



Weekly Update

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Butter

6 sales, 1 bid unfilled, 0 offers uncovered. Butter was unchanged for the week after a decline of 5 cents last week. Many traders are wondering when print butter orders for the holiday will be filled and prices may decline. Butter demand is unsettled. Retail feature activity on both private label and branded products continues to move butter seasonally. Food service accounts have been ordering for the holiday season.

Cheese

35 sales, 2 bids unfilled, 2 offers uncovered. Cheese gained 6.75 cents this week following a gain of 4.25 cents last week. Cheese prices generally moved higher at the CME Group this week. However, an unsettled to weak undertone continues as many producers and buyers anticipate prices may decline after holiday orders have been filled. Cheese production is steady to higher seasonally with most operations offered additional milk both now and for the upcoming holiday period.

Milk Production

Overall milk production is following seasonal trends, with annual high component values in the Northern tier and Southern tier states starting to see increases in milk volumes. Demand for bottled milk is lower, although some retailers expect an uptick in sales for the holiday week.

Dry Products

During the week of November 10-14, CCC purchased 11,354,338 pounds of Western NFDN under the dairy support program. Cumulative purchases since October 1, 2008, now have reached 58.1 million pounds. The dry products market is weaker in general as various products priced off of milk protein values continue to undergo pressure from a sell-off of NFDN inventories into the government support program.

Source: USDA Dairy Market News

Weekly Update delivery options

Send change of address or request for Update delivery to Western United Dairymen by phone or fax, or email to info@westernuniteddairymen.com.

Commodity Markets: CME – California Plants

Average	AA Butter	NFDN	40# Blocks	Barrels	Dry Whey
September	\$1.6727	\$1.2357	\$1.8430	\$1.8118	\$0.2338
October	\$1.7389	\$0.9769	\$1.8418	\$1.8412	\$0.1860
November	\$1.6673	\$0.8800	\$1.6628	\$1.6698	\$0.1683
Nov 14	\$1.6350	\$0.8411	\$1.7175	\$1.6950	\$0.1650
Week	Unchanged	↓ 8 ⁷⁸ / ₁₀₀ cents	↑ 6 ³ / ₄ cents	↑ 5 ³ / ₄ cents	↓ ½ cent

Estimated Producer CWT. Prices

Month	Class 1	4a	4b	Overbase	Quota
September	\$19.38	\$15.51	\$16.63	\$16.22	\$17.92
October	\$18.38	\$13.54	\$16.63	\$15.44	\$17.14
November	\$18.87	\$12.40	\$14.82	\$14.36	\$16.06

State air board chief Nichols said to be on list for EPA post

Mary Nichols, chairwoman of the state's powerful Air Resources Control Board, is reportedly a candidate to head President-elect Barack Obama's Environmental Protection Agency, according to a published report in the *Los Angeles Times*. Nichols, 63, was a high-level EPA official under President Clinton, serving as the agency's assistant administrator for air and radiation. Appointed to head the state air board by Gov. Arnold Schwarzenegger last year, the Los Angeles Democrat and former environmental attorney has energetically mediated between business and environmental advocates in designing the nation's first regulatory program to control global warming pollution. She has been critical of EPA under President Bush for declining to regulate carbon dioxide and other greenhouse gases and for refusing to allow California and other states to enact curbs on such gases from automobile tailpipes. Nichols said she has not lobbied for the job, but is "honored and pleased to be considered."

Other candidates for the federal job, according to green groups, include Robert F. Kennedy Jr., an environmental lawyer who has expressed vehement opposition to what he terms "factory farming" operations. Also said to be under consideration for the position, which oversees a \$7.2-billion budget, are Kansas Gov. Kathleen Sebelius; Kathleen McGinty, former head of Pennsylvania's Department of Environmental Protection; Ian Bowles, head of Massachusetts' Energy and Environmental Affairs agency; and New Jersey Department of Environmental Protection Commissioner Lisa Jackson.

