



Cheese Market News®

UW-Madison debuts new and revamped Babcock Hall, CDR

By Alyssa Mitchell

MADISON, Wis. — This week, officials from the newly renovated Babcock Hall Dairy Plant and Center for Dairy Research (CDR) on the University of Wisconsin-Madison (UW) campus held tours and a grand opening celebration for media, donors and the public. Events were held over the course of the week to showcase what now is the largest and most advanced dairy research unit in the United States and one of the best in the world.

At a grand opening celebration on Thursday that included donors, fundraising officials, state officials, and current and former staff of UW, Babcock Hall and CDR, Randy Romanski, secretary of the Wisconsin Department of Agriculture, Trade and Consumer Protection, noted this project is a prime example of “getting more done when you’re working together.”

“We would not be here without

the vision and generosity of our dairy industry leaders,” Romanski said. “Thank you for your dedication to the project’s completion and understanding the significance of what this means to the state and our dairy industry. Babcock Hall honors the building’s strong historic roots while ensuring that it’s prepared for the future.”

The event Thursday also featured a “ribbon cutting” using a braided piece of Part-Skim Farmers Rope made by Wisconsin’s own Crave Brothers Farmstead Cheese LLC (*see photo on page 15*).

When it was first constructed in 1951, Babcock Hall was considered a state-of-the-art facility, and it satisfied the needs of the UW Department of Food Science and CDR for several decades. In recent years, however, it became clear that the outdated equipment and limited space could use an upgrade. This latest overhaul remodels the dairy plant and includes a brand-new, three-story addition for CDR. It also provides CDR, which

was established in 1986 and housed in the Babcock Hall Dairy Plant, with the space and equipment it needs to meet its research and outreach mission.

The total square footage of the entire project—including the renovation and addition—is approximately 77,400 square feet. The Babcock Hall Dairy Plant renovation involved around 28,900 gross square feet (GSF), and the CDR addition involved around 48,500 GSF. C.D. Smith Construction led the building construction, and Membrane Process and Controls (MP&C) led the

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USDA raises forecast for cheese and butter price, milk production

WASHINGTON—USDA raised its 2023 milk production forecast on larger expected cow inventory in its latest World Agricultural Supply and Demand Estimates report released this week. USDA now forecasts milk production will reach 228.7 billion pounds in 2023, up 200 million pounds from last month’s forecast.

Fat basis imports for 2023 are raised primarily on the strength of a number of dairy products during the first quarter, USDA says. Imports of casein and milk protein concentrates are expected to remain firm, supporting higher skim-solids basis imports through the year. Expectations of increased competition in butter, cheese, nonfat dry milk (NDM) and whey markets are reflected in lower forecast exports on both a fat- and

a skim-solids basis for 2023.

Cheese and butter price forecasts for 2023 are raised on recent prices, USDA says. Cheese is forecast to average \$1.855 per pound, up from \$1.810 forecast last month, while butter is forecast to average \$2.420, up from \$2.335.

The NDM price forecast is lowered to \$1.165 per pound this month, down from \$1.230 forecast last month. Whey prices are raised to \$0.425 per pound on recent price observations and stronger expected demand, USDA says.

With the changes in component prices, Class III milk prices are projected higher at \$18.25 per hundredweight, while Class IV prices are projected lower at \$18.10, USDA says. The all milk price is projected higher at \$20.65 per hundredweight. *CMN*

FDA issues final order to modify standard of identity for yogurt

WASHINGTON — FDA yesterday issued its final order to modify the yogurt standard of identity final rule, which first was published June 9, 2021. The final rule is effective starting today, and the compliance date is Jan. 1, 2024.

The International Dairy Foods Association (IDFA) issued a statement noting that it is generally pleased with FDA’s decisions leading up to the final rule, and IDFA considers it a win for consumers and yogurt makers.

“Following more than four decades of advocacy from IDFA and formal objections filed by IDFA in July 2021, the FDA announced changes to the 2021 Yogurt Standard of identity (SOI) final rule on Dec. 14 that largely aligned with IDFA’s requested changes and objections,” says Joseph Scimeca, senior vice president of regulatory and scientific affairs for IDFA. “(Yesterday),

FDA issued additional clarity on the final rule that, again, was in line with IDFA’s objections and guidance.”

