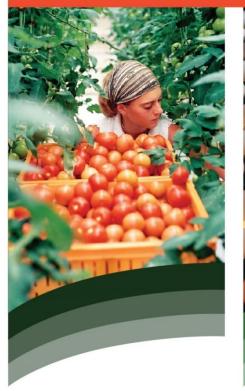
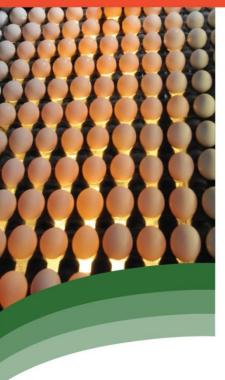


Creating Opportunities for American Farmers and Businesses









Creating Opportunities for American Farmers and Businesses

Handler Training Module 4: Pool Pricing

Educational materials prepared by USDA AMS Staff

Handler Training: Pool Pricing

Content:

- Class Prices
- Allocation Process
- Statistical Uniform Price Calculation
- Producer Price Differential Discussion
- Sample Handler Obligation

Class Prices

There are 4 Classes in the FO system:

- Class I Fluid Milk
- Class II Ice cream, yogurt, etc.
- Class III Cheese
- Class IV Butter and powder

Class Prices

There are two sets of announcements:

- Class I Price and Advanced Pricing Factors
- Final Class and Component Prices

Advanced: On or before the 23rd



CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

United States
Department of Agriculture
Agricultural Marketing Service
Dairy Program

Tel.: (530) 662-2037 — Fax: (844) 206-7024 email: market.admin@cafmmo.com website: www.cafmmo.com

Mailing Address: 221 W Court St, Ste. 3B Woodland, CA 95695-2983

(Example) ANNOUNCEMENT OF CLASS I PRICE AND ADVANCED PRICING FACTORS^{1/}

	May 2018
CLASS I PRICE (LOS ANGELES COUNTY, CA)	
Class I Price at 3.5% Butterfat (per cwt.)	\$16.54
Processor Assessment ^{3/}	0.20
Total (per cwt.)	\$16.74
Class I Skim Price (per cwt.) ^{4/}	\$8.08
Class I Butterfat Price (per lb.) ^{5/}	\$2.4987
CLASS II	
Class II Skim Price (per cwt.) ^{6/}	\$5.45
Class II Nonfat Solids Price (per lb.)	\$0.6056
ADVANCED PRICING FACTORS	
Advanced Class III Skim Milk Pricing Factor (per cwt.)	\$5.98
Advanced Class IV Skim Milk Pricing Factor (per cwt.)	\$4.75
Advanced Butterfat Pricing Factor (per lb.)	\$2.4777
TWO-WEEK PRODUCT PRICE AVERAGES	
Butter (per lb.)	\$2.2175
Cheese (per lb.)	\$1.5730
Dry Whey (per lb.)	\$0.2575
Nonfat Dry Milk (per lb.)	\$0.7004

See Price Formulas at https://www.ams.usda.gov/resources/price-formulas.

Released: (Sample) April 18, 2018

(Class I prices by location on next page.)

prices by location on next page.)

The Class I Price announced for the California Marketing Area is per hundredweight at 3.5% butterfat at the Los Angeles County, CA location differential of \$2.10.

The 20-cent per hundredweight processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seg.) imposed on any person who processes and markets commercially more than 3 million pounds of packaged fluid milk products on a monthly basis. Deliveries to consumer residences are excluded. Effective February 29, 2016, processors of certified "organic" and "100 percent organic" fluid milk products may apply for an organic assessment exemption for those products.

^{4/} The Class I skim price for the California Marketing Area is the higher of the advanced Class III or IV skim milk pricing factors plus \$2.10, subject to any adjustment for location.

The Class I butterfat price for the California Marketing Area is the advanced butterfat pricing factor plus \$0.0210 (\$2.10 divided by 100), subject to any adjustment for location.

The Class II skim price is the advanced Class IV skim milk pricing factor plus \$0.70.

Advanced: Base Skim & Butterfat



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(Example) ANNOUNCEMENT OF CLASS I PRICE AND ADVANCED PRICING FACTORS^{1/}

	May 2018
CLASS I PRICE (LOS ANGELES COUNTY, CA)	
Class I Price at 3.5% Butterfat (per cwt.)	\$16.54
Processor Assessment ^{3/}	0.20
Total (per cwt.)	\$16.74
Class I Skim Price (per cwt.)4/	\$8.08
Class I Butterfat Price (per lb.) ^{5/}	\$2.4987
CLASS II	
Class II Skim Price (per cwt.) ^{6/}	\$5.45
Class II Nonfat Solids Price (per lb.)	\$0.6056
ADVANCED PRICING FACTORS	
Advanced Class III Skim Milk Pricing Factor (per cwt.)	\$5.98
Advanced Class IV Skim Milk Pricing Factor (per cwt.)	\$4.75
Advanced Butterfat Pricing Factor (per lb.)	\$2.4777
TWO-WEEK PRODUCT PRICE AVERAGES	
Butter (per lb.)	\$2.2175
Cheese (per lb.)	\$1.5730
Dry Whey (per lb.)	\$0.2575
Nonfat Dry Milk (per lb.)	\$0.7004

Released: (Sample) April 18, 2018

(Class I prices by location on next page.)

The Class I Price announced for the California Marketing Area is per hundredweight at 3.5% butterfat at the Los Angeles County, CA location differential of \$2.10.

^{3/} The 20-cent per hundredweight processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seg.) imposed on any person who processes and markets commercially more than 3 million pounds of packaged fluid milk products on a monthly basis. Deliveries to consumer residences are excluded. Effective February 29, 2016, processors of certified "organic" and "100 percent organic" fluid milk products may apply for an organic assessment exemption for those products

The Class I skim price for the California Marketing Area is the higher of the advanced Class III or IV skim milk pricing factors plus \$2.10, subject to any adjustment for location.

The Class I butterfat price for the California Marketing Area is the advanced butterfat pricing factor plus \$0.0210 (\$2.10 divided by 100), subject to any adjustment for location.

The Class II skim price is the advanced Class IV skim milk pricing factor plus \$0.70.

Advanced: Class I Differential

- The Class I Differential is a constant rate added to the base skim and base butterfat
- The rate varies by county
- Rates for all counties are available in §1000.52

The FO 51 Class I Price Announcement will use the rate for

Los Angeles County, CA of \$2.10

Advanced: Class I Differential



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(Example) ANNOUNCEMENT OF CLASS I PRICE AND ADVANCED PRICING FACTORS^{1/}

	May 2018
LASS I PRICE (LOS ANGELES COUNTY, CA)	
Class I Price at 3.5% Butterfat (per cwt.)24	\$16.54
Processor Assessment ^{3/}	0.20
Total (per cwt.)	\$16.74
Class I Skim Price (per cwt.) ^{4/}	\$8.08
Class I Butterfat Price (per lb.) ^{5/}	\$2.4987
CLASS II	
Class II Skim Price (per cwt.) ^{6/}	\$5.45
Class II Nonfat Solids Price (per lb.)	\$0.6056
ADVANCED PRICING FACTORS	
Advanced Class III Skim Milk Pricing Factor (per cwt.)	\$5.98
Advanced Class IV Skim Milk Pricing Factor (per cwt.)	\$4.75
Advanced Butterfat Pricing Factor (per lb.)	\$2.4777
TWO-WEEK PRODUCT PRICE AVERAGES	
Butter (per lb.)	\$2.2175
Cheese (per lb.)	\$1.5730
Dry Whey (per lb.)	\$0.2575
Nonfat Dry Milk (per lb.)	\$0.7004

See Price Formulas at https://www.ams.usda.gov/resources/price-formulas.

(Class I prices by location on next page.)

Cary Hunter
Acting Market Administrator

Released: (Sample) April 18, 2018

The Class I Price announced for the California Marketing Area is per hundredweight at 3.5% butterfat at the Los Angeles County, CA location differential of \$2.10.

The 20-cent per hundredweight processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seg.) imposed on any person who processes and markets commercially more than 3 million pounds of packaged fluid milk products on a monthly basis. Deliveries to consumer residences are excluded. Effective February 29, 2016, processors of certified "organic" and "100 percent organic" fluid milk products may apply for an organic assessment exemption for those products.

^{4/} The Class I skim price for the California Marketing Area is the higher of the advanced Class III or IV skim milk pricing factors plus \$2.10, subject to any adjustment for location.

The Class I butterfat price for the California Marketing Area is the advanced butterfat pricing factor plus \$0.0210 (\$2.10 divided by 100), subject to any adjustment for location.

The Class II skim price is the advanced Class IV skim milk pricing factor plus \$0.70.

Advanced: Class II Skim & NFS



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(Example) ANNOUNCEMENT OF CLASS I PRICE AND ADVANCED PRICING FACTORS^{1/}

	May 2018
ASS I PRICE (LOS ANGELES COUNTY, CA)	
Class I Price at 3.5% Butterfat (per cwt.)	\$16.54
Processor Assessment ^{3/}	0.20
Total (per cwt.)	\$16.74
Class I Skim Price (per cwt.) ^{4/}	\$8.08
Class I Butterfat Price (per lb.) ^{5/}	\$2.4987
LASS II	
Class II Skim Price (per cwt.) ^{6/}	\$5.45
Class II Nonfat Solids Price (per lb.)	\$0.6056
ADVANCED PRICING FACTORS	
Advanced Class III Skim Milk Pricing Factor (per cwt.)	\$5.98
Advanced Class IV Skim Milk Pricing Factor (per cwt.)	\$4.75
Advanced Butterfat Pricing Factor (per lb.)	\$2.4777
TWO-WEEK PRODUCT PRICE AVERAGES	
Butter (per lb.)	\$2.2175
Cheese (per lb.)	\$1.5730
Dry Whey (per lb.)	\$0.2575
Nonfat Dry Milk (per lb.)	\$0.7004

See Price Formulas at https://www.ams.usda.gov/resources/price-formulas.

