

WESTERNUNITEDDAIRIES

WEEKLY UPDATE | AUGUST 22, 2023

New on Seen & Herd: FMMO Hearing, The Good, The Bad, and The Snark

Western United Dairies CEO, Anja Raudabaugh is back on the podcast this week, where she discusses the upcoming FMMO hearing with the podcast host Allison Tristao.

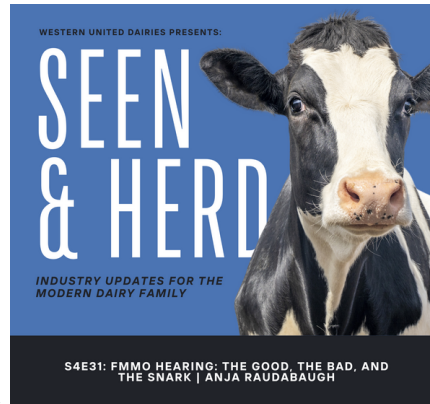
Anja explains the purpose of the FMMO, which is to ensure an adequate national supply of fresh and wholesome milk for fluid consumption. The FMMO also aims to provide dairy farmers with stable and reliable markets to sell their milk. She also provides an overview of the components of the FMMO, including pooling, minimum pricing, accuracy, transparency, and the relationship between dairy processors (handlers) and dairy farmers (producers).

The discussion touches on the fact that there are 11 federal orders across the United States, with certain regions being covered and regulated by FMMOs. The coverage of milk production by FMMOs has decreased over the years. Several proposals for amending or updating the FMMO are discussed. Organizations such as the International Dairy Foods Association (IDFA), the National Milk Producers Federation (NMPF), National All-Jerseys, American Farm Bureau Federation, and others have submitted proposals addressing various aspects of the FMMO.

Allison asks about the potential impacts these changes will have on California, and Anja shares how proposed changes might impact California's dairy industry, particularly due to the state's limited class one utilization, as most of California's milk production is primarily utilized for cheese products and other classifications.

Anja and Allison conclude by encouraging farmers to stay informed, participate in the hearing process, and anticipate the potential effects of proposed changes on their operations.

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.



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

KITCHEN TABLE MEETINGS

Orland

SEPTEMBER 5, 2023 | 12:00PM

F-5 Café and Creamery
1165 HOFF WAY, ORLAND, CA 95963

Galt/Escalon

SEPTEMBER 12, 2023 | 11:00AM

Mountain Mike's Pizza
1255 LILLIAN AVE • ESCALON, CA 95320

Stanislaus

OCTOBER 17, 2023 | 12:00PM

Duner Barn
3501 DUNN RD • MODESTO, CA 95358

Merced

OCTOBER 24, 2023 | 10:30AM

Vander Woude Dairy Shop Office
1550 RAHILLY RD • MERCED, CA 95341

Humboldt

DECEMBER 5, 2023 | 5:00PM

Fernbridge Cafe
623 FERNBRIDGE DR • FORTUNA, CA 95540

Sonoma/Marin

DECEMBER 6, 2023 | 11:00AM

Washoe House
2840 ROBLAR RD • PETALUMA, CA 94952

PLEASE RSVP TO KYLE LUTZ
AT [KYLE@WUDAIRIES.COM](mailto:kyle@wudairies.com)

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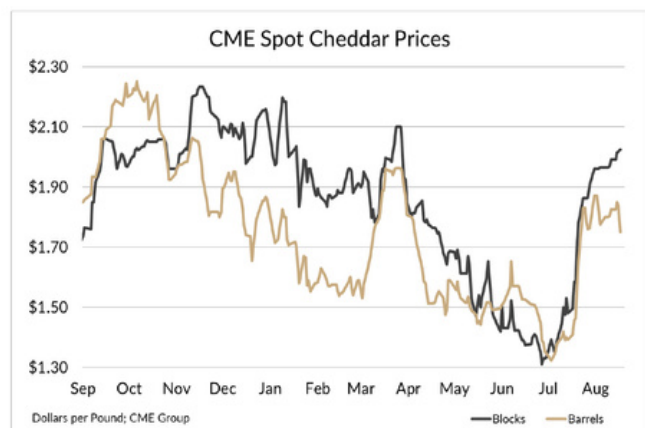
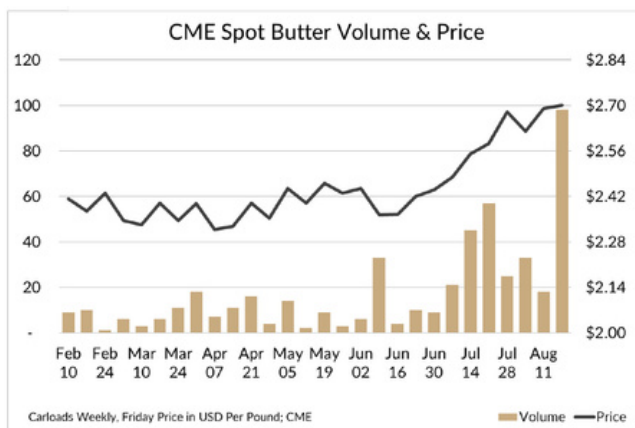
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WEEKLY MARKET UPDATE

