

WESTERN UNITED DAIRIES

Senate Education Committee to Hear “Plant-Based” Foods Legislation

Western United Dairies Government Affairs Team

One of WUD’s top legislative priorities this year is Assembly Bill 558 (Nazarian) that seeks to promote plant-based school meals over conventional meals which include nutritious meat and dairy offerings. Specifically, the bill would allow agencies to request up to a \$0.30 reimbursement per meal for plant-based offerings, nearly three times the true cost differential of offering such meals (analysis from the Los Angeles Unified School District suggests that the difference in cost between a plant-based meal and a conventional school meal averages approximately \$0.12). Incentivizing educational agencies to favor plant-based meals over convention meals is particularly troubling because the prioritization of plant-based school meals is inconsistent with the state’s Farm to School program, risks diverting funds intended to nourish all California school children, and risks increasing California’s GHG emissions while disadvantaging the state’s agricultural producers.

The bill will be heard in the Senate Education Committee on 6/16 and WUD remains “opposed” to AB 558 and has offered the members of the committee with a number of arguments reinforcing why the bill should be shelved. *CONT. page 2*

Producer Review Board Meeting

WUD Staff

The Producer Review Board (PRB) met on June 6th in Modesto. After administrative items, which included the election of officers, CDFA provided several updates. First up was the quota administration budget. Some CDFA staff have left the program leaving CDFA understaffed in administering the Quota Implementation Plan (QIP). CDFA is hiring to fill the positions and make sure they can accomplish all the required tasks accurately. This includes audits of the plants paying into the QIP, which was discussed later in the meeting. Next was a discussion on the quota fund. Because the assessment rate had not been looked at in awhile and milk production has been increasing over the last two years, the quota fund currently has more in reserves than is necessary. Therefore, the board voted to reduce the assessment rate to \$0.2830 per cwt starting August 1 and increase it to \$0.3400 on March 1, 2023. The current rate is \$0.3650. There was discussion about authorizing CDFA staff to adjust the rate between parameters established by the board to maintain a more stable reserve fund. This concept will likely be discussed at a future meeting. *CONT. 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

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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 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

CONT. Producer Review Board Meeting

CDFA then updated the board on legal issues and petitions recently received. There was discussion around the topic of how to prepare an appropriate petition that met CDFA's procedures for petitions. CDFA had included a document on Department procedures for handling petitions in the meeting materials and referred to that document. Several additional topics were brought up to be included on the agenda for the next PRB meeting, including starting the discussion on the five-year producer survey that was included in the QIP and to review the procedures for updating and maintaining the voter roll through CDFA.

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California's foremost priority should be sufficiently feeding and nourishing our schoolchildren.

According to Feeding America, more than 1.3 million children in California lived in food-insecure households *before* the onset of the COVID-19 pandemic. In Los Angeles County, an astonishing 18.2% of children are food insecure according to figures from the Population Reference Bureau. But the "COVID-19 pandemic has caused a public health and economic crisis.... The repercussions [of which] will include added hardship for already vulnerable populations as well as a significant increase in the number of people experiencing food insecurity," Feeding America explains. The number of California children experiencing food insecurity is expected to climb by 864,100 because of the COVID-19 pandemic, bringing the state's total to **2.2 million** food-insecure children.

Given the breadth of food insecurity among California's schoolchildren, the state's first priority should be ensuring that *all* California students receive adequate nutrition in school. **As long as a significant number of California schoolchildren**

remain hungry and malnourished, the state should not direct funds toward promoting costlier plant-based processed foods above other healthy, nutritious products. Nor should the state be funding advertising, menu creation, and taste tests for plant-based foods until California first achieves the priority of providing baseline nutrition to every schoolchild in the state.

