farm Credit System).

4) The presiding bankruptcy judge of the Dean Foods bankruptcy was crooked – later forced from the bench because of widespread irregularities, including having his girlfriend appear in cases before him.

To the present …

In November 2025, a long-running civil, class action antitrust case filed in the Southwest by dairy farmers against DFA and Select Milk Producers (a cooperative) was settled. As usual, Plaintiffs' complaints centered on unduly low payments by the Defendant cooperatives. In early November 2025, the Southwest Dairy Antitrust Case settled for a pittance. Plaintiffs received an estimated 5 cents on the dollar of alleged underpayment of milk funds to producers. At the case's conclusion, the judge noted that the Plaintiffs' law firm – Lockridge, Grindal and Nauen – had filed the matter as a civil antitrust case when the ,atter should have been adjudicated otherwise. By the time that revelation came out, the Statute of Limitations clock for the case had run down to the point where a proper filing by attorneys representing Plaintiffs would have had limited returns, even if ultimately sustained in court. A nickel Settlement on the estimated dollar of purloined farmers' milk check money: Once again, crime paid.

Hanman's continued legacy … specious "assets"

Some things at DFA have never changed, long after Hanman was gone. Take, for example, DFA's listing of a majority of its net worth as questionable assets. From DFA's origins in the late 1990s, *The Milkweed* criticized the co-op's heavy reliance on "assets" such as "Goodwill" and "Intangible Assets."

Most recently, DFA's December 31, 2025 audit showed "Total Equity" at $2,428,034,000. Of that total, "Goodwill" totaled $1,237,329,000. "Intangible Assets" were $653,422,000. And "Preferred Equity Securities" came in at $225,000,000. (The Preferred Equity Securities are obligations, not assets. DFA pays annual inter0est rates of nearly 8% on those "assets.") The combined total of those three curious "assets" is $2,115,751,000 – or 87% of "Total Equity."

(If the $225 million of Preferred Equity Securities were shifted from the "asset" side of DFA's ledger to their seemingly more appropriate listing as a "liability," that shift would drop DFA's so-called "Total Equity" to close to nothing.)

DFA's lenders continue looking the other way on such "assets."

His "baby" remains remarkably the same: a high percentage of curious "assets" relative to members' equity, as well as underpayments to many members. DFA and Prairie Farms now share the vast majority of Class I milk processing in the Upper Midwest and Plains, where consumers' milk gallon costs are among the highest in the nation. Federal antitrust overseers continue on their steady course … doing nothing … eyes wide shut.

DFA Blatantly Manipulated CME Cheddar Prices

Under Hanman's leadership, DFA manipulated Cheddar and butter prices at the Chicago Mercantile Exchange. An early 2000 audiotape from DFA caught Hanman bragging about how buying butter early in a given month and selling it during the second half would boost Class I (fluid) milk prices under the new federal milk pricing system that went into effect on January 1, 2000.

Summer 2000: In late summer 2000, DFA attempted to boost struggling farm milk prices by purchasing several hundred 40,000-lb. carload lots of Cheddar at the CME. Trouble was: DFA failed to pay for those purchases on a timely basis as required by CME rules. After several weeks of unpaid receipts, sellers complained to CME about DFA's rules violations. DFA then settled up; CME prices for barrel Cheddar fell below $1.00/lb.; and DFA assessed its members for losses related to that failed Cheddar price fixing scheme.

Despite those failed payments violations, the CME did not penalize DFA.

Continued on page 8

Horizon Organics/Maple Hill Holds NY Meetings

by Paris Reidhead

Following a startling announcement that Maple Hill Creamery had been acquired by Horizon Organic, the new owner hosted four farmer meetings throughout New York State in early December 2025. I attended one in Hamilton, NY, on December 11.

Bill Larchar invited me. He's been a Maple Hill milk producer for many years — a certified organic dairy farmer since the early 1990s. Bill and I go way back, first as Cornell University ag students. He returned to the family farm in Central New York. In my roles with Extension and later as an organic certifier, we kept in touch.

Forty attended the December 11 meeting, apprehensively. A few years ago, Horizon abruptly terminated markets for 89 organic producers in New York and New England. Mitch Clark, Maple Hill's operations director, explained: "I know many of you have preconceived notions about Horizon, and wanted to share some recent history that I think is important, given the context."

Clark noted Horizon has experienced many changes —first as pioneers in organic dairy, then owned by a couple different companies before being spun off as an independent company in 2024. Horizon is essentially a new company focused on returning to its roots and prioritizing farmers' relations. He added that the Horizon leadership team asked that… before judging the company on previous owners' actions, that Maple Hill producers give them the opportunity to earn trust.

Clark then gave the audience a chance to ask questions or make comments. Pursuing the latter option, Larchar likened the 15-cent dairy check-off to the outcry that led to the Revolutionary War. Reading from a prepared statement, Bill scorned the mandatory federal dairy promotion check-off, comparing the 15-cent assessment to "Taxation Without Representation. "Farmers must stand united, refuse to adhere to all this BS [especially FARM (Farmers Assuring Responsible Management)] … and refuse to fund all the garbage. This isn't a popular road to travel, but necessary for our survival." (Note: The national dairy check-off funds promote ZERO organic dairy.) Most producers present appeared receptive to Larchar's comments. I added to Bill's comments with: "It's quite an irony that an entity like FARM… preaching animal welfare… hasn't prohibited the use of Posilac."

In early 2026, Horizon will boost its base price for organic, grass-fed dairy producers. Organic milk supplies are tight in the Northeast. Adverse weather impaired forages' volumes and quality in 2024 and 2025.

Waupaca Co. Reviewing Proposal to Take Away Towns' Zoning Power for Digesters & Co-Digesters

by Pete Hardin

Call it "The Big Stink." In Waupaca County, Wisconsin, a handful of dairy farmers — the Waupaca County Dairy Farmers Alliance — is pushing a proposal that would remove all Waupaca County Towns' zoning authority to approve (or disapprove) manure digesters and co-digesters.

(Note: A co-digester takes in more than half of its organic inputs as materials other than livestock and poultry wastes. Manure serves to accelerate the other organic materials breakdown to form methane gas.)

The zoning brouhaha continues a long-running battle between concernedl neighbors in the Town of Lind regarding a proposal by the Brooks Dairy Farms to locate a manure co-digester on a seven-acre site that's currently zoned as farmland. The Town of Lind board of supervisors had turned down that proposed zoning change. Brooks' proposed manure co-digester would require a zoning change to industrial status.

