

SUMMARY OF PROPOSALS FOR THE MAY 18, 2006 HEARING WORKSHOP — IN PREPARATION FOR THE JUNE 1, 2006 HEARING

Class 4a

Fat = (CME Butter Price - $\frac{\text{Difference between CME \& Aver. Price Received by Processors}}{\text{MCA - Amt. to deduct for Processor's costs}}$ - \$0.0285 - \$0.1560) x 1.2

SNF = (CA NFDM Price - \$0.152) X 1.0 - $\frac{\text{Yield: Lbs. of powder from 1 lb. of SNF}}{\text{MCA - Amt. to deduct for Processor's costs}}$

INSTITUTE

Class 4a

Fat = (CME Butter Price - \$0.0168 - \$0.1560) x 1.2

SNF = (CA NFDM Price - \$0.1591) x 1.0

Class 4b

Product Value = (Cheddar Price - \$0.0252 - \$0.1791) x 10.0 + (CME Butter - \$0.10 - \$0.1560) x 0.27 + *(Western Dry Whey - \$0.2742) x 5.8 *Eliminate Whey Factor when falls below \$0.2742

SNF = $\frac{\text{Product Value} - (3.67 \times \text{Price of Class 4b fat})}{8.80}$

LAND O'LAKES

(Western Dry Whey - *\$0.2742 - 50% (Whey-\$0.2742) x 5.8
*Adjusting whey factor: + or - 50% of difference between \$0.2742 and Dairy Market news published Western Dry Whey price

WESTERN UNITED DAIRYMEN

Class 4a

Fat = (CME Butter Price - \$0.0135 - \$0.1560) x 1.2

SNF = (CA NFDM Price - \$0.152) x 1.0
Floor Butter and NFDM Prices

Class 4b

Product Value = (Cheddar Price - \$0.0229 - \$0.171) x 10.2 + (CME Butter - \$0.10 - \$0.1560) x 0.27 + (Western Dry Whey - \$0.20) x 5.8
*Floor Cheddar Cheese Prices

CALIFORNIA DAIRIES INC.

Class 4a

Fat = (CME Butter Price - \$0.027 - \$0.1657) x 1.2

SNF = (CA NFDM Price - \$0.1626) x 1.0
Floor Butter and NFDM Prices

Class 4b

Fat = Class 4a Fat

Product Value = (Cheddar Price - $\frac{\text{Difference between CME \& Aver. Price Received by Processors}}{\text{MCA - Amt. to deduct for Processor's costs}}$ - \$0.0290 - \$0.1710) x 10.2 + (CME Butter - \$0.10 - \$0.1560) x 0.27 + $\frac{\text{Yield: Lbs. of cheese from cwt. of milk}}{\text{MCA - Amt. to deduct for Processor's costs}}$ + (Western Dry Whey - \$0.20) x 5.8 $\frac{\text{Yield: Lbs. of dry whey from cwt. of milk}}{\text{MCA - Amt. to deduct for Processor's costs}}$

SNF = $\frac{\text{Product Value} - (3.72 \times \text{Price of Class 4b fat})}{8.80}$ $\frac{\text{Aver. \% fat in milk for Cheddar}}{\text{Aver. \% SNF in milk for Cheddar}}$

CALIFORNIA DAIRY CAMPAIGN

Class 4a

Fat = (CME Butter Price - \$0.124*CommRefPrice/COP Price) x 1.2

SNF = (CA NFDM Price - \$0.159*CommRefPrice/COP Price) x 1.0
Floor Butter and NFDM Prices

Class 4b

Product Value = (Cheddar Price - \$0.168*CommRefPrice/COP Price) x 10.2 + (CME Butter - \$0.10 - \$0.124) x 0.27 + *(Western Dry Whey - \$0.20) x 5.8 *Snub Whey at \$0.20

SNF = $\frac{\text{Product Value} - (3.72 \times \text{Price of Class 4b fat})}{8.80}$
Floor Cheddar Cheese Price

MILK PRODUCERS COUNCIL

Class 4b

Product Value = (Cheddar Price - \$0.0120 - \$0.171 - 2.5%*(CME Cheddar-SPP Cheddar)) x 10.2 + $\frac{\text{Only if CME > SPP}}{\text{4a Fat Price x 0.27}}$ + 50% of (Western Dry Whey - \$0.20) x 5.8 *Snub Whey at \$0.20 + 50% of (WPC 34% Price - \$0.26) x 1.8 *Snub WPC at \$0.26

If sales to CCC, processor gets a credit from POOL of \$0.038 per pound block sold
Floor Cheddar Cheese Price

ALLIANCE

Class 4a

Fat = ((CME Butter Price - \$0.0270 - \$0.1657) + Nat Gas Factor) x 1.2

SNF = ((CA NFDM Price - \$0.1626) + Nat Gas Factor) x 1.0
Floor Butter and NFDM Prices

Class 4b

Product Value = ((Cheddar Price - \$0.0175 - \$0.1832) + Nat Gas Factor) x 10.2 + (CME Butter - \$0.10 - \$0.1657) x 0.27 + ((Western Dry Whey - \$0.2106) + Nat Gas Factor) x 5.8 *Snub Whey at \$0.2106
Floor Cheddar Cheese Price