In response to IDFA’s objections in 2021 and consistent with decades of IDFA guidance to the agency, Scimeca notes that FDA in December 2022 decided to amend the yogurt SOI to:

- Set the minimum, optional fortification of vitamin D at 10% of the Daily Value;
- Permit the use of fat-containing flavoring ingredients, such as coconut flakes or chocolate, in lower-fat yogurt that increase the total fat above the nutrients content claim level related to milkfat content;
- Permit the manufacture of yogurt with milkfat content less than 3.25% but at least 2.44%; and
- Allow the use of all safe and suitable sweeteners, including non-nutritive sweeteners, and provide for clear disclosure of non-nutritive

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NEWS / BUSINESS

Fonterra revises FY23 milk price forecast

AUCKLAND, New Zealand — Fonterra Cooperative Group Ltd. last week revised its 2022/23 season forecast farmgate milk price range from NZ\$8.20-NZ\$8.90 per kilogram milk solids (kgMS) to NZ\$8.00-NZ\$8.60 per kgMS. This reduced the midpoint of the range by 20 cents from NZ\$8.50 to NZ\$8.30 per kgMS.

“Since our last update in February, prices for our products on Global Dairy Trade have either declined or remained flat,” says Fonterra CEO Miles Hurrell. “Skim milk powder prices have fallen 7% since February, and whole milk powder prices have not lifted to the levels assumed in the previous forecast.”

One of the two main drivers behind this is that demand from China for whole milk powder has not yet returned to expected levels. The second driver is Northern Hemisphere

milk production, and therefore skim milk powder stocks, are increasing as they head into the spring flush, Hurrell explains.

“With these factors weighing on demand, prices have not increased to the levels required to sustain a higher forecast farmgate milk price for this season,” he says.

To assist with on-farm cash flow, Fonterra is adjusting its advance rate schedule, which is the proportion of the season’s farmgate milk price paid to farmers each month, to distribute cash earlier to its farmers.

The full-year forecast normalized earnings of 55-75 cents per share remains unchanged. Hurrell says Fonterra remains positive about the outlook for next season and will share its opening 2023/24 farmgate milk price forecast in May. **CMN**

BABCOCK

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plant process construction.

The UW Board of Regents initially approved the remodeling and expansion plan in 2012. Their endorsement included some state building dollars and an expectation for private fundraising to provide matching funds. CDR worked with the dairy industry to quickly raise millions of dollars from donors. Following approval by the Wisconsin State Building Commission in 2013, budget and design considerations delayed the construction until July 2018, when contractors began working on the site.

“We didn’t do it alone,” notes John Lucey, CDR director and UW professor of food science. “Huge credit goes to the donors who helped fund the project and encouraged state officials to support it. Wisconsin’s dairy industry has provided long-term support to CDR, and now we have this exciting new facility that will generate innovations to add more value to our state’s high-quality milk.”

Lucey guided a media tour through the new CDR facilities on Tuesday, while Casey Whyte, Babcock Hall dairy plant manager, guided attendees through the revamped Babcock Hall.

The total cost of the Babcock Hall renovation and expansion project was \$72.9 million, including about \$2 million in equipment donations. Project funding came from private donors, the state of Wisconsin and UW-Madison. Nearly 200 donors — primarily from the state’s cheese industry — fund-raised more than \$18 million to support the project.

Len E. Ivarson, founder of Milwaukee-based Ivarson Inc., made the single largest individual donation of

\$1 million to the renovation project. He was proud to donate his personal pension to this project and see his name on the donor wall before he passed away Jan. 3, 2022, at the age of 92, note his three children, Glenn Ivarson, CEO of Ivarson Inc.; Linda Ivarson, special projects manager at Ivarson; and Erik Ivarson (retired). All three Ivarson children were in attendance at Thursday’s celebration (*see photo on page 15*).

The plant renovation modernized the facility, adding the latest equipment for milk processing, ice cream churning, milk bottling and cheesemaking. The plant also has new freezer space — a larger, single unit — which Whyte notes is a significant upgrade from the old facility’s three smaller freezers.

“It provides a lot of flexibility in how we operate on a day-to-day basis,” he says, noting with a better freezer system, the dairy plant can be more efficient with its ice cream making by making larger batches and allowing employees more time to develop products, including new ice cream flavors.