Claims that AB 558 will "reduc[e] greenhouse gas emissions" are misleading and the bill may serve to exacerbate GHG emissions. Claims invoked in favor of AB 558 relating to the GHG emissions of the livestock sector are highly misleading. For instance, sponsor Social Compassion in Legislation has argued that "meat and dairy specifically account for 14.5%" of global GHG emissions. In the *United States*, however, USDA's Agricultural Research Service has found livestock production responsible for only 3.3% of GHG emissions, and CARB analysis reflects similar contributions attributable to beef and dairy production in California. Importantly, the Farm to School program prioritizes purchase of *California-grown* beef and dairy products, which have a far lower GHG footprint than similar goods produced abroad. By using global statistics, the sponsors of AB 558 are providing misleading information about the purported ills the bill seeks to remedy.

The author has argued that "a pilot analysis of Oakland Unified School District, conducted by Friends of the Earth, documented a 14% reduction in carbon emissions and a 6% reduction in water use as a result of implementing the goals of this bill." Importantly, this study was not independent nor peer-reviewed, but rather an agenda-driven analysis by Friends of the Earth, which has a stated policy goal of "dramatically reduc[ing] meat consumption." Further, Friends of the Earth's own study acknowledges that it was based on "*global averages*" (*emphasis added*) of GHG emissions and that "the data used is imperfect, as it does not account for significant shifts in production practice."

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Indeed, independent analyses regarding the GHG emissions attributable to the *consumption* of food products do not support these claims. For instance, *A Consumption-Based Greenhouse Gas Inventory of San Francisco Bay Area Neighborhoods, Cities and Counties* (Jones & Kammen 2015), commissioned by the Bay Area Air Quality Management District, found that a majority of GHG emissions related to diet were from food sources *other* than meat and dairy.

Additionally, claims regarding the GHG emission reduction benefits of the bill fail to adequately contextualize livestock’s role in GHG emissions and GHG emission reductions. For instance, research from the University of California Cooperative Extension has

demonstrated that livestock grazing reduces the incidence, spread, and severity of wildfire on California’s rangelands—reducing GHG emissions which would result from wildfires. Research demonstrates that cattle remove 11.6 billion pounds of fine fuels on rangelands each year, and a follow-up study is underway to quantify GHG emissions reductions attributable to cattle grazing. Productively grazed rangelands also serve to *sequester* carbon in healthy soils, reducing levels of atmospheric carbon.

Moreover, California’s dairy farmers and cattle ranchers lead the world in environmentally sustainable livestock production, including the reduction of livestock methane emissions. According to the California Department of Food and Agriculture, for instance, California’s dairy industry is on track to reduce its manure methane emissions by more than 57%. California’s dairy and beef producers continue to adopt new technologies and best practices based on emerging science to ensure the lowest possible GHG footprint from nutritious beef and dairy products.

Finally, **AB 558 may exacerbate GHG emissions from school meals.** As noted above, AB 558 risks moving California’s schools away from *locally sourced fresh*

foods, instead incentivizing schools to offer pupils *globally sourced processed foods processed and produced* in California – with significant GHG emissions attending the cultivation of the constituent ingredients (*e.g.*, soy), their transportation into the state, and the manufacture and production of end-products. A plant-based burger alternative, for instance, contains upwards of 21 different ingredients. According to the *New York Times*, producers of plant-based meat alternatives do not “disclose[] the total amount of greenhouse gas emissions across all of [their] operations, supply chains or consumer waste. They also do not disclose the effects across all of their operations on forests or how much water they use.” Indeed, *NYT* reports that the manner in which these companies source products like soy “could...be involved in deforestation issues.” Without data on the GHG emissions from plant-based food processors, claims that the bill would benefit the climate are entirely ill-founded. Indeed, by incentivizing the purchase of globally-sourced ingredients, AB 558 may increase GHG emissions from school meals.

Beef and dairy contribute to a well-balanced diet and are proven to advance students’ educational success.

Evidence supports the inclusion of beef and dairy in a healthy diet. According to the Centers for Disease Control and Prevention, students who drink one or more glasses of milk per day are more likely to have higher grades, with 43% of high school students earning mostly As drinking at least one glass of milk per day as compared to 28% of students with mostly Ds and Fs. Likewise, beef is an authentic source of high-quality protein with numerous nutritional benefits. A 4-ounce serving of 93% lean ground beef has 10 essential nutrients at 10% or higher than their respective daily values per serving, including zinc, iron, and B vitamins all in about 170 calories, providing overall fewer calories, fat, saturated fat, and sodium (and more protein) than beef alternatives.