Volume in the CME butter market continues to accelerate. Wednesday's trading volume reached 49 lots, the most since 2004, bringing the weekly total to 98, the eighth-largest on record. Meanwhile, prices jumped above \$2.70 for the first time in 2023.

- Milk output remains slow as heat continues to impact key dairy regions. That helped push CME spot blocks over the \$2.00-per-pound mark for the first time since March. Meanwhile, barrels slipped slightly lower on the week.
- With global demand still weak, prices tumbled at the latest GlobalDairyTrade auction. The overall index fell to \$2,875 per metric ton, the lowest since April 2020. WMP was particularly soft, plunging 11.0% to \$1.06 per pound.
- In Chicago, the spot NDM market followed GDT lower for the first part of the week, but recovered some lost ground later.
- Rainfall continues to help crop conditions. According to USDA, as of August 13, 59% of the corn crop was in good or excellent condition, up from 57% the previous week and last year. Soybeans also improved to 59% good or excellent. That compares to 54% the previous week and 58% last year.
- Improved crop prospects weighed on grain futures. But the situation in Ukraine remains a source of anxiety. While the nearby corn contract ticked up, soybeans slipped on the week.
- Consumers continued to spend at a surprisingly strong rate in July, with retail sales exceeding expectations. Total purchases reached \$696.4 billion, up 0.7% versus June and +3.1% year-over-year, slightly behind the inflation rate of +3.3%. Grocery purchases climbed 2.3% on the year, well short of the +3.6% inflation rate.



Dairy Revenue Protection Program			
	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
October - December 2023			
Class III	\$18.10	\$17.20	\$0.22
Class IV	\$18.99	\$18.04	\$0.22
January - March 2024			
Class III	\$18.15	\$17.24	\$0.34
Class IV	\$18.67	\$17.74	\$0.38
April - June 2024			
Class III	\$18.30	\$17.39	\$0.41
Class IV	\$18.95	\$18.00	\$0.57
July - September 2024			
Class III	\$18.53	\$17.60	\$0.45
Class IV	\$18.97	\$18.02	\$0.45
October - December 2024			
Class III	\$18.55	\$17.62	\$0.51
Class IV	\$18.74	\$17.80	\$0.53
*As of 8/18/2023 for 95% coverage, 1.0 Protection Factor			
		Tiffany LaMendola 209.768.6313	

CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Aug-14	\$1.9900	\$1.8250	\$2.6900	\$1.1100	\$0.2675
Aug-15	\$2.0150	\$1.8500	\$2.6925	\$1.0950	\$0.2625
Aug-16	\$2.0175	\$1.8350	\$2.7500	\$1.0850	\$0.2575
Aug-17	\$2.0250	\$1.7500	\$2.7700	\$1.0950	\$0.2650
Aug-18	\$2.0275	\$1.8075	\$2.7000	\$1.1050	\$0.2700
Average	\$2.0150	\$1.8135	\$2.7205	\$1.0980	\$0.2645
Weekly Change	0.0375	-0.0175	0.0100	-0.0050	0.0000
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	\$19.12	
Class III	\$18.52	\$16.11	\$14.91	\$13.77	
Class IV	\$17.95	\$18.10	\$18.26	\$18.26	
PPD	\$0.10	\$1.55	\$1.51	\$1.76	
Blend: LA*	\$18.62	\$17.66	\$16.42	\$15.53	
Blend: Tulare*	\$18.12	\$17.16	\$15.92	\$15.03	
*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	\$ 17.87	\$ 13.84	\$ 4.03	\$ 5.47
	Aug-23	\$ 19.96	\$ 13.37	\$ 6.59	\$ 2.91
	Sep-23	\$ 21.26	\$ 12.22	\$ 9.04	\$ 0.46
	Oct-23	\$ 21.35	\$ 12.05	\$ 9.30	\$ 0.20
	Nov-23	\$ 21.61	\$ 12.09	\$ 9.52	\$ -
	Dec-23	\$ 21.46	\$ 12.12	\$ 9.33	\$ 0.17
Estimates only. As of 8/18/2023 and based on futures markets which can change daily.					

