

WESTERN UNITED DAIRIES

WEEKLY UPDATE | JANUARY 23, 2024

Last Call for Photos for the World Ag Expo

Do you have cool, old photos of your dairy? Share them with us! We're seeking photos of WUD members dairying in the past. Photos can include family pictures, operations, and dairy life. Please email your photos to rashell@wudairies.com

Clearing the Air on ARB Truck Regulations

By Paul Sousa, Director of Regulatory and Environmental Affairs

The California Air Resources Board (CARB) is going after diesel trucks and their emissions in a big way. Diesel trucks are the workhorse of our modern society, moving the products we use every day. As the saying goes, "If you bought it, a truck brought it." With so many truck regulations, it is easy to get them confused, creating seemingly conflicting information. Here, I will try to clear up the facts that are important to dairy farmers.

The Truck & Bus Rule was adopted by CARB in 2008 to phase out trucks with 2009 and older diesel engines. That phase-out is now complete. Trucks with 2010 and newer diesel engines are not covered by this rule as they are designed to produce much lower levels of pollution. However, for those that still have trucks with 2009 and older diesel engines the only way to be able to continue to register those with the DMV is with an exemption from the Truck & Bus rule called the Low Use Exemption. This requires that the odometer reading be reported to CARB each January, proving that the truck operated less than 1,000 miles the previous calendar year. As a reminder, if you have a truck in the Low Use Exemption, you must report the odometer reading to CARB by January 31, 2024.

One of the newest rules is the Clean Truck Check which applies to all trucks with a Gross Vehicle Weight Rating (GVWR) of 14,000 pounds or greater. This rule requires trucks to be tested to ensure that the factory emissions control systems continue to function properly. This rule has a reporting deadline that is also January 31 of this year, which was extended from December 31.

(continued on page 2)

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

New on Seen & Herd: Unpacking LCFS Changes with Paul Sousa

In this episode of Seen & Herd, we dive deep into California's Low Carbon Fuel Standards (LCFS) and their impact on dairy farmers.

Paul Sousa, the Director of Environmental Services & Regulatory Affairs at Western United Dairies, discusses the origins of LCFS and the proposed amendments; we explore the evolving landscape of carbon intensity goals, credit systems, and the unique role of dairy biomethane.

For questions related to LCFS, please get in touch with Paul Sousa at paul@wudairies.com.

Listen to the episode on your favorite podcast platform or on our website at wudairies.com.

(continued) Clearing the Air on ARB Truck Regulations

More information on this rule can be found [here](#).

CARB also has other rules requiring certain large fleets to transition to Zero-Emission Vehicles. One of these rules, Advanced Clean Fleets (ACF), has been challenged, and CARB has reported that they will not be enforcing ACF until they address this challenge. CARB is seeking a waiver from USEPA, allowing CARB to have more stringent regulations in this area than USEPA. The challenge to this rule does not affect the implementation of the other rules that CARB has on trucks, including the Truck & Bus and Clean Truck Check reporting requirements. If you have any questions or need help on these issues, don't hesitate to get in touch with me. •

THE BEST FARM SHOW ON DIRT
February 13-15, 2024

WAE Booth Schedule

See you in Tulare!

WORLD AG EXPO
TULARE, CA 2024

TUESDAY 2/13	WEDNESDAY 2/14	THURSDAY 2/15
<p><i>Learn about Hiring with Lecheros Unidos</i> 11:00am - 1:00pm</p> <p><i>Pick Paul's Brain</i> 1:00pm-3:00pm</p> <p><i>CEO Chat with Anja</i> 3:00pm - 5:00pm</p>	<p><i>Dairy Economics with Tiffany LaMendola</i> 10:00am - 12:00pm</p> <p><i>Pick Paul's Brain</i> 1:00pm - 3:00pm</p> <p><i>CEO Chat with Anja</i> 3:00pm - 5:00pm</p>	<p><i>Free Legal Advice with Anthony Raimondo of Raimondo and Associates</i> 10:00am - 2:00pm</p>

FARM CREDIT DAIRY CENTER BOOTH #6503 & 6603

THANK YOU TO OUR CURRENT SPONSORS.

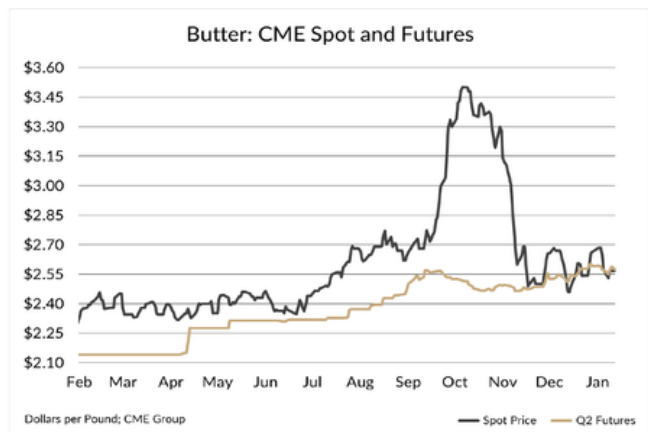
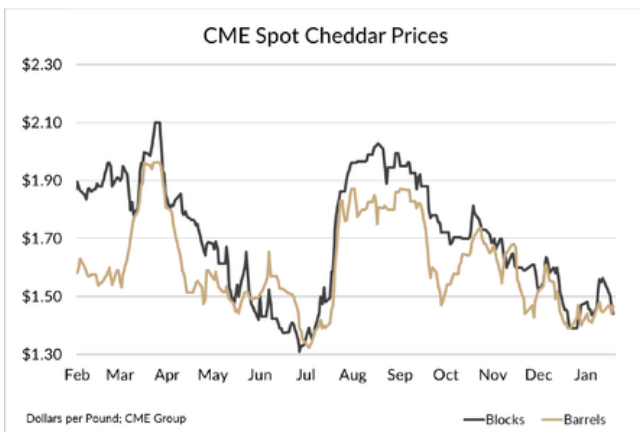
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WEEKLY MARKET UPDATE


Cheese pricing was mixed as the market continues to process soft domestic demand, budding export opportunities and adequate supply. Reports suggest export bookings are moving forward, which could tighten the market in the near future.