(Class I prices by location on next page.)

Cary Hunter Acting Market Administrator

Released: (Sample) April 18, 2018

The Class I Price announced for the California Marketing Area is per hundredweight at 3.5% butterfat at the Los Angeles County, CA location differential of \$2.10.

^{3/4} The 20-cent per hundredweight processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seq.) imposed on any person who processes and markets commercially more than 3 million pounds of packaged fluid milk products on a monthly basis. Deliveries to consumer residences are excluded. Effective February 29, 2016, processors of certified "organic" and "100 percent organic" fluid milk products may apply for an organic assessment exemption for those products.

^{4/} The Class I skim price for the California Marketing Area is the higher of the advanced Class III or IV skim milk pricing factors plus \$2.10, subject to any adjustment for location.

^{5//} The Class I butterfat price for the California Marketing Area is the advanced butterfat pricing factor plus \$0.0210 (\$2.10 divided by 100), subject to any adjustment for location.

The Class II skim price is the advanced Class IV skim milk pricing factor plus \$0.70.

Advanced: Two-Week Survey



CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

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Mailing Address: 221 W Court St, Ste. 3B Woodland, CA 95695-2983

(Example) ANNOUNCEMENT OF CLASS I PRICE AND ADVANCED PRICING FACTORS^{1/}

	May 2018
CLASS I PRICE (LOS ANGELES COUNTY, CA)	-
Class I Price at 3.5% Butterfat (per cwt.)	\$16.54
Processor Assessment ^{3/}	0.20
Total (per cwt.)	\$16.74
Class I Skim Price (per cwt.) ^{4/}	\$8.08
Class I Butterfat Price (per lb.) ^{5/}	\$2.4987
CLASS II	
Class II Skim Price (per cwt.) ^{6/}	\$5.45
Class II Nonfat Solids Price (per lb.)	\$0.6056
ADVANCED PRICING FACTORS	
Advanced Class III Skim Milk Pricing Factor (per cwt.)	\$5.98
Advanced Class IV Skim Milk Pricing Factor (per cwt.)	\$4.75
Advanced Butterfat Pricing Factor (per lb.)	\$2.4777
TWO-WEEK PRODUCT PRICE AVERAGES	
Butter (per lb.)	\$2.2175
Cheese (per lb.)	\$1.5730
Dry Whey (per lb.)	\$0.2575
Nonfat Dry Milk (per lb.)	\$0.7004

See Price Formulas at https://www.ams.usda.gov/resources/price-formulas.

(Class I prices by location on next page.)

Cary Hunter Acting Market Administrator

Released: (Sample) April 18, 2018

The Class I Price announced for the California Marketing Area is per hundredweight at 3.5% butterfat at the Los Angeles County, CA location differential of \$2.10.

The 20-cent per hundredweight processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seg.) imposed on any person who processes and markets commercially more than 3 million pounds of packaged fluid milk products on a monthly basis. Deliveries to consumer residences are excluded. Effective February 29, 2016, processors of certified "organic" and "100 percent organic" fluid milk products may apply for an organic assessment exemption for those products.

^{4/} The Class I skim price for the California Marketing Area is the higher of the advanced Class III or IV skim milk pricing factors plus \$2.10, subject to any adjustment for location.

The Class I butterfat price for the California Marketing Area is the advanced butterfat pricing factor plus \$0.0210 (\$2.10 divided by 100), subject to any adjustment for location.

The Class II skim price is the advanced Class IV skim milk pricing factor plus \$0.70

Advanced Price: Summary

Class I Price and Advanced Pricing Factors

- On or before the 23rd of each month
- Base Skim and Base Butterfat same across US
- Class I Differentials apply on a county basis
- Class II Skim and Nonfat Solids Announced
- Based on two weeks of AMS surveys
- Does not include a "fluid carrier"

Final: On or before the 5th



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(Example) ANNOUNCEMENT OF CLASS AND COMPONENT PRICES1/

email: market.admin@cafmmo.com

website: www.cafmmo.com

	May 2018
CLASS I PRICE (LOS ANGELES COUNTY, CA)21 31	\$16.54
Processor Assessment ^{4/}	\$0.20
Total (per cwt.)	\$16.74
Skim Milk Price (per cwt.)2/	\$8.08
Butterfat Price (per lb.)2/	\$2.4987
CLASS II PRICE3/	\$14.47
Skim Milk Price (per cwt.)2/	\$5.45
Butterfat Price (per lb.)	\$2.6309
Nonfat Solids Price (per lb.) ^{2/}	\$0.6056
CLASS III PRICE3/	\$15.18
Skim Milk Price (per cwt.)	\$6.21
Butterfat Price (per lb.)	\$2.6239
Protein Price (per lb.)	\$1.8609
Other Solids Price (per lb.)	\$0.0742
CLASS IV PRICE31	\$14.57
Skim Milk Price (per cwt.)	\$5.58
Butterfat Price (per lb.)	\$2.6239
Nonfat Solids Price (per lb.)	\$0.6196
MONTHLY COMPONENT PR	RICES
Butterfat Price (per lb.)	\$2.6239
Protein Price (per lb.)	\$1.8609
Other Solids Price (per lb.)	\$0.0742
Nonfat Solids Price (per lb.)	\$0.6196
MONTHLY PRODUCT PRICE AV	/ERAGES
Butter (per lb.)	\$2.3382
Cheese (per lb.)	\$1.6353
Dry Whey (per lb.)	\$0.2711
Nonfat Dry Milk (per lb.)	\$0.7937

See Price Formulas at https://www.ams.usda.gov/resources/price-formulas.

Previoulsly announced in Announcement of Class I Price and Advanced Pricing Factors. Class I prices are announced at the Los Angeles

County, CA location differential of \$2.10 per hundredweight.

The Class prices announced are per hundredweight at 3.5% butterfat.

The 20-cent per hundredweight processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seq.) imposed on any person who processes and markets commercially more than 3 million pounds of packaged fluid milk products on a monthly basis. Deliveries to consumer residences are excluded. Effective February 29, 2016, processors of certified "organic" and "100 percent organic" fluid milk products may apply for an organic assessment exemption for those products.

Final: Class II, III and IV



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Mailing Address: 221 W Court St, Ste. 3B Woodland, CA 95695-2983

(Example) ANNOUNCEMENT OF CLASS AND COMPONENT PRICES^{1/}

	May 2018
CLASS I PRICE (LOS ANGELES COUNTY, CA)2131	\$16.54
Processor Assessment ^{4/}	\$0.20
Total (per cwt.)	\$16.74
Skim Milk Price (per cwt.)2/	\$8.08
Butterfat Price (per lb.) ²¹	\$2.4987
CLASS II PRICE3/	\$14.47
Skim Milk Price (per cwt.) ^{2/}	\$5.45
Butterfat Price (per lb.)	\$2.6309
Nonfat Solids Price (per lb.) ^{2/}	\$0.6056
CLASS III PRICE3/	\$15.18
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Butterfat Price (per lb.)	\$2.6239
Protein Price (per lb.)	\$1.8609
Other Solids Price (per lb.)	\$0.0742
CLASS IV PRICE ^{3/}	\$14.57
Skim Milk Price (per cwt.)	\$5.58
Butterfat Price (per lb.)	\$2.6239
Nonfat Solids Price (per lb.)	\$0.6196
MONTHLY COMPONENT PRI	CES
Butterfat Price (per lb.)	\$2.6239
Protein Price (per lb.)	\$1.8609
Other Solids Price (per lb.)	\$0.0742
Nonfat Solids Price (per lb.)	\$0.6196
MONTHLY PRODUCT PRICE AVE	ERAGES
Butter (per lb.)	\$2.3382
Cheese (per lb.)	\$1.6353
Dry Whey (per lb.)	\$0.2711
Nonfat Dry Milk (per lb.)	\$0.7937

See Price Formulas at https://www.ams.usda.gov/resources/price-formulas.

Released: (Sample) May 31, 2018

Previously announced in Announcement of Class I Price and Advanced Pricing Factors. Class I prices are announced at the Los Angeles County, CA location differential of \$2.10 per hundredweight.

The Class prices announced are per hundredweight at 3.5% butterfat.

The 20-cent per hundredweight processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seg.) imposed on any person who processes and markets commercially more than 3 million pounds of packaged fluid milk products on a monthly basis. Deliveries to consumer residences are excluded. Effective February 29, 2016, processors of certified "organic" and "100 percent organic" fluid milk products may apply for an organic assessment exemption for those products.

Final: Components



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(Example) ANNOUNCEMENT OF CLASS AND COMPONENT PRICES^{1/}

	May 2018
CLASS I PRICE (LOS ANGELES COUNTY, CA)21 31	\$16.54
Processor Assessment ^{4/}	\$0.20
Total (per cwt.)	\$16.74
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Skim Milk Price (per cwt.)	\$6.21
Butterfat Price (per lb.)	\$2.6239
Protein Price (per lb.)	\$1.8609
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MONTHLY PRODUCT PRICE AVERAG	ES
Butter (per lb.)	\$2.3382
Cheese (per lb.)	\$1.6353
Dry Whey (per lb.)	\$0.2711
Nonfat Dry Milk (per lb.)	\$0.7937

See Price Formulas at https://www.ams.usda.gov/resources/price-formulas.

