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Dairy Marketing Branch

California
Dairy Review

A publication serving the California dairy industry for over 12 years

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USDA Moving Forward on Producer-Handler and Exempt Plant Provisions

AMS Dairy Programs has issued a call for proposals regarding the elimination of the producer-handler provision and the revision of the exempt plant provision in all Federal milk marketing orders. The call was in response to a proposal received from National Milk Producers Federation (NMPF) and International Dairy Foods Association (IDFA). USDA is considering a formal rulemaking process which would include a public hearing on the proposed changes.

Basically, NMPF and IDFA requested that producer-handlers who bottle more than 450,000 pounds of milk per month would no longer be allowed to circumvent minimum pricing and region-wide pooling provisions. The two organizations propose that the rules need to be changed in light of the growing number of huge dairy farms that can take advantage of what they describe as "A loophole in milk pricing regulations."

An excerpt from the announcement by Jerry Kozak, CEO National Milk:
"As farms have gotten larger, some have also become processors, slipping through a regulatory loophole that allows them to disrupt the marketing of milk and undermine economics of the entire milk marketing system. Federal Milk Marketing Order regulations were designed to ensure that processors pay farmers – all farmers in a given marketing order – a consistent price, reflecting the total value of all the milk processed in the market. Even though some farmers' milk may get processed into lower value uses like butter/powder, or cheese, all farmers in a region benefit from the higher valued uses to which milk is put, especially Class I, or bottled milk, which earns the highest price.

But what we've seen happening is that as the scale of some farms grows greatly (5% of the largest farms now produce nearly 60% of the nation's milk), and

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California Department of Food and Agriculture
A.G. Kawamura, *Secretary*

Production, Prices, Quota Transfers, Alfalfa

February Milk Production

USDA estimates U.S. milk production for February 2009 in the top 23 milk producing states at 13.7 billion pounds, up 0.9 percent from February 2008 (adjusted for leap year). Production per cow (not adusted for leap year) in the top 23 milk producing states averaged 1,608 pounds for February, 48 pounds below February 2008.

Quota Transfer Summary

Quota Transfers	Jan.	Feb.	Mar.
Number of Sellers	13	8	8
Pounds of SNF Quota Transferred	4,530	4,328	9,210
Average Price Per Pound of SNF Quota	$554	$527	$456

Minimum Class Prices

California Hundredweight Prices

Class	February	March	April
1 No. Calif.	$11.27	$11.13	$11.58
So. Calif	$11.55	$11.40	$11.85
2 No. Calif.	$10.27	$10.27	N/A
So. Calif.	$10.50	$10.50	N/A
3	$10.22	$10.22	N/A
4a	$ 9.53	N/A	N/A
4b	$ 9.02	N/A	N/A

Commodity Prices Used in the Calculation of California Class 1 Milk Prices

Month	Chicago Mercantile Exchange		California Manufacturing Plants	Dairy Market News
	Grade AA Butter	Block Cheddar Cheese	Nonfat Dry Milk	Western Dry Whey
	Dollars per Pound			
Jan.	$1.1275	$1.1178	$0.8146	$0.1500
Feb.	$1.1008	$1.1456	$0.8106	$0.1488
Mar.	$1.1594	$1.1900	$0.8036	$0.1644
Apr.				
May				
June				
July				
Aug.				
Sept.				
Oct.				
Nov.				
Dec.				

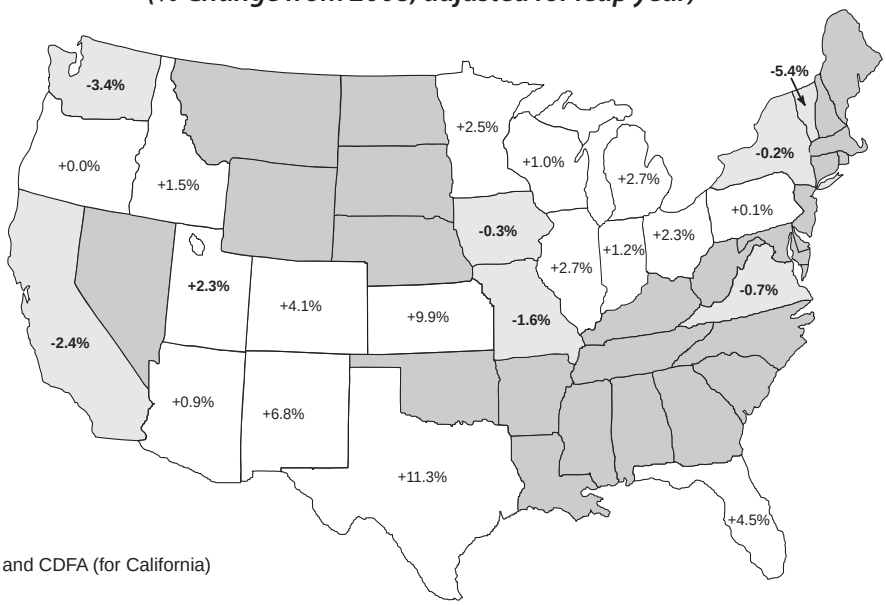
Federal Order and California Minimum Class 1 Prices

