

California

Dairy

**Statistics & Trends
Mid-Year Review**

2013 Data



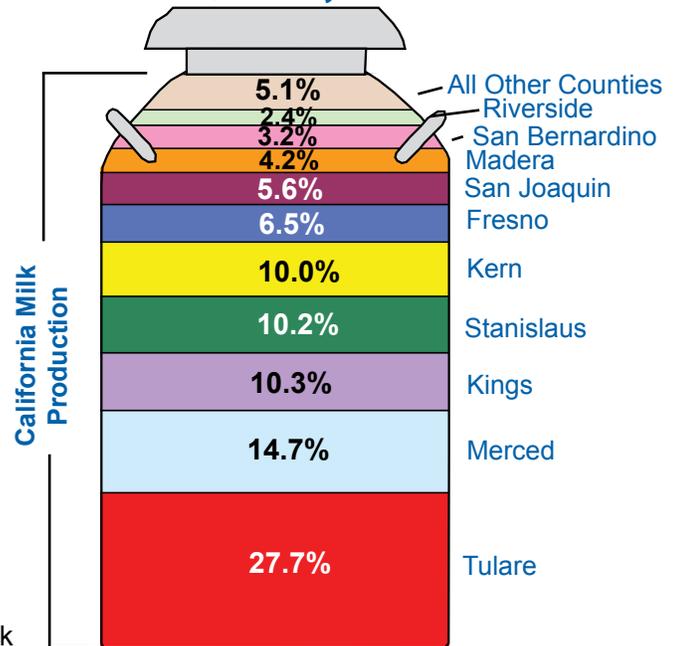
2013 MID-YEAR REVIEW

For the first six months of 2013, California recorded decreased milk production compared to the same time period in 2012, an average overall growth rate of -2.9 percent. For the U.S. overall, comparing January-June of 2013 to the same time period in 2012, milk production showed relatively no change. For California, compared to 2012, January-June 2013 production showed: total Nonfat Dry Milk (for human consumption) was down 33.8 percent; total Butter was down 6.3 percent; total Other Dry Milk Products were up 159.4 percent; total cheese saw no change; and Class 1 Sales of Fluid Milk (including half-and-half) were down 1.8 percent. For the first quarter of 2013, the average mailbox milk price paid to California producers was \$17.45/cwt. (up from \$16.63/cwt. for the first quarter 2012). The 2013 California first quarter average statewide cost to produce milk was \$17.69/cwt. (up from \$16.63/cwt. for the first quarter 2012).

California's Top 10 Milk Producing Counties; Percent Share of California's Milk Production; January-June 2013

County (by rank)	Milk Production Jan-June 2013 (In Pounds)	% Change from 2012	% Total California Milk Production Jan-June 2013
#1 Tulare	5,858,440,021	-1.49%	27.66%
#2 Merced	3,121,857,592	0.49%	14.74%
#3 Kings	2,180,939,745	-3.25%	10.30%
#4 Stanislaus	2,169,218,701	-1.53%	10.24%
#5 Kern	2,117,674,815	-0.63%	10.00%
#6 Fresno	1,384,502,076	0.08%	6.54%
#7 San Joaquin	1,179,643,287	-4.07%	5.57%
#8 Madera	896,962,390	-4.20%	4.24%
#9 San Bernardino	679,777,201	-22.38%	3.21%
#10 Riverside	501,720,963	-7.49%	2.37%

Percent Share of California's Milk Production, January-June 2013



- The top ten counties accounted for 95% of California's total milk production and 20% of the nation's total milk production.
- The milk production of Tulare, Merced, Kings, Stanislaus, and Kern counties accounted for 15% of the nation's total milk production.

