

PRODUCER POOLING INFORMATION REPORT
October 2016

| Milk Blend Price @ 3.5% BF | | | |
|-------------------------------|----------|-------------------|--------------|
| Quota / Excess Prices | (\$/cwt) | Butterfat (\$/lb) | Skim (\$/lb) |
| Quota Price | \$16.35 | \$1.9215457 | \$0.0997706 |
| Excess Price | \$14.85 | \$1.9065457 | \$0.0847706 |

| Milk Blend Price @ 3.5% BF | | | |
|-------------------------------|----------|-------------------|--------------|
| Announced Prices | (\$/cwt) | Butterfat (\$/lb) | Skim (\$/lb) |
| Class I | \$19.15 | \$2.3478 | \$0.1133 |
| Class II | \$14.23 | \$2.1000 | \$0.0713 |
| Class III | \$12.04 | \$1.7195 | \$0.0624 |

| Production | Milk (lbs) | Butterfat (lbs) | Skim (lbs) | Butterfat (%) |
|--|------------|-----------------|------------|---------------|
| Quota Production (lbs) | 22,266,172 | 851,929 | 21,414,243 | 3.83% |
| Excess Production (lbs) | 903,404 | 34,199 | 869,205 | 3.79% |
| Total Production (lbs) | 23,169,576 | 886,128 | 22,283,448 | 3.82% |
| Excess Production (as % of Total Production) | 3.9% | 3.9% | 3.9% | |

| Utilization of Production | Milk (lbs) | Butterfat (lbs) | Skim (lbs) | Milk (% of Production) | Butterfat (% of Production) | Skim (% of Production) |
|---------------------------|------------|-----------------|------------|------------------------|-----------------------------|------------------------|
| Class I | 13,032,307 | 242,036 | 12,790,270 | 56.25% | 27.31% | 57.40% |
| Class II | 590,265 | 68,842 | 521,423 | 2.55% | 7.77% | 2.34% |
| Class III | 9,547,005 | 575,250 | 8,971,755 | 41.20% | 64.92% | 40.26% |
| | 23,169,577 | 886,128 | 22,283,448 | 100.00% | 100.00% | 100.00% |

| Out-of-State Sales (fulfilled using Production, Bulk Imports, Bulk Inventory) | Milk (lbs) | Butterfat (lbs) | Skim (lbs) | Milk (% of Production) | Butterfat (% of Production) | Skim (% of Production) |
|---|------------|-----------------|------------|------------------------|-----------------------------|------------------------|
| Out-of-State Package Sales | 9,212,758 | 168,028 | 9,044,730 | 39.76% | 18.96% | 40.59% |
| Out-of State Bulk Sales | 457,767 | 16,957 | 440,810 | 1.98% | 1.91% | 1.98% |
| Bulk Cream Sales | 991,740 | 419,636 | 572,104 | 4.28% | 47.36% | 2.57% |

| Imports | Milk (lbs) | Butterfat (lbs) | Skim (lbs) |
|------------------------------------|------------|-----------------|------------|
| Out-of-State Bulk Milk Imports | 1,914,720 | 74,183 | 1,840,537 |
| Out-of-State Packaged Milk Imports | 200,739 | 3,830 | 196,909 |

| GAIN / LOSS BREAKDOWN FOR OUT-OF-STATE SURPLUS MILK SALES | | | | | | |
|---|-----------------|----------------|---------------------|------------------------|--------------------|-----------|
| | Packaged Milk | | | Combined | | |
| | (\$) | Bulk Milk (\$) | (\$) | Packaged Milk (\$/cwt) | Bulk Milk (\$/cwt) | (\$/cwt) |
| Value Received | \$ 834,005.61 | \$ 80,239.33 | \$ 914,244.94 | \$ 12.40 | \$ 14.92 | \$ 12.59 |
| Montana Value (Class III) | \$ (622,238.94) | \$ (68,929.94) | \$ (691,168.87) | \$ (9.25) | \$ (12.82) | \$ (9.52) |
| Out-of-State Haul Costs | \$ - | \$ (20,308.62) | \$ (20,308.62) | \$ - | \$ (3.78) | \$ (0.28) |
| | \$211,766.67 | (\$8,999.23) | \$202,767.45 | \$ 3.15 | \$ (1.68) | \$ 2.79 |
| In-State Haul Costs | | | (\$38,915.98) | | | |
| Gain / (Loss) on Sale of Surplus Milk | | | \$163,851.47 | | | |