Dairy milk has a unique package of essential nutrients that can be difficult to replace in a healthy dietary pattern, especially when compared with plant-based beverages. This is even more important for young children and adolescents, with dairy foods making a

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critical contribution to child nutrition programs that promote optimal growth and development, reduce risk of developing chronic diseases, and support academic achievement and success. According to the North American Society for Pediatric Gastroenterology, Hepatology, and Nutrition, substituting milk with a plant-based alternative which "does not provide a similar nutritional profile to [cow's milk] can be deleterious to a child's nutritional status, growth, and development" with well-documented side effects from the misuse of plant-based beverages including "failure to gain weight, decreased stature, kwashiorkor [a form of severe malnutrition], electrolyte disorders, kidney stones, and severe nutrient deficiencies including iron deficiency anemia, rickets, and scurvy."

Nutrition research continues to demonstrate the benefits of dairy foods as an affordable and sustainable way to address the nutritional needs of a growing population, particularly children. Actions that restrict single nutrients or food components such as animal protein without focusing on the impacts to overall diet quality could unintentionally limit access to and consumption of nutritious foods, like milk and dairy foods, which nourish children every day in school meal programs. Limiting sources of high-quality protein is likely to have an unintended, negative impact on human health and worsen inequalities and undernutrition, including child undernutrition, which can have life-long consequences.

Beef and dairy are key to providing adequate nutrition in schools and are proven to promote students'

educational success. As such, the state should not incentivize measures to supplant beef and dairy on school menus.

California Dairy Families Partner with Feeding America and the California Association of Food Banks to Shred Hunger with Pilot Project Delivering More Than 190,000 Pounds of Cheese to Feeding Programs Throughout the State



LOOK FOR THE SEAL.
California Milk Advisory Board
www.RealCaliforniaMilk.com

TRACY, Calif. – June 2, 2022 – With one in five Californians currently struggling with food insecurity, partnerships between farmers and food banks are an essential tool in fighting hunger. In commemoration of World Milk Day and June Dairy Month, the California Milk Advisory Board (CMAB) announced a partnership with Feeding American and the California Association of Food Banks (CAFB) to provide access to nutritious dairy foods at sites serving families in need throughout the state. For more information including the full press release, click [HERE](#)

Lecheros Unidos de California

Hello Dairy Members, Summer is around the corner! Workers might be planning a vacation soon and you might just need a reminder that if you are looking to replace, hire an employee to work, or do some relief shifts give us a call at our WUD office 209.527.6453 and we can start advertising your job placement.

We look forward to getting your position filled as soon as possible.

<https://lecherosunidos.com/employer-questionnaire/>.

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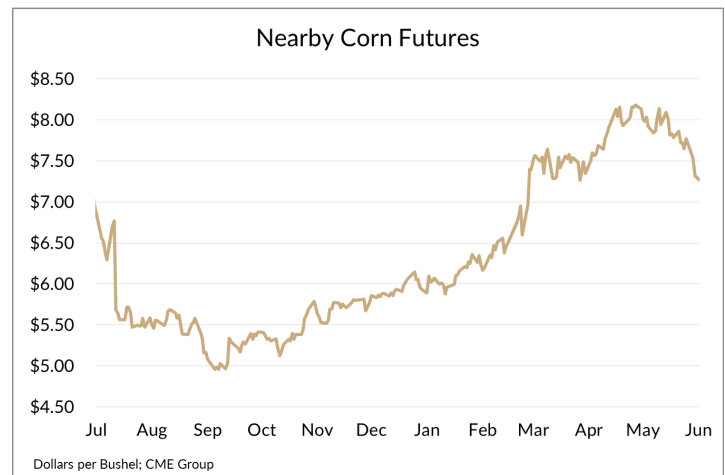
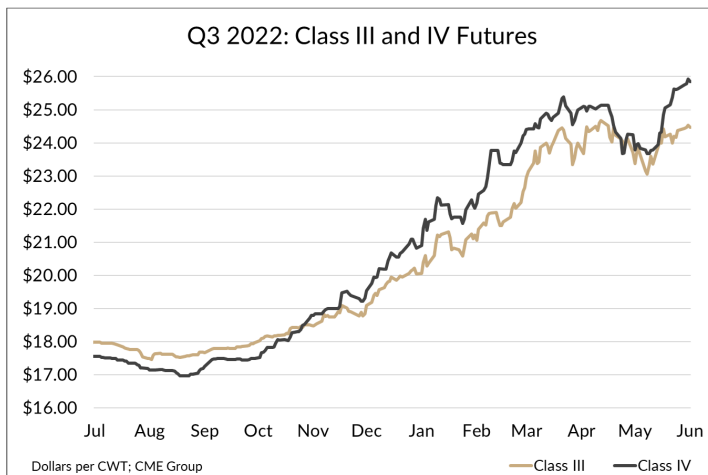
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WEEKLY MARKET UPDATE

