# WESTERNUNITEDDAIRIES

#### WEEKLY UPDATE | AUGUST 28, 2024

#### There's a technology. Do I want it?

Deanne Meyer – UC ANR & UC Davis | Published in UCCE July '24 Newsletter

The answer to that question will range from yes, to maybe, to no. Let's focus on how you determine the appropriate answer for your dairy and for EACH technology.

Identify what you need. I'm considering a technology because I want to \_\_\_\_\_\_. What do you want to do? Do you want to improve management of solids, nitrogen, carbon, phosphorus or something else? Is information available on the technology to identify if it accomplishes what you want it to do? Standardly, this is third-party tested (often a university) results. Look at how reliable the technology was during testing, as well as the duration of testing, seasonal influences, and number of samples taken. Understanding performance variability is critical BEFORE installation.

- Step 1. Identify success. If this technology is installed and functional 100% of the time it will help me better manage \_\_\_\_\_\_\_. This step also suggests identifying ahead of time what level of operation is necessary for the technology to be deemed a success. That may be determined as removal of nitrogen or phosphorus by 50% from a waste stream. This thought process provides a means to effectively evaluate the technology once installed to measure its performance.
- Step 2. Compare technology claims and research findings with your definition of success. If what it does isn't what you need, NO SALE!
- Step 3. Do your homework! It's road trip time. Invest time to see the technology in action even if it is functioning out of state. Rely on your network to identify where it may be installed and have a heart-to-heart conversation with the manager. Ask questions about maintenance, repairs, unexpected/unanticipated challenges. My favorite is, "if you started now with all you know, how would you improve the installation and operation"?
- Step 4. Understand your regulatory approval process, the build process disruptions, and the operation and maintenance activities. How much lead time is needed to procure regulatory permits (San Joaquin Valley Unified Air Pollution Control District, Regional Water Quality Control Board, and County Planning Department)?
- Step 5. Analyze and question all things operation and maintenance. That
  includes availability of parts, technical assistance within 24 hours, and
  necessary adjustments for adverse weather conditions. It's important to
  understand what it will take to have the technology operational
  24/7/365.
- Step 6. Understand how the waste stream is managed if the technology

(continued on page 2)

#### 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

### Bird flu found in cattle in the South, Midwest. How California dairy farmers are fending it off

#### Originally published in KVPR

California has the most dairy cows out of any state in the U.S., with around 1.7 million. Nearly 90% of those cows live in the San Joaquin Valley. So earlier this year, when scientists discovered that avian influenza, or bird flu, had been transmitted to dairy cows in New Mexico and the Texas panhandle, many California farmers were left worried.

Bird flu is highly contagious among birds, and since 2022, more than four million chickens have been euthanized in Merced County alone because of potential exposure.

But the flu jumping from birds to cattle was unusual and surprised many scientists. The virus has been detected in cows in 13 states, but not in California. Anja Raudabaugh is CEO of Western United Dairies, a trade group representing more than 800 California dairy farms. She said when news of the flu spreading to cows arrived, farmers took action.

#### LISTEN TO THE INTERVIEW

#### (continued) There's a technology. Do I want it?

fails. This could be weather induced, an electrical outage, broken components, etc.

- Step 7. Read fine print of all contracts and have a lawyer review if there are any strings attached to the technology. Be sure you have control of your herd and its management. Be sure you don't have to keep making milk if the milk market is upside down. Understand if incentives are insets or offsets.
- Step 8. Assign one person to interact daily with contractors during the build process. This ensures everything is built as designed and fewer challenges occur. It is critical to check-in daily.
- Step 9. Expect modification and analyze appropriately.
- Stepp 10. Enjoy the working of your new technology.

## CDQAP Dairy PLUS Webinar

August 29, 2024 • 3pm – 5pm

<u>REGISTER</u>

#### Critical North Coast Dairy Updates

September 5, 2024 • 11am Washoe House • Lunch Provided Please RSVP to Kyle Lutz at (707)-845-0348 to ensure an adequate food count.

#### New Date Set for CDFA QIP Public Hearing on Zoom September 9, 2024

Beginning at 10:00 a.m.

SEE NOTICE

#### California Milk Advisory Board – September Board of Directors Meeting

Wednesday, September 11 – 7:30 a.m. Thursday, September 12 – 8:00 a.m. DoubleTree by Hilton Hotel Modesto 1150 Ninth Street • Modesto, CA 95354

The CMAB Board meeting is open to any California dairy producer. If interested in attending, please RSVP to Tracy Garza at <u>tgarza@cmab.net</u> or 209-690-8252.

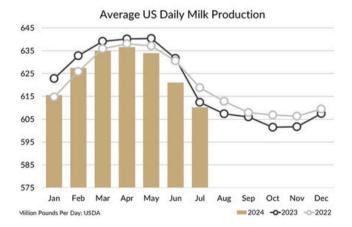
#### THANK YOU TO OUR CURRENT SPONSORS. ADVERTISE WITH US ARATA SWINGLE YOSEMITE ногл Farm 📣 EGMOND of California CREDIT & GOODWIN Inc RENNETT COMMON FARM CREDIT GOOD 1AAS Pacific Gas and WATER American AgCredit | AgWest Farm Credit ERGY WORKS Electric Company CoBank | Fresno Madera Farm Credit RESTORING RESILIENCE

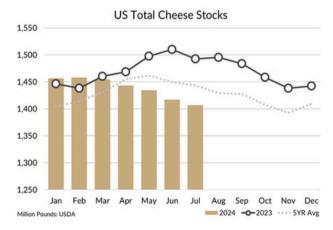
## WEEKLY MARKET UPDATE

In July, US milk output totaled 18.9 billion pounds, down 0.4% on the year and in line with expectations. USDA also revised the June data, bringing the daily average down to -1.7% compared to -1.0% originally. California production dipped 0.3% against a weak 2023.

