



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>	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
	August 2019	\$1.7385	\$0.8693	\$0.4346	\$0.2173	\$0.1449	\$0.1087
<b>Reduced Fat</b> <b>2.00%</b>	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
	August 2019	\$1.4719	\$0.7360	\$0.3680	\$0.1840	\$0.1227	\$0.0920
<b>Lowfat</b> <b>1.00%</b>	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
	August 2019	\$1.3191	\$0.6596	\$0.3298	\$0.1649	\$0.1099	\$0.0824
<b>Nonfat</b> <b>0.10%</b>	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
	August 2019	\$0.9812	\$0.4906	\$0.2453	\$0.1227	\$0.0818	\$0.0613
Type of Milk		Container Size Price Changes from the Previous Months					
<b>Whole</b>	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
	August 2019	\$0.0614	\$0.0307	\$0.0153	\$0.0077	\$0.0051	\$0.0039
<b>Reduced Fat</b>	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
	August 2019	\$0.0592	\$0.0296	\$0.0148	\$0.0074	\$0.0050	\$0.0037
<b>Lowfat</b>	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)
	August 2019	\$0.0580	\$0.0290	\$0.0145	\$0.0072	\$0.0048	\$0.0036
<b>Nonfat</b>	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)
	August 2019	\$0.0546	\$0.0273	\$0.0136	\$0.0068	\$0.0046	\$0.0034
<b>Class I Prices</b>		Skim	Butterfat	<b>Adv Class IV Prices</b>		Skim	
		May 2019	\$10.12	\$2.5585			\$7.02
		June 2019	\$10.69	\$2.5864			\$7.56
		July 2019	\$10.48	\$2.6759			\$7.78
		August 2019	\$11.11	\$2.7060			\$7.87

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).