

New on Seen & Herd: Sick Leave & PTO Insights from Anthony Raimondo

This week on Seen & Herd, we dove into a recent labor webinar with Anthony Raimondo. In this webinar, Anthony reveals the most effective sick leave and PTO strategies that can help you control costs and reduce liability. If you have questions about the webinar, please reach out to Kyle Lutz at kyle@wudairies.com.

Listen to the episode on your favorite podcast platform. The webinar can also be viewed [here](#).

USDA Identifies “Mystery Illness” Affecting Dairy Cows in Texas, Elsewhere

Today, the United States Department of Agriculture (USDA) issued a statement identifying a strain of Highly Pathogenic Avian Influenza (HPAI), commonly known as Bird Flu, as the ailment infecting dairy cattle in the Texas Panhandle and elsewhere in the US.

According to the release: *As of Monday, March 25, unpasteurized, clinical samples of milk from sick cattle collected from two dairy farms in Kansas and one in Texas, as well as an oropharyngeal swab from another dairy in Texas, have tested positive for highly pathogenic avian influenza (HPAI). Additional testing was initiated on Friday, March 22, and over the weekend because farms have also reported finding deceased wild birds on their properties. Based on findings from Texas, the detections appear to have been introduced by wild birds. Initial testing by the National Veterinary Services Laboratories has not found changes to the virus that would make it more transmissible to humans, which would indicate that the current risk to the public remains low.*

In a separate release, the Texas Department of Agriculture noted: *Cattle impacted by HPAI exhibit flu-like symptoms including fever and thick and discolored milk accompanied by a sharp reduction in milk production averaging between 10–30 pounds per cow throughout the herd. Economic impacts to facilities are ongoing as herds that are greatly impacted may lose up to 40% of their milk production for seven to 10 days until symptoms subside.*

(continued on page 3)

Weekly Update Delivery Options

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- Free advertisement of job postings to a wide audience of potential employees
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- Access to a pool of pre-screened employees with dairy experience

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

REMINDER: Upcoming WUD Board of Directors Meeting – March 28th

WUD Members are welcome to attend our next Board of Directors Meeting on Thursday, March 28, 2024, at 9:00 am, at the Stanislaus Farm Bureau Office (1201 L St, Modesto, CA).

Please note, our PAC meeting will follow our BOD meeting, scheduled for 12:30 pm – 2:00pm.

If you are interested in attending either the Board of Directors or PAC meeting, please RSVP with Rashell at rashell@wudairies.com.

USDA Announces Conservation Reserve Program General Signup for 2024

The U.S. Department of Agriculture (USDA) announced that agricultural producers and private landowners can begin signing up for the general Conservation Reserve Program (CRP) starting March 4 and running through March 29, 2024. As one of the largest private lands conservation programs in the United States, CRP offers a range of conservation options to farmers, ranchers, and landowners. It has been an especially strong opportunity for farmers with less productive or marginal cropland, helping them re-establish valuable land cover to help improve water quality, prevent soil erosion, and support wildlife habitat.

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(continued) USDA Identifies “Mystery Illness” Affecting Dairy Cows in Texas, Elsewhere

“There is no threat to the public and there will be no supply shortages,” assured Texas Agriculture Commissioner Sid Miller. “No contaminated milk is known to have entered the food chain; it has all been dumped. In the rare event that some affected milk enters the food chain, the pasteurization process will kill the virus... Unlike affected poultry, I foresee there will be no need to depopulate dairy herds,” Miller said. “Cattle are expected to fully recover. The Texas Department of Agriculture is committed to providing unwavering support to our dairy industry.”

Read the full statement [here](#).

Ever.Ag has provided their thoughts on the market implications.

Ever.Ag’s Take on Supply Implications: In our estimation, infection and mortality rates are the biggest factor in determining what this means to milk supply nationally. So far, multiple anecdotal reports indicate that less than 20% of the cows in infected herds are contracting the disease at any given time. The illness knocks down milk production substantially in affected cows. The impact seems to last from two to three weeks. Contacts offer differing stories about what happens to output once cows shake the illness. Some reports suggest cows are bouncing back decently, while other reports say production from recovering cows falls well short of pre-illness levels. Mortality is apparently low.