**UTILIZATION OF PRODUCER MILK
DELIVERED TO MONTANA POOL PLANTS
By Weight (lbs)
October 2016**

| Pool Plant | Class I | Class II | Class III | Total Milk Delivered | Percent of Usage |
|--|-------------------|-----------------|------------------|---------------------------------|-----------------------------|
| Darigold - Bozeman | 5,734,060 | 127,512 | 6,892,063 | 12,753,635 | 55.04% |
| Meadow Gold - Billings | 903,186 | 4,403 | 411,695 | 1,319,284 | 5.69% |
| Meadow Gold - Great Falls | 6,319,118 | 425,467 | 2,241,026 | 8,985,611 | 38.78% |
| MT Correctional Ent. | 75,943 | 32,883 | 2,221 | 111,047 | 0.48% |
| Totals: | 13,032,307 | 590,265 | 9,547,005 | 23,169,577 | 100.00% |
| Percent of Total Delivered Milk Utilized by Class | 56.25% | 2.55% | 41.20% | | |

**UTILIZATION OF PRODUCER MILK
DELIVERED TO MONTANA POOL PLANTS
By Percentage of Class
October 2016**

| Pool Plant | Class I | Class II | Class III | Total Milk Delivered | Percent of Usage |
|-------------------------|----------------|-----------------|------------------|---------------------------------|-----------------------------|
| Darigold | 44.00% | 21.60% | 72.19% | 12,753,635 | 55.04% |
| Meadow Gold-Billings | 6.93% | 0.75% | 4.31% | 1,319,284 | 5.69% |
| Meadow Gold-Great Falls | 48.49% | 72.08% | 23.47% | 8,985,611 | 38.78% |
| MT Correctional Ent. | 0.58% | 5.57% | 0.02% | 111,047 | 0.48% |
| Class Totals | 100.00% | 100.00% | 100.00% | 23,169,577 | 100.00% |

October 2016 Quota & Excess Prices Determination for Montana

| | Quota Delivered (lbs) | Excess Delivered (lbs) | Total Delivered (lbs) |
|-----------------------|--------------------------|---------------------------|--------------------------|
| Skim | 21,414,243 | 869,205 | 22,283,448 |
| Butterfat | 851,929 | 34,199 | 886,128 |
| Milk | 22,266,172 | 903,404 | 23,169,576 |
| % of Total Production | 96.10% | 3.90% | 100.00% |

| SKIM | | | | | | |
|---|-----------------|---|-----------------------------|--------------------------------|--|---------------------------------------|
| | Skim Value (\$) | Additional Value of Reclassified Pool Milk - Skim (\$) | Skim Utilization Value (\$) | Skim - Announced Price (\$/lb) | Utilization of Month's Production - Skim (lbs) | % of Total Production Utilized - SKIM |
| Class I | \$ 1,449,037.87 | \$0.00 | \$ 1,449,037.87 | \$ 0.1132922 | 12,790,270 | 57.40% |
| Class II | \$ 37,184.69 | \$9.68 | \$ 37,175.01 | \$ 0.0712953 | 521,423 | 2.34% |
| Class III | \$ 559,851.87 | | \$ 559,851.87 | \$ 0.0624016 | 8,971,755 | 40.26% |
| | \$ 2,046,074.42 | | | | 22,283,448 | 100.00% |
| Calculation of Poolwide Value of Skim: | | | | | | |
| | \$ 2,046,074.42 | Skim Value | | | | |
| | \$ 223,076.07 | Gain / Loss on Out-of-State Sale of Surplus before Hauling | | | | |
| | \$ (20,308.62) | Out-of-State Surplus Hauling | | | | |
| | \$ (38,915.98) | In-State Surplus Hauling | | | | |
| | \$ 2,209,925.89 | Poolwide Value of Skim | | | | |
| | \$ 26,993.37 | 1/2 of Prior Month's Settlement Fund Balance | | | | |
| | \$ (26,719.41) | Less: Quota Milk Delivered * \$0.12/cwt | | | | |
| | \$ 2,210,199.86 | Adjusted Poolwide Value of Skim | | | | |
| | 22,283,448 | Total Skim Delivered (lbs) | | | | |
| | \$ 0.0991857 | Poolwide Value of Skim (\$/lb) | | | | |
| Quota Skim Price Calculation: | | | | | | |
| | \$ 0.0150000 | Quota/Excess Differential (\$/lb): \$1.50/cwt / 100 lbs/cwt | | | | |
| | 3.89910% | Excess % of Total Production | | | | |
| | \$ 0.0005849 | Quota Differential for Skim (\$/lb) | | | | |
| | \$ 0.0991857 | Poolwide Value of Skim (\$/lb) | | | | |
| | \$ 0.0997706 | Quota Blend Price for Skim (\$/lb) | | | | |
| Excess Skim Price Calculation: | | | | | | |
| | \$ (0.0150000) | Quota/Excess Differential (\$/lb): \$1.50/cwt / 100 lbs/cwt | | | | |
| | 96.10090% | Quota % of Total Production | | | | |
| | \$ (0.0144151) | Excess Differential (\$/lb) | | | | |
| | \$ 0.0991857 | Poolwide Value of Skim (\$/lb) | | | | |
| | \$ (0.0144151) | Less: Excess Differential (\$/lb) | | | | |
| | \$ 0.0847706 | Excess Blend Price for Skim (\$/lb) | | | | |

