

# 2019 WINTER CONVENTION

DECEMBER 4-6, 2019  
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Registration is NOW OPEN for Western United Dairies Members, Additional Members and Sponsors. **Everyone attending must register.**

\*Late Registration Fee after November 18th.

**FOR MORE INFORMATION,** contact **Norma Castillo**  
at (209) 527-6453 or [ncastillo@westernuniteddairymen.com](mailto:ncastillo@westernuniteddairymen.com)

## AGENDA

### WEDNESDAY, DECEMBER 4<sup>TH</sup>

8:00am -6:30pm	Registration Open	4:00pm -5:30pm	Opening Joint CCA & WUD General Session
8:00am -12:00pm	Exhibitor Setup	5:30pm -6:30pm	Allied Industry Wine & Cheese Reception in the Tradeshow
12:00pm -9:30pm	Trade Show Open	6:30pm -9:30pm	Tradeshow Welcome Party

### THURSDAY, DECEMBER 5<sup>TH</sup>

6:30am -5:00pm	Registration Open	12:00pm -1:00pm	Lunch in the Tradeshow
7:00am -8:00am	Breakfast in the Tradeshow	1:00pm -2:00pm	Food and On-Farm Security Threat Assessment / Bovine Order; Same Cows - New Compliance
7:00am -2:00pm	Joint CCA &WUD Industry Tradeshow	2:00pm -3:00pm	California Quota Update
7:00am -10:00am	Bloody Mary Bar	3:00pm -4:00pm	Building a Dairy Majority -WUD Political Wins of 2019
8:00am -9:00am	California Cattle Council Update	4:00pm -5:00pm	Cattlemen's College Session
9:00am -10:30am	Labor Compliance Update		
10:30am-12:00pm	How Goes the FMMO in California?		

### FRIDAY, DECEMBER 6<sup>TH</sup>

8:00am -9:15am	Cattle-Fax Steak Breakfast *additional fee*	9:30am -10:45am	Labor Compliance Workshop; Free Legal Advice Seminar
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## WEEKLY UPDATE

October 31, 2019

### Next Round of Livestock Methane Reduction Funding Coming Soon!

*By Paul Sousa, Director of Regulatory and Environmental Affairs*

With the adoption of the State budget this summer the funding for the next round of livestock methane reduction funding has been secured from the Greenhouse Gas Reduction Fund. The funding for this upcoming round has been significantly reduced from the two previous rounds. With reduced funding and lots of interest in the program this round is likely to be very competitive. Successful applicants will have to step up their applications to get funded. The funds are expected to be released by the California Department of Food and Agriculture (CDFA) through the Dairy Digester Research and Development Program (DDRDP) and Alternative Manure Management Program (AMMP) sometime in the January/February timeframe. Based on recent workshops that CDFA has put on asking for input into these programs, they expect applications to be due sometime in March of next year. However, now is the time to start your application. The application period is not long enough to start and finish a quality application within that timeframe. Vendors get busy with other applicants and getting permits takes longer than 2 months, which is why you should start today. I have already started to meet with interested applicants for AMMP. The goal of AMMP is to keep manure out of the lagoon where it forms methane. This can be done by installing a mechanical solid manure separator, converting from flush to scrape and handling the scraped manure outside of a lagoon or pond, or housing cows where their manure does not end up in a pond, such as on a compost bedded pack or pasture. The project must take some of the manure that is going into a pond today and handle it outside of a pond after the project is implemented.

WUD has three staff members assisting with AMMP applications. Darby Toth, Melissa Lema and I are all providing assistance with AMMP applications. However, even with this team we will likely reach our capacity to assist applicants based on past experience and will therefore be assisting applicants on a first-come first-served basis. You can get a spot on our list by getting a solid project design with bids and other information and contacting one of the three of us soon. I will have additional articles on AMMP applications as CDFA provides more information. This also includes cutoff times for assistance as our plates fill up. In the mean time you can contact one of us to express an interest in getting assistance with your application. Contact information: Paul: psousa@westernuniteddairyman.com, 209-527-6453; Melissa: mlema@westernuniteddairyman.com, 707-779-2214; Darby: darby@westernuniteddairyman.com, 760-828-0035).

