

CALIFORNIA DAIRY CAMPAIGN

Dairymen working for Dairymen



September 8, 2017



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

Thank you to everyone who participated in our workshops on the CDFA Alternative Manure Management Practices (AMMP) Program this past week in Escalon and our Turlock office. The California Department of Food and Agriculture's new Alternative Manure Management Practices (AMMP) Program will provide up to \$16 million in grants to California dairy or livestock producers for using manure management practices that reduce methane emissions and maximize environmental benefits. **CDFA will fund up to 100% of the total project cost with a maximum grant award of \$750,000 per project.** To be eligible, the current baseline manure management practices must include the anaerobic decomposition of volatile solids stored in a lagoon or other predominantly liquid anaerobic environment. *Contact CDC Field Representative Joe Melo for more information at 209-216-7615.* **Upcoming California Dairy Campaign (CDC) Workshops on the AMMP:**

Merced

Merced County Farm Bureau

646 CA-59

Merced, CA

Date: Wednesday September 13, 2017

Time: 12 Noon to 2:00 p.m.

Hanford

Fugazzis Italian Restaurant

601 W 7th St

Hanford, CA 9323

Date: Thursday, September 21, 2017

Time: 12 noon to 2:00p.m.

Upcoming CDFA Workshop:

CDFA is holding Application Assistance Workshops including one next week in

Modesto-Thursdays, September 14, 2017

2:00 p.m.-4:00 p.m.

ABC Room

Stanislaus County Agricultural Commissioner

3800 Cornucopia Way, Suite B

Modesto, CA 95358

A full list of AMMP workshops and additional Information about the program and application process can be found on the CDFA web site <https://www.cdfa.ca.gov/oefi/AMMP/>

Extreme Heat Losses Eligible for Livestock Indemnity Program (LIP): The 2014 Farm Bill authorized the Livestock Indemnity Program (LIP) to provide benefits to livestock producers for livestock deaths in excess of normal mortality caused by eligible adverse weather conditions including extreme heat. LIP payments are equal to 75 percent of the market value of the applicable livestock and the 2017 LIP payment rate for an adult dairy cow is \$1353.75 per head.

Link for a USDA LIP fact sheet:

https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2017/lip_fact_sheet_march2017.pdf

Dairy producers should contact their local Farm Service Agency (FSA) office for more information about the Livestock Indemnity Program (LIP) or the CDC office at 209-632-0885.

