

# WESTERN **UNITE** DDAIRIES

WEEKLY UPDATE | DECEMBER 18, 2024

**MERRY  
CHRISTMAS  
AND  
HAPPY  
NEW YEAR**

The WUD office will go dark during the holidays. We will resume the weekly update and podcast on January 8, 2025.

**We wish you and yours a very magical holiday season and a happy New Year!**

## 2025 Kitchen Table Meeting Schedule

WUD Winter Meetings will begin January 7, 2025. Please RSVP to Kyle Lutz at [kyle@wudairies.com](mailto:kyle@wudairies.com).

**January 7, 2025**      **Humboldt • 5:30pm**  
Fernbridge Café  
623 Fernbridge Dr, Fortuna, CA 95540

**January 8, 2025**      **Petaluma • 12pm**  
Washoe House  
2840 Roblar Rd, Petaluma, CA 94952

**January 21, 2025**      **Stanislaus County • 11:30am**  
Hilmar Cheese  
8901 North Lander Ave., Hilmar, CA 95324

**Jan 22, 2025**      **Merced • 11:30am**  
Vander Woude Dairy Shop Office

**Jan 28, 2025**      **Galt • 5:30pm**  
Brewsters  
201 4th St, Galt, CA 95632

## 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

LUC will be going dark starting Monday, December 16th, 2024, and will reopen by Monday, January 13th, 2025.

If you haven't signed up for LUC, go ahead and send your contact details to [rashell@wudairies.com](mailto:rashell@wudairies.com), otherwise, we will assist you upon our return.



## FREE PPE Orders Extended thru 1/15/25

[PLACE PPE ORDER](#)

PPE has been extended to dairy-adjacent businesses (Truckers, Haulers, etc.)

- All dairies can request unlimited PPE, no WUD membership needed.
- Products include: Face Shields, Goggles, Gloves, and N-95 Masks.
- PPE orders submitted this week will be shipped out or delivered prior to the holiday break between Christmas through New Years.

### Submit Contracts to Milk Producers Security Trust Fund (MPSTF or "Fund"), a Security Blanket for Dairy Farmers

The Fund was developed under the Gonsalves Milk Pooling Act to protect producers in extraordinary circumstances should their handler ever default on paying them for the contracted milk. CDFA still administers the Fund to reimburse milk producers for milk that is shipped to a handler when the handler defaults on payment.

The Secretary performs this duty by collecting a "security" charge on covered milk (which isn't all milk) from handlers. If the value of a handler's monthly milk purchases exceeds a certain amount, the security charge is required of the handler. If a handler fails to pay this charge, they are placed on the "ineligible" handler list [cdfa.ca.gov/dairy/pdf/ineligible\\_list.pdf](http://cdfa.ca.gov/dairy/pdf/ineligible_list.pdf).

"MPSTF Admin Fee" is how this fund appears on your deductions with your processor and is assessed at \$0.0033/cwt (only for qualified handlers under the Fund). The Fund does not

cover more than two weeks' worth of milk production. Its main purpose is to help a producer while the dairy family finds a new home for their milk.

Additionally, producers must have their contracts on file with CDFA -before the date of shipment of that milk. Put another way: your contract should be on file before a default or payment issues occur and its a good idea to do this annually. Further details and limitations on the Fund can be found on CDFA's website or in the [summary of the law](#). If you go halfway down the page, you will see a link titled Milk Producer Security Trust Fund. Contracts may be submitted directly to CDFA through: [David.dasilva@cdfa.ca.gov](mailto:David.dasilva@cdfa.ca.gov).

If you have any questions about getting your contract to CDFA, please contact Kyle Lutz, [kyle@wudairies.com](mailto:kyle@wudairies.com).

## THANK YOU TO OUR CURRENT SPONSORS.

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## Producer Review Board (PRB) Meeting of December 17

The Producer Review Board (PRB) convened on December 17th in Modesto, with 11 board members present in person and 4 joining via phone. Board members were allowed to join via phone call, but the quorum requirement had to be met by in-person board member attendance. Key discussions and decisions included referendum updates, quota assessment rate adjustments, and administrative matters.

Nominations are open until December 31st for those would like to serve on the PRB. Nomination forms were mailed to all producers. The current referendum to change the assessment and quota payments will end on January 9th, with participation still 30 ballots short of the required minimum. CDFA will verify signatures and count votes after the voting period concludes, and then announce results which is expected to be in February.

