YOUR Cooperative NEWS

UPSTATE NIAGARA COOPERATIVE, INC.
FARMER OWNED

November 2024

Aspirin Use in Lactating Dairy Cattle

by: Madison Hopcia, Manager of Member Services

Last month the Food and Drug Administration (FDA) informed veterinarians, farmers and industry personnel to cease the use of unapproved aspirin to treat lactating dairy cattle.

The FDA is aware that veterinarians and farmers are using aspirin for pyrexia (the reduction of fever) and pain in lactating cattle but has recently clarified that there are no FDA approved products that have been approved for use in cattle. The extra label use of unapproved drugs in food producing species is **prohibited**.

Veterinarian Letter

All FDA approved animal products are required to carry one of the following statements on the label:

> "Approved by FDA under NADA # XXX-XXX" (for brand name animal drugs), or
> "Approved by FDA under ANADA # XXX-XXX" (for generic animal drugs)

There are approved products for pain and pyrexia that are safe and effective and have established milk and meat withdrawal periods.

Although the FDA mentions only lactating dairy cattle, the same regulations also apply to heifers, calves and dry cows. **All cattle** are included in this statement made by FDA.

I advise you to reach out to your veterinarian on proper pain control medications for cattle that are FDA approved to control pyrexia and pain. For further information visit the QR codes.

AVMA News Warns Against Unapproved Aspirin

Sustainability: A Journey to Increase the Value of Member Milk

by Kevin Ellis, CEO

I trust this message finds you and your families well heading into the Holiday season. I also hope you had a plentiful harvest this year that will sustain your operations in the year to come. As we approach the new year, I want to take a moment to reflect on important steps our Cooperative is taking to build a more sustainable future.

UNC was founded with a commitment to supporting each of you—our farmers who dedicate themselves to producing quality dairy products that nourish life. As stewards of the land and champions of animal well-being, you have always set the standard for responsible, ethical, and high-quality farming practices. Today, this dedication is more important than ever, as we face challenges from climate change, shifting markets, and rising demands from consumers for products they can trust.

A joint study by McKinsey and Nielson IQ in February 2023 examined sales growth for products that claim to be environmentally and socially responsible. Products making ESG-related claims averaged 28% cumulative growth over the past five-year period, versus 20% for products that made no such claims. The result is a fact-based business case for offering consumers environmentally and socially responsible products.

Because of the growth opportunities that ESG-related claims can have on our business, **I have asked Nicholas Brown, our Farm Sustainability Manager to survey and document each of our members' sustainability practices and determine the collective total carbon emissions of our members.** We are also recruiting a sustainability engineer who will work within our commercial operations to baseline the carbon emissions from our plants, distribution equipment, and suppliers. Once we have a baseline for our full supply chain, we can then build models to understand how we can affect change and become leaders in ESG efforts. This will allow us to place claims on our product offerings which resonate with consumers and increase sales that will help sustain our Cooperative for generations to come.

Thank you in advance for meeting with Nicholas and helping your Cooperative be positioned as one of the dairy leaders in ESG initiatives. We know that this is a heavy lift, and we greatly appreciate your help. We have a long journey in front of us, but I am confident in our ability to achieve this goal with your support!

Yours Truly,

RECENT BOARD ACTION

FEDERAL ORDER PRODUCER REFERENDUM

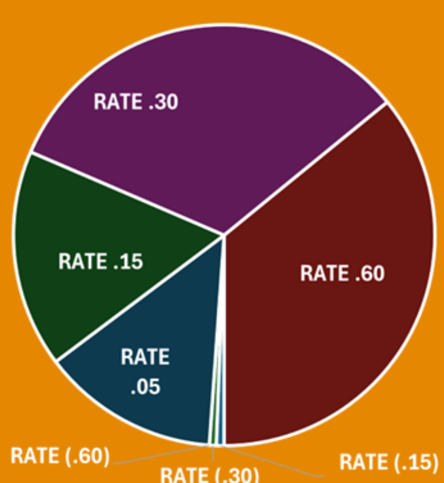
Just prior to this newsletter going to press, USDA posted a Final Decision on the open formal rulemaking process to modernize Federal Milk Marketing Orders. By late November, it is expected that this document will be published in the Federal Register. This triggers the start of a producer referendum process. Voting can occur in one of two ways: (1) a cooperative can vote 'en bloc' on behalf of its eligible members, or (2) individual ballots can be mailed by the Order to eligible members. Per USDA, modified bloc voting (where cooperative members can request an individual ballot) is prohibited. **At a recent meeting of the Board of Directors, they approved a resolution to vote 'en bloc' on behalf of its eligible members in the Producer Referendum.** Next month's newsletter will provide additional information on the Final Decision and, if passed, what it will mean for UNC Producers.

