

# CALIFORNIA DAIRY CAMPAIGN

*Dairymen working for Dairymen*



April 14, 2017



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

**February California Milk Production Down 5.4 Percent** – Compared to February 2016, milk production in California declined 5.4 percent in February 2017. Milk production was down in five more of the top 10 milk producing states including Wisconsin, Idaho, Washington, Pennsylvania and New York. Milk production increased in Texas by 12.3 percent, 7.8 percent in New Mexico. 1.2 percent in Michigan and .2 percent in New York. According to USDA overall milk production across the 23 major milk producing states was down 1 percent in February compared to February 2016.

**California Mailbox Prices:** According to the latest available mailbox or net price data, California dairy producers received \$17.26 in December of 2016, the third lowest of the 23 major milk producing states reported by USDA. New Mexico and Michigan were the only other states with lower mailbox prices. The December mailbox price in New Mexico totaled \$17.06, but with a population of approximately 2 million, a significant amount of milk is shipped long distances to Texas, thereby decreasing the mailbox price dairy producers in that state receive. According to the latest CDFA report, the average cost of production in California in the fourth quarter of 2016 totaled \$17.78 per cwt. According to the “CDC Weekly Report” the blend price for March totaled \$14.71, a more than \$2.80 per cwt drop since December.

**CDC Urges Dairy Producers to Serve on Milk Pooling Producer Review Board:** California Dairy Campaign is urging dairy producers to apply to serve on the Milk Pooling Producer Review Board which will be tasked with finalizing a proposal for the state quota program under the proposed federal milk marketing order. For more information, contact the CDC office at 209-632-0885.

**Notice of Nominations for the Milk Pooling Producer Review Board Nomination Deadline: May 1, 2017 :** The California Department of Food and Agriculture (CDFA) is seeking nominations from California market milk producers for individuals to fill vacant positions on the Milk Pooling Producer Review Board (Board). CDFA will specifically task the Board to meet regularly to develop a detailed proposal regarding a stand-alone Quota program in response to the recommended decision released by USDA to establish a California Federal Milk Marketing Order (CA FMMO). It is anticipated that market milk producers on the Board will focus on this task until it is completed and advise the Secretary of the proposal. Nominations are due on May 1st, with the hope that appointments will be made by May 10th and a first meeting could be held at the end of May. Persons interested in serving on the Board, or interested in nominating someone to serve on the Board should submit a signed nomination form to the department. For additional information, or to retrieve the nomination form, please visit our website at: [https://www.cdfa.ca.gov/Dairy/pdf/Nominations\\_for\\_Milk\\_Producers\\_Board\\_Members.pdf](https://www.cdfa.ca.gov/Dairy/pdf/Nominations_for_Milk_Producers_Board_Members.pdf)

**Questions regarding the nomination process may be directed to Steven Donaldson at (916) 900-5012 or by email at: [steven.donaldson@cdfa.ca.gov](mailto:steven.donaldson@cdfa.ca.gov). (CDFA Notice)**

**CDQAP Certification Information:** The California Dairy Quality Assurance Program (CDQAP) Certification Classes scheduled for Tuesday, June 6 and Wednesday June 7 in Modesto at the Stanislaus County Ag Center. By completing 6 hours of water quality and 2 hours of air quality classes, an on-farm management plan and evaluation, dairy producers can become CDQAP certified and be eligible for a 50 percent discount on water quality permit fees. **For more information, contact California Dairy Campaign Field Staff Joe Lauro at 209-968-0611 and Joe Melo at 209-216-7615.**