www.californiadairycampaign.com

CDC WEEKLY REPORT

September 8, 2017

COMMODITIES	Jul 17	Aug 17	Sep 17	COST OF PRODUCTION		
Calif. AA Butter	2.5645	2.6147	2.4381	North Valley		1st Qrt 2017
Grade B Butter	2.5130	2.5632	2.3846	COSTS — Released Quarterly		
CME Block	1.6112	1.7204	1.6125	TOTAL FEED	\$	8.42
Calif. 40# Blocks	1.5860	1.6952	1.5873	TOTAL LABOR	\$	1.93
Calif. NFDM	0.9034	0.9063	0.9104	HERD REPLACEMENT	\$	1.68
Dry Whey (Avg west \$/Lb.)	0.4300	0.4115	0.3844	OPERATING COST	\$	3.19
CA Dry Whey (\$/CWT)	1.1950	1.0600	0.9250	TOTAL MARKETING COSTS	\$	0.53
MILK PRICES						
4a - FAT \$/lb.	2.8812	2.9414	2.7271	Total Costs	\$	15.76
4a - SNF \$/lb.	0.7271	0.7300	0.7341	Allowance ROI & ROM	\$	1.39
4a - 3.5,8.7 \$/Cwt	16.41	16.65	15.93	Total Cost and Allowances	\$	17.15
4b - FAT \$/lb.	2.8812	2.9414	2.7271	INCOME		
4b - SNF \$/lb.	0.5978	0.6851	0.6298	GROSS MILK PRICE/CWT	\$	17.38
4b - 3.5,8.7 \$/Cwt	15.29	16.26	15.02	MAILBOX PRICE/CWT	\$	17.19
3 - 3.5,8.7 \$/Cwt	14.45	16.54	16.54	NET INCOME/CWT	\$	0.04
2 - 3.5,8.7 \$/Cwt	14.59	16.68	16.68	DATA —————		
CRP	18.80	19.12	18.50	MILK COW HAY PRICE \$/T	\$	228.60
1 - 3.5,8.7 \$/Cwt	18.45	18.32	4.00	CONCENTRATE PRICE \$/T	\$	256.36
Q - FAT \$/lb.	2.7915	2.8929	2.7452	CONCENTRATE lbs/cow/day		29.45
Q - SNF \$/lb.	0.8418	0.8719	0.8475	MILKERS \$/hr - incl frin&tax	\$	17.33
Q - 3.5,8.7 \$/Cwt	17.09	17.71	16.98	TOTAL LABOR (\$/hr)	\$	18.48
OB - FAT \$/lb.	2.7915	2.8929	2.7452	MILK SOLD lbs/C/Day		74.70
OB - SNF \$/lb.	0.6468	0.6789	0.6525	FAT TEST	%	4.11
OB - 3.5,8.7 \$/Cwt	15.40	16.01	15.28	SNF TEST	%	9.07
BLEND @ (3.5,8.7)	15.80	16.42	15.89	Milk Cow Feed Cost: \$/CWT	\$	7.96
CA Usage & FO Prices	16.13	16.69	16.69	AMS Projection	2017 4th Qrt.	2018 1st Qrt.
O.B. less CA FMMO	(0.74)	(0.67)	(1.41)	All Milk	18.45-19.05	18.15-19.05
FMMO III (\$/CWT)	15.45	16.57	17.12	Class III	15.70-16.30	16.15-17.05
FMMO IV (\$/CWT)	16.60	16.60	15.94	Class IV	16.30-17.00	15.65-16.65
CALIFORNIA NFDM						
	Price	Volume	Oceania	Butter	SMP	Cheese
September 1, 2017	\$ 0.9104	5,971,101	9/1/2017	\$2.76	\$0.88	\$1.82
August 25, 2017	\$ 0.9338	4,420,942	8/18/2017	\$2.80	\$0.90	\$1.82
Cold Storage (1,000 Lb.)	9/1/2017	9/4/2017	Weekly Chng.	30-Jun-17	31-Jul-17	Monthly Chng.
Butter	33,802	33,839	0%	310,158	307,728	-1%
American Cheese	112,405	112,901	0%	810,234	837,604	3%
MARGIN INSURANCE						
	ALL MILK	FEED COST	MARGIN	Insured for	Premium	Return
DAIRY (200,000 cwts/year)				\$ 8.00	\$ 1.1639	
Mar/Apr 2017	\$ 16.90	\$ 7.95	\$ 8.9490	\$ 15.95	\$ 34,917	\$ (17,458)
May/June 2017	\$ 17.00	\$ 8.03	\$ 8.9709	\$ 16.03	\$ 34,917	\$ (17,458)
Jul 2017	\$ 17.30	\$ 8.22	\$ 9.0771	\$ 16.22	\$ 34,917	\$ (17,458)
Total						\$ (52,375)

CHICAGO MERCANTILE EXCHANGE CASH TRADING

PRODUCT	MONDAY September 4	TUESDAY September 5	WEDNESDAY September 6	THURSDAY September 7	FRIDAY September 8	WEEKLY AVERAGE#
CHEESE BARRELS	X	\$ 1.5575 (+1.5575)	\$ 1.5800 (+0.0225)	\$ 1.5500 (-0.0300)	\$ 1.5400 (-0.0100)	\$ 1.5569 (+0.0574)
CHEESE 40# BLOCKS	X	\$ 1.5975 (+1.5975)	\$ 1.6400 (+0.0425)	(N.C.)	\$ 1.6425 (+0.0025)	\$ 1.6300 (+0.0975)
BUTTER GRADE AA	X	\$ 2.4375 (+2.4375)	\$ 2.4400 (+0.0025)	\$ 2.4950 (+0.0550)	\$ 2.4575 (-0.0375)	\$ 2.4575 (-0.1085)