November (1-15 days) $20.00 cwt.

UNC Statistics October 2024	
Total Member Pounds	227,288,107
Wgtd Avg Butterfat Test	4.29815
Wgtd Avg Protein Test	3.28222
Wgtd Avg OS Test	5.87508
Wgtd Avg SCC Test	140,000
Avg Pay Price*	$25.43

**Component value divided by pounds (not including premiums)*

Conventional Quality Program Pounds October 2024



Dairy Complex Steady to Lower

by: Jodi Smith Krzysiak, VP Economist & Industry Affairs

The rapid rally that occurred in the cheese market is still working through the complex and wreaking havoc on the Producer Price Differential (PPD). As a reminder, producers are paid on the component value derived from the Class III pricing formulas. In this case, the negative PPD occurs because of the rapid rally in cheese prices as compared to the other Classes which does not leave enough money in the market-wide pool to cover the component value of the milk as only 29% of the pool was utilized as Class III.

RECENT BOARD ACTION

CWT PROGRAM

Upstate Niagara's membership in the Cooperatives Working Together (CWT) Program is slated to expire on December 31, 2024. In more recent years, the Program shifted it's focus away from herd retirements (which raised significant legal issues) to supporting exports of fat-inclusive dairy products into world markets. At a recent meeting of the Board of Directors, the Board voted to discontinue membership in the CWT program which will return the 4-cent per hundredweight deduction back to producers beginning with milk shipped in January 2024.

During October, we saw that the cheese price rally reversed and has even started to move lower in more recent spot sessions. At times over the year, this column has discussed the significant influx of cheese capacity that's slated to come online. Some market analysts are suggesting that as those new plants come online, the cheese supply is going to significantly outpace demand and put additional pressure on cheese prices. I tend to agree. It will be necessary for exports to perform to help clear the market.

After the decline in the butter prices earlier this fall, markets appear to have been rather steady. Since early October, butter prices have traded in around the ten-cent range, between \$2.60/lb. and \$2.70/lb.

As we look to 2025, the outlook feels a bit mixed. On one hand, if retailers promote aggressively this holiday season and prices remain at attractive levels for export interest, we could see the market continue towards a more steady-to-higher fashion. On the other hand, there should be an excellent supply of cheese, stocks of butter are abundant, cream multiples are coming off, and anecdotal reports suggest that milk should be ample enough to fill the oncoming capacity.

Adding to the more bearish side, after 13 months of declines, milk production nationally has started posting year-over-year gains even as the heifer supply remains constrained. The use of beef-on-dairy breeding trends that maximize cashflows on the farm appear to have staying power.

Nov. 14, 2024	CME Spot Prices ($/lb.)	
40 lb. Blocks	$	1.6575
500 lb. Barrels	$	1.6725
NDM	$	1.4050
Dry Whey	$	0.6550
Butter	$	2.6000

While some continue to believe that milk supply will be constrained over the long-term due to heifer supplies, I tend to believe that American farmers find new ways to make more milk all the time. Should that be the case again, it may certainly limit upside potential in the markets.

It's also worth watching what the incoming Trump Administration does related to tariffs. As we know from his previous tenure, tariffs can have an outsized impact on agricultural exports which is rarely bullish.

