

YOUR Cooperative NEWS




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

January 2025

2

Successful Rating
Save the Dates
Annual Meeting Proxy Voting
Important Reminder
UNC Statistics
UNC Quality Program

3

Some Good News Amongst
the Uncertainty
WNY Pay Price
Component Prices and
Forecast

4

Upstate Members Take
Manhattan
Intense Mint Chip Milk
Year End Tax Documents
Plant Codes

Member Training Sessions

March 6th 11:30 a.m. - 2:30 p.m.

We invite our members and their employees to attend one of our breakout training sessions that will take place at the same time with lunch provided. RSVP by **2/28** to Bonnie McAvoy at bmcavoy@uncdairy.com or 585-815-6451.

Session 1: Inspection and Milk House Training

Hildene Farms

10972 Roanoke Road, Wyoming NY 14591
Spanish translation provided

In our member meeting we shared the importance of ratings and routine milk inspections. We are offering a similar hands-on experience for farm employees that are both English and Spanish speaking. Owners and Managers are also welcome to attend. The topics covered will pertain to routine milk inspection expectations, cleanliness in the milking house, and proper equipment care.

Session 2: Labor Laws & Housing Information Session

Membership Office

700 Ellicott Street, Suite 2, Batavia NY 14020

We invite farm owners and managers to attend this information session with Richard Stup and Jay Canzonier from Cornell to review the labor laws you need to know and how to effectively manage farm-provided employee housing. With the heightened presence of ICE in the area and already complicated labor laws, we encourage you to attend this session to learn best practices and what to do to protect your farm and employees.



Successful Rating

SAVE the Dates

Congratulations to all that were involved in the USPH ratings that took place this month.



The Jamestown BTU (36-110) scored a 95. A special shout out to Dunnewold Farms, LLC for scoring a 100.

It is extremely important that we score 90 or higher on ratings to maintain Grade A status.

Thank you to all the farms for their efforts!

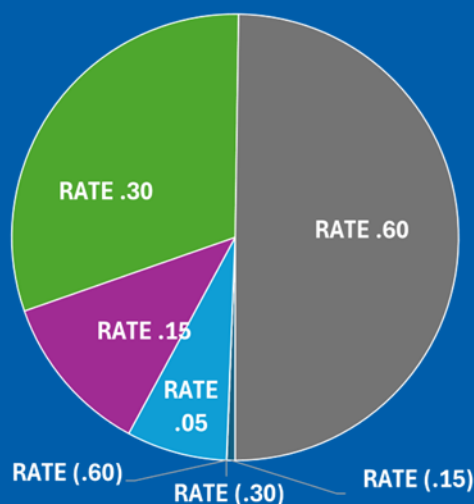
February (1-15 days) \$18.50 cwt.

UNC Statistics January 2025

Total Member Pounds	230,787,083
Wgtd Avg Butterfat Test	4.53697
Wgtd Avg Protein Test	3.36543
Wgtd Avg OS Test	5.81473
Wgtd Avg SCC Test	130,000
Avg Pay Price*	\$24.85

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

Conventional Quality Program Pounds January 2025



Annual Meeting

Tuesday, April 1, 2025

The Grapevine Banquets, Depew, NY

Registration: 10 a.m. to 10:30 a.m.

Meeting begins promptly at 10:30 a.m.

Electronic voting will start at 11 a.m.

Members arriving after 10:45 a.m. will not be able to vote.

Invitations will be mailed at the beginning of March.

Area Wide Nominating Committee Meeting

Tuesday, April 8, 2025

Lancaster Campus

Annual Delegate Meeting

Wednesday, April 16, 2025

The Grapevine Banquets, Depew, NY

Annual Meeting Proxy Voting

Proxy voting for Delegate elections is available in the manner provided by Upstate Niagara's By-Laws. If a voting member reasonably expects that they, or their authorized representative will not be able to attend the Annual Meeting to vote in-person for any reason, the voting member may request a proxy ballot.

To request a proxy ballot, please call Jodi Krzysiak at 585.815.6440 no later than March 19th.

She can answer any questions you may have and provide you with the required form(s). To be counted, your proxy ballot must be returned no later than 5:00 p.m. on Monday, March 31st.

REMINDER:

Please make sure all driveways are salted and cleared of snow for the milk trucks in the coming months.
Thank you!



Some Good News Amongst the Uncertainty

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

Uncertainty—a single word that encompasses so much at the moment. There’s uncertainty in the dairy complex. There’s uncertainty around dairy policy and the regulatory environment. There’s uncertainty around trade and tariffs. There’s uncertainty around U.S. supply. From 50,000 feet, most of these factors lean bearish to the markets. The only exception is that the uncertainty around milk supply leans bullish.

For now, the pause on 25% tariffs for Canada and Mexico has provided some immediate relief to the industry; however, they remain a concern for the U.S. dairy industry as they are our two largest trading partners.