Hundredweight Prices

Regions	February	March	April
Phoenix, Arizona	$13.07	$11.78	$12.71
Southern California	$11.55	$11.40	$11.85
Portland, Oregon	$12.62	$11.33	$12.26
Northern California	$11.27	$11.13	$11.58
Boston (Northeast)	$13.97	$12.68	$13.61

February Milk Production in the Top 23 States

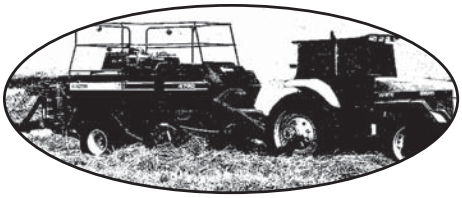
(% Change from 2008, adjusted for leap year)



NOTE:
Beginning with this month, Utah is replacing Kentucky to be among of the top 23 states.

As reported by USDA and CDFA (for California)

Supreme Alfalfa Hay Prices / Alfalfa Sales - Reported Weekly



Alfalfa Hay Update

Northern California: Demand was light for all classes of alfalfa hay with few inquiries on the moderate supplies, dairies are still slow to buy additional hay due to low milk prices.

Southern California: Alfalfa harvest is currently keeping producers busy, producers are however not pleased with the current prices, with some indicating their intentions to let the second and third cuttings go to seed.

Supreme Alfalfa Hay Statewide Average Prices Per Ton / Total Tons Sold or Delivered

Area	Feb. 27	Mar. 6	Mar. 13	Mar. 20	Monthly Low/High
Petaluma	$210-255	$215	$185	N/A	$185-$255
North Valley[1]	$170-185	$185-215	$170-185	N/A	$170-$215
South Valley[2]	$170-210	$165-200	$160-200	N/A	$160-$210
Chino Valley	N/A	N/A	N/A	$155	$155-$155
Tons Sold[3]	17,490	16,154	18,876	19,356	
Tons Delivered[4]	9,575	10,850	8,125	3,675	

[1] North Valley is Escalon, Modesto and Turlock areas.
[2] South Valley is Tulare, Visalia and Hanford areas.
[3] For current or future delivery.
[4] Contracted or current sales.

Source: USDA Market News, Moses Lake, Washington, (509) 765-3611, www.ams.usda.gov/LSMarketNews

California Weekly Feed Commodity Spot Prices, Delivered to the Dairy

AREA Tulare/Pixley	Almond Hulls	Canola	Distillers Dried Grains	Rolled Corn	Soybean Meal	Whole Cottonseed
Mar. 3	$110.00	$245.00	$186.00	$171.00	$326.00	$271.00
Mar. 10	$108.00	$230.00	$186.00	$180.00	$328.00	$271.00
Mar. 17	$105.00	$230.00	$180.00	$186.00	$342.00	$261.00
Mar. 24	$100.00	$230.00	$187.00	$186.50	$358.00	$266.00
Monthly Average	**$105.75**	**$233.75**	**$184.75**	**$180.88**	**$338.50**	**$267.25**

North Valley	Almond Hulls	Canola	Distillers Dried Grains	Rolled Corn	Soybean Meal	Whole Cottonseed
Mar. 3	$109.00	$245.00	$185.00	$180.00	$326.00	$273.00
Mar. 10	$108.00	$230.00	$185.00	$189.00	$328.00	$271.00
Mar. 17	$104.00	$230.00	$180.00	$195.00	$342.00	$261.00
Mar. 24	$100.00	$230.00	$185.00	$195.50	$358.00	$266.00
Monthly Average	**$105.25**	**$233.75**	**$183.75**	**$189.88**	**$338.50**	**$267.75**

Los Banos/Chowchilla	Almond Hulls	Canola	Distillers Dried Grains	Rolled Corn	Soybean Meal	Whole Cottonseed
Mar. 3	$109.00	$247.00	$186.00	$176.00	$328.00	$273.00
Mar. 10	$107.00	$232.00	$186.00	$185.00	$330.00	$273.00
Mar. 17	$104.00	$232.00	$182.00	$191.00	$344.00	$263.00
Mar. 24	$100.00	$232.00	$189.00	$191.50	$360.00	$268.00
Monthly Average	**$105.00**	**$ 235.75**	**$185.75**	**$185.88**	**$340.50**	**$269.25**

