



CALIFORNIA Dairy Information

A publication serving the dairy industry for over 67 years

Season's Greetings



from CDFA Dairy Marketing





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Manufacturing Cost Exhibit 2009; Butter and Cheese Sales Comparison

National Dairy Situation & Outlook – USDA Estimates

Milk Production

Monthly: Compared to 2009, USDA estimates overall milk production across the U.S. was up by 2.9% in October 2010 compared to October 2009. USDA reports that California milk production increased 4.3% compared to October 2009 (on 20,000 less cows and 100 more pounds per cow),. Among other western states, compared to October 2009, Arizona was up 9.5%; New Mexico was up 2.0%; and Washington was up 7.1%. One of the top 10 states reported a production decrease. The largest increase was reported by Oregon at 11.4% growth in milk production (on 7,000 more cows and 80 more pounds per cow).

Quarterly: For the third quarter of 2010 compared to the second quarter of 2010, U.S. milk cow numbers increased to 9.123 million head, milk production per cow decreased to 5,269 pounds; the net effect was decreased milk production to 48.1 billion pounds. USDA projects that for the fourth quarter of 2010 compared to the third quarter of 2010, U.S. milk cow numbers will increase to 9.125 million cows, production per cow will decrease to 5,220 pounds; the net effect would be decreased milk production to 47.6 billion pounds.

Milk Prices

Comparing the third quarter of 2010 to the second quarter of 2010, U.S. average milk prices increased to \$16.80/cwt. USDA projects that for the fourth quarter of 2010, U.S. average all-milk prices will be \$17.85-18.15/cwt.; Class 4b prices will be \$15.25-15.55/cwt.; and Class 4a prices will be \$16.35-16.75/cwt.

Utility Cow Prices

Comparing the third quarter of 2010 to the second quarter of 2010, average U.S. utility cow prices were up \$0.11/cwt. to a national average of \$58.90/cwt. USDA projects that utility cow prices will average \$55-57/cwt. in the fourth quarter of 2010.

Information from the USDA-NASS publication "Milk Production" and the USDA-ERS publication: "Livestock, Dairy, and Poultry Outlook."

Look for New Tables

The Statistics Database has been updated and beginning with this issue, Tables 7 and 14 have new datasets displayed.

- Table 7, Sales of Class 1 Market Milk, now has a dataset box for Class 1 Sales Out of State. This dataset includes all whole, reduced fat, lowfat, and skim market milk product sold out of California. Note that these Class 1 Sales Out of State figures are not included in the Total Class 1 Sales nor in any other Class 1 Sales tables.
- Table 14, Class 4b Production, page 19, now has a dataset box displaying the Lactose Powders (both human and animal) in total pounds of production.

Note: The "Other Dry Milk Products" dataset in Table 13, page 17, no longer includes the Lactose Powders.

Please call Karen Dapper at 916-341-5988 if you have any questions or comments on these changes.

California Data Summaries

COMMERCIAL PRODUCTION OF ALL MILK

Production of all milk on farms and ranches in California during October 2010 totaled 3.34 billion pounds, 4.2 percent more than the quantity produced during October 2009. For the twelve months ending October 2010, total milk production increased 0.8% as compared to the same period the previous year.

MANUFACTURED PRODUCTS

For the months of October 2010, as compared to October 2009, the total manufacture of butter increased 1.3 percent; manufacture of nonfat dried milk for human consumption increased 9.3 percent; manufacture of total cheese increased 4.4 percent; and manufacture of total frozen products decreased 21.4 percent.

SALES OF CLASS 1 MARKET MILK

Sales of Class 1 market milk products in California during October 2010 decreased 4.4 percent compared to sales during October 2009.

All Data displayed in the Dairy Information Bulletin is subject to change and/or revision.

