

# WESTERNUNITEDDAIRIES

WEEKLY UPDATE | MAY 21, 2024

## Federal Animal Disease Traceability Rule Finalized

As many are aware, APHIS has released the final wording of the changes to the Animal Disease Traceability rule. This rule was entered into the federal registry this past week and will have an effective date of November 5, 2024 for implementation. APHIS believes that these changes will enhance the ability of regulatory officials, private veterinarians, and livestock producers to quickly respond to diseases of high consequence and foreign animal diseases that may pose a threat to the U.S. cattle and bison industries.

The biggest change that this rule brings is the requirement that eartags applied to cattle and bison will be required to be both electronically and visually readable in order to qualify for use for official identification of cattle and bison moving interstate. Under this final rule; metal NUES tags will no longer qualify as official identification for cattle and bison tagged after November 5, 2024 effective date. All NUES tags currently in place in cattle and bison prior to the November 5 effective date will be recognized as official ID for the life of these animals. The additional changes brought with this final ruling include changes to some definitions and clarification of record retention and records access.

(continued on page 2)

## New on Seen & Herd: Cash Flow & Complications - Dissecting the May Budget Revise with Anja Rauadabaugh

Anja Rauadabaugh, WUD CEO, joins us on Seen & Herd this week to give a quick overview of the Governor's May Budget Revise. The short of it is - California is in a budget deficit. Anja provides insight into how this year's budget will affect Agriculture.



Listen to the episode on your favorite podcast platform or [wudairies.com](http://wudairies.com).

## 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](mailto: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](http://westernuniteddairies.com/lecheros-unidos)

## (continued) Federal Animal Disease Traceability Rule Finalized

The most pertinent changes included in the final federal ADT rule include changes to certain definitions namely:

- **Official Identification for Cattle and Bison:** "(i) For an official eartag, beginning November 5, 2024, all official eartags sold for or applied to cattle and bison must be readable both visually and electronically (EID)."
- **Dairy Cattle:** "All cattle, regardless of age or sex or current use, that are of a breed(s) or offspring of a breed used to produce milk or other dairy products for human consumption, including, but not limited to, Ayrshire, Brown Swiss, Holstein, Jersey, Guernsey, Milking Shorthorn, and Red and Whites."
- **Approved Tagging Site:** "A premises, authorized by APHIS, State, or Tribal animal health officials, where livestock without official identification may be transferred to have official identification applied on behalf of their owner or the person in possession, care, or control of the animals when they are brought to the premises."

Related to questions we have received through this period APHIS will be removing a section of the Brucellosis CFR: § 86.4(c)(4), which states that a brucellosis vaccination visual eartag with a NUES number may be applied to an animal that is already officially identified with one or more official eartags." As a result, visual only/non-EID brucellosis NUES tags (orange Bangs tags) would no longer be recognized as official ID after the effective date of the rule.

We do recognize the challenges associated with management changes that will be needed for implementation of the final federal ADT rule and encourage you to have discussions with your clients with respect to the potential impact of these changes on their operations. Attached are a copy of the final federal rule as well as the publication from the federal register.

If you have questions, please feel free to reach out to [district offices](#).

### ADDITIONAL HPAI RESOURCES:

- [Traceability Final Rule Doc](#)
- [Final Federal ADT Rule](#)
- [What to Expect if You Suspect HPAI in Your Herd](#)
- [Healthy Lactating Dairy Cattle Testing Protocol for use in Pre-Movement or Surveillance](#)
- [USDA Support for Producers with Affected Dairy Premises](#)

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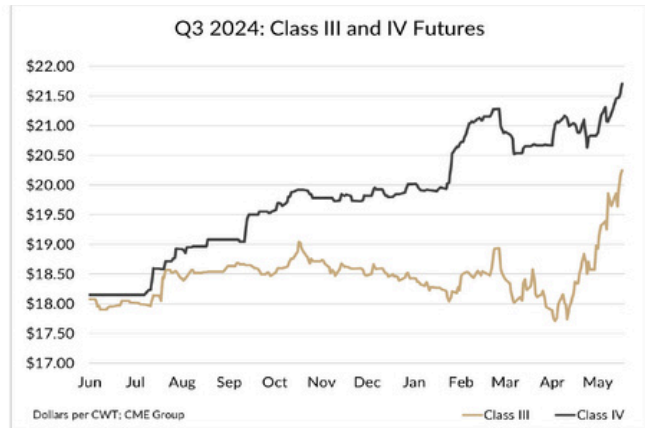
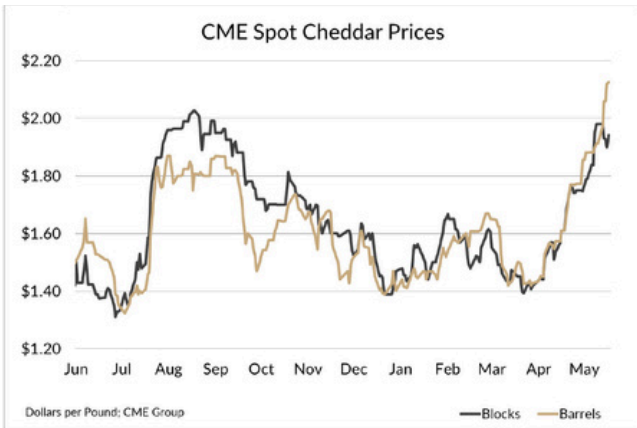
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# WEEKLY MARKET UPDATE


With supplies tight, the barrel cheese market surged more than 21 cents passing the \$2 mark and reaching the highest price since October 2022. Spot blocks didn't have the same level of support, slipping back to the mid \$1.90s.

