

WESTERN UNITED DAIRIES

WEEKLY UPDATE | JANUARY 3, 2023

Happy New Year

2023–24 Legislative Session Kicks Off

By WUD Government Affairs Team

Happy New Year from the WUD Government Affairs Team. Today, WUD along with our advocacy partners in organized labor, represented by the Teamsters Public Affairs Council, [submitted a letter](#) to the members of the Senate Climate Working Group highlighting dairy sustainability issues; including the industry's efforts to help achieve the nation's strongest climate goals of reducing methane emissions by 40% by 2023 and the importance of California-produced dairy products in ensuring access to nutrition for school-aged children and those who are experiencing food insecurity.

With the reconvening of the 2023–24 Legislative Session on January 4, WUD will be kicking off an advocacy campaign between our organizations and Senators highlighting dairy sustainability and public health issues. WUD's advocacy team in Sacramento has learned that lobbying organization called "Leadership Council for Justice & Accountability" – who is openly critical of dairy farming is hosting a briefing later this month with Senators to discuss environmental sustainability issues. WUD is engaged on these events and is talking to key Senators today about California-produced dairy products and our industry's role in leading the nation in environmental sustainability and meeting increasing market demands for California dairy products here and around the world. Dairies that will be subject to a drive-by "tour" portion of the meeting will be located around the Planada region in the Central Valley.

Have Your Photo Featured at the World Ag Expo!

We're seeking WUD member photos of dairying in the past to feature in the Western United Dairies booth at the World Ag Expo. These photos can include family pictures, operations, and dairy life. To submit your photo, email allison@wudairies.com

Weekly Update Delivery Options

Send change of address or request for delivery to WUD by phone or email at:
(209)527-6453
info@wudairies.com

Struggling with Depression?

Call 1-800-784-2433 any time, 24x7, for a live, trained person to talk with or to find local resources.

LUC: Lecheros Unidos de California

Western United Dairies is proud to host LUC, a clearinghouse of resources to assist in all aspects of searching for and hiring employees for your dairy.

LUC services are offered in Spanish & English & include:

- Free advertisement of job postings to a wide audience of potential employees
- Phone call interviews with translation services
- Access to a pool of pre-screened employees with dairy experience

For more information, visit:
westernuniteddairies.com/lecheros-unidos

Lecheros Unidos is Back

Please be advised that our Lecheros program is back open to help out Members find employees. So if you have spots to fill you can give us a call at our office number 209.527.6453 and ask for Rashell or you can also find the link below where you can fill out your need request questionnaire and email it back to us at rashell@wudairies.com and we will work on getting your position filled as soon as possible. <https://lecherosunidos.com/employer-questionnaire/>.

Flooding Resources for Dairy Producers

While the prediction of additional rainfall this week in our drought-ravaged state is welcome, it may present challenges for some producers. Some dairymen may be having to address mud management, something they haven't had to deal with in more than four years. Some facilities, particularly in flood prone areas or protected by state or private levies, may merit additional water quality management and/or emergency planning. Below are some tips and links for producers as we await additional precipitation.

Mud Management for Dairy Producers

Local flooding and ponding on the farm is a manageable problem. Dairy cattle housed in extremely muddy pens for long periods experience a decrease in production and an increase in disease. Most corrals can be maintained throughout the year with attention to corral slope, rain water diversion and regular scrapping. Correcting mud problems during the winter however can be difficult, after the soil has been saturated by rain. During a true emergency producers may need to stabilize soil with wood chips, gravel, road base, or provide alternative travel paths in order to keep cattle moving to their feed bunks. CDQAP has produced a webpage [Managing Mud on Dairies](#) which details the most cost-effective management options available to producers.

Water Quality Management for Dairy Producers

During periods of heavy rainfall and associated runoff, it is critical to remember that any rainfall that contacts dairy manure (liquid and/or dry) or silage leachate must be maintained on your property and diverted to the pond for collection. In the unfortunate circumstance an offsite discharge it is advised and required that producers contact their Regional Water Quality Control Board within 24 hours and follow-up with a written report of the incident within 2 weeks.

(continued on page 3)

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(continued) Flooding Resources for Dairy Producers

The dairy's Nutrient Management Emergency Plan developed in CDQAP classes and located in your binder provides key contact information for site-specific contacts for your dairy depending on the type of discharge. In addition to your environmental consultant and/or field representatives, these include the local Sheriff's Office, County Use Permit Office, Regional Water Quality Control Board, and local Fish and Game Warden. A [previous article](#) prepared by Dr. Deanne Meyer addresses preparing for heavy winter storms.