Having been turned down by the Town of Lind, the Waupaca County Dairy Farmers Alliance has sought to change the rules … at the county level. The proponents want the Waupaca County Zoning and Planning Commission to take away Towns' zoning authority on such matters.

On December 4, the Zoning and Planning Commission reconvened a hearing on the highly controversial subject, after a six-month hiatus. The Commission ruled that citizen comments had been previously closed. No citizens' input was permitted at the December 4 meeting, either verbally or in numerous submitted written documents.

The meeting concluded with the Commission directing its staff to rewrite the proposal, including citizen inputs. However, no such directive appeared in the posted but as yet unofficial minutes of that December 4 meeting. Confusing. Once again (at least temporarily), political efforts were stymied to politically shove through approval for the Brooks co-digester project,

In summary: the proposed Brooks' digester is designed to process dozens of truckloads of organic waste materials per day – added to manure from their approximate 600-700 cow dairy herd. The Brooks Dairy Farm does not have adequate numbers of livestock to generate enough manufure to justify a stand-alone manue digester. The incentive is tomake a co-digester that would take in off-farm organic waste.

Locals report that two of the five members of the Zoning and Planning Commission had visited digesters or co-digesters as part of their information-gathering. Too bad they didn't go to Wrightstown, Wisconsin —- where a massive co-digester project takes in manure from nearly a dozen dairy farms. The Wrightstown facility has created an enduring, disgusting stench that pervades the community.

Around the United States, numerous other communities are finding that much-heralded co-digesters are creating terrible stenches.

The Milkweed published a long article in the November 2024 issue about the Waupaca County co-digester battle. (See: "Wisconsin Neighbors Defeat Proposed Co-Digester Project … Maybe," page 6-8.). At the conclusion of that article, this publication noted: **"Some bad ideas die hard. Don't like the rules? Try to change them."** That's exactly what the Brooks family is attempting to do: wrestle zoning authority away from concerned citizens in the Town.

Start-Up WI Co-Digester Blows its Top

In early December, the start-up of a co-digester located at the Peterson Family Dairy near River Falls, Wisconsin did not go as planned.

Official sources say that during attempts to start the co-digester, a membrane separated from the digester structure. That's techno-gobble-de-gook.

Unofficial sources say that due to unusually cold weather, efforts to ignite the digester's flame were unsuccessful. Prior to the attempted ignition, a necessary volume and pressure of methane gas had to build up inside the sealed digester. But when attempted ignition failed, pressure of the gas inside the co-digester continued to build – ultimately blowing a hole in the structure.

The River Falls fire department was summoned to the scene, but detected no gas leaks.

Local activists contacted the Wisconsin Department of Natural Resources about the digester failure a day or two after the event. DNR personnel replied that the agency had not been contacted about the digester failure.

The major firm bankrolling the co-digester at Peterson Family Dairy is Vanguard Renewables, based in Weston, Massachusetts. Vanguard Renewables is connected to the massive global investment firm, BlackRock Capital. Vanguard Renewables had sent out a glowing press release on December 10, heralding the start-up of the co-digester at the Peterson Family Farm. And then the %$#*&) thing blew a hole in it.

Don't tell anybody, but ... in northern states, methane digester's "scrubbers" that remove impurities don't work well in cold weather.

DFA Blatantly Manipulated CME Cheddar Prices, con't from page 7

March-May 2004: A Cheddar buying spree by DFA propelled CME Cheddar prices to record high levels in early 2004 – spiking to $2.20/lb. for block Cheddar in mid-April that year. But that price level was not sustainable. In mid-spring, DFA purchased huge volumes of Cheddar to floor CME cash prices at $1.80/lb. Meanwhile, DFA was peddling to unsuspecting suckers an illegally high volume of Cheddar futures contracts – 15,000 for the period June-August 2004 — ahead of what DFA leaders knew would be a Cheddar price crash.

Once DFA had unloaded those disadvantageous Cheddar futures contracts, the co-op quit buying Cheddar at the CME. Block prices collapsed to $1.36l/lb. by early July that year. DFA's up-and-down whipsawing of Cheddar cash markets at the CME inflicted terrible pain on several sectors of the dairy industry – from farmers to cheese plant operators and inventory holders.

But DFA profited from that block Cheddar pricing chaos. Here's how:

• In early 2004, DFA field reps induced many members in the Southwest to sign annual, fixed-price milk contracts at $11.75 per hundredweight. The fine print of those fixed-price contracts meant that those producers got only about $8.00/cwt., when the Class III price skyrocketed into the "high teens" ($/cwt.).

• The rapid up-and-down swings in Class III milk prices gave DFA the opportunity to depool Class III volumes in many regional federal milk orders across the nation. Nationwide, dairy farmers lost untold hundreds of millions of dollars due to the depooling schemes during spring 2004. Example: the Mid-East federal milk market administrator's office estimated that April-May 2004 depooling eroded that region's producers' milk prices by $1.64 and $0.74 per hundredweight, respectively.

• An additional casualty was higher Class I (fluid) milk costs for consumers. The high-end block Cheddar price manipulations unduly boosted consumers' costs for fluid milk. *The Milkweed* estimated that DFA's Cheddar price manipulations cost consumers $1.5 to $2 BILLION in higher fluid milk costs.

• Speculators in dairy-related futures/options positions lost buckets of money due to DFA's 2004 Cheddar price manipulations. One speculator – Killer Whale Holdings – sued DFA, alleging $20 million in futures/options related losses. The *Killer Whale* lawsuit settled privately — terms undisclosed. DFA's original line of defense in that case was hilarious. The co-op's lawyers claimed that the Plaintiff's filing occurred after the Statute of Limitations had expired. How so? The Plaintiff should have known about DFA's CME Cheddar price manipulations by reading *The Milkweed*!

In late 2004, the federal Commodities Futures Trading Commission investigated DFA's 2004 Cheddar price manipulations at the CME. For nearly four years, DFA's leaders denied any wrong-doing (perhaps hoping to let the Statute of Limitations clock run out on potential civil lawsuits). Then, in late 2008 … near the end of the DFA-friendly Bush II administration, DFA settled with the CFTC, paying a fine of $12.5 million and an additional couple million dollars in fees. Once again, the negotiated deal did not come close to covering the tremendous, wide-ranging damages inflicted on the extended dairy industry and consumers. Mercifully, DFA retreated from activities at the CME.

Most Per Acre “Farmer Bridge Assistance” $$$ to Rice & Cotton

by Jan Shepel

Details of the “Farmer Bridge Assistance” program (FBA) announced on New Year’s Eve by the Trump Administration reveal the highest per-acre payments will go to cotton and rice producers. Corn and soybean growers may not be happy with their payments from the program.