- In Chicago, the CME butter market is relatively quiet and rangebound, content in the \$2.50s. So far, the market is following the 2023 playbook, but some analysts think spot prices could break out of the current range to the upside before long.
- The latest GlobalDairyTrade event saw most commodities move higher. Butter jumped to \$2.68 per pound (adjusted to 82% butterfat), the highest price since June 2022. While milk powder prices rose, it wasn't by much and demand from China remains relatively weak.
- The positive GDT result gave some support to spot nonfat dry milk prices in Chicago. But prices fell back later, staying in the upper \$1.10s where they've been for most of the last few months.
- US grain markets continued to react to the previous week's USDA reports. Positive news out of South America also weighed on prices. Nearby corn and soybean futures both slipped through much of the week.
- Even as prices continue to rise, American consumers continue to spend. US retail sales hit \$709.9 billion in December, up 5.6% year-over-year, ahead of the inflation rate. Food service spending also leapt forward, up 11.1% versus 2022. But grocery sales were soft, up just 0.9% on the year and behind the inflation rate of +1.3%.
- According to University of Michigan's Consumer Sentiment Survey, Americans are surprisingly content. The reading came in at 78.8, the highest reading since July 2021 and the biggest two-month jump since 1991 (+29% compared to October).
- US grain markets continued to react to the



Dairy Revenue Protection Program			
	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
April - June 2024			
Class III	\$17.37	\$16.50	\$0.21
Class IV	\$19.40	\$18.43	\$0.27
July - September 2024			
Class III	\$18.25	\$17.33	\$0.36
Class IV	\$19.95	\$18.96	\$0.44
October - December 2024			
Class III	\$18.35	\$17.43	\$0.44
Class IV	\$19.99	\$18.99	\$0.55
January - March 2025			
Class III	\$18.00	\$17.10	\$0.52
Class IV	\$18.92	\$17.97	N/A
April - June 2025			
Class III	\$18.00	\$17.10	\$0.59
Class IV	\$18.13	\$17.22	N/A

*As of 1/19/2024 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
209.768.6313

CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Jan-15					
Jan-16	\$1.5150	\$1.4700	\$2.5675	\$1.1950	\$0.4150
Jan-17	\$1.5000	\$1.4675	\$2.5800	\$1.1950	\$0.4050
Jan-18	\$1.4700	\$1.4400	\$2.5650	\$1.1825	\$0.4050
Jan-19	\$1.4400	\$1.4675	\$2.5450	\$1.1750	\$0.4275
Average	\$1.4813	\$1.4613	\$2.5644	\$1.1869	\$0.4131
Weekly Change	-0.1225	0.0225	-0.0225	-0.0100	-0.0025

Order 51: Latest Prices					
	Oct	Nov	Dec	Jan	Feb
Class I LA	\$21.77	\$22.05	\$22.06	\$20.78	\$20.29
Class II	\$21.95	\$21.21	\$19.88		
Class III	\$16.84	\$17.15	\$16.04		
Class IV	\$21.49	\$20.87	\$19.23		
PPD	\$1.76	\$1.42	\$1.51		
Blend: LA*	\$18.60	\$18.57	\$17.55		
Blend: Tulare*	\$18.10	\$18.07	\$17.05		

*Does not include Quota Deduction

USDA Dairy Margin Coverage (per CWT)					
	Month	All Milk	Feed	Margin Estimate	Indemnity Estimate @ 9.50 Margin
2024 Program	Jan-24	\$ 19.59	\$ 10.98	\$ 8.61	\$ 0.89
	Feb-24	\$ 19.72	\$ 10.92	\$ 8.81	\$ 0.69
	Mar-24	\$ 19.62	\$ 10.85	\$ 8.77	\$ 0.73
	Apr-24	\$ 19.84	\$ 10.92	\$ 8.92	\$ 0.58
	May-24	\$ 20.07	\$ 10.99	\$ 9.08	\$ 0.42
	Jun-24	\$ 20.26	\$ 11.06	\$ 9.20	\$ 0.30
	Jul-24	\$ 20.40	\$ 11.13	\$ 9.27	\$ 0.23
	Aug-24	\$ 20.82	\$ 11.17	\$ 9.65	\$ -
	Sep-24	\$ 21.24	\$ 11.20	\$ 10.04	\$ -
	Oct-24	\$ 21.47	\$ 11.22	\$ 10.25	\$ -
	Nov-24	\$ 21.71	\$ 11.27	\$ 10.45	\$ -
	Dec-24	\$ 21.54	\$ 11.31	\$ 10.23	\$ -

Estimates only. As of 1/19/2024 and based on futures markets which can change daily.