Milk Production Cost Comparison Summary for California *

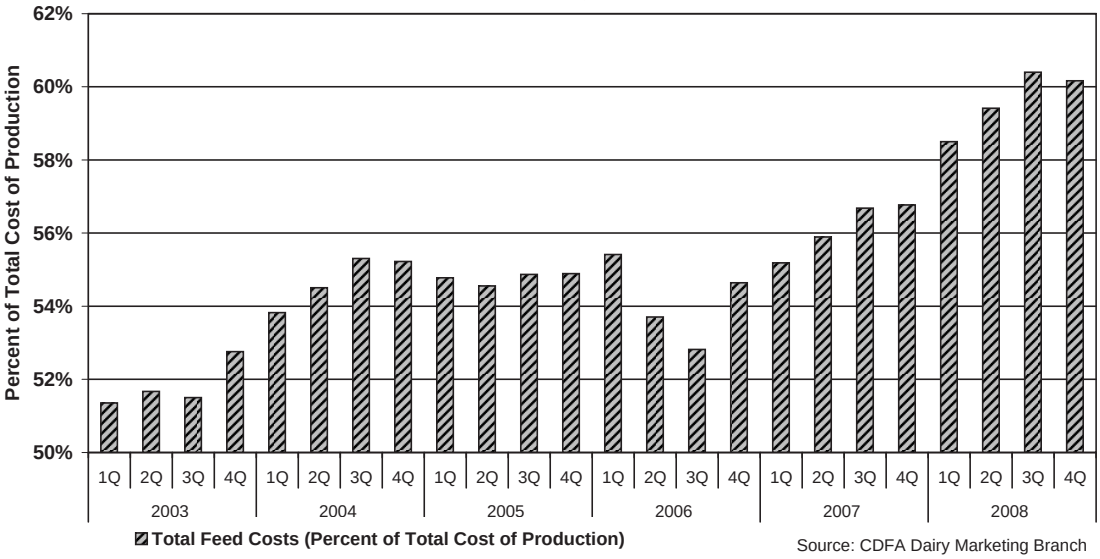
By Quarter, 2007-2008

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
	Dollars per Hundredweight									
1st Quarter										
Total Costs	17.52	19.74	13.33	15.14	13.16	15.31	13.17	15.44	13.31	15.34
Total Costs & Allowances*	19.27	21.97	14.86	16.98	14.76	17.17	14.55	17.07	14.87	17.31
2nd Quarter										
Total Costs	16.23	18.49	13.41	15.86	13.51	16.26	13.00	16.06	13.49	16.14
Total Costs & Allowances*	18.15	20.62	15.13	17.76	15.29	18.16	14.53	17.69	15.25	18.04
3rd Quarter										
Total Costs	17.12	20.52	13.62	16.68	14.20	17.38	13.76	17.13	14.01	17.17
Total Costs & Allowances*	19.24	22.74	15.51	18.67	16.24	19.46	15.52	18.93	15.98	19.21
4th Quarter										
Total Costs	19.01	22.08	14.93	17.08	15.04	17.39	14.46	16.62	15.03	17.33
Total Costs & Allowances*	21.21	24.71	16.84	19.32	17.05	19.65	16.23	18.56	14.97	19.58

* Includes an allowance for management and a return on investment

Total Feed Costs (Percent of Total Cost of Production)

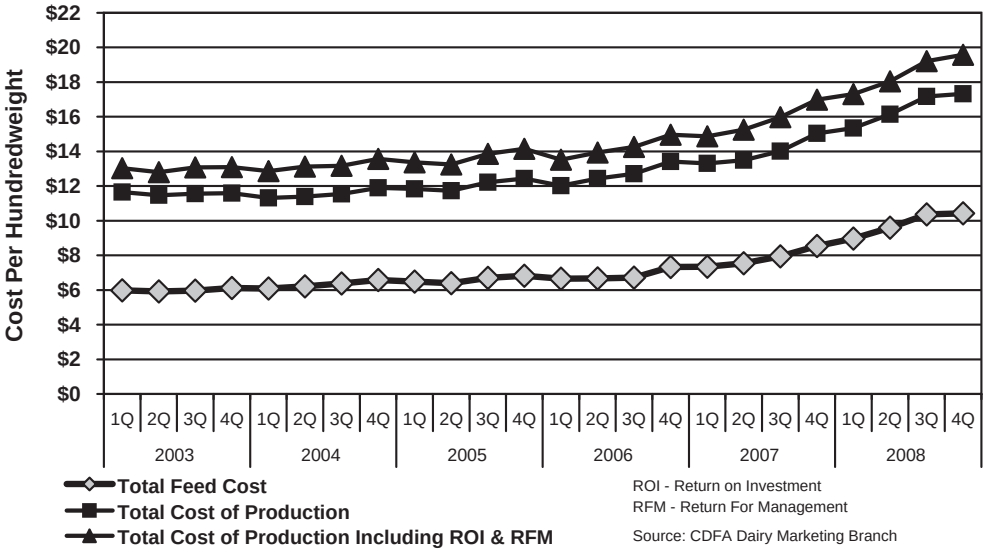
Based on California Production Cost Survey, January 2003 through June 2008