If we are looking at, say 15% of the nation’s cows getting sick for three weeks with a medium bounce-back factor, the overall impact on milk production isn’t that big. Of course, things could get tight for a time in any discrete region with a major outbreak. In addition, the characteristics of the illness could change over time.

In a vacuum, we must view sick cows and less milk as price-supportive. And there’s an upside risk if infection, recovery, and mortality rates evolve in an unfavorable direction. But, based on what we think we know today, the situation doesn’t point to a major supply crisis.

Ever.Ag’s Take on Demand Implications: At a high level, “sick cows” isn’t a headline that dairy marketers want to see. If consumers react, they probably direct their attention to beverage milk. We doubt the average consumer draws a line between a story like this and cheese on a fast-food burger. If that’s an accurate assessment, we could see modest negative impact.

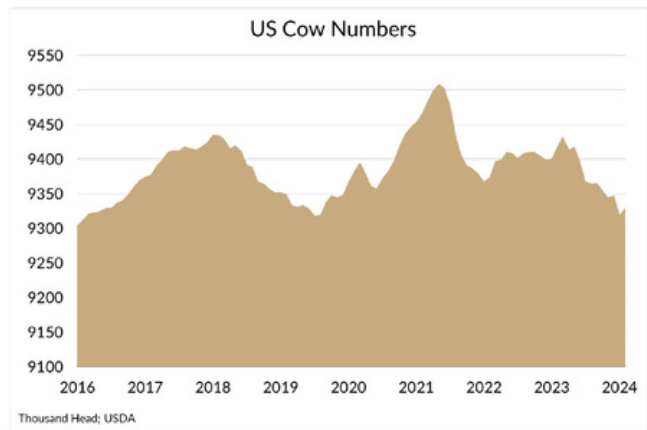
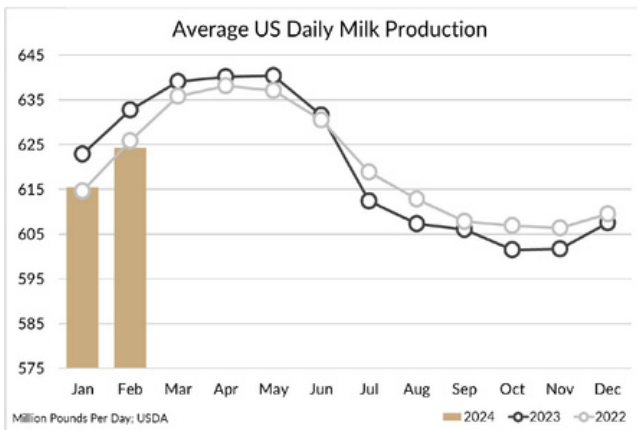
We can imagine a potentially larger issue around exports. Is there a chance that importing nations issue restrictions slowing the flow of US product into their markets? That would be potentially damaging to prices.

Overall: Identifying the disease is only so helpful given that so many questions remain. It’s not as easy as “expect milk production to decline ___% and prices to rise ___%.” Based on available facts, this is a story that has potential to get bigger and more problematic, but it’s too early to make concrete predictions. •

WEEKLY MARKET UPDATE


US February milk output totaled 18.1 billion pounds, with average daily production down 1.3% versus 2023 (adjusted for Leap Day). That was largely in line with pre-report expectations and close to January production (-1.2%). Output in California dropped 0.9% on the year.

