

California Weighted Average Price (CWAP) Series

Background and History of CWAP

When did California begin using the current survey methodology for collecting NFDM data?

- *We have NFDM data dating back to 1978.*
- *The methodology is the same as what was used in 1978 except for a revision about 10 years ago, that addressed prices being adjusted if they were reported below the support price.*
- *In 1996 there was a change to the reporting procedures. Prior to 1996 any price reported that was lower than the support price was adjusted upward to reflect the support price. A change was made to the reporting procedures to not make any adjustments to prices, regardless of the level of the price level.*

Statistics and Procedures

What criteria does California use to establish the weekly and monthly CWAP?

- *CWAP includes all types of extra grade and grade A nonfat dry milk powder including high, medium and low heat powder.*
- *CWAP includes all types of sales including spot market sales, long term sales and government sales.*
- *CWAP does not include inter-company sales (such as a coop that belongs to Dairy America that purchases powder from Dairy America).*

How does California insure that reporting of the CWAP is accurate?

- *All weekly sales figures are verified prior to reporting the weekly price.*
- *Virtually all of the monthly sales figures are audited monthly, prior to calculating the prices issued in the monthly price letter.*

May 16, 2007

REPORTING INSTRUCTIONS
(Monthly Report)

This report is for disclosing sales of Extra Grade and Grade A Nonfat Dry Milk (NFDM) only, sold for human consumption, regardless of length of storage, container size or sales volume. Do not include any other type of powdered milk, such as instant NFDM or whole milk powder. The selling price of NFDM will include any bag costs. No reduction in price is allowed when a more expensive bag is used.

Period Covered: The monthly time frame beginning on the 26th of one month and concluding on the 25th of the next month will be the basis for determining the amounts of reported nonfat dry milk product and sales. Include only the sales involved for that specific time frame in the pounds and sales lines.

1. **Commodity Credit Corporation Sales:** Total of the Commodity Credit Corporation (CCC) sales under the support purchase price program for the month in question and place on this line. This is reported in pounds.

- 2.(b) **Total Dollars Received:** Total the dollars of sales for the week in question and place on this line. Credits for sales fare to be included in the monthly report only if the original sale was in the same month as the credit month. Other credits for prior month sales are not to be included. Please note that sales of NFDM should be reported at the price sold without regard to whether the price is lower than any existing support purchase price.

- 2.(c) **Broker Fees and Hauling Costs:** Total all broker fees and letters of credit costs accrued by your company for any sale for the month in question, if any, on this line. If total dollar sales exclude broker fees and letters of credit costs, disregard this line. If the processing plant delivers product in their own trucks and the plant cannot separate their delivery cost from their delivered price to achieve an f.o.b. plant price, then this sale shall not be reported.

- 2.(d) **Charges for Powder Only:** This line represents total dollars received less broker fees and hauling costs.

- 3.(a) **Total Other Sales:** Total All Other Sales for the month in question and place on this line. Do not include sales or transfers to other plants in your organization, or products delivered by the company's own trucks unless the company can separate delivery expenses from the delivered price. This is reported in pounds.

- 3.(b) **Total Dollars Received- All Other Sales:** Same as 2.(b).

- 3.(c) **Broker Fees and Hauling Costs:** Same as 2.(c).

3. (d) **Charges for Powder Only:** This line represents total dollars received less broker fees and hauling costs.

This report is to be faxed to the Statistics Unit by 10:00 a.m. of the last working day of the month.

**To: California Department of Food & Agriculture
 Attn: Dairy Marketing Branch - Statistics Unit
 Fax Number: (916) 341-6697**

**NONFAT DRY
 MILK SALES REPORT**

The prices received by your plant from wholesale customers for sales of Extra Grade and Grade A Nonfat Dry Milk (NFDM) for human consumption are used by this office, together with those received by several other plants, in computing minimum prices to be paid for Class 1, 2, 3, and 4a solids-not-fat in California.

Your sales to wholesale customers (excluding sales or transfers to other plants in your organization) should be reported to the Dairy Marketing Branch no later than 10:00 a.m. on the last business day of the month.

Period Covered

1.	Through
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**Volume and Dollar Value of Extra Grade and Grade A Nonfat Dry Milk
 Sold FOB Processing Plant During the Period Above**

2A. Commodity Credit Corporation Sales: (All approved Containers)	Volume in Pounds:
2B. Total Dollars Received for the Sales Above:	\$ Dollars
2C. Less Broker Fees and Hauling Costs:	(\$)
2D. Total Dollars Received for NFDM Only	\$

3A. All Other Sales: (All Types of Containers)	Volume in Pounds:
3B. Total Dollars Received for the Sales Above:	\$ Dollars
3C. Less Broker Fees and Hauling Costs:	(\$)
3D. Total Dollars Received for NFDM Only:	\$

Instructions for completing this Report are on the reverse side. Should you have any questions, please contact the Statistics Unit at (916) 341-5988. Your timely cooperation in supplying this information is greatly appreciated.

I hereby certify that the foregoing report, to the best of my knowledge and belief is correct.

Signed:	Please Print Name:
Title:	Phone Number:
Company Name:	Date:

REPORTING INSTRUCTIONS

(Weekly Report)

This report is for disclosing sales of Extra Grade and Grade A Nonfat Dry Milk (NFDM) only, sold for human consumption, regardless of length of storage, container size or sales volume. Do not include any other type of powdered milk, such as instant NFDM or whole milk powder. The selling price of NFDM will include any bag costs. No reduction in price is allowed when a more expensive bag is used.

- 1. Period Covered:** The weekly time frame of Saturday through Friday of any given week will be the basis for determining the amounts of reported nonfat dry milk product and sales. Include only the sales involved for that specific time frame in the pounds and sales lines.
- 2.(a) Commodity Credit Corporation Sales:** Total the Commodity Credit Corporation (CCC), sales under the support purchase price program for the week in question and place on this line. This is reported in pounds sold.
- 2.(b) Total Dollars Received:** Total the dollars of sales for the week in question and place on this line. Credits for sales are to be included in the weekly report only if the original sale was in the same week as the credit week. Other credits for prior week sales are not to be included. Please note that sales of NFDM should be reported at the price sold without regard to whether the price is lower than any existing support purchase price.
- 2.(c) Broker Fees and Hauling Costs:** Total all broker fees and letters of credit costs accrued by your company for any CCC sale for the week in question, if any, on this line. If total dollar sales exclude broker fees and letters of credit costs, disregard this line. If the processing plant delivers product in their own trucks and the plant cannot separate their delivery cost from their delivered price to achieve an f.o.b. plant price, then this sale shall not be reported.
- 2.(d) Charges for Powder Only:** This line represents total dollars received less broker fees and hauling costs.
- 3.(a) All Other Sales:** Total All Other Sales for the week in question and place on this line. Do not include sales or transfers to other plants in your organization, or products delivered by the company's own trucks unless the company can separate delivery expenses from the delivered price. This is reported in pounds.
- 3.(b) Total Dollars Received- All Other Sales:** Same as 2.(b).
- 3.(c) Broker Fees and Hauling Costs:** Same as 2.(c).
- 3. (d) Charges for Powder Only:** This line represents total dollars received less broker fees and hauling costs.

This report is to be faxed to the Statistics Unit by 10:00 a.m. on Tuesday of the current week.