



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> <b>3.50%</b>	November 2018	\$1.5346	\$0.7673	\$0.3837	\$0.1918	\$0.1279	\$0.0959
	December 2018	\$1.4934	\$0.7467	\$0.3734	\$0.1867	\$0.1245	\$0.0933
	January 2019						
	February 2019						
<b>Reduced Fat</b> <b>2.00%</b>	November 2018	\$1.2681	\$0.6341	\$0.3170	\$0.1585	\$0.1057	\$0.0793
	December 2018	\$1.2314	\$0.6157	\$0.3079	\$0.1539	\$0.1026	\$0.0770
	January 2019						
	February 2019						
<b>Lowfat</b> <b>1.00%</b>	November 2018	\$1.1099	\$0.5550	\$0.2775	\$0.1388	\$0.0925	\$0.0694
	December 2018	\$1.0767	\$0.5384	\$0.2692	\$0.1346	\$0.0897	\$0.0673
	January 2019						
	February 2019						
<b>Nonfat</b> <b>0.10%</b>	November 2018	\$0.8077	\$0.4039	\$0.2019	\$0.1010	\$0.0673	\$0.0505
	December 2018	\$0.7738	\$0.3869	\$0.1935	\$0.0967	\$0.0645	\$0.0484
	January 2019						
	February 2019						

Type of Milk		Container Size Price Changes from the Previous Months					
<b>Whole</b>	December 2018	(\$0.0412)	(\$0.0206)	(\$0.0103)	(\$0.0051)	(\$0.0034)	(\$0.0026)
	January 2019						
	February 2019						
<b>Reduced Fat</b>	December 2018	(\$0.0367)	(\$0.0184)	(\$0.0091)	(\$0.0046)	(\$0.0031)	(\$0.0023)
	January 2019						
	February 2019						
<b>Lowfat</b>	December 2018	(\$0.0332)	(\$0.0166)	(\$0.0083)	(\$0.0042)	(\$0.0028)	(\$0.0021)
	January 2019						
	February 2019						
<b>Nonfat</b>	December 2018	(\$0.0339)	(\$0.0170)	(\$0.0084)	(\$0.0042)	(\$0.0028)	(\$0.0021)
	January 2019						
	February 2019						

		<u>Class I Prices</u>		<u>Adv Class IV Prices</u>	
		Skim	Butterfat	Skim	
	November 2018	\$9.11	\$2.5808	\$6.26	
	December 2018	\$8.72	\$2.5516	\$6.42	
	January 2019				
	February 2019				

<u>Conversion Factors for Pricing Units</u>			
<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).