

WESTERNUNITEDDAIRIES

WEEKLY UPDATE | JUNE 19, 2024

Update from the California Cattle Council

By Justin Oldfield, Executive Director of the California Cattle Council

As we head into summer and the spring shipping run is well on its way, the Cattle Council has remained busy gearing up to launch our 2024 public affairs campaign in California's Capitol region. The campaign will include previously produced content, new radio spots, and TV commercials highlighting the economic, environmental, and social benefits of California's beef and dairy industries.

In addition, the Cattle Council Executive Committee recently made a decision to make a significant investment from our "Response Fund" to do targeted public outreach about the economic, environmental, and social benefits of the dairy industry in the North Coast region. This effort follows a series of targeted opinion focus groups that were conducted in Sonoma and Marin County, asking consumers about their perceptions of the dairy industry and neighboring farms. This is a critically important effort, given that questions have been raised about the region's dairy on-farm animal welfare practices. The Cattle Council does not engage in political or legislative work. However, we do have a mission to educate members of the public about what we do on our farms and ranches and tell your story to millions of California consumers who purchase dairy products or live near dairy farms. This is important work regardless of what part of the state you farm or ranch in.

We continue to appreciate your support and investment in the Cattle Council. As always, never hesitate to contact me or any of our board members directly with questions.

Farm Service Agency Seeking Nominations for Farmers and Ranchers to Serve on Local County Committees

Nominations are now being accepted for farmers and ranchers to serve on local U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) county committees. These committees make important decisions about how federal farm programs are administered locally. All nomination forms for the 2024 election must be postmarked or received in the local FSA office by Aug. 1, 2024.

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 will be closed for maintenance from June 10, 2024 - September 9, 2024. We will follow up about any pending items upon reopening in September.

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

(continued) Farm Service Agency Seeking Nominations for Farmers and Ranchers to Serve on Local County Committees

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“Serving on a Farm Service Agency county committee is your chance to ensure that other producers who share your interests, your production practices, and your perspective are represented. County committee service is a unique opportunity in the federal government for citizen stakeholders to participate in the implementation of policy and programs at the local level,” said FSA Administrator Zach Ducheneaux. “Nominations are now open, and elections will begin in November; don’t miss this chance to help FSA serve all producers.”

Elections for committee members will occur in certain Local Administrative Areas (LAA). LAAs are elective areas for FSA committees in a single county or multi-county jurisdiction and may include LAAs that are focused on an urban or suburban area.

Customers can locate their LAA through a geographic information system locator tool available at fsa.usda.gov/elections and determine if their LAA is up for election by contacting their local FSA office.

Agricultural producers may be nominated for candidacy for the county committee if they:

- Participate or cooperate in a USDA program.
- Reside in the LAA that is up for election this year.
-

A cooperating producer is someone who has provided information about their farming or ranching operation to FSA, even if they have not applied or received program benefits.

Individuals may nominate themselves or others and qualifying organizations may also nominate candidates. USDA encourages minority, women, urban and beginning farmers or ranchers to nominate, vote and hold office.

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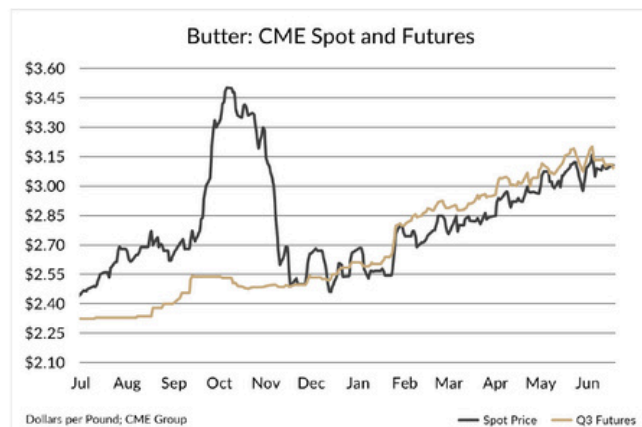
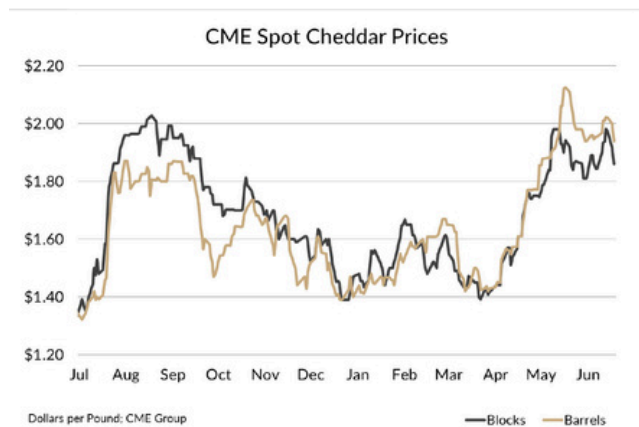
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WEEKLY MARKET UPDATE

Tighter milk output and decent domestic demand seemed to support CME cheese markets in recent weeks as spot blocks jumped into the upper \$1.90s and barrels over the \$2 mark. But support melted away, likely as exports fade, knocking blocks into the \$1.80s and barrels to the \$1.90s.


