

YOUR Cooperative NEWS


**UPSTATE NIAGARA
COOPERATIVE, INC.**
FARMER OWNED

January 2025

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Membership Promotions & New Team Members



In October 2024, Beth Jones was promoted to serve as Executive Assistant to CEO, Kevin Ellis and the Upstate Niagara Board of Directors. This created an opportunity to hire

Ken Carlson, a Membership Milk Accountant who will assume the duties and responsibilities previously performed by Beth. Ken graduated from Niagara

University with both a Bachelors and Masters degree. Prior to joining Upstate Niagara Cooperative, Ken held various accounting roles within the food service industry.

We've also hired Alexandria "Allee" Coombe as a Dairy Market & Policy Analyst. Allee will join Jodi's team to provide assistance on market analysis and take ownership of milk price forecasting. Allee graduated in December with a Masters in Data Analytics from the University of Massachusetts - Amherst and has a Bachelors Degree in Political Science from Buffalo State University.



We look forward to Ken and Allee's contributions to the team and are happy to have them on-board. Don't hesitate to reach out to them if they can be of assistance to you.

New Member Website is Live!



A HUGE THANK YOU goes out to the team in the Membership Office and at Milk Moovement that worked hard to bring this new web experience to fruition. We also thank you, our members, for your patience throughout this transition!



Getting the Most Out of the New Member Web Experience!

by: Jodi Smith Krzysiak, VP Economist & Industry Affairs

I'm hopeful that you've logged in and checked out the new web portal! As we continue through the stages of fully implementing Milk Moovement you'll see increased amounts of data and information available to you online! There are new features of the web experience that we would encourage you to start taking advantage of like the sub-user accounts and notifications. If you don't have access to the internet, there are ways we can leverage notifications to get you more timely information too. Feel free to reach out to the Membership Office for help.

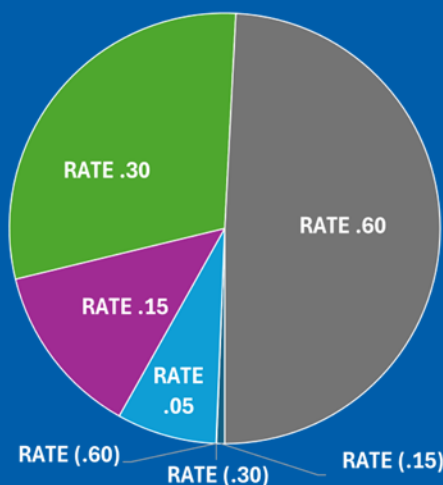
January (1-15 days) \$21.00 cwt.

UNC Statistics December 2024

Total Member Pounds	227,392,308
Wgtd Avg Butterfat Test	4.48860
Wgtd Avg Protein Test	3.34493
Wgtd Avg OS Test	5.816.12
Wgtd Avg SCC Test	130,000
Avg Pay Price*	\$24.15

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

Conventional Quality Program Pounds December 2024



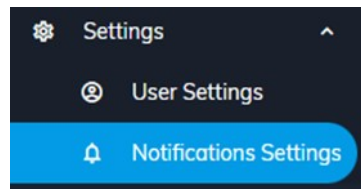
182

Users
Logged In

6%

Farms with
Notifications
Set Up

Notifications can be used to get an automated message when you have a lab result that crosses a custom threshold. For example, if your SCC typically averages 140, and you want to make sure that you stay below the 150 threshold to qualify for that tier of quality premium, you could set up a notification that would inform you when a lab result came in at 190 for example. These are completely custom, if your level of concern is 100, that's possible too! These notifications can be sent to you as a text message, email, or a phone call.



To set up notifications:

Choose the menu option called "Settings" and then choose "Notification Settings". If you want to receive the notification by text, click the blue plus sign, add and verify your cell phone number (be sure to include

a 1 & the area code). Once that's complete, work your way through each of the custom drop-down boxes to make a notification that's important to you. Once finished with that part, be sure to check mark the delivery method and save the alert!

One thing to note – if a new lab report is received overnight that meets that threshold, you'll receive a text in live time.

For more in-depth details on creating a Custom Notification scan the QR Code.



User Accounts

To set up User Accounts for your herdsman, vet or nutritionist you can scan the QR Code. For veterinarians, we encourage you to use the "Nutritionist" option. If your vet already has access to another UNC producer's account, you'll need to reach out to support via the blue dancing cow in the bottom right of the screen.



Dairy Dynamics in 2025: From Prices to Production, What Trends are Shaping the Industry in 2025?

by: Jodi Smith Krzysiak, VP Economist & Industry Affairs and Allee Coombe, Dairy Market & Policy Analyst

Cheese prices have remained stronger than expected this winter, with CME spot block prices reaching \$1.92/lb on January 13th. Block prices have averaged \$1.90/lb and Barrel prices have averaged \$1.85/lb so far in 2025. The increased spot prices have resulted in a higher Class III futures market at press time. These prices are reflective of the tighter supply coming out of the holiday season and constrained production. Total cheese output fell 6.1% and nonfat dry milk output fell 4.2% between October and December 2024. Anecdotal reports suggest that irregular manufacturing and inclement weather played a role in the supply shortage as well. Demand fluctuated, as there was a 2.5% increase in cheese exports year-over-year, but a 1.9 % decline month-over-month, with 87.1 million pounds being exported in November. We can expect cheese prices to move lower following the Superbowl demand period and this trend may continue as new capacity is slated to come on line in April.