- The US dairy herd totaled 9.33 million head in February. That was up 10,000 cows versus January and the largest monthly increase in nearly a year. But the herd was 89,000 head smaller year-over-year. Reports suggest heifers are still hard to come by, a fact that could keep milk output tight.
- Cheese demand remains relatively weak, softening CME cheddar markets even further. Spot blocks dropped below the \$1.40-per-pound mark for the first time this year, while barrels remained in the \$1.40s.
- The butter market was fairly quiet. Concerns about product availability continue, keeping spot butter prices elevated in the low \$2.80s.
- Prices dropped again at the most recent GlobalDairyTrade event, with milk powders, in particular, taking a tumble. China is still holding back, while the Middle East is all but absent. GDT skim milk powder dropped 4.7% to \$1.14 per pound and whole milk powder dropped 4.4% to \$1.43 per pound.
- With global prices falling and demand soft, the CME nonfat dry milk market tumbled to just above \$1.10 per pound, the lowest level since September.
- US grain markets are anticipating this week's USDA Quarterly Stocks and Prospective Plantings reports, due out Thursday. Meanwhile, nearby corn futures ticked up slightly, while soybeans moved lower on the week.
- USDA's 2024 Dairy Margin Coverage enrollment is open through April 29. The January payment rate is \$1.02 per hundredweight.



Dairy Revenue Protection Program			
	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
July - September 2024			
Class III	\$18.12	\$17.21	\$0.27
Class IV	\$20.67	\$19.63	\$0.32
October - December 2024			
Class III	\$18.38	\$17.46	\$0.39
Class IV	\$20.96	\$19.91	\$0.49
January - March 2025			
Class III	\$18.05	\$17.15	\$0.45
Class IV	\$19.62	\$18.64	\$0.51
April - June 2025			
Class III	\$18.11	\$17.21	\$0.55
Class IV	\$18.87	\$17.92	\$0.63
July - September 2025			
Class III	\$18.07	\$17.17	\$0.64
Class IV	\$19.77	\$16.88	N/A

*As of 3/22/2024 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
209.768.6313

CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Mar-18	\$1.4500	\$1.5000	\$2.8200	\$1.1450	\$0.4300
Mar-19	\$1.4500	\$1.5000	\$2.8200	\$1.1250	\$0.4300
Mar-20	\$1.4500	\$1.4950	\$2.8375	\$1.1175	\$0.4050
Mar-21	\$1.3975	\$1.4700	\$2.8200	\$1.1075	\$0.4050
Mar-22	\$1.3925	\$1.4250	\$2.8075	\$1.1075	\$0.3950
Average	\$1.4280	\$1.4780	\$2.8210	\$1.1205	\$0.4130
Weekly Change	-0.0775	-0.0175	-0.0150	-0.0550	-0.0500

Order 51: Latest Prices					
	Dec	Jan	Feb	Mar	Apr
Class I LA	\$22.06	\$20.78	\$20.29	\$21.10	\$21.48
Class II	\$19.88	\$20.04	\$20.53		
Class III	\$16.04	\$15.17	\$16.08		
Class IV	\$19.23	\$19.39	\$19.85		
PPD	\$1.51	\$1.64	\$1.33		
Blend: LA*	\$17.55	\$16.81	\$17.41		
Blend: Tulare*	\$17.05	\$16.31	\$16.91		

*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	\$ 20.10	\$ 11.62	\$ 8.48	\$ 1.02
	Feb-24	\$ 20.32	\$ 10.92	\$ 9.40	\$ 0.10
	Mar-24	\$ 20.41	\$ 10.61	\$ 9.79	\$ -
	Apr-24	\$ 19.70	\$ 10.66	\$ 9.04	\$ 0.46
	May-24	\$ 19.59	\$ 10.63	\$ 8.96	\$ 0.54
	Jun-24	\$ 19.87	\$ 10.71	\$ 9.16	\$ 0.34
	Jul-24	\$ 20.37	\$ 10.80	\$ 9.58	\$ -
	Aug-24	\$ 21.09	\$ 10.86	\$ 10.23	\$ -
	Sep-24	\$ 21.66	\$ 10.92	\$ 10.74	\$ -
	Oct-24	\$ 22.10	\$ 10.97	\$ 11.13	\$ -
	Nov-24	\$ 22.34	\$ 11.03	\$ 11.31	\$ -
	Dec-24	\$ 22.07	\$ 11.09	\$ 10.98	\$ -

Estimates only. As of 3/22/2024 and based on futures markets which can change daily.

