

# California

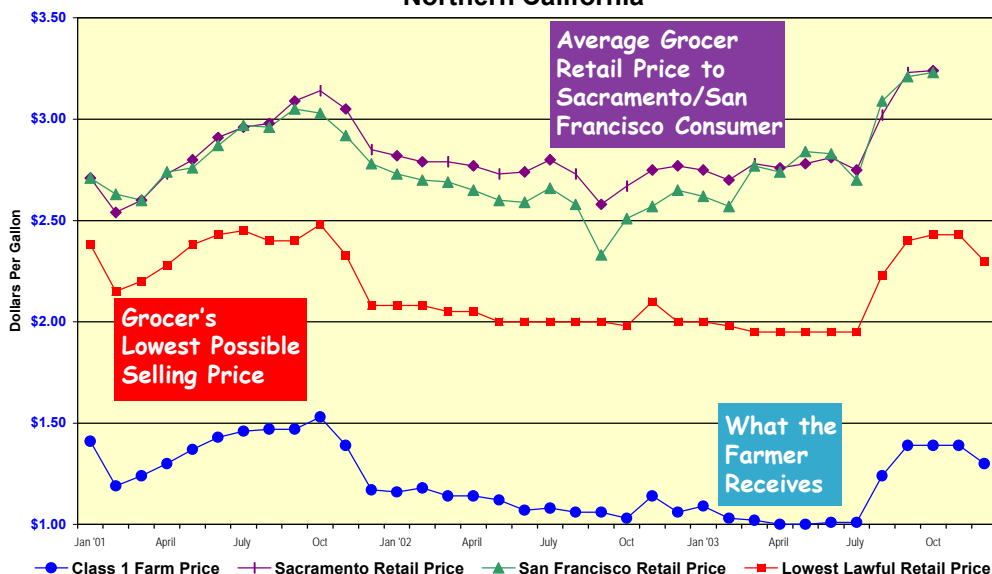
## Dairy Information

### Price Comparison: Class 1 Farm Prices, Average Whole Milk Retail Prices, Lowest Lawful Whole Milk Retail Prices - Northern and Southern California

#### Northern California:

- The price spread between what the farmer receives and the lowest lawful retail price was \$0.88-\$1.04
- Sacramento average retail whole milk price ranged from \$0.33-\$0.86 over the lowest lawful price
- San Francisco average retail whole milk price ranged from \$0.33-\$0.89 over the lowest lawful price

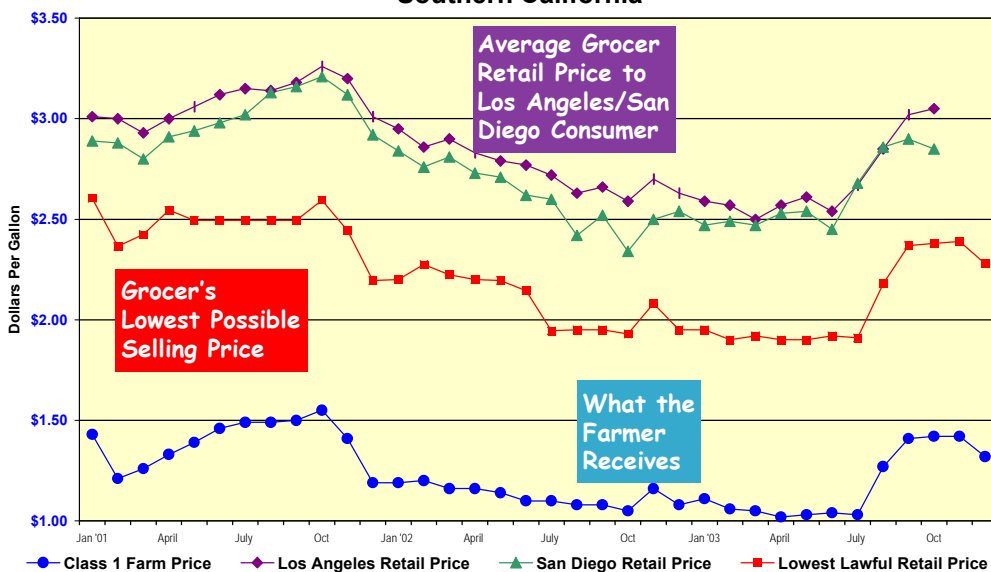
#### Northern California



#### Southern California:

- The price spread between what the farmer receives and the lowest lawful retail price was \$0.84-\$1.22
- Los Angeles average retail whole milk price ranged from \$0.41-\$0.82 over the lowest lawful price
- San Diego average retail whole milk price ranged from \$0.29-\$0.77 over the lowest lawful price