Released: (Sample) May 31, 2018

²º Previously announced in Announcement of Class I Price and Advanced Pricing Factors. Class I prices are announced at the Los Angeles County, CA location differential of \$2.10 per hundredweight.

The Class prices announced are per hundredweight at 3.5% butterfat.

⁴⁴ The 20-cent per hundredweight processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seq.) imposed on any person who processes and markets commercially more than 3 million pounds of packaged fluid milk products on a monthly basis. Deliveries to consumer residences are excluded. Effective February 29, 2016, products.
Deliveries to consumer residences are excluded. Effective February 29, 2016, products.

Final: One Month Survey



CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

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(Example) ANNOUNCEMENT OF CLASS AND COMPONENT PRICES^{1/}

	May 2018
CLASS I PRICE (LOS ANGELES COUNTY, CA)21 31	\$16.54
Processor Assessment ^{4/}	\$0.20
Total (per cwt.)	\$16.74
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Butterfat Price (per lb.)	\$2.6309
Nonfat Solids Price (per lb.) ^{2/}	\$0.6056
CLASS III PRICE ^{3/}	\$15.18
Skim Milk Price (per cwt.)	\$6.21
Butterfat Price (per lb.)	\$2.6239
Protein Price (per lb.)	\$1.8609
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MONTHLY COMPONENT PR	RICES
Butterfat Price (per lb.)	\$2.6239
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MONTHLY PRODUCT PRICE AV	/ERAGES
Butter (per lb.)	\$2.3382
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Dry Whey (per lb.)	\$0.2711
Nonfat Dry Milk (per lb.)	\$0.7937

See Price Formulas at https://www.ams.usda.gov/resources/price-formulas.

Released: (Sample) May 31, 2018

Previoulsly announced in Announcement of Class I Price and Advanced Pricing Factors. Class I prices are announced at the Los Angeles

County, CA location differential of \$2.10 per hundredweight.

The Class prices announced are per hundredweight at 3.5% butterfat.

⁴⁴ The 20-cent per hundredweight processor assessment is an obligation under the Fluid Milk Promotion Order (7CFR§1160.101 et seq.) imposed on any person who processes and markets commercially more than 3 million pounds of packaged fluid milk products on a monthly basis. Deliveries to consumer residences are excluded. Effective February 29, 2016, processors of certified "organic" and "100 percent organic" fluid milk products may apply for an organic assessment exemption for those products.

Final Price: Summary

Final Class and Component Prices

- On or before the 5th of each month. Every month.
- Class II, III and IV are the same across FO's
- Component Prices are the same across all FO's
- Based on four (or five) weeks of AMS surveys

Bridging Class and Uniform Prices



Allocation Process: Overview

 The allocation process determines the classification of Producer Milk by subtracting the handler's receipts from the handler's gross utilization

 All Federal Orders share the same process, and the steps are provided in detail in §1000.43- §1000.44

Allocation Process: Sample Market

Allocation - Masterpeg

					Alle	ocation			
Section	Description	Clas	ss I	Cla	ss II	Cla	ss III	Class	IV
		Skim	Butterfat	Skim	Butterfat	Skim	Butterfat	Skim	Butterfat
40	Gross Utilization, in Each Class	172,738,000	4,061,000	99,475,000	6,344,000	433,893,000	16,517,000	312,080,000	14,454,000
44(a & b)(1)(i)	Pkg FMP - Unreg Supply Plant	400,000	23,000	0	0	0	0	0	0
44(a & b)(1)(ii)	Open Inv: Pkg FMP	22,000,000	638,000	0	0	0	0	0	0
44(a & b)(2)	BulkConc FMP & Other Source-Cl II	0	0	2,300,000	2,000	0	0	0	0
44(a & b)(3)(i)	BulkConc FMP,Other Source-CI III,IV	0	0	0	62,000	0	2,000	9,600,000	49,000
44(a & b)(3)(iv)	Producer-Handler	0	0	0	0	0	0	540,000	9,000
44(a & b)(3)(v)	FMP- Dairy Farmer for Other Markets	0	0	0	31,000	346,000	0	1,013,000	25,000
44(a & b)(4)	FMP Unreg Sup Plant-Not Req Class I	0	0	0	0	0	0	260,000	2,000
44(a & b)(5)	Excess FMP Unreg Sup Plant	0	0	0	0	0	0	0	1,000
44(a & b)(7)	Remaining Inventory	0	0	411,000	21,000	62,000	0	14,100,000	865,000
44(a & b)(8)	FMP Unreg Sup Plant-ReqCII+Rem44(5)	18,000	0	0	0	0	0	2,000	0
44(a & b)(10)	FMP & Bulk FCP from Pool Plants	3,620,000	100,000	1,764,000	1,228,000	0	0	65,000	3,000
44(c)	PM in Each Class-Skim & Bfat	146,700,000	3,300,000	95,000,000	5,000,000	433,485,000	16,515,000	286,500,000	13,500,000
Producer Milk In Ea	ach Class (Product Pounds)	150,000,000		100,000,000		450,000,000		300,000,000	
Total Producer Milk	c - All Classes (Product Pounds)	1,000,000,000	38,315,000						
Producer Butterfat	Test	3.83%							
Percentage Utilizat	ion of Producer Milk	15.00%		10.00%		45.009	%	30.00%	

Allocation Process: Utilization

Allocation - Masterpeg

		Allocation							
Section	Description	Clas	ss I Class II		Class III		Class IV		
		Skim	Butterfat	Skim	Butterfat	Skim	Butterfat	Skim	Butterfat
40	Gross Utilization, in Each Class	172,738,000	4,061,000	99,475,000	6,344,000	433,893,000	16,517,000	312,080,000	14,454,000

Allocation Process: Receipts

Allocation - Masterpeg

					Alle	ocation			
Section	Description	Cla	ss I	Class II		s II Class III		Class IV	
		Skim	Butterfat	Skim	Butterfat	Skim	Butterfat	Skim	Butterfat
40	Gross Utilization, in Each Class	172,738,000	4,061,000	99,475,000	6,344,000	433,893,000	16,517,000	312,080,000	14,454,000
44(a & b)(1)(i)	Pkg FMP - Unreg Supply Plant	400,000	23,000	0	0	0	0	0	0
44(a & b)(1)(ii)	Open Inv: Pkg FMP	22,000,000	638,000	0	0	0	0	0	0
44(a & b)(2)	BulkConc FMP & Other Source-Cl II	0	0	2,300,000	2,000	0	0	0	0
44(a & b)(3)(i)	BulkConc FMP,Other Source-Cl III,IV	0	0	0	62,000	0	2,000	9,600,000	49,000
44(a & b)(3)(iv)	Producer-Handler	0	0	0	0	0	0	540,000	9,000
44(a & b)(3)(v)	FMP- Dairy Farmer for Other Markets	0	0	0	31,000	346,000	0	1,013,000	25,000
44(a & b)(4)	FMP Unreg Sup Plant-Not Req Class I	0	0	0	0	0	0	260,000	2,000
44(a & b)(5)	Excess FMP Unreg Sup Plant	0	0	0	0	0	0	0	1,000
44(a & b)(7)	Remaining Inventory	0	0	411,000	21,000	62,000	0	14,100,000	865,000
44(a & b)(8)	FMP Unreg Sup Plant-ReqCII+Rem44(5)	18,000	0	0	0	0	0	2,000	0
44(a & b)(10)	FMP & Bulk FCP from Pool Plants	3,620,000	100,000	1,764,000	1,228,000	0	0	65,000	3,000

Allocation Process: Producer Milk

Allocation - Masterpeg

Federal Order No. XYZ Month YYYY

A II - - - 4: - --

					Alle	ocation			
Section	Description	Class I		Cla	iss II	Cla	class III Class		IV
		Skim	Butterfat	Skim	Butterfat	Skim	Butterfat	Skim	Butterfat
40	Gross Utilization, in Each Class	172,738,000	4,061,000	99,475,000	6,344,000	433,893,000	16,517,000	312,080,000	14,454,000
44(a & b)(1)(i)	Pkg FMP - Unreg Supply Plant	400,000	23,000	0	0	0	0	0	0
44(a & b)(1)(ii)	Open Inv: Pkg FMP	22,000,000	638,000	0	0	0	0	0	0
44(a & b)(2)	BulkConc FMP & Other Source-Cl II	0	0	2,300,000	2,000	0	0	0	0
44(a & b)(3)(i)	BulkConc FMP,Other Source-Cl III,IV	0	0	0	62,000	0	2,000	9,600,000	49,000
44(a & b)(3)(iv)	Producer-Handler	0	0	0	0	0	0	540,000	9,000
44(a & b)(3)(v)	FMP- Dairy Farmer for Other Markets	0	0	0	31,000	346,000	0	1,013,000	25,000
44(a & b)(4)	FMP Unreg Sup Plant-Not Req Class I	0	0	0	0	0	0	260,000	2,000
44(a & b)(5)	Excess FMP Unreg Sup Plant	0	0	0	0	0	0	0	1,000
44(a & b)(7)	Remaining Inventory	0	0	411,000	21,000	62,000	0	14,100,000	865,000
44(a & b)(8)	FMP Unreg Sup Plant-ReqCII+Rem 44(5)	18,000	0	0	0	0	0	2,000	0
44(a & b)(10)	FMP & Bulk FCP from Pool Plants	3,620,000	100,000	1,764,000	1,228,000	0	0	65,000	3,000
44(c)	PM in Each Class-Skim & Bfat	146,700,000	3,300,000	95,000,000	5,000,000	433,485,000	16,515,000	286,500,000	13,500,000

