

# WESTERNUNITEDDAIRIES

WEEKLY UPDATE | JUNE 26, 2024



## 4th of July Schedule

Please be advised that there will be no newsletter or podcast next week. Regular updates will resume during the week of July 10th.



## New on Seen & Herd: The Latest Avian Influenza News and Analysis with Dr. Michael Payne

In the latest episode of Seen and Heard, Anja Raudabaugh, CEO of Western United Dairies, hosts Dr. Michael Payne to discuss the recent avian influenza outbreak and its surprising impact on dairy cows.

This episode dives into the unexpected mutation that has allowed avian influenza to infect cows, a phenomenon that has spread across 12 states and affected 90 farms. Dr. Payne underscores the severity of the situation, noting that dairy farmers have never been this concerned about a disease.

The conversation emphasizes the importance of robust biosecurity measures to prevent the spread of the virus. Dr. Payne provides practical advice for farmers, such as isolating new animals for 30 days, disinfecting equipment like trailers, and ensuring that employees maintain proper hygiene. This includes wearing designated coveralls and boots that stay on the farm to avoid cross-contamination from other farms or personal livestock.

Additionally, the episode addresses growing concerns about the effectiveness of pasteurization in killing the virus. Dr. Payne reassures listeners that the commercial milk supply is safe, citing comprehensive studies by the FDA, USDA, and NIH that found no live virus in commercial dairy products. He explains that while some studies have detected viral fragments, these are remnants of the virus killed during pasteurization and pose no threat to consumers.

Listeners are encouraged to stay informed and proactive in their biosecurity practices. For questions about this episode, please contact us at [podcast@wudairies.com](mailto:podcast@wudairies.com).

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

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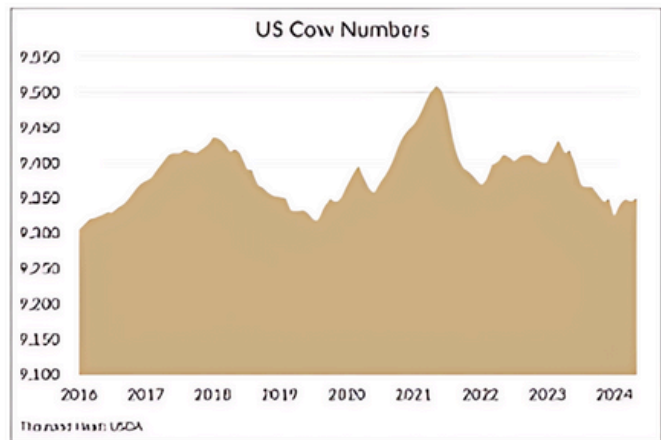
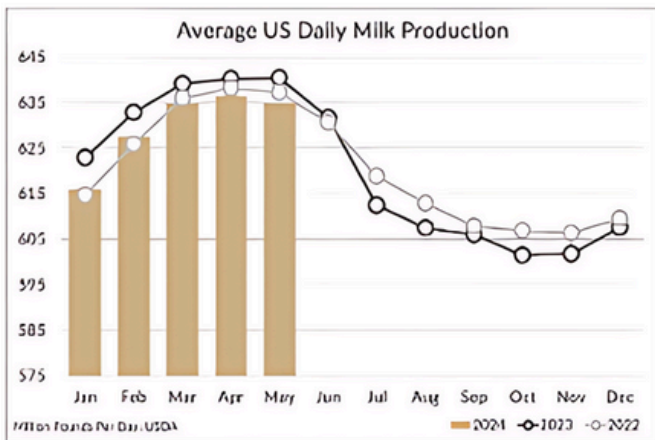
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# WEEKLY MARKET UPDATE


USDA’s May Milk Production report pegged US output at 19.7 billion pounds. While that was down 0.9% compared to 2023, it was close to predictions. Heat and a tough year-over-year comparison hit California production, which fell 1.5% on the year.