Farm margin outlooks improved based on nearby futures prices. July grain contracts slipped while third quarter Class III and Class IV futures climbed to \$24.47 and \$25.85 per hundredweight, respectively.

- CME cheese prices took opposite trajectories last week. Blocks fell early on reports of growing inventories, then rebounded, while barrels held firm before tumbling on Friday.
- Total cheese production reached 1.16 billion pounds in April, up 0.1% (+921,000 pounds) on the year, but down 4.5% (-54.6 million pounds) month-over-month. That's compared to the five-year-average decrease of 36.4 million pounds.
- Ongoing buyer interest drove CME butter prices up to levels last seen in January.
- Butter production tumbled in April, totaling 181.2 million pounds. That's down 1.0% (-1.8 million pounds) year-over-year and -10.3% (-20.7 million pounds) on the month. The average decrease for the last five years is 4 million pounds.
- NDM manufacturers' stocks rose to 298.7 million pounds in April, up 3.8% (+11 million pounds) on the month and +0.4% (+2 million pounds) versus 2021. Combined NDM/SMP production reached 231.3 million pounds, down 7.4% (-18.5 million pounds) year-over-year, but up 3.0% (+6.8 million pounds) on the month. That compares to the five-year average monthly increase of 8.1 million pounds.
- Low milk output kept dryers under capacity and CME NDM prices strong.
- Planters made progress, coming close to the five-year average. As of May 29, corn planting reached 86%, below last year's 95% and just short of the average 87%. Soybean planting was 66% complete, compared to 83% last year and the 67% average.



Dairy Revenue Protection Program

	Futures	Milk Price (Floor) Guarantee @ 95%	Premium Per CWT (CA)
July - September 2022			
Class III	\$23.62	\$22.44	\$0.25
Class IV	\$23.84	\$22.65	\$0.20
October - December 2022			
Class III	\$22.57	\$21.44	\$0.40
Class IV	\$22.94	\$21.79	\$0.48
January - March 2023			
Class III	\$20.68	\$19.65	\$0.51
Class IV	\$21.14	\$20.08	\$0.68
April - June 2023			
Class III	\$19.75	\$18.76	\$0.59
Class IV	\$20.30	\$19.29	\$0.80
July - September 2023			
Class III	\$19.50	\$18.53	\$0.57
Class IV	\$19.64	\$18.66	\$0.73