MILK PRODUCTION

**Table 1: Commercial Production of Market and Manufacturing Milk
in Thousand Pounds, in California, by Month ¹
November 2008 - October 2010**

Month	Market Milk			Manufacturing Milk			Total Milk		
	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change
November	3,254,560	2,988,806	-8.2%	52,321	142,303	172.0%	3,306,881	3,131,110	-5.3%
December	3,384,368	3,136,149	-7.3%	53,967	146,638	171.7%	3,438,335	3,282,787	-4.5%
January	3,289,250	3,193,141	-2.9%	159,406	175,499	10.1%	3,448,656	3,368,639	-2.3%
February	3,004,049	2,921,998	-2.7%	133,199	165,204	24.0%	3,137,247	3,087,202	-1.6%
March	3,355,052	3,293,405	-1.8%	148,616	185,666	24.9%	3,503,668	3,479,071	-0.7%
April	3,282,426	3,249,518	-1.0%	151,030	181,635	20.3%	3,433,456	3,431,153	-0.1%
May	3,352,685	3,350,312	-0.1%	158,256	190,301	20.2%	3,510,941	3,540,613	0.8%
June	3,131,599	3,209,629	2.5%	149,224	181,094	21.4%	3,280,823	3,390,723	3.3%
July	3,094,477	3,216,853	4.0%	150,704	180,367	19.7%	3,245,181	3,397,220	4.7%
August	3,092,257	3,222,441	4.2%	149,922	178,073	18.8%	3,242,179	3,400,514	4.9%
September	2,924,511	3,120,444	6.7%	142,436	171,035	20.1%	3,066,947	3,291,480	7.3%
October	3,056,611	3,164,945	3.5%	148,616	175,532	18.1%	3,205,227	3,340,477	4.2%
Jan-Oct Total	31,582,916	31,942,685	1.1%	1,491,409	1,784,405	19.6%	33,074,325	33,727,091	2.0%
Nov-Oct Total	38,221,844	38,067,641	-0.4%	1,597,697	2,073,346	29.8%	39,819,542	40,140,987	0.8%
2009 Total	37,707,871			1,780,351			39,488,221		

¹ Includes total milk sold. Excludes milk left on ranch.

DAILY AVERAGE MILK PRODUCTION

**Table 2: Commercial Production of Market and Manufacturing Milk, Average Daily Basis
Compared to Prior Month, in Thousand Pounds, in California, by Month ¹
November 2009 - October 2010**

Month	Market Milk		Manufacturing Milk		Total Milk	
	2009-2010	% Change	2009-2010	% Change	2009-2010	% Change
October	98,600		4,794		103,394	
November	99,627	1.0%	4,743	-1.1%	104,370	0.9%
December	101,166	1.5%	4,730	-0.3%	105,896	1.5%
January	103,005	1.8%	5,661	19.7%	108,666	2.6%
February	104,357	1.3%	5,900	4.2%	110,257	1.5%
March	106,239	1.8%	5,989	1.5%	112,228	1.8%
April	108,317	2.0%	6,055	1.1%	114,372	1.9%
May	108,075	-0.2%	6,139	1.4%	114,213	-0.1%
June	106,988	-1.0%	6,036	-1.7%	113,024	-1.0%
July	103,769	-3.0%	5,818	-3.6%	109,588	-3.0%
August	103,950	0.2%	5,744	-1.3%	109,694	0.1%
September	104,015	0.1%	5,701	-0.8%	109,716	0.0%
October	102,095	-1.8%	5,662	-0.7%	107,757	-1.8%

¹ Includes total milk sold. Excludes milk left on ranch.

MILK PRODUCTION BY COUNTY

Table 3: Commercial Production of Bulk Milk, Average Milk Fat and Solids-Not-Fat Test, in Pounds, in California, by Counties and Regions ¹ October 2010

