



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 |
| <b>Whole</b><br><b>3.50%</b>       | April 2019 | \$1.5552             | \$0.7776    | \$0.3888 | \$0.1944 | \$0.1296  | \$0.0972   |
|                                    | May 2019   | \$1.6118             | \$0.8059    | \$0.4030 | \$0.2015 | \$0.1343  | \$0.1007   |
|                                    | June 2019  | \$1.6676             | \$0.8338    | \$0.4169 | \$0.2085 | \$0.1390  | \$0.1042   |
|                                    | July 2019  | \$1.6771             | \$0.8386    | \$0.4193 | \$0.2097 | \$0.1398  | \$0.1048   |
| <b>Reduced Fat</b><br><b>2.00%</b> | April 2019 | \$1.2952             | \$0.6476    | \$0.3238 | \$0.1619 | \$0.1079  | \$0.0810   |
|                                    | May 2019   | \$1.3558             | \$0.6779    | \$0.3390 | \$0.1695 | \$0.1130  | \$0.0847   |
|                                    | June 2019  | \$1.4132             | \$0.7066    | \$0.3533 | \$0.1767 | \$0.1178  | \$0.0883   |
|                                    | July 2019  | \$1.4127             | \$0.7064    | \$0.3532 | \$0.1766 | \$0.1177  | \$0.0883   |
| <b>Lowfat</b><br><b>1.00%</b>      | April 2019 | \$1.1440             | \$0.5720    | \$0.2860 | \$0.1430 | \$0.0953  | \$0.0715   |
|                                    | May 2019   | \$1.2072             | \$0.6036    | \$0.3018 | \$0.1509 | \$0.1006  | \$0.0755   |
|                                    | June 2019  | \$1.2676             | \$0.6338    | \$0.3169 | \$0.1585 | \$0.1056  | \$0.0792   |
|                                    | July 2019  | \$1.2611             | \$0.6306    | \$0.3153 | \$0.1577 | \$0.1051  | \$0.0788   |
| <b>Nonfat</b><br><b>0.10%</b>      | April 2019 | \$0.8284             | \$0.4142    | \$0.2071 | \$0.1036 | \$0.0690  | \$0.0518   |
|                                    | May 2019   | \$0.8946             | \$0.4473    | \$0.2237 | \$0.1118 | \$0.0746  | \$0.0559   |
|                                    | June 2019  | \$0.9439             | \$0.4720    | \$0.2360 | \$0.1180 | \$0.0787  | \$0.0590   |
|                                    | July 2019  | \$0.9266             | \$0.4633    | \$0.2317 | \$0.1158 | \$0.0772  | \$0.0579   |

| Type of Milk       |           | Container Size Price Changes from the Previous Months |            |            |            |            |            |
|--------------------|-----------|---|------------|------------|------------|------------|------------|
| <b>Whole</b>       | May 2019  | \$0.0566  | \$0.0283   | \$0.0142   | \$0.0071   | \$0.0047   | \$0.0035   |
|                    | June 2019 | \$0.0558  | \$0.0279   | \$0.0139   | \$0.0070   | \$0.0047   | \$0.0035   |
|                    | July 2019 | \$0.0095  | \$0.0048   | \$0.0024   | \$0.0012   | \$0.0008   | \$0.0006   |
| <b>Reduced Fat</b> | May 2019  | \$0.0606  | \$0.0303   | \$0.0152   | \$0.0076   | \$0.0051   | \$0.0037   |
|                    | June 2019 | \$0.0574  | \$0.0287   | \$0.0143   | \$0.0072   | \$0.0048   | \$0.0036   |
|                    | July 2019 | (\$0.0005)  | (\$0.0002) | (\$0.0001) | (\$0.0000) | (\$0.0001) | \$0.0000   |
| <b>Lowfat</b>      | May 2019  | \$0.0632  | \$0.0316   | \$0.0158   | \$0.0079   | \$0.0053   | \$0.0040   |
|                    | June 2019 | \$0.0604  | \$0.0302   | \$0.0151   | \$0.0076   | \$0.0050   | \$0.0037   |
|                    | July 2019 | (\$0.0065)  | (\$0.0032) | (\$0.0016) | (\$0.0008) | (\$0.0005) | (\$0.0004) |
| <b>Nonfat</b>      | May 2019  | \$0.0662  | \$0.0331   | \$0.0166   | \$0.0083   | \$0.0056   | \$0.0041   |
|                    | June 2019 | \$0.0493  | \$0.0247   | \$0.0123   | \$0.0062   | \$0.0041   | \$0.0031   |
|                    | July 2019 | (\$0.0173)  | (\$0.0087) | (\$0.0043) | (\$0.0022) | (\$0.0015) | (\$0.0011) |

|            | <u>Class I Prices</u> | <u>Skim</u> | <u>Butterfat</u> | <u>Adv Class IV Prices</u> | <u>Skim</u> |
|------------|-----------------------|-------------|------------------|----------------------------|-------------|
| April 2019 |                       | \$9.35      | \$2.5829         |                            | \$7.05      |
| May 2019   |                       | \$10.12     | \$2.5585         |                            | \$7.02      |
| June 2019  |                       | \$10.69     | \$2.5864         |                            | \$7.56      |
| July 2019  |                       | \$10.48     | \$2.6759         |                            | \$7.78      |

Conversion Factors for Pricing Units

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