Allocation Process: Producer Milk

Allocation - Masterpeg

					All	ocation				
Section	Description	Clas	ss I	Cla	iss II	Cla	iss III	Class	Class IV	
		Skim	Butterfat	Skim	Butterfat	Skim	Butterfat	Skim	Butterfat	
40	Gross Utilization, in Each Class	172,738,000	4,061,000	99,475,000	6,344,000	433,893,000	16,517,000	312,080,000	14,454,000	
44(a & b)(1)(i)	Pkg FMP - Unreg Supply Plant	400,000	23,000	0	0	0	0	0	0	
44(a & b)(1)(ii)	Open Inv: Pkg FMP	22,000,000	638,000	0	0	0	0	0	0	
44(a & b)(2)	BulkConc FMP & Other Source-Cl II	0	0	2,300,000	2,000	0	0	0	0	
44(a & b)(3)(i)	BulkConc FMP,Other Source-Cl III,IV	0	0	0	62,000	0	2,000	9,600,000	49,000	
44(a & b)(3)(iv)	Producer-Handler	0	0	0	0	0	0	540,000	9,000	
44(a & b)(3)(v)	FMP- Dairy Farmer for Other Markets	0	0	0	31,000	346,000	0	1,013,000	25,000	
44(a & b)(4)	FMP Unreg Sup Plant-Not Req Class I	0	0	0	0	0	0	260,000	2,000	
44(a & b)(5)	Excess FMP Unreg Sup Plant	0	0	0	0	0	0	0	1,000	
44(a & b)(7)	Remaining Inventory	0	0	411,000	21,000	62,000	0	14,100,000	865,000	
44(a & b)(8)	FMP Unreg Sup Plant-ReqCII+Rem44(5)	18,000	0	0	0	0	0	2,000	0	
44(a & b)(10)	FMP & Bulk FCP from Pool Plants	3,620,000	100,000	1,764,000	1,228,000	0	0	65,000	3,000	
44(c)	PM in Each Class-Skim & Bfat	146,700,000	3,300,000	95,000,000	5,000,000	433,485,000	16,515,000	286,500,000	13,500,000	

Producer Milk In Each Class (Product Pounds)	150,000,000	100,000,000	450,000,000	300,000,000
Total Producer Milk - All Classes (Product Pounds)	1,000,000,000 38	315,000		
Producer Butterfat Test	3.83%			
Percentage Utilization of Producer Milk	15.00%	10.00%	45.00%	30.00%

Statistical Uniform Price (UP) Calculation

USDA United States

CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

Tel.: (530) 662-2037 — Fax: (844) 206-7024 email: market.admin@cafmmo.com website: www.cafmmo.com

Mailing Address: 221 W Court St, Ste. 3B Woodland, CA 95695-2983

Department of Agriculture Agricultural Marketing Service Dairy Program

EXAMPLE STATISTICAL UNIFORM PRICE ANNOUNCEMENT

			Minimum
Producer Milk	Percent	Pounds	Class Price
Class I	15.0	150,000,000	\$18.37
Class II	10.0	100,000,000	\$16.77
Class III	45.0	450,000,000	\$16.24
Class IV	30.0	300,000,000	\$16.05
Total Producer Milk	100.0	1,000,000,000	

Computation of Uniform Price (per cwt @ Los Angeles County, CA)				Component Prices		
Producer Price Differential Class III Price (@ 3.5% Butterfat) Statistical Uniform Price (@ 3.5% Butterfat) Statistical Uniform Price (@ Average Pool Component Tests) Statistical Uniform Price (@ Average Pool Component Tests)				Butterfat Price Protein Price Other Solids Price Nonfat Solids Price	\$2.6000 /lb 2.1000 /lb 0.1500 /lb	
COMPUTA	ATION OF PRODUCER PRICE DIF	FERENTIAL				
Class I—		146,700,000 3.300,000	Price per cwt./lb. \$9.50 2 6300	13,936,500.00 8,679,000.00	Total Value	
Less	Location Adjustment to Handlers	3,300,000	2.0000	(375,000.00)	\$22,240,500.00	
Class II—	Butterfat Nonfat Solids	5,000,000 8,700,000	2.6070 0.8800	13,035,000.00 7,656,000.00	20,691,000.00	
Class III—	Butterfat Protein Other Solids	16,515,000 14,850,000 25,650,000	2.6000 2.1000 0.1500	42,939,000.00 31,185,000.00 3,847,500.00	77,971,500.00	
Class IV—	Butterfat Nonfat Solids	13,500,000 26,100,000	2.6000 0.8000	35,100,000.00 20,880,000.00	55,980,000.00	
Total Clas	ssified Value				\$176,883,000.00	
Add:	Overage—All Classes Inventory Reclassification—All Cla Other Source Receipts	sses 50,000 F	Pounds		10,000.00 50,000.00 2,000.00	
Total Pool		00,000			\$176,945,000.00	
Less	Value of Producer Butterfat Value of Producer Protein Value of Producer Other Solids	38,315,000 31,575,000 57,375,000	2.6000 2.1000 0.1500	(99,619,000.00) (66,307,500.00) (8,606,250.00)	(174,532,750.00)	
Total PPD	Value Before Adjustments	01,010,000	0.1000	(0,000,200.00)	\$2,412,250.00	
	Location Adjustment to Producers One-half Unobligated Balance—P Producer Settlement Fund—Rese	roducer Settlement	: Fund		3,500,000.00 500,000.00 (412,250.00)	
Total Poo	I Milk & PPD Value	1,000,050,000	Producer pounds		\$6,000,000.00	
	Producer Price Differential		\$0.60			
	Statistical Uniform Price		\$16.84			

(Selected pool and price statistics on next page)

Cary Hunter, Acting Market Administrator

CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

Statistical Uniform Price Announcement

Page 2

Payment Schedule				
Payment Dates for the Month of:	EXAMPLE			
Payments 70 the Producer Settlement Fund due on:	Month 16, 2018			
Payments FROM the Producer Settlement Fund made on:	Month 18, 2018			
Final payments 70 a Cooperative Association must be made on:	Month 18, 2018			
Final payments to Producers must be RECEIVED by:	Month 19, 2018			

Producer Price Differential and Statistical Uniform Price, by Zone Differential

	Zone Differential ^{1/}	Adjustment	Producer Price Differential	Statistical ^{2/} Uniform Price
-		dollars per hundi	edweight	8
As Announced:	\$2.10	\$0.00	0.60	16.84
Other Zones:	\$2.00	(\$0.10)	0.50	16.74
	\$1.80	(\$0.30)	0.30	16.54
	\$1.70	(\$0.40)	0.20	16.44
	\$1.60	(\$0.50)	0.10	16.34

¹⁷ Differentials listed apply to zones included in the California Marketing Area. Outside of this area, differentials may be above or below this range. Differentials apply on a county basis.

Producer Milk Received by Component Pounds

	Skim	Butterfat	Protein	Other Solids	Nonfat Solids
Producer Milk Receipts			pounds	(
Class I	146,700,000	3,300,000	4,725,000	8,925,000	13,650,000
Class II	95,000,000	5,000,000	3,000,000	5,700,000	8,700,000
Class III	433,485,000	16,515,000	14,850,000	25,650,000	40,500,000
Class IV	286,500,000	13,500,000	9,000,000	17,100,000	26,100,000
Total Producer Milk	961,685,000	38,315,000	31,575,000	57,375,000	88,950,000

Selected Pool Statistics

Average test of producer receipts:	Butterfat	3.83 %
3	True Protein	3.16 %
	Other Solids	5.74 %

Administrative Assessment and Marketing Service Deduction

§ 1000.85 - Assessment for order administration	\$0.08	per hundredweigh
§ 1000.86 - Deduction for marketing services	\$0.05	per hundredweigh

^{2/} Prices at 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids.

UP: Producer Milk by Class

United States Department of Agriculture Agricultural Marketing Service Dairy Program

CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

Tel.: (530) 662-2037 — Fax: (844) 206-7024 email: market.admin@cafmmo.com website: www.cafmmo.com

Mailing Address: 221 W Court St, Ste. 3B Woodland, CA 95695-2983

EXAMPLE STATISTICAL UNIFORM PRICE ANNOUNCEMENT

Producer Milk	Percent	Pounds	Class Price
Class I	15.0	150,000,000	\$18.37
Class II	10.0	100,000,000	\$16.77
Class III	45.0	450,000,000	\$16.24
Class IV	30.0	300,000,000	\$16.05
Total Producer Milk	100.0	1,000,000,000	