While fluctuations in the cheese market keep us alert, butter and

nonfat dry milk have held steady since the start of the new year. At press time, CME spot butter prices have again eclipsed \$2.60/lb., a level last seen in mid-November. On the NDM side of the Class IV complex, prices have averaged around \$1.36/lb since November, compared to the GDT index for SMP at \$1.22/lb in the most recent auction. Class IV product prices at these levels have provided a more supportive financial environment for producers, especially in the Northeast.

Heading into 2025, there is anticipation of a slight decline in Class III and Class IV milk prices due to an increase in milk supply; however, a growing milk cow herd and higher yields per cow are welcome in the new year. This growth is likely in preparation of filling capacity expansions in South Dakota, Wyoming, and New Mexico. Closer to home, Great Lakes Cheese and fairlife have been working on capacity expansions in New York. This is exciting news for the United States, especially the Northeast, where capacity issues have grown over the last twenty years.

The United States milk production declined 1% year-over-year from 2023 to 2024 due to the HPAI breakout in California. While discouraging, California is considered an outlier in comparison with the remainder of the U.S as we saw an increase in milk production (0.8% YOY) and milk cow numbers throughout the rest of the country. Year-over-year, milk cows were up 40,000 head in 2024, and this number is expected to continue growing in 2025.

Domestic dairy consumption is keeping up with the trending increase in production as well. Consumption of dairy achieved its highest level since 1959, reaching 661 pounds per capita in 2023.

The dairy industry is set to experience growth and change in 2025 with expanding production capacity, increased supply, and evolving market dynamics. As California rebounds from the HPAI breakout, the U.S. is anticipating continued growth in milk production and number of milk cows.

WNY Pay Price

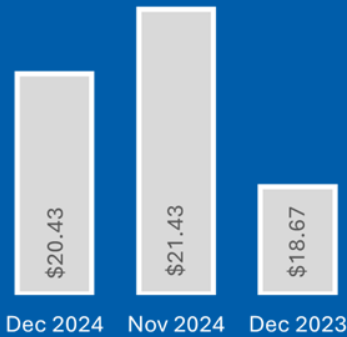


Table 1. Component Prices and Forecasts	December 2024 Actual	January 2025 Forecast	February 2025 Forecast	March 2025 Forecast
Base PPD: per cwt.	\$1.81	\$0.70	\$1.75	\$1.80
Protein: per lb.	\$1.9637	\$2.2800	\$1.8000	\$1.6500
Butterfat: per lb.	\$2.9104	\$2.9500	\$3.0000	\$3.1000
Other Solids: per lb.	\$0.4493	\$0.5300	\$0.5100	\$0.5100
Class III Price	\$18.62	\$20.30	\$18.90	\$18.70
Blend Estimate: per cwt. (@ avg solids levels)	\$20.43	\$21.00	\$20.65	\$20.50

YOUR Cooperative NEWS

Membership Division

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

SAVE *the Dates*

Delegate Meeting

Friday, February 7, 2025

Lancaster Campus

Annual Meeting

Tuesday, April 1, 2025

Area Wide Nominating Committee Meeting

Tuesday, April 8, 2025

Lancaster Campus

Annual Delegate Meeting

Wednesday, April 16, 2025

The Grapevine Banquets, Depew, NY

Discontinued Product Announcement

We are disappointed to share that the Empire Cheddar Cheese has been discontinued. There is a very small amount left in inventory that can still be ordered through the Membership Office or by emailing us at memberorders@uncdairy.com

Year End Tax Documents

Please be advised that all members should be receiving 1099-PATR and 1099-INT (if on monthly payroll) at the end of January from our outside vendor 1099-PRO. Please review all personal information and verify total dollars. If you have any questions or concerns, please contact Kathy Dzenis at (585) 815-6429.

PATR – Box 1 – retained earnings for year end 2023
Box 3 – gross dollars issued in 2024
Box 6 – section 199a letters received in 2024
Box 7 – the sum of box 1 + box 3

Plant Codes

Cultured Products, W. Seneca	36-9865
Dale Rd. Fluid, Buffalo	36-4739
Fulton Ave. Fluid, Rochester	36-1880
North Country Dairy, LLC	36-1731
O-AT-KA, Batavia	36-5056
Upstate Farms Dairy, LLC	36-3661
Upstate Farms Cultured Products, LLC	36-1204
Valley Farms Dairy, PA	42-065

Delegate Nominations

If you are interested in becoming a Delegate for Upstate Niagara, nominations are now being accepted.

The Delegate Body meets about four times a year, generally during the day, but occasionally in the evening. At meetings, Delegates are kept informed about the Cooperative's policies, principles, progress and operations in order to assist them with communicating that information to the membership. Delegates are also responsible for voting on matters of the Cooperative as set forth by the By-Laws. Delegates receive a per diem and round-trip mileage for each meeting attended.

If you are interested in becoming a Delegate, contact a member of your Area Nominating Committee (see the table below) as soon as possible.

UNC Area Nominating Committees

Area I

Joshua Becker	Strykersville, NY	585-969-0002
David McCollum	Gasport, NY	716-622-9819
James Neal	Albion, NY	585-370-2408
Daniel Verratti	Gasport, NY	716-523-0320

Area II

Lisa Bowman	Wyoming, NY	585-329-9824
Sarah Colby	Spencerport, NY	585-313-7454
Seery Donnan	Piffard, NY	585-478-4511
Thomas Gates III	Piffard, NY	585-329-0773

Area III

Darin Hill	Cattaraugus, NY	716-801-1950
Sarah Keem	Arcade, NY	716-319-8192
Brendan O'Gorman	South Dayton	716-783-4548