



October 30, 2020



September Milk Pricing Survey Now Available



This week, California Dairy Campaign completed the September dairy producer milk pricing survey. The survey provides detailed information about milk pricing each month, monthly price comparisons (*pictured*) and ranks milk handlers based on prices paid to dairy producers since the survey began more than one year ago.

Dairy producers throughout the federal order system routinely share milk pricing information in order to have informed conversations with their milk handlers about milk prices paid. The more milk prices that we are able to include in the report the better to show pricing trends across the market. Thank you to everyone who submitted information about your milk price this month.

The reports California Dairy Campaign issues each month adjust each reported producer price for differing milk components to determine the

relationship to the federal order Class III milk price.

To anonymously submit your milk prices and to receive a copy of the milk pricing reports from September or previous months, contact California Dairy Campaign Field Representative Joe Melo at 209-216-7615 or email us at cdc@californiadairycampaign.com

California Mailbox Price 7th Highest August All Milk Price 6th Highest

Mailbox Milk Prices for Selected Reporting Areas in Federal Milk Orders, by Month, January – June 2020

Reporting Area *	Jan	Feb	Mar	Apr	May	Jun
<i>(dollars per hundredweight)</i>						
New England States *	19.72	19.03	18.38	15.01	13.60	15.64
New York	18.85	18.15	17.58	14.08	12.66	14.71
Eastern Pennsylvania *	18.96	18.14	17.60	14.10	12.89	14.92
Appalachian States *	20.04	18.58	18.72	16.05	14.57	14.86
Southeast States *	20.44	18.97	18.35	15.55	14.66	14.66
Southern Missouri *	19.78	18.14	17.72	13.85	12.82	14.66
Florida	22.11	20.25	20.17	17.63	17.25	15.94
Western Pennsylvania *	19.25	18.40	17.91	14.14	13.11	15.29
Ohio	19.19	18.62	18.01	14.26	13.61	15.18
Indiana	19.03	18.00	17.75	14.48	13.57	14.83
Michigan	17.50	16.77	15.78	12.16	11.20	13.70
Wisconsin	19.00	*19.15	*17.82	14.05	13.43	19.61
Minnesota	19.53	19.29	17.90	14.40	14.77	20.23
Iowa	19.00	18.38	17.36	13.44	13.90	18.37
Illinois	19.44	18.73	17.92	14.62	13.27	15.36
Corn Belt States *	17.31	17.09	16.03	12.21	12.00	16.15
Western Texas *	18.96	18.15	16.63	12.39	12.57	18.84
New Mexico	17.05	16.14	14.46	11.03	10.68	16.39
Northwest States *	19.18	18.53	17.82	14.11	12.71	17.16
California *	18.96	18.06	17.02	13.61	12.64	16.32
All Federal Order Areas *	*18.87	*18.20	*17.25	13.71	12.90	16.31

According to USDA, for the first six months of 2020, the mailbox milk price or net price paid to California dairy producers ranked 7th out of the 20 reported states and regions. The average mailbox price in California totaled \$16.32, just above the \$16.31 federal order average price. The Mailbox Milk Price Report is linked [here](#). The California All Milk Price in August totaled \$20 per cwt which

was the 6th highest price paid of the 24 reported states by USDA. The All Milk Price linked [here](#) is the price before deductions for hauling and includes quality, quantity, and other premiums.

Due to the establishment of the California federal order, the mailbox and All Milk prices paid in California are in line with prices paid in other states. Prior to the adoption of the federal order, prices paid to California dairy producers were routinely the lowest of one of the lowest mailbox and All Milk prices. California Dairy Campaign is calling for passage of a dairy growth management plan to improve milk prices paid overall which remain below production costs. **According to USDA the average cost of production in California totaled \$19.09 per cwt in 2019, the last reported time frame.** The USDA Milk Cost of Production Estimates showing mailbox and All Milk prices are well below production costs is linked [here](#).

**For more information
Call Executive Director Lynne McBride at 925-385-0217
or email us at cdc@californiadairycampaign.com**

Watch and Share the New Dairy Supply Management Video

Since it began over two years ago, California Dairy Campaign has been part of the [Dairy Together](#) coalition to join dairy farmers from

PULL TOGETHER

**SUPPORT
FAMILY
FARMERS**



dairytogether.com

across the country to call for an effective dairy supply management plan. The Dairy Together coalition includes a wide range of dairy farm organizations nationwide including Wisconsin Farmers Union. This past week, Wisconsin Farmers Union launched its newest short video focused on how supply

management can stabilize and improve milk prices paid to dairy producers.

