

New SCC Rules to Ship to Europe

Beginning Jan 1, 2012, the newly approved European Health Certification Program goes into effect. That means that after March 31, 2012, all shipments of dairy products and ingredients requiring a Health Certificate to ship to the European

Union must comply with the updated certification program and an updated Certificate of Conformance must accompany these shipments.

Under the old regulations, a processor shipping to the European Union was able to commingle milk from a number of different farms to come up with a somatic cell count (SCC) below 400,000 cells per milliliter. Somatic cells are white blood cells found in milk that increase in response to bacteria, and thus lower numbers of these cells equate to higher-quality milk.

Under the new rules, every individual farm that supplies milk to a processor whose products or ingredients ship to the European Union will need to comply.

A key difference between U.S. and EU milk regulations is the allowable SCC level in milk. The European Union's SCC is now 400,000 cells per milliliter at the farm level, while the allowable SCC in farm-level milk in the United States is substantially higher at 750,000 cells per milliliter. That will create new and more complicated documentation procedures.

The details

Under the new regulations, milk suppliers, processors, and others applying for EU Health Certificates must maintain records that allow them to trace their product back at least one step in the supply chain. This requirement applies to all dairy products, including dairy ingredients, exported to the European Union.

For dairy products and dairy ingredients that require a Health Certificate, the processors of the products must maintain Certificates of Conformance that confirm the milk used to make exportable products and ingredients has

met the European Union's SCC standard.

To be eligible for export to the European Union, milk will need to be tested at the farm level. Both Grade A and Grade B milk will need compliance documentation for SCC levels and Grade B milk will also require testing for standard plate counts (SPCs), which measure bacteria in raw milk.

Milk suppliers will need to provide processors with

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Ken's Corner



*by Ken Meyers
President, MCT Dairies Inc.*

Earlier this year, the National Milk Producers Federation proposed reducing the maximum SCC in U.S. milk from 750,000 to 400,000 cells per milliliter beginning in 2014, but last spring the National Conference on Interstate Milk Shipments (NCIMS) voted against it. The

vote was close, 26-25, but the delegates rejected NMPF's proposal and instead chose the status quo.

Now that the European Union has tightened its SCC standards, producers and processors will need to begin a costly and time-consuming process of documenting individual farm SCCs if their products eventually ship to the European Union. This could lead to segregating milk and the eventual refusal to pick up milk from noncompliant farms. Wouldn't it have been better if we had owned up earlier to the reality of the marketplace and given ourselves more time?

Undoubtedly the trend toward lower SCCs in milk—both here and abroad—will continue. So why not adopt the EU standard now and improve the overall quality of the U.S. milk supply. That would begin the process of forcing farms with high SCCs to begin lowering them through proven management techniques such as proper milking, well-functioning milking machines, post-milking teat disinfectant, dry cow treatment, and the culling of problem cows.

The U.S. SCC standard has not been improved for nearly two decades. Isn't it time? **MCT**

Butter Building...

As 2011 comes to a close, dairy markets are quiet and stable. Could this be the calm before the storm?

Strong seasonal demand in November resulted in a drawdown of butter stocks of 35.8 million pounds and a 28.8-million-pound reduction in American cheese stocks. However, butter stocks neared 95 million

pounds, 25 million pounds more than in November 2010, and carryover stocks of butter are expected to be 20 to 25 million pounds more than a year ago. American cheese stocks of more than 586 million pounds are 39 million pounds lower than last year. As 2012 approaches, ample carryover stocks of butter stocks will likely prevent price gains like those seen in January 2011. **MCT**

MCT Forecast

	Block*	Barrel*	Class III	Butter*	Class IV	Whey**	NFDM**
Dec	1.6145	1.5810	18.70	1.6090	17.03	0.6550	1.4375
Jan	1.5850	1.5650	16.85	1.5775	16.55	0.6725	1.4050
Feb	1.5900	1.5700	17.00	1.6075	16.25	0.6726	1.3550
Mar	1.6300	1.6100	17.10	1.6500	16.15	0.6600	1.3350
Apr	1.6350	1.6150	17.30	1.6750	16.00	0.6500	1.3250
May	1.6550	1.6350	17.40	1.6800	16.20	0.6300	1.3250

* CME prices.

**NASS prices.

Developing the mean...

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Certificates of Compliance and maintain records of individual farms.

While the new standards go into effect Jan. 1, dairy farms will be given three months to establish a rolling mean SCC to be used in April, the month compliance begins. Grade B farms need to establish initial rolling two-month means for SPC in January and February. This data will then serve as an initial basis for updated Certificates of Compliance under the new program requirements.

Noncompliant farms

When a farm's rolling mean exceeds EU requirements, a milk supplier will need to notify USDA's Agricultural Marketing Service (AMS) and take appropriate measures to bring the farm into compliance. If a farm's rolling mean exceeds 400,000 for three straight months after AMS has been notified, the processor can either refuse to pick up milk from the noncompliant farm or segregate that farm's milk so that it is not used to make products or ingredients that ship to the European Union.

According to recent research published in the *Journal of Dairy Science*, the new rules will affect a large share of U.S. herds, making it more complicated for processors who want to sell products or ingredients to the European Union to find compliant milk.

The researchers analyzed nearly 165,000 tests from nearly 15,000 Dairy Herd Improvement (DHI) herds as well as nearly 326,000 herd tests and 28,000 bulk tank samples from milk marketed in the federal order system.

The researchers considered a herd noncompliant with the new EU standard after four consecutive rolling mean tests came in higher than 400,000 cells per millimeter.

For the DHI samples, 19.1% of the herds with less than 50 cows were noncompliant while 1.1% of the herds with 1,000 or more cows failed to keep SCC counts below the 400,000 level.

Noncompliance was higher in federal milk marketing order herds, with 44.5% of herds shipping less than 900 tons of milk per year considered noncompliant and 8% of herds shipping more than 9,000 tons failing to meet the new standard. **MCT**



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