County and Region	Bulk Milk		Total	Percent change from 2009	Average Milk Fat Test	Average Solids-Not-Fat Test
	Market	Manufacturing				
Alameda						
Alpine						
Amador						
Butte	435,342	30,290	465,632	7.4%	4.40%	9.24%
Calaveras						
Colusa						
Contra Costa						
Del Norte	3,453,497	800,790	4,254,287	-5.8%	4.33%	8.97%
El Dorado						
Fresno	218,463,122	990,911	219,454,033	5.5%	3.62%	8.89%
Glenn	30,785,064	1,686,450	32,471,514	5.0%	3.72%	8.85%
Humboldt	15,491,647	3,841,381	19,333,028	0.9%	4.35%	9.00%
Inyo						
Kern	302,104,979	2,582,314	304,687,293	3.9%	3.65%	8.81%
Kings	343,522,400	1,682,580	345,204,980	8.5%	3.64%	8.82%
Lake						
Lassen						
Madera	133,577,286	5,285,498	138,862,784	7.1%	3.63%	8.87%
Marin	14,394,839	0	14,394,839	0.5%	3.62%	8.91%
Mariposa						
Mendocino						
Merced	420,010,150	70,366,025	490,376,175	4.2%	3.76%	8.92%
Modoc						
Mono						
Monterey						
Napa						
Nevada						
Placer						
Plumas						
Sacramento	26,938,208	784,678	27,722,886	2.8%	3.70%	8.87%
San Benito	381,843	0	381,843	-47.8%	3.89%	8.78%
San Francisco						
San Joaquin	174,227,537	23,503,971	197,731,508	8.9%	3.63%	8.84%
San Mateo						
Santa Clara						
Santa Cruz						
Shasta						
Sierra						
Siskiyou						
Solano						
Sonoma	41,374,103	51,060	41,425,163	-2.7%	3.77%	8.92%
Stanislaus	283,980,616	49,305,852	333,286,468	2.4%	3.66%	8.88%
Sutter						
Tehama	3,605,668	5,023,349	8,629,017	7.6%	3.96%	9.07%
Trinity						
Tulare	897,633,089	3,539,227	901,172,316	2.4%	3.71%	8.86%
Tuolumne						
Yolo						
Yuba	5,886,617	0	5,886,617	4.6%	3.95%	8.98%
N. California	2,928,801,374	172,566,866	3,101,368,240	4.2%	3.69%	8.87%

MILK PRODUCTION BY COUNTY

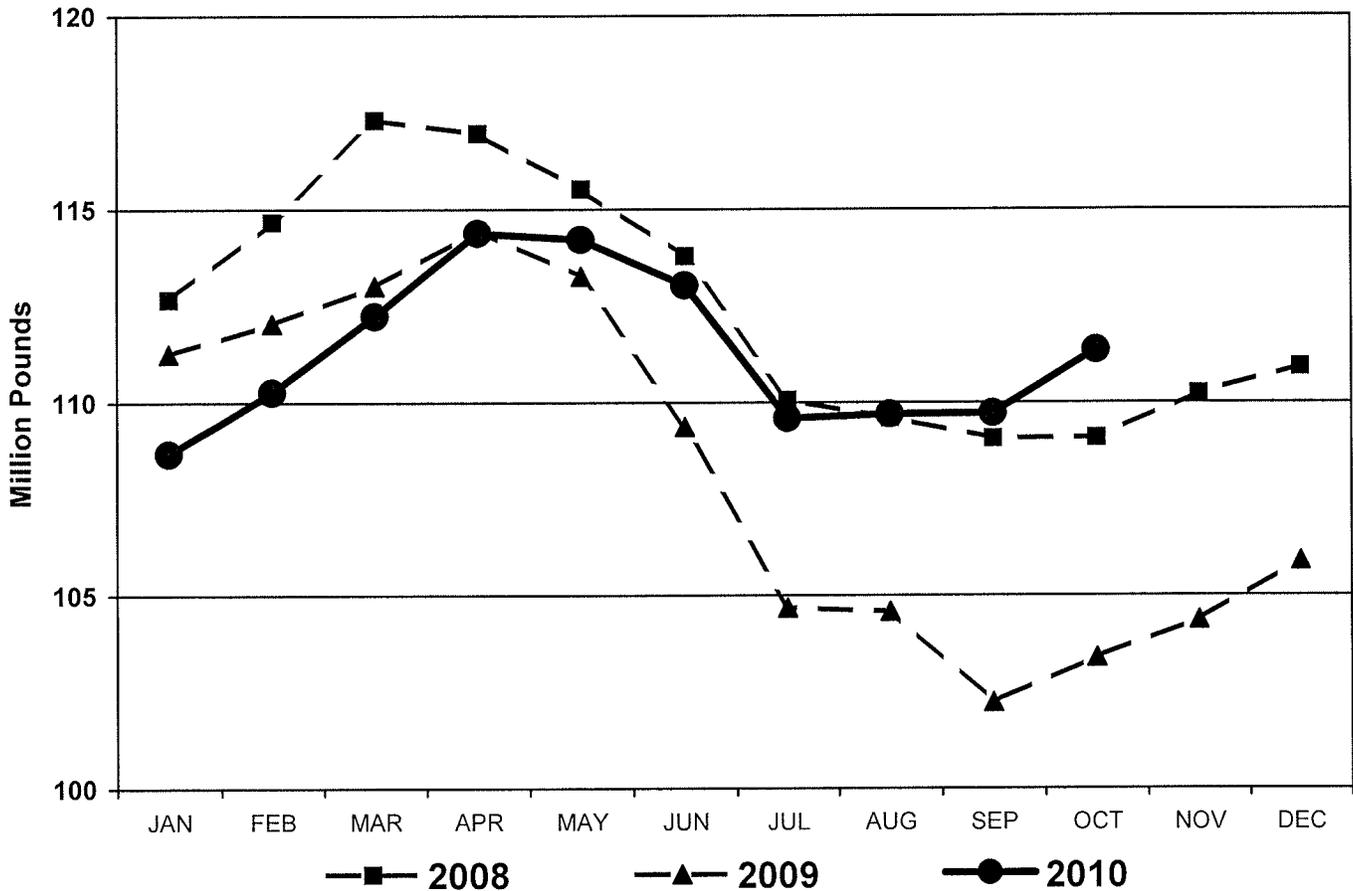
Table 3 (continued): Commercial Production of Bulk Milk, Average Milk Fat and Solids-Not-Fat Test, in Pounds, in California, by Counties and Regions ¹
October 2010