Computati	on of Uniform Price (per cwt @ I	Component Prices			
Class III P Statistical	Price Differential rice (@ 3.5% Butterfat) Uniform Price (@ 3.5% Butterfat) Uniform Price (@ Average Pool Co	omponent Tests)	\$0.60 \$16.24 \$16.84 \$18.05	Butterfat Price Protein Price Other Solids Price Nonfat Solids Price	\$2.6000 / 2.1000 / 0.1500 / 0.8000 /
COMPUTA	TION OF PRODUCER PRICE DIF		020	9 (309)	1200000
01		Product Pounds	Price per cwt./lb.	Component Value	Total Value
Class I—	Butterfat	146,700,000 3.300.000	\$9.50 2.6300	13,936,500.00 8.679.000.00	
l acc	Location Adjustment to Handlers	3,300,000	2.6300	(375,000.00)	\$22,240,500.00
Class II—		5,000,000	2 6070	13,035,000.00	V22,240,000.00
Diass II—	Nonfat Solids	8.700.000	0.8800	7.656.000.00	20.691.000.00
Class III—	Butterfat	16.515.000	2 6000	42.939.000.00	
01000 111	Protein	14,850,000	2.1000	31,185,000.00	
	Other Solids	25,650,000	0.1500	3,847,500.00	77,971,500.00
Class IV—	Butterfat	13.500.000	2.6000	35,100,000.00	
	Nonfat Solids	26,100,000	0.8000	20,880,000.00	55,980,000.00
Total Clas	sified Value				\$176,883,000.00
Add:	Overage—All Classes				10,000.00
	Inventory Reclassification—All Cla	sses			50,000.00
	Other Source Receipts	50,000	Pounds		2,000.00
Total Pool	Value				\$176,945,000.00
Less:	Value of Producer Butterfat	38,315,000	2.6000	(99,619,000.00)	
	Value of Producer Protein	31,575,000	2.1000	(66,307,500.00)	
	Value of Producer Other Solids	57,375,000	0.1500	(8,606,250.00)	(174,532,750.00)
Total PPD	Value Before Adjustments				\$2,412,250.00
Add:	Location Adjustment to Producers				3,500,000.00
	One-half Unobligated Balance-P	oducer Settlemen	t Fund		500,000.00
Less:	Producer Settlement Fund—Rese	rve			(412,250.00)
Total Pool	Milk & PPD Value	1,000,050,000	Producer pounds		\$6,000,000.00
	Producer Price Differential		\$0.60		
	Statistical Uniform Price		\$16.84		

(Selected pool and price statistics on next page)

FEDERAL MILK ORDER NO. 51 Announcement

CALIFORNIA MARKETING AREA

Statistical Uniform Price Announcement

Page 2

Payment Schedule				
Payment Dates for the Month of:	EXAMPLE			
Payments 70 the Producer Settlement Fund due on:	Month 16, 2018			
Payments FROM the Producer Settlement Fund made on:	Month 18, 2018			
Final payments TO a Cooperative Association must be made on:	Month 18, 2018			
Final payments to Producers must be RECEIVED by:	Month 19, 2018			

Producer Price Differential and Statistical Uniform Price, by Zone Differential

	Zone Differential ^{1/}	Adjustment	Producer Price Differential	Statistical ⁴ Uniform Price
No.		dollars per hundi	redweight	77
As Announced:	\$2.10	\$0.00	0.60	16.84
Other Zones:	\$2.00	(\$0.10)	0.50	16.74
	\$1.80	(\$0.30)	0.30	16.54
	\$1.70	(\$0.40)	0.20	16.44
	\$1.60	(\$0.50)	0.10	16.34

¹⁷ Differentials listed apply to zones included in the California Marketing Area. Outside of this area, differentials may be above or below this range. Differentials apply on a county basis.

Producer Milk Received by Component Pounds

	Skim	Butterfat	Protein	Other Solids	Nonfat Solids
Producer Milk Receipts		W	pounds		
Class I	146,700,000	3,300,000	4,725,000	8,925,000	13,650,000
Class II	95,000,000	5,000,000	3,000,000	5,700,000	8,700,000
Class III	433,485,000	16.515.000	14,850,000	25,650,000	40,500,000
Class IV	286,500,000	13.500.000	9.000.000	17,100,000	26,100,000
Total Producer Milk	961,685,000	38.315.000	31.575.000	57.375.000	88.950.000

Selected Pool Statistics

Average test of producer receipts:	Butterfat	3.83 %
	True Protein	3.16 %
	Other Solids	5.74 %

Administrative Assessment and Marketing Service Deduction

§ 1000.85 - Assessment for order administration	\$0.08	per hundredweight
§ 1000.86 - Deduction for marketing services	\$0.05	per hundredweight

^{2/} Prices at 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids.

UP: Pool Value



CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

United States
Department of Agriculture
Agricultural Marketing Service
Dairy Program

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EXAMPLE STATISTICAL UNIFORM PRICE ANNOUNCEMENT

Producer Milk	Percent	Pounds	Class Price
Class I	15.0	150,000,000	\$18.37
Class II	10.0	100,000,000	\$16.77
Class III	45.0	450,000,000	\$16.24
Class IV	30.0	300,000,000	\$16.05
Total Producer Milk	100.0	1,000,000,000	

Computat	ion of Uniform Price (per cwt @ L	Los Angeles Cou	inty, CA)	Compone	nt Prices
Class III P Statistical	Price Differential rice (@ 3.5% Butterfat) Uniform Price (@ 3.5% Butterfat) Uniform Price (@ Average Pool Co	omponent Tests)	\$0.60 <u>\$16.24</u> \$16.84 \$18.05	Butterfat Price Protein Price Other Solids Price Nonfat Solids Price	\$2.6000 / 2.1000 / 0.1500 / 0.8000 /
COMPUTA	ATION OF PRODUCER PRICE DIF	FERENTIAL Product Pounds	Price per cwt./lb.	Component Value	Total Value
Class I—		146,700,000	\$9.50	13,936,500.00	Total Value
Less:	Butterfat Location Adjustment to Handlers	3,300,000	2.6300	8,679,000.00 (375,000.00)	\$22,240,500.00
Class II—	Butterfat Nonfat Solids	5,000,000 8,700,000	2.6070 0.8800	13,035,000.00 7,656,000.00	20,691,000.00
Class III—	Butterfat Protein Other Solids	16,515,000 14,850,000 25,650,000	2.6000 2.1000 0.1500	42,939,000.00 31,185,000.00 3,847,500.00	77,971,500.00
Class IV—	Butterfat Nonfat Solids	13,500,000 26,100,000	2.6000 0.8000	35,100,000.00 20,880,000.00	55,980,000.00
Total Clas	sified Value				\$176,883,000.00
Add:	Overage—All Classes Inventory Reclassification—All Cla Other Source Receipts		Pounds		10,000.00 50,000.00 2,000.00
Total Pool					\$176,945,000.00
Less	Value of Producer Butterfat Value of Producer Protein Value of Producer Other Solids	38,315,000 31,575,000 57,375,000	2.1000	(99,619,000.00) (66,307,500.00) (8,606,250.00)	(174,532,750.00)
Total PPD	Value Before Adjustments			,	\$2,412,250.00
	Location Adjustment to Producers One-half Unobligated Balance—Pr Producer Settlement Fund—Rese	roducer Settlemer	nt Fund		3,500,000.00 500,000.00 (412,250.00)
Total Pool	Milk & PPD Value	1,000,050,000	Producer pounds		\$6,000,000.00
	Producer Price Differential		\$0.60		
	Statistical Uniform Price		\$16.84		

UP: Producer Milk Credits



CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

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Mailing Address: 221 W Court St, Ste. 3B Woodland CA 95695-2983

EXAMPLE

STATISTICAL UNIFORM PRICE ANNOUNCEMENT

Producer Milk	Percent	Pounds	Minimum Class Price
Class I	15.0	150,000,000	\$18.37
Class II	10.0	100,000,000	\$16.77
Class III	45.0	450,000,000	\$16.24
Class IV	30.0	300,000,000	\$16.05
Total Producer Milk	100.0	1,000,000,000	

	Component Prices	
\$0.60	Butterfat Price	\$2.6000 /lb
\$16.24	Protein Price	2.1000 /lb
\$16.84	Other Solids Price	0.1500 /lb
\$18.05	Nonfat Solids Price	0.8000 /lb
	\$16.24 \$16.84	\$0.60 Butterfat Price \$16.24 Protein Price \$16.84 Other Solids Price

Statistical	rice (@ 3.5% Butterfat) Uniform Price (@ 3.5% Butterfat) Uniform Price (@ Average Pool (Component Tests)	\$16.24 \$16.84 \$18.05	Protein Price Other Solids Price Nonfat Solids Price	2.1000 0.1500 0.8000
COMPUTA	TION OF PRODUCER PRICE DI	FFERENTIAL			
		Product Pounds	Price per cwt./lb.	Component Value	Total Value
Class I—	Skim	146,700,000	\$9.50	13,936,500.00	
1.000	Butterfat	3,300,000	2.6300	8,679,000.00	
Less:	Location Adjustment to Handlers			(375,000.00)	\$22,240,500.00
Class II—	Butterfat	5,000,000	2.6070	13,035,000.00	
	Nonfat Solids	8,700,000	0.8800	7,656,000.00	20,691,000.00
Class III—	Butterfat	16,515,000	2.6000	42,939,000.00	
	Protein	14,850,000	2.1000	31,185,000.00	
	Other Solids	25,650,000	0.1500	3,847,500.00	77,971,500.00
Class IV—	Butterfat	13,500,000	2.6000	35,100,000.00	
	Nonfat Solids	26,100,000	0.8000	20,880,000.00	55,980,000.00
Total Clas	sified Value				\$176,883,000.00
Add:	Overage—All Classes				10,000.00
	Inventory Reclassification-All CI	asses			50,000.00
	Other Source Receipts	50,000 F	Pounds		2,000.00
Total Pool	Value				\$176,945,000.00
Less:	Value of Producer Butterfat	38,315,000	2.6000	(99,619,000.00)	
	Value of Producer Protein	31,575,000	2.1000	(66,307,500.00)	
	Value of Producer Other Solids	57,375,000	0.1500	(8,606,250.00)	(174,532,750.00)
Total PPD	Value Before Adjustments				\$2,412,250.00
Add:	Location Adjustment to Producers	s			3,500,000.00
	One-half Unobligated Balance-F	Producer Settlement	Fund		500,000.00
Less:	Producer Settlement Fund-Rese	erve			(412,250.00)
Total Pool	Milk & PPD Value	1,000,050,000 F	Producer pounds		\$6,000,000.00
	Producer Price Differential		\$0.60		