Each year, CDR works with more than 120 dairy companies and organizations to help them develop new products, troubleshoot production problems and train dairy professionals. CDR staff also work with UW graduate students on research projects designed to drive innovations in dairy products and processing.

Notably, the CDR addition features 10 ripening rooms or “cheese caves,” something that the previous facility did not have, Lucey says. He explains the explosion in growth of specialty cheese in Wisconsin and across the country facilitated a need for this revamped infrastructure.

“My hope for the next 10 or 20 years is that we are doubling the amount of specialty cheese made here in Wisconsin,” he says.

The center also has new equipment for the filtration, concentration, fermentation, separation and drying of milk, enabling CDR staff to work on specialty dairy products from cream cheese to Greek yogurt to whey powder. There’s also a new aseptic line, which is used to produce shelf-stable, dairy-based beverages, further expanding CDR’s research capabilities and possible industry partners.

Additionally, the CDR space features a small-batch butter churn that routinely is used for making test products and for short courses, as well as in classes for undergraduates about butter making.

Now, with a best-in-class facility, Lucey says CDR is looking to accrue best-in-class students and faculty as well.

“Having a world-class facility like this enables us to attract the best people in dairy research — including faculty, staff and students — to Wisconsin, where we are in an ideal location to serve the state’s dairy processing

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YOGURT

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sweeteners on labels where consumers are used to looking for this information in the ingredient declaration.

Additionally, yesterday FDA issued a final order in response to the one remaining IDFA objection related to titratable acidity, which IDFA requested in 2021. As a result, FDA is amending the yogurt standard to eliminate the titratable acidity requirement and only require products to have a pH of 4.6 or lower, measured on the finished product within 24 hours after filling. IDFA explains this will allow for popular “cup-set” yogurts — like many “fruit-on-the-bottom” yogurts — to continue being made and sold, while ensuring the

safety of yogurt.

“The previous iteration of the rule, as written, could have resulted in many of these products being discontinued, along with other styles,” Scimeca says, adding that this week’s final order “ensures predictability in the marketplace for yogurt makers and consumers by keeping popular products on store shelves.”

IDFA will continue to reiterate that FDA’s food standards modernization efforts must continue at a much faster pace in closer collaboration with the industry and other stakeholders, Scimeca says.

“IDFA will continue to push for reform at the FDA to ensure the agency runs a more efficient, transparent, timely operation that effectively responds to industry and to the changing needs of consumers,” he says. **CMN**