Vilsack seen as strong contender for USDA post

Former Iowa Gov. Tom Vilsack has emerged as the frontrunner for the post of Agriculture secretary in the Obama administration, according to a published report by *Congressional Quarterly*. Vilsack, a Democrat, has a powerful booster in fellow Iowan Tom Harkin, chair of the Senate committee that will hold confirmation hearings for the next secretary. Harkin has been a political backer of the two-term former governor since his election in 1998 and supported Vilsack's short-lived presidential campaign. "Senator Harkin believes that Governor Vilsack would be a great secretary of Agriculture," said Harkin spokesperson Kate Cyril. Vilsack also got a thumbs-up from Iowa's senior senator, Republican Charles E. Grassley. "In administrations that I've known, it's always been beneficial for our state to have another Iowan closer to the seat of power," Grassley said in a statement.

Other names mentioned by Capitol Hill aides, lobbyists, and others close to the Obama transition team include Tom Buis, president of the National Farmers Union. The selection of Buis would signal a significant policy shift away from the priorities of food processors and grocery manufacturers to those of small farmers and producers. Rounding out the list of prospective nominees are House Agriculture Chairman Collin C. Peterson (D-MN), Kansas Gov. Kathleen Sebelius, North Dakota Agriculture Commissioner Roger Johnson, and former Senate Majority Leader Tom Daschle (D-SD).

Wage and labor posters require prominent posting

Wage and labor posters need to be posted prominently in the workplace, according to California labor codes, which require that posters containing current information about wage and labor practices must be displayed in conspicuous locations in dairies where they can be viewed by employees. The reminder comes after the California Labor Commissioner's office conducted a statewide enforcement sweep last week that covered 25 counties and focused on nurseries, greenhouses, landscapers, farm labor contractors, dairies, growers, and other agricultural businesses. The sweep resulted in 71 citations totaling \$267,600 in fines statewide. WUD members can obtain the required wage and labor posters from their WUD field representative or by calling the WUD office at (209) 527-6453.

U.S. Senate seats still unresolved in three states

Three U.S. Senate races are still undecided more than a week after the November 4 election. Democrats have gained six U.S. Senate seats—Colorado, New Hampshire, New Mexico, North Carolina, Oregon, and Virginia. The unresolved races are:

- **Georgia:** Having failed to receive 50 percent of the vote, frontrunner Sen. Saxby Chambliss (R-GA), ranking member of the Senate Ag Committee, is forced into a December 2 runoff election under state law.
- **Minnesota:** Sen. Norm Coleman (R-MN) is leading comedian Al Franken by about 200 votes. Minnesota will now conduct a mandatory recount.
- **Alaska:** Votes are still being counted and as of Thursday evening, Anchorage Mayor Mark Begich was leading Sen. Ted Stevens (R-AK) by less than 1,000 votes.

If the Democrats win all three races, they would attain their goal of a 60-seat, filibuster-proof majority. In the House of Representatives, the Democrats have picked up 22 seats, while six House races are still undecided. California's 4th Congressional District race between Republican Tom McClintock and Democrat Charlie Brown is still too close to call with McClintock holding a slim 815-vote lead with about 40,000 ballots remaining to be counted. The House and Senate caucuses will meet next week to choose their leaders for the 111th Congress.

U.S. to detain all milk-related shipments from China

U.S. government health officials have slapped a sweeping detention order on dozens of imported foods from China, from snacks and drinks to chocolates and candies. It is unusual for the Food and Drug Administration to put such a broad hold on goods from an entire country, rather than just a few rogue manufacturers. The agency said the action was needed as a precaution to keep out foods contaminated with the industrial chemical melamine, which can cause serious kidney problems. "The problem of melamine contamination in Chinese food products is a recurring one," said the FDA order, posted on the Internet. Under the directive, FDA inspectors can hold foods made with milk ingredients at ports of entry until independent tests show they are melamine-free. The order also applies to pet foods and some bulk protein products. Essentially, the FDA action shifts the burden of proof to Chinese companies, which must now supply evidence that their products are safe.

California workers' comp rates to rise nearly 9%

The State Compensation Insurance Fund said Thursday it will boost workers' compensation insurance rates by an average 8.9 percent in January, ignoring the California insurance commissioner's call for a smaller increase. In plans filed with state regulators, State Fund—which claims about 200,000 policyholders serving just under a quarter of the California workers' compensation insurance market—blamed the rate increases on "medical inflation."