Reuters News Service reported USDA’s details on how much producers could expect to receive from the $11 billion program included per-acre commodity rates from “B to W” —barley to wheat. By far the largest rate is being allocated to rice growers at $132.89 per acre, with cotton growers not far behind at $117.35 per acre.

Corn growers are eligible for $44.36 per acre; soybean growers are eligible for $30.88 per acre. The rate per wheat acre is $39.35. Payments were calculated using 2025 planted acres, cost-of-production data and market conditions.

With 98.7 million acres of corn planted at a payment rate of $44.36 per acre, corn farmers’ total will be $4.38 billion in payments. Planting one acre of corn can cost from $900 to $1,300, varying based on location and land costs – rented land versus owned land. The USDA estimates that costs can be over $1,200 in high-cost areas like Illinois.

The one-time payment to farmers is set to be paid on a per-acre basis if they planted one of the commodity crops that have been identified as being eligible for the program. Reuters‘ reporters P.J. Huffstutter and Julie Ingwersen wrote that the aid is expected to help farmers prepare for the next planting season. Growers and agricultural economists say the payments are a “fraction of the farm losses and will not rescue the sagging farm economy,” they reported.

The payments will be limited to $155,000 per entity or individual. Unlike other aid programs, USDA is not requiring farmers to have crop insurance to get a payment from the ad-hoc, “Bridge” program. (Besides the $11 billion, an additional billion was set aside to provide aid for “specialty” crop producers.)

Agriculture Secretary Brooke Rollins said the FBA payments “give farmers the bridge to continue to feed and clothe America and the world while the Trump Administration continues opening new markets and strengthening the farm safety net.” What new markets?

Rollins projected these FBA payments should be deposited in farmers’ bank accounts by the end of February – marking the second round of payments to farmers in less than a year. It’s easy to forget that last spring USDA released $10 billion in aid to farmers because of low crop prices. That was under the Emergency Commodity Assistance Program passed in late 2024.

In response to the details of the new FBA program, American Soybean Association President Scott Metzger said that it provides needed relief, “but it is not enough on its own. Soybean farmers also need strong, reliable markets to guarantee the long-term success of the U.S. soybean industry.” The growers’ group said the rate of $30.88 per acre “will not cover the significant financial damage soybean farmers sustained this year due to the high cost of production and losses sustained during the China trade war.”

Metzger said the payment rate for soybeans will likely not be enough for soybean farmers to keep their operations financially solvent as they move into the next planting season. Losses for soybean farmers were more than $100 per acre. At 81.1 million acres of U.S. soybeans, growers will split about $2.5 billion.

“Farm and Food” columnist Alan Guebert calls the program “A Bridge to Where, exactly?” and noted that farm income – through the first Trump Administration – was $338.8 billion. During the years covered by that farm income total, 2017-2020, federal farm program payments were a whopping $93.2 billion, he writes. Farm income during Trump’s first administration was just 45% of the subsequent Biden years, when the tariff wars eased.

Guebert noted that both the first Trump administration and the subsequent Biden administration operated under nearly identical farm legislation so it’s logical to assume that Trump’s tariffs were the big influence on net farm income. Analysis now shows that tariffs during the first Trump era cost U.S. farmers $27 billion in ag exports in 2019 and 2020 with the loss of sales to China accounting for 95% of that sum.

Farm program payments went from $13.7 billion in pre-tariff 2018 to $22.8 billion in 2019 and then $45.6 billion in 2020.

Corn growers said the FBA program payments will be helpful but many feel the aid isn’t really enough at around $44 per acre. orn growers groups said it is a band-aid that doesn’t cover full costs and they urged the White House to develop better markets and long-term solutions. One suggestion is year-round E-15 (ethanol at 15%) to boost domestic demand for corn.

A bill pushing E-15 almost passed at the end of 2024 but was stripped out of a spending bill at the urging of billionaire Elon Musk, who had gained influence with certain Congressional representatives. California passed its own E-15 bill. Congress never took another swing at the measure in 2025. (Skeptics worry that higher levels of corn tthanol in gasoline supplies may create mechanical problems for gasoline engins.)

Editor’s note: Some corn growers said the bridge payments were crucial for them to get their next crop planted, others said it is entirely inadequate compared to their actual expenses. Jed Bower, an Ohio farmer who is president of the National Corn Growers Association, said corn growers have been “sounding the alarm about the fact that farmers have been faced with multiple consecutive years of low corn prices and high input costs.”

CDFA: Latest QIP Referendum Allegedly Failed to Pass

The late summer vote by eligible Grade A dairy producers in California failed to muster enough support to stop the “quota” deduction. The actual name of that deduct is the “Quota Implementation Program” (QIP), which debuted in late 2018 when California’s federal milk order came to be.

QIP is administered by the California Department of Food and Agriculture (CDFA).

The ongoing QIP controversy continues. QIP deducts 39 cents per hundred pounds of milk marketed by all Grade A milk produced in California. QIP returns, depending on their location in the state, $1.40 - $1.70/cwt. and it money only goes to QIP quota holders The “quota” is based upon pounds of milk fat.

In late 2024, eligible California producers voted on another QIP referendum, which sought to reduce the deduction (and consequently, the pay-out), and the QIP would continue on. In early 2025, CDFA reported the proposal did not pass.

The date by which eligible votes should have been delivered to CDFA on this new referendum was by September 10, 2025. On December 5, the CDFA announced results, with some qualifiers. The fact that it took CDFA nearly three months to report results of this latest QIP referendum – a simple, yes/no vote involving a few hundred ballots – begs the question, why did it take so long.

The results stated there were 756 eligible producers. 195 valid votes supported the referendum to terminate. And 287 producers voted against the proposal.

Officially, 63.76% of eligible producers voted only 40.46% of eligible producers voted to support terminating QIP. A 51% threshold was one of the required benchmarks for passage. Votes to halt QIP represented 47.5% of total milk production during the April 2025 eligibility period.

CDFA noted that 14 ballots received were ineligible, while an additional 11s ballots were labeled invalid. Those discounted ballots were immaterial to the outcome, CDFA determined, but not proven.