#### Southern California



# DAIRY INFORMATION BULLETIN

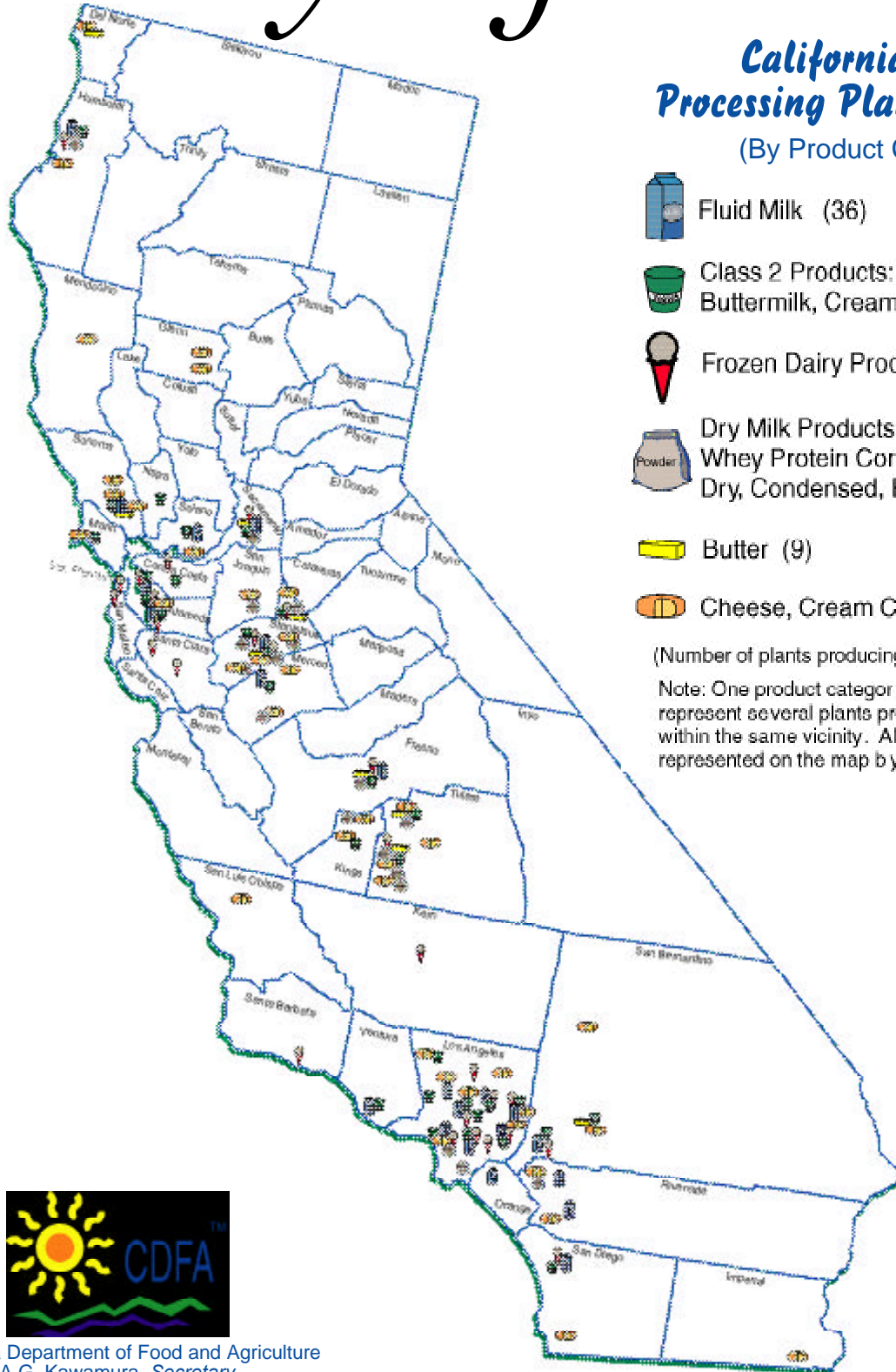
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### California Dairy Processing Plant Locations

(By Product Category)



Fluid Milk (36)



Class 2 Products: Yogurt, Cottage Cheese, Buttermilk, Creams, Egnog (45)



Frozen Dairy Products (35)



Dry Milk Products: Dry Whey, Whey Protein Concentrate, and Dry, Condensed, Evaporated Milks (20)



Butter (9)



Cheese, Cream Cheese (58)

(Number of plants producing the product in parenthesis)

Note: One product category located on the map may represent several plants processing similar products within the same vicinity. Also, one plant could be represented on the map by many categories of products.