- There’s not much news in the CME butter market, where prices are drifting around on either side of the \$3.10-per-pound mark..
- It was another mixed auction at the latest GlobalDairyTrade event. On the milk powder side, skim milk powder rose 1.6% to \$1.25 per pound, while whole milk powder dipped 2.4% to \$1.54 per pound. China continues to be largely on the sidelines, purchasing the lowest volumes since 2011.
- The CME nonfat dry milk market continued to bobble in the upper \$1.10s, tapping \$1.20 per pound, but unable to remain at that level.
- USDA’s June World Agricultural Supply and Demand Estimates report was neutral on US corn and slightly bearish for soybeans. With ending stock numbers largely in line with estimates, there wasn’t much reaction from the markets
- With US planting nearly complete, nearby corn and soybean futures are watching the weather. So far, crop conditions are strong. As of June 16, 72% of the corn crop was in good or excellent condition compared to 64% last year. Soybeans were 70% good or excellent, down just slightly on the year.
- Inflation cooled slightly in May. The Consumer Price Index was flat month-over-month and ticked up 3.3% on the year. That compared to expectations for +0.1% and +3.4%. The food index rose 0.1% versus April and +2.2% year-over-year.
- US May consumer spending struggled to keep up with rising prices. Retail sales totaled \$703.1 billion, up 3.3% on the year, but below expectations. Grocery sales advanced 1.6% versus 2023, behind the food-at-home inflation rate.



Dairy Revenue Protection Program

	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
October - December 2024			
Class III	\$19.62	\$18.64	\$0.38
Class IV	\$21.43	\$20.36	\$0.36
January - March 2025			
Class III	\$18.81	\$17.87	\$0.44
Class IV	\$20.99	\$19.94	\$0.46
April - June 2025			
Class III	\$18.90	\$17.95	\$0.51
Class IV	\$20.70	\$19.66	\$0.59
July - September 2025			
Class III	\$18.62	\$17.69	\$0.59
Class IV	\$19.75	\$18.76	\$0.58

*As of 6/18/2024 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
209.768.6313

CME Commodity Prices

	Blocks	Barrels	Butter	NDM	Dry Whey
Jun-10	\$1.8975	\$1.9675	\$3.0800	\$1.1950	\$0.4700
Jun-11	\$1.9350	\$2.0100	\$3.1050	\$1.2000	\$0.4750
Jun-12	\$1.9375	\$2.0100	\$3.1050	\$1.1900	\$0.4800
Jun-13	\$1.9825	\$2.0225	\$3.0900	\$1.1925	\$0.4800
Jun-14	\$1.9700	\$2.0200	\$3.0900	\$1.1925	\$0.4700
Average	\$1.9445	\$2.0060	\$3.0940	\$1.1940	\$0.4750
Weekly Change	0.1250	0.0650	-0.0025	-0.0025	0.0000

Order 51: Latest Prices

	Feb	Mar	Apr	May	Jun
Class I LA	\$20.29	\$21.10	\$21.48	\$20.76	\$22.38
Class II	\$20.53	\$21.12	\$21.23	\$21.50	
Class III	\$16.08	\$16.34	\$15.50	\$18.55	
Class IV	\$19.85	\$20.09	\$20.11	\$20.50	
PPD	\$1.33	\$1.43	\$1.84	\$0.85	
Blend: LA*	\$17.41	\$17.77	\$17.34	\$19.40	
Blend: Tulare*	\$16.91	\$17.27	\$16.84	\$18.90	

*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	\$ 20.50	\$ 10.90	\$ 9.60	\$ -
	May-24	\$ 21.22	\$ 10.97	\$ 10.25	\$ -
	Jun-24	\$ 22.22	\$ 10.96	\$ 11.26	\$ -
	Jul-24	\$ 22.74	\$ 10.96	\$ 11.78	\$ -
	Aug-24	\$ 23.34	\$ 10.91	\$ 12.43	\$ -
	Sep-24	\$ 23.55	\$ 10.90	\$ 12.65	\$ -
	Oct-24	\$ 23.59	\$ 10.94	\$ 12.65	\$ -
	Nov-24	\$ 23.48	\$ 11.00	\$ 12.48	\$ -
	Dec-24	\$ 23.07	\$ 11.07	\$ 12.00	\$ -

Estimates only. As of 6/18/2024 and based on futures markets which can change daily.

