

WESTERNUNITEDDAIRIES

WEEKLY UPDATE | JUNE 27, 2023

4th of July Schedule

Our office will be closed Monday, July 3rd – Tuesday, July 4th. We will not have a newsletter next week but will resume on July 11, 2023.

In an emergency, please call us at 209-541-6773, or contact our Field Reps: Allison Tristao at (559) 920-2218 or Kyle Lutz at (707) 845-0348.

LANDFLEX REMINDERS

LAST CALL FOR PHASE 2 APPLICATIONS

The Grower Portal closes Wednesday, June 28th at 5pm.

Growers in Pixley Irrigation District GSA, Lower Tule River Irrigation District GSA, Mid-Kaweah GSA, or Westlands Water District GSA are eligible to apply.

For questions about LandFlex or the application, reach out to Allison Tristao at allison@wudairies.com or your GSA.

APPLY TODAY

PHASE 1 CONTRACTS DUE FRIDAY 6/30

All grower contracts for Phase 1 are due back to your GSAs (**Madera, Greater Kaweah, and Eastern Tule**) by **June 30th**.

If you have questions about your contracts, please reach out to your GSA or Anja Raudabaugh at anja@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

Livestock Manure Methane Funding

By Paul Sousa, Director of Regulatory and Environmental Affairs

Another round of manure methane funding is imminent. The California Department of Food and Agriculture's (CDFA) Alternative Manure Management Program (AMMP) and the Digester Research and Development Program (DDRDP) have become familiar to most dairy farmers. This year they are joined by the Dairy Plus Program, [which I wrote about recently](#). These programs aim to reduce the emissions of methane from manure stored in lagoons to help the State meet its climate goals. However, the Dairy Plus Program, which comes from a USDA grant awarded to the California Dairy Research Foundation, has an added goal in that it also seeks to improve water quality along with reducing methane emissions. This is important considering the water quality changes that lie ahead.

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New on Seen & Herd: Nutrient Rich – Unveiling the Benefits of Dairy

On the latest episode of the *Seen and Herd* podcast, Allison Tristao interviews Amy DeLisio, CEO of the Dairy Council of California, who discusses the importance of dairy nutrients. Amy introduces the "Dairy Matrix," a combination of essential nutrients and bioactive compounds in dairy products. DeLisio also touches on the Mobile Dairy Classroom program, bringing live cows to schools to teach children about food sources and dairy production.

The Dairy Council is celebrating June Dairy Month, including partnerships with the 49ers, PSA campaigns, activation kits, social media efforts, classroom taste-teaching sessions, nutrition webinars, and farmer and processor recognition. Amy invites all *Seen and Herd* listeners to visit the Dairy Council's website, follow them on social media, and join the Let's Eat Healthy Initiative for resources and partnership opportunities.

For questions about the episode, email Allison Tristao at allison@wudairies.com. Listen to the episode at wudairies.com.



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(continued) Livestock Manure Methane Funding

Central Valley dairies will see changes in how water quality is addressed over the next several years due to the newly formed Nitrate Management Zones and upcoming revision to the dairy general order. Wise dairy producers will take this opportunity to address both methane and water quality issues with this grant funding.

The goal of the DDRDP is to capture manure methane in a digester and use it as renewable energy. AMMP aims to reduce the amount of manure going into the lagoon, thereby reducing the production of methane. The Dairy Plus Program aims to reduce the amount of manure going into the lagoon or treat that manure to reduce methane emissions and improve water quality.

Applicants to the DDRDP work with a digester developer, who designs the project and completes the application. For AMMP, typically a Technical Assistance Provider helps with the application as most vendors of AMMP technology are not versed in the application process. For the Dairy Plus Program, it is going to be somewhere in the middle. I have talked to some of the Dairy Plus technology providers, and they are interested in some help, but they also want to be involved in the application.