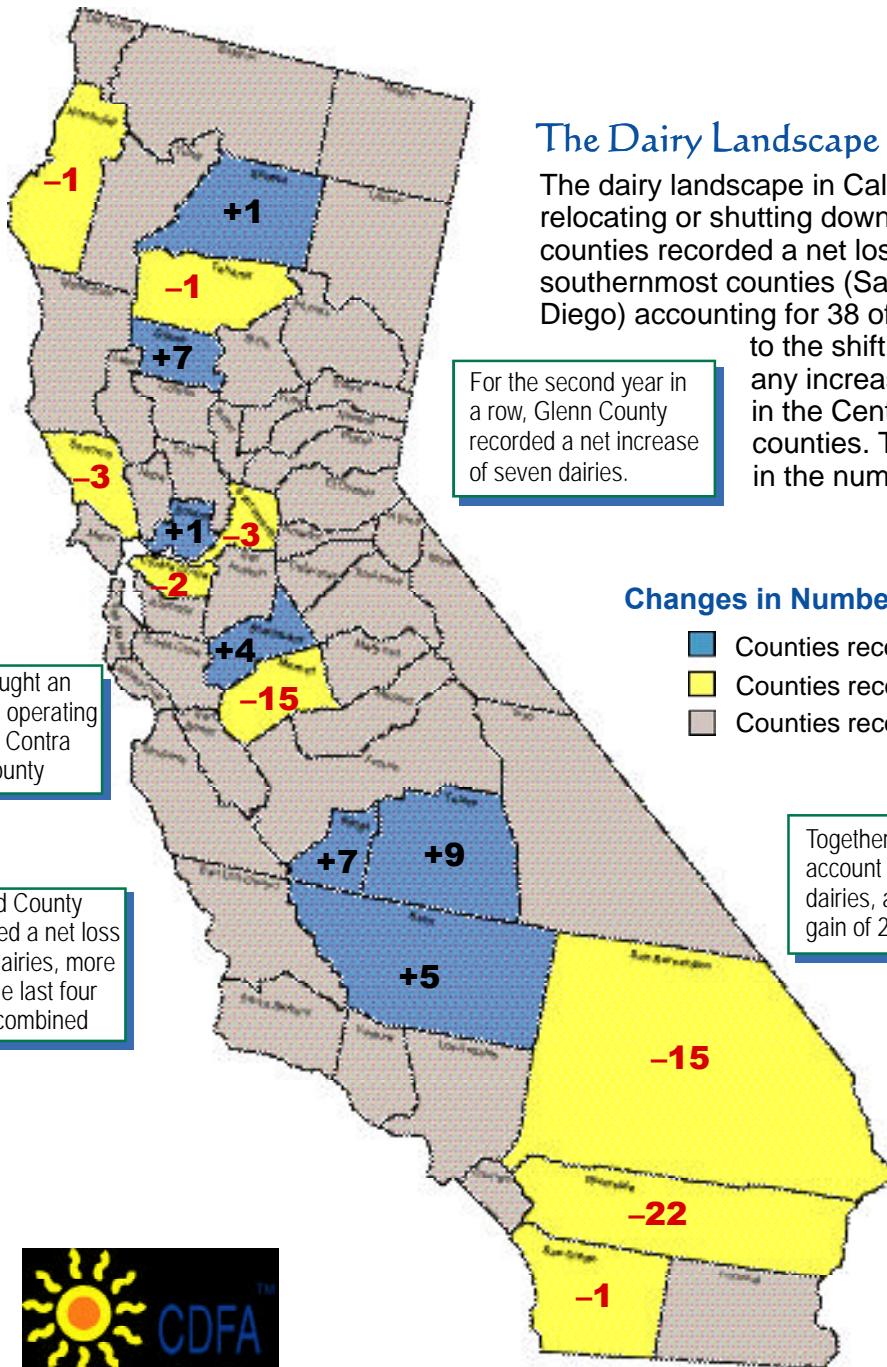


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# Dairy Information

### The Changing Dairy Landscape in California . . .



#### The Dairy Landscape Shift Continues . . .

The dairy landscape in California is changing, dairies are relocating or shutting down at an increasing rate. In 2003, nine counties recorded a net loss of 63 dairies with the three southernmost counties (San Bernardino, Riverside, and San Diego) accounting for 38 of those dairies, possibly contributing to the shift in dairy growth to the north. Thus, any increases in dairy operations were recorded in the Central and Northern California valley counties. The numbers represent the changes in the number of dairies in 2003.

For the second year in a row, Glenn County recorded a net increase of seven dairies.

#### Changes in Number of Dairies, 2002 to 2003:

- Counties recording an increase
- Counties recording a decrease
- Counties recording no change

Together, these three counties account for 25% of the state's dairies, and they recorded a net gain of 21 dairies in 2003.

Combined, these three counties recorded a net loss of 13% of their dairies in 2003.

2003 brought an end to all operating dairies in Contra Costa County

Merced County recorded a net loss of 15 dairies, more than the last four years combined

