

# CDC WEEKLY REPORT

May 5, 2017

| COMMODITIES                     | Mar 17          | Apr 17          | May 17              | COST OF PRODUCTION                    |                     |                      |
|---------------------------------|-----------------|-----------------|---------------------|---------------------------------------|---------------------|----------------------|
| Calif. AA Butter                | 2.1033          | 2.0501          | 2.0598              | North Valley                          |                     | 4th Qrt 2016         |
| Grade B Butter                  | 2.0518          | 1.9986          | 2.0083              | <b>COSTS ----- Released Quarterly</b> |                     |                      |
| CME Block                       | 1.4358          | 1.4893          | 1.5670              | TOTAL FEED                            | \$                  | 8.68                 |
| Calif. 40# Blocks               | 1.4106          | 1.4641          | 1.5418              | TOTAL LABOR                           | \$                  | 1.98                 |
| Calif. NFDM                     | 0.8445          | 0.8417          | 0.8394              | HERD REPLACEMENT                      | \$                  | 1.86                 |
| Dry Whey (Avg west \$/Lb.)      | 0.4925          | 0.4988          | 0.4750              | OPERATING COST                        | \$                  | 3.39                 |
| CA Dry Whey (\$/CWT)            | 1.4650          | 1.4650          | 1.3300              | TOTAL MARKETING COSTS                 | \$                  | 0.53                 |
| MILK PRICES                     |                 |                 |                     |                                       |                     |                      |
| 4a - FAT \$/lb.                 | 2.3278          | 2.2639          | 2.2756              | <b>Total Costs</b>                    |                     | <b>\$ 16.44</b>      |
| 4a - SNF \$/lb.                 | 0.6682          | 0.6654          | 0.6631              | Allowance ROI & ROM                   |                     | \$ 1.41              |
| <b>4a - 3.5,8.7 \$/Cwt</b>      | <b>13.96</b>    | <b>13.71</b>    | <b>13.73</b>        | <b>Total Cost and Allowances</b>      |                     | <b>\$ 17.85</b>      |
| 4b - FAT \$/lb.                 | 2.3278          | 2.2639          | 2.2756              | <b>INCOME</b>                         |                     |                      |
| 4b - SNF \$/lb.                 | 0.6450          | 0.7324          | 0.8025              | GROSS MILK PRICE/CWT                  |                     | \$ 17.42             |
| <b>4b - 3.5,8.7 \$/Cwt</b>      | <b>13.76</b>    | <b>14.30</b>    | <b>14.95</b>        | MAILBOX PRICE/CWT                     |                     | \$ 17.57             |
| 3 - 3.5,8.7 \$/Cwt              | 15.60           | 15.06           | 15.06               | <b>NET INCOME/CWT</b>                 |                     |                      |
| 2 - 3.5,8.7 \$/Cwt              | 15.75           | 15.84           | 15.20               | <b>DATA -----</b>                     |                     |                      |
| CRP                             | 17.24           | 17.12           | 17.48               | MILK COW HAY PRICE \$/T               |                     | \$ 225.20            |
| <b>1 - 3.5,8.7 \$/Cwt</b>       | <b>18.60</b>    | <b>16.77</b>    | <b>16.65</b>        | CONCENTRATE PRICE \$/T                |                     | \$ 255.68            |
| Q - FAT \$/lb.                  | 2.3457          | 2.2914          | 2.2825              | CONCENTRATE lbs/cow/day               |                     | 29.31                |
| Q - SNF \$/lb                   | 0.8772          | 0.8913          | 0.9219              | MILKERS \$/hr - incl frin&tax         |                     | \$ 17.87             |
| <b>Q - 3.5,8.7 \$/Cwt</b>       | <b>15.84</b>    | <b>15.77</b>    | <b>16.01</b>        | TOTAL LABOR (\$/hr)                   |                     | \$ 19.13             |
| OB - FAT \$/lb.                 | 2.3457          | 2.2914          | 2.2825              | MILK SOLD lbs/C/Day                   |                     | 73.11                |
| OB - SNF \$/lb                  | 0.6822          | 0.6963          | 0.7269              | FAT TEST                              |                     | % 4.09               |
| <b>OB - 3.5,8.7 \$/Cwt</b>      | <b>14.14</b>    | <b>14.08</b>    | <b>14.31</b>        | SNF TEST                              |                     | % 9.10               |
| <b>BLEND @ (3.5,8.7)</b>        | 14.53           | 14.46           | 14.69               | Milk Cow Feed Cost: \$/CWT            |                     | \$ 8.15              |
| CA Usage & FO Prices            | 15.57           | 15.07           | 15.06               | <b>AMS Projection</b>                 | <b>2017 2nd Qrt</b> | <b>2017 3rd Qrt.</b> |
| O.B. less CA FMMO               | (1.43)          | (0.99)          | (0.75)              | <b>All Milk</b>                       |                     | 16.20-16.60          |
| FMMO III (\$/CWT)               | 15.81           | 15.22           | 15.40               | <b>Class III</b>                      |                     | 15.15-15.55          |
| FMMO IV (\$/CWT)                | 14.32           | 14.01           | 14.06               | <b>Class IV</b>                       |                     | 13.75-14.25          |
| <b>CALIFORNIA NFDM</b>          | <b>Price</b>    | <b>Volume</b>   | <b>Oceania</b>      | <b>Butter</b>                         | <b>SMP</b>          | <b>Cheese</b>        |
| April 28, 2017                  | \$ 0.8394       | 16,293,738      | 4/28/2017           | \$2.32                                | \$0.92              | \$1.58               |
| April 21, 2017                  | \$ 0.8306       | 11,717,769      | 4/14/2017           | \$2.31                                | \$0.87              | \$1.54               |
| <b>Cold Storage (1,000 Lb.)</b> | <b>4/1/2017</b> | <b>5/1/2017</b> | <b>Weekly Chng.</b> | <b>28-Feb-17</b>                      | <b>31-Mar-17</b>    | <b>Monthly Chng.</b> |
| Butter                          | 25,185          | 29,492          | 17%                 | 269,863                               | 272,503             | 1%                   |
| American Cheese                 | 97,569          | 100,143         | 3%                  | 772,867                               | 802,724             | 4%                   |
| 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                              | \$ 34,917           | \$ (34,917)          |
| Jan/Feb_2017                    | \$ 18.70        | \$ 7.88         | \$ 10.8202          | \$ 15.88                              | \$ 34,917           | \$ (34,917)          |
| Mar_2017                        | \$ 17.30        | \$ 7.95         | \$ 9.3519           | \$ 15.95                              | \$ 34,917           | \$ (17,458)          |
| <b>Total</b>                    |                 |                 |                     |                                       |                     | \$ (87,292)          |

