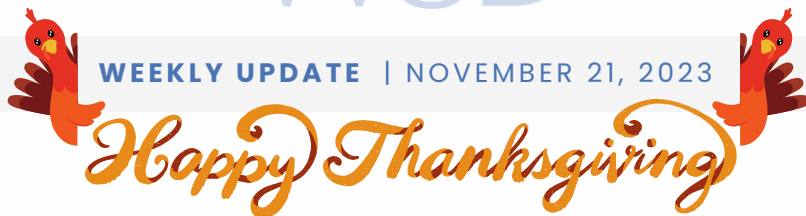


WESTERNUNITEDDAIRIES



We wish you and yours a Happy Thanksgiving! The offices will be closed for the holiday and will reopen Monday, November 27, 2023.

New on Seen & Herd: Regulatory Update

Paul Sousa is back on the podcast this week, where he deep dives into a recap of his board meeting presentation, which includes updates on ARB, water quality, rendering, NRCS funding, and CDFA methane funding. This week's episode is packed with valuable information you don't want to miss!

Listen to the episode at wudairies.com or your favorite podcast platform. For questions about the episode, don't hesitate to get in touch with Paul at paul@wudairies.com.

PRB Recommends QIP Termination Referendum to CDFA Secretary

By Kyle Lutz, WUD Technical Assistance Provider

The Producer Review Board (PRB) held its most recent meeting on November 17, 2023, at the Tulare Ag Commissioner's Office. Unlike some of the recent PRB meetings, attendance was open to those who came in person and virtually. Fourteen voting PRB members were in attendance, and there was a larger crowd of public participants than seen in other meetings this year.

During the meeting, the California Department of Food and Agriculture (CDFA) provided a legal update now that a final ruling was made in the Gordon vs. Ross lawsuit. The Judge presiding over this case ruled that the QIP is not an illegal taking of property because the dairy producer does not have to surrender their milk. Nothing is expected to change in how the QIP is currently operated because of this ruling.

The QIP 5-Year Effectiveness Survey was predominantly on the agenda because a correction was made to the report, which originally stated that surveys were sent to 930 producers. The correction clarifies that the survey was sent to 842 producers instead of 930. This correction does not change anything regarding the survey results and findings.

(continued on page 3)

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

Water Records Are Important!

By Deanne Meyer, Ph.D. Livestock Waste Management Specialist,
Department of Animal Science, UC Davis and UC ANR; Originally
Published By CDQAP

Tracking water application to crops is important in wet and dry years alike. This information is helpful to determine if irrigation water is managed efficiently. Improving irrigation efficiency (amount of water applied compared with plant needs) may be important in the new year as Sustainable Groundwater Management Plans are more fully implemented. Keep in mind that water applied above crop needs leads to leaching and may move nitrate below root zones. Record keeping is also important as water application information is required for dairy water quality annual reports.

Regardless of where the dairy is in CA, producers will want to track water sources and quantities applied to fields. Your nutrient management consultant can provide forms or spreadsheets, or you can download record keeping templates from cdqap.org. (Click the binders tab to find information specific to your region.)

The El Niño ahead may bring much rain. Documenting where water ends up will be important.

December Kitchen Table Meeting Schedule

The events are open to all WUD members.
We look forward to seeing you!

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 with Kyle Lutz at
kyle@wudairies.com

California Milk Advisory Board – December Board Meeting

Wednesday, December 6, 2023 – 7:30 a.m.

Thursday, December 7, 2023 – 8:00 a.m.

Hilton Santa Barbara • 633 E Cabrillo Boulevard, Santa Barbara, CA 93103

The CMAB Board meeting is open to any California dairy producer. If interested in attending, please RSVP to Tracy Garza at tgarza@cmab.net or 209-690-8252.

