



Milk Pricing

NEWSLETTER

Dairy Marketing Branch, CDFA

February 2007

All Commodity Prices On the Increase . . .

The minimum price of milk, established by the Department each month, is the price that dairy processors must pay for milk used to produce dairy products. National commodity prices, primarily butter, Cheddar cheese, nonfat dry milk and dry whey, are significant factors in determining the minimum milk price (*See national commodities prices chart on page 2*).

The national commodity prices for Grade AA Butter, Cheddar cheese, nonfat dry milk and Western dry whey increased compared to last month, consequently, all milk prices increased: whole milk increased five and five tenths cents per gallon; reduced fat milk increased five and five tenths cents per gallon; lowfat milk increased five and five tenths cents per gallon; and skim milk increased four and five tenths cents per gallon.

**See lowest reported lawful retail milk prices on page 2.*

Milk production across the U.S. continues to be steady and strong, even as the country experiences winter weather, severe in some areas of the country. California has experienced cooler than normal temperatures but the winter has been dry throughout much of the state until this week. The Super Bowl season is over and the markets are settling down in anticipation of the upcoming spring season.

The table below shows individual prices for the four types of fluid milk by container size and the price changes from the previous month. The prices listed represent the minimum price paid by processors for the milk only - no other processing costs are included.

Minimum Prices for the Four Types of Fluid Milk by Container Size for March 2007

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Northern California						
Whole	\$1.354	\$0.677	\$0.338	\$0.169	\$0.113	\$0.085
Reduced Fat 2%	\$1.299	\$0.650	\$0.325	\$0.162	\$0.108	\$0.081
Lowfat 1%	\$1.275	\$0.637	\$0.319	\$0.159	\$0.106	\$0.080
Nonfat (Skim)	\$0.998	\$0.499	\$0.249	\$0.125	\$0.083	\$0.062
Southern California						
Whole	\$1.377	\$0.688	\$0.344	\$0.172	\$0.115	\$0.086
Reduced Fat 2%	\$1.323	\$0.661	\$0.331	\$0.165	\$0.110	\$0.083
Lowfat 1%	\$1.298	\$0.649	\$0.325	\$0.162	\$0.108	\$0.081
Nonfat (Skim)	\$1.022	\$0.511	\$0.256	\$0.128	\$0.085	\$0.064

Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$0.055	\$0.028	\$0.014	\$0.007	\$0.005	\$0.003
Reduced Fat 2%	\$0.055	\$0.027	\$0.014	\$0.007	\$0.005	\$0.003
Lowfat 1%	\$0.055	\$0.028	\$0.014	\$0.007	\$0.005	\$0.003
Nonfat (Skim)	\$0.045	\$0.022	\$0.011	\$0.006	\$0.004	\$0.003

California Department of Food and Agriculture (CDFA)

A.G. Kawamura, Secretary

Price Information Lines: (800) 503-3490 within California; (916) 442-MILK outside California
Phone (916) 341-5988; Website: www.cdfa.ca.gov/dairy; email address: dairy@cdfa.ca.gov

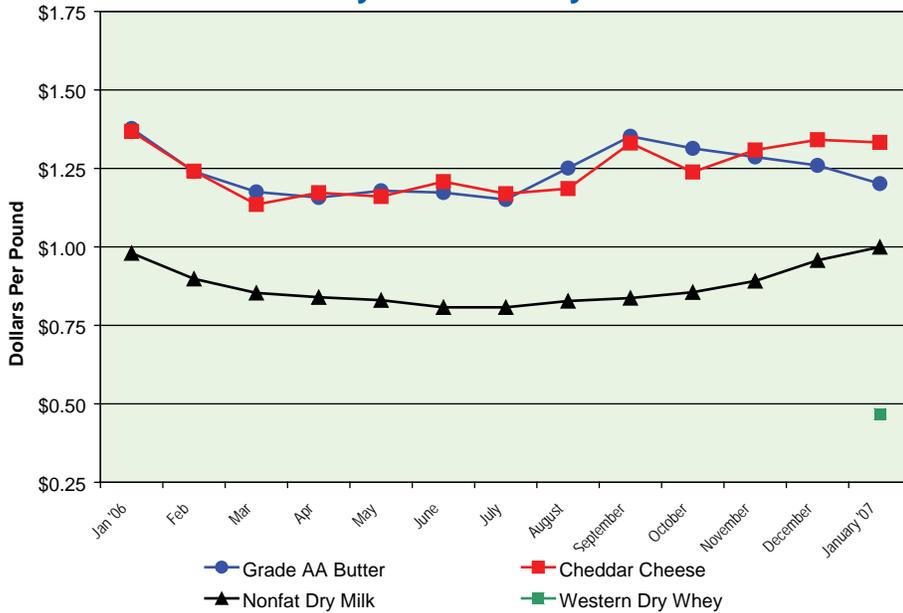
Minimum Prices for the Milk Component of Various Manufactured Dairy Products

The minimum prices for the raw milk component used by processors in manufacturing dairy products are listed in the table to the right. No other costs incurred by the processor are included, such as:

- milk quality premiums,
- milk composition premiums,
- competitiveness for availability of milk premiums,
- transportation costs,
- plant processing costs,
- service charges
- marketing costs

	Lowfat Yogurt (\$/quart)	Super-Premium Ice Cream (\$/ 1/2 gal)	Generic Ice Cream (\$/ 1/2 gal)
February	\$0.22	\$1.35	\$0.52
March	\$0.22	\$1.35	\$0.52
April	\$0.19	\$1.17	\$0.45
May	\$0.19	\$1.17	\$0.45
June	\$0.19	\$1.14	\$0.44
July	\$0.19	\$1.14	\$0.44
August	\$0.18	\$1.13	\$0.44
September	\$0.18	\$1.13	\$0.44
October	\$0.19	\$1.24	\$0.48
November	\$0.19	\$1.24	\$0.48
December	\$0.20	\$1.29	\$0.50
January '07	\$0.20	\$1.29	\$0.50
February	\$0.22	\$1.28	\$0.50

**National Commodity Prices
January 2006-January 2007**



**Lowest Reported Lawful
Retail Prices for Milk
February 2007**

	Two-Pack	Single Gallon
<u>Northern California</u>		
Whole Milk	\$4.69	\$2.35
Reduced Fat	\$4.59	\$2.30
1% Lowfat	\$4.59	\$2.30
Nonfat/Skim	\$3.89	\$1.95
<u>Southern California</u>		
Whole Milk	\$4.69	\$2.35
Reduced Fat	\$4.59	\$2.30
1% Lowfat	\$4.59	\$2.30
Nonfat/Skim	\$3.89	\$1.95

This newsletter can also be found on our website at:
www.cdfa.ca.gov/dairy/milk/pricing-nl.html

In accordance with the California Government Code and ADA requirements, this publication can be made available in an alternative format by contacting Karen Dapper at (916) 341-5988, by email at dairy@cdfa.ca.gov, or by contacting TDD 1-800-735-0193.

California Department of Food and Agriculture
Dairy Marketing Branch
1220 N Street
Sacramento, CA 95814



First Class Mail
U.S. Postage
PAID
Permit No. 81
Sacramento, CA