



United States
 Department of Agriculture
 Agricultural Marketing Service
 Dairy Program

CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

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ESTIMATED Federal Order Minimum Value for Selected California Products/Containers

Value reflects Federal order minimum cost of raw skim and butterfat in milk products at the base zone of the order (Los Angeles County, \$2.10) and effect of Processor Assessment (See Note 1) and certain other assumptions. Not included in these costs are the expenses of standardization, pasteurization, processing, packaging, labor, delivery, etc.

Type of Milk		Container Size Price					
		Gallon	Half Gallon	Quart	Pint	1/3 Quart	Half Pints
Whole 3.50%	July 2019	\$1.6771	\$0.8386	\$0.4193	\$0.2097	\$0.1398	\$0.1048
	August 2019	\$1.7385	\$0.8693	\$0.4346	\$0.2173	\$0.1449	\$0.1087
	September 2019	\$1.7352	\$0.8676	\$0.4338	\$0.2169	\$0.1446	\$0.1085
	October 2019	\$1.7344	\$0.8672	\$0.4336	\$0.2168	\$0.1445	\$0.1084
Reduced Fat 2.00%	July 2019	\$1.4127	\$0.7064	\$0.3532	\$0.1766	\$0.1177	\$0.0883
	August 2019	\$1.4719	\$0.7360	\$0.3680	\$0.1840	\$0.1227	\$0.0920
	September 2019	\$1.4714	\$0.7357	\$0.3679	\$0.1839	\$0.1226	\$0.0920
	October 2019	\$1.4870	\$0.7435	\$0.3718	\$0.1859	\$0.1239	\$0.0929
Lowfat 1.00%	July 2019	\$1.2611	\$0.6306	\$0.3153	\$0.1577	\$0.1051	\$0.0788
	August 2019	\$1.3191	\$0.6596	\$0.3298	\$0.1649	\$0.1099	\$0.0824
	September 2019	\$1.3200	\$0.6600	\$0.3300	\$0.1650	\$0.1100	\$0.0825
	October 2019	\$1.3470	\$0.6735	\$0.3368	\$0.1684	\$0.1123	\$0.0842
Nonfat 0.10%	July 2019	\$0.9266	\$0.4633	\$0.2317	\$0.1158	\$0.0772	\$0.0579
	August 2019	\$0.9812	\$0.4906	\$0.2453	\$0.1227	\$0.0818	\$0.0613
	September 2019	\$0.9861	\$0.4931	\$0.2465	\$0.1233	\$0.0822	\$0.0616
	October 2019	\$1.0213	\$0.5107	\$0.2553	\$0.1277	\$0.0851	\$0.0638

Type of Milk		Container Size Price Changes from the Previous Months					
Whole	August 2019	\$0.0614	\$0.0307	\$0.0153	\$0.0077	\$0.0051	\$0.0039
	September 2019	(\$0.0033)	(\$0.0017)	(\$0.0008)	(\$0.0004)	(\$0.0003)	(\$0.0002)
	October 2019	(\$0.0008)	(\$0.0004)	(\$0.0002)	(\$0.0001)	(\$0.0001)	(\$0.0001)
Reduced Fat	August 2019	\$0.0592	\$0.0296	\$0.0148	\$0.0074	\$0.0050	\$0.0037
	September 2019	(\$0.0005)	(\$0.0003)	(\$0.0001)	(\$0.0001)	(\$0.0001)	\$0.0000
	October 2019	\$0.0156	\$0.0078	\$0.0039	\$0.0020	\$0.0013	\$0.0009
Lowfat	August 2019	\$0.0580	\$0.0290	\$0.0145	\$0.0072	\$0.0048	\$0.0036
	September 2019	\$0.0009	\$0.0004	\$0.0002	\$0.0001	\$0.0001	\$0.0001
	October 2019	\$0.0270	\$0.0135	\$0.0068	\$0.0034	\$0.0023	\$0.0017
Nonfat	August 2019	\$0.0546	\$0.0273	\$0.0136	\$0.0068	\$0.0046	\$0.0034
	September 2019	\$0.0049	\$0.0025	\$0.0012	\$0.0006	\$0.0004	\$0.0003
	October 2019	\$0.0352	\$0.0176	\$0.0088	\$0.0044	\$0.0029	\$0.0022

<u>Class I Prices</u>		<u>Skim</u>	<u>Butterfat</u>	<u>Adv Class IV Prices</u>		<u>Skim</u>
July 2019		\$10.48	\$2.6759			\$7.78
August 2019		\$11.11	\$2.7060			\$7.87
September 2019		\$11.17	\$2.6785			\$7.76
October 2019		\$11.59	\$2.5600			\$7.84

Conversion Factors for Pricing Units

<u>Whole 3.5%/8.7% Gal.</u>	<u>Reduced 2%/10% Gal.</u>	<u>Lowfat 1%/11% Gal.</u>	<u>Nonfat 0.10%/9% Gal.</u>
8.61	8.66	8.70	8.63

Estimation Assumptions: Incoming milk tests 3.80% butterfat (BF) and 9.00% milk solids not fat (MSNF). Fortification is accomplished with condensed milk testing 33.5% MSNF. White milk products are fortified to California State Standards (BF/MSNF): Whole Milk 3.5%/8.7%; Reduced fat 2%/10%; Lowfat 1%/11%; Nonfat (skim) 0.10%/9%. In lieu of the final Class IV skim price which is not available before the 24th of the month, the advanced Class IV skim price is used. Pounds per gallon factors are based on the formula: $(100/(100+(BF\% \times 0.04811)-(MSNF\% \times 0.38556))) \times 8.3341$.

Note 1: All prices include the \$0.20 per cwt. Processor Assessment (Fluid Milk Promotion Order, 7 CFR, 1160.101 et seq.). These prices do not include any other assessments or costs associated with bottling milk.

Note 2: Prices were determined by a set of calculations which can be found on the FO 51 website (Sample Fortification Calculation).