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(continued) PRB Recommends QIP Termination Referendum to CDFA Secretary

During the October PRB meeting, the PRB passed a motion in response to feedback obtained in the survey to request that CDFA provide technical assistance and financial analysis to facilitate revisiting the mechanics of the QIP. At the November meeting, a letter from Secretary Ross was distributed in response to the PRB's request, which can be found [here](#). Secretary Ross acknowledged and approved the recommendation submitted by the PRB and is requesting additional details pertaining to the scope of the analysis desired by the board. Soon after, a heated discussion took place regarding whether the QIP is subject to a 5-year review process similar to what CDFA marketing programs incur, and the California Milk Advisory Board (CMAB) was used as an example. In response, CDFA staff explained that the QIP does not have the same requirements as CMAB and, therefore, is not obligated to follow the same review process. Following the discussion and explanation by CDFA staff, the PRB entertained a motion to recommend to Secretary Ross that a reapproval referendum of the QIP should be conducted. This proposed referendum would require a 65.5% majority to allow the QIP to continue. The motion failed with 10 no votes and 4 yes votes. If this motion had passed, CDFA indicated that this would have been subject to legal review, and Secretary Ross would have had the final say.

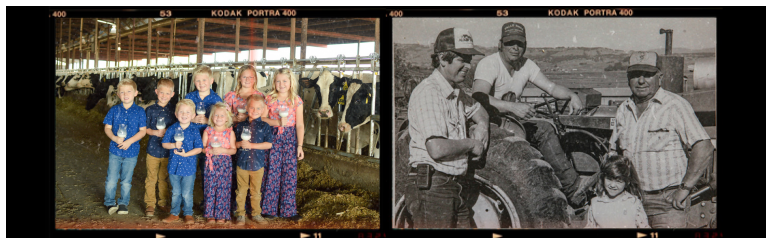
What constitutes a "hardship" was once again a topic of discussion, as it was in some of the other PRB meetings this year. On October 30, 2023, the CDFA attorneys sent out a memorandum regarding QIP hardship requests, and you can find that document [here](#).

Finally, the PRB reviewed the STOP QIP "Petition to Terminate the QIP #5". In September, CDFA provided a Notice of Determination relating to this petition, indicating that the signature requirements had been met and that the PRB would determine the next steps. Of the eligible 842 producers, 243 petitions were received, totaling 28.9%, eclipsing the 25% threshold. The producers who signed the 243 petitions also represented 1,299,762,945 pounds out of the total reported 3,626,101,504 pounds (35.8%) as of May 2023. This agenda item incited a heated discussion by PRB members and public participants, who were more vocal than what had been seen at previous meetings. A motion was made to recommend not sending the Stop QIP petition to Secretary Ross, and the motion was seconded. After much discussion and additional input from the public participants, the motion was rescinded. Eventually, a motion was made and was seconded, supporting that the Stop QIP petition proceed to a referendum. The motion passed with 10 yes votes and 4 no votes.

If you or someone you know would like to serve on the PRB, nominations are open until November 30th, and you can find the application form [here](#). •

We Want Your Dairy Pictures!

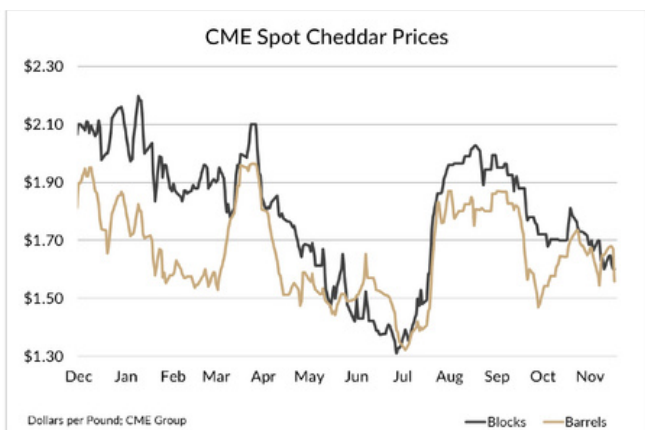
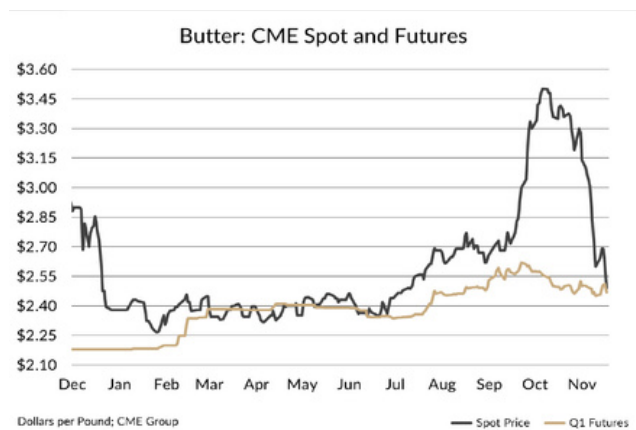
Be featured in our 2024 World Ag Expo Booth! We're seeking photos of WUD members dairying in the past. Photos can include family pictures, operations, and dairy life. Email your photos to rashell@wudairies.com