## CHICAGO MERCANTILE EXCHANGE CASH TRADING

| PRODUCT           | MONDAY<br>May 1        | TUESDAY<br>May 2       | WEDNESDAY<br>May 3     | THURSDAY<br>May 4      | FRIDAY<br>May 5        | WEEKLY<br>AVERAGE#     |
|-------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| CHEESE BARRELS    | \$ 1.4175<br>(N.C.)    | \$ 1.4150<br>(-0.0025) | \$ 1.4000<br>(-0.0150) | \$ 1.4200<br>(+0.0200) | \$ 1.4500<br>(+0.0500) | \$ 1.4205<br>(-0.0020) |
| CHEESE 40# BLOCKS | \$ 1.4800<br>(N.C.)    | \$ 1.4800<br>(N.C.)    | \$ 1.4800<br>(N.C.)    | \$ 1.4900<br>(+0.0100) | \$ 1.6000<br>(+0.1200) | \$ 1.5060<br>(-0.0240) |
| BUTTER GRADE AA   | \$ 2.0925<br>(-0.0125) | \$ 2.1150<br>(+0.0225) | \$ 2.1200<br>(+0.0050) | \$ 2.1200<br>(N.C.)    | \$ 2.1075<br>(-0.0125) | \$ 2.1110<br>(+0.0040) |