Source: CDFA Dairy Marketing Branch

California Cost of Production, Total Feed Cost, by Quarter

Based on California Production Cost Survey, January 2003 through June 2008

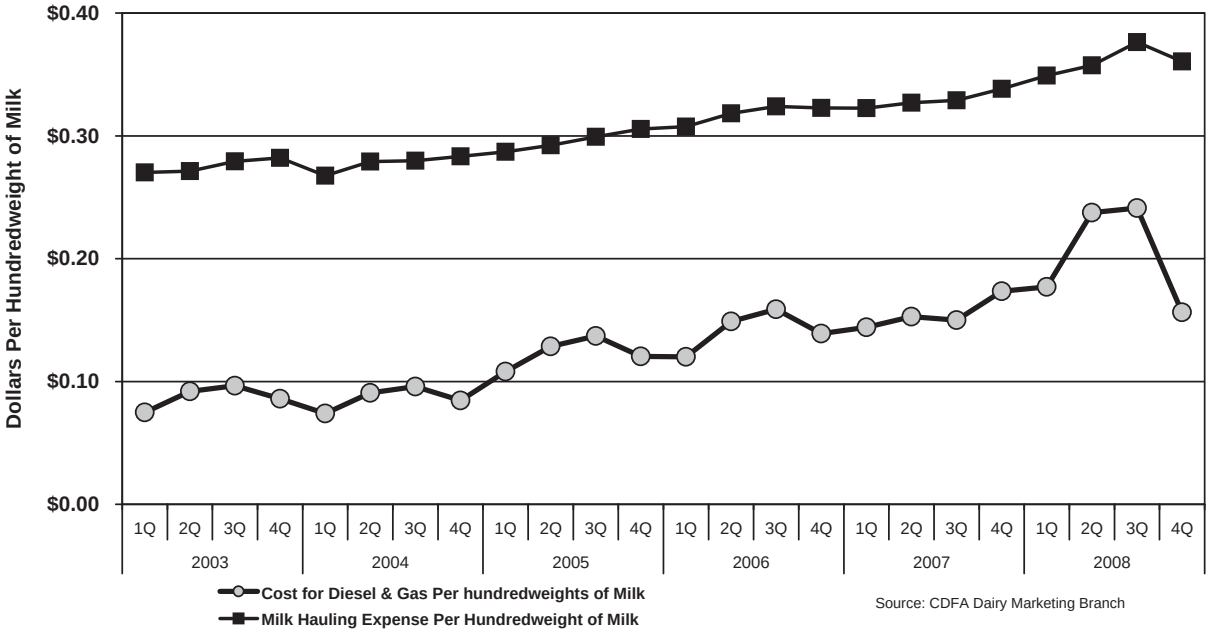


ROI - Return on Investment
RFM - Return For Management

Source: CDFA Dairy Marketing Branch

Diesel, Gas, and Milk Hauling Costs, Per Hundredweight of Mlk

Based on California Production Cost Survey, January 2003 through June 2008



Source: CDFA Dairy Marketing Branch

USDA Milk-Feed Ratio Lowest On Record

The milk-feed price ratio for February again reached an all time low. The February ratio was 1.44, compared to a year ago, when it was 2.24, indicating higher profitability was experienced in 2008. The low ratio is caused in part by the lower milk prices. The all-milk price of $11.50/cwt. for February, down nearly 40 percent lower than a year ago ($19.10/cwt).

Feed prices used to calculate the ratio decreased. The cost per ton of baled alfalfa hay fell to $143 per ton. Meanwhile, the corn price fell to $4.13 per bushel.

The price of soybeans decreased from $9.97 to $9.58 per bushel — a $0.68 gain and very near last year's price of $9.95 per bushel.

A ratio of 1.44 means that a dairy producer can buy 1.44 pounds of feed for every pound of milk sold. Whenever the ratio meets or exceeds 3.0, it is considered profitable to buy feed and produce milk.