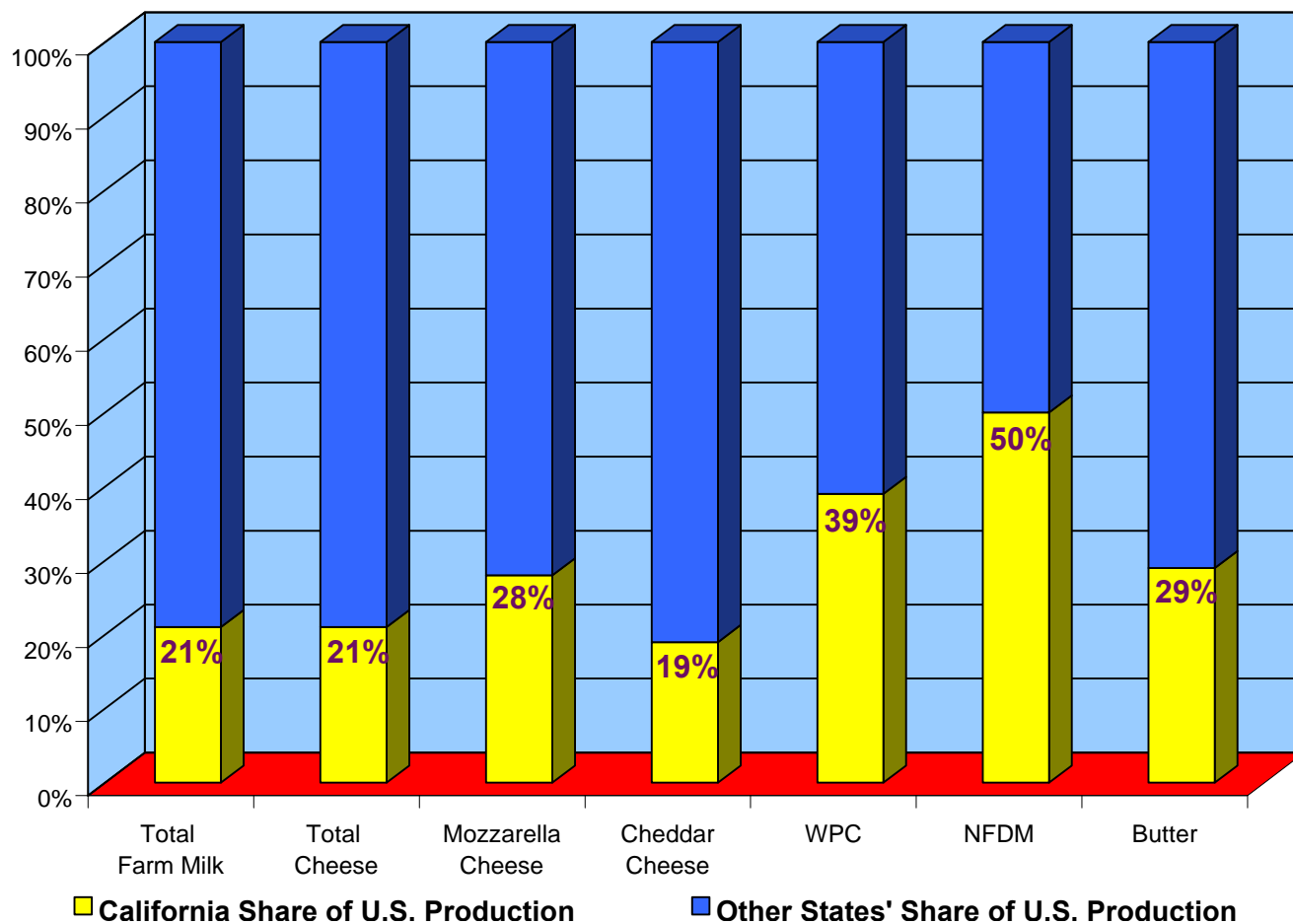


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### California Share of U.S. Production Selected Products, 2003



- California continues to lead the nation in the production of milk, butter, nonfat dry milk (NFDM), Mozzarella cheese, American cheese, ice cream (hard), and whey protein concentrate (WPC).
- California's 2003 total milk production increased 1.1 percent to 35.4 billion pounds as compared to 2002.
- California continued to capture a major share of total U. S. Production of farm milk (21%), total cheese (21%), Mozzarella cheese (28%), Cheddar cheese (19%), whey protein concentrate (39%), NFDM (50%), and butter (29%).

Sources: Preliminary 2003 data from CDFA Statistics, USDA/NASS



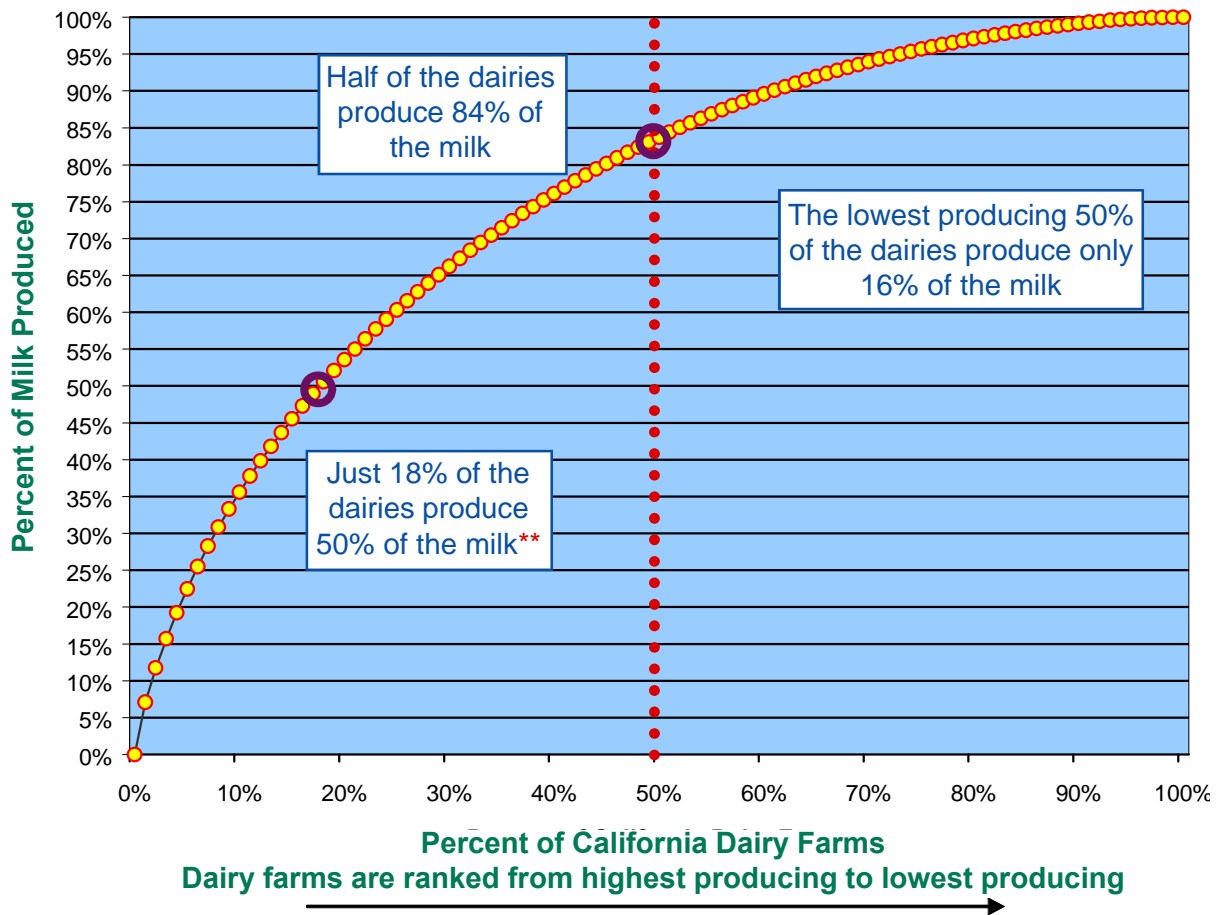
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# Dairy Information

