

CALIFORNIA DAIRY CAMPAIGN

Dairymen working for Dairymen



July 14, 2017



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Livestock Indemnity Program (LIP) Benefits Available for Livestock Deaths - Producers who suffered qualifying livestock losses due to natural disasters, including excessive heat, could be eligible for the Livestock Indemnity Program (LIP). Livestock producers have 30 days to report when the loss of livestock is apparent to their local Farm Service Agency Office. Producers can report the loss by calling their local FSA office.

LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to an eligible adverse weather event, including losses due extreme heat. LIP payments are equal to 75 percent of the market value of the applicable livestock on the day before the date of death of the livestock as determined by the Secretary. LIP is administered by the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA). For more information, contact your local Farm Service Agency office. *(Source: USDA FSA)*

Water Legislation passes U.S. House: On July 12, the United States House of Representatives passed H.R. 23, legislation introduced by Congressman David G. Valadao (CA-21) to modernize water policies in California and throughout the entire Western United States.

Key provisions of The GROW Act H.R. 23, Gaining Responsibility on Water Act:

Bay-Delta Improvements: Restores water deliveries to the Central Valley communities by codifying the Bay-Delta Accord. Affirms that if the State Water Project and the Central Valley Project are operated consistent with the Bay-Delta Accord, then they are in compliance with the requirements of the Endangered Species Act.

Water Reliability: Updates the Central Valley Project Improvement Act (CVPIA) to ensure water resources are reliable, predictable, and available to fulfill supply promises. Expanding Infrastructure: Enacts “one-stop-shop” permitting reforms aimed at building infrastructure to capture more water.

Expanding Storage: Requires the federal government to expedite and complete consideration of feasibility studies for water storage projects that have been languishing in bureaucratic purgatory for over ten years.

Water Rights Protection: Prevents federal agencies from requiring certain entities to relinquish their water rights to the United States in order to use public lands. *(Source: Office of Rep. Valadao)*

Next Milk Pooling Producer Review Board Meeting August 2, 2017 in Modesto: At its next meeting, scheduled for August 2, 2017 at the Modesto Centre Plaza (in conjunction with the Double Tree Hotel) the board will review the regulatory language and make a formal recommendation to the Secretary regarding the regulatory language that establishes the stand-alone quota program. The California Department of Food and Agriculture published an update of the board actions which can be found online at:

<https://www.cdffa.ca.gov/dairy/uploader/docs/CDR%20JUL%202017.pdf>

U.S. House Agriculture Committee Listening Session in Modesto, August 5, 2017 - House Agriculture Committee Chairman K. Michael Conaway (TX-11) and Ranking Member Collin Peterson (MN-7) announced three additional committee listening sessions, “The Next Farm Bill, Conversations in the Field,” to gather input from farmers, ranchers and stakeholders across the country. One of the upcoming listening sessions is planned to take place on August 5 in Modesto and more details will be made available by the committee soon.

