

WESTERN UNITED DAIRIES

WEEKLY UPDATE | MARCH 5, 2024

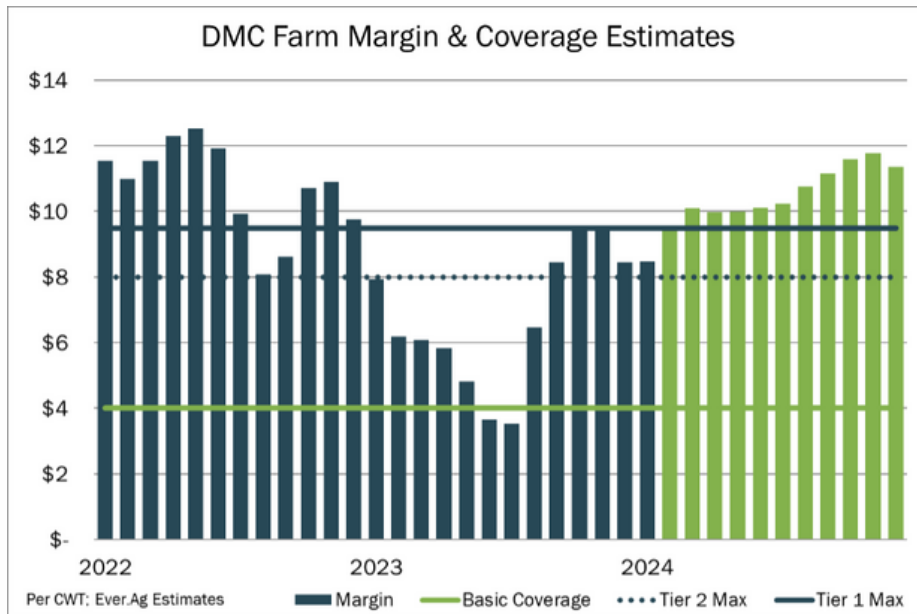
DMC Sign-ups Now Open with a January Payment of \$1.02/cwt Known!

By Tiffany LaMendola, Ever.Ag

Enrollment for the program is now open via your local FSA office and runs through April 29, 2004. In good news for dairy producers, the program is authorized for the 2024 calendar year, meaning coverage will be retroactive to January. And the January payment rate of \$1.02 per hundredweight was just announced (for coverage at the \$9.50 margin). For producers signing up for 5 million pounds per year, the January payment will cover a little over half the annual premium cost.

While current models do not project a whole lot in the way of payments beyond January, the program has a great track record of paying out. Over the past 15 years, if the program existed, it would have paid for itself in all years but 2014. And most importantly, conditions in either the grain or milk markets can change as the year progresses.

WUD will continue to run DMC payment projections in the weekly update. Please reach out with any questions.



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

California Milk Advisory Board – March Board Meeting

Wednesday, March 6, 2024 – 7:30 a.m.
Thursday, March 7, 2024 – 8:00 a.m.

Wine & Roses
2505 W. Turner Road • Lodi, CA 95242

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.

California Dairy Sustainability Summit | March 26, 2024 | Davis

The fourth [California Dairy Sustainability Summit](#) will be held as a one-day event on March 26, 2024, at the UC Davis Conference Center. The Summit brings together the dairy community, along with policymakers, regulators, researchers, supply chain partners, and other stakeholders to discuss the sustainability of California’s family dairy farms. [Conference registration is now open.](#)

For those unable to come in person, [virtual registration](#) is complimentary for all dairy farmers using the code DAIRYFARMER. Virtual registration is also complimentary for all students (code DFASstudent), courtesy of Dairy Farmers of America.

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.

[LEARN MORE](#)

USDA California Farm Service Agency Offers Assistance to Producers Affected by Recent Winter Storms

California Farm Service Agency (FSA) offers disaster assistance to assist farmers and ranchers in their recovery efforts following recent heavy rains and flooding. Farmers and ranchers who have been affected by recent winter storms can contact their [local Farm Service Agency Office](#) to receive assistance.

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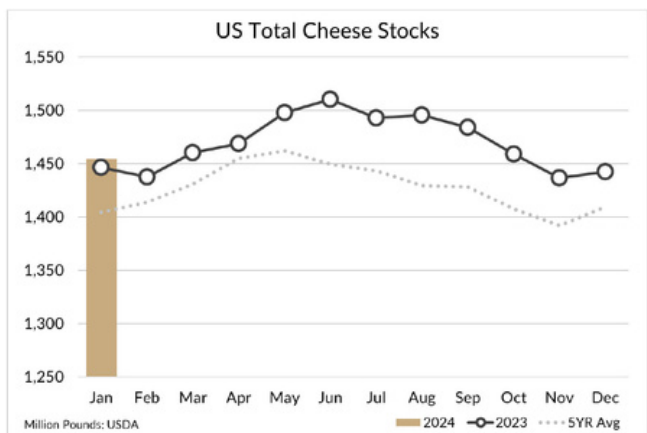
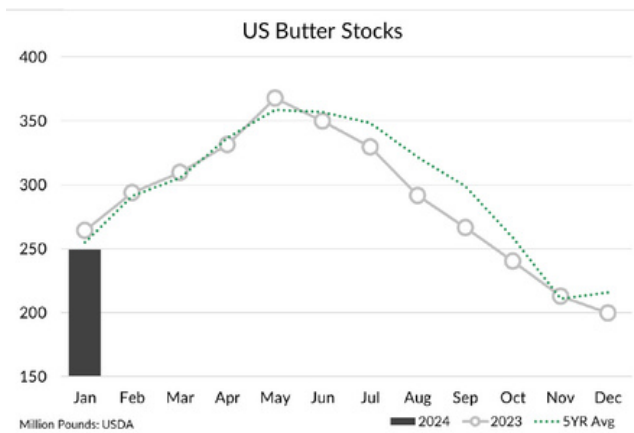
WEEKLY MARKET UPDATE

