WESTERN UNITED DAIRIES

WEEKLY UPDATE | MAY 16, 2023

WUD Protecting CA Dairy Families - Fights Radical Anti-Animal Ag Legislation

WUD is heavily engaged in Sacramento fighting a new bill that would provide a **NEW RIGHT OF ACTION** to any group of 20 citizens forming a Society for the Prevention of Cruelty to Animals (SPCAs) to bring a civil complaint alleging a violation of "*any law relating to or affecting animals*." AB 554 seeks to allow any citizen to sue a dairy farmer or beef rancher based on alleged animal cruelty in a civil court -rather than a criminal setting.

The Animal Legal Defense Fund (the bill sponsor) claims that "commonplace, standard industry practices" within the livestock industry which are "perfectly legal" constitute "cruelty." This bill enables ALDF to pursue its definition of "cruelty" in the civil courts – a strategy to harass or outright eliminate animal agricultural production, fairs, accredited zoos, rodeos, and other activities where animals are present in California.

Animal welfare is paramount to WUD, the California dairy industry, and all of our Barnyard coalition organizations who have banded together in opposition to this bill. California has the highest animal welfare standards in the nation. We believe those who abuse or neglect animals should be prosecuted to the fullest extent of the law – in criminal court where an unbiased prosecutor vets claims of animal abuse alleged by an SPCA.

AB 554 is headed to the floor of the Assembly. Please help WUD elevate your voice in the capitol by visiting our website and filling out a letter to your Assembly representative!

Advanced Clean Fleets Regulation Update

By Paul Sousa, Director of Regulatory and Environmental Affairs

The California Air Resources Board (CARB) recently adopted its Advanced Clean Fleets (ACF) regulation to accelerate the move to zero-emissions trucks. This follows the adoption of the related Advanced Clean Trucks regulation in March of 2021, which required truck manufacturers to sell a growing percentage of zero-emissions trucks in California.

(continued on page 3)

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 Depresssion?

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**

REMINDER

Upcoming Events & Resources

USDA Disaster Resources

USDA / CDFA Disaster webinars and resources can be found on our website.

LEARN MORE

CDQAP-CDRF Workshop on the New CDFA Dairy PLUS+ Program

Monday, May 22
10 a.m. – 12 p.m.
Registration will be required.

LEARN MORE

Tulare County Flood Relief Aid

Do you have expenses from flood work that you'd like the County to potentially include in a reimbursement package that the irrigation or conservation districts didn't cover?

Please reach out to Supervisor Larry Micari at (559) 799-3654

Producer Review Board (PRB) Meeting

May 25th, 2023
10:00 am – 12:00 pm
Stanislaus County Ag Commissioner's Office

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(continued) Advanced Clean Fleets Regulation Update

The ACF rule requires certain fleets to purchase zero-emissions trucks based on milestones or vehicle life options. It also mandates that manufacturers may sell only zero-emission medium- and heavy-duty vehicles starting in 2036. Below is an excerpt from an ARB factsheet on which fleets would be affected by the proposed ACF rule before its final adoption:

Electric truck used to deliver milk from plant to store.

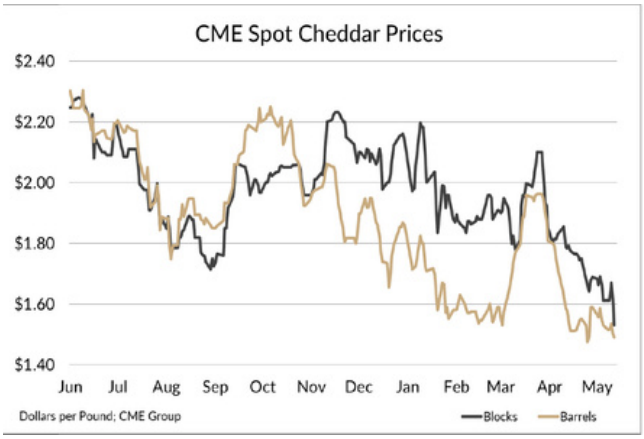
> "The proposed regulation would apply to fleets performing drayage operations, those owned by State, local, and federal government agencies, and high-priority fleets. High-priority fleets are entities that own, operate, or direct at least one vehicle in California and that have either $50 million or more in gross annual revenues or that own, operate, or have common ownership or control of a total of 50 or more vehicles (excluding light-duty package delivery vehicles). The proposed regulation would affect medium- and heavy-duty on-road vehicles with a gross vehicle weight rating greater than 8,500 pounds, off-road yard tractors, and light-duty mail and package delivery vehicles."

