

WESTERN UNITED DAIRIES

WEEKLY UPDATE | JULY 17, 2024

WUD Launches Campaign to Defeat Measure J

Western United Dairies (WUD) is intensifying its campaign to defeat Measure J through a newly formed 501c6 organization called Sonoma United, committing \$500,000 from WUD members' savings to the effort. This initiative highlights the urgency of defeating the measure decisively to prevent its future recurrence. As part of the campaign, WUD has provided members with a Community Toolkit to engage the community and raise awareness on social media, and they are encouraged to review and give feedback on it. This effort counters opposition from well-funded plant-based tech companies, leveraging WUD's strong partnerships. A Zoom call is scheduled for Friday, 7/19, at 11am to discuss voter perspectives and messaging strategies. This Zoom webinar is for members only; please contact anja@wudairies.com if you would like to join.

VISIT WEBSITE



Sonoma Family Dairy Farmers Unite Against Outside Threat To Their Community

The family dairy farms who have called Sonoma County home for generations have joined together to launch the Sonoma United campaign opposing Measure J. Along with agriculture, labor and local residents, Sonoma United will protect the cultural, economic and environmental interests of the county from outside groups seeking to destroy our way of life.

Resoundingly defeating this measure will reinforce what makes Sonoma County special and the place residents choose to call home. This campaign is about protecting Sonoma's rural county feel with a rich agricultural history and vast open spaces that is also full of specialty grocery stores, world class farm to table restaurants and a flourishing farmer's market scene stocked with fresh, organic milk, cheese and other dairy products produced in Sonoma County. Measure J jeopardizes the future existence of these locally produced dairy products and brands that have become synonymous with this community.

"When Measure J qualified for the ballot, dairy farmers knew we had to take action to protect dairy farming and production in Sonoma County," said Anja Raudabaugh, CEO of Western United Dairies who represents the family-owned dairy farms in Sonoma County that would be forced to shut down if Measure J passes. "We will fight to protect our local family-owned farms and win, sending a clear message to these outside organizations across the state and beyond."

Eliminating dairy production in Sonoma County would drive up the cost of food and devastate the local economy, resulting in the loss of \$259 million in

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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

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) Sonoma Family Dairy Farmers Unite Against Outside Threat To Their Community

agricultural production and reduce spending in the region by \$38 million*. These local revenues are used by police, fire and other vital social services. Measure J could also effectively kill 7,200 good paying farm jobs overnight in addition to the ripple effect it would have on the 80 related businesses in the county including veterinarians, mechanics and farm and feed suppliers*. "Measure J threatens to put thousands of our members out of work from jobs in the dairy industry that offer a living wage, good benefits and help build and maintain the middle class across Sonoma County," said Michael Yates, Representative of the Teamsters 665/Treasurer of the North Bay Labor Council.

For the dairy farmers across the county who have raised their families here for generations, the passage of Measure J would mean the loss of their homes, livelihoods and a legacy of producing sustainable, organic and locally grown dairy products for their friends and neighbors. "For generations our family has taken great pride in serving our community by providing fresh, local products while using sustainable environmental practices to do so," said Jolynn McClelland, local dairy woman.

Measure J is a threat that must be taken seriously as the implications would be devastating across the county and beyond. This campaign will ensure every voter understands what's at stake and how as a united force we can protect our community.

About Sonoma United – No on J: Sonoma United – No on J brings together the multigenerational family dairy farms in Sonoma County to oppose this harmful ballot measure that will destroy the industry and this community if passed. In collaboration with other agricultural interests, related industries and labor, Sonoma United is a community-based coalition standing together against this outside attack on what makes our community a special place to live and work.

**Source: University of California Agriculture and Natural Resources Cooperative Extension, 2024*

This Week on Seen & Herd: Understanding PG&E's Ag Rate Structure

In this episode of Seen and Herd, Amanda Russell sits down with Jeff Guy from PG&E to discuss the intricacies of the current rate structure for agricultural customers, particularly dairy farmers. They delve into the differences between agricultural, industrial, residential, and commercial rates, emphasizing the unique benefits of the agricultural rate category.

Jeff clarifies recent changes to the rate structure and introduces pilot programs for real-time pricing. He also explains the factors contributing to rate increases and outlines strategies for dairy farmers to manage their electricity costs, including avoiding peak usage times and utilizing energy efficiency programs. Jeff also highlights PG&E's efforts to handle power outages, prioritize critical loads, and provide customer service. For more information about this episode, please reach out to us at podcast@wudairies.com.