*As of 6/3/22 for 95% coverage, 1.0 Protection Factor

BLIMLING
INSURANCE SERVICES

Tiffany LaMendola

CME Commodity Prices

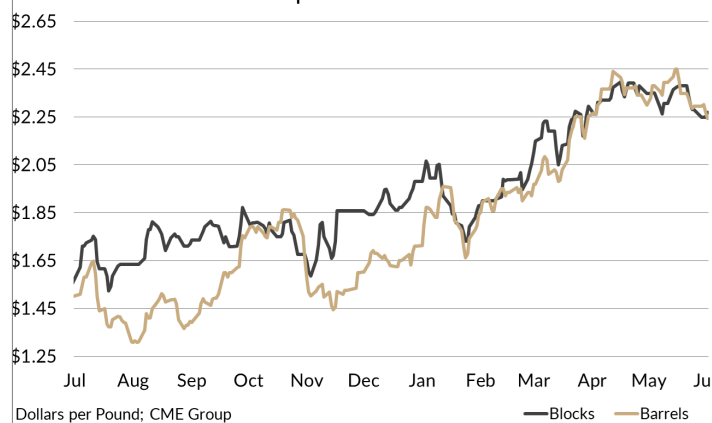
	Blocks	Barrels	Butter	NDM	Dry Whey
May-30					
May-31	\$2.2475	\$2.2950	\$2.8800	\$1.8650	\$0.5225
Jun-01	\$2.2475	\$2.3025	\$2.8900	\$1.8675	\$0.5500
Jun-02	\$2.2475	\$2.2750	\$2.9350	\$1.8700	\$0.5550
Jun-03	\$2.2700	\$2.2450	\$2.9150	\$1.8625	\$0.5575
Average	\$2.2531	\$2.2794	\$2.9050	\$1.8663	\$0.5463
Weekly Change	-0.0100	0.0500	0.0375	0.0025	0.0350

Order 51: Latest Prices

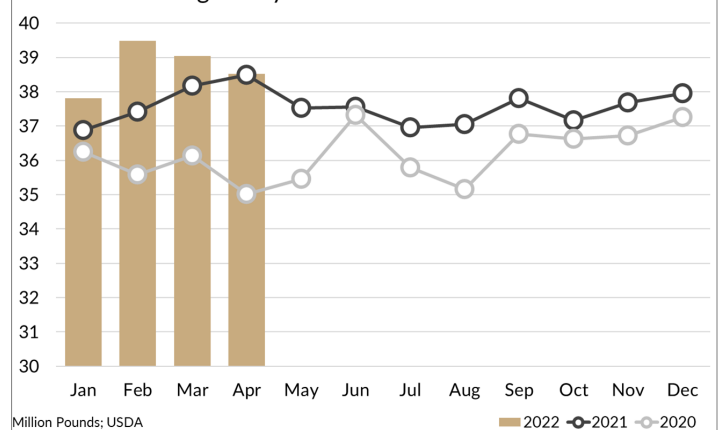
	Feb	Mar	Apr	May	Jun
Class I LA	\$23.94	\$25.18	\$26.68	\$27.75	\$28.17
Class II	\$23.79	\$24.76	\$25.71	\$25.87	
Class III	\$20.91	\$22.45	\$24.42	\$25.21	
Class IV	\$24.00	\$24.82	\$25.31	\$24.99	
PPD	\$1.06	\$0.87	\$0.66		
Blend: LA*	\$21.97	\$23.32	\$25.08		
Blend: Tulare*	\$21.47	\$22.82	\$24.58		

*Does not include Quota Deduction

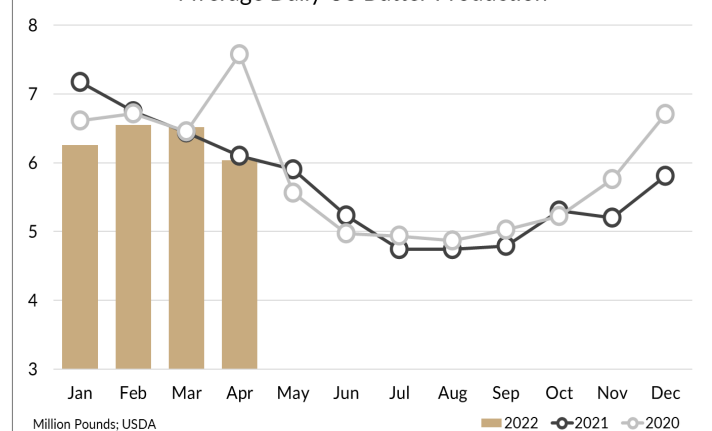
CME Spot Cheddar Prices



Average Daily US Total Cheese Production



Average Daily US Butter Production



Average Daily US NDM + SMP Production