Next the meeting turned to the QIP assessment rate, with a recommendation by CDFA to adjust the rate to maintain a fund balance within the desired reserve level of \$5-7 million. Discussion ensued on which of the levels calculated by CDFA would be the best option and what should be the reserve level. Approximately \$800,000 remains in checks uncashed by the processors which had to be factored into the amounts held. A motion to lower the rate to 0.0385

SNF passed unanimously (15-0). The new rate will take effect March 1, 2025.

The board then considered Stop QIP's Petition #5. Discussion revolved around the fairness of the quota program and board's role as an advisory board with the Secretary of Agriculture making the final decision with the board's input. The board voted (8-7) to move the petition to the Secretary. Another motion was made and passed (14-1) to delay the petition's consideration until after the current referendum's results are announced, pushing the timeline to early February. This was to allow dairies to consider the results of the current amendments before deciding on petition #5.

Lastly the board took up the 5 hardship requests on the agenda. One of the requesters addressed the board in person with his attorney. This dairy's offsite heifer ranch was affected by the flooding of recent years prompting him to request a hardship request to not pay the quota assessment for 2 years. His attorney noted that if the board failed to provide a reason for a denial that the decision would appear arbitrary and put the board at risk. The board voted to deny this request (12-3) in one motion and the remaining four requests in another motion (12-3) where representatives did not appear to present their cases.

## New on Seen & Herd: Labor Webinar with Anthony Raimondo

In this episode, we have a recording of our latest labor webinar with Anthony Raimondo. Anthony gives us the latest legal updates and discusses the critical issues surrounding dairy workforce protection. Tune in as Anthony shares insights on mitigating risks, technological solutions, and strategies to ensure workforce safety and efficiency in the

dairy industry.

For questions about the topics covered in this episode, please contact Kyle Lutz at [kyle@wudairies.com](mailto:kyle@wudairies.com) OR Anthony Raimondo at [apr@49acresranch.com](mailto:apr@49acresranch.com).

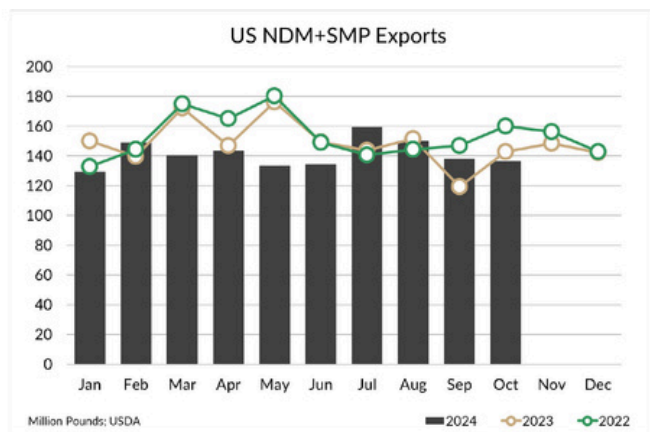
# WEEKLY MARKET UPDATE

CME cheese markets found renewed strength from decent export demand. But questions remain about how long the US can stay competitive. Spot blocks leapt into the mid-\$1.80s for the first time in a month, while barrels rose to the upper-\$1.70s.

- Dry whey supplies remain tight as processors continue to shift production to high-protein whey to meet demand. That was enough to drive spot dry whey to a new year-to-date high of \$0.7925 per pound. But the market met resistance and dropped back to the mid-\$0.70s.
- Higher cheese and dry whey prices gave support to Class III futures, propelling Q1 contracts over \$20 per hundredweight for the first time since October.
- Spot butter prices keep dropping and rising, never straying too far from the \$2.50-per-pound mark. Currently, the market is in the low-\$2.50s, as reports of export interest provide some support.
- Prices declined for all commodities at the latest GlobalDairyTrade event as China


pulled back on its buying. Skim milk powder dropped 3.2% to \$1.25 per pound and whole milk powder declined 2.4% to \$1.76 per pound.

- Declining GDT milk powder prices didn't seem to have an impact on CME nonfat dry milk prices. The market traded in a tight, half-cent range all week. HPAI in California continues to provide some support despite so-so demand. Nonfat futures, however, did decline across the board on the heels of GDT. With futures now lower than current spot levels, time will tell how convergence will be achieved.
- Weaker export data contributed to softening in nearby corn futures, but USDA expects corn demand to increase domestically and abroad. Nearby soybean prices remain choppy and largely rangebound.



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.