Waste Discharge Requirement Reminders: Due July 1, 2009

The Regional Water Quality Control Board, Regional Board 5, reports that July 1, 2009 is an upcoming deadline for waste discharge requirements required by General Order R5-2007-003.

Submit to Regional Board 5 by July 1, 2009:

- Annual Report including annual dairy facility assessment
- Documentation of Interim Facility Modifications Completion for Storage Capacity and to Balance Nitrogen
- NMP
  - Statement of Completion
    - Map
    - Nutrient Budget (requires CCA signature)
  - Retrofitting Plan with Schedule
- WMP
  - Map
  - Storage Capacity (reguires engineer)
  - Flood protection (requires engineer)
  - Production area design construction
  - Retrofitting Plan/Schedule
  - Documentation of no cross-connections
- Salinity Report

Questions from the Corral

The Dairy Marketing Branch is bringing back the "Questions from the Corral" question and answer section of the Dairy Review. As the dairy industry evolves and changes, questions arise and this is a way that dairy producesrs can ask the Department questions or ask for clarity on pricing issues, hearing decisions, etc. Please email your questions to kdapper@cdfa.ca.gov or dairy@cdfa.ca.gov; or fax your questions to (916) 341-6697.

Question:
When are milk prices going to return to higher levels?

Answer:
Unfortunately, there is no exact way to predict when milk prices are going to increase, and by how much. Milk prices vary based on the price of basic dairy commodities: butter, nonfat dry milk, and Cheddar cheese, which respond to supply and demand conditions, both nationally and globally. To better understand where milk prices are going, we must review the general economic conditions that affect those basic dairy commodities. We also will provide a few independtly published forecasts for milk prices for 2009.

Global economic conditions have an impact on prices in the U.S.. Since an important part of U.S. dairy products is sold on export markets, domestic prices are impacted by world dairy prices. If there is an imbalance between supply and demand of milk worldwide, the prices of U.S. dairy products change. If global demand drops and the global supply of milk increases or remains constant, then U.S. milk prices will fall. This is what is currently happening.

Throughout 2008, milk prices decreased in response to weakening international demand for dairy products and increasing international milk supplies from Australia and New Zealand. The intensified global economic downturn that we are now experiencing has further eroded international demand for dairy products and many countries that had been buying large amounts of U.S. dairy products have decreased. This decline is evident in the decrease of U.S. dairy product exports to the rest of the world.

Despite decreasing demand, global milk supplies are not following the same trend. Milk production in California and the U.S. in 2008 compared to 2007 was up. Furthermore, milk production in Australia and New Zealand increased in 2008 compared to 2007. This global increased milk production together with decreased demand has caused the recent milk price decline not only in California, but across the U.S. and the rest of the world.

In order for milk prices to increase, either demand needs to increase, supply needs to decrease, or a little of both need to happen. Demand is likely to increase once the local, national and international economies begin to turn around. When economies recover from the current recession, incomes will rise and demand should pick up. On the supply or milk production side, some organizations have implemented production bases, Cooperatives Working Together has gone through herd buyouts and growth management concepts have been discussed; however, the milk supply has continued to grow.

As mentioned earlier, predicting milk prices is not an exact science. Although CDFA does not forecast future milk prices, there are organizations that do attempt to forecast the all-milk price, which is an estimate of the average market milk price at the farm level. In a report recently to the U.S. Congress, the Food and Agricultural Policy Research Institute (FAPRI) submitted a forecast that showed milk prices remaining at low levels for 2009 and then improving slightly in 2010. The FAPRI forecast lists an average all-milk price for 2009 to be $13.08/cwt. and an average all-milk price for 2010 to be $14.26/cwt.

The Economic Research Service (ERS) of USDA forecasts an average all-milk price of $10.95 for 2009 as published in their Livestock, Dairy, & Poultry Outlook released on February 17, 2009. The ERS average all-milk forecast is significantly lower than the FAPRI forecast due in part to lower forecasts of commodity prices in the future.

Despite the variation in these different forecasts, it appears that milk prices are not expected to increase dramatically in 2009. However, it is important to note that no entity can predict the future and these forecasts are based on current conditions and expectations of what the future may or may not bring. Ultimately, future milk prices will be dependent on the supply and demand conditions of the basic dairy commodities.

MILC Payments for March Are Highest on Record

According to USDA, the MILC payment rate for March calculates to $1.917, plus a feed-cost adjustment. It is the largest payment since the program's inception in 2001.

Eligible Dairy Producers
Eligible dairy producers are those who, beginning Oct. 1, 2007, through Sept. 30, 2012:

- Commercially produce and market cow milk in the United States; or Produce milk in the United States and commercially market the milk outside the United States.