**The video is now posted to the
WFU youtube channel-**

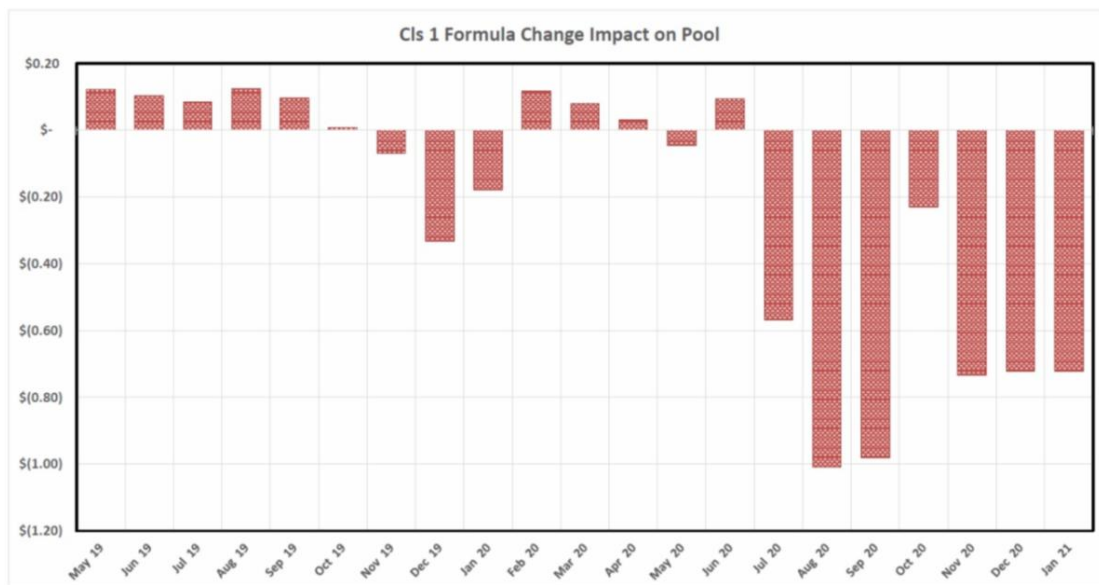
<https://www.youtube.com/channel/UCcbhZV2f9ygtm6ZRxxAKFjA> - and also at www.dairytogether.com

For more information

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Class I Price Change Impact on November Price Decreases Pool Price by 73 cents

Class I Formula Change Impact on California Pool Price



The California Statistical Uniform Price (SUP) or pool price in November is expected to be 73 cents lower due to the change to the Class I price formula passed in the last farm bill. *Nationwide the Class I price formula change lowered pool prices by over \$400 million.* The graph (above) shows how the Class I price change has and will continue to impact the pool or SUP price. The graph shows the impact since the federal order began in November 2018

projected through January, of 2021, based on current pricing trends.

Impact to California Pool Prices:

November Announced Class I Price: \$20.14

Class I Price Under Previous Higher of III & IV Formula: \$23.32

Decrease in Class I Price: -\$3.18 cwt

Expected decrease in Uniform or Pool Price: -73 cents

California Dairy Campaign opposed the Class I formula change and is calling on Congress to fix the Class I Formula. When the Class I formula change was debated, National Milk Producers Federation (NMPF) and International Dairy Foods Association (IDFA) both claimed the new Class I formula (**that eliminated the higher of Class III or IV and replaced it with an average of these two classes plus 74 cents**) would not negatively impact the Class I price. Normally formula changes must be passed by a referendum of dairy producers.

When the split between Class III and IV began earlier this year, CDC began raising this issue with lawmakers and dairy leaders. The futures market at that time was predicting that the Class III and IV would be in closer relationship towards the end of the year. The Class I formula change lowered producer pay prices by 23 cents in October. The November Class I price announcement shows that dairy producers will once again be paid significantly (-73 cents) less again this month due to the formula change.

CDC will continue to call on Congress to fix the Class I formula because it has significantly lowered producer pay prices and undermined the pooling system. Adding up the impact of the Class I price change each month so far this year, the total decrease is now approaching \$3.50 per cwt of one month's milk production. This week, National Milk Producers Federation staff indicated that NMPF would convene its Economic Policy Committee to "to examine alternatives or modifications" to the Class I Formula.

**For more information about federal order pricing
Contact Executive Director Lynne McBride
At 925-385-0217 or email at cdc@californiadairycampaign.com .**

**Register for the
California Dairy Sustainability Summit
November 5-6, 2020
A Virtual Event This Year**

**California Dairy
Sustainability Summit
to Take Place Virtually
next week November 5-**



The second California Dairy Sustainability Summit will take place virtually this November 5th and 6th. The online event will connect dairy farmers, state and local officials, researchers,

technology providers, and others, to promote the economic and environmental sustainability of dairy farms. The program will showcase how California's dairy farmers are leading the way in the development of planet-smart, sustainable farming practices. A wide variety of educational sessions will run from 10:00 a.m. to 2:00 p.m. on both days, promoting successful programs and partnerships, highlighting opportunities for dairy producers, and encouraging the development of new solutions were needed.