I am once again assisting dairies that want to apply for AMMP and now the Dairy Plus Program. I have a list of dairies that have already expressed interest in having me help them with their application, but I have room for a couple more. If you are interested in applying for funding under one of these programs the time to get started is now. If you have questions or would like talk through your ideas for these programs reach out to me at the WUD office or paul@wudairies.com.



Helping our Members Prosper



LOCAL AGRICULTURE FINANCING

MODESTO
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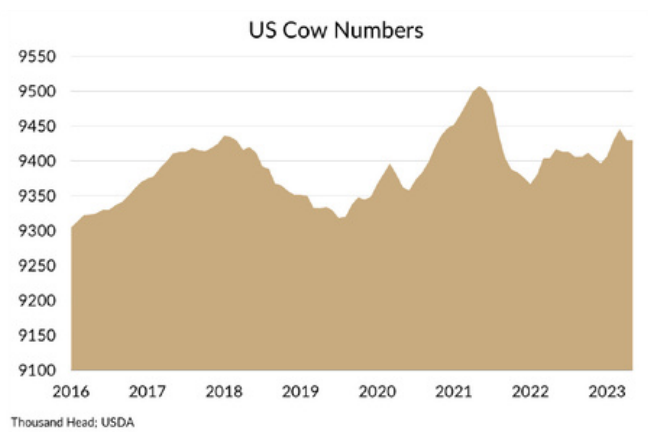
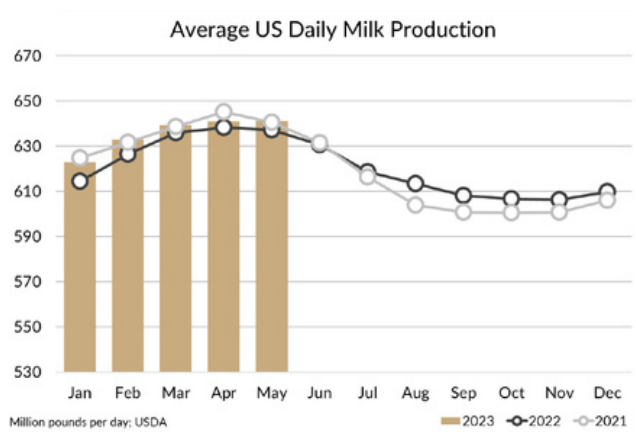
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DAIRY LOANS • ORCHARD DEVELOPMENT • LAND PURCHASES • CROP LOANS • EQUIPMENT LOANS

WEEKLY MARKET UPDATE

According to USDA, US milk output totaled 19.9 billion pounds in May, up 0.6% on the year and ahead of expectations. While California's production declined 0.7%, that was the state's best performance in three months.

- The US dairy herd reached 9.43 million head in May, unchanged on the month and up 13,000 head on the year. Cow numbers in California totaled 1.72 million head, down 1,000 head versus April and -3,000 head year-over-year.
- USDA announced award details for a cheese solicitation, with plans to buy 38 million pounds between October 2023 and June 2024. If purchased evenly, that's about 4.3 million pounds per month. While supportive, it's not likely to move markets.
- The latest *Cold Storage* report showed total cheese stocks at 1.49 billion pounds in May, up 1.5% (+22 million pounds) month-over-month, but down 1.5% (-22 million pounds) versus 2022.
- Butter stocks, on the other hand, leapt higher in May, totaling 367 million pounds. That was up 10.6% (+35 million pounds) versus April and +14.0% (+45 million pounds) year-over-year.
- New Zealand's milk powder prices slipped last week as China picked up less product. That put pressure on US nonfat dry milk, which settled lower on the week.
- Weather remains a concern in grain growing regions, with reports showing significant swaths under "abnormally dry" or drought conditions. Dryness is already weighing on the corn crop, with just 55% rated good or excellent as of June 18, the lowest in over 10 years. Similarly, just 54% of soybeans were pegged as good or excellent.



