

WESTERNUNITEDDAIRIES



Winter Preparation

Introduction by Paul Sousa, WUD Director of Regulatory & Environmental Affairs

It is that time of year, the days are getting shorter, the weather cooler and pumpkin spice is back! In addition to preparing for the Holidays, we need to prepare our dairies for winter weather. Last year showed what mother nature can do and the more prepared we are the better. The predictions that I have seen suggest this could be a wetter than typical winter due to El Niño weather patterns. Dairies should prepare accordingly. That preparation involves making sure ponds have sufficient capacity, clean water diversions are in place, such as gutters, among other things. See the California Dairy Quality Assurance Program (CDQAP) article on Managing Liquid Storage below for more information.

Managing Liquid Storage is an Important Part of Your Bottom Line

By Deanne Meyer, Ph.D. Livestock Waste Management Specialist, Department of Animal Science, UC Davis and UC ANR; Article Courtesy of California Dairy Quality Assurance Program (CDQAP)

Dairy lagoons are used for biological treatment and to hold water and nutrients until they are needed by growing crops. It's important to manage storage capacity closely during fall and winter. Each dairy's Nutrient Management Plan identifies the frequency of liquid manure application during winter crop development to provide fertilizer for growing plants.

As sludge develops in ponds it occupies space that would otherwise hold water. Sludge creates a challenge during wet winters when much runoff occurs and is captured in ponds and fields require no irrigation from a water perspective. Regular removal and use of sludge is key to maintaining adequate storage capacity. Management of excavated sludge requires skill if it is to be dried down and blended with other material before land application.

If you run out of storage during a very wet winter, contact the Regional Water Quality Control Board. It is better to have a conversation with staff to develop a plan, than to berm up a field and fill it with pond water. Last winter there were violations issued to dairies for inappropriate use of land and not managing manure consistent with Waste or Nutrient Management Plans.

Have a conversation with your environmental consultant should there be doubt about lagoon management and land application of liquid manure.

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

Producer Review Board (PRB) Meets to Discuss Critical Quota Updates

By Anja Raudabaugh, WUD Chief Executive Officer

The PRB met on October 30th in Stanislaus County to discuss some critical quota updates affecting quota within the industry [[click here to see the agenda](#)]. Beyond standard housekeeping items for the quota administrative program (QAP), several issues warranted deep discussion and recommendations to the Secretary of CDFA. The PRB's input was requested on the results of the mandatory 5-year survey.

Housekeeping Items

CDFA followed up on a request for clarity on the equalization fund balance in the amount of \$5.2M that remained following the dairy industry's transition into the FMMO. CDFA stated that all of the funds were producer dollars and should stay with the QIP for cash flow purposes. CDFA staff want the funds to stay housed within CDFA's administration of the quota program as reserves. There was a general discussion from the PRB that revolved around how this money has not been available to CDFA previously, but now CDFA wants to increase its reserve amount by \$5.2M and that maybe that money should instead be paid out to dairy farmers.

CDFA reminded the PRB –and now we notify our members, that the QIP assessment is scheduled to increase from \$0.033 to \$0.040 per pound of solids nonfat beginning on November 1st, 2023.

CDFA informed the PRB that auditing of milk handlers had begun in earnest, and approximately \$529,000 in payments was being collected for quota assessments that had been missed previously, with another \$1.9M being pursued as quota assessment payments by the Department. CDFA also indicated that some of this would be addressed through the handler licensing process to minimize these issues in the future.

Petition to Terminate the QIP (Petition #5)

CDFA legal counsel told the PRB that a petition to terminate the quota program had qualified using a signature verification process of at least 25% of the market producers in the state. For reference purposes, just over 330 signatures had been verified as being qualified, with 900 market producers being the total number available at the time of verification.

A meeting has been tentatively slated for Friday, November 17th, in Tulare at the Ag Heritage Center to allow the PRB and the public to focus solely on this petition. A virtual/zoom option will be provided. Please watch this update for more information as it becomes available.

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(continued) Producer Review Board (PRB) Meets to Discuss Critical Quota Updates

Hardship Consideration Request

The PRB considered a hardship request on the grounds that the dairy did not own quota and should cease paying the assessment –it was denied by a vote of 8 to 4.

QIP 5-Year Effectiveness Survey

An outside consultant provided [an overview](#) for this producer survey. Overall, only 275 dairy producers responded –the majority responding owning quota. The results were mixed, along the lines of quota ownership reporting satisfaction with the program and those not owning quota reporting strong dissatisfaction.



The PRB Meeting was held Monday, October 30, 2023, in Modesto. Photo Courtesy of Kyle Lutz.

Following intense discussion, a motion to recommend to the Secretary that the QIP be voted on again by the producers (the same way it was approved in 2017) was offered and defeated 6:4.

Another motion was offered to recommend to the Secretary that she develop the next steps based on the survey, which passed 8:2.

Finally, a motion was offered to recommend to the Secretary, based on the results of a split survey, that the PRB receive additional technical assistance (by way of 3rd party moderator) to facilitate the ideas of the industry. This passed 7:3. •

New on Seen & Herd: A Farewell to Allison

This week on Seen & Herd, we said goodbye to our podcast host and community field representative, Allison Tristao. Allison will be the new Resource Coordinator at the Lower Tule Irrigation District. The episode also touches on last week's Kitchen Table Meeting in Merced. Listen to the podcast on our website at wudairies.com. For questions about the episode, email us at podcast@wudairies.com.