The online platform will host educational sessions, a virtual expo hall, and valuable networking opportunities to promote the advancement of dairy sustainability efforts in California and beyond. Attendees will learn about incentive programs and new technologies and strategies to further environmental sustainability, reduce emissions, conserve water resources, improve nutrient management and soil health, develop new business opportunities, improve operational efficiency, and reduce on-farm costs.

To learn more and to register, please visit www.cadairysummit.com.

For more information

**Contact Executive Director Lynne McBride
at 925-385-0217 or**

By email at cdc@californiadairycampaign.com

Oppose Prop 15



**Family Farmers
AGAINST PROP 15**

Family Farmers Against Prop 15

Prop 15 proposes the largest property tax increase in California history and is on the ballot at a time when many can least afford it. Agricultural Council strongly urges members and friends



**ALLIANCE OF
California's Farmers & Ranchers**

Proposition 15 is the split roll tax initiative that removes property tax protections for agriculture and commercial real estate preserved by Proposition 13 (1978). While

to OPPOSE Prop 15.

Ag Council is participating in and supporting the Family Farmers Against Prop 15 effort in collaboration with California Farm Bureau Federation and Western Growers.

Click the *Learn More* link to watch the video on YouTube.

LEARN MORE ›

Join Ag Council to Take Action & Oppose Prop 15

Prop 15 proposes a massive \$11.5 billion annual property tax increase and is on the California ballot during an unprecedented time with so many people facing challenges. Ag Council strongly urges members and friends to OPPOSE Prop 15.

For agriculture, Prop 15 would trigger reassessments at market value for agriculture-related facilities and improvements.

Though proponents say Prop 15 makes no changes to the taxation of agricultural land, our farming community is impacted because “fixtures and improvements” are subject to the tax hikes under the initiative.

What falls within the definition of “fixtures and improvements?” Dairies, barns, packinghouses, food processing facilities, buildings, structures and wineries are all “fixtures and improvements” and would be

advocates try to tell us, it provides additional funding for schools, we know better. Proposition 15 Hurts Family Farms. We know it means an increased expense of doing business, and an increased cost of living for all Californians.

The Alliance for California’s Farmers and Ranchers is concerned because if Prop 15 passes it will blow a hole in the economics for agriculture and commercial operations to use solar. There will be an added expense to install solar systems that protect the future of California. It will mean higher electricity prices for everyone. It will mean higher food costs at the grocery store for everyone.

Prop 15 is a devastating tax grab that threatens all of us with higher costs. It significantly raises taxes for California’s Farmers and Ranchers on everything we use to make our operations more efficient and cost effective. Ultimately hurting our ability to keep food costs affordable for all Californians.

We need your help to defeat this tax grab! Please join the fight and visit www.NoOnProp15.ag to contribute today.

The No on Prop 15 campaign, sponsored by the Alliance of California’s Farmers and Ranchers, is working in coordination with

reassessed under Prop 15. Agricultural improvements such as fruit and nut bearing trees and producing vineyards are included, as well.

Under Prop 15, property will be reassessed and property taxes will increase, which undermines the certainty and stability the current property tax system provides to the agricultural community in California.

TAKE ACTION

If you'd like to contribute to the No on Prop 15 effort, click the *Learn More* link below and scroll down to "Action Requested" for details on how you can help today. Don't delay, voting in California is underway NOW.

LEARN MORE ›

the overarching effort comprised of business leaders from throughout the state to educate voters about the negative impacts IF Proposition 15 passes in November.

Otherwise all you need to know is that the Yes on Prop. 15 campaign is well-funded by major labor unions and the election is less than 20 days away.

Your support can make the difference! Step up and do your part by contributing to the No on Prop 15 campaign today. Thank you!

More information online:
<https://www.noonprop15.ag/>

*California's Farmers & Ranchers
• Paid for by Alliance of
California's Farmers & Ranchers
Against Higher Property Taxes,
Stop Prop 15. Committee major
funding from California Dairies,
California Citrus Mutual, and
California Rice Industry
Association.*

CFAP 2 Sign Up Until December 11, 2020

The Coronavirus Food Assistance Program (CFAP) 2 payment sign up continues until December 11, 2020. Congress passed CFAP assistance for farmers to address the impacts of the ongoing pandemic on farmers of all commodities. Details About Dairy Assistance from USDA:

CFAP 2 Payments for Cow Milk

Payments for cow milk will be equal to the sum of the following:

1. The producer's total actual milk production from April 1, 2020, to August 31, 2020, multiplied by the payment \$1.20 per hundredweight; and
2. The producer's estimated milk production from September 1, 2020, to December 31, 2020, based on the daily average production from April

1, 2020, through August 31, 2020, multiplied by 122, multiplied by a payment rate of \$1.20 per hundredweight.

Throughout the ongoing COVID-19 pandemic, California Dairy Campaign (CDC) has called for assistance for dairy producers due to the pricing uncertainty and volatility caused by supply chain disruptions and other impacts of the ongoing crisis.

For more information visit the United States Department of Agriculture (USDA) Farm Service Agency website linked [here](#).

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