Dairy producers must be in compliance with Highly Erodible Land and Wetland conservation provisions. Dairy producers are subject to the Adjusted Gross Income (AGI) limitation. If non-farm income exceeds $500,000 the dairy operation and the dairy producer are not eligible for MILC benefits.

To apply for MILC, dairy operations must submit Form CCC-580, "Milk Income Loss Contract Program (MILC)," to the FSA county office where the operation is located. The form is available at FSA county offices and online at: http://forms.sc.egov.usda.gov/eforms/mainservlet Dairy operations can obtain more information on MILC at FSA county offices and online at: http://www.fsa.usda.gov; click on Price Support.

Watch for EPA "Dust Rule" Update

The federal appeals court ruling upholding the EPA's 'dust rule' for farms could significantly impact U.S. agriculture. EPA will begin requiring control of dust, such as the dust seen as you are driving down a dirt road or your driveway; dust behind farm cultivating equipment when you are harvesting your crop; dust coming from a feedlot; dust that's generated when you are feeding your animals.

Under the regulations, livestock operators as well as other ag producers and businesses could be treated as stationary air emissions sources. EPA may require emissions permits under federal and state law—and could monitor for particulate matter such as dust from dirt roads and fields.

Some are hoping that the new administrator of EPA, Lisa Jackson,will be not be too aggressive in enforcing the dust rule, and will be more willing to work with the livestock industry on environmental issues.

CWT Members Approve Two-Year Commitment

With production costs far exceeding the price dairy farmers are receiving for their milk, the members of Cooperatives Working Together (CWT) voted to fund the program for two full years, from Jan. 2009 through Dec. 2010, to help bring the dairy supply into balance with shrinking demand.

The decision to fund CWT for another two years is predicated on achieving the participation of a 67% supermajority of the nation's milk supply at the current 10 cent per hundredweight membership assessment.

There are two new changes to the program:

- First, all members whose bids are accepted in future herd retirement programs will agree and warrant to cease dairy production for one year. This warranty will apply to both the producer and his/her dairy facility.
- Second, farmers who were successful participants in past CWT herd retirement rounds will be permitted to bid in the next herd retirement round that CWT conducts.

CWT Finishes Latest Herd Retirement Round

CWT finished the farm audits of its sixth herd retirement round, removing 50,630 cows that produced almost one billion pounds of milk. At the completion of the on-farm auditing process in early February, CWT removed 186 herds in 33 states, comprised of nearly 51,000 cows that produced 976 million pounds of milk. These figures reflect the final number of dairies that successfully were audited .

CWT had received 471 bids from 40 states during the bidding process in the fall of 2008. The majority of the cows removed were in the western regions of the country. In addition, this round removed 1,240 bred heifers.

Licensed Dairy Herds in U.S. Continue to Decline

USDA reported that 2,003 licensed U.S. dairy herds went out of business in 2008. The report shows there were 57,127 licensed herds in 2008 vs. 59,130 in 2007. The largest herd losses were in Wisconsin, down 440 herds, and Pennsylvania, down 340 herds.

Of the top 23 dairy states, only Indiana and Missouri saw an increase in the number of farms licensed to sell milk. Indiana gained 10 herds and Missouri gained 40.

Special Notice

A special notice was sent to all California dairy producers concerning the following:
Milk shipments to Humboldt Creamery, LLC, 572 Highway 1, Fortuna, CA 95540, are ineligible for coverage under the Milk Producers Security Trust Fund because of failure to pay the Pool Settlement Fund as required by Section 62712(c) of the California Food and Agriculture Code.

Producers who have a contract with Humboldt Creamery, LLC, which is on file with the Department were notified that shipments by you after five days from the date of this notice (March 12, 2009) will not be covered by the Milk Producers Security Trust Fund. Producers who do not have a contract with Humboldt Creamery, LLC on file with the Department were notified that shipments five days from the date of the notice (March 12, 2009) will not be covered by the Milk Producers Security Trust Fund, and are selling bulk milk to Humboldt Creamery, LLC at their own risk.

Milk with Omega-3's

Milk that contains higher levels of omega-3 and conjugated linoleic acid (CLA) than conventional milk is being offered on the shelves of stores operated by Marsh Supermarkets, an Indiana-based regional food retailer.

According to Favored Dairy LLC, the supplier of this special milk, its Favored milk products contain naturally higher levels of omega-3 and CLA because they come from cows whose diets have been "customized" to improve the level of these essential fatty acids.

