

**DEPARTMENT OF FOOD AND AGRICULTURE**

A.G. KAWAMURA, Secretary

1220 N Street  
Sacramento, CA 95814  
Phone: (916) 341-5988  
Fax: (916) 341-6697



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**TO ALL INTERESTED PARTIES:**

The following documents summarize the comparison of Chicago Mercantile Exchange commodity market prices and sales data from California butter and Cheddar cheese plants. The butter and Cheddar cheese data cover the periods of January 2002 through September 2003 and of January 2002 through December 2003, respectively. Each summary sheet includes a short description of the analysis performed.

Should you have any questions regarding these documents please contact Eric Erba or Ed Hunter at the phone number listed above.

Sincerely,

David K. Ikari, Chief  
Dairy Marketing Branch

Enclosures

## CME Butter Prices vs. California Butter Sales

### Introductory Remarks

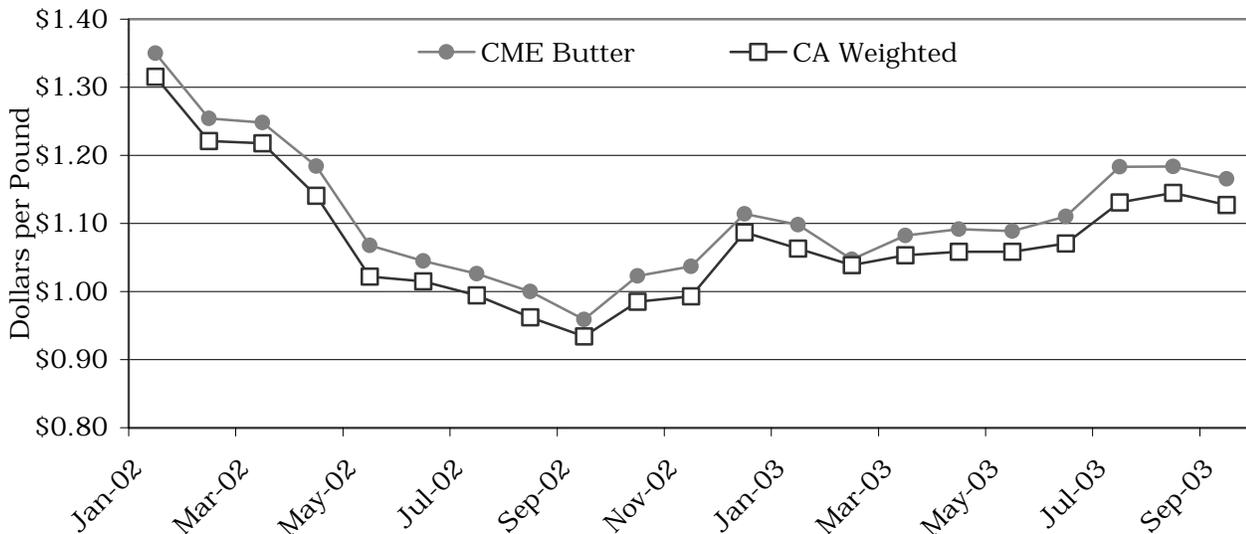
Data were collected from 5 butter plants, representing sales of salted bulk butter from January 2002 to September 2003. The 5 plants reported monthly sales volume and sales revenue for the twenty-one month period. CME butter prices are the monthly simple averages of butter prices released by CME, using the 26th of the prior month through the 25th of the current month. Weighted average California butter prices represent the monthly price per pound received by each plant and then weighted by sales volume. The data represent 100% of the salted bulk butter sold by California plants.