A total of 53 ballots were hand-delivered to CDFA’s office in Sacramento on September 9, 2025 by Craig Gordon, one of the main opponents of QIP. CDFA ruled those ballots were ineligible because they were not contained in sealed envelopes, even though the envelopes were attached to each ballot but 3. CDFA ruling was without any facts stated, and was in direct violation of their FAQS, yet they reissued those ballots under a “special exemption.” and made all those producers vote again. A total of 47 were returned to CDFA, three of which were deemed invalid. Gordon claims that the requirement to deliver ballots in sealed envelopes is baseless, and is in direct opposition of CDFA FAQs on this referendum.

It is estimated that CDFA allegedly counted over 94 ballots received after the post mark date of September 10, 2025 to help defeat the proposal.

QIP remains controversial. During 2026’s first quarter – it’s easy to project that QIP 39-cent per hundredweight deduct will take at least 3% of net milk revenue from many California dairy producers. (That estimate by *The Milkweed* includes both rock-bottom manufacturing Class milk prices, as well as major deducts from one or more cooperatives.)

Opponents (Exploited Milk Producers) have also mounted more legal challenges to the QIP. The most serious is an administrative challenge, claiming QIP has no legal basis under California’s Administrative Procedures Act (APA). In other words, there is no enabling language under California law for QIP. Former Chief Counsel for CDFA admitted at a public meeting the lack of APA status during a hearing many years ago. Yet CDFA has continued the deduct. The other lawsuit is an anti- trust lawsuit.

QIP extracts about $ 13 million per month from all Grade A producers in California and redistributes that money to quota-holders. This referendum has only reinforced the need for transparency in our referendums.

November 2025 Milk Production

November 2025 Milk Cows and Milk Production, by States

State	Milk Cows [1]		Milk per Cow [2]		Milk Production [2]		
	2024	2025	2024	2025	2024	2025	Change from 2024
	(thousands)		(pounds)		(million pounds)		(percent)
AZ	189	195	1,955	1,955	369	381	3.3
CA	1,709	1,711	1,755	1,935	2,999	3,311	10.4
CO	204	211	2,105	2,100	429	443	3.3
FL	96	99	1,615	1,670	155	165	6.5
GA	85	89	1,890	1,945	161	173	7.5
ID	680	720	2,045	2,040	1,391	1,469	5.6
IL	77	77	1,740	1,750	134	135	0.7
IN	190	194	1,950	1,970	371	382	3.0
IA	244	246	1,995	2,000	487	492	1.0
KS	180	225	1,940	1,960	349	441	26.4
MI	440	459	2,235	2,240	983	1,028	4.6
MN	442	455	1,890	1,910	835	869	4.1
NM	240	233	1,960	1,960	470	457	-2.8
NY	630	649	2,065	2,070	1,301	1,343	3.2
OH	251	254	1,830	1,835	459	466	1.5
OR	116	121	1,680	1,680	195	203	4.1
PA	465	460	1,690	1,690	786	777	-1.1
SD	215	237	1,900	1,910	409	453	10.8
TX	675	703	2,110	2,125	1,424	1,494	4.9
UT	91	98	1,870	1,875	170	184	8.2
VT	113	115	1,770	1,770	200	204	2.0
VA	66	66	1,690	1,685	112	111	-0.9
WA	255	236	1,905	1,925	486	454	-6.6
WI	1,266	1,280	2,050	2,065	2,595	2,643	1.8
24 State Total	8,919	9,133	1,936	1,979	17,078	18,078	4.7

Key Commodity Markets

Cheddar Cheese
Chicago Mercantile Exchange

	40-lb. Blocks	500-lb. Barrels
Dec. 12	$1.3500 (-3.00¢/lb.)	$1.4125 (NC)
Dec. 19	$1.3600 (+1.00¢/lb.)	$1.4200 (+0.75¢/lb.)
Dec. 26	$1.3350 (-2.50¢/lb.)	$1.400 (-2.00¢/lb.)
Jan. 2	$1.3900 (+5.50¢/lb.)	$1.400 (NC)
Jan. 7	$1.36500 (-2.50¢/lb.)	$1.400 (NC)

Prices in dollars per lb. Weekly change ( ) in cents per lb.

USDA/AMS
40-lb. Cheddar Blocks – Price & Volume

	Weighted Price ($/lb.)	U.S. Sales (lbs.)
Dec. 6	$1.6049	13,054,929
Dec. 13	$1.5451	10,860,650
Dec. 20	$1.5043	11,509,241
Dec. 27	$1.4352	10,359,952

Source: USDA's weekly National Dairy Products Sales Report

USDA/AMS
Grade A Butter – Price & Volume

	Weighted Price ($/lb.)	U.S. Sales (lbs.)
Dec. 6	$1.6063	2,075,522
Dec. 13	$1.5209	5,369,226
Dec. 20	$1.5512	3,160,384
Dec. 27	$1.4877	2,388,908

Source: USDA's weekly National Dairy Products Sales Report

Comments: Except for whey, all dairy commodities' prices are in the tank. Mercifully, inventory levels are comfortable. Nonfat supplies are surprisingly tight.

Nonfat Dry Milk
Extra Grade & Grade A 'Mostly'

	Central/East	West
Dec. 12	$1.1500 – $1.1900 (NC) (NC)	$1.1300 – $1.1700 (NC) (NC)
Dec. 19	$1.1500 – $1.1900 (NC) (NC)	$1.1300 – $1.1600 (NC) (-1.00¢)
Dec. 26	$1.1500 – $1.1900 (NC) (NC)	$1.1300 – $1.1600 (NC) (NC)
Jan. 2	$1.1600 – $1.2000 (+1.00¢) (+1.00¢)	$1.1300 – $1.1600 (NC) (NC)

Prices in dollars per lb. Weekly change ( ) in cents per lb.
Source: Dairy Market News

Grade AA Butter
Chicago Mercantile Exchange

Dec. 12	$1.4800	(-0.25¢/lb.)
Dec. 19	$1.4150	(-6.50¢/lb.)
Dec. 26	$1.4025	(-1.25¢/lb.)
Jan. 2	$1.3750	(-2.75¢/lb.)
Jan. 7	$1.3650	(-1.00¢/lb.)

December 2025 Federal Order Class Prices
(per cwt.)

Class II: $14.41 (-$0.13); Class III: $15.86 (-$1.32); Class IV: $13.64 (-$0.25)

December 2025 Product Price Averages
(per lb.)

Butter: $1.5287 **NFDM: $1.1541**
Cheddar: $1.5271 **Dry Whey: $0.6893**

Class II Butterfat: $1.5831/lb. Class III/IV Butterfat: $1.5761/lb.

Nonfat Solids: $0.9057/lb.; Protein: $2.4563/lb.; Other Solids: $0.4352/lb.