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

# CDC WEEKLY REPORT

**April 14, 2017**

COMMODITIES	Feb 17	Mar 17	Apr 17	COST OF PRODUCTION		
Calif. AA Butter	2.1153	2.1033	2.0517	North Valley		4th Qrt 2016
Grade B Butter	2.0638	2.0518	2.0002	COSTS — Released Quarterly		
CME Block	1.6388	1.4358	1.4788	TOTAL FEED	\$	8.68
Calif. 40# Blocks	1.6138	1.4108	1.4534	TOTAL LABOR	\$	1.98
Calif. NFDM	1.0041	0.8445	0.8493	HERD REPLACEMENT	\$	1.88
Dry Whey (Avg west \$/Lb.)	0.4875	0.4925	0.5000	OPERATING COST	\$	3.39
CA Dry Whey (\$/CWT)	1.4650	1.4650	1.4650	TOTAL MARKETING COSTS	\$	0.53
MILK PRICES						
4a - FAT \$/lb.	2.3422	2.3278	2.2658	Total Costs		\$ 16.44
4a - SNF \$/lb.	0.8278	0.6682	0.6730	Allowance ROI & ROM		\$ 1.41
<b>4a - 3.5,8.7 \$/Cwt</b>	<b>15.40</b>	<b>13.96</b>	<b>13.79</b>	Total Cost and Allowances		\$ 17.85
4b - FAT \$/lb.	2.3422	2.3278	2.2658	INCOME		
4b - SNF \$/lb.	0.8746	0.6450	0.7192	GROSS MILK PRICE/CWT		\$ 17.42
<b>4b - 3.5,8.7 \$/Cwt</b>	<b>15.81</b>	<b>13.76</b>	<b>14.19</b>	MAILBOX PRICE/CWT		\$ 17.57
3 - 3.5,8.7 \$/Cwt	15.60	15.60	15.08	NET INCOME/CWT		\$ (0.28)
2 - 3.5,8.7 \$/Cwt	15.40	15.75	15.84	DATA		
CRP	19.08	17.24	17.13	MILK COW HAY PRICE \$/T	\$	225.20
<b>1 - 3.5,8.7 \$/Cwt</b>	<b>18.13</b>	<b>18.60</b>	<b>16.77</b>	CONCENTRATE PRICE \$/T	\$	255.68
Q - FAT \$/lb.	2.3595	2.3790	2.3202	CONCENTRATE lbs/cow/day		29.31
Q - SNF \$/lb.	1.0257	0.8842	0.8913	MILKERS \$/hr - incl frin&tax	\$	17.87
<b>Q - 3.5,8.7 \$/Cwt</b>	<b>17.18</b>	<b>16.02</b>	<b>15.87</b>	TOTAL LABOR (\$/hr)	\$	19.13
OB - FAT \$/lb.	2.3595	2.3790	2.3202	MILK SOLD lbs/C/Day		73.11
OB - SNF \$/lb.	0.8307	0.6892	0.6963	FAT TEST	%	4.09
<b>OB - 3.5,8.7 \$/Cwt</b>	<b>15.49</b>	<b>14.32</b>	<b>14.18</b>	SNF TEST	%	9.10
<b>BLEND @ (3.5,8.7)</b>	<b>15.87</b>	<b>14.71</b>	<b>14.56</b>	Milk Cow Feed Cost: \$/CWT	\$	8.15
CA Usage & FO Prices	16.76	15.66	14.97	AMS Projection	2017 2nd Qrt	2017 3rd Qrt.
O.B. less CA FMMO	(1.27)	(1.34)	(0.79)	All Milk	16.20-16.60	17.15-17.85
FMMO III (\$/CWT)	17.09	15.81	14.98	Class III	15.15-15.55	16.30-17.00
FMMO IV (\$/CWT)	15.58	14.32	13.84	Class IV	13.75-14.25	14.10-14.90
CALIFORNIA NFDM						
	Price	Volume	Oceania	Butter	SMP	Cheese
March 31, 2017	\$ 0.8310	25,756,620	4/14/2017	\$2.31	\$0.87	\$1.54
March 24, 2017	\$ 0.8308	21,067,814	3/31/2017	\$2.36	\$0.90	\$1.64
Cold Storage (1,000 Lb.)						
	3/1/2017	3/27/2017	Weekly Chng.	31-Jan-17	28-Feb-17	Monthly Chng.
Butter	20,155	24,979	24%	221,523	282,623	28%
American Cheese	88,899	97,427	12%	752,189	774,070	3%
MARGIN INSURANCE						
	ALL MILK	FEED COST	MARGIN	Insured for	Premium	Return
DAIRY (200,000 cwt/yr)				\$ 8.00	\$ 1.1639	
Sep/Oct 2016	\$ 16.95	\$ 7.84	\$ 9.1109	\$ 15.84	\$ 34,917	\$ (34,917)
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)
Total						\$ (104,750)
CHICAGO MERCANTILE EXCHANGE CASH TRADING						
PRODUCT	MONDAY April 10	TUESDAY April 11	WEDNESDAY April 12	THURSDAY April 13	FRIDAY April 14	WEEKLY AVERAGE#
CHEESE BARRELS	\$ 1.4275 (-0.0075)	\$ 1.4275 (N.C.)	\$ 1.4275 (N.C.)	\$ 1.4275 (N.C.)	<del>                    </del>	\$ 1.4275 (-0.0330)
CHEESE 40# BLOCKS	\$ 1.4600 (N.C.)	\$ 1.4600 (N.C.)	\$ 1.4750 (+0.0150)	\$ 1.4750 (N.C.)	<del>                    </del>	\$ 1.4675 (-0.0305)
BUTTER GRADE AA	\$ 2.0775 (-0.0200)	\$ 2.0900 (+0.0125)	\$ 2.0900 (N.C.)	\$ 2.0875 (-0.0025)	<del>                    </del>	\$ 2.0863 (-0.0418)