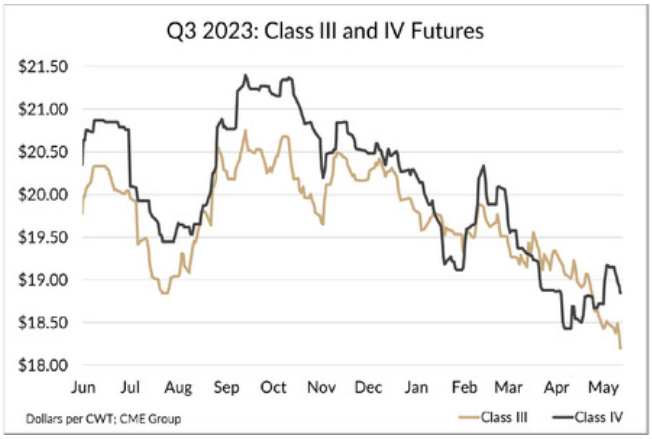
For existing trucks, the rule requires the retirement of trucks that have reached their full use, which is defined as the earlier of 18 years or 800,000 miles. In addition to the trucks themselves, this rule will require a huge investment in charging and electrical infrastructure. Dairy farms are not likely to be directly affected by the rule in the short term, but the fleets that support our farms will. Companies that haul milk and feed will have to find a way to comply with ACF while cost-effectively moving products on and off our farms. The significant impacts of this rule remain to be seen. •

WEEKLY MARKET UPDATE

Volatility continues in CME cheese markets, with prices jumping, then tumbling to end the week lower. Blocks settled at the lowest price since July 2021. Trading volume also remains high as more product finds its way to Chicago.

- Third quarter Class III futures followed cheese markets lower, settling at $18.20 per hundredweight, 26 cents lower on the week.
- Amid ample cream supplies and ho-hum demand, spot butter prices declined week-over-week.
- WMP prices at the latest GlobalDairyTrade Pulse event settled at $1.44 per pound, up 2.3% compared to the previous Pulse, but down 1.2% versus Contract 2 at the most recent main auction. Meanwhile, spot NDM slipped lower on the week.
- In the latest *World Agricultural Supply and Demand Estimates* report, USDA pegged 2023-24 corn and soybean ending stocks at 2.222 billion bushels and 335 million bushels, respectively. Both were at the high end of pre-report predictions. Production and yield estimates were also either at or above predictions.
- As of May 7, soybean planting was 35% complete, up from 19% the previous week, 11% last year and 21% on the five-year average. Corn is also moving ahead, with 49% planted. That compares to 26% the week before, 21% in 2022 and the five-year average of 42%.
- Speedy planting and a bearish WASDE report put pressure on nearby grain futures, which tumbled on the week.
- Consumer prices continue to rise, though the pace is slowing. In April, inflation climbed 0.4% on the month and +4.9% year-over-year. While restaurant prices increased 0.4% on the month, grocery prices decreased on a monthly basis, down 0.2% versus March.





Dairy Revenue Protection Program

	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
July - September 2023			
Class III	$18.20	**$17.29**	$0.18
Class IV	$18.85	**$17.91**	$0.19
October - December 2023			
Class III	$19.15	**$18.19**	$0.32
Class IV	$19.54	**$18.56**	$0.37
January - March 2024			
Class III	$18.48	**$17.56**	$0.39
Class IV	$19.16	**$18.20**	$0.52
April - June 2024			
Class III	$18.44	**$17.51**	$0.47
Class IV	$18.76	**$17.83**	$0.59
July - September 2024			
Class III	$18.26	**$17.35**	$0.53
Class IV	$18.15	**$17.24**	N/A

