

CALIFORNIA DAIRY CAMPAIGN

Dairymen working for Dairymen



October 6, 2017



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California Dairy Producers Will Soon Receive Ballots on the Quota Implementation Plan (QIP): Today the California Department of Food and Agriculture (CDA) mailed ballots to dairy producers across the state on the Quota Implementation Plan (QIP). Dairy producers will now have 60 days to vote by mailing in their ballots to CDFA. Ballots must be mailed or postmarked by December 4, 2017. The California Dairy Campaign (CDC) is urging dairy producers to vote “**Yes**” on their QIP ballot because passage of the QIP is critical to ensure that the consideration of a federal milk marketing order (FMMO) for California moves forward. CDC has long called for California to join the federal order system to bring dairy producer prices and the process for determining milk prices in line with the federal order system. A critical step in the process to establish a federal order in California is to maintain the statewide quota program and the QIP would ensure that the quota program is maintained and administered by CDFA in the federal order system. The QIP was finalized by the Milk Pooling Producer Review Board which consisted of quota holders and non-quota holders alike and approved in its entirety by CDFA Secretary Karen Ross for a statewide vote among dairy producers.

CDC has joined Milk Producers Council (MPC), Western United Dairymen (WUD), California Dairies, Inc. (CDI), Dairy Farmers of America (DFA) and Land O’Lakes (LOL) in organizing three upcoming meetings to provide information about the QIP to dairy producers across the state. The first meeting will take place in Modesto at 10:00 a.m. on October 16th at the Stanislaus County Farm Bureau Office located at 1201 L Street. The next QIP Dairy Producers Meetings will take place in Chino on November 6th and Tulare on November 7th. The invitation for the QIP Dairy Producer Meetings appears on the next page and dairy producers are strongly encouraged to participate. *For more information, contact California Dairy Campaign Executive Director Lynne McBride at 925-385-0217.*

Thank you to everyone who participated in the Alternative Manure Management Practices (AMMP) Program workshop in Hanford this week. On Thursday, California Dairy Campaign Field Representative Joe Melo and CDC President Joe Augusto participated in an Alternative Manure Management Practices (AMMP) Program workshop in Hanford along with a number of dairy producers planning to submit applications. The workshop was held by the University of California Davis and included detailed information about how to submit AMMP applications. UC Davis technical expert Pramad Pandey provided information about the application process and will continue to be available to assist dairy producers with their applications. Pramad Pandey can be contacted by phone at **530-219-6286** or by email pkpandey@ucdavis.edu.

The 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.** More information about the AMMP program can be found on the California Department of Food and Agriculture (CDFA) web site at <https://www.cdfa.ca.gov/oefi/AMMP/> Dairy producers who are interested in applying for an AMMP grant should contact CDC Field Representative Joe Melo who has been working with dairy producers on their AMMP applications by phone at 209-216-7615.

www.californiadairycampaign.com



Quota Implementation Plan (QIP) Dairy Producers Meetings

In addition to informational sessions conducted by California Dairies Inc. (CDI), Dairy Farmers of America (DFA) and Land O'Lakes (LOL), a series of joint dairy producer meetings will be held throughout the state in the next few weeks. The presentations will be brief to allow ample time for questions you may have. This is a producer-only process and 51% of ballots must be returned for the California Department of Food and Agriculture (CDFA) to even consider referendum results. Therefore, producer organizations in the state want you to be aware of the importance of your vote.

- October 16, Stanislaus County Farm Bureau, 1201 L Street, Modesto, 10am
- November 6, Chino, Chino Fairgrounds, 5410 Edison Avenue, Chino, 10:30am
- November 7, Tulare, Heritage Complex, 4450 S. Laspina Ave, Tulare, Conference Dining Room, 10am

Agenda:

- Statewide QIP Referendum: Description of the QIP and main features
- Questions & Answers

Note: The Quota Implementation Plan (QIP) was delivered to the post office for mailing on October 6. The ballot (which is on blue paper) is in a 9X13 white envelope with BALLOT ENCLOSED noted on the envelope. Included in the envelope is a cover letter with instructions, the QIP language, and a postage paid envelope to return the ballot. The close of the referendum is December 4, 2017.

We believe that supporting the QIP is the only path forward to allow fair consideration for a FMMO in CA and are urging you to make an informed decision by attending one of the meetings referenced above prior to casting your vote.

Contact information:

California Dairy Campaign, Lynne McBride: lmcb44@comcast.net, 925-385-0217

Milk Producers Council, Kevin Abernathy: kevin@milkproducers.org, 209-678-0666

Western United Dairymen, Anja Raudabaugh: araudabaugh@westernuniteddairymen.com, 916-532-9974

California Dairies, Inc., Rob Vandenheuvel: RVandenheuvel@californiadairies.com, 559-679-5651

