

# CDC WEEKLY REPORT

April 22, 2016

| COMMODITIES                | Mar 16 | Apr 16 | May 16 | COST OF PRODUCTION             |              |        |
|----------------------------|--------|--------|--------|--------------------------------|--------------|--------|
| Calif. AA Butter           | 1.9160 | 1.9851 | 1.9815 | North Valley                   | 4th Qrt 2015 |        |
| Grade B Butter             | 1.8645 | 1.9336 | 1.9300 | COSTS ----- Released Quarterly |              |        |
| CME Block                  | 1.4910 | 1.4381 | 1.4225 | TOTAL FEED                     | \$           | 10.05  |
| Calif. 40# Blocks          | 1.4658 | 1.4129 | 1.3973 | TOTAL LABOR                    | \$           | 1.98   |
| Calif. NFDM                | 0.7587 | 0.7394 | 0.7328 | HERD REPLACEMENT               | \$           | 2.19   |
| Dry Whey (Avg west \$/Lb.) | 0.2500 | 0.2431 | 0.2400 | OPERATING COST                 | \$           | 3.26   |
| CA Dry Whey (\$/CWT)       | 0.3850 | 0.3850 | 0.3850 | TOTAL MARKETING COSTS          | \$           | 0.53   |
| MILK PRICES                |        |        |        |                                |              |        |
| 4a - 3.5,8.7 \$/Cwt        | 12.43  | 12.55  | 12.48  | Total Costs                    | \$           | 18.02  |
| FMMO IV (\$/CWT)           | 12.75  | 12.66  | 12.75  | Allowance ROI & ROM            | \$           | 1.65   |
| 4b - 3.5,8.7 \$/Cwt        | 13.24  | 12.71  | 12.55  | Total Cost and Allowances      | \$           | 19.67  |
| FMMO III (\$/CWT)          | 13.66  | 13.63  | 13.54  | INCOME                         |              |        |
| 3 - 3.5,8.7 \$/Cwt         | 14.28  | 13.23  | 13.23  | GROSS MILK PRICE/CWT           | \$           | 17.07  |
| 2 - 3.5,8.7 \$/Cwt         | 14.42  | 13.54  | 13.37  | MAILBOX PRICE/CWT              | \$           | 16.98  |
| CRP                        | 15.73  | 15.31  | 15.00  | NET INCOME/CWT                 | \$           | (2.69) |
| 1 - 3.5,8.7 \$/Cwt         | 15.38  | 15.26  | 14.83  | DATA -----                     |              |        |
| Q - FAT \$/lb.             | 2.1533 | 2.1778 | 2.1777 | MILK COW HAY PRICE \$/T        | \$           | 266.68 |
| Q - SNF \$/lb              | 0.8064 | 0.7665 | 0.7473 | CONCENTRATE PRICE \$/T         | \$           | 270.09 |
| Q - 3.5,8.7 \$/Cwt         | 14.55  | 14.29  | 14.12  | CONCENTRATE lbs/cow/day        |              | 28.72  |
| OB - FAT \$/lb.            | 2.1533 | 2.1778 | 2.1777 | MILKERS \$/hr - incl frin&tax  | \$           | 16.97  |
| OB - SNF \$/lb             | 0.6114 | 0.5715 | 0.5523 | TOTAL LABOR (\$/hr)            | \$           | 17.95  |
| OB - 3.5,8.7 \$/Cwt        | 12.86  | 12.59  | 12.43  | MILK SOLD lbs/C/Day            |              | 71.17  |
| BLEND @ (3.5,8.7)          | 13.23  | 12.97  | 12.80  | FAT TEST                       | %            | 4.04   |
| CA Usage & FO Prices       | 13.54  | 13.48  | 13.47  | SNF TEST                       | %            | 9.08   |
| O.B. less CA FMMO          | (0.69) | (0.89) | (1.05) | Milk Cow Feed Cost: \$/CWT     | \$           | 9.35   |

| CALIFORNIA NFDM | Price     | Volume     | Oceania   | Butter | SMP    | Cheese |
|-----------------|-----------|------------|-----------|--------|--------|--------|
| April 15, 2016  | \$ 0.7328 | 14,494,199 | 4/15/2016 | \$1.22 | \$0.78 | \$1.18 |
| April 8, 2016   | \$ 0.7404 | 8,093,869  | 4/1/2016  | \$1.25 | \$0.79 | \$1.16 |

| Cold Storage (1,000 Lb.) | 4/1/2016 | 4/18/2016 | Weekly Chng. | 31-Jan-16 | 29-Feb-16 | Monthly Chng. |
|--------------------------|----------|-----------|--------------|-----------|-----------|---------------|
| Butter                   | 25,316   | 26,180    | 3%           | 192,101   | 235,478   | 23%           |
| American Cheese          | 94,825   | 93,513    | -1%          | 716,374   | 714,888   | 0%            |

| MARGIN INSURANCE          | ALL MILK | FEED COST | MARGIN    | Insured for | Premium   | Return       |
|---------------------------|----------|-----------|-----------|-------------|-----------|--------------|
| DAIRY (200,000 cwts/year) |          |           |           | \$ 8.00     | \$ 1.1639 |              |
| May/June_2015             | \$ 16.80 | \$ 8.80   | \$ 7.9953 | \$ 16.80    | \$ 34,917 | \$ (34,777)  |
| Jul/Aug_2015              | \$ 16.65 | \$ 8.95   | \$ 7.6951 | \$ 16.95    | \$ 34,917 | \$ (25,770)  |
| Sep/Oct_2015              | \$ 17.60 | \$ 8.52   | \$ 9.0821 | \$ 16.52    | \$ 34,917 | \$ (34,917)  |
| Nov/Dec_2015              | \$ 17.70 | \$ 8.14   | \$ 9.5571 | \$ 16.14    | \$ 34,917 | \$ (34,917)  |
| Jan/Feb_2016              | \$ 15.90 | \$ 7.89   | \$ 8.0093 | \$ 15.89    | \$ 34,917 | \$ (34,917)  |
| Total                     |          |           |           |             |           | \$ (165,296) |

| CHICAGO MERCANTILE EXCHANGE CASH TRADING |                        |                     |                        |                        |                        |                        |
|------------------------------------------|------------------------|---------------------|------------------------|------------------------|------------------------|------------------------|
| PRODUCT                                  | MONDAY<br>April 18     | TUESDAY<br>April 19 | WEDNESDAY<br>April 20  | THURSDAY<br>April 21   | FRIDAY<br>April 22     | WEEKLY<br>AVERAGE#     |
| CHEESE BARRELS                           | \$ 1.4200<br>(+0.0100) | \$ 1.4200<br>(N.C.) | \$ 1.4500<br>(+0.0300) | \$ 1.4250<br>(-0.0250) | \$ 1.4250<br>(-0.0250) | \$ 1.4280<br>(+0.0060) |
| CHEESE 40# BLOCKS                        | \$ 1.4275<br>(N.C.)    | \$ 1.4275<br>(N.C.) | \$ 1.4400<br>(+0.0125) | \$ 1.4225<br>(-0.0175) | \$ 1.4225<br>(-0.0175) | \$ 1.4280<br>(+0.0030) |
| BUTTER GRADE AA                          | \$ 2.0700<br>(N.C.)    | \$ 2.0700<br>(N.C.) | \$ 2.0400<br>(-0.0300) | \$ 2.0400<br>(N.C.)    | \$ 2.0300<br>(-0.0100) | \$ 2.0500<br>(-0.0380) |