The Favored Dairy website notes that "FAVORED's dairy farmers are committed to producing milk the traditional way, never using added rBST/rBGH growth hormones to increase milk production. Best of all, we have customized the cow's diet to improve certain essential fatty acids (Omega-3 & CLA) in FAVORED milk without having to add them after the fact. Whether it is for taste or nutritional value, our goal is to improve the quality of our milk without the use of additives. Staying with this core philosophy, FAVORED Milk is Ultra-Pasteurized to protect its taste and freshness longer without using any preservatives."

The milk is reported to be selling for about $1 more per half gallon than some organic brands.

For more information: http://www.favoredmilk.com/index.php

Final Downer Cow Rules

USDA Reports: Agriculture Secretary Tom Vilsack announced a final rule to amend the federal meat inspection regulations to require a complete ban on the slaughter of cattle that become non-ambulatory disabled after passing initial inspection by Food Safety and Inspection Service (FSIS) inspection program personnel.

The final rule amends the federal meat inspection regulations to require that all cattle that are non-ambulatory disabled ("downer") cattle at any time prior to slaughter at an official establishment, including those that become non-ambulatory disabled after passing ante-mortem inspection, be condemned and properly disposed of according to FSIS regulations. Additionally, the final rule requires that establishments notify inspection program personnel when cattle become non-ambulatory disabled after passing the ante-mortem, or pre-slaughter, inspection. The rule will enhance consumer confidence in the food supply and improve the humane handling of cattle.

"President Obama has strongly stated his support for efforts to improve food safety," said Vilsack. "This rule is designed to enhance consumer confidence and humane handling standards and will provide clear guidance that non-ambulatory cattle will not be allowed to enter the human food supply. It is a step forward for both food safety and the standards for humane treatment of animals. "

Under the final rule, cattle that become non-ambulatory disabled from an acute injury after ante-mortem inspection will no longer be eligible to proceed to slaughter as "U.S. Suspects." Instead, FSIS inspectors will tag these cattle as "U.S. Condemned" and prohibit these cattle from proceeding to slaughter. Discontinuing the case-by-case disposition of cattle that become non-ambulatory disabled after ante mortem inspection will eliminate the time FSIS Public Health Veterinarians spend conducting additional inspections on these animals, thereby increasing the time inspection program personnel can allocate to other inspection activities. With this final rule, these cattle now must be humanely euthanized.

For further information, contact Dr. Daniel Engeljohn, Deputy Assistant Administrator, Office of Policy and Program Development, FSIS, 1400 Independence Avenue, SW., Washington, DC 20250, or by phone at (202) 205-0495.

National Dairy Situation and Outlook – USDA Estimates

Milk Production
Monthly: Compared to 2008 *(adjusted for leap year),* the overall milk production in 23 major states across the U.S. was up 0.9% in February; led by Texas at 11.3% growth in milk production. USDA reports that California milk production was down 2.4% compared to February 2008. Among the western states, Arizona was up 0.9%; New Mexico was up 6.8%; and Washington was down 3.4%. Seven of the top 10 states reported a production increase.

Quarterly: For the fourth quarter of 2008 compared to the third quarter of 2008, U.S. milk cow numbers were unchanged at 9.330 million, production per cow decreased to 5,008 pounds; the net effect was decreased milk production to 46.7 billion pounds. USDA projects that for the first quarter of 2009 compared to the fourth quarter of 2008, U.S. milk cow numbers will decrease to 9.300 million cows, production per cow will increase to 5,110 pounds; the net effect would be increased milk production to 47.5 billion pounds.

Milk Prices
Comparing the fourth quarter of 2008 to the third quarter of 2008, U.S. average milk prices went down to $16.80/cwt. USDA projects that for the first quarter of 2009, U.S. average all-milk prices will be $11.80-12.00/cwt.; Class 4b prices will be $9.86-10.06/cwt.; and Class 4a prices will be $9.35-9.65/cwt.

Utility Cow Prices
Comparing the fourth quarter of 2008 to the third quarter of 2008, average U.S. utility cow prices went down by $15.08/cwt. to a national average of $46.70/cwt. USDA projects that utility cow prices will average $43-43 in the first quarter of 2009.

Information from the USDA-NASS publication "Milk Production" and the USDA-ERS publication: "Livestock, Dairy, and Poultry Outlook."

USDA, Excerpt from NMPF - *Continued from Page 1*

as they expand into bottling, they're able to exploit a loophole in the federal order regulations that allows them to keep all the benefits of higher Class I prices for themselves. The unintended result of this hole in the rules is that a few large producer-handlers ride on the back of many other smaller farmers in the market.