Dairy Revenue Protection Program

	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
October - December 2023			
Class III	\$18.19	\$17.28	\$0.28
Class IV	\$18.62	\$17.69	\$0.28
January - March 2024			
Class III	\$18.03	\$17.13	\$0.36
Class IV	\$18.58	\$17.65	\$0.41
April - June 2024			
Class III	\$18.03	\$17.13	\$0.39
Class IV	\$18.59	\$17.66	\$0.41
July - September 2024			
Class III	\$18.05	\$17.15	\$0.44
Class IV	\$18.15	\$17.24	\$0.49
October - December 2024			
Class III	\$18.06	\$17.16	N/A
Class IV	\$18.15	\$17.24	N/A

*As of 6/23/2023 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
209.768.6313

CME Commodity Prices

	Blocks	Barrels	Butter	NDM	Dry Whey
Jun-19					
Jun-20	\$1.3775	\$1.5100	\$2.3500	\$1.1550	\$0.2700
Jun-21	\$1.4000	\$1.5100	\$2.3475	\$1.1500	\$0.2675
Jun-22	\$1.4100	\$1.5075	\$2.3800	\$1.1425	\$0.2650
Jun-23	\$1.4050	\$1.5000	\$2.4200	\$1.1325	\$0.2650
Average	\$1.1185	\$1.2055	\$1.8995	\$0.9160	\$0.2135
Weekly Change	0.0300	-0.0250	0.0550	-0.0250	-0.0100

Order 51: Latest Prices

	Mar	Apr	May	Jun	Jul
Class I LA	\$21.29	\$21.15	\$21.87	\$20.31	\$19.62
Class II	\$19.52	\$19.20	\$19.11		
Class III	\$18.10	\$18.52	\$16.11		
Class IV	\$18.38	\$17.95	\$18.10		
PPD	\$0.69	\$0.10	\$1.55		
Blend: LA*	\$18.79	\$18.62	\$17.66		
Blend: Tulare*	\$18.29	\$18.12	\$17.16		

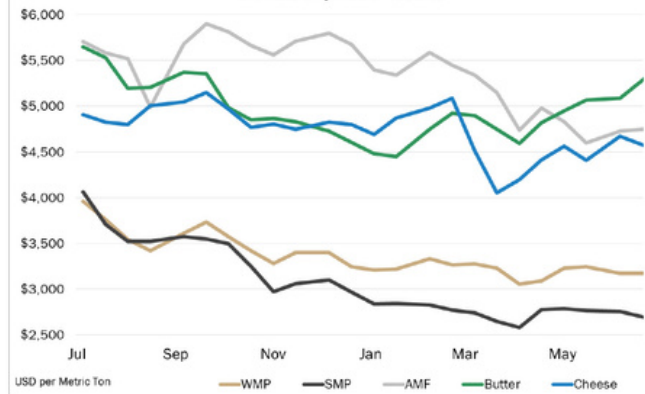
*Does not include Quota Deduction

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	\$ 20.70	\$ 14.86	\$ 5.84	\$ 3.66
	May-23	\$ 19.44	\$ 14.20	\$ 5.25	\$ 4.25
	Jun-23	\$ 18.56	\$ 14.10	\$ 4.46	\$ 5.04
	Jul-23	\$ 18.52	\$ 13.90	\$ 4.62	\$ 4.88
	Aug-23	\$ 19.10	\$ 13.35	\$ 5.74	\$ 3.76
	Sep-23	\$ 20.04	\$ 13.07	\$ 6.97	\$ 2.53
	Oct-23	\$ 20.89	\$ 12.91	\$ 7.98	\$ 1.52
	Nov-23	\$ 21.49	\$ 12.65	\$ 8.84	\$ 0.66
	Dec-23	\$ 21.45	\$ 12.66	\$ 8.79	\$ 0.71

Estimates only. As of 6/23/2023 and based on futures markets which can change daily.

GlobalDairyTrade Results



US Total Cheese Stocks

