

# WESTERN UNITED DAIRIES

WEEKLY UPDATE | SEPTEMBER 5, 2023

## New on Seen & Herd: Getting Involved in CMAB

This week on *Seen & Herd*, we welcome back a familiar face – our previous podcast host, Melissa Lema. Melissa is now the Director of Producer Relations of the California Milk Advisory Board (CMAB).

On this episode, Allison Tristao and Melissa discuss the CMAB Elections and Process. Melissa shares that there are positions available on the CMAB Board, including multiple director and alternate roles. She explains the importance of producer input in how funds are used to market California dairy products.

**The nomination period is open until Friday, September 8th.** The term for newly elected producers will start March 1st.

For questions about the election, reach out to Melissa by email, [MLema@cmab.net](mailto:MLema@cmab.net). For questions about podcast, please contact Allison at [allison@wudairies.com](mailto:allison@wudairies.com). Listen to the episode on your favorite podcast platform or on our website at [wudairies.com](http://wudairies.com).



## ATTENTION: CDFA is Mailing a New Survey to ALL Market Milk Producers on Quota

California Department of Food and Agriculture is administering a survey to ALL Market Milk producers to gather information on the effectiveness of the Quota Implementation Plan (QIP) and Quota Administration Program (QAP).

Please check your mailbox, and mail that may go to your dairy address for this survey. Your opinion is important, and we urge you to complete the survey as quickly as possible. **The survey closes on**

**September 10, 2023.** If you do not receive this letter shortly, please contact: David Ko at [David.ko@cdfa.ca.gov](mailto:David.ko@cdfa.ca.gov) or 916-900-5012.

## 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](mailto: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:

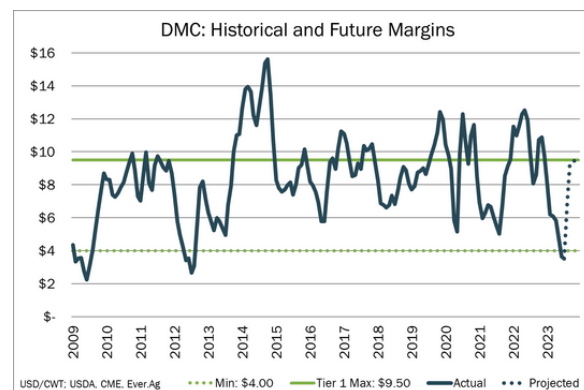
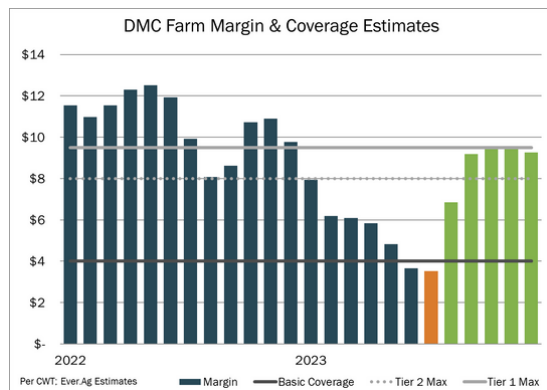
- Free advertisement of job postings to a wide audience of potential employees
- Phone call interviews with translation services
- Access to a pool of pre-screened employees with dairy experience

For more information, visit:  
[westernuniteddairies.com/lecheros-unidos](http://westernuniteddairies.com/lecheros-unidos)

## Latest DMC Payout Figures

The following is commentary from Tiffany LaMendola of Ever.Ag, on the latest DMC payout:

- July DMC margin announced Thursday, August 31st, at \$3.52 per cwt – that's the lowest since 2012
- Payout for milk at \$9.50–coverage: \$5.98 per cwt (About \$24,000 for anyone making 5 million or more annually)
- Payout for milk at \$4.00–coverage: \$0.48 per cwt (this is for any extra milk)



This is a look at the full-year payouts for producers with 5 million pounds of coverage. (Not counting extra milk covered at the \$4.00 level).