Federal Order Class III
(Dollars per cwt.)

	2023	2024	2025
Jan.	$19.43	$15.17	$20.34
Feb.	$17.78	$16.08	$20.18
Mar.	$18.10	$16.34	$18.62
Apr.	$18.52	$15.59	$17.48
May	$16.11	$18.55	$18.57
June	$14.91	$19.87	$18.82
July	$17.13	$19.79	$17.32
Aug.	$17.19	$20.66	$17.24
Sept.	$18.39	$23.34	$17.59
Oct.	$16.84	$22.85	$16.91
Nov.	$17.15	$19.95	$17.18
Dec.	$16.04	$18.62	$15.86

Federal Order Class I Prices
(3.5%) $ per cwt.

Order	Dec. '25	Jan. '26
Northeast	$23.31	$21.45
Appalachian	$23.81	$21.95
Florida	$25.01	$23.15
Southeast	$24.01	$22.15
Upper Midwest	$21.41	$19.55
Central	$21.41	$19.55
Mideast	$22.01	$20.15
California	$21.01	$19.15
Pacific Northwest	$20.91	$19.05
Southwest	$21.91	$20.05
Arizona	$20.81	$18.95
All-Market Average	$22.33	$20.47

International
(U.S. $ per lb.)

	Oceania	Europe
Cheddar	$2.2686-2.4161	NA
Butter*	$2.0985-2.1325	$2.1325-2.3253
SMP**	$1.1162-1.5700	$1.0322-1.0889
WMP***	$1.4292-1.5313	$1.5534-1.6171

Prices from USDA as of 01/2/2026
**82% butterfat **SMP = Skim Milk Powder*
****WMP = Whole Milk Powder*
Oceania = New Zealand, Australia

Butter & Cheddar Prices Low; NFDM Supplies Tightening

Chicago Mercantile Exchange Dairy Commodity Prices Wednesday, January 7, 2026

40-lb. Cheddar Blocks	**$1.3650/lb.**
500-lb. Cheddar Barrels	**$1.4000/lb.**
Grade AA Butter	**$1.3225/lb.**
Grade A Nonfat Dry Milk	**$1.2175/lb.**

by Pete Hardin

In November 2025 U.S. milk production showed a gain of 4.7% over that same month one year ago. Note: One year ago, November's milk output fell 0.8% below November '23. Thus the effective gain over two years ago was 3.5% more milk. Even so, USDA's monthly data shows significant milk production gains for many states – some mind-boggling numbers, to be truthful. (See the November 2025 Milk Production data, page 9 this issue.)

All that additional milk supply – particularly since June 2025 — has boosted cheese and butter production. Through November 2025, butter production totaled 2.161 billion lbs. (+6.2%). Surprisingly, USDA's Cold Storage report found butter inventories as of 11/30/25 were actually lower than the same periods for 2023 and 2024. Credit both stronger consumer demand and far higher butter exports in 2025 for keeping butter inventories at manageable levels … at least through November. Butter export volumes were greatly boosted by the fact that U.S. commodity butter prices were valued at $1.00 to $1.50/lb. lower than global prices for summer and fall 2025. (Butter events are detailed on page 4 of this issue.)

Cheese production through November '25 totaled 13.375 billion lbs. That's 2.5% higher than 2024's total for the first 11 months. 2025's cheese volume will set a new record, when the final data are published by USDA. Output for both Cheddar (+4.9%) and Mozzarella (+2.5%) climbed during 2025's first 11 months. Too nicely, for Cheddar, since added volume has plunged prices down into the 1.30s ($/lb.)

Surprisingly, since about Thanksgiving, supplies of nonfat dry milk have been hard to obtain for some buyers. Some suppliers shorted or delayed deliveries. Others replied, "Call me back in January." Both October (-3.2%) and November (-9.8%) fellow below same-month, last year volumes for milk powder production. In fact, through November, those "short" months pulled down 2025's nonfat dry milk total to -0.7% lower than 2024's volume. Some brokers wonder whether nonfat processors may be holding back inventories – hoping to push up prices for the commodity.

Cheddar/Cheese: In November, **Cheddar** production 322.7 million lbs. (+4.7% above November 2024's total). For 2025's first 11 months, Cheddar output was 3.644 billion lbs. (+4.9%). All that volume has pushed down prices at the Chicago Mercantile Exchange (CME). At press time (January 7), CME block Cheddar closed at $1.3650/lb., while 500-lb. Cheddar barrels finished at $1.4000/lb. Inventories of American-style cheese – of which Cheddar is the single biggest variety – were 787.3 million lbs. as of November 30, 2025 … no great concern.

Mozzarella production in November was 415 million lbs. (+7.2%). Jan.-Nov. '25 Mozzarella volume totaled 4.481 billion lbs. That's a nice 2.5% increase over 2024's first 11 months. No inventory data is available for Mozzarella.

Total Cheese production in the U.S. for November was 1.217 billion lbs. (+5.9%). Jan.-Nov. '25 total cheese output was 13.375 billion lbs. (+2/5%). Cheese inventories (aged 30 days or more) were 1.362 billion lbs. That's not a worrisome total.

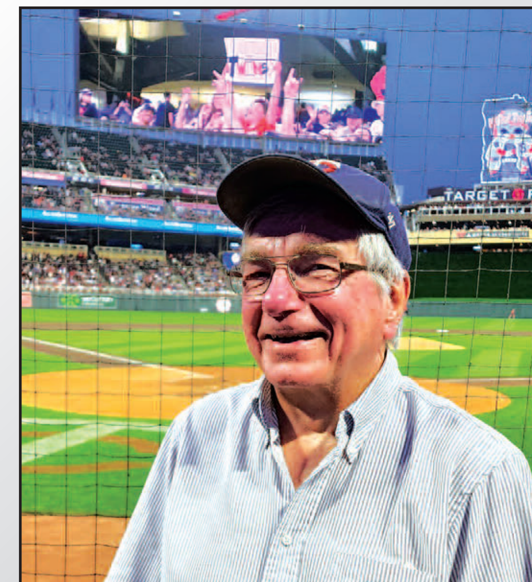
Butter: November **Butter** volume was 179.8 million lbs. (+2.2%). For the first 11 months, 2025's butter output was an astounding 2.161 billion lbs. (+6.2%). Here's a jaw-dropper: From June through October, the monthly average increase for U.S. butter production was 10% above 2024's same period. Butter inventories as of 11/30/25 were a comfortable 210 million lbs.