WEEKLY MARKET UPDATE

The CME butter market regained some lost ground early in the week, as low prices lured buyers back to the table. But the rally didn't last long. Prices resumed their slide downward to end the week below the \$2.50-per-pound mark.

- CME barrel prices started the week above blocks, but ended the week on the other side as more product showed up in Chicago.
- It was another mixed GlobalDairyTrade Pulse event, with whole milk powder prices climbing to \$1.36 per pound, up 2.3% versus the previous main auction. But skim milk powder declined to \$1.17 per down, down 3.9% versus the latest main event.
- So-so demand and adequate supplies are keeping the US nonfat dry milk market in balance. Spot NDM prices dipped just slightly on a weekly basis.
- Weather reports out of South America are adding volatility to nearby US grain futures. Corn and soybean prices shot higher early in the week, only to retreat later.
- Across the economy, prices appear to be cooling somewhat, helped along by a drop in oil prices. The October inflation report showed the Consumer Price Index was unchanged on the month and up 3.2% compared to 2022. Grocery prices climbed 2.1% year-over-year, while restaurant prices increased 5.4% on the year.
- Meanwhile, consumer spending fell short of the inflation rate. October retail sales reached \$705 billion, down 0.1% versus September for the first month-over-month decline since March. Spending was up 2.5% on the year. Grocery and restaurant purchases were up 0.9% and +8.6% year-over-year, respectively.



Dairy Revenue Protection Program			
	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
January - March 2024			
Class III	\$17.29	\$16.43	\$0.22
Class IV	\$18.94	\$17.99	\$0.17
April - June 2024			
Class III	\$18.20	\$17.29	\$0.35
Class IV	\$19.31	\$18.51	\$0.44
July - September 2024			
Class III	\$18.62	\$17.69	\$0.44
Class IV	\$19.82	\$18.83	\$0.56
October - December 2024			
Class III	\$18.71	\$17.77	\$0.52
Class IV	\$19.88	\$18.89	\$0.59
January - March 2025			
Class III	\$18.13	\$17.22	\$0.52
Class IV	\$18.15	\$17.24	N/A
*As of 11/17/2023 for 95% coverage, 1.0 Protection Factor			
		Tiffany LaMendola 209.768.6313	

CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Nov-13	\$1.6425	\$1.6750	\$2.6450	\$1.2200	\$0.4050
Nov-14	\$1.6475	\$1.6800	\$2.6900	\$1.2200	\$0.4200
Nov-15	\$1.6200	\$1.6800	\$2.6900	\$1.2000	\$0.4150
Nov-16	\$1.6000	\$1.6700	\$2.5975	\$1.2000	\$0.4100
Nov-17	\$1.6000	\$1.5600	\$2.4900	\$1.1925	\$0.4100
Average	\$1.6220	\$1.6530	\$2.6225	\$1.2065	\$0.4120
Weekly Change	0.0000	-0.0900	-0.1100	-0.0075	0.0125
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	\$21.95	
Class III	\$13.77	\$17.19	\$18.39	\$16.84	
Class IV	\$18.26	\$18.91	\$19.09	\$21.49	
PPD	\$1.76	\$0.77	\$0.81	\$1.76	
Blend: LA*	\$15.53	\$17.96	\$19.20	\$18.60	
Blend: Tulare*	\$15.03	\$17.46	\$18.70	\$18.10	

*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	\$ 21.00	\$ 12.56	\$ 8.44	\$ 1.06
	Oct-23	\$ 20.18	\$ 12.28	\$ 7.90	\$ 1.60
	Nov-23	\$ 21.10	\$ 12.24	\$ 8.86	\$ 0.64
	Dec-23	\$ 20.44	\$ 12.19	\$ 8.25	\$ 1.25
Estimates only. As of 11/17/2023 and based on futures markets which can change daily.					