- The US dairy herd totaled 9.35 million head in May, up 5,000 cows on the month, but down 68,000 versus 2023.
- CME blocks continued to weaken through the later part of last week. Prices jumped higher on Monday on concerns about supply availability, but the rally was short-lived. Barrels, meanwhile, are on a slow, steady march lower, dipping close to the \$1.90-per-pound mark.
- In Chicago, anxiety may be calming slightly in the butter market, where prices have dropped to the low \$3.00s. But buyers aren’t confident enough about future supplies for prices to tumble further.
- USDA’s May Cold Storage report painted a bullish-leaning picture for US cheese stocks, which reached 1.443 billion pounds, flat on the month and down on the year. Butter was more neutral, climbing to 380 million pounds, just slightly behind the predicted pace.
- Milk powder prices dropped at this week’s GlobalDairyTrade Pulse auction. Whole milk powder decreased to \$1.53 per pound and skim milk powder slipped to \$1.15 per pound, down 2.1% and -4.5%, respectively, compared to the last event.
- At the CME, nonfat dry milk prices jumped to the highest level since February, only to slip back below \$1.19 per pound.
- US corn and soybean crops are strong, with 69% of corn and 67% of beans rated in good or excellent condition. While there have been some up and down movements, nearby corn and soybean futures have mostly trended downward.



Dairy Revenue Protection Program			
	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
October - December 2024			
Class III	\$20.27	\$19.26	\$0.58
Class IV	\$21.50	\$20.43	\$0.35
January - March 2025			
Class III	\$19.75	\$18.76	\$0.43
Class IV	\$21.46	\$20.38	\$0.46
April - June 2025			
Class III	\$18.83	\$17.89	\$0.50
Class IV	\$20.92	\$19.87	\$0.59
July - September 2025			
Class III	\$18.75	\$17.81	\$0.58
Class IV	\$20.75	\$19.72	\$0.58
October - December 2025			
Class III	\$18.35	\$17.43	NA
Class IV	\$19.83	\$18.84	NA

\*As of 6/25/2024 for 95% coverage, 1.0 Protection Factor



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CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Jun-17	\$1.9150	\$2.0000	\$3.1075	\$1.1925	\$0.4800
Jun-18	\$1.8600	\$1.9400	\$3.1075	\$1.1900	\$0.4800
Jun-19	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Jun-20	\$1.8525	\$1.9300	\$3.0800	\$1.2075	\$0.4800
Jun-21	\$1.8450	\$1.9200	\$3.0900	\$1.2050	\$0.4700
Average	\$1.8681	\$1.9475	\$3.0963	\$1.1988	\$0.4775
Weekly Change	-0.1250	-0.1000	0.0000	0.0125	0.0000

Order 51: Latest Prices					
	Mar	Apr	May	Jun	Jul
Class I LA	\$21.10	\$21.48	\$20.76	\$22.38	\$23.41
Class II	\$21.12	\$21.23	\$21.50		
Class III	\$16.34	\$15.50	\$18.55		
Class IV	\$20.09	\$20.11	\$20.50		
PPD	\$1.43	\$1.84	\$0.85		
Blend: LA*	\$17.77	\$17.34	\$19.40		
Blend: Tulare*	\$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	\$ 22.24	\$ 10.86	\$ 11.38	\$ -
	Jul-24	\$ 22.30	\$ 10.75	\$ 11.55	\$ -
	Aug-24	\$ 23.05	\$ 10.68	\$ 12.37	\$ -
	Sep-24	\$ 23.43	\$ 10.66	\$ 12.77	\$ -
	Oct-24	\$ 23.59	\$ 10.68	\$ 12.91	\$ -
	Nov-24	\$ 23.58	\$ 10.74	\$ 12.85	\$ -
	Dec-24	\$ 23.19	\$ 10.80	\$ 12.39	\$ -

Estimates only. As of 6/25/2024 and based on futures markets which can change daily.

