

WESTERN UNITED DAIRIES

WEEKLY UPDATE | OCTOBER 24, 2023



MERCED KITCHEN TABLE MEETING

October 24, 2023 • 10:30am

Vander Woude Dairy Shop Office

1550 Rahilly Rd • Merced, CA 95341

New on Seen & Herd: Defending Dairy from Sacramento's Bill Minefield

This week on the *Seen & Herd* podcast, Allison Tristao interviews Jason Bryant from Western United Dairies' government affairs team. They discuss the 2023 legislative session, which introduced over 3000 bills, and key issues, such as expanding employee rights, reforming the state's mental health system, budget shortfalls in Sacramento, and political transitions, including leadership changes and upcoming elections.

Listen to the episode at wudairies.com. For questions about the episode, please get in touch with Allison at allison@wudairies.com

LandFlex Highlighted in Governor's State Water Progress Reports

Last week, the Governor's office released a progress report on the state's *Water Supply Strategy and Water Resilience Portfolio*, to which Governor Newsom has committed more than \$8.6 billion to over the last three years. Among the highlighted projects was LandFlex, which has emerged as a proactive and versatile solution safeguarding rural water systems, enhancing groundwater sustainability, and bolstering climate resilience.

Credited for stabilizing groundwater supplies, *"the LandFlex Program awarded \$17 million to several San Joaquin Valley groundwater sustainability agencies this July, which will be distributed to local growers to transition to sustainable groundwater use and protect drinking water supplies."*

The WUD Foundation, along with the Almond Alliance, serves as a Technical Assistance Provider for the program.

[READ PROGRESS REPORT](#)

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

Upcoming PRB Meeting: October 30 at 10am

Stanislaus County Ag Commissioner's Office
Harvest Hall – Room D & E
3800 Cornucopia Way, Suite B, Modesto, CA 95358

Teleconference is NOT available for this meeting.

[SEE AGENDA](#)

[MEETING NOTICE](#)



WE WANT YOUR DAIRY PHOTOS!

Be featured in our 2024 World Ag Expo Booth! We're seeking WUD member photos of dairying in the past. Photos can include family pictures, operations, and dairy life. Email your photos to allison@wudairies.com

Now Accepting WUD District Director Nomination Forms

Every year, half of the Western United Dairies board of directors are elected to a 2-year term. Visit our website (see button below) to view the open seats and download the nomination form. Any member in good standing may run for a director position. Forms are due no later than Friday, November 17, 2023. After nominations close, ballots will be prepared and mailed to all voting members.

[MORE DETAILS & DOWNLOAD FORM](#)

CalOSBA Opens Round 1 of California Small Agricultural Business Drought and Flood Relief Grant Program

The California Small Agricultural Business Drought & Flood Relief Grant Program will provide relief to small agricultural businesses to cover part of the costs incurred from California's extreme drought from 2019 to 2022 and 2023 storm flooding conditions.

Program Overview:

- Round 1 for drought relief is open to two eligible groups affected by severe drought:
 - Small agricultural businesses and
 - Small, socially disadvantaged farmers.
- Round 1 for flood relief is open to any small agricultural business within or serving a [county with a state or federal disaster declaration for flooding](#).
- The program will provide the opportunity for direct grants of \$20,000 – \$100,000.

Note: Webinars for this program begin this week.

For more information on the webinars, application dates, grant requirements, eligibility, FAQs, and technical assistance, visit cadroughtfloodrelief.com.

THANK YOU TO OUR CURRENT SPONSORS.

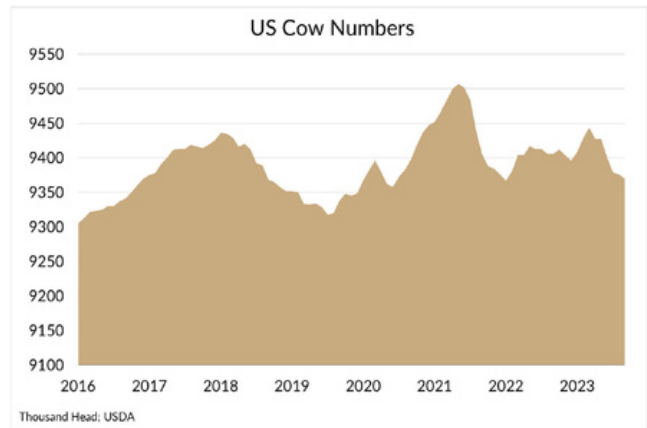
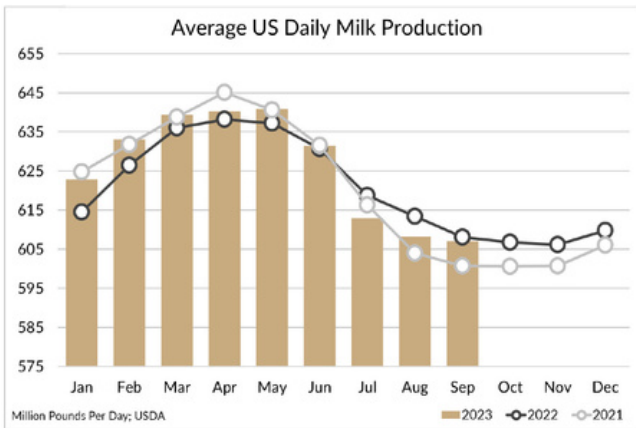
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WEEKLY MARKET UPDATE