- Bulk butter supplies still feel tight, keeping strong support under the CME market. Spot butter prices climbed back over \$3 per pound with decent volume trading.
- Third quarter Class III and IV futures followed spot prices upward. Class III finished the week at \$20.25 per hundredweight, up 60 cents on the week, while Class IV settled at \$21.71, 51 cents higher, both life-of-contract highs.
- After weeks in the low \$1.10s, the spot nonfat dry milk market strengthened a bit and climbed closer to \$1.17 per pound. Trading picked up, with 26 lots changing hands on Tuesday alone, the biggest single-day volume since February 2021.
- Corn planting is moving ahead, but remains a little slow. As of May 5, 49% of the crop was in the ground, up from 36% the previous week, but down from 54% on the five-year average. Soybean planting is a little quicker, at 35% complete. That's up from 25% the week before and from the five-year average of 34%.
- Nearby corn futures softened a bit, but soybean prices leapt higher.
- In April, inflation slowed a bit, up 0.3% on the month and +3.4% versus 2023. Food prices were flat on the month, but up 2.2% year-over-year. The food-at-home index declined 0.2% versus February and climbed 1.1% on the year, while restaurant prices climbed 0.3% and +4.1%, respectively.
- Retail sales reached \$705.2 billion in April, flat on the month and up 3.0% compared to 2023. Grocery sales were slightly behind the inflation rate, while restaurant spending jumped ahead of rising prices.



Dairy Revenue Protection Program		
Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
<b>July - September 2024</b>		
Class III	\$20.25	\$19.24
Class IV	\$21.71	\$20.62
<b>October - December 2024</b>		
Class III	\$19.28	\$18.32
Class IV	\$21.91	\$20.82
<b>January - March 2025</b>		
Class III	\$18.42	\$17.50
Class IV	\$20.65	\$19.61
<b>April - June 2025</b>		
Class III	\$18.38	\$17.46
Class IV	\$20.37	\$19.35
<b>July - September 2025</b>		
Class III	\$18.30	\$17.39
Class IV	\$19.40	\$18.43

\*As of 5/17/2024 for 95% coverage, 1.0 Protection Factor



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CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
May-13	\$1.9800	\$1.9725	\$3.0275	\$1.1675	\$0.3850
May-14	\$1.9300	\$2.0600	\$2.9950	\$1.1650	\$0.3850
May-15	\$1.9275	\$2.0600	\$3.0550	\$1.1600	\$0.3950
May-16	\$1.9000	\$2.1200	\$3.0550	\$1.1650	\$0.4150
May-17	\$1.9425	\$2.1250	\$3.0700	\$1.1650	\$0.4150
<b>Average</b>	<b>\$1.9360</b>	<b>\$2.0675</b>	<b>\$3.0405</b>	<b>\$1.1645</b>	<b>\$0.3990</b>
<b>Weekly Change</b>	<b>-0.0375</b>	<b>0.2125</b>	<b>0.0800</b>	<b>0.0125</b>	<b>0.0300</b>

Order 51: Latest Prices					
	Jan	Feb	Mar	Apr	May
Class I LA	\$20.78	\$20.29	\$21.10	\$21.48	\$20.76
Class II	\$20.04	\$20.53	\$21.12	\$21.23	
Class III	\$15.17	\$16.08	\$16.34	\$15.50	
Class IV	\$19.39	\$19.85	\$20.09	\$20.11	
PPD	\$1.64	\$1.33	\$1.43	\$1.84	
Blend: LA*	\$16.81	\$17.41	\$17.77	\$17.34	
Blend: Tulare*	\$16.31	\$16.91	\$17.27	\$16.84	

\*Does not include Quota Deduction

USDA Dairy Margin Coverage (per CWT)					
	Month	All Milk	Feed	Margin Estimate	Indemnity Estimate @ 9.50 Margin
<b>2024 Program</b>	Jan-24	\$ 20.10	\$ 11.62	\$ 8.48	\$ 1.02
	Feb-24	\$ 20.60	\$ 11.16	\$ 9.44	\$ 0.06
	Mar-24	\$ 20.70	\$ 11.05	\$ 9.65	\$ -
	Apr-24	\$ 19.75	\$ 10.82	\$ 8.93	\$ 0.57
	May-24	\$ 21.00	\$ 10.97	\$ 10.04	\$ -
	Jun-24	\$ 22.70	\$ 10.98	\$ 11.72	\$ -
	Jul-24	\$ 22.64	\$ 10.99	\$ 11.65	\$ -
	Aug-24	\$ 22.80	\$ 11.02	\$ 11.77	\$ -
	Sep-24	\$ 23.01	\$ 11.07	\$ 11.95	\$ -
	Oct-24	\$ 23.20	\$ 11.11	\$ 12.09	\$ -
	Nov-24	\$ 23.41	\$ 11.17	\$ 12.24	\$ -
	Dec-24	\$ 22.87	\$ 11.23	\$ 11.64	\$ -

Estimates only. As of 5/17/2024 and based on futures markets which can change daily.