(Selected pool and price statistics on next page)

Statistical Uniform Price

Cary Hunter, Acting Market Administrator

CALIFORNIA MARKETING AREA

FEDERAL MILK ORDER NO. 51

Statistical Uniform Price Announcement

Final payments to Producers must be RECEIVED by:

Page 2

Month 19, 2018

Payment Schedule	
Payment Dates for the Month of:	EXAMPLE
Payments 70 the Producer Settlement Fund due on:	Month 16, 2018
Payments FROM the Producer Settlement Fund made on:	Month 18, 2018
Final payments TO a Cooperative Association must be made on:	Month 18, 2018

Producer Price Differential and Statistical Uniform Price, by Zone Differential

<u>-</u>	Zone Differential ^{1/}	Adjustment	Producer Price Differential	Statistical ^{2/} Uniform Price
76.7		dollars per hundr	edweight	20 A
As Announced:	\$2.10	\$0.00	0.60	16.84
Other Zones:	\$2.00	(\$0.10)	0.50	16.74
	\$1.80	(\$0.30)	0.30	16.54
	\$1.70	(\$0.40)	0.20	16.44
	\$1.60	(\$0.50)	0.10	16.34

¹⁷ Differentials listed apply to zones included in the California Marketing Area. Outside of this area, differentials may be above or below this range. Differentials apply on a county basis.

Producer Milk Received by Component Pounds

	Skim	Butterfat	Protein	Other Solids	Nonfat Solids
Producer Milk Receipts		M Pi	pounds	SS - SS	3.5
Class I	146,700,000	3,300,000	4,725,000	8,925,000	13,650,000
Class II	95,000,000	5,000,000	3,000,000	5,700,000	8,700,000
Class III	433,485,000	16,515,000	14,850,000	25,650,000	40,500,000
Class IV	286,500,000	13,500,000	9,000,000	17,100,000	26,100,000
Total Producer Milk	961,685,000	38,315,000	31,575,000	57,375,000	88,950,000

Selected Pool Statistics

werage test of producer receipts:	Butterfat	3.83 %
	True Protein	3.16 %
	Other Solids	5.74 %

Administrative Assessment and Marketing Service Deduction

§ 1000.85 - Assessment for order administration	\$0.08	per hundredweight
§ 1000.86 - Deduction for marketing services	\$0.05	per hundredweight

^{2/} Prices at 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids.

UP: Producer Milk Value - Credits

USDA

CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

United States Department of Agriculture Agricultural Marketing Service Dairy Program Tel.: (530) 662-2037 — Fax: (844) 206-7024 email: market.admin@cafmmo.com website: www.cafmmo.com

Mailing Address: 221 W Court St, Ste. 3B Woodland, CA 95695-2983

EXAMPLE STATISTICAL UNIFORM PRICE ANNOUNCEMENT

Producer Milk	Percent	Pounds	Class Price
Class I	15.0	150,000,000	\$18.37
Class II	10.0	100,000,000	\$16.77
Class III	45.0	450,000,000	\$16.24
Class IV	30.0	300,000,000	\$16.05
Total Producer Milk	100.0	1.000.000.000	

Computati	omputation of Uniform Price (per cwt @ Los Angeles County, CA)			Component Prices		
Producer Price Differential \$0.60 Class III Price (@ 3.5% Butterfat) \$16.24 Statistical Uniform Price (@ 3.5% Butterfat) \$16.84 Statistical Uniform Price (@ Average Pool Component Tests) \$18.05			Butterfat Price Protein Price Other Solids Price Nonfat Solids Price	\$2.6000 /II 2.1000 /II 0.1500 /II 0.8000 /II		
COMPUTA	TION OF PRODUCER PRICE DIF	FERENTIAL				
		Product Pounds	Price per cwt./lb.	Component Value	Total Value	
Class I—		146,700,000	\$9.50	13,936,500.00		
	Butterfat	3,300,000	2.6300	8,679,000.00		
Less:	Location Adjustment to Handlers			(375,000.00)	\$22,240,500.00	
Class II—	Butterfat	5,000,000	2.6070	13,035,000.00		
	Nonfat Solids	8,700,000	0.8800	7,656,000.00	20,691,000.00	
Class III-	Butterfat	16,515,000	2.6000	42,939,000.00		
	Protein	14,850,000	2.1000	31,185,000.00		
	Other Solids	25,650,000	0.1500	3,847,500.00	77,971,500.00	
Class IV-	Butterfat	13,500,000	2.6000	35,100,000.00		
	Nonfat Solids	26,100,000	0.8000	20,880,000.00	55,980,000.00	
Total Clas	sified Value				\$176,883,000.00	
Add:	Overage—All Classes				10,000.00	
	Inventory Reclassification—All Cla				50,000.00	
	Other Source Receipts	50,000 F	Pounds		2,000.00	
Total Pool	Value				\$176,945,000.00	
Less:	Value of Producer Butterfat	38,315,000	2.6000	(99,619,000.00)		
	Value of Producer Protein	31,575,000	2.1000	(66,307,500.00)		
	Value of Producer Other Solids	57,375,000	0.1500	(8,606,250.00)	(174,532,750.00)	
And the second second second	Value Before Adjustments				\$2,412,250.00	
Add:	Location Adjustment to Producers		200		3,500,000.00	
22	One-half Unobligated Balance—P		Fund		500,000.00	
	Producer Settlement Fund—Rese				(412,250.00)	
Total Pool	Milk & PPD Value	1,000,050,000 F	Producer pounds		\$6,000,000.00	
	Producer Price Differential		\$0.60			
	Statistical Uniform Price		\$16.84			

UP: Producer Settlement Fund



CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

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EXAMPLE STATISTICAL UNIFORM PRICE ANNOUNCEMENT

			Minimum
Producer Milk	Percent	Pounds	Class Price
Class I	15.0	150,000,000	\$18.37
Class II	10.0	100,000,000	\$16.77
Class III	45.0	450,000,000	\$16.24
Class IV	30.0	300,000,000	\$16.05
Total Producer Milk	100.0	1,000,000,000	

Computati	on of Uniform Price (per cwt @ L	of Uniform Price (per cwt @ Los Angeles County, CA)			Component Prices		
Class III Pr Statistical	Price Differential rice (@ 3.5% Butterfat) Uniform Price (@ 3.5% Butterfat) Uniform Price (@ Average Pool Co	omponent Tests)	\$0.60 <u>\$16.24</u> \$16.84 \$18.05	Butterfat Price Protein Price Other Solids Price Nonfat Solids Price	\$2,6000 / 2,1000 / 0,1500 / 0,8000 /		
COMPUTA	TION OF PRODUCER PRICE DIF	FERENTIAL					
		Product Pounds	Price per cwt./lb.	Component Value	Total Value		
Class I—		146,700,000	\$9.50	13,936,500.00			
	Butterfat	3,300,000	2.6300	8,679,000.00			
Less:	Location Adjustment to Handlers			(375,000.00)	\$22,240,500.00		
Class II—	Butterfat	5,000,000	2.6070	13,035,000.00			
	Nonfat Solids	8,700,000	0.8800	7,656,000.00	20,691,000.00		
Class III—	Butterfat	16,515,000	2.6000	42,939,000.00			
	Protein	14,850,000	2.1000	31,185,000.00			
	Other Solids	25,650,000	0.1500	3,847,500.00	77,971,500.00		
Class IV—	Butterfat	13,500,000	2.6000	35,100,000.00			
	Nonfat Solids	26,100,000	0.8000	20,880,000.00	55,980,000.00		
Total Class	sified Value				\$176,883,000.00		
Add:	Overage—All Classes				10,000.00		
	Inventory Reclassification-All Cla	sses			50,000.00		
	Other Source Receipts	50,000 F	Pounds		2,000.00		
Total Pool	Value				\$176,945,000.00		
Less	Value of Producer Butterfat	38,315,000	2.6000	(99,619,000.00)			
	Value of Producer Protein	31,575,000	2.1000	(66,307,500.00)			
	Value of Producer Other Solids	57,375,000	0.1500	(8,606,250.00)	(174,532,750.00)		
Total PPD	Value Before Adjustments				\$2,412,250.00		
Add:	Location Adjustment to Producers				3,500,000.00		
	One-half Unobligated Balance-Pr	roducer Settlement	Fund		500,000.00		
Less:	Producer Settlement Fund—Res	serve			(412,250.00)		
Total Pool	Milk & PPD Value	1,000,050,000	Producer pounds		\$6,000,000.00		
	Producer Price Differential		\$0.60				
	Statistical Uniform Price		\$16.84				

UP: Producer Price Differential



CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51 Tel: (503) 682-2037 — Fax: (844) 208-7024 email: market admin@cafmo.com

website: www.cafmmo.com

United States
Department of Agriculture
Agricultural Marketing Service
Dairy Program

Mailing Address: 221 W Court St, Ste. 3B Woodland, CA 95695-2983

EXAMPLE STATISTICAL UNIFORM PRICE ANNOUNCEMENT

Percent	Pounds	Minimum Class Price
		\$18.37
10.0	100,000,000	\$16.77
45.0	450,000,000	\$16.24
30.0	300,000,000	\$16.05
100.0	1,000,000,000	
	45.0 30.0	15.0 150,000,000 10.0 100,000,000 45.0 450,000,000 30.0 300,000,000