California Commercial Production of Market and Manufacturing Milk January-June, 2012 vs 2013 (In Thousand Pounds)

Month	Market Milk			Manufacturing Milk			Total Milk Production		
	2012	2013	% Change	2012	2013	% Change	2012	2013	% Change
January	3,587,849	3,407,055	-5.0%	28,124	54,300	93.1%	3,615,973	3,461,355	-4.3%
February	3,477,146	3,174,807	-8.7%	26,403	49,933	89.1%	3,503,549	3,224,740	-8.0%
March	3,772,736	3,613,367	-4.2%	30,570	56,704	85.5%	3,803,305	3,670,071	-3.5%
April	3,597,922	3,560,313	-1.0%	31,756	56,767	78.8%	3,629,678	3,617,080	-0.3%
May	3,706,753	3,658,818	-1.3%	32,985	59,584	80.6%	3,739,738	3,718,401	-0.6%
June	3,491,052	3,426,983	-1.8%	30,365	58,426	92.4%	3,521,417	3,485,409	-1.0%
Jan-June Totals	21,633,458	20,841,342	-3.7%	180,203	335,714	86.3%	21,813,661	21,177,056	-2.9%

CALIFORNIA DAIRY FARMS / MILK PRODUCTION

The Size of California's Dairy Farms, May 2013

Range of Milk Marketings	Number of Grade A & B Farms (Arrows Indicate Difference from May 2012)	Percent of Total Grade A & B Farms	Percent of Total Grade A & B Milk Marketings
 > 5.0 Million Lbs.	201 ↑	13.32%	40.97%
 2.4 to 4.9 Million Lbs.	340 ↑	22.53%	31.61%
 1.5 to 2.3 Million Lbs.	259 ↓	17.16%	13.47%
1 to 1.4 Million Lbs.	215 ↓	14.25%	7.24%
750,000 to 999,999 Lbs.	123 ↓	8.15%	2.89%
500,000 to 749,999 Lbs.	110 ↓	7.29%	1.86%
250,000 to 499,999 Lbs.	157 ↓	10.40%	1.56%
< 249,999 Lbs.	104 ↓	6.89%	0.40%



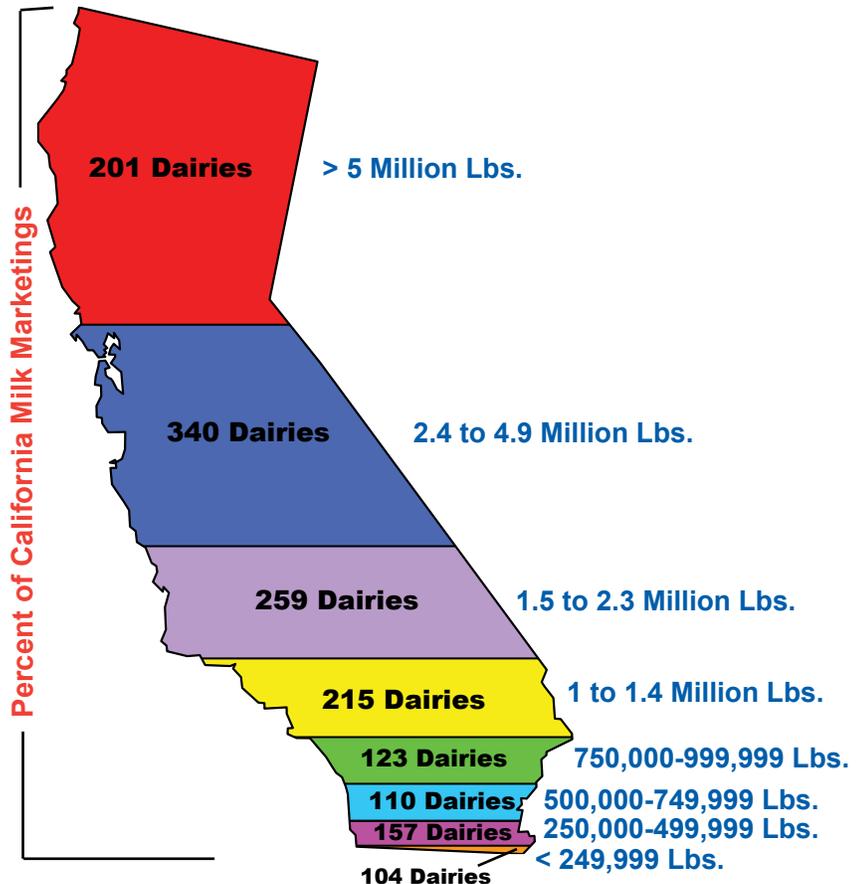
= Farms producing at least one tanker load of milk per day, based on 1.5+ million pounds/month.