## The Milk Production Landscape in California, 2003

*What Percent of California Milk is Produced by What Percent of Dairy Farms?*



**\*\* The highest producing 18% of California's dairies produce as much milk as the lowest producing 28 states in the U.S.**

Source: Milk Pooling Branch, CDFA



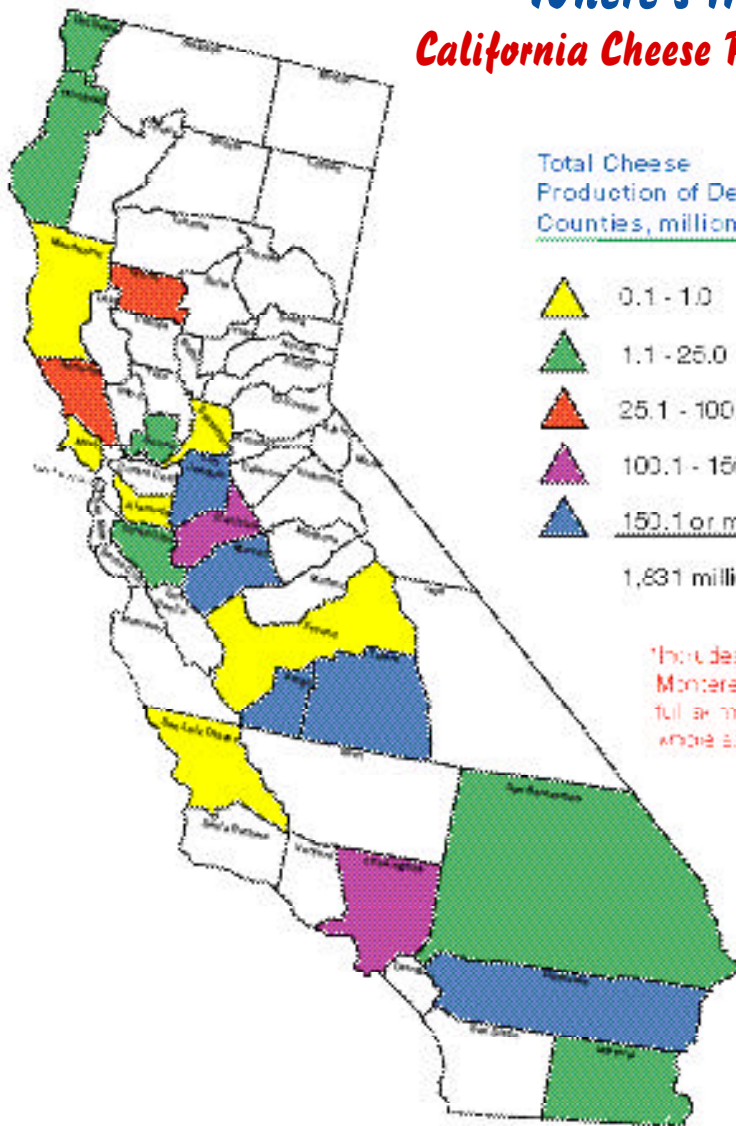
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# Dairy Information

## Where's the Cheese?

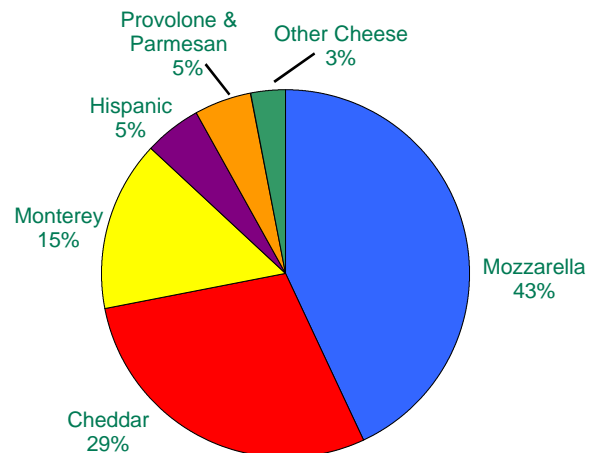
### California Cheese Production in 2003



	Total Cheese Production of Designated Counties, million pounds	Number of Plants	Number of Counties
	0.1 - 1.0	11	6
	1.1 - 25.0	7	6
	25.1 - 100.0	8	2
	100.1 - 150.0	19	2
	150.1 or more	20	5
	<b>1,631 million pounds</b>	<b>65 plants</b>	<b>21 counties</b>

\*Includes whole milk Cheddar; whole, part and full skm milk Monterey, Mozzarella, Provolone, Parmesan, and Ricotta; full skm Hispanic; Farmstead; Cream Cheese; and other whole and part skm milk cheeses.

### Shares of Total Cheese Production, 2003



- The year 2003 showed a 6.3 percent increase in total cheese production to a record setting 1.83 billion pounds as compared to 2002.