### STOP QIP Requests that CDFA Immediately Cease and Desist from Operating the QIP

A letter was submitted by Chip English and Rochelle Wilcox on behalf of Aj Bos and STOP QIP to Secretary Ross on October 29, requesting that the Department stop the collection and payments of QIP funds. The letter states that the "current enforcement of QIP/QAP is without legal basis. Specifically, while the QIP was adopted after Producer Review Board meetings and a producer referendum, it lacks the force of law because it is neither 1)part of an existing pooling plan, nor 2)validly adopted independent of a Pooling Plan because the QIP was never subjected to a public hearing [...]. **Continued on page 2.**

### CONTACT US @

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### WEEKLY UPDATE DELIVERY OPTIONS

Send change of address or request for Update delivery to WUD by phone or fax, or email to [info@westernuniteddairyman.com](mailto:info@westernuniteddairyman.com)

### LIKE US ON FACEBOOK!

Western United Dairymen has a Facebook page. "Like us" today and join in on the conversation about California dairy families.

### GET INVOLVED

For more information on how to get involved in WUD's political machine, visit WUD's website [www.westernuniteddairyman.com](http://www.westernuniteddairyman.com) Or [californiaagaction.com](http://californiaagaction.com) to see how you can be part of the action.

### MEMBER PORTAL

As a member of WUD, you have access to exclusive pricing and labor information in the Member Portal on the WUD website. If you need your information to access the member portal, please contact your field rep.

## WUD Thanks its Allied Members!

*Continued from page 1. QIP...*

Thus the operation of the QIP, the collection of fees to administer the QIP, and the redistribution of producer revenue under the QIP is merely voluntary and without force of law". The letter mentions STOP QIP is supportive of the United Dairy Families of California's effort to develop and discuss proposals and would still like to see a resolution that could work for quota and non-quota holders alike and further explains this cease and desist request is in the hope of preventing litigation. That being said, it also states "before STOP QIP files a lawsuit and seeks declaratory and injunctive relief, we respectfully request that CDFA immediately cease and desist from the operating the QIP, collecting administrative fees and acting to redistribute the funds of non-quota holder. We are concerned that once fees are collected and QIP monies distributed that it may be extremely difficult or impossible to recover those funds". One of the attorney representing STOP QIP, Chip English, is certainly very familiar with dairy matters, having most recently represented the Dairy Institute in the California FMMO implementation proceedings. The letter requests a response from the Department before November 15. The complete letter can be found [here](#).



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**CONTACT A LOCAL REPRESENTATIVE AND START A CONVERSATION**

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**Scott Burr**  
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315-783-2922

## Join WUD for a Kitchen Table Meeting Next Week!

Join us for a meeting and lunch to discuss current issues that impact you. Anja Raudabaugh will be available to give an update and answer questions about policy and politics for the California dairy industry. Please contact Darby Toth at 760.828.0035 or [darby@westernuniteddairymen.com](mailto:darby@westernuniteddairymen.com) with any questions. RSVPs not mandatory but much appreciated.

**WHEN: November 5, 11am at El Rosal in Turlock and November 6, 11am at Vejar's in Tulare**

## What's up and what's not—your weekly market update

Dairy Markets were as enthusiastic as Nationals' fans this week, with most commodities winning the price increase game. Dry whey was more of the same with a small price decrease (-0.36 cent), so we will focus on the good news instead. Cheese barrels in particular had a phenomenal week, with a gain of 12.27 cents. This brought the price to \$1.9685/lb, closing the gap with blocks, which stand at \$2.0570/lb (up 0.93 cent from last week). Cheese has decent fundamentals supporting the strength in that supplies are reportedly not plentiful. In particular, American cheese stocks were still below year ago levels in September (-4%). Total cheese stocks were down 1% from a year ago.

The second most helpful increase this week came from nonfat dry milk prices. The gain of 1.43 cents may not sound monumental, but for the slow moving commodity it is a big step. This gain brought the price to \$1.1213/lb. Outside our borders, the price continues to climb. Dairy Market News (DMN) reported the skim milk powder price average in Oceania at \$1.26/lb, up from \$1.21/lb a month ago. Since over half of our American powder is exported, global prices tend to have a heavy influence on pricing. Outside price strength is therefore good news for US prices.

USDA butter prices gained 0.19 cent this week, to \$2.1435/lb. The change was not particularly remarkable, but at least it was in the right direction—a nice change from the recent trend. An increase is good news in light of butter supplies which are not showing any signs of shortage. According to USDA's *cold storage* report, September butter stocks were up 7% from a year ago. Fortunately, prices outside our borders seem to be recovering slowly. DMN reported the average western Europe butter price at \$1.852/lb this week, up 2 cents from last month.