County and Region	Bulk Milk		Percent change from 2009	Average Milk Fat Test	Average Solids-Not-Fat Test	
	Market	Manufacturing				Total
Imperial	13,740,923	0	13,740,923	34.6%	3.96%	8.99%
Los Angeles						
Orange						
Riverside	78,475,102	0	78,475,102	0.9%	3.58%	8.84%
San Bernardino	130,811,909	2,965,218	133,777,127	3.8%	3.57%	8.80%
San Diego	4,399,937	0	4,399,937	7.8%	3.37%	8.83%
San Luis Obispo						
Santa Barbara						
Ventura						
S. California	236,143,610	2,965,218	239,108,828	4.5%	3.59%	8.83%
State Total	3,164,944,984	175,532,084	3,340,477,068	4.2%	3.68%	8.87%

¹ Data for counties in bold-type are not shown but are included in total: Mendocino, Monterey, Placer, Shasta, Solano, Sutter, Yolo, Los Angeles, San Luis Obispo, Santa Barbara.

CALIFORNIA MILK PRODUCTION

Average Daily Basis 2008, 2009, 2010



MILK UTILIZATION

**Table 4: Pooled Milk Utilization of Grade A Milk, by Classes and Months,
in Thousand Pounds ¹
2009 - 2010**

Month	Class 1 - Fat		Class 2 - Fat		Class 3 - Fat		Class 4a - Fat	
	2009	2010	2009	2010	2009	2010	2009	2010
January	10,247	10,332	6,987	7,854	6,780	5,839	53,176	51,632
February	9,334	9,523	6,486	6,876	7,023	5,917	45,444	46,502
March	10,377	10,479	7,669	9,068	7,654	8,622	48,717	46,852
April	10,192	10,178	8,067	9,244	8,312	10,296	45,290	43,516
May	10,001	9,795	7,911	10,209	9,481	10,171	44,889	44,402
June	10,005	9,507	8,461	9,932	9,107	10,067	39,373	39,629
July	10,245	9,705	7,919	9,228	8,831	8,877	39,336	38,988
August	10,207	10,316	8,444	9,738	8,917	10,752	38,817	35,969
September	10,092	10,266	8,011	10,563	7,739	9,176	37,638	35,848
October	10,488	10,314	10,389	10,868	6,710	6,801	40,939	41,664
November	10,348		11,578		5,420		42,298	
December	10,797		11,302		4,579		47,591	
Jan - Oct Total	101,188	100,415	80,343	93,579	80,554	86,516	433,619	425,003
Change from 2009		-0.8%		16.5%		7.4%		-2.0%
2009 Total	122,333		103,224		90,553		523,507	
Month	Class 1 - SNF		Class 2 - SNF		Class 3 - SNF		Class 4a - SNF	
	2009	2010	2009	2010	2009	2010	2009	2010
January	48,140	49,330	10,651	10,958	6,177	5,318	104,240	96,614
February	44,786	45,003	10,688	10,011	6,456	5,283	88,014	87,633
March	48,816	50,058	12,128	12,286	8,703	7,637	97,269	94,311
April	47,088	48,567	11,401	11,150	9,714	7,857	95,489	97,543
May	47,014	47,759	11,772	11,904	9,074	7,959	101,678	102,468
June	45,206	44,454	11,562	11,786	8,820	8,124	90,096	94,259
July	46,371	44,540	10,897	11,616	8,039	7,401	84,026	88,600
August	47,624	47,561	12,226	11,805	8,186	7,937	81,679	83,940
September	48,133	48,165	11,664	12,020	7,319	6,791	70,895	79,773
October	49,967	49,238	11,319	11,184	6,208	5,599	81,216	85,227
November	49,075		11,289		4,971		83,951	
December	50,131		11,125		4,261		93,410	
Jan - Oct Total	473,145	474,675	114,307	114,720	78,696	69,905	894,603	910,369