| Blend Prices @ 3.5% butterfat test | |
|------------------------------------|--|
| \$ 9.6279 | Quota Value for Skim Portion of cwt of milk testing 3.5% butterfat * |
| \$ 6.7254 | Quota Value for Butterfat Portion of cwt of milk testing 3.5% butterfat * |
| \$ 16.3533 | Quota Blend Price (\$/cwt for milk testing 3.5% butterfat) * |
| \$ 8.1804 | Excess Value for Skim Portion of cwt of milk testing 3.5% butterfat * |
| \$ 6.6729 | Excess Value for Butterfat Portion of cwt of milk testing 3.5% butterfat * |
| \$ 14.8533 | Excess Blend Price (\$/cwt for milk testing 3.5% butterfat) * |

| BUTTERFAT | | | | | | |
|--|----------------------|---|----------------------------------|-------------------------------------|---|--|
| | Butterfat Value (\$) | Additional Value of Reclassified Pool Milk - Butterfat (\$) | Butterfat Utilization Value (\$) | Butterfat - Announced Price (\$/lb) | Utilization of Month's Production - Butterfat (lbs) | % of Total Production Utilized - BUTTERFAT |
| Class I | \$ 568,252.82 | \$ - | \$ 568,252.82 | \$ 2.3478 | 242,036 | 27.31% |
| Class II | \$ 144,821.99 | \$253.79 | \$ 144,568.20 | \$ 2.1000 | 68,842 | 7.77% |
| Class III | \$ 989,142.38 | | \$ 989,142.38 | \$ 1.7195 | 575,250 | 64.92% |
| | \$ 1,702,217.19 | | | | 886,128 | 100.00% |
| \$ 1,702,217.19 Poolwide Value of Butterfat | | | | | | |
| | 886,128 | Total Butterfat Delivered (lbs) | | | | |
| | 1.920960838 | Poolwide Value of Butterfat (\$/lb) | | | | |
| Quota Butterfat Price Calculation: | | | | | | |
| | \$ 0.0150000 | Quota/Excess Differential (\$/lb): \$1.50/cwt / 100 lbs/cwt | | | | |
| | 3.89910% | Excess % of Total Production | | | | |
| | \$ 0.0005849 | Quota Differential for Butterfat (\$/lb) | | | | |
| | \$ 1.9209608 | Poolwide Value of Butterfat (\$/lb) | | | | |
| | \$ 1.9215457 | Quota Blend Price for Butterfat (\$/lb) | | | | |
| Excess Butterfat Price Calculation: | | | | | | |
| | \$ (0.0150000) | Quota/Excess Differential (\$/lb): \$1.50/cwt / 100 lbs/cwt | | | | |
| | 96.10090% | Quota % of Total Production | | | | |
| | \$ (0.0144151) | Excess Differential (\$/lb) | | | | |
| | \$ 1.9209608 | Poolwide Value of Butterfat (\$/lb) | | | | |
| | \$ (0.0144151) | Less: Excess Differential (\$/lb) | | | | |
| | \$ 1.9065457 | Excess Blend Price for Butterfat (\$/lb) | | | | |

* Rounded to four decimal places