- The US dairy herd totaled 9.325 million head in July, up 5,000 on the month, but down 43,000 cows versus 2023. That's a much smaller annual decline than June's -62,000.
- USDA's July Cold Storage report was bullish for both butter and cheese. Stocks dropped month-over-month at an above-average pace as tighter milk supplies, increased cheese exports and adequate demand drew down inventories.
- CME cheese markets tumbled hard after USDA's July Milk Production report. Barrels logged the biggest single-day drop since November 2020. But the Cold Storage report returned heat to the market and barrels rebounded with the largest jump since July 2023. Spot blocks, meanwhile, leapt to the mid-\$2.10s and the highest price since January 2023.

- Spot butter also slipped amid reports that milk supplies were as expected. But a bigger drop in butter inventories gave spot prices a bump to a new year-to-date high of \$3.1975 as the approaching holiday season increases anxiety for buyers.
- Milk powder prices continue to rise in Europe and New Zealand, helping drive the CME nonfat dry milk market past the \$1.30-per-pound mark. Prices are now at the highest level since January 2023 with strong trading volumes.
- USDA reported US corn and soybean crop conditions remain well above average. With yields expected to be high, nearby corn and soybean futures prices are still relatively low. September corn is in the mid-\$3 range, while soybeans are sub-\$10.





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Dairy Revenue Protection Program								
	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CW (CA)					
October - De	ecember 2024							
Class III	\$21.97	\$20.87	\$0.25					
Class IV	\$22.78	\$21.64	\$0.17					
January - Ma	arch 2025							
Class III	\$19.23	\$18.27	\$0.36					
Class IV	\$21.43	\$20.36	\$0.40					
April - June 2	2025							
Class III	\$18.88	\$17.93	\$0.46					
Class IV	\$21.31	\$20.25	\$0.51					
July - Septer	nber 2025							
Class III	\$18.91	\$17.96	\$0.49					
Class IV	\$20.89	\$19.85	\$0.62					
October - De	ecember 2025							
Class III	\$18.63	\$17.70	\$0.69					
Class IV	\$20.26	\$19.24	\$0.67					

Tiffany LaMendola

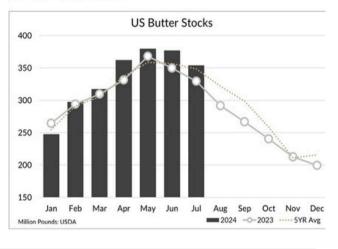
USDA Dairy Margin Coverage (per CWT)									
	Month	А	ll Milk	3	Feed		Aargin stimate	Esti	emnity mate @ ) Margin
	Jan-24	\$	20.10	\$	11.62	\$	8.48	\$	1.02
2024 Program	Feb-24	\$	20.60	\$	11.16	\$	9.44	\$	0.00
	Mar-24	\$	20.70	\$	11.05	\$	9.65	\$	
	Apr-24	\$	20.50	\$	10.90	\$	9.60	\$	
	May-24	\$	22.00	\$	11.48	\$	10.52	\$	
	Jun-24	\$	22.80	\$	11.14	\$	11.66	\$	
	Jul-24	\$	22.55	\$	10.56	\$	11.99	\$	
	Aug-24	\$	23.39	\$	9.90	\$	13.49	\$	
	Sep-24	\$	24.55	\$	9.62	\$	14.93	\$	
	Oct-24	\$	25.34	\$	9.67	\$	15.66	\$	
	Nov-24	\$	25.24	\$	9.76	\$	15.48	\$	
	Dec-24	\$	24.22	\$	9.86	\$	14.36	\$	-

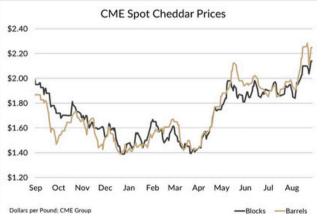
#### Blocks Butter Barrels \$2.2825 Aug-21 \$2.0950 \$3,1600 Aug-22 \$2.0775 \$2.2225 \$3.1500 Aug-23 \$2.0375 \$2.1000 \$3.1300 Aug-26 \$2.1400 \$2.2500 \$3.1750 Aug-27 \$2.1400 \$2.2500 \$3.1975 Average \$2.0980 \$2.2210 \$3.1625 Weekly Change 0.0400 -0.0150 0.0275 **Order 51: Latest Prices**

	May	Jun	Jul	Aug	Sep
Class I LA	\$20.76	\$22.38	\$23.41	\$23.62	\$23.90
Class II	\$21.50	\$21.60	\$21.82		
Class III	\$18.55	\$19.87	\$19.79		
Class IV	\$20.50	\$21.08	\$21.31		
PPD	\$0.85	\$0.79	\$1.05		
Blend: LA*	\$19.40	\$20.66	\$20.84		
Blend: Tulare*	\$18.90	\$20.16	\$20.34		

**CME** Commodity Prices

\*Does not include Quota Deduction





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Dry Whey

\$0.5675

\$0.5650

\$0.5650

\$0.5650

\$0.5650

\$0.5655

0.0075

NDM

\$1.2850

\$1.2800

\$1.2825

\$1.2975

\$1.3150

\$1.2920

0.0325