Dairy Protein Powders: As noted above, November's volume of **Nonfat Dry Milk** fell off the table – down 9.8% (vs. Nov. 2024) to 108,3 million lbs. (Note: That month's decline in nonfat milk coincided with much lower butter production during November.) The best measure of nonfat dry milk inventories comes from the USDA's Dairy Products Report. As of November 30, manufacturers' holdings of nonfat were 198.6 million lbs. – about seven weeks' worth of production.

Skim Milk Powder stays low – only 40.5 million lbs. in November. SMP's 11-month volume was an underwhelming 445 million lbs. (-18.8% below Jan.-Nov. 2024's figure).. SMP is produced for export orders only. No inventory totals are available.

The Whey Complex yielded more **Dry Whey** (11% protein) in November. Dry Whey totaled 63.3 million lbs. that month (+3.7%). Volume of **Whey Protein Concentrate** (up to 80% protein) was 40.8 million lbs. (+3.5%). And **Whey Protein Isolates (90% protein)** totaled 16.3 million lbs. in November – a gain of 15.8% over the year-ago figure. Strong demand for WPI is pushing prices to the $11-$12 per pound price level.

Hungry Farmers, Hungry Consumers



Pete Hardin

Except for beef, no other major U.S. agricultural commodity is currently profitable.

Profits milking cows are non-existent except for organic dairy producers. And tight hay supplies are biting hard into Northeast organic producers' incomes for those who've suffered problematic forage crops in the past two years.

Corn? At $4.35 to $4.50 per bushel, most corn farmers are two to three 25-cent pieces below production costs. Soybean producers face continued uncertainty. Current prices in the $10-something range are about $1.00/bushel below production costs. Further geopolitical tensions (like U.S. arming Taiwan) could again drive the Chinese away from U.S. beans.

Wheat? There's a global glut of inventory, with U.S. prices slightly above $5/bushel. Pork? Demand is getting stronger, both at home and abroad. Purchased feed costs are reasonable for pork producers.

No predictions here regarding the poultry sector, given the opportunity for unforeseen "Black Swan" events (no pun intended) such as avian influenza to dramatically disrupt entire industries. Barring supply disruptions, poultry enjoys definite retail price advantages over beef – perhaps $2/lb.

Back to beef …. Beef profits are primarily enjoyed by the cow-calf operators – ranchers who breed and raise their own young stock, rather than paying $1,000 to $1,500 for week-old calves. It's an act of faith for feedlot operators to pay $1,000 (or more) for a week-old calf … or to shell out nearly $3.50 per pound for a 500-lb. feeder. For at least a year, economists have puzzled how long American consumers' love affair with beef can continue, given food inflation and tighter family economics. Observers note that steakhouses business stays steady. In August 2025, the U.S. average retail price for hamburger was right around $6.50/lb. – an all-time peak.

If they're still buying hamburger, there are lots of folks on a "Hamburger Helper" diet – stretching their food dollars however they may. Food inflation over the past five years has whipsawed both farmers and consumers. It's a good bet that leaner economic times are ahead for most folks, regardless of which side of the farmer/consumer fence they're on.

Speaking of that "fence," back in the 1970s leaders in the U.S. Senate and House forged what's known as the "rural/urban" political alliance. That marriage linked political support for farm and nutrition programs. Some folks in Washington, D.C. now want to sever the rural/urban unity – effectively splitting the elected representatives from farming states away from city folks' politicos who want to maintain food and nutrition programs.

I see several dangers in the $12 billion bailout of U.S. farmers now in the works by the Trump administration. The bailout is supposedly due to losses suffered by grain producers due to lost global markets resulting from the huge import tariffs and other global trade disruptions due to White House policies in 2025. No surprise to these losses of trade and revenue. In 2018-18, similar policies during Trump's first White House tour required a $28 billion bailout of U.S. farmers. What problems?

#1) Early on, it was stated that money gained from tariffs assessed on imports would pay for the $12 billion. That's not necessarily accurate. The U.S. Supreme Court heard arguments in November that the Trump tariffs were illegally enacted, in violation of Congress' powers to set tariffs. The nation awaits a decision from the Supreme Court in 2026.

#2) Only $4 billion remains in contingency funds at the USDA's Commodity Credit Corporation. To pay U.S. farmers the $12 billion by the end of February 2026 (absent a Supreme Court decision), Congress would have to pass a bailout measure. Urban politicians will raise a stink, pointing to the dichotomy about bailing out farmers due to failed administration policies … while at the same time reducing federal financial support for nutrition programs and health care. Some city folks are taking this attitude towards farmers: "You voted for him. Put on your red MAGA hat and live with it." (At the media event announcing the $12 billion bailout proposal, a farmer invited to the meeting thanked Trump, noting that the bailout would let him farm for another year. Unwittingly, that comment is sort of a take-off of the old joke about the farmer who won the lottery's comment: That he'd just keep farming 'til the money was gone.)

3) That's the danger of the proposed $12 billion bailout for farmers. It's likely to split the decades-old, rural/urban political unity. Left to its own political devices, U.S. agriculture's miniscule numbers do not alone carry a lot of political clout.

Entering 2026 we're left pondering the duality of "hungry farmers" and "hungry consumers." USDA Secretary Brooke Rollins continues babbling about a "Golden Era" for agriculture. So far, that "Golden Era" looks like Iron Pyrite — so-called, "Fools Gold."

(By the way, 25% of U.S. farmers were enrolled in the Affordable Care Act – so-called, "Obamacare" … at least until the January 2026 premiums' costs skyrocketed.)

Illegal Chinese "Ice Cream" Sold in Wisconsin

Who can read Chinese? All of the verbiage in this "Summer Lemon Ice Cream" is in Chinese. FDA rules require ingredients lists and other descriptors to be in English.

Pictured above is the list of ingredients from on the package.

The distributor is listed as: OCM Globe, Inc., 333 S. Hacienda Blvd., City of Industry, CA 91745.

Amid the abundance of cream in the United States, it's a puzzle why some "creative" marketer must import "ice cream" all the way from China to sell in America's Dairyland.

In the above paragraph, we put quote marks around the words creative and ice cream … for good reason. First of all, creativity is needed to imagine that this stuff (for lack of a four-letter word) can be called ice cream. Second, this stuff (again, for lack of a four-letter word) IS NOT ICE CREAM.

Two Chinese "ice cream" products – "Grape Flavored Ice Cream" and "Summer Lemon Ice Cream" — were purchased by *The Milkweed* at a Woodman's store in Madison, Wisconsin. Those products were included among several other similar items, but we only bought two, in an effort not to worsen the United States' balance of trade. Price: $3.09 apiece for a paltry, 3 fluid-ounce (90 grams) of "stuff" encased in plastic and paper.