*As of 5/12/2023 for 95% coverage, 1.0 Protection Factor

EverAg
Tiffany LaMendola
209.768.6313

CME Commodity Prices

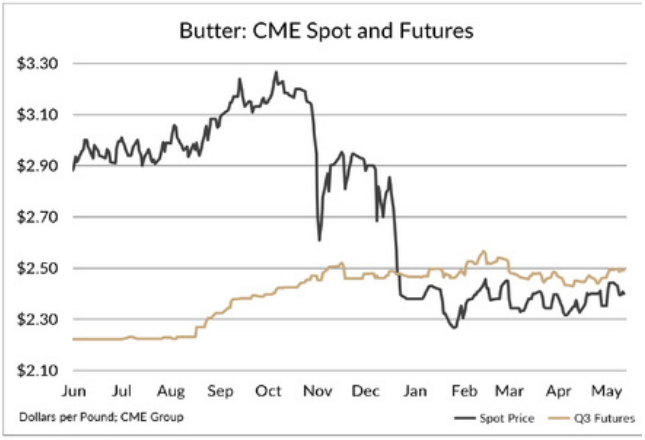
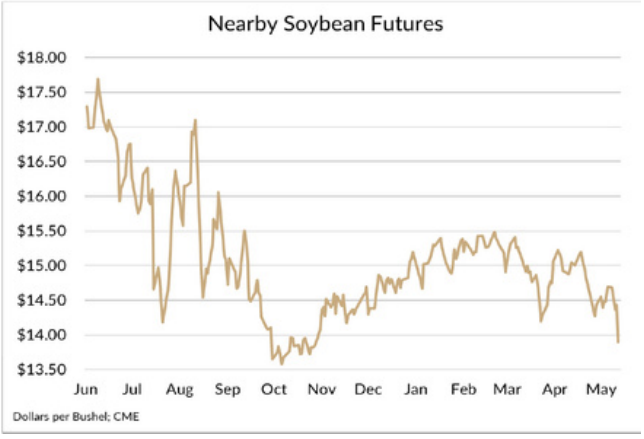
	Blocks	Barrels	Butter	NDM	Dry Whey
May-08	$1.6125	$1.5150	$2.4300	$1.1975	$0.3275
May-09	$1.6125	$1.5150	$2.3950	$1.1800	$0.3125
May-10	$1.6700	$1.5350	$2.3950	$1.1800	$0.3025
May-11	$1.6175	$1.5025	$2.4075	$1.1700	$0.3000
May-12	$1.5300	$1.4900	$2.4000	$1.1700	$0.3025
Average	**$1.6085**	**$1.5115**	**$2.4055**	**$1.1795**	**$0.3090**
Weekly Change	**-0.0825**	**-0.0400**	**-0.0450**	**-0.0275**	**-0.0250**

Order 51: Latest Prices

	Jan	Feb	Mar	Apr	May
Class I LA	$24.71	$23.08	$21.29	$21.15	$21.87
Class II	$21.61	$20.83	$19.52	$19.20	
Class III	$19.43	$17.78	$18.10	$18.52	
Class IV	$20.01	$18.86	$18.38	$17.95	
PPD	**$1.07**	**$1.32**	**$0.69**	**$0.10**	
Blend: LA*	**$20.50**	**$19.10**	**$18.79**	**$18.62**	
Blend: Tulare*	**$20.00**	**$18.60**	**$18.29**	**$18.12**	

*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	$ 25.60	$ 14.71	$ 10.89	$ -
	Dec-22	$ 24.70	$ 14.94	$ 9.76	$ -
2023 Program	Jan-23	$ 23.10	$ 15.16	$ 7.94	**$ 1.56**
	Feb-23	$ 21.60	$ 15.41	$ 6.19	**$ 3.31**
	Mar-23	$ 21.10	$ 15.02	$ 6.08	**$ 3.42**
	Apr-23	$ 20.78	$ 14.25	$ 6.53	$ *2.97*
	May-23	$ 19.47	$ 13.71	$ 5.77	$ *3.73*
	Jun-23	$ 19.38	$ 13.47	$ 5.91	$ *3.59*
	Jul-23	$ 19.87	$ 12.90	$ 6.98	$ *2.52*
	Aug-23	$ 20.72	$ 12.42	$ 8.30	$ *1.20*
	Sep-23	$ 21.52	$ 11.91	$ 9.61	$ -
	Oct-23	$ 22.10	$ 11.81	$ 10.30	$ -
	Nov-23	$ 22.46	$ 11.79	$ 10.67	$ -
	Dec-23	$ 22.30	$ 11.76	$ 10.53	$ -

Estimates only. As of 5/12/2023 and based on futures markets which can change daily.