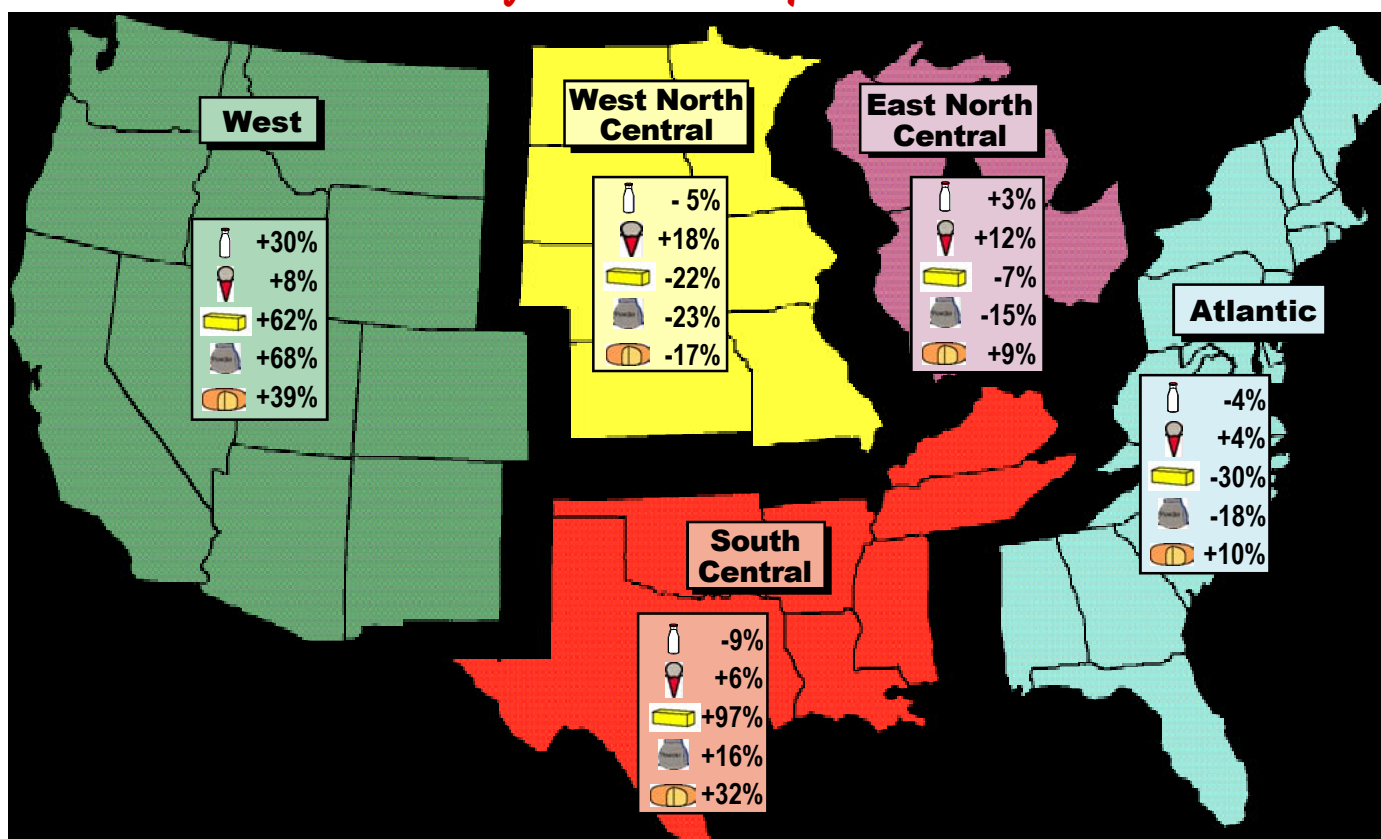
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### The West Is On A Roll . . .

**U.S. Regional Production of Butter, Cheese, Milk, Nonfat Dry Milk, and Ice Cream  
Percent Change in Production from 1998 to 2003**



Comparing 1998 to 2003:

- The West was the only region showing increased production in all five products.
- The West North Central region showed decreases in production in four of the five products, with ice cream showing the only positive growth (+18%).
- The South Central region showed increases in production in four of the five products, with butter showing the largest single product increase (+97%) of all the regions.
- Ice cream production showed positive growth in every region.





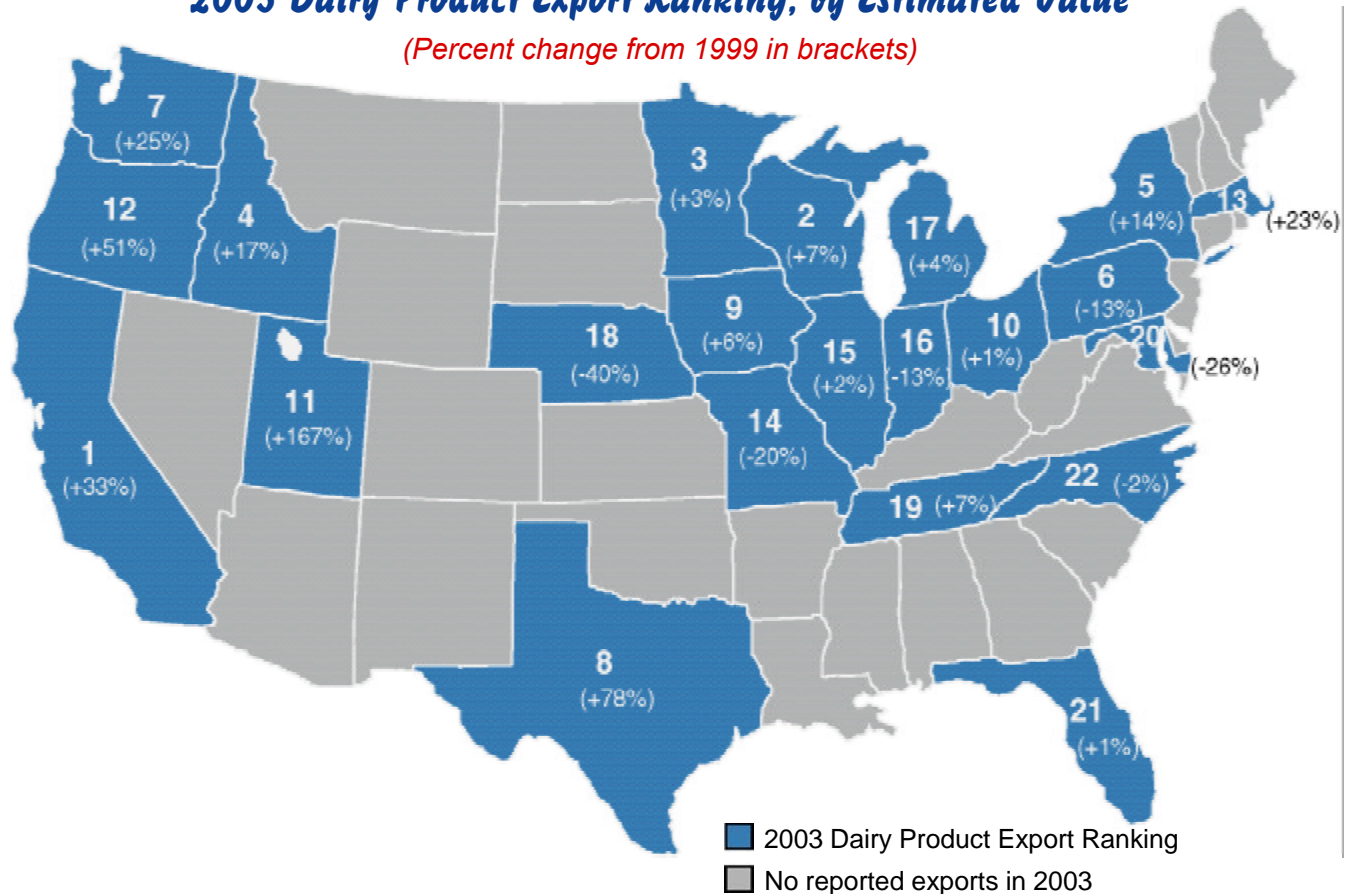
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### California Takes Over as Leading State in Dairy Product Exports 2003 Dairy Product Export Ranking, by Estimated Value

