

CALIFORNIA DAIRY CAMPAIGN

Dairymen working for Dairymen



May 19, 2017



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CDC Submits Comments on Federal Order Recommended Decision: This week, California Dairy Campaign (CDC) submitted its comments to the United States Department of Agriculture (USDA) on the recommended decision for a California federal milk marketing order. The filing of comments is step 10 in the 12 step process to establish a federal order in California. Once the USDA reviews the comments it will issue a final decision about a federal for our state and California dairy producers will vote on whether to adopt the final federal order decision in a statewide referendum.

In the meantime, the California Department of Food and Agriculture (USDA) has set three dates for the Milk Pooling Producer Review Board to meet to develop a detailed proposal regarding a stand-alone Quota program. CDC Board Member Scott Magneson was chosen by CDFA to serve on the 15-member board and **the board meetings are open to the public and will be held on May 30th, June 15th and June 30th at the Modesto Centre Plaza (By the Double Tree Hotel) in Modesto, CA.**

CDC Comments to USDA: Throughout 2016, California dairy producer income failed to cover average milk production costs. Dairy farmers are price takers, not price setters and are not able to pass on additional costs which makes equitable pricing regulations all the more important in our state. Dairy producers in California simply cannot afford to be paid some of the lowest mailbox prices in the nation due to the failure of our state order to pay dairy producers prices that are reasonable compared to other states. Joining the federal order will end this longstanding inequity and we support the ongoing effort to establish a federal order in our state. We believe it is critical that due to the unique marketing conditions in our state, that the California federal order call for all-inclusive pooling of milk. Given the significant value of the quota program and the investments that dairy producers have made in this program over many years, we believe it is critical that it continue under the federal order system and CDFA continues to operate the quota program to ensure the value of the quota is maintained.

Despite the challenges faced by California dairy producers, California continues to be the nation's leading milk producing state. Due to the consolidation and concentration that exists and limited number of milk handlers, minimum prices are more critical in California than in other parts of the country where more buyers of milk exist. Minimum prices are more important than any other time in our state's history because of the number of dairies that have exited and those that are likely to exit unless our state producer prices are brought in alignment with prices paid in the federal order system.

CDFA Cost of Production Annual: This week CDFA published its "California Cost of Milk Production Annual 2016" which indicated that the average cost to produce milk in 2016 totaled \$17.94 per cwt while the average price paid throughout the year totaled \$15.03 per cwt. California milk production decreased 1.1 percent compared to 2015, declining 429.6 million pounds to total 40.4 billion lbs. California cheese production reached an all-time high accounting for 46.4 percent of all pooled milk increasing by 3.3 percent compared to 2015. Average milk production costs decreased by 7 percent compared to 2015.

Reminder: Join Us for our Board and Membership Meeting
Wednesday, May 24, 2017 at 4:00 p.m.
in Our Turlock Office

Located at 325 Mitchell Avenue

A delicious dinner will be served and Friends and Family Are More than Welcome!

www.californiadairycampaign.com