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CDC WEEKLY REPORT

July 14, 2017

COMMODITIES	Jun 17	Jul 17	Aug 17	COST OF PRODUCTION		
Calif. AA Butter	2.4751	2.5615	2.5515	North Valley		1st Qrt 2017
Grade B Butter	2.4236	2.5100	2.5000	COSTS — Released Quarterly		
CME Block	1.6430	1.6008	1.6750	TOTAL FEED	\$	8.42
Calif. 40# Blocks	1.6178	1.5756	1.6498	TOTAL LABOR	\$	1.93
Calif. NFDM	0.8895	0.8916	0.8872	HERD REPLACEMENT	\$	1.68
Dry Whey (Avg west \$/Lb.)	0.4470	0.4300	0.4250	OPERATING COST	\$	3.19
CA Dry Whey (\$/CWT)	1.1950	1.1950	1.1950	TOTAL MARKETING COSTS	\$	0.53
MILK PRICES						
4a - FAT \$/lb.	2.7739	2.8776	2.8856	Total Costs		
4a - SNF \$/lb.	0.7132	0.7153	0.7109	\$ 15.76		
4a - 3.5,8.7 \$/Cwt	15.91	16.29	16.21	Allowance ROI & ROM		
4b - FAT \$/lb.	2.7739	2.8776	2.8856	\$ 1.39		
4b - SNF \$/lb.	0.6773	0.5872	0.6780	Total Cost and Allowances		
4b - 3.5,8.7 \$/Cwt	15.60	15.18	15.93	\$ 17.15		
3 - 3.5,8.7 \$/Cwt	14.45	14.45	16.48	INCOME		
2 - 3.5,8.7 \$/Cwt	14.59	14.59	16.63	GROSS MILK PRICE/CWT		
CRP	18.92	18.80	18.71	\$ 17.38		
1 - 3.5,8.7 \$/Cwt	16.95	18.45	18.32	MAILBOX PRICE/CWT		
Q - FAT \$/lb.	2.8949	2.8107	2.8837	\$ 17.19		
Q - SNF \$/lb.	0.8804	0.8396	0.8702	NET INCOME/CWT		
Q - 3.5,8.7 \$/Cwt	17.09	17.14	17.66	\$ 0.04		
OB - FAT \$/lb.	2.8949	2.8107	2.8837	DATA		
OB - SNF \$/lb.	0.6854	0.6446	0.6752	MILK COW HAY PRICE \$/T		
OB - 3.5,8.7 \$/Cwt	15.40	15.45	15.97	\$ 228.60		
BLEND @ (3.5,8.7)	15.78	15.83	16.35	CONCENTRATE PRICE \$/T		
CA Usage & FO Prices	16.36	16.72	16.69	\$ 256.36		
O.B. less CA FMMO	(0.96)	(1.27)	(0.72)	CONCENTRATE lbs/cow/day		
FMMO III (\$/CWT)	16.44	16.17	16.17	\$ 29.45		
FMMO IV (\$/CWT)	15.89	16.67	16.60	MILKERS \$/hr - incl frin&tax		
CALIFORNIA NFDM	Price	Volume	Oceania	\$ 17.33		
July 7, 2017	\$ 0.8872	4,736,966	7/7/2017	TOTAL LABOR (\$/hr)		
June 30, 2017	\$ 0.9043	4,912,958	6/23/2017	\$ 18.48		
Cold Storage (1,000 Lb.)	7/1/2017	7/10/2017	Weekly Chng.	MILK SOLD lbs/C/Day		
Butter	35,828	36,632	2%	74.70		
American Cheese	105,944	107,915	2%	FAT TEST %		
				4.11		
				SNF TEST %		
				9.07		
				Milk Cow Feed Cost: \$/CWT		
				\$ 7.96		
MARGIN INSURANCE	ALL MILK	FEED COST	MARGIN	AMS Projection		
DAIRY (200,000 cwt/year)				2017 4th Qrt.		
Jan/Feb 2017	\$ 18.70	\$ 7.88	\$ 10.8202	2018 1st Qrt.		
Mar/Apr 2017	\$ 18.90	\$ 7.95	\$ 8.9490	All Milk		
May 2017	\$ 18.60	\$ 8.02	\$ 8.5801	18.25-18.95		
Total				Class III		
				15.80-16.50		
				Class IV		
				16.15-16.95		
				16.20-17.20		
				15.45-16.55		

CHICAGO MERCANTILE EXCHANGE CASH TRADING						
PRODUCT	MONDAY July 10	TUESDAY July 11	WEDNESDAY July 12	THURSDAY July 13	FRIDAY July 14	WEEKLY AVERAGE#
CHEESE BARRELS	\$ 1.3850 (+0.0100)	\$ 1.4175 (+0.0325)	\$ 1.4375 (+0.0200)	\$ 1.4500 (+0.0125)	\$ 1.4750 (+0.0250)	\$ 1.4330 (+0.0668)
CHEESE 40# BLOCKS	\$ 1.5550 (+0.0025)	\$ 1.6150 (+0.0600)	\$ 1.6300 (+0.0150)	\$ 1.6500 (+0.0200)	\$ 1.6750 (+0.0250)	\$ 1.6250 (+0.0819)
BUTTER GRADE AA	\$ 2.6150 (+0.0300)	\$ 2.6075 (-0.0075)	\$ 2.5850 (-0.0225)	\$ 2.5850 (N.C.)	\$ 2.6000 (+0.0150)	\$ 2.5985 (-0.0134)