

WESTERN UNITED DAIRIES

WEEKLY UPDATE | JANUARY 8, 2025

happy new year

Upcoming WUD Events

To attend a Kitchen Table Meeting, please RSVP to Kyle Lutz at kyle@wudairies.com.

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

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

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

February 11-13, 2025 **World Ag Expo**
4500 S Laspina St., Tulare, CA 93274

Reminder: Market Milk Producers, Submit Your Ballots by January 9, 2025!

California Market Milk producers are currently in the middle of a referendum to consider amendments to the Plan. Neither the qualification of the petition, nor any recommendations issued by the (PRB) regarding next steps would impact the referendum that is currently in progress as the petition and the amendment vote are completely separate processes. Accordingly, market milk producers are encouraged to submit their ballots by the January 9, 2025 deadline. For more information about the amendment referendum, please contact David Ko with the Quota Administration Program at (916) 900-5012 or David.Ko@cdfa.ca.gov.

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

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, 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.**

CARB Truck Reporting Due this Month

by Paul Sousa, Director of Regulatory and Environmental Affairs

The California Air Resources Board (CARB) has two truck regulations potentially affecting trucks used on dairies. The first is for the Truck and Bus Rule, which has been around for over a decade and half and applies to trucks with 2009 and older diesel engines. These trucks must be under the Low Use Exemption, travel less than 1,000 miles per year in California and report their odometer readings annually to CARB to continue to register with the DMV. If you have a truck operating under the Low Use Exemption, remember to report by the end of the month. If you purchase a truck with a 2009 or older engine you can apply for the Low Use Exemption on that truck. If you need any help or have questions on this, you can reach out to me.

The second regulation is the Clean Truck Check, a smog check program for heavy-duty trucks. This applies to trucks used in agriculture, including trucks with Special Equipment plates and low use vehicles described above. This rule does not apply to gasoline-powered vehicles. For more information you can go to the Clean Truck Check page on ARB's website here: arb.ca.gov/our-work/programs/CTC

Smog checks under that rule begin this year. If you have any questions or need assistance, please reach out to me at 209-556-2490, paul@wudairies.com or at the WUD office.

THANK YOU TO OUR CURRENT SPONSORS.

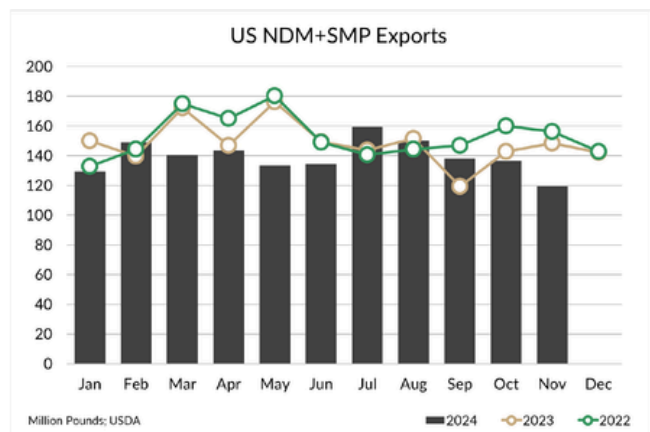
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WEEKLY MARKET UPDATE


US cheese exports were higher year-over-year in November thanks in large part to healthy interest from Mexico. Butter trade also surged for both imports and exports. But milk powder exports dropped to 119 million pounds, the lowest monthly volume since August 2019.

- CME cheese markets started the new year by climbing, with spot blocks reaching the mid-\$1.90s and barrels advancing to the upper-\$1.80s for the first time since October. But after several days of increases, both ran out of steam and eased a bit, to close in the low \$1.90s for blocks and mid-\$1.80s for barrels.
- The CME butter market has been relatively quiet and range-bound. While there’s ample cream flowing, there’s still enough concern to keep prices in the upper-\$2.50s.
- According to USDA’s *November Dairy Products* report, US total cheese production dropped at a faster pace than average, while butter output climbed, but at a slower-than-expected rate. Milk powder output ticked up on the month, but tumbled on the year, continuing the recent trend of slower production.
- Milk powder prices slipped at this week’s GlobalDairyTrade auction as China pulled back on its buying. Skim milk powder dipped 2.7% to \$1.22 per pound and whole milk powder declined 2.2% to \$1.73 per pound.
- Lower global prices and weak export interest haven’t knocked CME NDM out of its mid-\$1.30s trading range. But trading volume in Chicago has been heavy, with 26 lots changing hands for the first four trading days of 2025.
- Nearby corn and soybean contracts have been in a seesaw pattern, moving up and down along with weather reports and export news. Analysts are watching to see how USDA’s *Quarterly Grain Stocks, Annual Crop Production* and *World Agricultural Supply and Demand Estimates* reports, due out Friday, will impact the markets.



Dairy Revenue Protection Program		
Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
April - June 2025		
Class III	\$19.57	\$18.59
Class IV	\$20.78	\$19.74
July - September 2025		
Class III	\$19.08	\$18.13
Class IV	\$20.65	\$19.62
October - December 2025		
Class III	\$18.80	\$17.86
Class IV	\$20.10	\$19.10
January - March 2026		
Class III	\$18.00	\$17.10
Class IV	\$17.67	\$16.78

*As of 01/07/25 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
209.768.6313

CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Jan-01					
Jan-02	\$1.9125	\$1.8250	\$2.5450	\$1.3700	\$0.7500
Jan-03	\$1.9200	\$1.8300	\$2.5525	\$1.3675	\$0.7500
Jan-06	\$1.9400	\$1.8750	\$2.5700	\$1.3700	\$0.7475
Jan-07	\$1.9150	\$1.8625	\$2.5800	\$1.3650	\$0.7400
Average	\$1.9219	\$1.8481	\$2.5619	\$1.3681	\$0.7469
Weekly Change	0.0050	0.0375	0.0300	-0.0100	-0.0100

Order 51: Latest Prices					
	Sep	Oct	Nov	Dec	Jan
Class I LA	\$23.90	\$25.47	\$24.83	\$23.73	\$22.68
Class II	\$22.40	\$21.01	\$21.52	\$21.28	
Class III	\$23.34	\$22.85	\$19.95	\$18.62	
Class IV	\$22.29	\$20.90	\$21.12	\$20.74	
PPD	-\$0.89	-\$1.38	\$1.33		
Blend: LA*	\$22.45	\$21.47	\$21.28		
Blend: Tulare*	\$21.95	\$20.97	\$20.78		

*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	\$ 24.20	\$ 9.91	\$ 14.29	\$ -
	Dec-24	\$ 22.93	\$ 10.13	\$ 12.80	\$ -

Estimates only. As of 1/7/2025 and based on futures markets which can change daily.