Flooding Emergencies for Dairy Producers

Unlike localized farm flooding, facility inundation (due to catastrophic flooding from creeks and rivers or levy failure) is extraordinarily rare. The [Farm's Emergency Response Plan](#) (a document required by the F.A.R.M program) can be invaluable in those situations. In addition, CDQAP and the University of California–Davis have produced a brochure [Flooding and Livestock Owners](#) for producers preparing for or facing an extreme flooding event. A dairy-specific emergency flood [dairy evacuation checklist](#), reviewed by the California Department of Food and Agriculture, is available.

Using FEMA Maps to Determine Your Flood Risk

One quick, easy resource to help determine what your flood risk is, as well as potential evacuation routes, is the FEMA Flood Map Service Center at www.msc.fema.gov/portal/search.

- Simply enter your farm's actual location into search box and click "search".
- The portal gives you several options for viewing, but the easiest option to click for the "Interactive Map" display.
- You will be directed out of the current page to the interactive site.
- It may take some time to load your map. You may also have to zoom in or out of the map display before you get something that looks like the map below.
- The example below shows a typical result (this one of a large equine confinement facility) with the blue shading indicating an area having a 1% (1-in-100-chance) of flooding every year.
- This blue-shaded area is sometimes (inaccurately) referred to as a "100-year" flood plain, but is rather the equivalent of a 26% chance of experiencing flooding during any 30-year period, such as a standard home mortgage.
- The FEMA flood map does not tell you how severe the flooding might be; for example, whether the water will be one foot or six feet deep, or what the speed of the current of the floodwaters will be. This will depend the local topography, the amount of precipitation and duration of rainfall.

[READ CALIFORNIA DAIRIES: COPING WITH FLOOD & EVACUATION](#)

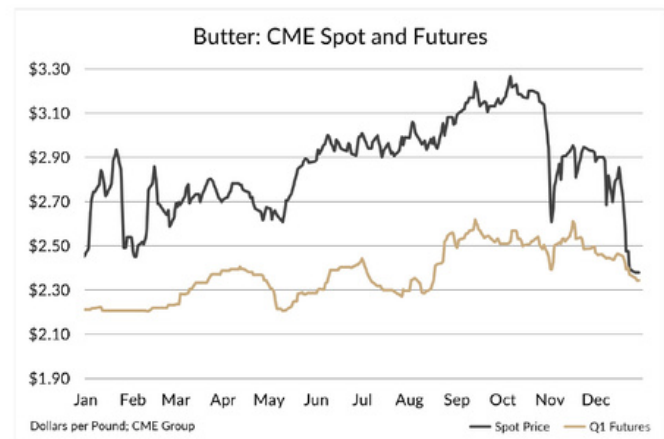
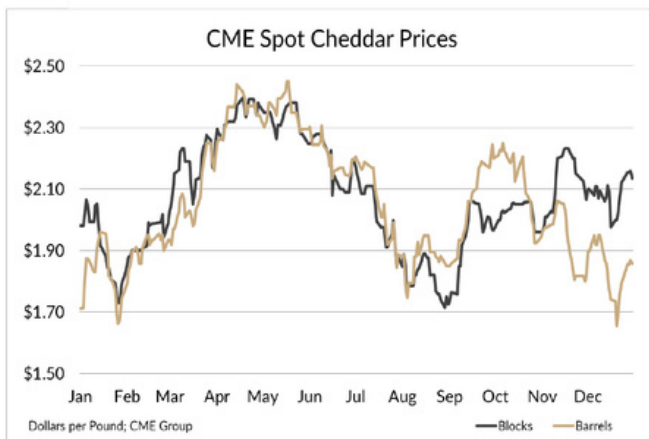
[CDQAP December 2022 Newsletter: Year in Review](#)

[SEE NEWSLETTER](#)

WEEKLY MARKET UPDATE


CME blocks and barrels markets climbed during the short holiday week in a last burst of end-of-year trading. For 2022, blocks averaged \$2.07 per pound with barrels at \$2.05—the highest levels since 2014. The block-barrel spread averaged two cents.