Computati	tion of Uniform Price (per cwt @ Los Angeles County, CA)			Component Prices		
Class III P Statistical	ducer Price Differential \$0.60 ss III Price (@ 3.5% Butterfat) \$16.24 sistical Uniform Price (@ 3.5% Butterfat) \$16.84 sistical Uniform Price (@ Average Pool Component Tests) \$18.05			Butterfat Price Protein Price Other Solids Price Nonfat Solids Price	\$2.6000 /II 2.1000 /II 0.1500 /II 0.8000 /II	
COMPUTA	TION OF PRODUCER PRICE DI				5562mm45 (2000/mm/900/1	
	607465	Product Pounds	Price per cwt./lb.	Component Value	Total Value	
Class I—		146,700,000	\$9.50	13,936,500.00		
	Butterfat	3,300,000	2.6300	8,679,000.00		
Less:	Location Adjustment to Handlers			(375,000.00)	\$22,240,500.00	
Class II—	Butterfat	5,000,000	2.6070	13,035,000.00		
	Nonfat Solids	8,700,000	0.8800	7,656,000.00	20,691,000.00	
Class III—	Butterfat	16,515,000	2.6000	42,939,000.00		
	Protein	14,850,000	2.1000	31,185,000.00		
	Other Solids	25,650,000	0.1500	3,847,500.00	77,971,500.00	
Class IV—	Butterfat	13,500,000	2.6000	35,100,000.00		
	Nonfat Solids	26,100,000	0.8000	20,880,000.00	55,980,000.00	
Total Clas	sified Value				\$176,883,000.00	
Add:	Overage—All Classes				10,000.00	
	Inventory Reclassification-All C	lasses			50,000.00	
	Other Source Receipts	50,000	Pounds		2,000.00	
Total Pool	Value				\$176,945,000.00	
Less:	Value of Producer Butterfat	38,315,000	2.6000	(99,619,000.00)	(15) (10) (15) (10) (10) (10) (10) (10)	
	Value of Producer Protein	31,575,000	2.1000	(66,307,500.00)		
	Value of Producer Other Solids	57,375,000	0.1500	(8,606,250.00)	(174,532,750.00)	
Fotal PPD	Value Before Adjustments			10000 00 0	\$2,412,250.00	
Add:	Location Adjustment to Producer				3,500,000.00	
	One-half Unobligated Balance—I		Fund		500,000.00	
Less:	Producer Settlement Fund—Re	eserve			(412,250.00)	
Total Pool	Milk & PPD Value	1,000,050,000 F	Producer pounds		\$6,000,000.00	
	Producer Price Differential		\$0.60			
	Statistical Uniform Price		\$16.84			

UP: All Sections Together

United States Department of Agriculture

Agricultural Marketing Service Dairy Program

Producer Price Differential

Class III Price (@ 3.5% Butterfat)

CALIFORNIA MARKETING AREA FEDERAL MILK ORDER NO. 51

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\$2,6000 /18

Component Prices

Butterfat Price

Protein Price

EXAMPLE STATISTICAL UNIFORM PRICE ANNOUNCEMENT

Producer Milk	Percent	Pounds	Class Price
Class I	15.0	150,000,000	\$18.37
Class II	10.0	100,000,000	\$16.77
Class III	45.0	450,000,000	\$16.24
Class IV	30.0	300,000,000	\$16.05
Total Producer Milk	100.0	1,000,000,000	

\$0.60

\$16.24

Computation of Uniform Price (per cwt @ Los Angeles County, CA)

Value of Producer Other Solids

One-half Unobligated Balance-Producer Settlement Fund

Add: Location Adjustment to Producers

Producer Price Differential Statistical Uniform Price

Total PPD Value Before Adjustments

otal Pool Milk & PPD Value

	Uniform Price (@ 3.5% Butterfat) Uniform Price (@ Average Pool C	Component Tests)	\$16.84 \$18.05	Other Solids Price Nonfat Solids Price	0.1500 0.8000
COMPUTA	TION OF PRODUCER PRICE DI	FFERENTIAL Product Pounds	Price per cwt./lb.	Component Value	Total Value
	Skim Butterfat Location Adjustment to Handlers	146,700,000 3,300,000	\$9.50 2.6300	13,936,500.00 8,679,000.00 (375,000.00)	\$22,240,500.00
Class II—	Butterfat Nonfat Solids	5,000,000 8,700,000	2.6070 0.8800	13,035,000.00 7,656,000.00	20,691,000.00
Class III—	Butterfat Protein Other Solids	16,515,000 14,850,000 25,650,000	2.6000 2.1000 0.1500	42,939,000.00 31,185,000.00 3,847,500.00	77,971,500.00
Class IV—	Butterfat Nonfat Solids	13,500,000 26,100,000	2.6000 0.8000	35,100,000.00 20,880,000.00	55,980,000.00
Total Clas	sified Value				\$176,883,000.00
Add:	Overage—All Classes Inventory Reclassification—All Cla Other Source Receipts	asses 50,000 F	Pounds		10,000.00 50,000.00 2,000.00
Total Pool	Value				\$176,945,000.00
	Value of Producer Butterfat	38,315,000	2.6000	(99,619,000.00)	

(Selected pool and price statistics on next page)

\$16.84

1,000,050,000 Producer pounds

Cary Hunter. Acting Market Administrator

(174,532,750.00)

\$2 412 250 00

3,500,000.00

\$6,000,000.00

500,000.00

Av

CALIFORNIA MARKETING AREA

FEDERAL MILK ORDER NO. 51

Statistical Uniform Price Announcement

Page 2

Payment Schedule	
Payment Dates for the Month of:	EXAMPLE
Payments 70 the Producer Settlement Fund due on:	Month 16, 2018
Payments FROM the Producer Settlement Fund made on:	Month 18, 2018
Final payments 70 a Cooperative Association must be made on:	Month 18, 2018
Final payments to Producers must be RECEIVED by:	Month 19, 2018

Producer Price Differential and Statistical Uniform Price, by Zone Differential

	Zone Differential ^{1/}	Adjustment	Producer Price Differential	Statistical ² Uniform Price
10.0		dollars per hundi	redweight	7.
As Announced:	\$2.10	\$0.00	0.60	16.84
Other Zones:	\$2.00	(\$0.10)	0.50	16.74
	\$1.80	(\$0.30)	0.30	16.54
	\$1.70	(\$0.40)	0.20	16.44
	\$1.60	(\$0.50)	0.10	16.34

¹⁷ Differentials listed apply to zones included in the California Marketing Area. Outside of this area, differentials may be above or below this range. Differentials apply on a county basis.

Producer Milk Received by Component Pounds

	Skim	Butterfat	Protein	Other Solids	Nonfat Solids
Producer Milk Receipts	VI.	M PS	pounds	F1	No. 200
Class I	146,700,000	3,300,000	4,725,000	8,925,000	13,650,000
Class II	95,000,000	5,000,000	3,000,000	5,700,000	8,700,000
Class III	433,485,000	16,515,000	14,850,000	25,650,000	40,500,000
Class IV	286,500,000	13,500,000	9,000,000	17,100,000	26,100,000
Total Producer Milk	961,685,000	38,315,000	31,575,000	57,375,000	88,950,000

Selected Pool Statistics

verage test of producer receipts:	Butterfat	3.83 %
250 N N	True Protein	3.16 %
	Other Solids	5.74 %

Administrative Assessment and Marketing Service Deduction

§ 1000.85 - Assessment for order administration	\$0.08	per hundredweight
\$ 1000.86 - Deduction for marketing services	\$0.05	per hundredweight

^{2/} Prices at 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids.

Pool Pricing: PPD Discussion

- Producer Price Differential:
 - = \$0.00/cwt, if value of pool is equal to Class III value

= Positive value, if value of pool is greater than Class III value

= Negative value, if value of pool is lower than Class III value

Positive PPD

Pool Revenue

- Class I Handler Value
- Class II Handler Value
- Class III Handler Value
- Class IV Handler Value

Class III Component Values

- Butterfat Value
- Protein Value
- Other Solids Value





POSITIVE
PRODUCER
PRICE
DIFFERENTIAL
(PPD)



Negative PPD

Pool Revenue

- Class I Handler Value
- Class II Handler Value
- Class III Handler Value
- Class IV Handler Value



- Butterfat Value
- Protein Value
- Other Solids Value

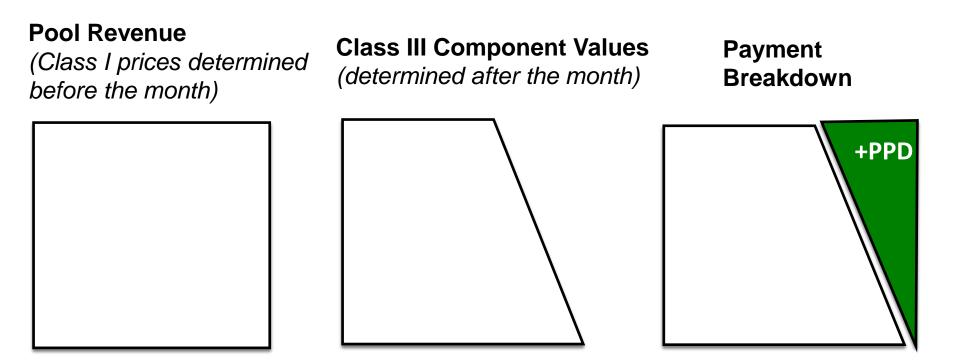




NEGATIVE
PRODUCER
PRICE
DIFFERENTIAL
(PPD)



Positive PPD



When the value of the pool is **greater** than your Class III component value payments, the PPD is **positive**

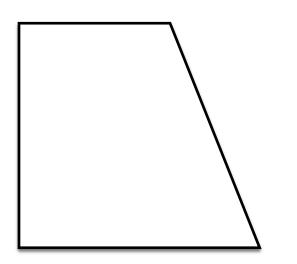
Negative PPD

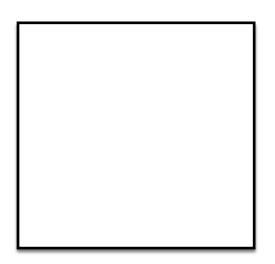
Pool Revenue

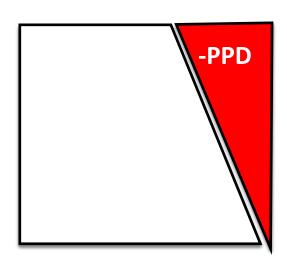
(Class I prices determined before the month)

Class III Component Values (determined after the month)

Payment Breakdown







When the value of the pool is **less** than your Class III component value payments, the PPD is **negative**.

