

# CALIFORNIA DAIRY CAMPAIGN

*Dairymen working for Dairymen*



June 23, 2017



325 Mitchell Ave. Turlock Ca. 95380 — Phone: 209 632-0885 Fax: 209 632 0706

**USDA Suspends Importation of Fresh Brazilian Beef** – This week, the U.S. Department of Agriculture (USDA) announced the suspension of all imports of fresh beef from Brazil due to food safety and animal health concerns. According to USDA, “Since March, USDA’s Food Safety and Inspection Service (FSIS) has been inspecting 100 percent of all meat products arriving in the United States from Brazil. FSIS has refused entry to 11 percent of Brazilian fresh beef products. That figure is substantially higher than the rejection rate of one percent of shipments from the rest of the world. Since implementation of the increased inspection, FSIS has refused entry to 106 lots (approximately 1.9 million pounds) of Brazilian beef products due to public health concerns, sanitary conditions, and animal health issues. It is important to note that none of the rejected lots made it into the U.S. market.” California Dairy Campaign and California Farmers Union along with National Farmers Union applaud the USDA decision to halt imports of beef from Brazil that do not meet US health and safety standards.

**Beef Checkoff Bill Passes California Senate Agriculture Committee:** This week AB 243, legislation that could increase the state beef checkoff to \$2 per head passed unanimously in the California Senate Agriculture Committee. California Dairy Campaign and California Farmers Union both opposed the measure along with a coalition of organizations including the Community Alliance with Family Farmers (CAFF), the National Family Farm Coalition (NFFC) and many other organizations. The bill now moves to the California Senate Judiciary Committee for a vote on July 11.

The CDC opposition letter stated, “California dairy farmers already pay more than their fair share into the beef checkoff system due to the number of times that dairy cows are routinely sold and we do not support a doubling of the amount paid for beef checkoffs. AB 243 aims to lower the threshold for approval of an increase in the state beef checkoff to a simple majority while a 65% vote in favor is required to establish most commissions in California. In 2012, the California Department of Food and Agriculture (CDFA) conducted a statewide referendum to determine whether beef producers supported increasing the beef checkoff from \$1 to \$2 per head. That referendum failed making it clear that beef producers do not support a checkoff increase, and passage of AB 243 would circumvent the demonstrated will of beef producers statewide who oppose an increase in the beef checkoff.

We further oppose AB 243 because it would establish an 11-member “California Beef Commission” all appointed by the California Department of Food and Agriculture (CDFA) Secretary and granted broad authority. AB 243 would, “enable the commission to present facts to and negotiate with local, state, federal, and foreign agencies on matters that affect the California cattle industry and the production of beef and beef products as well as educate those effecting policy likely to impact California cattle producers or beef and beef products.” We are greatly concerned that there would be little ability for dairy farmers paying into the beef checkoff to have input about the messaging and apparent lobbying activities of the proposed “California Beef Commission.” We consider it critical that there is an open, transparent and participatory process for determining how checkoff fees are spent and the proposed “California Beef Commission” to fail in all these aspects. Federal law prohibits commodity checkoff programs from influencing any legislation or governmental policy and California state checkoff law should do the same.

**Upcoming CDC/CFU Meetings:** Join Us for our Upcoming Farm Bill Listening Sessions  
**Monday, June 26, 2017**

**Lunch at Duarte Dairy in Elk Grove:** 12 noon 11711 Bruceville Road, Elk Grove

**Dinner in Turlock Office:** 5:00 p.m. in Our Turlock Office located at 325 Mitchell Avenue

**Featured Speaker:** **Rob Larew, National Farmers Union (NFU) Senior Vice President for Government Relations** who has more than 20 years of public service experience working on dairy policy, on both Capitol Hill and for the U.S. Department of Agriculture (USDA) including as the minority staff director on the House Agriculture Committee. Plan to participate to discuss the next farm bill and future federal dairy policy. Delicious food will be served and Friends and Family Are More than Welcome!

[www.californiadairycampaign.com](http://www.californiadairycampaign.com)