Change from 2009		0.3%		0.4%		-11.2%		1.8%
2009 Total	572,351		136,722		87,928		1,071,964	
Month	Fluid							
	2009	2010						
January	432,901	442,780						
February	403,174	405,816						
March	439,689	448,793						
April	425,545	436,795						
May	424,485	431,272						
June	408,549	400,548						
July	417,463	401,244						
August	430,684	429,398						
September	435,556	434,148						
October	450,959	442,849						
November	439,413							
December	451,686							
Jan - Oct Total	4,269,003	4,273,642						
Change from 2009		0.1%						
2009 Total	5,160,102							

MILK UTILIZATION

**Table 4 (continued): Pooled Milk Utilization of Grade A Milk, by Classes and Months,
in Thousand Pounds ¹
2009 - 2010**

Month	Class 4b - Fat		Quota - Fat		Non-quota - Fat		Pool Total - Fat	
	2009	2010	2009	2010	2009	2010	2009	2010
January	42,430	40,364	27,383	27,383	92,237	88,639	119,619	116,021
February	38,840	35,538	24,746	24,734	82,381	79,622	107,127	104,356
March	43,453	41,086	27,411	27,383	90,458	88,724	117,870	116,107
April	42,147	39,814	26,507	26,498	87,501	86,551	114,009	113,048
May	42,274	40,965	27,393	27,373	87,163	88,169	114,555	115,542
June	39,545	40,135	26,479	26,494	80,011	82,776	106,490	109,270
July	38,452	41,867	27,379	27,382	77,405	81,284	104,784	108,666
August	38,897	43,419	27,374	27,376	77,908	82,819	105,282	110,194
September	37,674	43,013	26,486	26,487	74,668	82,379	101,154	108,866
October	39,791	42,049	27,384	27,369	80,934	84,326	108,318	111,695
November	38,405		26,508		81,543		108,050	
December	40,670		27,384		87,554		114,939	
Jan - Oct Total	403,503	408,251	268,540	268,478	830,667	845,286	1,099,207	1,113,764
Change from 2009		1.2%		0.0%		1.8%		1.3%
2009 Total	482,579		322,432		999,764		1,322,196	
Month	Class 4b - SNF		Quota - SNF		Non-quota - SNF		Pool Total - SNF	
	2009	2010	2009	2010	2009	2010	2009	2010
January	112,961	111,507	66,741	66,768	215,428	206,960	282,168	273,728
February	105,635	101,632	60,311	60,311	195,268	189,251	255,579	249,562
March	117,906	117,239	66,806	66,767	218,016	214,763	284,822	281,531
April	115,161	112,940	64,623	64,619	214,230	213,439	278,853	278,058
May	114,816	116,912	66,791	66,763	217,563	220,239	284,354	287,001
June	109,089	115,441	64,567	64,627	200,206	209,437	264,773	274,064
July	110,732	121,059	66,772	66,794	193,293	206,422	260,064	273,215
August	111,229	123,096	66,762	66,767	194,182	207,571	260,944	274,338
September	109,678	119,972	64,583	64,596	183,105	202,124	247,688	266,720
October	112,753	119,488	66,769	66,749	194,695	203,987	261,463	270,736
November	108,150		64,630		192,806		257,436	
December	111,183		66,771		203,340		270,111	
Jan - Oct Total	1,119,961	1,159,284	654,725	654,760	2,025,984	2,074,194	2,680,710	2,728,954
Change from 2009		3.5%		0.0%		2.4%		1.8%
2009 Total	1,339,293		786,126		2,422,130		3,208,256	

