

PRB Meeting Recap: Key Decisions and Discussions

By WUD Staff

The Producer Review Board (PRB) convened on May 1st in Tulare for a pivotal in-person meeting attended by 14 board members. Notably, the board advanced a proposal to the Secretary aimed at reducing quota payments, among other measures. This proposal, led by board member Frank Konyn, underwent intense scrutiny and discussion, ultimately resulting in a motion to move it forward as is, despite initial suggestions to delay action until the next PRB meeting. The proposal encompasses significant changes to the Quota Implementation Plan (QIP), including adjustments to payment rates and the redefinition of "hardship" criteria, sparking deliberations on its potential implications for the dairy industry.

(continued on page 2)

New on Seen & Herd: PRB Meeting Recap with Paul Sousa

Paul Sousa, the Director of Environmental Services and Regulatory Affairs at Western United Dairies joins us on the latest episode of Seen & Herd. We delve into the recent Producer Review Board (PRB) meeting held on May 1st in Tulare. A short recap of the meeting can be found in the article above.



In the episode, Paul mentions links to resources (CDFA Records, agenda, etc.) that were listed in the show notes. These resources can also be found on page 2.

Listen to the episode on your favorite podcast platform or wudairies.com. If you have any questions about the podcast, please contact us at podcast@wudairies.com.

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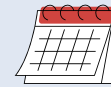
For more information, visit: westernuniteddairies.com/lecheros-unidos

(continued) PRB Meeting Recap: Key Decisions and Discussions

The meeting also addressed updates from the California Department of Food and Agriculture (CDFA), including insights into the QIP fund condition, staffing updates, and the current status of High Pathogenic Avian Influenza (HPAI). Furthermore, discussions ensued regarding the possibility of a referendum on the proposal, with CDFA emphasizing the importance of ensuring accurate dairy industry representation in the voting process. Additionally, the meeting considered hardship requests, resulting in decisions to deny 10 requests and refine the language surrounding future considerations. Although a motion to change the voting threshold on future referendums was introduced, it was deferred for future discussion due to procedural constraints. With these key decisions made, the meeting adjourned, marking a significant milestone in shaping California’s dairy landscape. •

RESOURCES:

- [CDFA RECORDS UPDATE](#)
- [PRB MEETING AGENDA](#)
- [CDFA HPAI UPDATE](#)
- [CDFA HARDSHIP LEGAL UPDATE](#)



MARK YOUR CALENDARS

WUD Board of Directors Meeting

Thursday, May 16 at 9am
 Stanislaus Farm Bureau Office
 1201 L St, Modesto, CA 95354

All members are welcome to attend.
 Please RSVP with Rashell at rashell@wudairies.com.

CMAB May Board of Directors Meeting

Wednesday, May 8, 2024 – 7:30 a.m.
Thursday, May 9, 2024 – 8:00 a.m.

Visalia Marriott • 300 S Court Street,
 Visalia, CA 93291

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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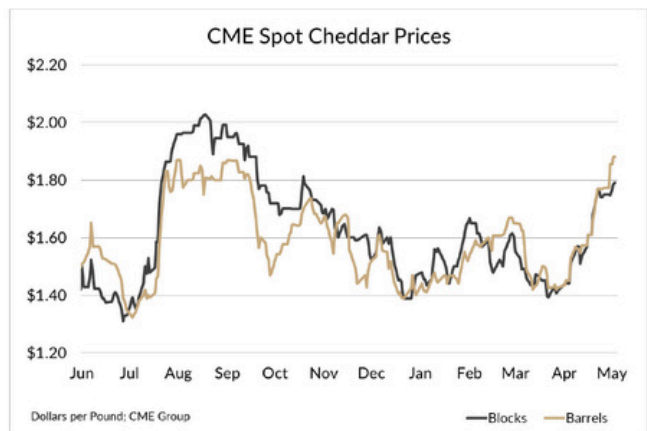
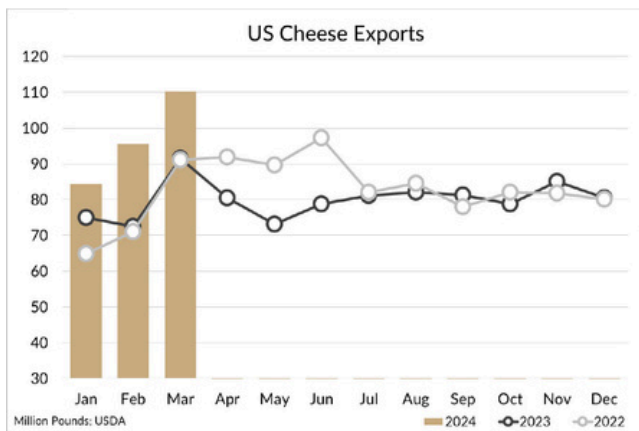
WEEKLY MARKET UPDATE

Lower prices earlier in the year generated serious export interest in US cheese in March, with outbound volume reaching an all-time record high of 110 million pounds. That was up 20.4% on the year. Mexico remains a major buyer, purchasing 34 million pounds, up 8% versus 2023.