US milk output reached 18.2 billion pounds in September, down 0.2% versus 2022 and meeting pre-report expectations. California saw the biggest improvement, with production down only 1.8% on the year after -5.0% in August.

- The US dairy herd continued to contract in September. Cow numbers totaled 9.37 million head, down 6,000 month-over-month and -36,000 on the year.
- Low spot prices and higher futures encouraged more block buying in Chicago. The market ended the week nearly 10 cents higher. Barrels also climbed as buyers worked to make up lost ground after recent plant disruptions.
- With holiday buying nearing the finish line, the CME butter market searched for direction, eventually ending the week unchanged.
- Prices climbed once again at the most recent GlobalDairyTrade auction, thanks to lower volume and tighter New Zealand milk output. Whole milk powder climbed 4.4% to \$1.39 per pound, while skim milk powder rose 3.9% to \$1.21 per pound.
- The GDT jump helped give CME spot nonfat dry milk a bump, with spot prices reaching the highest point since February.
- Soybean harvest is rolling forward at a rapid pace. As of October 15, it was 62% complete. At the same time, corn harvest was 45% finished.
- Soybean futures jumped to \$13.0225 per bushel, 22 cents higher, on the heels of the previous week's bullish World Agricultural Supply and Demand Estimates report. The corn market had a more muted reaction, up more than two cents.
- Consumers continue to spend, despite high prices. In September, US retail sales totaled \$704.9 billion, up 3.6% on the year and just behind the annual inflation rate of 3.7%.



Dairy Revenue Protection Program			
	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
January - March 2024			
Class III	\$18.52	\$17.59	\$0.28
Class IV	\$19.46	\$18.49	\$0.29
April - June 2024			
Class III	\$18.81	\$17.87	\$0.37
Class IV	\$19.82	\$18.83	\$0.43
July - September 2024			
Class III	\$18.90	\$17.96	\$0.41
Class IV	\$19.89	\$18.90	\$0.59
October - December 2024			
Class III	\$18.49	\$17.56	\$0.48
Class IV	\$19.24	\$18.27	\$0.58
January - March 2025			
Class III	\$18.05	\$17.14	\$0.53
Class IV	\$18.10	\$17.20	N/A

*As of 10/20/2023 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
209.768.6313

CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Oct-16	\$1.7000	\$1.6425	\$3.3500	\$1.2200	\$0.3350
Oct-17	\$1.7025	\$1.6450	\$3.4100	\$1.2300	\$0.3700
Oct-18	\$1.7600	\$1.6825	\$3.4175	\$1.2200	\$0.3850
Oct-19	\$1.8125	\$1.7000	\$3.3975	\$1.2350	\$0.3875
Oct-20	\$1.7875	\$1.7100	\$3.3600	\$1.2325	\$0.3950
Average	\$1.7525	\$1.6760	\$3.3870	\$1.2275	\$0.3745
Weekly Change	0.0875	0.0650	0.0000	0.0125	0.0600

Order 51: Latest Prices					
	Jul	Aug	Sep	Oct	Nov
Class I LA	\$19.62	\$18.92	\$21.20	\$21.77	\$22.05
Class II	\$19.12	\$19.91	\$19.98		
Class III	\$13.77	\$17.19	\$18.39		
Class IV	\$18.26	\$18.91	\$19.09		
PPD	\$1.76	\$0.77	\$0.81		
Blend: LA*	\$15.53	\$17.96	\$19.20		
Blend: Tulare*	\$15.03	\$17.46	\$18.70		

*Does not include Quota Deduction

USDA Dairy Margin Coverage (per CWT)					
	Month	All Milk	Feed	Margin Estimate	Indemnity Estimate @ 9.50 Margin
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	\$ 19.70	\$ 13.24	\$ 6.46	\$ 3.04
	Sep-23	\$ 20.91	\$ 11.89	\$ 9.02	\$ 0.48
	Oct-23	\$ 21.85	\$ 11.90	\$ 9.95	\$ -
	Nov-23	\$ 21.68	\$ 12.15	\$ 9.53	\$ -
	Dec-23	\$ 21.22	\$ 12.40	\$ 8.82	\$ 0.68

Estimates only. As of 10/20/2023 and based on futures markets which can change daily.