The distributor for the "Grape Flavored" item is OCM lobe, Inc., based in the City of Industry, California. The "Grape-Flavored" product is interesting for both the list of ingredients, as well as the safety warning.

Starting with "Water" (the first ingredient), this product does not conform to the federal Food and Drug Administration's Standards of Identity for ice cream. The only dairy-derived ingredients listed in the "ice cream" portion of the product are Skimmed [sic] Milk Powder and Whey Powder. The "ice cream" portion contains ZERO milk fat – a standard requirement for honest-to-goodness, legal ice cream.

Here's the list of ingredients from the package:

Water, Chocolate Flavor Coating (Palm Oil, Sunflower Seed Oil, Sugar, Whey Powder, Milk Powder, Lactose, Anhydrous Milkfat, Cocoa Butter, Soybean Lecithin, PGPR, FD^C Blue Lake Artificial Flavor), Not-From-Concentrate Grape Juice (Summer Black Grape), Sugar, Nata de Cocoa, Skimmed Milk Powder, Coconut Oil, Maltose Syrup, Apple Juice Concentrate, Whey Powder, Egg Yolk, Citric Acid, Sodium Citrate, Mono- and Diglycerides, Guar Gum, Locust Bean Gum, Carrageenan, FD&C Red No. 40, Carmine (Color), Artificial Flavor.

Perhaps even more disturbing than the ingredients list for the "Grape Flavored Ice Cream" is the warning label conveniently printed on the *bottom* of the package, which reads:

"Warning: Consuming this product can expose you to chemicals, including: lead, cadmium, mercury and arsenic, which are known to the state of California to cause cancer or birth defects and other reproductive harm. For more information, go to:

www.P65Wanings.ca.gov/food"

Egad! Lead, mercury, arsenic, cancer and birth defects all potentially listed on the warning label for a product supposedly as wonderful as ice cream?

Nice that the "Grape Flavored Ice Cream" provided an ingredients label and warning in the English language.

Sam Simon: Farm Kid, Bone Doctor, Dairyman & Marketing Visionary, con't

Continued from page 5

their milk into fluid milk bearing the farmer-owned label? Boice was at first skeptical. But when Simon offered to supply 100% of Boice Brothers' raw milk needs (bumping out Dairy Farmers of America as the supplier), the Boice family agreed.. (Then, as now, Agri-Mark oversees hauling Hudson Valley Farms' owners' milk to the Kingston plant, as well as balancing the approximate 50% of their milk that's not needed at Kingston. Seven of the eight owners are Agri-Mark members. The eighth is a DFA member.)

Sam remembers that when Richard Boice, Jr. off-loaded the first trailer load of Hudson Valley Fresh milk, he was stunned at the new suppliers' milk's sheer white color and quality. (The prior supplier frequently off-load milk with Somatic Cell Counts of 500,000 and upwards.)

The "vision" started slowly …

The first retailer to put Hudson Valley Fresh milk on the shelf was Adams Fairacre Farm, a local food store chain with several locations, the owner of which was a personal friend of Sam's. Sales started glacially — only $36 worth of retail sales during the first week, Sam recalls. On Fridays and Sundays, Sam and Gail offered samples of Hudson Valley Fresh milk for shoppers to taste-test. Volumes grew.

Then, one day at 6:00 a.m., Sam took a phone call in the dairy barn from the owner of Eli's – a New York City-based, upscale food market. The owner – Eli Zabar – had tasted Hudson Valley Fresh milk and wanted to stock it in his store. Zabar heard a cow mooing in the background and was astounded to be talking with a real dairy farmer! Distribution to the city was arranged. Later, Eli's brother. who also owned a food store, signed on to distribute Hudson Valley Fresh products.

In 2019, Hudson Valley Fresh bought the Boice family's interests in the milk plant at Kingston. The current owners have since invested roughly $4 million to upgrade processing and computer technologies. Richard Boice, Jr. continues to be involved at the plant.

Over time, distribution of Hudson Valley Fresh dairy products grew. The Covid-19 period provided an opportunity: the Shop-Rite supermarket chain begged Hudson Valley Fresh to supply milk. Shop-Rite's problem: unionized truck drivers and distribution warehouse workers were not showing up to work. Shop-Rite's dairy cases were empty. Since Hudson Valley Fresh owned its own refrigerated delivery trucks and had its own team of drivers, the firm could deliver. Sam bargained sagely … agreeing where feasible to provide packaged milk to Shop-Rite stores, *if* the chain would continue selling Hudson Valley Fresh products *after* the crisis had passed. Deal. Shop-Rite continues as a major outlet.

Besides its own fleet of trucks and crew of drivers, Hudson Valley Fresh today relies on three distributors: U.S. Foods, Bartlett's Dairy, and McMahons. Distributors' trucks are loaded at the milk plant dock and away they go.

Currently, Hudson Valley Fresh processes and distributes the following dairy products: 4% Whole milk, 1%, 2% and skim. Whole chocolate milk and low-fat chocolate for schools. Additionally, Hudson Valley Fresh's packages 40% heavy cream, sour cream, 16% ice cream mix and five naturally flavored fruit yogurts. Also, eggnog is packaged seasonally. All fluid milk can be packaged in gallon, half-gallon, quart, 14 oz., 8 oz. containers and 250 gallon totes.

Whole Foods is a major customer for Hudson Valley Fresh's bulk containers of Heavy Cream (40% milk fat, not the standard 36%). Contacts at Whole Foods rave about Hudson Valley Fresh cream as an ingredient in baked goods, which stand tall. When asked by a Whole Foods employee why Hudson Valley Fresh's heavy cream allowed baked goods to stand so tall, Sam joked: "Because it's got Viagra in it."

The eight dairy producer/owners of Hudson Valley Fresh are equal shareholders. Those producers' herd sizes vary from small herds milking 40-70 cows up to larger herds milking from 300 to 900 cows. Their compensation at $25/cwt. from Hudson Valley Fresh is determined by the percentage of those eight farms milk sold under the Hudson Valley Fresh label. The remainder of their milk is valued at the standard monthly price by Agri-Mark, which continues as a valuable provider of services. Simon explains that the added income to Hudson Valley Fresh owners is supplemental to their regular milk income … a return on their investment.

