

In the CDFA Publication “Milk Pooling Comparative Statement 2013-2014:

Question: What do the volumes in the “Producer-handler Production” category of “Pool Production” represent? Pounds of milk produced? Pounds of Quota? Or something else? And are the numbers yearly totals (which I assume they are as everything else is in that panel)?

Answer: The “Option 70” amount is the annual pounds of milk exempt from the pool because it is covered by PD quota. The “Exempt” amount is the annual volume produced by exempt producer-handlers that produce less than 500 gallons per day.

Question: Is the PD exempt quota based on milk volume? Or pounds of solids?

Answer: All Quota (PD or not) is owned on a per pound of component (Fat/SNF) on a daily basis.

Question: Are pounds exempt from the pool all classified as Class 1? Or is there an allocation process which exempts some ratio of other class usage for shrinkage or other plant uses?

Answer: For the partially exempt PD’s only Class 1 can be exempt*. While we do allocate plant shrinkage (we call it loss) across all plant usage, we do not exempt any shrinkage assigned to Class 1*.

Question: If based on solids, how is it converted to volume?

Answer: We do start with the solids (fat / SNF) and compute exempt volume. First we determine how much fat and SNF are exempt. The exempt amount is the lower of: their own herd production; their own Class 1 sales; or their exempt quota (possibly adjusted for an additional 150 lbs of fat and 375 lbs SNF per day*). Once we determine the pounds of fat and SNF that are exempt, we divide the SNF lbs by the skim test of their herd (Skim test = SNF / (lbs of milk – lbs of fat) to get a computed exempt skim volume. We then add exempt skim pounds and exempt fat pounds to exempt milk pounds.

For Example (assume 30 day month):

Monthly Herd Production:

Milk	Fat	SNF
1,035,000	35,000	90,000

Class 1 Sales

Milk	Fat	SNF
2,000,000	40,000	200,000

Daily Exempt Quota

FAT	SNF
600.00	1,500.00

Additional (assume qualified)

150.00	375.00
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Possible Monthly quota exemption

Fat (600.00 + 150.00) X 30 days in the month = 22,500

SNF (1,500.00 + 375.00) X 30 days in the month = 56,250

Exemption

The monthly exemption for fat would be 22,500 lbs (the lower of 35,000 lbs of herd production, 40,000 lbs of Class 1 sales, or the 22,500 lbs possible quota exemption).

The monthly exemption for SNF would be 56,250 lbs (the lower of 90,000 lbs of herd production, 200,000 lbs of Class 1 sales, or the 56,250 lbs possible quota exemption).

The pounds of milk exempt would be 647,500 ((56,250 lbs exempt SNF / .09 skim test) + 22,500 lbs exempt fat)

Skim test = 90,000 lbs herd SNF / (1,035,000 lbs herd milk – 35,000 lbs herd Fat) = .09

* Food and Agriculture Code 62708.5. (a) A producer-handler, for purposes of this chapter...

(e) Any producer-handler who qualifies under this section and elects to operate outside the pool, to the extent of the authority granted, shall have the right to make deductions, as follows, from its **own class 1 sales**, excluding sales to a handler, whether in bulk or packaged, before being required to account to the pool: (1) If it has not sold production base and pool quota subsequent to February 9, 1977, it may deduct its original quota, and quota purchased prior to March 1, 1995, plus a daily deduction of **150 pounds** of milk fat and **375 pounds** of solids not fat.

Pool Production

2013 2014 % Change

Milk Production

Pounds 39.62 Billion 41.06 Billion 3.64%
Fat 1.48 Billion 1.52 Billion 2.64%
SNF 3.52 Billion 3.66 Billion 3.84%

Quota Production

Fat 322.33 Million 322.14 Million -0.06%
SNF 785.97 Million 785.60 Million -0.05%

Non-Quota Production

Fat 1,154.1 Million 1,193.4 Million 3.40%
SNF 2,741.8 Million 2,877.6 Million 4.95%

Other Source Receipts into California

Fat 28.8 Million 30.7 Million 6.30%
SNF 57.0 Million 47.1 Million -17.46%

Cooperative Production

Pounds 32.90 Billion 33.99 Billion 3.32%

Producer-Handler Production

Option 70 243.3 Million 243.7 Million 0.16%
Exempt 2.19 Million 2.26 Million 3.19%

Pool Utilization

2013 2014 % Change

Class 1

Fat 115.0 Million 120.3 Million 4.59%
SNF 540.7 Million 540.5 Million -0.04%

Class 2

Fat 114.7 Million 121.0 Million 5.47%
SNF 139.9 Million 140.4 Million 0.36%

Class 3

Fat 76.84 Million 91.86 Million 19.54%
SNF 83.14 Million 84.22 Million 1.30%

Class 4a

Fat 582.7 Million 543.8 Million -6.68%
SNF 1,140.5 Million 1,166.1 Million 2.24%

Class 4b

Fat 588.0 Million 637.5 Million 8.41%
SNF 1,622.8 Million 1,733.6 Million 6.83%

Class 1 Fortification

Powder 2.66 Million 3.97 Million 49.17%
Condensed 57.34 Million 54.12 Million -5.63%

Pool Dollars

2013 2014 % Change

Quota Milk

Fat \$526.0 Million \$752.6 Million 43.06%
SNF \$1213.1 Million \$1305.7 Million 7.63%

Base Milk

Fat \$1.7 Million \$2.2 Million 30.84%
SNF \$2.7 Million \$2.8 Million 3.41%

Overbase Milk

Fat \$1,886 Million \$2,762 Million 46.42%
SNF \$3,688 Million \$4,247 Million 15.15%

Total Dollar Value

All Classes \$7.34 Billion \$9.10 Billion 23.97%

Regional Quota Adjusters

All Areas \$13.92 Million \$13.83 Million -0.62%

Transportation Allowances

No. Cal \$5.62 Million \$6.52 Million 16.06%
So. Cal \$31.0 Million \$30.9 Million -0.18%

Additional California

Dairy Statistics Found At:

<http://www.cdffa.ca.gov/dairy/>



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California Milk Quota Transfers

	2013	2014
Total Sellers	86	41
Total Buyers	104	50
Ave. Price w/o cows	\$404/lb	\$494/lb
SNF Quota Transferred	116,030 lbs.	76,426 lbs.



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**Milk Pooling
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2013-2014**

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