State Fund cited a recent report by the California Workers' Compensation Insurance Rating Bureau that said medical costs have grown 12 percent each year since 2006. "This inflation did not affect rates while claims frequency was falling at double-digit rates, but it appears that frequency declines have dropped off to about 2 percent per year," State Fund chief executive Jan Frank said in a statement. "We felt it was important to take a conservative approach to pricing."

Last month, Insurance Commissioner Steve Poizner rejected the rating bureau data, saying its analysis was narrow and its results overly favored insurers. Poizner suggested a 5 percent benchmark increase for workers' compensation rates—insurers are not bound by his suggestion—but, he added, "it is clear that insurance companies remain profitable in California and still have room to reduce the premiums they charge." Premiums for State Fund customers vary based on their industry and class. Some employers may see increases above or below the 8.9 percent average. Frank said that even after the latest increases, average rates will still be 52 percent lower than five years ago.

NMPF: Dairy producers not subject to E-verify rule

According to National Milk Producers Federation, it appears that dairy producers are not subject to an Executive Order that all employees of federal contractors or subcontractors who are newly hired or are directly engaged in work on federal contracts or subcontracts need to have their work eligibility checked through the E-Verify system. National Milk Producers Federation issued a notice today expressing the opinion of its legal counsel that the final rule published in the Federal Register specifically exempted nearly all agricultural products from the new requirement, including bulk shipped agricultural products. NMPF said it would issue a more detailed memo next week. Western United Dairymen earlier this year submitted public comments asking for an exemption of dairy producers from the rule.

Fall workshops target dairy nutrient management for crop professionals

UC Cooperative Extension and the California Dairy Quality Assurance Program will offer workshops this fall to keep crop management professionals up to date on nutrient management planning. These sessions will provide professionals an overview of the producer workshop presentations being held in October and November.

On November 19 and 20 in Modesto and December 10 and 11 in Tulare (both workshops are identical) UCCE will offer in-depth, two-day workshops in nutrient management planning. These workshops are aimed at Certified Crop Advisers and other nutrient management and dairy design professionals working with producers to improve crop nutrient management. The workshops will include both lectures and project planning exercises. Workshop topics will include both lectures and project planning exercises. Workshop topics will include manure collection, distribution, and measurement infrastructure required for agronomic nutrient applications; nitrogen budgeting and application rate and timing decisions; and manure, soil, and plant tissue sampling and analysis.

The workshops are supplementary to the CDQAP workshops for dairy operators and owners. Pre-registration is required. Registration may be limited. Ten CCA continuing education units will be requested. For more information on the UCCE workshops and to pre-register, go to <https://ucce.ucdavis.edu/survey/survey.cfm?surveynumber=3083>.

Fall Workshops for Crop Professionals

Modesto: November 19-20
Day 1: 9-5 p.m., Day 2: 9-3 p.m.
Harvest Hall, County Ag Center
3800 Cornucopia Way

Tulare: December 10-11
Day 1: 9-5 p.m., Day 2: 9-3 p.m.
International Agri-Center
4500 S. Laspina St.

Williamson Act on budget chopping block once again

Gov. Arnold Schwarzenegger's proposed budget cuts include the permanent elimination of state support for the Williamson Act, a program that protects more than half of California's 30 million acres of farmland from the economic pressure to be developed into a higher valued use. The savings to the state budget would be \$34.7 million, and it would stop payments to 54 counties that participate in the conservation program. This is not the first time the Williamson Act has faced the potential of being cut. In budget negotiations earlier this year, the farmland conservation program was reduced 10 percent, and previously the entire program has been proposed for elimination.

"We understand the seriousness of California's financial situation, as well as the economic strains across the world," said John Gamper, California Farm Bureau director of taxation and land use. "Our concern with the proposal to permanently eliminate the Williamson Act, however, is that it's an invaluable, cost-effective tool for protecting an important resource." The state payments help counties to offer lower property taxes to landowners who agree to maintain their land in agricultural production. Gamper stressed that rural counties cannot afford to continue to offer the Williamson Act program without the state helping backfill the forgone property tax revenue. "The Williamson Act program is crucial to the viability of many farms and ranches," Gamper said. "That makes it vital for maintaining the food supply for our state and nation. The subventions from the state can be a significant contributor to rural county coffers, yet it is only 0.036 of 1 percent of the state's currently approved budget." Also on the chopping block is funding for rural crime prevention programs, which would cut another \$3.7 million from next year's budget.