This is an indication that Class III values have increased throughout the month.

Producer Price Differential

Important to remember:

- Class I prices announced before the month
- Class III prices announced after the month
- Producers paid at Class III component values
- When component values increase in the market during the month:
 - Class III component values (which all producers are paid) could be higher than Class I prices paid into the pool
 Can result in a negative PPD

FO vs CA Perspective: FO Class I

 Federal Order Class I Milk: Priced on Skim and Butterfat.

 California Class 1 Milk: Priced on Butterfat, Solids-Not-Fat, and Fluid Carrier (water).

FO vs CA Perspective: FO Class II

 Federal Order Class II Milk: Priced on Butterfat and Solids-Not-Fat.

 California Class 2, 3, 4a, and 4b Milk: Priced on Butterfat and Solids-Not-Fat.

FO vs CA Perspective: FO Class III

 Federal Order Class III Milk: Priced on Butterfat, Protein and Other Solids.

 California Class 2, 3, 4a, and 4b Milk: Priced on Butterfat and Solids-Not-Fat.

FO vs CA Perspective: FO Class IV

 Federal Order Class IV Milk: Priced on Butterfat and Solids-Not-Fat.

 California Class 2, 3, 4a, and 4b Milk: Priced on Butterfat and Solids-Not-Fat.

Pool Pricing: Handler Obligation

- Cover Sheet
- Computation of Producer Price Differential
- Shrinkage
- Report of Receipts and Utilization Comp
- Handler List
- Handler Obligation
- Allocation
- Other Source Receipts

Sample Distributing Plant Obligation

(Sample) COMPUTATION OF HANDLER OBLIGATION

Federal Order No. XYZ Sample Month

Sample Distributing Plant, City, State

	% UTILIZATION PER CLASS	PRODUCT POUNDS	SKIM POUNDS	BUTTERFAT POUNDS	PROTEIN POUNDS	OTHER SOLIDS	NONFAT SOLIDS	
Class I Producer Milk	50.00 %	5,000,000	4,900,000	100,000	162,487	289,430	451,917	
Class II Producer Milk	30.00 %	3,000,000	2,800,000	200,000	92,850	165,389	258,239	
Class III Producer Milk	10.00 %	1,000,000	950,000	50,000	31,503	56,114	87,617	
Class IV Producer Milk	10.00 %	1,000,000	1,000,000	0	33,161	59,067	92,228	
TOTAL PRODUCER MILK	100.00 %	10,000,000	9,650,000	350,000	320,001	570,000	890,001	
Class I		POUNDS	3	BUTTERFAT POUNDS	LB/CWT PRICE		TOTAL DOLLARS	
Skim Milk		4.900.000			\$ 9.50/cwt		\$465,500.00	
Butterfat		4,900,000		100.000	\$ 2.6300/8	,	263,000.00	
Class I Differential at	Location			100,000	\$ 2.0000m	,	0.00	
Class II	Loodion						0.00	
Butterfat				200,000	\$ 2.6070/1	0	521,400.00	
Nonfat Solids		258,239			\$ 0.8800/1)	227,250.32	
Class III								
Butterfat				50,000	\$ 2.6000/18	0	130,000.00	
Protein		31,503			\$ 2.1000/1)	66,156.30	
Other Solids		56,114			\$ 0.1500/lt)	8,417.10	
Class IV								
Butterfat				0	\$ 2.6000/1		0.00	
Nonfat Solids		92,228			\$ 0.8000/1)	73,782.40	
Total Producer Milk		10,000,000	0	350,000			\$1,755,506.12	
PM Value							\$1,755,506.12	
Producer Lbs. X Prod	ducer Price Diff.	10,000,000			\$ 0.60/cwt		(60,000.00)	
Butterfat X Butterfat F	rice	350,000			\$ 2.6000/1	5	910,000.00	
Protein X Protein Price	e	320,001			\$ 2.1000/8	0	672,002.10	
Other Solids X Other	Solids Price	570,000			\$ 0.1500/8		85,500.00	
Location Adjustment							0.00	
TOTAL CREDITS TO HAND	LER						\$1,607,502.10	
		SUMMAR	Y OF ACC	DUNTS				
			POUNDS ELIGIBLE		ASSESSMEN RATE	<u>vT</u>	TOTAL DOLLARS	
Due To Producer Settlement Adjustments - Audit	Fund						\$148,004.02 0.00	
Net Due To Produce	r Settlement Fund						\$148,004.02	
Due To Administrative Fund Adjustments - Audit			10,000,000		\$ 0.035/cw	rt	\$3,500.00 0.00	
Net Due To Adminis	trative Fund						\$3,500.00	
Total Amount Due To Market Administrator By Sample Date \$151							151,504.02	

Sample Manufacturing Plant Obligation

Sample Month

0.00

(\$73,581.49)

(Sample) COMPUTATION OF HANDLER OBLIGATION

Federal Order No. XYZ

Adjustments - Audit

Total Amount Due From Market Administrator

		Sample Manu	facturing Plant	City, State			
	UTILIZATION PER CLASS	PRODUCT	SKIM POUNDS	BUTTERFAT POUNDS	PROTEIN POUNDS	OTHER SOLIDS	NONFAT SOLIDS
Class I Producer Milk	0.00 %	0	0	0	0	0	0
Class II Producer Milk	10.00 %	1,000,000	950,000	50,000	33,151	56,901	90,052
Class III Producer Milk	60.00 %	6,000,000	5,770,000	230,000	201,349	345,599	546,948
Class IV Producer Milk	30.00 %	3,000,000	2,880,000	120,000	100,500	172,500	273,000
TOTAL PRODUCER MILK	100.00 %	10,000,000	9,600,000	400,000	335,000	575,000	910,000
		POUND	<u>s</u>	BUTTERFAT POUNDS	LB/CWT PRICE		TOTAL DOLLARS
Class I							****
Skim Milk			0	121	\$ 9.50/cv		\$0.00
Butterfat				0	\$ 2.6300	IID	0.00
Class I Differential at Loc	ation						0.00
Class II Butterfat				50.000	\$ 2,6070	¶h	130.350.00
Nonfat Solids		90,08	52		\$ 0.8800	1b	79,245.76
Class III							
Butterfat				230,000	\$ 2.6000	80	598,000.00
Protein		201,34			\$ 2.1000		422,832.90
Other Solids		345,59	99		\$ 0.1500	1b	51,839.85
Class IV							
Butterfat Nonfat Solids		273.00		120,000	\$ 2.6000 \$ 0.8000		312,000.00 218,400.00
				100 000	\$ 0.0000	'ID	
Total Producer Milk		10,000	1,000	400,000			\$1,812,668.51
PM Value							\$1,812,668.51
Producer Lbs. X Produc		10,000,00			\$ 0.60/cv		60,000.00
Butterfat X Butterfat Price	е	400,00			\$ 2.6000		1,040,000.00
Protein X Protein Price		335,00			\$ 2.1000		703,500.00
Other Solids X Other Sol Location Adjustment	ids Price	575,00	00		\$ 0.1500	Πb	86,250.00 0.00
TOTAL CREDITS TO HANDLE	R						\$1,889,750.00
		SUMMA	RY OF ACCOL	INTS			
			POUNDS ELIGIBLE		ASSESSME RATE	NI	TOTAL DOLLARS
Due From Producer Settlement Adjustments - Audit	Fund						(\$77,081.49) 0.00
Net Due From Produce	r Settlement Fun	d					(\$77,081.49)
Due To Administrative Fund			10,000,000		\$ 0.035/d	wt	\$3,500.00

Handler Obligation: Funds

- Producer Settlement Fund (§1051.70-§1051.72)
 - The "pool bill"
 - The amount owed to/from the pool
- Administrative Fund (§1051.85)
 - Flat rate, applicable to total pounds (per cwt)
 - Rate specified by MA, no more than \$0.08
- Marketing Services Fund (§1000.86)
 - Flat rate, applicable to non-member milk (per cwt)
 - Rate specified by MA, no more than \$0.07
 - Marketing service is also available to coop members if the coop is not performing these services

Pool Pricing: Putting it all together

- Four classes of milk
- Advanced and Final Class Price Announcements
- Allocation process classifies producer milk
- Producer Milk Value
- Credits to Handler
- PPD
- Obligation