- Despite the rise in cheese prices, first quarter Class III futures slipped on the week. The 2023 forward curve now averages \$19.39 per hundredweight. That’s down more than \$2.50 from 2022, when Class III prices averaged just shy of \$22.00 per hundredweight.
- On the Class IV front, 2023 futures project \$19.98 per hundredweight. That compares to a near \$24.50 average in 2022.
- After falling sharply the week before, the butter market was largely quiet in Chicago. Spot butter slipped slightly early on, then held steady.
- Global milk powder demand remains soft. While healthy volume changed hands at the CME, spot NDM prices ticked up less than a penny on the week.
- Eyes continue to watch weather reports out of South America and anxiety about crops there sent nearby soybean futures up more than 40 cents on the week. Corn also rose, but at a slower pace.
- If you haven’t already signed up, the deadline for the Dairy Margin Coverage (DMC) program was extended to January 31st. At this point, current futures levels for milk and grains are expecting payments for a good portion of 2023. Keep an eye on estimates provided in the table below. Producers should consider enrolling up to 5 million pounds at the \$9.50 margin level for Tier 1 at a cost of \$0.15 per hundredweight. Production beyond 5 million pounds can be covered in Tier 2 at the \$4.00 margin for no additional cost.



Dairy Revenue Protection Program		
Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
April - June 2023		
Class III	\$19.00	\$18.05
Class IV	\$19.75	\$18.77
July - September 2023		
Class III	\$19.83	\$18.84
Class IV	\$20.29	\$19.28
October - December 2023		
Class III	\$19.89	\$18.89
Class IV	\$20.49	\$19.47
January - March 2024		
Class III	\$19.32	\$18.35
Class IV	\$18.38	\$17.46
April - June 2024		
Class III	\$19.15	\$18.19
Class IV	\$17.90	\$17.01

*As of 12/30/22 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
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CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Dec-26					
Dec-27	\$2.1550	\$1.8550	\$2.3800	\$1.3300	\$0.3950
Dec-28	\$2.1550	\$1.8550	\$2.3800	\$1.3375	\$0.4000
Dec-29	\$2.1600	\$1.8675	\$2.3800	\$1.3350	\$0.4050
Dec-30	\$2.1350	\$1.8575	\$2.3800	\$1.3350	\$0.4150
Average	\$2.1513	\$1.8588	\$2.3800	\$1.3344	\$0.4038
Weekly Change	0.0125	0.0625	-0.0150	0.0050	0.0300

Order 51: Latest Prices					
	Sep	Oct	Nov	Dec	Jan
Class I LA	\$25.92	\$25.01	\$26.39	\$24.88	\$24.71
Class II	\$26.51	\$25.73	\$24.67		
Class III	\$19.82	\$21.81	\$21.01		
Class IV	\$24.63	\$24.96	\$23.30		
PPD	\$1.98	\$1.07	\$1.34		
Blend: LA*	\$21.80	\$22.88	\$22.35		
Blend: Tulare*	\$21.30	\$22.38	\$21.85		

*Does not include Quota Deduction

USDA Dairy Margin Coverage (per CWT)					
	Month	All Milk	Feed	Margin Estimate	Indemnity Estimate @ 9.50 Margin
2022 Program	Jul-22	\$ 25.70	\$ 15.78	\$ 9.92	\$ -
	Aug-22	\$ 24.30	\$ 16.22	\$ 8.08	\$ 1.42
	Sep-22	\$ 24.40	\$ 15.78	\$ 8.62	\$ 0.88
	Oct-22	\$ 25.90	\$ 15.19	\$ 10.71	\$ -
	Nov-22	\$ 24.93	\$ 13.80	\$ 11.12	\$ -
	Dec-22	\$ 24.03	\$ 14.93	\$ 9.11	\$ 0.39
2023 Program	Jan-23	\$ 22.41	\$ 15.07	\$ 7.35	\$ 2.15
	Feb-23	\$ 21.51	\$ 14.79	\$ 6.72	\$ 2.78
	Mar-23	\$ 21.12	\$ 14.51	\$ 6.61	\$ 2.89
	Apr-23	\$ 21.07	\$ 14.47	\$ 6.60	\$ 2.90
	May-23	\$ 21.13	\$ 14.43	\$ 6.70	\$ 2.80
	Jun-23	\$ 21.29	\$ 14.03	\$ 7.26	\$ 2.24
	Jul-23	\$ 21.43	\$ 13.97	\$ 7.46	\$ 2.04
	Aug-23	\$ 21.89	\$ 13.65	\$ 8.24	\$ 1.26
	Sep-23	\$ 22.28	\$ 13.30	\$ 8.98	\$ 0.52
	Oct-23	\$ 22.61	\$ 13.13	\$ 9.48	\$ 0.02
	Nov-23	\$ 22.82	\$ 13.07	\$ 9.76	\$ -
	Dec-23	\$ 22.60	\$ 13.00	\$ 9.60	\$ -

Estimates only. As of 12/30/22 and based on futures markets which can change daily.