Classic Thanksgiving dinner still affordable

Menu items for a classic Thanksgiving dinner including turkey, stuffing, cranberries, pumpkin pie and all the basic trimmings will cost just a bit more this year, but remain affordable, according to the American Farm Bureau Federation. The Farm Bureaus' 23rd annual informal price survey of classic items found on the Thanksgiving dinner table indicates the average cost of this year's feast for 10 is \$44.61, a \$2.35 price increase from last year's average of \$42.26. The survey shopping list includes turkey, bread stuffing, sweet potatoes, rolls with butter, peas, cranberries, a relish tray of carrots and celery, pumpkin pie with whipped cream, and beverages of coffee and milk, all in quantities sufficient to serve a family of 10. The cost of a 16-pound turkey, at \$19.09 or roughly \$1.19 per pound, reflects an increase of 9 cents per pound, or a total of \$1.46 per turkey compared to 2007. This is the largest contributor to the overall increase. Others were: a 12-oz. package of brown-n-serve rolls, \$2.20; a 12-oz. package of fresh cranberries, \$2.46; a 30-oz. can of pumpkin pie mix, \$2.34; two 9-inch pie shells, \$2.26; a 14-oz. package of cubed bread stuffing, \$2.57; a relish tray of carrots and celery, 82 cents; a half-pint of whipping cream, \$1.70; a pound of green peas, \$1.58; and three pounds of sweet potatoes, \$3.12.

Kansas ag regulators consider limits on 'no hormone' label for dairy products

The Kansas Department of Agriculture is studying a proposal to limit labels advertising milk and dairy products as coming from cows not injected with rBST or rbGH. Milk marketed as containing "no artificial hormones," or being "rbGH-free" or "rBST-free" is said to have come from dairy producers who do use those products. But the dairy industry contends such labels are misleading and not subject to proof. They pushed this year for state legislation making it unlawful to label any farm product with a claim that cannot be confirmed by a laboratory. "We believe in consumer choice, but what we are doing is trying to level the playing field for everyone with some level of guidance about what is and is not acceptable," said Lisa Taylor, spokesperson for the Kansas Department of Agriculture. The department contends that lab analysis cannot confirm that a dairy product is free of rbGH or rBST, because cows produce the same hormones naturally. The proposed rule would let manufacturers label a product as coming from cows not supplemented with rBST, or something similar. But they would also have to add a disclaimer that FDA testing has determined that there is no significant difference between milk from rBST-supplemented and non-rBST-supplemented cows. Manufacturers would also need a milk producer's affidavit that the milk is from cows not supplemented with artificial growth hormones, and have other written records supporting the claim.

WUD district director nominations sought

The nomination period for those interested in serving on Western United Dairymen's board of directors is now open until Friday, December 5. Nominees must be WUD members in good standing and have the signed support of five WUD members from the same district in which they are seeking election. Nomination forms are included with this mailing of the *Weekly Update* and they are available through local WUD field representatives.

Two seats up for election where the incumbent is not eligible for re-election:

- **Jack Hamm** (District 4) representing San Joaquin and Contra Costa counties.
- **District 12**, currently vacant, encompasses San Bernardino, Riverside and San Diego counties.

The following directors are eligible for re-election this year:

- **Domenic Carinalli** (District 3) representing Lake, Marin, Mendocino and Sonoma counties.
- **Bill Hoekstra** (District 5) representing Stanislaus County.
- **Anselmo Souza** (District 6) representing Merced, Monterey, San Benito, Santa Clara counties.
- **Tom Mendes** (District 7) representing Fresno County has announced that he will not run.
- **Joseph Airoso** (District 8) representing Tulare County.

USDA projects lower corn, soybean harvests

The U.S. Department of Agriculture on Monday lowered its forecasts for this year's U.S. corn and soybean harvests, pushing up the prices of both commodities. USDA said corn production is expected to be 12.02 billion bushels, down from last month's revised estimate of 12.03 billion and below analysts' estimates of 12.08 billion. Corn yield per acre is expected to come in at 153.8 bushels, down from last month's estimate of 153.9. Analysts expected the yield to be 154.4.

