

# WESTERNUNITEDDAIRIES

WEEKLY UPDATE | AUGUST 14, 2024

## ICYMI: Recap of Stanislaus Quota Public Meeting

The CDFA held a public forum in Modesto on August 8th to discuss proposed changes to the Quota Implementation Plan, including reducing the quota payment rate and lowering the quota assessment. This was the second of four planned meetings. Key points from the meeting include:

- The August 15th hearing has been postponed due to a policy issue raised at a previous meeting in Santa Rosa, suggesting the PRB might include a provision to adjust the quota payment rate without future referendums.
- CDFA is considering modifying the referendum language before the fall vote.
- The discussion also touched on a new petition from Stop QIP to eliminate the quota, sparking strong reactions from attendees.

[SEE FULL SUMMARY](#)

## New On Seen & Herd: Building Trust in Sonoma County with Justin Oldfield

The latest episode of our podcast features a discussion with Justin Oldfield, Executive Director of the California Cattle Council. As Sonoma County's dairy industry faces increasing scrutiny, the council is taking proactive steps to bridge the gap between dairy producers and the community. Justin shares the council's strategies for addressing public misconceptions and highlights the essential contributions of dairy farmers to the local economy, animal welfare, and environmental sustainability.



This episode sheds light on the importance of effective public relations in agriculture and the ongoing efforts to ensure the industry's future. Don't miss this conversation that underscores the value of connecting with consumers on a more personal level.

See the next article to learn more about the Cattle Council's campaign. To learn more about the California Cattle Council, visit [calcattlecouncil.org](http://calcattlecouncil.org)

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

## New California Cattle Council Public Relations Campaign Launches in Sonoma County

The California Cattle Council’s current public affairs campaign in Sonoma County aims to highlight the importance of the dairy industry to the local community and our commitment to animal welfare. This standalone effort by the Cattle Council is not affiliated with other groups or organizations addressing Sonoma County’s current challenges.

We are excited to share our "Way of Life" and "Community" videos and radio spots, which are now live. Our commercials, which will soon be available digitally, are running on network TV and streaming platforms. This campaign complements our ongoing CalResilient campaign.

See the commercials and listen to the radio spots below. To view the campaign website, visit [sonomacows.com](http://sonomacows.com).



[WATCH VIDEO](#)



[WATCH VIDEO](#)

[LISTEN TO RADIO AD 1](#)

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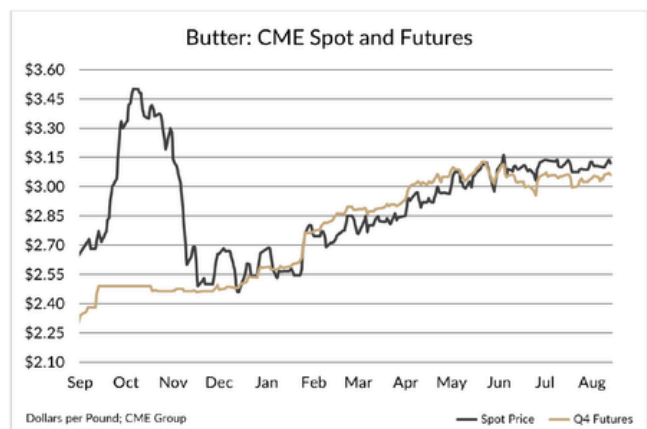
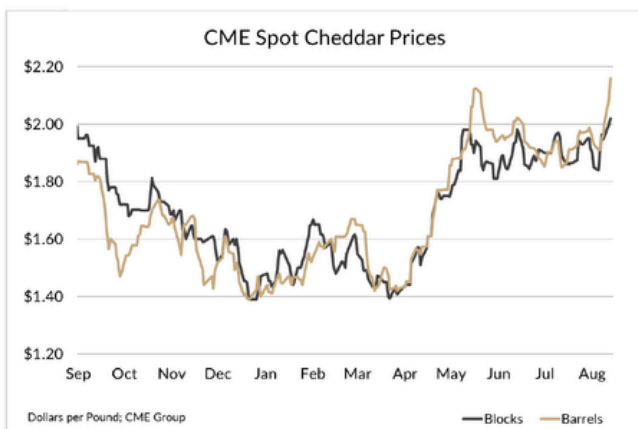
# WEEKLY MARKET UPDATE

CME cheese markets found enough to drive prices to new 2024 highs. Blocks jumped over the \$2 mark for the first time since last August. Barrels gained 25 cents to reach \$2.16 per pound, a price last seen in October 2022

- As CME cheese shot higher, so did fourth quarter Class III futures, which settled at \$20.93 per hundredweight, up 60 cents.
- In Chicago, the butter market popped out of its recent, narrow trading range to get closer to \$3.15 per pound. But it ran out of steam quickly and eased back a bit closer to the \$3.10 mark, where it's been for weeks. Volume was high, with 39 lots trading over the past seven days.
- Spot nonfat dry milk drifted downward, closer to \$1.20 per pound. But ongoing concerns about milk supplies and higher prices for whole milk powder and skim milk powder at the latest GlobalDairyTrade Pulse event helped spot NDM rebound to the mid-\$1.20s.
- In Chicago, the NDM market is relatively stable in the low \$1.20s, as supply and demand remain balanced.
- USDA's August *World Agricultural Supply and*