WNY Pay Price

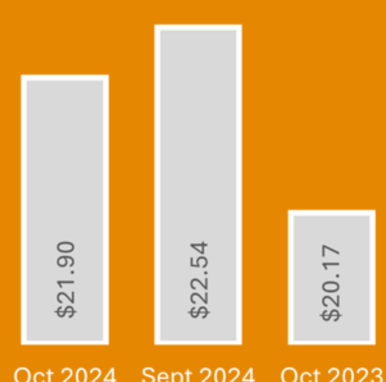


Table 1. Component Prices and *Forecasts*	October 2024 Actual	*Nov. 2024 Forecast*	*Dec. 2024 Forecast*	*January 2025 Forecast*
Base PPD: per cwt.	-$0.95	*$1.50*	*$1.60*	*$1.90*
Protein: per lb.	$3.3238	*$2.30*	*$1.90*	*$1.85*
Butterfat: per lb.	$3.0851	*$3.05*	*$3.00*	*$3.10*
Other Solids: per lb.	$0.3705	*$0.4000*	*$0.4100*	*$0.4100*
Class III Price	$22.85	*$19.95*	*$18.70*	*$18.60*
Blend Estimate: per cwt. (@ avg solids levels)	$21.90	*$21.45*	*$20.30*	*$20.50*

YOUR Cooperative NEWS

Membership Division
700 Ellicott St., Suite 2, Batavia, NY 14020
1.800.724.MILK
www.upstateniagara.com

Winter Member Meeting

An informational meeting of the Membership will be held on Tuesday, December 3, 2024, at the Corporate Office, 368 Pleasant View Drive, Lancaster from 11 a.m. to 2 p.m.

Attendance is limited to UNC Members and our meeting space is limited to 100 for in-person attendance.

Please register by **Monday, November 25th** by using the QR code. You have the option of attending in person, virtually by a Teams Webinar or to call in by phone. To register to attend by phone, reach out to Bonnie McAvoy at 1-800-724-6455 x 6451.

Holiday Order Deadlines

Please review these firm deadlines to ensure all your Holiday orders arrive accurately before the Holiday. We appreciate your cooperation during this busy, but joyful season.

Thanksgiving

- ALL orders for delivery MUST be placed by Monday 11/18/24 at 1p.m.
- ALL orders for Membership Pickup MUST be placed by Monday 11/25 at 11a.m. for Wednesday 11/27 Pickup.

Christmas

- ALL orders for delivery MUST be placed by Monday 12/16 at 1p.m.
- ALL orders for Membership pickup MUST be placed by Monday 12/16 at 11a.m. for Wednesday 12/18 pickup.

Congratulations to all that were involved in the USPH rating that took place in August.

The Rochester BTU (36-056) scored a 96. It is extremely important that we score 90 or higher on ratings to maintain Grade A status. Two farms scored a 100: Warren & Regina Martin and Chester & Rose Ann Martin. Thank you to all the farms in the unit.

2025 YC Represents UNC at NMPF Annual Meetings

Earlier this fall, Magdalene & Anthony Gerst committed to serve as the 2025 YC on behalf of their family farm and UNC member Richmond Farms Dairy, LLC. The Richmond Family milks around 200 cows and farms around 650 acres in North Collins, NY where they both work. The couple have three children, Abilene (7), Colby (5), and Tucker (2).

Magdalene recently attended the Joint Annual Meetings of the National Milk Producers Federation and the check-off organizations. She found it interesting that at $76 billion in sales, the dairy aisle made up the largest category in grocery stores last year; and that dairy can be found in 92% of American households. Yet, 90% of households fail to meet their recommended daily dairy consumption. “Hearing this surprised me, I never really thought about the aisles in a grocery store in that way. It was exciting to hear how well dairy is doing, but there is also such an opportunity to find ways to decrease the number of people not meeting their dairy needs. Helping to educate and bridge the gap between farmers and the consumers has always been a great passion of mine.”

While in attendance, she also noted that “Although I have an Ag Business degree [SUNY Morrisville], the learning on the cooperative end really stopped at the milk check breakdown. There is so much more to learn and understand beyond that. I look forward to continuing to learn more about our coop and represent Upstate as this year’s YC.”

This year we have been fortunate with the beautiful fall weather. Sending a friendly reminder to make sure all driveways are salted and cleared for the milk trucks in the coming months as we head into winter. Thank you!