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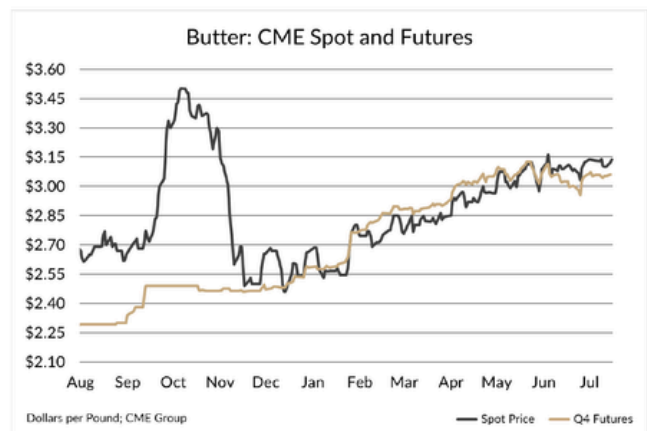
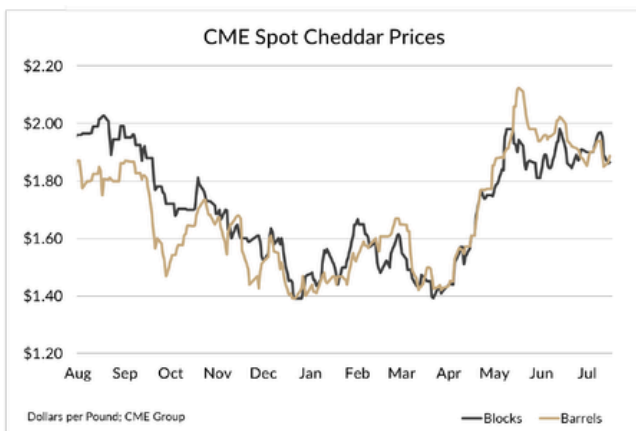
WEEKLY MARKET UPDATE

While tighter milk flows mean less is making its way to cheese vats, supplies of fresh cheddar are at least adequate. CME block and barrel markets dropped from the \$1.90s to the \$1.80s. Reports suggest recent high prices are cutting into export interest. Trading volume remains high in Chicago.

- Spot butter prices slipped, then climbed again, keeping the market in the low \$3.10s. Volume was particularly heavy. On July 15 alone, 24 loads changed hands, the heaviest single-day volume since August 2023.
- The latest GlobalDairyTrade event was mixed, with milk powder prices moving lower, while cheese and butter advanced.
- The CME nonfat dry milk market continued to hover around the \$1.17-\$1.18 range. Ongoing demand weakness and the downward trend at the GDT are keeping a lid on prices even with tighter supplies.
- USDA’s July World Agricultural Supply and Demand Estimates report was neutral, with new-crop production expected to make up any deficits in 2023-24 crop stocks.
- US corn and soybean crop conditions remain

stronger than average. As of July 14, 68% of the corn crop was in good or excellent condition, above the five-year average of 62%. Soybeans were also at 68% good/excellent, while the five-year average is 59%. With that, an unsurprising WASDE and decent forecasts, nearby corn and soybean futures both tumbled lower. Corn slipped below \$4 per bushel and soybeans dropped into the \$10 range.


- Inflation cooled more than expected in June. Prices eased 0.1% on the month and rose 3.0% year-over-year, compared to flat and +3.3% in May. The food index advanced 0.2% versus May and +2.2% on the year.
- June consumer spending was higher than anticipated, totaling \$704.3 billion. That was relatively flat on the month, but up 2.3% year-over-year.



Dairy Revenue Protection Program

	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
October - December 2024			
Class III	\$19.86	\$18.87	\$0.33
Class IV	\$21.38	\$20.31	\$0.31
January - March 2025			
Class III	\$18.62	\$17.69	\$0.43
Class IV	\$20.75	\$19.71	\$0.52
April - June 2025			
Class III	\$18.39	\$17.47	\$0.49
Class IV	\$20.47	\$19.45	\$0.57
July - September 2025			
Class III	\$18.46	\$17.54	\$0.61
Class IV	\$20.10	\$19.10	\$0.58
October - December 2025			
Class III	\$18.30	\$17.38	\$0.68
Class IV	\$18.59	\$17.66	NA

*As of 7/16/2024 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
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CME Commodity Prices

	Blocks	Barrels	Butter	NDM	Dry Whey
Jul-10	\$1.9700	\$1.9400	\$3.1050	\$1.1800	\$0.4900
Jul-11	\$1.9550	\$1.8900	\$3.1000	\$1.1800	\$0.5100
Jul-12	\$1.8900	\$1.8500	\$3.1000	\$1.1800	\$0.5100
Jul-15	\$1.8600	\$1.8650	\$3.1225	\$1.1750	\$0.5000
Jul-16	\$1.8650	\$1.8875	\$3.1375	\$1.1700	\$0.5000
Average	\$1.9080	\$1.8865	\$3.1130	\$1.1770	\$0.5020
Weekly Change	-0.1025	-0.0525	-0.0025	-0.0100	0.0100

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	\$21.60	
Class III	\$16.34	\$15.50	\$18.55	\$19.87	
Class IV	\$20.09	\$20.11	\$20.50	\$21.08	
PPD	\$1.43	\$1.84	\$0.85	\$0.79	
Blend: LA*	\$17.77	\$17.34	\$19.40	\$20.66	
Blend: Tulare*	\$17.27	\$16.84	\$18.90	\$20.16	

*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	\$ 22.00	\$ 11.48	\$ 10.52	\$ -
	Jun-24	\$ 22.20	\$ 10.83	\$ 11.36	\$ -
	Jul-24	\$ 22.33	\$ 10.56	\$ 11.77	\$ -
	Aug-24	\$ 22.64	\$ 10.22	\$ 12.42	\$ -
	Sep-24	\$ 23.12	\$ 10.09	\$ 13.04	\$ -
	Oct-24	\$ 23.55	\$ 10.07	\$ 13.47	\$ -
	Nov-24	\$ 23.66	\$ 10.13	\$ 13.54	\$ -
	Dec-24	\$ 23.19	\$ 10.18	\$ 13.00	\$ -

Estimates only. As of 7/16/2024 and based on futures markets which can change daily.