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 rashell@wudairies.com

Now Accepting WUD District Director Nomination Forms

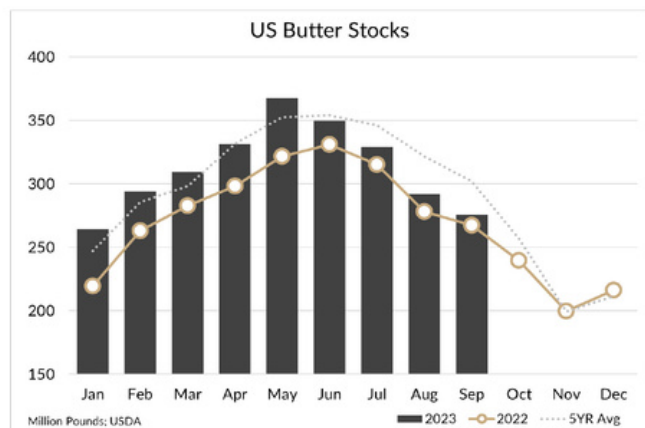
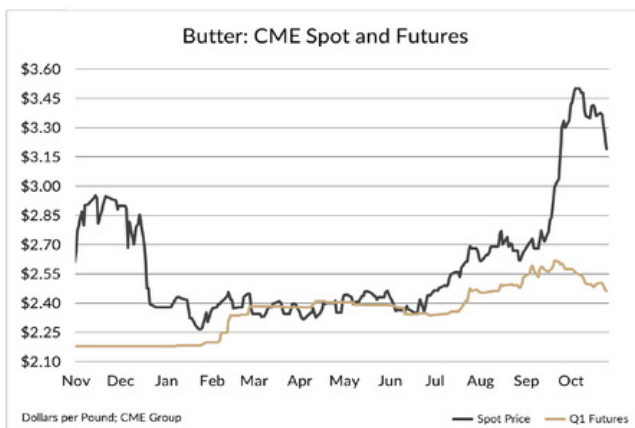
Every year, half of the Western United Dairies board of directors are elected to a 2-year term. Visit our website (see button below) to view the open seats and download the nomination form. Any member in good standing may run for a director position. Forms are due no later than Friday, November 17, 2023.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


[MORE DETAILS & DOWNLOAD FORM](#)

WEEKLY MARKET UPDATE

The CME butter market tumbled last week as cream continued to loosen and reports indicated butter stocks are ample. But prices remain high historically and there's still a little time before we completely finish filling holiday demand pipelines.

- In its September *Cold Storage* report, USDA indicated there are adequate supplies of butter in coolers. US butter stocks reached 275 million pounds, up 3.0% (+8.1 million pounds) versus 2022, but down 5.6% (-16.3 million pounds) month-over-month. That's behind the five-year-average monthly decrease of 19.8 million pounds.
- Milk availability remains relatively tight and cheese inventories are dropping at an above-average pace. But that's not enough to overcome weak demand in Chicago. Spot blocks and barrels both slipped lower.
- US September total cheese inventories dropped unexpectedly from August, but remain higher than last year. Stocks totaled 1.472 billion pounds, up 0.2% (+2.5 million pounds) on the year, but down 1.5% (-23.1 million pounds) versus August. On average over the past five years, inventories have climbed 4.4 million pounds from August to September.
- At the latest GlobalDairyTrade Pulse auction, skim milk powder prices dropped to \$1.15 per pound, down 4.7% compared to the previous main auction and -2.3% versus the most recent Pulse. Whole milk powder declined to \$1.35 per pound, down 2.4% versus the latest main auction, but up 0.2% from the previous Pulse.
- Spot nonfat dry milk prices declined on the heels of the negative Pulse event, ending the week below the \$1.20-per-pound mark.
- US grain harvest is still moving forward at a decent pace. As of October 22, corn harvest reached 59% complete and soybeans were at 73%. Both were above the five-year-average rate.



Dairy Revenue Protection Program			
	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
January - March 2024			
Class III	\$18.15	\$17.24	\$0.25
Class IV	\$19.06	\$18.11	\$0.28
April - June 2024			
Class III	\$18.52	\$17.59	\$0.37
Class IV	\$19.48	\$18.51	\$0.46
July - September 2024			
Class III	\$18.75	\$17.81	\$0.44
Class IV	\$19.86	\$18.87	\$0.58
October - December 2024			
Class III	\$18.50	\$17.58	\$0.49
Class IV	\$19.26	\$18.30	\$0.57
January - March 2025			
Class III	\$18.05	\$17.14	\$0.53
Class IV	\$18.10	\$17.20	N/A
*As of 10/27/2023 for 95% coverage, 1.0 Protection Factor			
		Tiffany LaMendola 209.768.6313	

CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Oct-23	\$1.7650	\$1.7350	\$3.3750	\$1.2400	\$0.3800
Oct-24	\$1.7425	\$1.7350	\$3.3650	\$1.2200	\$0.3675
Oct-25	\$1.7300	\$1.7000	\$3.3000	\$1.2100	\$0.3675
Oct-26	\$1.7300	\$1.6825	\$3.2500	\$1.1975	\$0.3950
Oct-27	\$1.7300	\$1.6825	\$3.1925	\$1.1975	\$0.4000
Average	\$1.7395	\$1.7070	\$3.2965	\$1.2130	\$0.3820
Weekly Change	-0.0575	-0.0275	-0.1675	-0.0350	0.0050
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	\$ 20.64	\$ 11.89	\$ 8.75	\$ 0.75
	Oct-23	\$ 21.12	\$ 11.85	\$ 9.27	\$ 0.23
	Nov-23	\$ 20.91	\$ 12.11	\$ 8.80	\$ 0.70
	Dec-23	\$ 20.67	\$ 12.38	\$ 8.28	\$ 1.22
Estimates only. As of 10/27/2023 and based on futures markets which can change daily.					