Dairy Farmers of America, Francis Pacheco: fpacheco@dfamilk.com, 951-493-4942

Land O'Lakes, Pete Garbani: PRGarbani@landolakes.com, 559-285-6357

CDC WEEKLY REPORT

October 6, 2017

COMMODITIES	Jul 17	Aug 17	Sep 17	COST OF PRODUCTION		
Calif. AA Butter	2.5845	2.6147	2.4275	North Valley		2nd Qrt 2017
Grade B Butter	2.5130	2.5632	2.3780	COSTS ----- Released Quarterly		
CME Block	1.6112	1.7204	1.5983	TOTAL FEED	\$	8.28
Calif. 40# Blocks	1.5860	1.6952	1.5731	TOTAL LABOR	\$	1.86
Calif. NFDM	0.9034	0.9083	0.8880	HERD REPLACEMENT	\$	1.63
Dry Whey (Avg west \$/Lb.)	0.4300	0.4115	0.3819	OPERATING COST	\$	3.15
CA Dry Whey (\$/CWT)	1.1950	1.0800	0.9250	TOTAL MARKETING COSTS	\$	0.53
MILK PRICES						
4a - FAT \$/lb.	2.8812	2.9414	2.7188	Total Costs	\$	15.45
4a - SNF \$/lb.	0.7271	0.7300	0.7117	Allowance ROI & ROM	\$	1.31
4a - 3.5,8.7 \$/Cwt	16.41	16.65	15.70	Total Cost and Allowances	\$	16.76
4b - FAT \$/lb.	2.8812	2.9414	2.7188	INCOME		
4b - SNF \$/lb.	0.5978	0.6851	0.6175	GROSS MILK PRICE/CWT	\$	16.63
4b - 3.5,8.7 \$/Cwt	15.29	16.26	14.88	MAILBOX PRICE/CWT	\$	16.56
3 - 3.5,8.7 \$/Cwt	14.45	16.54	16.54	NET INCOME/CWT	\$	(0.20)
2 - 3.5,8.7 \$/Cwt	14.59	16.88	16.88	DATA -----		
CRP	18.80	19.12	18.50	MILK COW HAY PRICE \$/T	\$	235.23
1 - 3.5,8.7 \$/Cwt	18.45	18.32	4.00	CONCENTRATE PRICE \$/T	\$	250.84
Q - FAT \$/lb.	2.7915	2.9303	2.7977	CONCENTRATE lbs/cow/day		29.60
Q - SNF \$/lb.	0.8418	0.8774	0.8445	MILKERS \$/hr - incl frin&tax	\$	17.23
Q - 3.5,8.7 \$/Cwt	17.09	17.89	17.14	TOTAL LABOR (\$/hr)	\$	18.39
OB - FAT \$/lb.	2.7915	2.9303	2.7977	MILK SOLD lbs/C/Day		75.75
OB - SNF \$/lb.	0.6468	0.6824	0.6495	FAT TEST	%	3.96
OB - 3.5,8.7 \$/Cwt	15.40	16.19	15.44	SNF TEST	%	9.00
BLEND @ (3.5,8.7)	15.80	16.81	15.88	Milk Cow Feed Cost: \$/CWT	\$	7.84
CA Usage & FO Prices	16.13	17.03	16.64	AMS Projection	2017 4th Qrt.	2018 1st Qrt.
O.B. less CA FMMO	(0.74)	(0.84)	(1.19)	All Milk	18.05-18.55	17.60-18.40
FMMO III (\$/CWT)	15.45	16.57	16.35	Class III	15.90-16.40	15.75-16.55
FMMO IV (\$/CWT)	16.60	16.60	15.86	Class IV	15.35-15.95	14.95-15.85
CALIFORNIA NFDM						
	Price	Volume	Oceania	Butter	SMP	Cheese
September 29, 2017	\$ 0.8789	5,708,681	9/29/2017	\$2.85	\$0.88	\$1.87
September 22, 2017	\$ 0.8804	6,597,149	9/15/2017	\$2.81	\$0.90	\$1.89
Cold Storage (1,000 Lb.)						
	10/1/2017	10/2/2017	Weekly Chng.	31-Jul-17	31-Aug-17	Monthly Chng.
Butter	27,728	27,514	-1%	307,359	280,117	-9%
American Cheese	106,524	105,806	-1%	831,561	800,546	-4%
MARGIN INSURANCE						
	ALL MILK	FEED COST	MARGIN	Insured for	Premium	Return
DAIRY (200,000 cwt/year)				\$ 8.00	\$ 1.1639	
Mar/Apr 2017	\$ 16.90	\$ 7.95	\$ 8.9490	\$ 15.95	\$ 34,917	\$ (17,458)
May/Jun 2017	\$ 17.00	\$ 8.03	\$ 8.9709	\$ 16.03	\$ 34,917	\$ (17,458)
Jul/Aug 2017	\$ 17.85	\$ 7.98	\$ 9.6712	\$ 15.98	\$ 34,917	\$ (17,458)
Total						\$ (52,375)

CHICAGO MERCANTILE EXCHANGE CASH TRADING

PRODUCT	MONDAY October 2	TUESDAY October 3	WEDNESDAY October 4	THURSDAY October 5	FRIDAY October 6	WEEKLY AVERAGE#
CHEESE	\$ 1.6900	\$ 1.6900	\$ 1.7300	\$ 1.7400	\$ 1.7450	\$ 1.7190
BARRELS	(-0.0025)	(N.C.)	(+0.0400)	(+0.0100)	(+0.0050)	(+0.0180)
CHEESE	\$ 1.7275	\$ 1.7250	\$ 1.7500	\$ 1.7525	\$ 1.7600	\$ 1.7430
40# BLOCKS	(-0.0075)	(-0.0025)	(+0.0250)	(+0.0025)	(+0.0075)	(+0.0295)
BUTTER	\$ 2.2950	\$ 2.3300	\$ 2.3550	\$ 2.3750	\$ 2.3400	\$ 2.3390
GRADE AA	(-0.0200)	(+0.0350)	(+0.0250)	(+0.0200)	(-0.0350)	(-0.0530)