*Demand Estimates* report reinforced that there's a big crop in the fields. With expectations for a strong 2024-25 crop, there's plenty to satisfy demand, and prices moved lower to find buyers. Corn yield were ahead of July's numbers and pre-report expectations

- WASDE soybean news was bearish. US soybean ending stocks were unchanged on the month, while global stocks increased. Yield estimates were also above July's expectations and the consensus call
- On the heels of Monday's reports, the nearby soybean contract tumbled, settling below \$10 per bushel for the first time since September 2020. Despite a bounce on Monday, nearby corn futures mostly trended lower, closing Tuesday below the \$3.80-per-bushel mark.



| Dairy Revenue Protection Program |         |                                    |                      |
|----------------------------------|---------|------------------------------------|----------------------|
|                                  | Futures | Milk Price (Floor) Guarantee @ 95% | Premium Per CWT (CA) |
| October - December 2024          |         |                                    |                      |
| Class III                        | \$20.57 | \$19.54                            | \$0.25               |
| Class IV                         | \$21.38 | \$20.31                            | \$0.19               |
| January - March 2025             |         |                                    |                      |
| Class III                        | \$18.73 | \$17.80                            | \$0.36               |
| Class IV                         | \$20.50 | \$19.48                            | \$0.43               |
| April - June 2025                |         |                                    |                      |
| Class III                        | \$18.36 | \$17.44                            | \$0.47               |
| Class IV                         | \$20.29 | \$19.28                            | \$0.56               |
| July - September 2025            |         |                                    |                      |
| Class III                        | \$18.48 | \$17.56                            | \$0.49               |
| Class IV                         | \$20.09 | \$19.09                            | \$0.60               |
| October - December 2025          |         |                                    |                      |
| Class III                        | \$18.50 | \$17.58                            | \$0.70               |
| Class IV                         | \$19.71 | \$18.72                            | \$0.66               |

\*As of 8/13/2024 for 95% coverage, 1.0 Protection Factor



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| CME Commodity Prices |          |          |          |          |          |
|----------------------|----------|----------|----------|----------|----------|
|                      | Blocks   | Barrels  | Butter   | NDM      | Dry Whey |
| Aug-07               | \$1.9650 | \$1.9500 | \$3.1025 | \$1.2300 | \$0.5900 |
| Aug-08               | \$1.9475 | \$1.9600 | \$3.0975 | \$1.2175 | \$0.5725 |
| Aug-09               | \$1.9575 | \$2.0050 | \$3.0975 | \$1.2000 | \$0.5625 |
| Aug-12               | \$2.0000 | \$2.0900 | \$3.1400 | \$1.2150 | \$0.5625 |
| Aug-13               | \$2.0200 | \$2.1600 | \$3.1200 | \$1.2325 | \$0.5625 |
| Average              | \$1.9780 | \$2.0330 | \$3.1115 | \$1.2190 | \$0.5700 |
| Weekly Change        | 0.1200   | 0.2500   | 0.0175   | 0.0000   | -0.0350  |

| Order 51: Latest Prices |         |         |         |         |         |
|-------------------------|---------|---------|---------|---------|---------|
|                         | Apr     | May     | Jun     | Jul     | Aug     |
| Class I LA              | \$21.48 | \$20.76 | \$22.38 | \$23.41 | \$23.62 |
| Class II                | \$21.23 | \$21.50 | \$21.60 | \$21.82 |         |
| Class III               | \$15.50 | \$18.55 | \$19.87 | \$19.79 |         |
| Class IV                | \$20.11 | \$20.50 | \$21.08 | \$21.31 |         |
| PPD                     | \$1.84  | \$0.85  | \$0.79  |         |         |
| Blend: LA*              | \$17.34 | \$19.40 | \$20.66 |         |         |
| Blend: Tulare*          | \$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 | \$ 22.80 | \$ 11.14 | \$ 11.66        | \$ -                             |
|                                      | Jul-24 | \$ 22.55 | \$ 10.56 | \$ 11.99        | \$ -                             |
|                                      | Aug-24 | \$ 23.29 | \$ 9.99  | \$ 13.30        | \$ -                             |
|                                      | Sep-24 | \$ 23.78 | \$ 9.76  | \$ 14.03        | \$ -                             |
|                                      | Oct-24 | \$ 24.34 | \$ 9.79  | \$ 14.54        | \$ -                             |
|                                      | Nov-24 | \$ 24.34 | \$ 9.87  | \$ 14.48        | \$ -                             |
|                                      | Dec-24 | \$ 23.68 | \$ 9.94  | \$ 13.73        | \$ -                             |

Estimates only. As of 8/13/2024 and based on futures markets which can change daily.