¹ Includes pooled milk only. Excludes exempt, non-pool, grade B milk, and bulk milk shipped out-of-California (ranch to plant). Class usage has been adjusted for plant gain and inventory variance.

POOL MILK PRODUCTION

**Table 5: Commercial Production of Grade A Milk, Pooled and Non-Pooled, Total Grade B Milk by Months, in Thousand Pounds
2009 - 2010**

Month	Pool Milk		Grade A Milk Not Pooled ¹		Total Grade A Milk ²		Total Grade B Milk	
	2009	2010	2009	2010	2009	2010	2009	2010
January	3,185,155	3,086,476	104,095	106,665	3,289,250	3,193,141	159,406	175,499
February	2,895,430	2,824,771	108,619	97,227	3,004,049	2,921,998	133,199	165,204
March	3,232,367	3,184,064	122,685	109,341	3,355,052	3,293,405	148,616	185,666
April	3,163,339	3,142,869	119,087	106,648	3,282,426	3,249,518	151,030	181,635
May	3,238,285	3,241,407	114,399	108,906	3,352,685	3,350,312	158,256	190,301
June	3,021,659	3,106,906	109,941	102,723	3,131,599	3,209,629	149,224	181,094
July	2,984,264	3,112,991	110,213	103,863	3,094,477	3,216,853	150,704	180,367
August	2,982,416	3,116,893	109,840	105,548	3,092,257	3,222,441	149,922	178,073
September	2,819,795	3,015,171	104,716	105,273	2,924,511	3,120,444	142,436	171,035
October	2,948,375	3,056,728	108,236	108,217	3,056,611	3,164,945	148,616	175,532
November	2,884,275		104,532		2,988,806		142,303	
December	3,029,278		106,871		3,136,149		146,638	
Jan - Oct Total	30,471,086	30,888,275	1,111,830	1,054,410	31,582,916	31,942,685	1,491,409	1,784,405
Change from 2009		1.4%		-5.2%		1.1%		19.6%
2009 Total	36,384,638		1,323,232		37,707,871		1,780,351	

¹ Grade A farm milk delivered to non-pooled plants; milk from exempt Producer-Handler type 66; the exempt portion of milk from Producer-Handler type 70; and Grade A producer milk delivered directly out of state.

² Not all milk shipped out of state is reported. These numbers represent lower limits.

NET MILK AVAILABLE IN CALIFORNIA

**Table 6: California Commercial Milk Production, Production Entering, and Production Leaving, Net Milk Available, by Months, in Thousand Pounds ¹
2009 - 2010**

Month	California Milk Production		Production Entering California		Production Leaving California		Net Milk Available in California	
	2009	2010	2009	2010	2009	2010	2009	2010
January	3,448,656	3,368,639	67,257	51,449	42,724	35,943	3,473,190	3,384,145
February	3,137,247	3,087,202	64,833	45,403	42,050	31,504	3,160,030	3,101,101
March	3,503,668	3,479,071	74,411	51,642	48,990	37,305	3,529,089	3,493,407
April	3,433,456	3,431,153	64,056	51,160	45,807	35,658	3,451,705	3,446,655
May	3,510,941	3,540,613	65,298	55,344	40,493	35,239	3,535,745	3,560,718
June	3,280,823	3,390,723	67,173	54,245	40,540	34,182	3,307,456	3,410,786
July	3,245,181	3,397,220	64,119	56,979	38,614	35,078	3,270,686	3,419,121
August	3,242,179	3,400,514	61,793	53,727	37,089	35,655	3,266,883	3,418,586
September	3,066,947	3,291,480	59,963	50,399	34,536	36,883	3,092,373	3,304,995
October	3,205,227	3,340,477	59,943	54,100	36,563	38,139	3,228,607	3,356,438
November	3,131,110		54,009		35,181		3,149,937	
December	3,282,787		53,976		36,120		3,300,642	
Jan - Oct Total	33,074,325	33,727,091	648,845	524,448	407,406	355,587	33,315,764	33,895,951
Change from 2009		2.0%		-19.2%		-12.7%		1.7%
2009 Total	39,488,221		756,829		478,707		39,766,344	

¹ Not all milk shipped into or out of the state is reported. These numbers represent lower limits.