In order to correct this inequity and ensure more consistent treatment of all farms and processors, NMPF has asked USDA to end the exemption that larger producer-handlers enjoy from pooling requirements. We believe that the marketing rules need to be adjusted in light of the growing number of huge mega-farms that can exploit this loophole in milk pricing regulations. Thus, we want those farms that bottle more than 450,000 pounds of milk per month to be treated exactly the same as other bottlers that may not be owned by farmers. This will level the playing field and recognize that processing plants of a certain size, regardless of ownership, need to be regulated equitably.

If this effort isn't successful, it's not a stretch to envision that in the not-too-distant future, we'll see a growing number of large producer-handlers producing and packaging fluid milk. By not contributing to the pool, they are ultimately lowering the blend price for every dairy farmer in the market.

The NMPF and IDFA also proposes that smaller farmer-owned bottlers, those below the 450,000 pound per month threshold, remain exempt from the pooling provisions. This will reduce the regulatory burden on truly small farmers with their own modest bottling operations. The 450,000/lb. per month cap equates to a farm size of about 270 cows.

Now, some large-scale, vertically-integrated farms will claim that they should remain exempt from such regulation because they're more efficient and can sell milk more cheaply. In fact, the only cost advantage they enjoy is their exemption from having to pay into the Class I pool – a loophole giving them, in many cases, a pricing edge of more than 10 cents a gallon, reflecting the fact that they don't pool more than $1 per hundredweight with other farmers. That's not efficiency – that's free riding, while everyone else pays."

Pool Prices

Month	Quota	Overbase
September '07	$21.69	$19.99
October	$21.16	$19.46
November	$21.93	$20.23
December	$20.79	$19.09
January '08	$19.14	$17.44
February	$18.42	$16.72
March	$17.71	$16.01
April	$17.56	$15.86
May	$18.47	$16.77
June	$19.12	$17.42
July	$19.05	$17.35
August	$18.01	$16.31
September	$17.92	$16.22
October	$17.14	$15.44
November	$15.97	$14.27
December	$14.11	$12.41
January '09	$12.10	$10.40
February	$11.28	$ 9.58

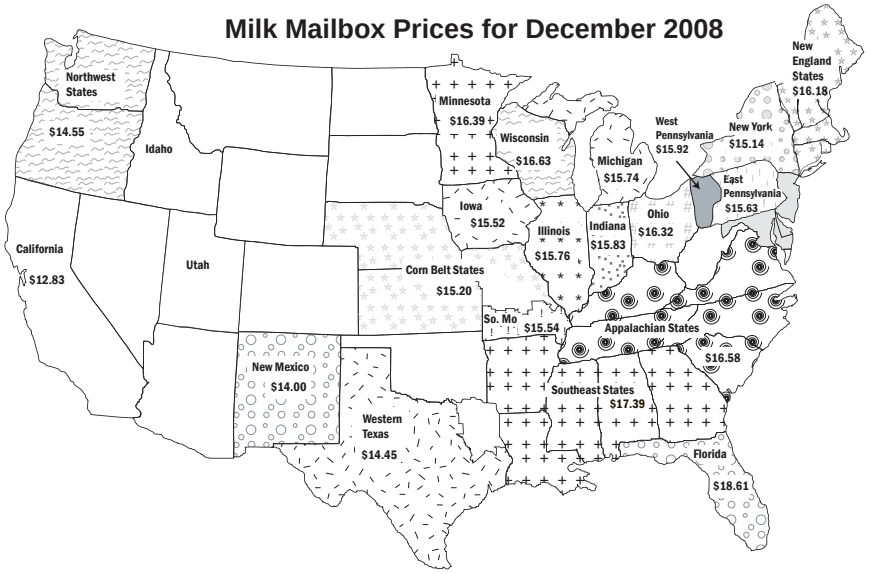
Milk Mailbox Prices

Milk Mailbox Prices in Dollars per Hundredweight

	June	July	August	September	October	November	December
California [1]	$17.35	$17.19	$16.25	$16.29	$15.75	$14.67	$12.83
USDA[2]	$19.11	$19.43	$18.58	$18.25	$17.94	$17.42	$16.12

[1] California mailbox price calculated by CDFA.
[2] All federal milk market order weighted average, as calculated by USDA.

Milk Mailbox Prices for December 2008



In December 2008, mailbox milk prices for selected reporting areas in Federal milk orders averaged $16.12 per cwt., down $1.30 from the previous month average, and down $4.92 from December 2007. The component tests of producer milk in December 2008 were: butterfat, 3.80%; protein, 3.14%; and other solids, 5.70%. On an individual reporting area basis, mailbox prices decreased in all Federal milk order reporting areas, and ranged from $18.61 in Florida to $14.00 in New Mexico.

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