

WESTERN UNITED DAIRIES

WEEKLY UPDATE | AUGUST 1, 2023

New on Seen & Herd: Land Flex Phase II Updates

This week on Seen and Herd, Anja Raudabaugh is back on the podcast where she and host Allison Tristao discuss the second phase of the LandFlex program. The applications received for Phase II were competitive and oversubscribed by growers in the participating GSAs.

Western United Dairies invites all listeners for a roundtable discussion and feedback from farmers to improve the Land Flex program in the future.

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

SAVE THE DATE

South Valley

KITCHEN TABLE MEETING

August 22, 2023 • 5:00 pm

Vejar's

1293 S K St • Tulare, CA 93274

RSVP TO ALLISON TRISTAO AT 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

Reminder-CORNER



USDA ANNOUNCES FMMO HEARING

Updated Provided by Ever.Ag

USDA announced that it would conduct a hearing on various proposals to amend Federal Milk Marketing Orders. The hearing will begin on August 23, 2023, in Carmel, Indiana. The hearing will cover 22 different proposals on a range of issues.

[SEE HEARING NOTICES](#)

[SEE HEARING PROCESS](#)



Methane Reduction - CDFA Now Accepting Grant Applications for Dairy and Livestock Methane Reduction Programs

The California Department of Food and Agriculture (CDFA) is now accepting grant applications from commercial dairies and livestock operations to install equipment and implement practices that result in long-term methane emissions reductions and maximize environmental co-benefits. This year, CDFA will offer both of its flagship dairy and livestock methane reduction grants: the Alternative Manure Management Program (AMMP) and the Dairy Digester Research and Development Program (DDRDP).

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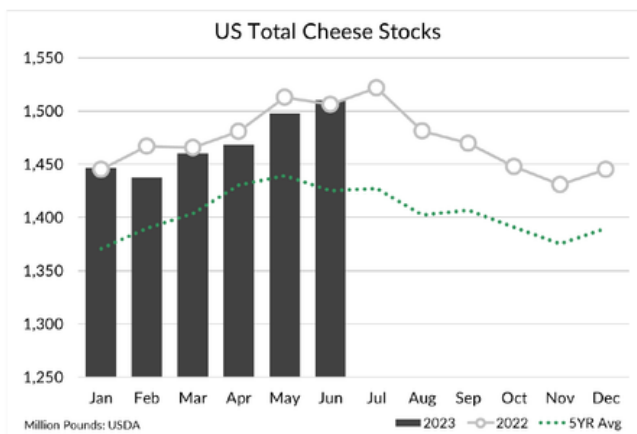
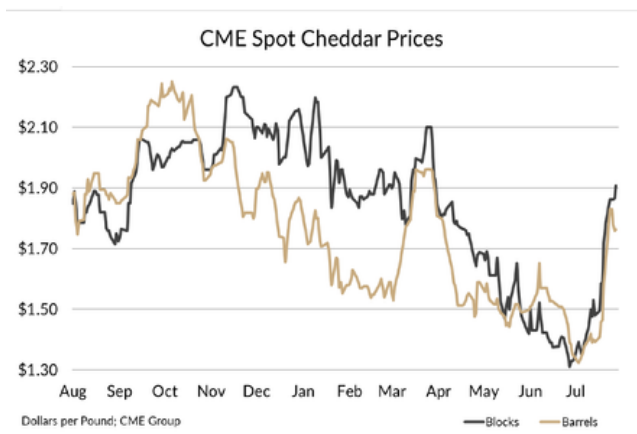
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WEEKLY MARKET UPDATE


Bargain buying and concerns about supply drove cheese markets higher. CME barrels started the week with a 17.5-cent leap – the largest single-day increase on record. Prices slipped back a bit, but still ended the week in the mid-\$1.70s. Blocks, meanwhile, rose above \$1.90 per pound.