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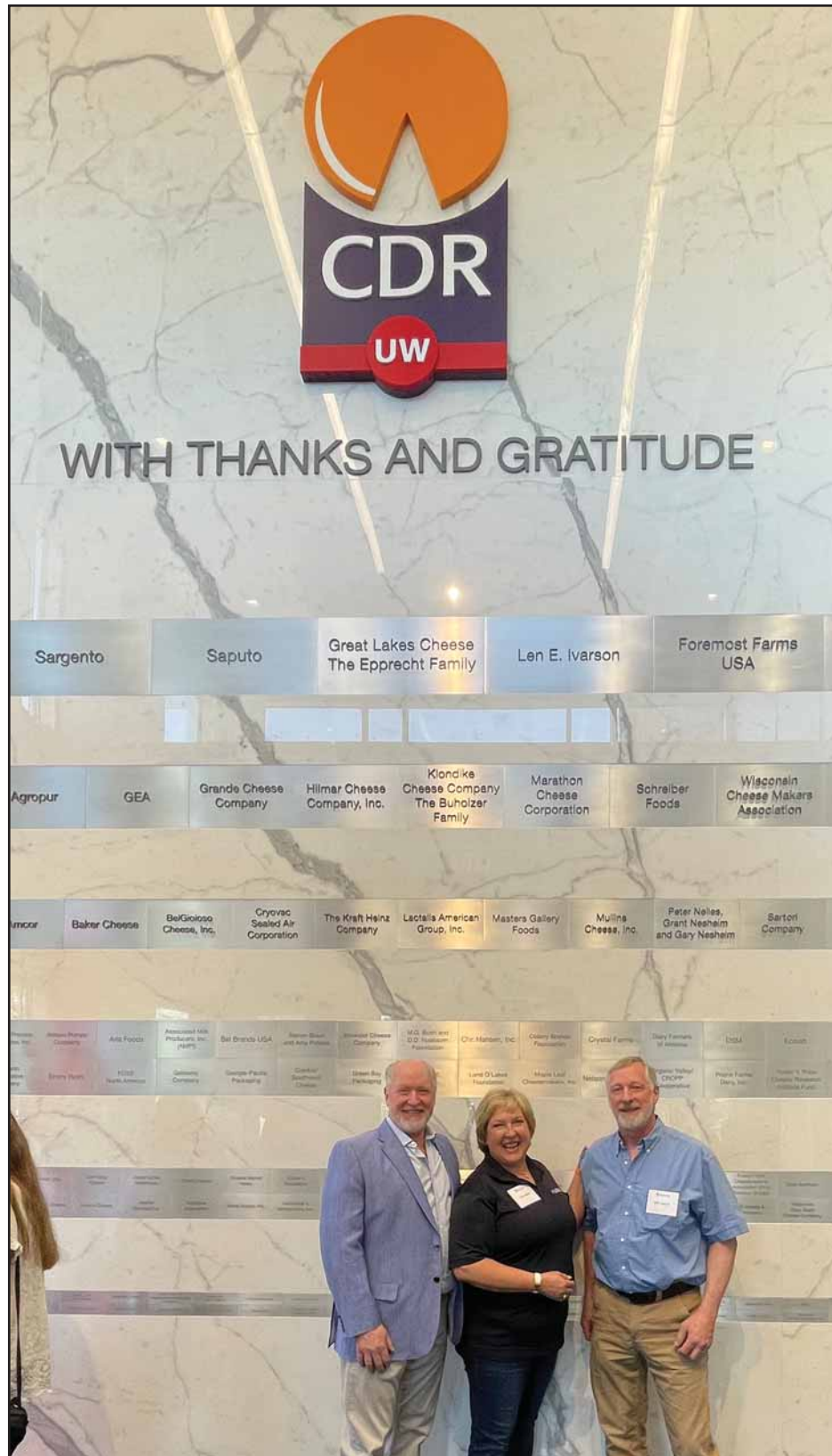


Photo courtesy of Center for Dairy Research



Photos by Susan Quarne/Cheese Market News

RENOVATION CELEBRATION — In an homage to a dedication ceremony for the Wisconsin Center for Dairy Research (CDR) administrative offices in Babcock Hall held in 1987 (top photo), officials recreated cutting a ribbon of braided Part-Skim Mozzarella at Thursday's grand opening celebration for the newly renovated Babcock Hall Dairy Plant and CDR at the University of Wisconsin-Madison. The Part-Skim Farmers Rope was made by Wisconsin's Crave Brothers Farmstead Cheese LLC. Pictured above are, from left, Debra Wendorf Boyke, retired communications officer for CDR; Randy Romanski, secretary of the Wisconsin Department of Agriculture, Trade and Consumer Protection; Lou Gentine, CEO of Sargento Foods; John Umhoefer, executive director of the Wisconsin Cheese Makers Association; and Barb McCarthy, retired from the UW Foundation. The event also celebrated the generous donations of industry leaders who made the renovation project possible, including the late Len E. Ivarson of Ivarson Inc., who made the single largest individual donation of \$1 million to the project before he passed away in early 2022. Ivarson's three children, pictured at right, were in attendance Thursday: from left, Glenn Ivarson, CEO, Ivarson Inc.; Linda Ivarson, special projects manager; and Erik Ivarson, retired.



CDR

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industry," he says.

"There's no limit to the amount of training we can do," he adds, noting that in addition to its regular short courses and training courses, CDR can do custom trainings for specific companies or organizations. One currently is underway for USDA to develop a curriculum to train inspectors.

Looking to the future, much of the equipment in the new facilities is mobile and able to be changed out or upgraded over time — so students and employees can continue to stay on the cutting edge of technological industry developments, Lucey says.

"Some things are wired in place — like our large spray dryer," he notes, "but a lot of the equipment is smaller, on wheels — it's more of a 'plug and play' setup so we can always upgrade as needed. We know things will come along that we don't think about today." **CMN**

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