Cheese prices have continued to outperform expectations so far in 2025. This market feels on edge, a bit like a powder keg. After an extended period of higher than expected CME cheese prices, the weekly averages (Feb 7) were down to \$1.80/lb. for barrels and \$1.87/lb. for blocks following a period of U.S. cheese prices ticking above international levels, making America less competitive on the global scale. While that market has remained elevated, the butter market has been largely melting down. Butter prices have consistently been in decline since

December, hitting a low of \$2.3775/lb. at press time. Butter prices this low have not been seen since early 2023. The January Cold Storage report revealed that U.S. butter stocks were up 11.4% year-over-year (YOY) for December, indicating a rebound toward the five-year average. Additionally, on a month-to-month

basis butter stocks were up 9 million pounds from November.

January’s USDA Milk Production report indicated that the U.S. saw a slight YOY decline in December, down 0.46%. This can likely be attributed to the HPAI issues in California and an 8.2% decline in milk production in Oregon. Despite this decline, the total number of milk cows grew to 9.35 million head in December. This is a 3,000 head YOY increase, which is impressive given recent reports that heifer inventories are at levels last seen in the 1970s. Much of the growth in milk cow numbers stems from Texas and South Dakota. Texas output increased by 7.5% YOY. U.S. milk volume output held steady -to-lower through much of 2024. Milk production is expected to remain steady throughout 2025 due to the increase in milk cows and milk per cow.

Uncertainty is likely to follow us over the next few months. Cheese prices remain steady at elevated levels while butter prices fluctuate to lows not seen in two years, putting downward pressure on producer pay. **Please note:** Changes to FMMO’s have resulted in unpredictability in PPD forecasts past June 2025.

The Whole Milk Rebound

New research and bipartisan efforts resulted in an impressive yet unexpected 3.2% increase in whole milk consumption in 2024. Studies (NIH) suggest that consuming full-fat milk can reduce the risk of obesity, heart disease, and type 2 diabetes, while improving brain development.

The increase in whole milk consumption coupled with the decline in plant-based milk consumption bodes well for the future of dairy in the U.S. Additionally, lactose-free milk consumption grew 6.7% in 2023 while almond-based milk consumption fell 9.8%. These trends indicate that Americans are shifting back to dairy milk, including lactose-free, in an attempt to live a healthier lifestyle.

The bipartisan Whole Milk for Healthy Kids Act (H.R. 649/S. 222), would reintroduce whole and 2% milk back into schools across America. The Bill was passed by the U.S. House Committee on Education and the Workforce in early 2025. Expanding milk access to children will help to mitigate the low dairy consumption rates around the country. This would be a huge win for the dairy industry where fluid milk consumption has been on a decline for more than 30 years.

WNY Pay Price



Table 1. Component Prices and Forecasts	January 2025 Actual	February 2025 Forecast	March 2025 Forecast	April 2025 Forecast
Base PPD: per cwt.	\$0.42	\$0.70	\$1.30	\$1.25
Protein: per lb.	\$2.3267	\$2.5000	\$2.2500	\$2.2000
Butterfat: per lb.	\$2.9460	\$2.8200	\$2.8000	\$2.8000
Other Solids: per lb.	\$0.5384	\$0.5000	\$0.4400	\$0.4200
Class III Price	\$20.34	\$20.25	\$19.05	\$18.80
Blend Estimate: per cwt. (@ avg solids levels)	\$20.76	\$20.95	\$20.35	\$20.05

Upstate Members Take Manhattan

by: Jean Kummer, American Dairy Association North East

American Dairy Association North East coordinated “Milk 2 Metro,” an excursion for several dairy farmers, including Upstate Niagara members Kelly Reynolds of Reyncrest Farms, Inc. in Corfu, NY, New York State Associate Dairy Ambassadors Olivia Maslyn of Hemdale Dairy LLC in Seneca Castle, NY, and Justin Mesch of JLM Dairy in Collins, NY, to the Armory Track in New York City. ADA North East has a sponsorship with the track and the group attended the Refuel with Chocolate Milk Official Hall of Fame Invitational that drew 3,800 student athletes to see their checkoff dollars at work.

Refuel signage is strategically and permanently placed around the track and is on full display in “The Refuel Zone,” a snack shop in the facility. Our farmers were able to hold the winning tape that runners ran through, which, of course, touted the Refuel message.

“It was a great experience, and I think it’s so important for dairy farmers to witness marketing like this in person,” said Kelly Reynolds. “Once milk leaves the farm, we don’t always see how it’s marketed – especially in places like New York City, so it was invigorating to see the ‘why’ of what we’re doing on the farm.”



GET IT WHILE **IT'S COOL**

Our popular seasonal favorite
is back for a limited time.
Mint Chip - in stores now!



Year End Tax Documents

Please be advised that all members should have received 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