USDA’s Cold Storage report showed butter producers made up lost ground in January, with stocks up more than expected month-over-month. But inventories were still down compared to last year. Cheese news was more neutral, with stocks ticking up slightly.

- The bearish *Cold Storage* weighed on the CME butter market, bringing prices back down into the \$2.70s. But that’s still well above the average price. Meanwhile, Friday was “new crop” day for butter — the day when CME trading volume switches over to fresh butter. Normally, prices shoot higher. But contacts report fresh product has been popping up in Chicago all year, making the calendar switch more of a formality. As a result, spot prices saw only a slight dip.
- Spot blocks jumped higher to start the week, only to lose ground later. After climbing into the \$1.60s, block prices slipped back into the mid-\$1.50s. Barrels were able to stay elevated over blocks for a third week in a row as supplies remained tight and demand decent.
- Whole milk powder and skim milk powder


prices dropped at the most recent GlobalDairyTrade event, suggesting potential further drops at the next main auction. In Chicago, spot nonfat dry milk prices didn’t have much reaction, ultimately settling down less than a penny on the week.

- After weeks of declines, nearby corn and soybean futures reversed course this week, with March corn up 12.5 cents and soybeans up a dime versus the Friday before.
- USDA’s 2024 Dairy Margin Coverage enrollment is open through April 29. The January payment rate is \$1.02 per hundredweight.
- For producers using the Dairy Revenue Protection (DRP) program, note the Q2 2024 deadline to take coverage is coming soon on March 15.



Dairy Revenue Protection Program		
Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
April - June 2024		
Class III	\$17.25	\$16.39
Class IV	\$20.09	\$19.09
July - September 2024		
Class III	\$18.42	\$17.50
Class IV	\$20.90	\$19.85
October - December 2024		
Class III	\$18.47	\$17.55
Class IV	\$21.20	\$20.14
January - March 2025		
Class III	\$18.07	\$17.17
Class IV	\$19.46	\$18.49
April - June 2025		
Class III	\$17.96	\$17.07
Class IV	\$18.60	\$17.67
		N/A

*As of 3/1/2024 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
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CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Feb-26	\$1.5900	\$1.6700	\$2.8500	\$1.1975	\$0.4975
Feb-27	\$1.6100	\$1.6700	\$2.8350	\$1.1800	\$0.4525
Feb-28	\$1.6150	\$1.6700	\$2.8000	\$1.1900	\$0.4400
Feb-29	\$1.6050	\$1.6500	\$2.7650	\$1.1900	\$0.4275
Mar-01	\$1.5500	\$1.6500	\$2.7575	\$1.1975	\$0.4250
Average	\$1.5940	\$1.6620	\$2.8015	\$1.1910	\$0.4485
Weekly Change	0.0000	0.0350	-0.0925	-0.0025	-0.0975

Order 51: Latest Prices					
	Nov	Dec	Jan	Feb	Mar
Class I LA	\$22.05	\$22.06	\$20.78	\$20.29	\$21.10
Class II	\$21.21	\$19.88	\$20.04	\$20.53	
Class III	\$17.15	\$16.04	\$15.17	\$16.08	
Class IV	\$20.87	\$19.23	\$19.39	\$19.85	
PPD	\$1.42	\$1.51	\$1.64		
Blend: LA*	\$18.57	\$17.55	\$16.81		
Blend: Tulare*	\$18.07	\$17.05	\$16.31		

*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	\$ 10.85	\$ 9.47	\$ 0.03
	Mar-24	\$ 20.54	\$ 10.51	\$ 10.03	\$ -
	Apr-24	\$ 20.29	\$ 10.50	\$ 9.79	\$ -
	May-24	\$ 20.25	\$ 10.42	\$ 9.82	\$ -
	Jun-24	\$ 20.53	\$ 10.49	\$ 10.03	\$ -
	Jul-24	\$ 20.74	\$ 10.56	\$ 10.18	\$ -
	Aug-24	\$ 21.39	\$ 10.62	\$ 10.77	\$ -
	Sep-24	\$ 21.89	\$ 10.67	\$ 11.22	\$ -
	Oct-24	\$ 22.31	\$ 10.72	\$ 11.58	\$ -
	Nov-24	\$ 22.56	\$ 10.79	\$ 11.78	\$ -
	Dec-24	\$ 22.16	\$ 10.85	\$ 11.31	\$ -

Estimates only. As of 3/1/2024 and based on futures markets which can change daily.