- According to the USDA Cold Storage report, US total cheese inventories reached 1.510 billion pounds in June. That’s up 0.3% (+4.1 million pounds) on the year and +0.8% (+12.6 million pounds) month-over-month. Over the past five years, stocks have fallen an average of 13.9 million pounds from May to June.
- Decent demand and tighter cream and butter supplies bumped the spot butter market closer to \$2.70 per pound, with prices settling at new year-to-date highs.
- In June, butter inventories totaled 347.5 million pounds, up 5.0% (+16.7 million pounds) versus 2022. But inventories tumbled 5.5% (-20.4 million pounds) on the month, far below the five-year-average monthly increase of 1.5 million pounds.
- Fourth quarter Class IV contracts surged, following butter and finishing the week at \$19.33 per hundredweight, up 69 cents. Class III futures jumped, retreated, then climbed again before settling at \$18.43 per hundredweight, up seven cents on the week.
- WMP prices at the GlobalDairyTrade Pulse event settled at \$1.36 per pound, unchanged compared to the previous Pulse, but down 2.9% versus the latest main auction. But the CME market moved in the opposite direction on stronger demand and tighter milk production.
- The June DMC margin was announced at \$3.65 per hundredweight. That’s a \$5.85-per-hundredweight payout for any milk covered at the \$9.50 margin level. It’s also the first payout for the \$4.00 margin coverage in a long time. Milk covered at this level will receive \$0.35 per hundredweight



Dairy Revenue Protection Program		
Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
October - December 2023		
Class III	\$18.43	\$17.51
Class IV	\$19.33	\$18.37
January - March 2024		
Class III	\$18.28	\$17.37
Class IV	\$19.02	\$18.07
April - June 2024		
Class III	\$18.37	\$17.45
Class IV	\$19.06	\$18.11
July - September 2024		
Class III	\$18.55	\$17.62
Class IV	\$18.77	\$17.83
October - December 2024		
Class III	\$18.38	\$17.46
Class IV	\$18.15	\$17.24

*As of 7/28/2023 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
209.768.6313

CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Jul-24	\$1.8625	\$1.8300	\$2.6125	\$1.1500	\$0.2600
Jul-25	\$1.8625	\$1.8300	\$2.6125	\$1.1525	\$0.2600
Jul-26	\$1.8625	\$1.7800	\$2.6725	\$1.1500	\$0.2625
Jul-27	\$1.8650	\$1.7600	\$2.6925	\$1.1475	\$0.2525
Jul-28	\$1.9075	\$1.7625	\$2.6800	\$1.1600	\$0.2500
Average	\$1.8720	\$1.7925	\$2.6540	\$1.1520	\$0.2570
Weekly Change	0.1250	0.1075	0.0975	0.0400	-0.0025

Order 51: Latest Prices					
	Apr	May	Jun	Jul	Aug
Class I LA	\$21.15	\$21.87	\$20.31	\$19.62	\$18.92
Class II	\$19.20	\$19.11	\$18.83		
Class III	\$18.52	\$16.11	\$14.91		
Class IV	\$17.95	\$18.10	\$18.26		
PPD	\$0.10	\$1.55	\$1.51		
Blend: LA*	\$18.62	\$17.66	\$16.42		
Blend: Tulare*	\$18.12	\$17.16	\$15.92		

*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	\$ 19.30	\$ 14.47	\$ 4.83	\$ 4.67
	Jun-23	\$ 17.90	\$ 14.25	\$ 3.65	\$ 5.85
	Jul-23	\$ 17.91	\$ 13.18	\$ 4.73	\$ 4.77
	Aug-23	\$ 20.02	\$ 13.00	\$ 7.02	\$ 2.48
	Sep-23	\$ 20.87	\$ 12.82	\$ 8.05	\$ 1.45
	Oct-23	\$ 21.47	\$ 12.68	\$ 8.79	\$ 0.71
	Nov-23	\$ 21.97	\$ 12.71	\$ 9.26	\$ 0.24
	Dec-23	\$ 21.87	\$ 12.73	\$ 9.14	\$ 0.36

Estimates only. As of 7/28/2023 and based on futures markets which can change daily.

