

WESTERN UNITED DAIRIES

WEEKLY UPDATE | DECEMBER 11, 2024

WEBINAR

LEGAL, WAGE & HOUR UPDATES: What Farmers Need to Know for 2025

Speaker: Anthony Raimondo

DECEMBER 11, 2024
1:00pm - 3:00pm

REGISTER >



FREE PPE Orders Extended Thru January 15, 2025

Products include: Face Shields, Goggles, Gloves, N-95 Masks

- All dairies can request unlimited PPE, no WUD membership needed.
- PPE ships directly or for off-site pickup; allow one week for processing.

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CMAB December Board of Directors Meeting

Wednesday, December 11, 2024 – 7:30 a.m.

Thursday, December 12, 2024 – 8:00 a.m.

Hyatt Regency
21500 Pacific Coast Highway • Huntington Beach, CA 92648

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

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

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

WUD-Wide Meeting Shared Critical Updates on Key Industry Topics

Last week, Western United Dairies hosted a WUD-Wide Zoom Meeting, where CEO Anja Raudabaugh, and Director of Environmental and Regulatory Affairs, Paul Sousa, provided dairy producers and stakeholders with vital updates on regulatory changes, industry advancements, and opportunities impacting their operations. The meeting provided actionable insights and addressed pressing questions from attendees.

Key Updates Discussed:

- **Low Carbon Fuel Standard Changes** Recent amendments to the Low Carbon Fuel Standard, adopted by the California Air Resources Board, were outlined. These changes aim to further reduce greenhouse gas emissions, with particular implications for the dairy industry. Paul Sousa emphasized how these updates could impact ongoing compliance efforts and encouraged producers to stay informed about potential adjustments.
- **New Truck Emissions Regulations** Producers were briefed on the Clean Truck Check, a new rule resembling a smog check for trucks, now required for all road-registered vehicles. Sousa clarified the scope of these regulations, particularly their application to older model year engines, and provided tips to ensure compliance.
- **State Water Board Workshops** Discussions included a summary of recent workshops held by the State Water Board. These sessions focused on regulatory frameworks for managing land applications of dairy waste and their effects on groundwater. Attendees were encouraged to engage in the public comment process to influence future rulemaking.

Industry Collaboration and Opportunities

The conversation also highlighted collaborative efforts between industry groups and government agencies to streamline application processes for various initiatives. Participants were urged to take advantage of these resources to navigate regulatory landscapes effectively.

For more in-depth coverage and insights from this discussion, [listen to the latest episode of Seen & Herd](#). For questions about the contents of this meeting, please contact Anja at anja@wudairies.com.

In-Person WUD Winter Meetings are being planned for January 2025. More details about these meetings will be released soon.

THANK YOU TO OUR CURRENT SPONSORS.

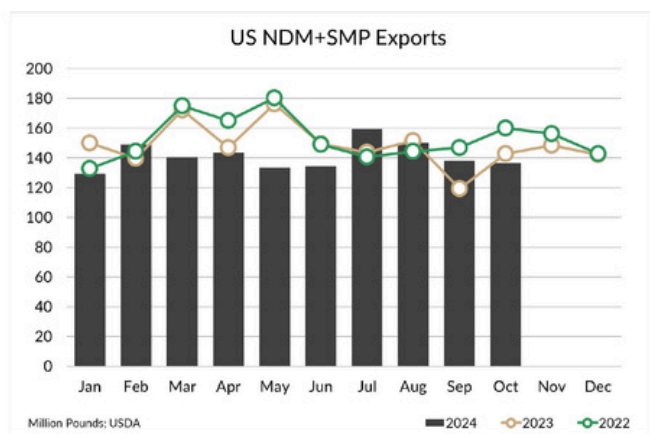
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WEEKLY MARKET UPDATE

Despite higher prices, US cheese exports climbed in October, up 12.4% year-over-year. But milk powder demand was still soft, down 4.3% on the year. Mexico remains a key market for US dairy exports, buying 27.4% more cheese and 6.9% more milk powder versus 2023.