Sources: CDFA Dairy Marketing and Milk Pooling Branches

Distribution of Farms by Size of Milk Marketings, May 2013

California Farms by Size, A Comparison...

- The 541 dairy farms producing over 2.4 million pounds per month (36% of the state's dairies) produce 73% of the state's milk marketings.
- In May 2013, 800 dairies produced more than one tanker load of milk per day.
- The two highest ranges of dairies producing from 2.4 to more than 5.0 million pounds per month were the only ranges showing an increase in number of dairies and milk production, compared to 2012.
- The 371 lowest-producing dairy farms (25% of the state's dairies) produce only 4% of the state's milk marketings.
- The group of dairies producing less than 249,999 pounds of milk per month (104 dairies) accounted for less than one half of 1% of the state's milk marketings.
- In May 2013, there were 201 dairies producing more than 5 million pounds of milk per month (up from 195 dairies in 2012).



CALIFORNIA BREAKDOWN OF FEED INGREDIENTS

A Breakdown of Feed Ingredients; January-March 2013 (Based on the Cost of Production Survey)

This summary provides a breakdown for feed ingredients fed to milk cows (excludes dry cow feed) for the first quarter of 2013. The table displays the dollars-per-ton fed for each commodity fed, feed intake per-cow-per-day, estimated dry matter intake per-cow-per-day, and the percent of total feed cost. This table does not contain organic herds.

Feed Averages	HOLSTEIN MILK COWS				JERSEY MILK COWS			
DRY ROUGHAGE	\$ Per Ton ¹	As Fed Lbs Per Cow Per Day ¹	Dry Matter Lbs Per Cow Per Day ²	% of Total Feed Cost ¹	\$ Per Ton ¹	As Fed Lbs Per Cow Per Day ¹	Dry Matter Lbs Per Cow Per Day ²	% of Total Feed Cost ¹
Alfalfa Hay	\$261.85	10.24	9.31	16.4%	\$269.90	7.13	6.38	13.0%
Other Hay	\$152.06	0.78	0.71	0.7%	\$154.52	1.58	1.30	1.5%
Almond Hulls & Shells	\$154.10	4.84	4.36	4.3%	\$143.00	2.94	2.64	2.7%
Total Dry Roughage	\$223.56	15.87	14.38	21.7%	\$222.25	11.64	10.33	17.4%
SILAGE								
Corn Silage	\$67.36	30.40	10.32	12.5%	\$67.54	28.37	9.48	12.9%
Other Silage	\$65.27	6.52	2.20	2.6%	\$68.24	5.23	1.90	2.4%
Green Chop	\$45.38	0.77	0.17	0.2%	\$0.00	0.00	0.00	0.0%
Total Silage	\$66.55	37.69	12.68	15.3%	\$67.65	33.60	11.38	15.3%
OTHER FORAGES & WET FEEDS								
Earlage	\$144.54	1.00	0.61	0.9%	\$169.91	0.67	0.43	0.8%
Wet Distiller Grain	\$113.05	2.01	0.64	1.4%	\$119.73	1.23	0.39	1.0%
Wet Corn Gluten	\$118.45	1.34	0.43	1.0%	\$110.63	1.90	0.73	1.4%
Whey	\$40.10	4.00	0.65	1.0%	\$31.08	2.03	0.23	0.4%
Other Wet Feeds	\$37.29	4.39	0.91	1.0%	\$28.88	1.32	0.26	0.3%
Total Other Forages & Wet Feeds	\$67.07	12.75	3.25	5.2%	\$80.12	7.15	2.04	3.9%
CONCENTRATES & BYPRODUCTS								
Inside Barn Mix	\$343.49	1.61	1.41	3.4%	\$0.00	0.00	0.00	0.0%
Rolled Corn	\$316.31	8.17	7.27	15.8%	\$308.08	7.73	6.80	16.1%
Rolled Barley	\$314.80	0.24	0.21	0.5%	\$308.70	0.20	0.18	0.4%
Whole Cottonseed/Pima	\$387.26	2.81	2.60	6.7%	\$373.18	3.72	3.42	9.4%
Soybean Meal	\$466.36	0.06	0.06	0.2%	\$537.51	0.04	0.03	0.1%
Canola	\$369.89	3.40	3.16	7.7%	\$367.55	4.61	4.24	11.4%
Beet Pulp	\$281.03	0.56	0.52	1.0%	\$0.00	0.00	0.00	0.0%
Wheat Millrun	\$268.04	0.43	0.39	0.7%	\$269.83	0.32	0.29	0.6%
Dried Distillers Grain	\$323.55	1.82	1.68	3.6%	\$318.04	1.27	1.16	2.7%
Other Grains & byproducts	\$347.75	2.39	2.19	5.1%	\$373.83	4.85	4.41	12.2%
Mill/Custom Mix	\$363.21	4.17	3.68	9.3%	\$362.51	2.71	2.36	6.6%
Total Concentrates & Byproducts	\$342.75	25.66	23.16	53.8%	\$347.03	25.46	22.89	59.6%
MINERALS & ADDITIVES								
All Minerals	\$343.65	1.84	1.51	3.9%	\$339.95	1.66	3.13	3.8%
PASTURE								
Pasture	\$45.36	0.27	0.07	0.1%	\$0.00	0.00	0.00	0.0%
TOTALS	\$173.78	94.07	55.05	100.0%	\$186.54	79.51	49.77	100.0%