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## Latest commodity prices

Average (\$/lb)	AA Butter	NFDM	40# Blocks	Barrels	Dry Whey
<b>September</b>	\$2.2344	\$1.0519	\$1.9053	\$1.9053	\$0.3729
<b>October</b>	\$2.1559	\$1.0957	\$1.9694	\$1.9694	\$0.3396
<b>October 30</b>	\$2.1435	\$1.1213	\$2.0570	\$1.9685	\$0.3255
<b>From last week</b>	+0.19 cent	+1.43 cents	+0.93 cent	+12.27 cents	-0.36 cent

## Latest class prices—Order 51

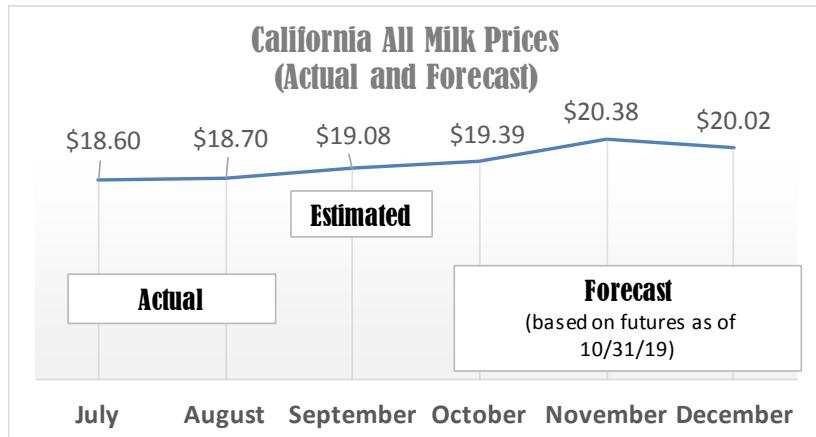
Price (\$/cwt)	Class I LA	Class II	Class III	Class IV	PPD	Statistical Uniform Price
<b>August</b>	<b>\$19.99</b>	<b>\$17.60</b>	<b>\$17.60</b>	<b>\$16.74</b>	<b>\$0.24</b>	<b>\$17.34 (Tulare) -\$17.84 (LA)*</b>
<b>September</b>	<b>\$19.95</b>	<b>\$16.93</b>	<b>\$18.31</b>	<b>\$16.35</b>	<b>-\$0.94</b>	<b>\$16.87 (Tulare)-\$17.37 (LA)*</b>
<b>October</b>	<b>\$19.94</b>	<b>\$16.68</b>	<b>\$18.72</b>	<b>\$16.39</b>		

\*Does not include the quota deduction.

## CA quota prices

Price (\$/cwt)	# of buyers	# of sellers	# sales	Low end	Average	High end	Quota SNF transferred
<b>August</b>	<b>0</b>	<b>0</b>	<b>0</b>	-	-	-	<b>0</b>
<b>September</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>\$285</b>	<b>\$296</b>	<b>\$300</b>	<b>6,068.35</b>
<b>October</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>\$280</b>	<b>\$290</b>	<b>\$300</b>	<b>2503.75</b>

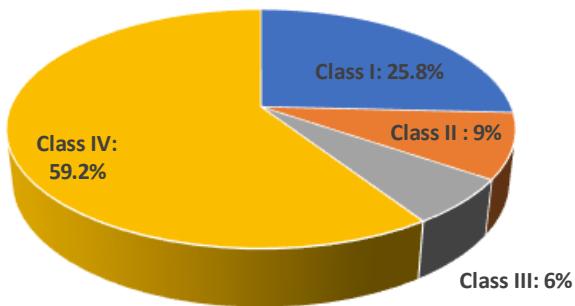
CDFA will no longer mail out quota sales price information each month. We will include it on this page to allow our interested members to keep track.



*This forecast is for informational purposes only and should not be used as a price guarantee. It is subject to change as market conditions change.*

Under the California system, this chart included actual, estimated and forecasted overbase prices. Since overbase prices are no longer relevant under the FMMO, this chart will focus on the California all-milk price forecast. Since we have historical data on the all-milk price and will continue to get such data, it seems an appropriate measure to show price trends in the state as we get more months of data under the FMMO.

September pool data



California FMMO pool corner—Sept data

Class	Pounds	Pounds (Aug)	Price	Price (Aug)
I	455,698,952	442,619,939	\$19.95	\$19.99
II	155,430,107	136,285,149	\$16.93	\$17.60
III	109,753,013	230,105,650	\$18.31	\$17.60
IV	1,047,363,170	1,063,345,538	\$16.35	\$16.94
Total	1,768,245,242	1,872,356,276		