Indemnities already top \$100,000 for the year. So, that's big money for the 225-cow dairy that makes 5 million pounds annually...and I'd say pretty meaningful money for even mid-size dairies. And for the rest, certainly helps pay some bills.

2023 Dairy Margin Coverage Estimates				
\$9.50 Coverage on 5 Million Pounds, Based on 8/30/23 Futures				
	Margin	Payout	Indemnity	Net
Jan	\$ 7.94	\$ 1.56	\$ 6,511	\$ 5,886
Feb	\$ 6.19	\$ 3.31	\$ 13,803	\$ 13,178
Mar	\$ 6.08	\$ 3.42	\$ 14,240	\$ 13,615
Apr	\$ 5.84	\$ 3.66	\$ 15,267	\$ 14,642
May	\$ 4.83	\$ 4.67	\$ 19,468	\$ 18,843
Jun	\$ 3.65	\$ 5.85	\$ 24,368	\$ 23,743
<b>Jul</b>	<b>\$ 3.52</b>	<b>\$ 5.98</b>	<b>\$ 24,898</b>	<b>\$ 24,273</b>
Aug	\$ 6.86	\$ 2.64	\$ 11,002	\$ 10,377
Sep	\$ 9.18	\$ 0.32	\$ 1,319	\$ 694
Oct	\$ 9.46	\$ 0.04	\$ 154	\$ (471)
Nov	\$ 9.45	\$ 0.05	\$ 201	\$ (424)
Dec	\$ 9.27	\$ 0.23	\$ 956	\$ 331
<b>Total</b>		<b>\$ 2.64</b>	<b>\$ 132,188</b>	<b>\$ 124,588</b>

## THANK YOU TO OUR CURRENT SPONSORS.

[ADVERTISE WITH US](#)


## KITCHEN TABLE MEETINGS

### *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*

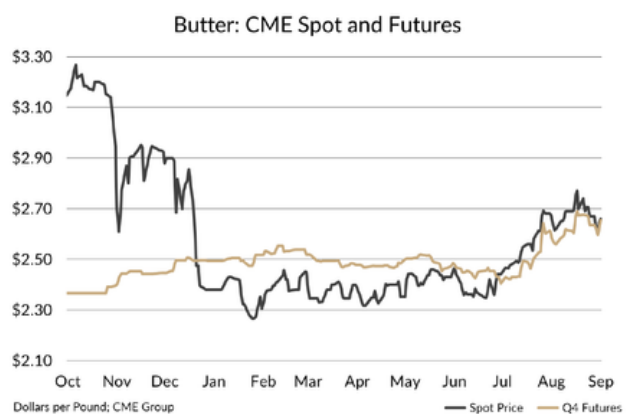
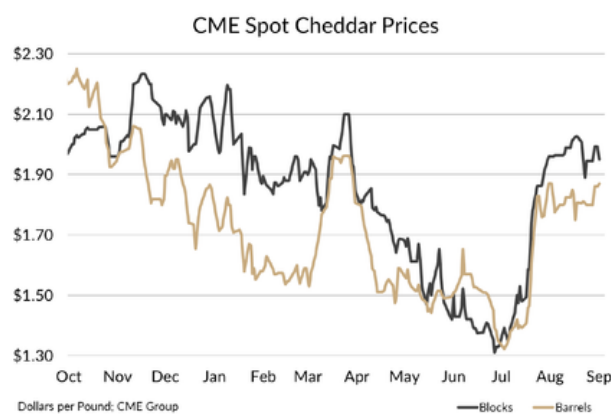
2840 ROBLAR RD • PETALUMA, CA 94952

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

## WEEKLY MARKET UPDATE


CME cheddar markets climbed early in the week as milk flows remained tight. But blocks gave up most of those gains later in the week, while barrels held in the upper \$1.80s. Combined trading volume was only five loads, the lowest since November 2021.