Cost Per Cow-Per Day \$8.27
 Cost Per Cwt. of Milk \$10.82
 Avg. Milk Cows 1,223
 Milk Production Per Cow-Per Day 75.54

Cost Per Cow-Per Day \$7.42
 Cost Per Cwt. of Milk \$12.11
 Avg. Milk Cows 1,914
 Milk Production Per Cow-Per Day 61.22

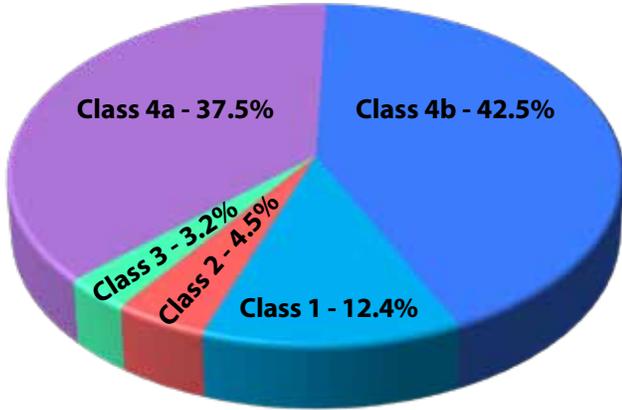
¹ All figures based on weighted averages