(Percent change from 1999 in brackets)



- The top three ranking dairy product export states (California, Wisconsin, and Minnesota) accounted for 50.4% (\$520.8 million) of total U.S. dairy product exports.
- California's 2003 dairy product export value represented just 3% of the state's total agricultural product export values.
- New Mexico was the only state of the top ten milk producing states that reported no dairy product exports in 2003.

(See dairy export data on page 4)

**Special Note:**  
Dairy Statistics &  
Trends 2004 Mid-Year  
Review enclosed in  
this issue



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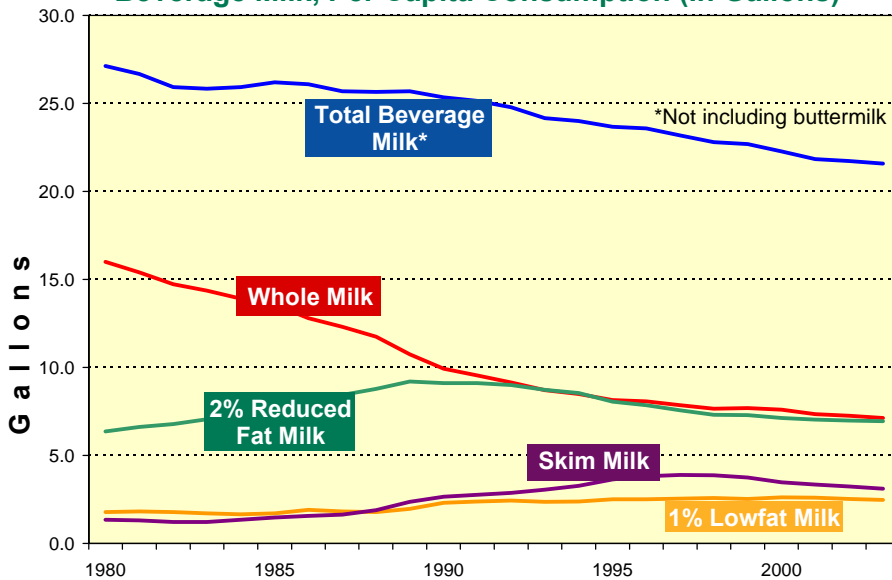
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## Dairy Information

### U.S. Dairy Product Per Capita Consumption, 1980-2003

#### What Dairy Products Are Consumers Buying?

Beverage Milk, Per Capita Consumption (In Gallons)