Owners of Hudson Valley Fresh must meet strict quality control measures: Raw milk's SCC must measure below 200,000 per ml. And the Standard Plate Count (bacteria) upper limit is 5,000 per m/l. The P.I. count is < 15,000 per ml. From the get-go, Hudson Valley Fresh disallowed use of Monsanto's recombinant bovine growth hormone by its members.

Dr. Sam's wisdom: Healthy cows make healthy milk

Sam's insights regarding human health play a fundamental role as he champions Hudson Valley Fresh milk and dairy products. "Healthy Cows make healthy milk," he asserts. More specifically, he explains that healthy cows' milk (i.e., low SCC) includes good measures of Omega-3 which boost human's immune systems' health. All cows' metabolize Omega-3s, but less healthy cows use Omega-3 for self-healing. In contrast, healthy cows impart amounts of Omega-3s into their milk.

Calcium is one of dairy's most vital nutritional attributes for human health, the retired bone doctor explains. Sam explains that calcium intake is vital from birth to about age 21. After that, hormonal changes in both men and women make it more difficult for the human body to absorb dietary calcium for healthy bone density. In addition to dairy, other good sources of dietary calcium are fish and green, leafy vegetables. Whole milk naturally contains Vitamin D because it is a fat-soluble vitamin. In my opinion, children should be drinking whole milk because Vitamin D is essential to absorb calcium to build healthy bone structure. The federal government has finally reasserted the importance of offering whole milk to school children, Sam cheers.

Sam recites two patients' examples from his career as an orthopedist that correlate the importance of diet and bone density.

The first example: an older fellow born in Italy, who's worked physically hard for many decades as a carpenter and enjoyed a diet full of dairy products. The fellow's hard work also contributed to his amazing bone density, Sam explains. While Sam was replacing that man's knee joint, "the saw was smoking" as it cut through the incredibly dense bone cortex.

Quite the opposite observation occurred when Sam treated a 37-year old woman who'd suffered a broken ankle. Not only was her ankle badly shattered, but the cortex of her tibia and fibula was amazingly thin. "I bet you enjoy dairy products," Sam said, tongue in cheek, to the woman. "No, I only eat tofu," she replied. Sam said that 37-year old had the bone density of an 85-year old woman.

Simon continues championing dairy, noting that there is no cheaper source of complete protein than cow's milk. Regarding plant-based "imitators," he quips: "I never saw an almond with teats."

Sam and Gail sold their milk cows about fifteen years ago but continued to raise dairy heifers and grow crops. But he isn't sitting still. Sam serves as CEO of the Hudson Valley Fresh business.

Dairy is deeply embedded in Sam Simon's bones. Reflecting on his career and the vision that helped create Hudson Valley Fresh, Sam merely took a page from the history of his birthplace — Orange County, New York … and helped blaze a new path for quality, locally-produced dairy products to reach customers in the nearby metropolitan areas. That's just what those Orange County dairy farmers did more than 180 years ago when they began shipping fresh "country milk" by rail to New York City!

Highly Pathogenic Bird Flu found in WI Herd

by Jan Shepel

A dairy farm in Wisconsin has been identified with H5N1 bird flu, the highly pathogenic flu that was first discovered in dairy cattle in early 2024 in Texas and Kansas. The 500-cow dairy in Wisconsin was identified through the official milk-testing program conducted nationally since May 2025. T his was the first bird flu infection – also called HPAI or Highly Pathogen Avian Influenza — in a dairy herd in America's Dairyland.

In May state and federal officials set the goal of testing each farm approximately once every month through already existing milk samples. When Wisconsin reached a milestone called "unaffected Gold Status," testing was reduced to 50%. That's when there was no evidence of the H5N1 bird flu in the state.

But with the finding of the bird flu in the state's dairy herd, testing has been ramped back up to 100% — meaning milk from every dairy farm in the state is tested every month. The testing is done using milk samples that are already collected through existing, routine sampling by industry partners.

According to Wisconsin agriculture officials, more than 28,000 milk samples have been tested in the state as part of the routine testing program. The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) said these tests "represent nearly all licensed dairies in Wisconsin with continuing verifications underway to ensure complete statewide reach."

The farm with bird flu is under quarantine due to the finding, however the operators are still able to ship milk since pasteurization kills the virus that has been detected. The agency announced the Wisconsin dairy farm finding of H5N1 on December 14, 2025. Two tests were used to confirm the virus which was then verified by the National Veterinary Services Laboratories of the USDA.

The latest information from DATCP shows that any lactating dairy cattle must get a negative test for Influenza A at an approved National Animal Health Laboratory Network lab prior to interstate movement and that includes moving to markets or sales barns in Wisconsin from other states. The milk used to do this testing must be collected no more than seven days prior to movement of the cows. Testing is available to producers at no cost through USDA and that includes the services of the Wisconsin Veterinary Diagnostic Laboratory.

Animal health officials in Wisconsin said that since April 2024, when testing of lactating dairy cows was instituted for the movement of state cattle ,there have been 9,046 raw milk samples tested for inter- and intrastate animal movement – such as cows going to fairs and exhibitions. Of those tests, there have been no positives.

Westby Co-op Boosting Organic Base to $44/cwt.

Reflecting the strong consumer demand for organic dairy products … and tight procurement challenges in the Upper Midwest, the Westby Cooperative (Westby, Wisconsin) has informed members of a $6/cwt. boost in their base price, effective January 1, 2026.

That hike raises Westby's base price for organic producers to $44/cwt. That base price is subject to changes for individual producers, due to component levels and quality.

Westby's producers are generally smaller sized dairy farmers, located in the driftless region of the Midwest – hilly terrain along the upper Mississippi River basin. The Westby co-op produces cheese, butter and cultured products under its own label. Additionally, the co-op conducts "co-packing" for other branded products.

Chinese "Ice Cream"

Continued from page 11

The "Summer Lemon Ice Cream" product contains only those four words in English. Otherwise, virtually all other writing is in Chinese. It's a violation of FDA laws not to have the ingredients list and other descriptors on a food products' packaging written in English. The "Summer Lemon Ice Cream" does contain the following website reference: http://www.forestfoods.com.cn

The Milkweed has filed a complaint with the Wisconsin Department of Agriculture, Trade and Consumer Protection regarding the scofflaw Chinese products seemingly improperly labeled as "Ice Cream." In some past instances, when this publication has complained about imported dairy-based products to DATCP, the response has been to pass along the complaint to the FDA. During such interludes between bureaucracies, clearly illegal products continue to be sold to unsuspecting consumers in "America's Dairyland."

"Ice Cream?" Lead? Arsenic? Mercury? Cancer? Birth defects?