² Dry Matter is estimated

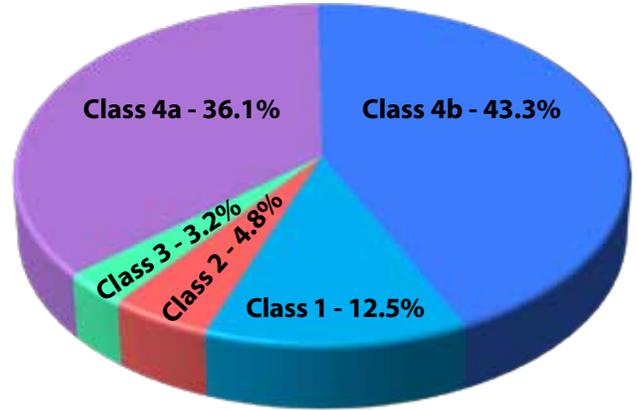
CALIFORNIA MILK UTILIZATION

Percent Utilization of Pooled Milk in California, by Class

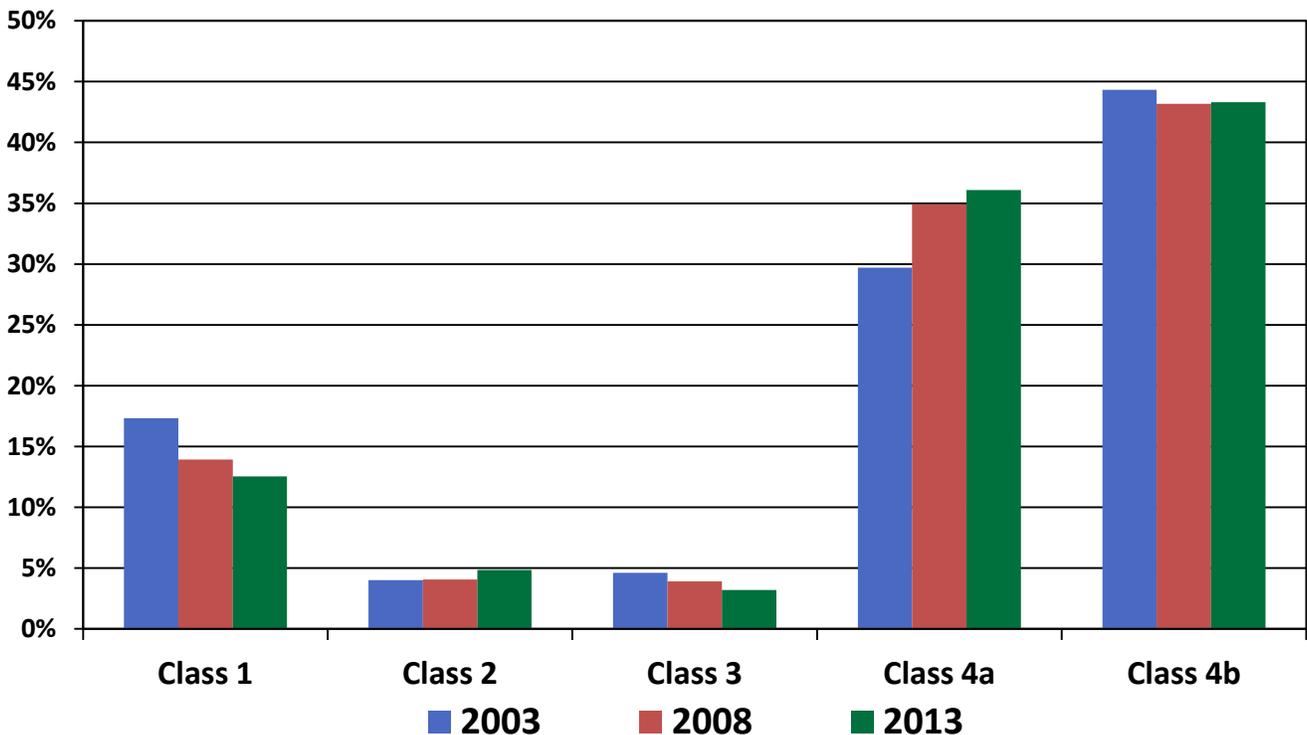
January - June 2012



January - June 2013



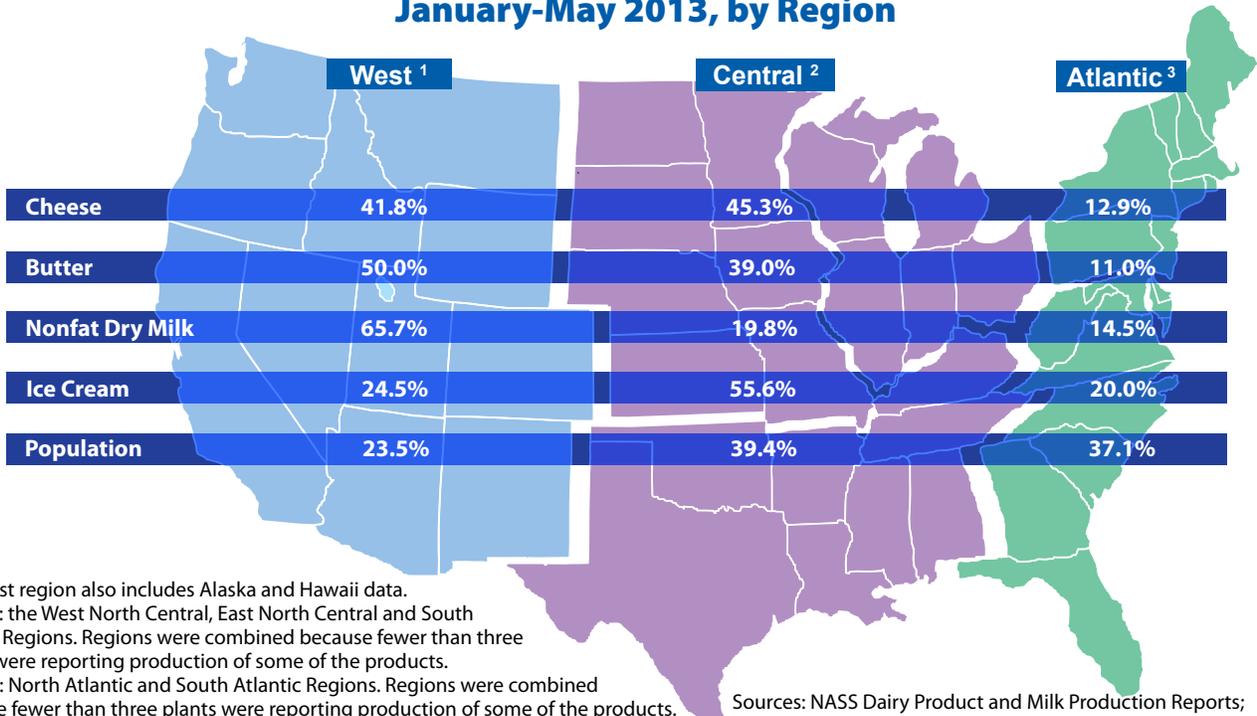
Percent Utilization of Pooled Milk, by Class
A Comparison of the Class 1, 2, 3, 4a and 4b Products in California
January-June: 2003, 2008, 2013
(In Million Pounds)



▶ Comparing January-June of 2003, 2008, and 2013: As indicated by the chart above, Classes 1 and 3 have shown steady decreases in utilization, Class 2 has remained even or slightly increased, while Class 4a utilization has increased only slightly since 2008 and Class 4b utilization remains at 2008 levels. Classes 4a and 4b accounted for 79% of the milk pooled in California.

U.S. DAIRY PRODUCTS / RETAIL MILK PRICES

Percent Share of Selected U.S. Dairy Product Production January-May 2013, by Region



¹ The West region also includes Alaska and Hawaii data.