- Increased exports means tighter cheese supplies at home and helped drive CME cheese markets upwards. Barrels surged to \$1.88 per pound, the highest price since March 2023. Spot blocks also rose, but kept a more moderate pace, remaining in the \$1.70s.
- The CME butter market also leapt higher. With buyers still concerned about bulk butter supplies, spot prices jumped up over the \$3-per-pound mark to a new year-to-date high of \$3.0750. Volume was also heavy. On Thursday, 23 lots traded, the most in a single day since August.
- Gains in spot cheese and butter gave support to Class III and IV markets. Third quarter futures shot higher, settling at \$19.31 and \$21.15 per hundredweight, up 73 and 32 cents, respectively, on the week.


International demand remained weak for nonfat dry milk/skim milk powder through the end of Q1. US March exports totaled 140 million pounds, down 18% on the year.

- Demand softness also showed up at the latest GlobalDairyTrade Pulse event, where both whole milk powder and SMP prices declined. In Chicago, the spot NDM market was able to climb higher on the week, but remained rangebound in the low \$1.10s.
- Corn and soybean planting is continuing at an above-average pace. But heavy rains in key growing regions are giving some analysts concern.
- Weather reports are creating volatility in grain futures, where the May soybean contract leapt over the \$12-per-bushel mark for the first time since March.



Dairy Revenue Protection Program			
	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
July - September 2024			
Class III	\$19.31	\$18.34	\$0.33
Class IV	\$21.15	\$20.09	\$0.24
October - December 2024			
Class III	\$18.79	\$17.85	\$0.41
Class IV	\$21.56	\$20.48	\$0.43
January - March 2025			
Class III	\$18.10	\$17.19	\$0.45
Class IV	\$20.57	\$19.54	\$0.50
April - June 2025			
Class III	\$18.14	\$17.23	\$0.50
Class IV	\$19.66	\$18.67	\$0.64
July - September 2025			
Class III	\$18.20	\$17.29	\$0.60
Class IV	\$19.00	\$18.05	\$0.60

*As of 5/3/2024 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
209.768.6313

CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Apr-29	\$1.7500	\$1.7725	\$2.9650	\$1.1100	\$0.3750
Apr-30	\$1.7475	\$1.8550	\$2.9650	\$1.1200	\$0.3750
May-01	\$1.7675	\$1.8550	\$3.0050	\$1.1250	\$0.3750
May-02	\$1.7875	\$1.8800	\$3.0575	\$1.1175	\$0.3900
May-03	\$1.7900	\$1.8800	\$3.0750	\$1.1300	\$0.3950
Average	\$1.7685	\$1.8485	\$3.0135	\$1.1205	\$0.3820
Weekly Change	0.0400	0.1075	0.1050	0.0200	0.0125

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		
Blend: LA*	\$16.81	\$17.41	\$17.77		
Blend: Tulare*	\$16.31	\$16.91	\$17.27		

*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	\$ 20.60	\$ 11.16	\$ 9.44	\$ 0.06
	Mar-24	\$ 20.70	\$ 11.05	\$ 9.65	\$ -
	Apr-24	\$ 19.75	\$ 10.80	\$ 8.95	\$ 0.55
	May-24	\$ 20.82	\$ 10.91	\$ 9.91	\$ -
	Jun-24	\$ 21.48	\$ 11.01	\$ 10.47	\$ -
	Jul-24	\$ 21.54	\$ 11.10	\$ 10.44	\$ -
	Aug-24	\$ 21.99	\$ 11.14	\$ 10.85	\$ -
	Sep-24	\$ 22.42	\$ 11.19	\$ 11.23	\$ -
	Oct-24	\$ 22.73	\$ 11.23	\$ 11.50	\$ -
	Nov-24	\$ 22.89	\$ 11.29	\$ 11.60	\$ -
	Dec-24	\$ 22.49	\$ 11.35	\$ 11.14	\$ -

Estimates only. As of 5/3/2024 and based on futures markets which can change daily.