CLASS 1 SALES

**Table 7: Sales of Class 1 Market Milk Products in California, by Months, in Thousand Gallons ^{1 2}
November 2008 - October 2010**

Month	Whole Milk			Reduced-fat			Lowfat/Light Milk		
	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change
November	19,933	18,792	-5.7%	22,429	23,464	4.6%	8,819	9,591	8.8%
December	22,175	20,351	-8.2%	23,773	25,114	5.6%	9,378	9,411	0.4%
January	20,836	19,233	-7.7%	23,295	24,207	3.9%	9,607	9,679	0.8%
February	19,267	17,357	-9.9%	21,472	21,960	2.3%	9,035	8,918	-1.3%
March	20,941	19,117	-8.7%	23,156	24,654	6.5%	10,158	10,031	-1.3%
April	19,986	18,795	-6.0%	22,082	24,147	9.4%	9,334	9,669	3.6%
May	19,929	18,755	-5.9%	22,368	23,941	7.0%	9,667	9,724	0.6%
June	20,349	18,325	-9.9%	22,778	23,388	2.7%	8,601	8,296	-3.5%
July	20,327	18,676	-8.1%	23,040	23,355	1.4%	7,978	7,889	-1.1%
August	20,573	19,050	-7.4%	23,785	23,988	0.9%	8,784	8,739	-0.5%
September	20,115	18,383	-8.6%	23,384	23,260	-0.5%	9,954	9,765	-1.9%
October	20,681	18,938	-8.4%	24,714	24,492	-0.9%	10,604	10,003	-5.7%
Jan - Oct Total	203,004	186,629	-8.1%	230,074	237,392	3.2%	93,721	92,713	-1.1%
Nov - Oct Total	245,112	225,772	-7.9%	276,275	285,970	3.5%	111,919	111,715	-0.2%
2009 Total	242,147			278,652			112,724		
Month	Skim/Nonfat/Fat-free Milk			Subtotal Beverage Milks			Half - and - Half		
	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change
November	9,905	9,802	-1.0%	61,088	61,650	0.9%	1,497	1,611	7.6%
December	10,133	9,875	-2.5%	65,458	64,752	-1.1%	1,699	1,736	2.2%
January	10,448	10,229	-2.1%	64,186	63,348	-1.3%	1,498	1,492	-0.4%
February	9,718	9,750	0.3%	59,492	57,985	-2.5%	1,375	1,471	7.0%
March	10,738	10,806	0.6%	64,993	64,608	-0.6%	1,531	1,653	8.0%
April	9,896	10,296	4.0%	61,298	62,907	2.6%	1,469	1,581	7.6%
May	10,307	10,295	-0.1%	62,271	62,715	0.7%	1,426	1,561	9.4%
June	9,154	8,660	-5.4%	60,881	58,669	-3.6%	1,447	1,470	1.6%
July	8,294	7,856	-5.3%	59,639	57,775	-3.1%	1,387	1,404	1.2%
August	8,977	8,731	-2.7%	62,119	60,509	-2.6%	1,388	1,478	6.5%
September	10,411	10,057	-3.4%	63,864	61,464	-3.8%	1,410	1,476	4.7%
October	11,030	10,643	-3.5%	67,029	64,075	-4.4%	1,574	1,512	-3.9%
Jan - Oct Total	98,973	97,322	-1.7%	625,772	614,055	-1.9%	14,504	15,096	4.1%
Nov - Oct Total	119,011	116,999	-1.7%	752,317	740,457	-1.6%	17,699	18,442	4.2%
2009 Total	118,650			752,173			17,850		
Month	Total Class 1 Milk			Class 1 Sales Out of State ^{3/}					
	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change			
November	62,585	63,261	1.1%	1,827	1,793	-1.9%			
December	67,158	66,489	-1.0%	1,903	1,701	-10.6%			
January	65,685	64,841	-1.3%	1,936	1,741	-10.1%			
February	60,867	59,456	-2.3%	1,807	1,621	-10.3%			
March	66,525	66,262	-0.4%	2,005	1,785	-10.9%			
April	62,768	64,489	2.7%	1,930	1,711	-11.3%			
May	63,698	64,277	0.9%	1,959	1,590	-18.8%			
June	62,329	60,141	-3.5%	1,995	1,710	-14.3%			
July	61,028	59,181	-3.0%	1,835	1,963	7.0%			
August	63,507	61,988	-2.4%	1,923	2,051	6.7%			
September	65,275	62,943	-3.6%	1,888	1,820	-3.6%			
October	68,604	65,590	-4.4%	1,812	1,794	-1.0%			
Jan - Oct Total	640,286	629,168	-1.7%	19,089	17,786	-6.8%			
Nov - Oct Total	770,029	758,918	-1.4%	22,819	21,280	-6.7%			
2009 Total	770,037			22,583					