# CDC WEEKLY REPORT

June 23, 2017

COMMODITIES	May 17	Jun 17	Jul 17	COST OF PRODUCTION				
Calif. AA Butter	2.1832	2.4751	2.5415	North Valley		4th Qrt 2016		
Grade B Butter	2.1317	2.4236	2.4900	<b>COSTS — Released Quarterly</b>				
CME Block	1.5963	1.6430	1.5400	TOTAL FEED	\$	8.42		
Calif. 40# Blocks	1.5711	1.6178	1.5148	TOTAL LABOR	\$	1.93		
Calif. NFDM	0.8598	0.8903	0.8937	HERD REPLACEMENT	\$	1.68		
Dry Whey (Avg west \$/Lb.)	0.4688	0.4470	0.4400	OPERATING COST	\$	3.19		
CA Dry Whey (\$/CWT)	1.3300	1.1950	1.1950	TOTAL MARKETING COSTS	\$	0.53		
MILK PRICES				Total Costs				
4a - FAT \$/lb.	2.4236	2.7739	2.8536	Allowance ROI & ROM	\$	1.39		
4a - SNF \$/lb.	0.6835	0.7140	0.7174	<b>Total Cost and Allowances</b>	<b>\$</b>	<b>17.15</b>		
<b>4a - 3.5,8.7 \$/Cwt</b>	<b>14.43</b>	<b>15.92</b>	<b>16.23</b>	INCOME				
4b - FAT \$/lb.	2.4236	2.7739	2.8536	GROSS MILK PRICE/CWT	\$	17.38		
4b - SNF \$/lb.	0.7776	0.6773	0.5262	MAILBOX PRICE/CWT	\$	17.19		
<b>4b - 3.5,8.7 \$/Cwt</b>	<b>15.25</b>	<b>15.60</b>	<b>14.57</b>	<b>NET INCOME/CWT</b>	<b>\$</b>	<b>0.04</b>		
3 - 3.5,8.7 \$/Cwt	15.06	14.45	14.45	DATA				
2 - 3.5,8.7 \$/Cwt	15.20	14.59	14.59	MILK COW HAY PRICE \$/T	\$	228.60		
CRP	17.43	18.92	18.58	CONCENTRATE PRICE \$/T	\$	256.36		
<b>1 - 3.5,8.7 \$/Cwt</b>	<b>16.65</b>	<b>16.95</b>	<b>18.45</b>	CONCENTRATE lbs/cow/day		29.45		
Q - FAT \$/lb.	2.4147	2.6949	2.7920	MILKERS \$/hr - incl frin&tax	\$	17.33		
Q - SNF \$/lb.	0.9197	0.8807	0.8109	TOTAL LABOR (\$/hr)	\$	18.48		
<b>Q - 3.5,8.7 \$/Cwt</b>	<b>16.45</b>	<b>17.09</b>	<b>16.83</b>	MILK SOLD lbs/C/Day		74.70		
OB - FAT \$/lb.	2.4147	2.6949	2.7920	FAT TEST	%	4.11		
OB - SNF \$/lb.	0.7247	0.6857	0.6159	SNF TEST	%	9.07		
<b>OB - 3.5,8.7 \$/Cwt</b>	<b>14.76</b>	<b>15.40</b>	<b>15.13</b>	Milk Cow Feed Cost: \$/CWT	\$	7.96		
<b>BLEND @ (3.5,8.7)</b>	<b>15.14</b>	<b>15.78</b>	<b>15.51</b>	AMS Projection				
CA Usage & FO Prices	15.49	16.83	17.24	2017 4th Qrt.		2018 1st Qrt.		
O.B. less CA FMMO	(0.74)	(1.43)	(2.11)	All Milk	18.55-19.35	18.20-19.20		
FMMO III (\$/CWT)	15.80	17.18	17.26	Class III	16.75-17.55	16.55-17.55		
FMMO IV (\$/CWT)	14.54	16.18	16.72	Class IV	15.40-16.30	15.00-16.10		
CALIFORNIA NFDM		Price	Volume	Oceania	Butter	SMP	Cheese	
June 16, 2017	\$	0.8937	6,496,276	6/23/2017	\$2.62	\$0.95	\$1.75	
June 9, 2017	\$	0.8943	5,747,252	6/9/2017	\$2.59	\$0.94	\$1.79	
Cold Storage (1,000 Lb.)	6/1/2017	6/19/2017	Weekly Chng.	30-Apr-17	31-May-17	Monthly Chng.		
Butter		31,913	34,163	7%	292,289	313,575	7%	
American Cheese		100,336	102,874	3%	833,586	847,044	2%	
MARGIN INSURANCE	ALL MILK	FEED COST	MARGIN	Insured for	Premium	Return		
DAIRY (200,000 cwts/year)				\$	8.00	\$	1.1639	
Nov/Dec 2016	\$	18.20	\$	7.66	\$	10.5425	\$	15.66
Jan/Feb 2017	\$	18.70	\$	7.88	\$	10.8202	\$	15.88
Mar/Apr 2017	\$	18.90	\$	7.95	\$	8.9490	\$	15.95
Total							\$	(87,292)

## CHICAGO MERCANTILE EXCHANGE CASH TRADING

PRODUCT	MONDAY June 19	TUESDAY June 20	WEDNESDAY June 21	THURSDAY June 22	FRIDAY June 23	WEEKLY AVERAGE#
CHEESE BARRELS	\$ 1.3500 (-0.0300)	\$ 1.3375 (-0.0125)	\$ 1.3575 (+0.0200)	\$ 1.3400 (-0.0175)	\$ 1.3700 (+0.0300)	\$ 1.3510 (-0.0520)
CHEESE 40# BLOCKS	\$ 1.5975 (-0.0175)	\$ 1.5975 (N.C.)	\$ 1.5600 (-0.0375)	\$ 1.5450 (-0.0150)	\$ 1.5400 (-0.0050)	\$ 1.5680 (-0.0590)
BUTTER GRADE AA	\$ 2.5800 (N.C.)	\$ 2.6300 (+0.0700)	\$ 2.5850 (-0.0450)	\$ 2.5850 (N.C.)	\$ 2.5900 (+0.0050)	\$ 2.5900 (-0.0210)