

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

**WEEKLY 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 the weekly "sales quantity" weighted average NFDM price for California. These prices are for the seven-day period Saturday through Friday of each week. This calculated price, as well as the weekly total NFDM sales will be submitted to the Federal Market News Service by 2:00 p.m. each Wednesday for publication in the *Dairy Market News*.

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 Tuesday following the seven-day period of this Report.

Period Covered

1. Saturday:	Through Friday:
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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:
	Dollars
2B. Total Dollars Received for the Sales Above:	\$
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:
	Dollars
3B. Total Dollars Received for the Sales Above:	\$
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:

DEPARTMENT OF FOOD AND AGRICULTURE

1220 N Street, Room A-224
Sacramento, California 95814
(916) 654-1456
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August 14, 1996

TO THE PERSON ADDRESSED:

The current Stabilization and Marketing Plans for Market Milk require that the prices for nonfat dry milk (NFDM) sold f.o.b. California processing plants be used in determining the Class 4a solids-not-fat (SNF) price. The NFDM includes all grade A and extra grade sold for human consumption.

On December 5, 1995, the Department held a public hearing in Sacramento on the Class 4a and 4b pricing formulas. As a result of that hearing, effective April 1, 1996, the Department eliminated the use of the federal support purchase price for NFDM from the calculation of the Class 4a SNF price. This change, as well as other changes to the Class 4a and 4b pricing formulas, were discussed at two industry meetings held in Sacramento on April 17 and 29, 1996.

One of the subjects at these meetings was the reporting of the NFDM price by processing plants. Based on the hearing findings and the discussions at the two meetings, changes have been made to the procedures for the monthly and weekly reports faxed to the Statistics Unit, Dairy Marketing Branch, in Sacramento.

Under the authority of the provisions of Chapters 1 and 2, Part 3, Division 21 of the Food and Agricultural Code, Sections 62241 and 62243, in reporting sales of nonfat dry milk, we have developed new "Directions for the Reporting of Weekly and Monthly Nonfat Dry Milk Sales, effective August 26, 1996".

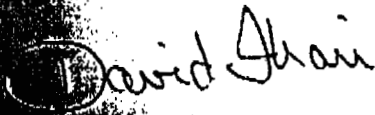
Please find enclosed a copy of these directions. These directions lay out the revised procedures for the reporting of weekly and monthly nonfat dry milk sales by California processing plants. These reports are used to establish the California weekly and monthly weighted average nonfat dry milk prices. For your information, also attached are copies of the revised reporting forms and instructions. These directions, the revised reporting forms, and the revised instructions supersede all previous documents on this topic.

Please note that all individual plant data regarding volume, revenue and price are kept strictly confidential. Only weighted average prices and total volume for all plants are published.

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For those addressed who are managers of nonfat dry milk plants, it is requested that you stress to those responsible for this work the importance of prompt and accurate reporting of these sales. If there are any questions, please feel free to contact Ed Hunter, Candace Gates or Tom Gossard of this office.

Sincerely,

A handwritten signature in cursive script that reads "David Ikari". The signature is written in dark ink and is positioned above the typed name.

David K. Ikari, Chief
Dry Marketing Branch

Enclosures

DIRECTIONS FOR THE REPORTING OF
WEEKLY AND MONTHLY NONFAT DRY MILK SALES

Effective August 26, 1996

- (1) If brokerage fees are charged or an expense is incurred for a letter of credit, such charges and expenses should be deducted before reporting the price. Such charges and expenses are subject to verification at the time of audit.
- (2) If freight charges are included in the price, such charges should be deducted before reporting the price. These charges will also be subject to verification at the time of audit. 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 these sales shall not be reported. These unreported sales will also be subject to verification at the time of audit.
- (3) If credits for prior sales occur, the revenue shall be applied in the week and month the credit is invoiced.
- (4) Please note that sales of NFDM should now be reported at the price sold, with adjustments noted in (1), (2) and (3) above, without regard to whether the price is lower than any existing support purchase price.
- (5) Reported sales shall include all grade A and extra grade NFDM sold for human consumption, regardless of length of storage.
- (6) Monthly reported sales are for the period the 26th of the prior month through the 25th of the current month. The reports are to be faxed to the Statistics Unit by 10 am of the last working day of the current month.
Weekly reported sales are for the period Tuesday of the prior week through Monday of the current week. The reports are to be faxed to the Statistics Unit by 10 am on the Wednesday the current week.
- (7) Reported sales shall not include sales or transfers to other plants in the same organization (subsidiary, affiliate, partner, fiduciary interest, etc.).
- (8) Reported sales shall include all container sizes.
- (9) Reported sales shall include all sales regardless of volume.
- (10) Reports shall be made consistent with the sample forms and instructions developed by the Dairy Marketing Branch. These forms and instructions may be modified from time to time to remain consistent with the intent of these directions.