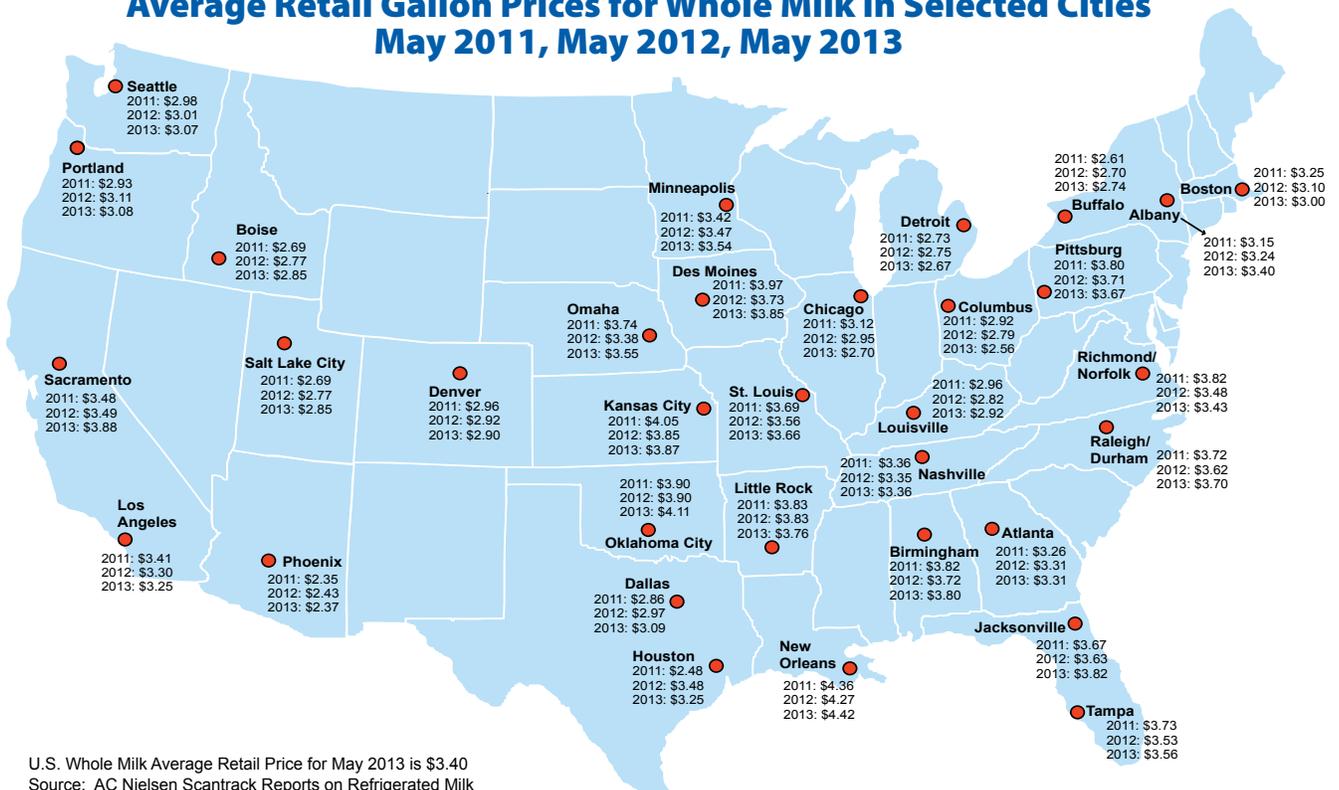
² Central: the West North Central, East North Central and South Central Regions. Regions were combined because fewer than three plants were reporting production of some of the products.

³ Atlantic: North Atlantic and South Atlantic Regions. Regions were combined because fewer than three plants were reporting production of some of the products.

Sources: NASS Dairy Product and Milk Production Reports; U.S. Census Bureau/Annual Population Estimates/July 1, 2012

- ▶ Even though the West Region accounts for only 23.5 percent of the U.S. population, the region produces the largest percent share of U.S. nonfat dry milk (65.7 percent), and butter (50.0 percent).
- ▶ The Atlantic and Central Regions each represent nearly the same percent shares of the U.S. population (37.1 percent and 39.4 percent, respectively), even though the Atlantic region's geographic area is much smaller in size.
- ▶ The Central Region produces the largest percent share of Cheese (45.3 percent) and Ice Cream (55.6 percent).

Average Retail Gallon Prices for Whole Milk in Selected Cities May 2011, May 2012, May 2013



U.S. Whole Milk Average Retail Price for May 2013 is \$3.40
Source: AC Nielsen Scantrack Reports on Refrigerated Milk