- Strength in whey has helped support the Class III space as of late—every penny move in whey amounts to six cents in Class III. Conversely, spot cheese prices have been a bit more volatile, seeing movement up and down over the past week. Class III enjoyed a late-week rally ending December 6, but started this week on softer footing. Dairy producers who use the DRP program to manage milk price risk have until December 13 to add Q1 2025 coverage.
- US cheese usage was virtually unchanged year-over-year for the first 10 months of 2024. Butter consumption year-to-date through October was 5.2% above prior-year levels.
- The spot butter market was relatively quiet, as trade and production data wasn't enough to push prices out of the low-mid \$2.50s.
- In October, US total cheese output increased ahead of the five-year-average pace. Butter production was a bit slower, while nonfat dry milk+skim milk powder output dropped on the month at a time when production usually increases.
- Soft demand is keeping a ceiling on the CME nonfat dry milk market. But decreased production is still keeping prices in the upper \$1.30s.
- USDA's December *World Agricultural Supply and Demand Estimates* report was bullish for corn, pegging ending stocks well below expectations and prior-month levels. The soybean story was more neutral. Nearby corn contracts are on the rise, advancing into the \$4.40-per-bushel range, while soybeans remain below the \$10-per-bushel mark.



Dairy Revenue Protection Program		
Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
January - March 2025		
Class III	\$19.34	\$18.37
Class IV	\$20.80	\$19.76
April - June 2025		
Class III	\$19.09	\$18.14
Class IV	\$20.55	\$19.52
July - September 2025		
Class III	\$18.85	\$17.90
Class IV	\$20.80	\$19.76
October - December 2025		
Class III	\$18.64	\$17.70
Class IV	\$20.48	\$19.46
January - March 2026		
Class III	\$18.00	\$17.10
Class IV	\$16.18	\$15.37

*As of 12/10/24 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
209.768.6313

CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Dec-04	\$1.7000	\$1.6675	\$2.5400	\$1.3700	\$0.7025
Dec-05	\$1.6650	\$1.6425	\$2.5400	\$1.3825	\$0.7025
Dec-06	\$1.7000	\$1.6900	\$2.5450	\$1.3900	\$0.7100
Dec-09	\$1.7300	\$1.6900	\$2.5300	\$1.3875	\$0.7150
Dec-10	\$1.7300	\$1.6875	\$2.5300	\$1.3825	\$0.7300
Average	\$1.7050	\$1.6755	\$2.5370	\$1.3825	\$0.7120
Weekly Change	0.0600	0.0375	0.0075	0.0075	0.0050

Order 51: Latest Prices					
	Aug	Sep	Oct	Nov	Dec
Class I LA	\$23.62	\$23.90	\$25.47	\$24.83	\$23.73
Class II	\$22.05	\$22.40	\$21.01	\$21.52	
Class III	\$20.66	\$23.34	\$22.85	\$19.95	
Class IV	\$21.58	\$22.29	\$20.90	\$21.12	
PPD	\$2.10	-\$0.89	-\$1.38		
Blend: LA*	\$23.60	\$22.45	\$21.47		
Blend: Tulare*	\$23.20	\$21.95	\$20.97		

*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	\$ 22.80	\$ 10.47	\$ 12.33	\$ -
	Aug-24	\$ 23.60	\$ 9.88	\$ 13.72	\$ -
	Sep-24	\$ 25.50	\$ 9.93	\$ 15.57	\$ -
	Oct-24	\$ 25.20	\$ 10.03	\$ 15.17	\$ -
	Nov-24	\$ 23.94	\$ 10.06	\$ 13.88	\$ -
	Dec-24	\$ 23.02	\$ 10.07	\$ 12.95	\$ -

Estimates only. As of 12/10/2024 and based on futures markets which can change daily.