The lower yield and production "caught the market off guard," said Joe Victor, vice president for marketing at Allendale, Inc., a commodities broker based in McHenry, Illinois. Initially, corn and soybean futures prices rose on Monday in response to the report. Corn for December delivery traded at \$3.77 a bushel by late morning, up 1.5 cents, after reaching \$3.85 immediately after the report, according to the Chicago Board of Trade. Soybeans for January jumped 19 cents in early trading to \$9.40 per bushel.

USDA nudges 2009 milk production estimate a little higher

USDA released its *World Supply and Demand Report* this week and it reflected a slight increase in milk production estimates for 2009 to 191.5 billion pounds. The report projects cow numbers to hold steady, but production per cow will increase thanks to lower feed costs. The report also predicts exports to continue their decline, which means that domestic stocks will increase. It also predicts the Commodity Credit Corporation will continue to buy nonfat dry milk through 2009.

Low powder prices could prompt more milk into the cheese market, so the Outlook Board lowered the predicted Class III price for next year. The average cash cheese price for 2009 was lowered 11 cents, setting it now between \$1.675 and \$1.765 per pound. The Class III average price estimate was cut by \$1.10, now pegged from \$14.75 to \$15.65 per hundredweight. Class IV dropped \$1.45 to fall between \$11.50 and \$12.50 per hundredweight. The all-milk price for 2009 is expected to range from \$15.30 to \$16.20, down \$1.20 from last month's estimate. ❖

Hay & Grain Report		
Hay Grades	Tons	Wtd Avg
Petaluma – Delivered:		
Supreme	625	265.00
Modesto – Delivered:		
Supreme	725	244.83
Premium	100	225.00
Fair	150	175.00
Northern Mountain:		
Supreme (organic)	25	260.00
Good (organic)	50	235.00
Fair (organic)	50	200.00
Supreme	75	210.00
Premium	550	204.09
Good	350	193.57
Fair	200	173.75
Tracy:		
Fair	150	160.00
Sacramento Valley:		
Supreme	750	229.17
Premium	100	195.00
South Valley – Delivered:		
Supreme	1,175	239.02
Premium	1,075	189.53
Good	200	190.00
Fair	1,100	180.23
Corcoran:		
Fair	950	148.53
Kern County:		
Good	1,050	166.52
Fair	200	140.00
Firebaugh:		
Supreme	50	220.00
Dos Palos:		
Supreme	1,100	211.82
Premium	218	176.72
Good	478	162.91
Fair	468	137.82
South State – Delivered:		
Good	225	215.00
Fair	175	205.00
Parker:		
Good	125	185.00
Imperial Valley:		
Good	225	180.00
Fair	175	170.00
Grains		
Soybean Meal, 47½ %:		
Chino Valley	300.00	– 308.50
USDA Market News 11/14/08		

Remaining CDQAP water quality workshop schedule		
Stanislaus County (1 workshop) Tue, Nov 18, 9-12 Stanislaus Co. Ag Center 3800 Cornucopia, ABC Room	Tulare County (1 workshop) Wed, Nov 19, 9-12 Cooperative Extension office 4437 S. Laspina St., Tulare	Merced County (1 workshop) Thu, Nov 20, 9-12 Cooperative Extension office 2145 W Wardrobe, Merced
WDR reports and activities First of the month Photograph freeboard in each pond. Weekly (Oct – May) Visually inspect production and waste storage areas and ponds. Ongoing These actions should occur as described: <ul style="list-style-type: none"> • Record visual inspections, value and date for each process wastewater application. • Record volume/density OR weight /moisture of solid manure applications. • Record yield and lab analysis data for each harvested crop. • Record date, time, volume, duration, location, destination, field measurements and lab analysis of runoff from one third of cropland areas of the first and a mid season significant storm event. 		
December 31, 2008	Field risk assessment and infrastructure checklist due to be filed with the CVRWQCB.	
July 1, 2009	Second annual report due to be filed with the CVRWQCB.	