

Referendum to Modify QIP Fails

The California Department of Food and Agriculture (Department) recently conducted a referendum vote among California Market Milk Producers within the State of California to determine whether the Quota Implementation Plan (QIP) effective November 1, 2018, should be amended to:

1. Change the quota differential from \$1.70/cwt (\$0.195/lb. of SNF) to \$1.00/cwt(\$0.115/lb. of SNF);
2. eliminate Regional Quota Adjusters (RQAs);
3. change language about hardships to match what was used in the Pooling Plan;
4. enhance clarity by rewording the definition of “producer”:

The referendum was called as a result of a recommendation made by the Producer Review Board (PRB) to the Secretary to issue an industry referendum to consider the above modifications to the QIP.

In order for the amendments to be approved California Food and Agricultural Section 62717 specifies that:

Not less than fifty-one percent (51%) of the total number of eligible producers in the state shall have voted in the referendum **AND** one of the following criteria must be satisfied:

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Notice of Industry Referendum for Petition to Terminate the Quota Implementation Plan

On August 6, 2024, the California Department of Food and Agriculture (Department) received a petition submitted by Stop QIP to terminate the Quota Implementation Plan (Plan). The Department performed a review of the petition signatures and their respective reported volume and determined that the twenty-five (25%) thresholds had been achieved. Per standard procedures the petition was referred to the Producer Review Board (PRB) for consideration. At a meeting held on December 17, 2024, the PRB reviewed and discussed the merits of the petition and passed a motion recommending to the Secretary that the petition go to an industry referendum. The Secretary has reviewed the PRB’s recommendation and approved it.

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info@wudairies.com

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(continued) Notice of Industry Referendum for Petition to Terminate the Quota Implementation Plan

The Department plans to conduct a referendum vote among California Market Milk Producers to consider whether the Plan should be immediately terminated. A copy of the petition may be viewed here: https://www.cdfa.ca.gov/dairy/dairy_hearings_matrix.html.

As in the past, the referendum process will begin with a hearing to give producers the opportunity to provide input about the proposal. The Department anticipates that ballots for this industry referendum will be mailed late in the Spring. If you have any questions regarding this referendum, please contact Quota Administration staff at (916) 900-5012.

FREE PPE Orders Extended thru March 2025

- 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.

PLACE YOUR ORDER

California Milk Advisory Board – March Board of Directors Meeting

Wednesday, March 5, 2025 – 7:30 a.m.
Thursday, March 6, 2025 – 8:00 a.m.

Wine & Roses
2505 W Turner Road
Lodi, CA 95242

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

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(continued) Results of Amendment Referendum to the QIP

- Sixty-five percent **(65%)** or more of the **total number of eligible producers** who voted in the referendum who produced fifty-one percent **(51%)** or more of the **total amount of fluid milk produced** in the state during the calendar month next preceding the month commencement of the referendum period (August 2024) by all producers who voted in the referendum approve the plan, **OR,**
- Fifty-one percent **(51%)** or more of the **total number of eligible producers** who voted in the referendum who produced sixty-five percent **(65%)** or more of the **total amount of fluid milk produced** in the state during the calendar month next preceding the month commencement of the referendum period (August 2024) by all producers who voted in the referendum, approve the plan.

Summary of the Results of the Referendum Vote:

Proportion of Eligible Producers that participated:	61.81%
Proportion of those Eligible Producers Voting in Favor:	50.31%
Proportion of those Eligible Producers Voting in Opposition:	49.69%
Proportion of the Voted Volume Represented by Eligible Producers in Favor:	55.94%
Proportion of the Voted Volume Represented by Eligible Producers in Opposition:	44.06%

Explanation of Results:

61.81% of the total number of eligible market milk producers in the State voted, therefore the first criterion **was satisfied.**

Additionally, both elements of EITHER criterion in (a) OR (b) above must also be satisfied:

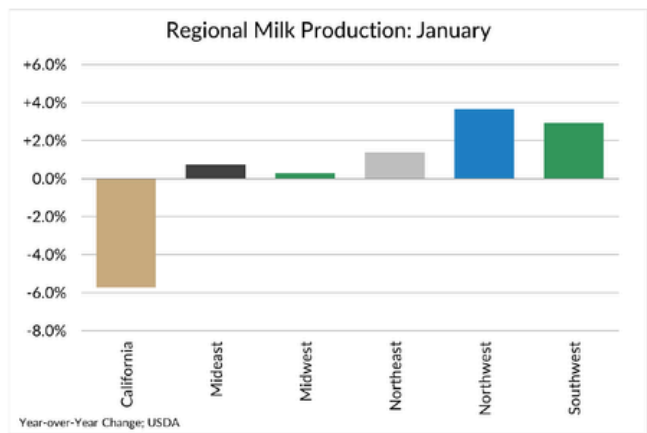
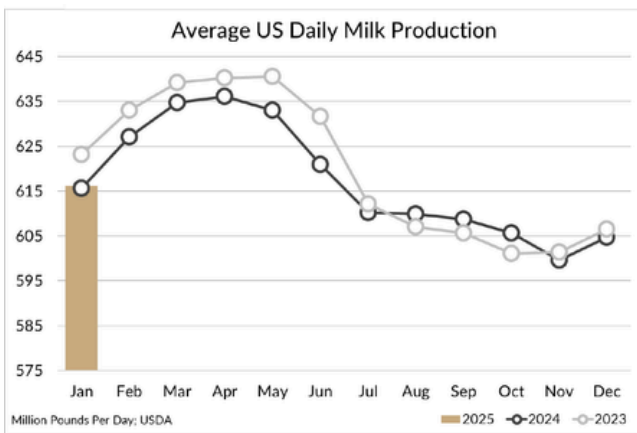
- The producers who accounted for 55.94% of the fluid milk, produced by participants in the referendum, in August 2024 voted IN FAVOR, exceeding the threshold of 51% by 4.94%, thereby satisfying the first element; however, only **50.31%** of the number of eligible producers voted IN FAVOR, falling short of satisfying the threshold of 65% for the second element by 14.69%. **Therefore, because only one of the two elements were satisfied, the referendum is not adopted through this criterion.**
- 50.31% of eligible producers voted IN FAVOR, falling short of satisfying the 51% threshold by 0.69%; AND, producers who accounted for **55.94%** of the total amount of fluid milk, produced by participants in the referendum, in August 2024 voted IN FAVOR, falling short of satisfying the threshold of 65% threshold by 9.06%. **Therefore, because neither of the two elements were satisfied, the referendum is not adopted through this criterion.**

Since the outcome of this referendum does not meet the criteria set forth in Section 62717 of the California Food and Agricultural Code, the amendments will not be incorporated into the Quota Implementation Plan. A further summary of the results is included with this notice. If you have questions regarding the referendum, please contact the Quota Administration Program at (916) 900-5012.

WEEKLY MARKET UPDATE


US milk production totaled 19.1 billion pounds in January, up 0.1% versus 2024. That was a little below expectations, but the first year-over-year increase since October. California’s output remained below prior-year levels, down 5.7%.

- The dairy herd totaled 9.365 million head in January, up 10,000 cows on the month and +41,000 year-over-year. An increase in cow numbers should improve the milk production outlook for the months ahead.
- With abundant supplies of cheap cream flowing, there’s more than enough butter to go around. After recently climbing back into the \$2.40s, spot butter slipped to the mid-\$2.30s and the lowest price since April 2023.
- CME cheese markets continued to search for direction. Spot blocks moved up and down on either side of the \$1.90-per-pound mark, while barrels did the same around \$1.80. Demand, particularly in the restaurant space, is weakening, while some reports indicate export business may be slowing down as well.
- The CME nonfat dry milk market continued its steady decline, sliding to the \$1.20-per-pound mark for the first time since August.
- Milk powder prices were mixed at this week’s GlobalDairyTrade Pulse event. Skim milk powder closed at \$1.26 per pound, above the US price for the first time in months.
- Nearby corn futures briefly rose over \$5 per bushel but couldn’t maintain that level, dropping back to the \$4.70s. Soybeans bounced around, ultimately dropping below the \$10.30-per-bushel mark.
- Old-crop corn and soybean exports were strong, both at the top end of the predicted ranges. But 2025-26 crop interest is softer, with sales at the lower end of expectations.