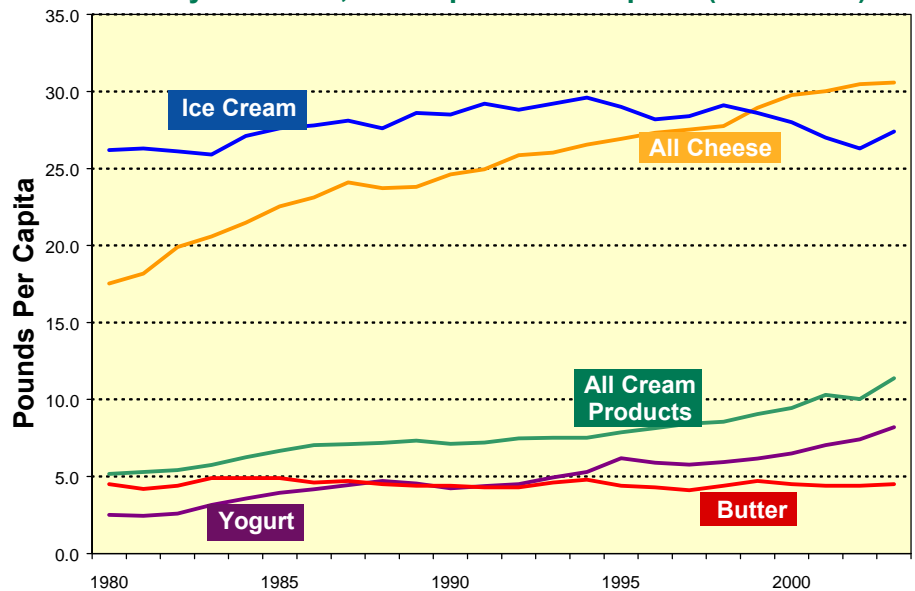
*Trends for fluid milk. . .*

- Per capita consumption of total fluid milk showed a continual downward trend.
- Lowfat milk and lowfat flavored milk were the only fluid milks posting any gains in per capita consumption during this period.
- Whole milk showed the largest per capita consumption decline, decreasing 64 percent since 1980.
- Overall, consumer consumption levels of fluid dairy products has steadily decreased.

*Trends for manufactured dairy products. . .*

- Since 1980, yogurt (up 227%), total cheese (up 75%), and all cream products (up 120%) have shown consistent increases in per capita consumption.
- The per capita consumption of butter showed relatively no gain, remaining at 1980 levels.
- Ice cream product consumption fluctuated slightly over time, but remains at 1980 levels.
- Overall, consumer consumption levels of cheese, cream, and yogurt products have steadily increased.

Dairy Products, Per Capita Consumption (In Pounds)



Data Source: Livestock, Dairy, and Poultry Outlook; USDA, Economic Research Service

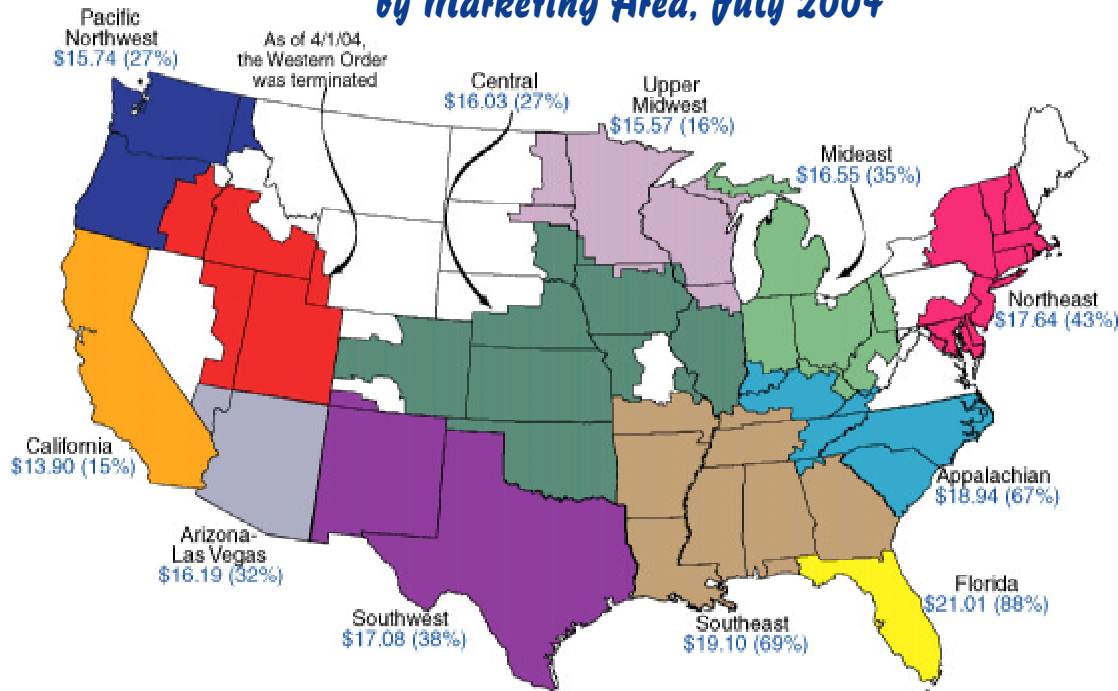


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# Dairy Information

### Uniform Blend Prices and Class 1 Utilization by Marketing Area, July 2004



Utilization of Producer Milk, by Class - July 2004  
Federal Milk Marketing Orders and California

California's Class 1 utilization percentage is the lowest in comparison to the federal orders, while the California Class 4a utilization ranks among the highest federal Class IV percentages.

Sources: Agricultural Marketing Service, USDA Federal Order Statistics; CDFA Milk Pooling Branch

California	CLASS 1 Fluid Milk	CLASSES 2 & 3 Creams, Cottage Cheese, Yogurt, Ice Cream	CLASS 4b Cheese	CLASS 4a Butter, Powder
California	15%	9%	46%	30%
Federal Milk Marketing Orders	CLASS I Fluid Milk	CLASS II Creams, Cottage Cheese, Yogurt, Ice Cream	CLASS III Cheese	CLASS IV Butter, Powder
Northeast	43%	19%	25%	13%
Appalachian	67%	15%	7%	10%
Southeast	69%	11%	14%	6%
Florida	88%	8%	2%	2%
Mideast	35%	16%	44%	5%
Upper Midwest	16%	6%	71%	7%
Central	27%	12%	49%	12%
Southwest	38%	14%	24%	24%
Arizona-Las Vegas	32%	11%	35%	22%
Western				
Pacific Northwest	27%	7%	33%	33%
Average of All Federal Orders	36%	12%	40%	12%



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*Season's Greetings*



from CDFA Dairy Marketing