	<u>CME Butter</u>	<u>CA Weighted</u>	<u>Difference</u>
Jan-02	\$1.3500	\$1.3152	-\$0.0348
Feb-02	\$1.2544	\$1.2208	-\$0.0336
Mar-02	\$1.2479	\$1.2178	-\$0.0301
Apr-02	\$1.1842	\$1.1408	-\$0.0434
May-02	\$1.0679	\$1.0222	-\$0.0457
Jun-02	\$1.0448	\$1.0151	-\$0.0297
Jul-02	\$1.0260	\$0.9944	-\$0.0316
Aug-02	\$1.0002	\$0.9622	-\$0.0380
Sep-02	\$0.9588	\$0.9343	-\$0.0245
Oct-02	\$1.0227	\$0.9849	-\$0.0378
Nov-02	\$1.0371	\$0.9928	-\$0.0443
Dec-02	\$1.1139	\$1.0868	-\$0.0271
Jan-03	\$1.0982	\$1.0629	-\$0.0353
Feb-03	\$1.0471	\$1.0386	-\$0.0085
Mar-03	\$1.0823	\$1.0532	-\$0.0291
Apr-03	\$1.0917	\$1.0584	-\$0.0333
May-03	\$1.0888	\$1.0583	-\$0.0305
Jun-03	\$1.1104	\$1.0705	-\$0.0399
Jul-03	\$1.1833	\$1.1309	-\$0.0524
Aug-03	\$1.1835	\$1.1450	-\$0.0385
Sep-03	\$1.1652	\$1.1270	-\$0.0382

### Summary of Results: CA less CME

	<u>Average Differences</u>
All 21 Months	-\$0.0346
Only 2002	-\$0.0350
Only 2003	-\$0.0340
Smallest Monthly Difference	-\$0.0085
Largest Monthly Difference	-\$0.0524
Average without smallest and largest differences	-\$0.0350

Difference of Monthly CME Average Price  
and California Weighted Average Price Received



# CME Cheddar Cheese Prices vs. California Cheddar Cheese Sales

## Introductory Remarks

Data were collected from 5 Cheddar cheese plants, representing sales of 40 pound blocks of Cheddar cheese from January 2002 to December 2003. The 5 plants reported monthly sales volume and sales revenue for the twenty-four month period. CME cheese prices are the monthly simple averages of block Cheddar cheese prices released by CME, using the 26th of the prior month through the 25th of the current month. Weighted average California Cheddar cheese prices represent the monthly price per pound received by each plant and then weighted by sales volume. The data represent over 99% of the 40 pound block Cheddar sold by California plants.

	<u>CME Cheese</u>	<u>CA Weighted</u>	<u>Difference</u>
Jan-02	\$1.3261	\$1.2633	-\$0.0628
Feb-02	\$1.2250	\$1.2753	\$0.0503
Mar-02	\$1.2050	\$1.1841	-\$0.0209
Apr-02	\$1.2448	\$1.2092	-\$0.0356
May-02	\$1.2099	\$1.2106	\$0.0007
Jun-02	\$1.1457	\$1.1563	\$0.0106
Jul-02	\$1.0764	\$1.0873	\$0.0109
Aug-02	\$1.1561	\$1.0996	-\$0.0565
Sep-02	\$1.1807	\$1.1408	-\$0.0399
Oct-02	\$1.2302	\$1.2318	\$0.0016
Nov-02	\$1.0835	\$1.1038	\$0.0203
Dec-02	\$1.1290	\$1.1005	-\$0.0285
Jan-03	\$1.1443	\$1.1090	-\$0.0353
Feb-03	\$1.1229	\$1.1329	\$0.0100
Mar-03	\$1.0694	\$1.0628	-\$0.0066
Apr-03	\$1.1136	\$1.0808	-\$0.0328
May-03	\$1.1431	\$1.1203	-\$0.0228
Jun-03	\$1.1649	\$1.1249	-\$0.0400
Jul-03	\$1.4655	\$1.2935	-\$0.1720
Aug-03	\$1.5958	\$1.5095	-\$0.0863
Sep-03	\$1.6000	\$1.5505	-\$0.0495
Oct-03	\$1.6000	\$1.5493	-\$0.0507
Nov-03	\$1.4288	\$1.4928	\$0.0640
Dec-03	\$1.3453	\$1.4024	\$0.0571

## Summary of Results: CA less CME

	<u>Average Differences</u>
All 24 Months	-\$0.0214
Only 2002	-\$0.0125
Only 2003	-\$0.0304
Largest Positive Monthly Difference	\$0.0640
Largest Negative Monthly Difference	-\$0.1720
Average without largest positive and negative differences	-\$0.0185

Difference of Monthly CME Average Price  
and California Weighted Average Price Received