Dairy Revenue Protection Program		
Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
April - June 2025		
Class III	\$18.33	\$17.41
Class IV	\$18.71	\$17.77
July - September 2025		
Class III	\$18.49	\$17.56
Class IV	\$19.01	\$18.06
October - December 2025		
Class III	\$18.53	\$17.60
Class IV	\$19.64	\$18.66
January - March 2026		
Class III	\$18.10	\$17.20
Class IV	\$19.02	\$18.07
April - June 2026		
Class III	\$17.90	\$17.01
Class IV	\$17.90	\$17.01

*As of 02/25/25 for 95% coverage, 1.0 Protection Factor



Tiffany LaMendola
209.768.6313

CME Commodity Prices					
	Blocks	Barrels	Butter	NDM	Dry Whey
Feb-19	\$1.8975	\$1.8075	\$2.4400	\$1.2700	\$0.5450
Feb-20	\$1.9000	\$1.7850	\$2.4225	\$1.2500	\$0.5450
Feb-21	\$1.9000	\$1.8000	\$2.4150	\$1.2400	\$0.5450
Feb-24	\$1.8800	\$1.8000	\$2.3700	\$1.2250	\$0.5350
Feb-25	\$1.8800	\$1.7925	\$2.3450	\$1.2000	\$0.5350
Average	\$1.8915	\$1.7970	\$2.3985	\$1.2370	\$0.5410
Weekly Change	-0.0400	-0.0225	-0.0650	-0.0800	-0.0200

Order 51: Latest Prices					
	Nov	Dec	Jan	Feb	Mar
Class I LA	\$24.83	\$23.73	\$22.68	\$23.57	\$23.32
Class II	\$21.52	\$21.28	\$21.58		
Class III	\$19.95	\$18.62	\$20.34		
Class IV	\$21.12	\$20.74	\$20.73		
PPD	\$1.33	\$1.37	\$0.61		
Blend: LA*	\$21.28	\$19.99	\$20.95		
Blend: Tulare*	\$20.78	\$19.49	\$20.45		

*Does not include Quota Deduction

USDA Dairy Margin Coverage (per CWT)					
	Month	All Milk	Feed	Margin Estimate	Indemnity Estimate @ 9.50 Margin
2025 Program	Jan-25	\$ 23.58	\$ 10.45	\$ 13.13	\$ -
	Feb-25	\$ 23.33	\$ 10.65	\$ 12.68	\$ -
	Mar-25	\$ 22.25	\$ 10.86	\$ 11.39	\$ -
	Apr-25	\$ 21.63	\$ 10.97	\$ 10.66	\$ -
	May-25	\$ 21.41	\$ 11.08	\$ 10.33	\$ -
	Jun-25	\$ 20.78	\$ 11.13	\$ 9.65	\$ -
	Jul-25	\$ 20.80	\$ 11.18	\$ 9.62	\$ -
	Aug-25	\$ 21.25	\$ 11.02	\$ 10.23	\$ -
	Sep-25	\$ 21.64	\$ 10.86	\$ 10.79	\$ -
	Oct-25	\$ 22.08	\$ 10.85	\$ 11.23	\$ -
	Nov-25	\$ 22.30	\$ 10.86	\$ 11.45	\$ -
	Dec-25	\$ 22.30	\$ 10.86	\$ 11.43	\$ -

Estimates only. As of 2/25/2025 and based on futures markets which can change daily.