- Tight cheese supplies drove fourth quarter Class III futures to \$18.59 per hundredweight, up 15 cents week-over-week. Meanwhile, heavy butter volumes and light nonfat demand battered Class IV contracts, which fell to \$18.40 per hundredweight, 40 cents lower.
- Butter stocks remain sufficient to meet demand, bringing more volumes to the CME and pulling prices down to the mid-\$2.60s.
- The most recent GlobalDairyTrade Pulse event was relatively quiet. But at this week's main auction, SMP slipped 2.0% to \$1.04 per pound, while WMP jumped 6.0% to \$1.23.
- Weaker global demand dropped CME NDM prices to a level seen in November 2020, slightly above \$1.00 per pound.
- Corn and soybean prices dipped amid so-so demand and varying weather conditions. The September corn contract finished at \$4.6475 per bushel, down six cents on the week. Nearby soybean prices settled at \$13.6525 per bushel on Friday. That's a nearly 25-cent decline versus the previous week.
- Corn crop conditions decreased slightly, with 56%, good or excellent compared to 58% the week prior. Soybean crop conditions eased to 58% good or excellent, down from the previous week's 59%.
- USDA announced the July DMC margin at \$3.52 per cwt. That's a 5.98-per-hundredweight payout for any milk covered at the \$9.50 margin level. Milk covered at the \$4.00 level will receive \$0.48 per hundredweight.
- Corn and soybean prices dipped amid so-so



Dairy Revenue Protection Program			
	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
October - December 2023			
Class III	\$18.65	\$17.72	\$0.20
Class IV	\$18.34	\$17.42	\$0.17
January - March 2024			
Class III	\$18.46	\$17.53	\$0.34
Class IV	\$18.33	\$17.41	\$0.37
April - June 2024			
Class III	\$18.50	\$17.58	\$0.41
Class IV	\$18.64	\$17.70	\$0.54
July - September 2024			
Class III	\$18.64	\$17.70	\$0.44
Class IV	\$19.08	\$18.13	\$0.47
October - December 2024			
Class III	\$18.48	\$17.55	\$0.50
Class IV	\$18.87	\$17.93	\$0.54

\*As of 9/1/2023 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola  
209.768.6313

CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Aug-28	\$1.9450	\$1.8000	\$2.6700	\$1.1050	\$0.2850
Aug-29	\$1.9925	\$1.8600	\$2.6200	\$1.1025	\$0.2850
Aug-30	\$1.9925	\$1.8600	\$2.6200	\$1.0925	\$0.2850
Aug-31	\$1.9925	\$1.8600	\$2.6450	\$1.0725	\$0.3050
Sep-01	\$1.9500	\$1.8700	\$2.6600	\$1.0750	\$0.3050
Average	\$1.9745	\$1.8500	\$2.6430	\$1.0895	\$0.2930
Weekly Change	0.0050	0.0700	-0.0100	-0.0300	0.0250

Order 51: Latest Prices					
	May	Jun	Jul	Aug	Sep
Class I LA	\$21.87	\$20.31	\$19.62	\$18.92	\$21.20
Class II	\$19.11	\$18.83	\$19.12	\$19.91	
Class III	\$16.11	\$14.91	\$13.77	\$17.19	
Class IV	\$18.10	\$18.26	\$18.26	\$18.91	
PPD	\$1.55	\$1.51	\$1.76		
Blend: LA*	\$17.66	\$16.42	\$15.53		
Blend: Tulare*	\$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	\$ 17.40	\$ 13.88	\$ 3.52	\$ 5.98
	Aug-23	\$ 19.92	\$ 13.08	\$ 6.84	\$ 2.66
	Sep-23	\$ 21.05	\$ 11.91	\$ 9.14	\$ 0.36
	Oct-23	\$ 21.48	\$ 11.96	\$ 9.52	\$ -
	Nov-23	\$ 21.53	\$ 12.01	\$ 9.52	\$ -
	Dec-23	\$ 21.37	\$ 12.06	\$ 9.31	\$ 0.19

Estimates only. As of 9/1/2023 and based on futures markets which can change daily.