¹ Reported by California plants only.

² Table 7 includes all Class 1 market milk product sales (except for Class 1 Out of State Sales which are displayed in a separate boxed area), including flavored milk sales and organic milk sales. For a breakdown of Class 1 Organic Milk Sales, see Table 8. For a breakdown of Class 1 Flavored Milk Sales, see Table 9.

³ Includes all whole, reduced fat, lowfat, and skim market milk product sales sold out of California. The Class 1 Sales Out of State figures are not included in the Total Class 1 Sales nor in any other Class 1 Sales tables.

CLASS 1 ORGANIC MILK SALES

**Table 8: Sales of Class 1 Organic Market Milk Products in California, by Months,
in Thousand Gallons ^{1 2 3}
November 2008 - October 2010**

Month	Whole Milk			Reduced-fat			Lowfat/Light Milk		
	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change
November	648	643	-0.9%	708	708	0.0%	753	857	13.9%
December	723	729	0.8%	766	782	2.1%	849	843	-0.7%
January	624	682	9.2%	684	756	10.4%	747	843	12.9%
February	600	647	7.8%	677	731	7.9%	700	637	-9.0%
March	634	734	15.6%	680	852	25.3%	757	824	8.9%
April	614	733	19.3%	684	831	21.5%	670	748	11.7%
May	625	713	14.1%	689	794	15.2%	678	715	5.4%
June	640	702	9.8%	701	809	15.4%	696	750	7.8%
July	629	696	10.6%	687	811	18.1%	725	808	11.5%
August	638	806	26.3%	706	914	29.4%	716	765	6.8%
September	666	870	30.6%	754	1,063	41.0%	835	809	-3.2%
October	674	846	25.6%	735	1,027	39.6%	832	792	-4.9%
Jan - Oct Total	6,345	7,428	17.1%	6,998	8,588	22.7%	7,355	7,690	4.6%
Nov - Oct Total	7,716	8,800	14.0%	8,472	10,078	19.0%	8,957	9,391	4.8%
2009 Total	7,717			8,489			9,056		
Month	Skim/Nonfat/Fat-free Milk			Subtotal Organic Milks					
	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change			
November	527	481	-8.8%	2,636	2,689	2.0%			
December	544	527	-3.1%	2,883	2,882	0.0%			
January	509	521	2.3%	2,565	2,801	9.2%			
February	452	502	11.2%	2,429	2,517	3.6%			
March	508	590	16.1%	2,580	3,000	16.3%			
April	494	586	18.7%	2,461	2,898	17.7%			
May	509	524	2.9%	2,501	2,746	9.8%			
June	493	554	12.2%	2,530	2,815	11.3%			
July	485	565	16.6%	2,525	2,880	14.0%			
August	501	586	16.9%	2,562	3,070	19.9%			
September	522	606	16.0%	2,777	3,347	20.5%			
October	514	593	15.4%	2,755	3,257	18.2%			
Jan - Oct Total	4,987	5,627	12.8%	25,685	29,332	14.2%			
Nov - Oct Total	6,058	6,635	9.5%	31,204	34,903	11.9%			
2009 Total	5,995			31,256					

1 Reported by California plants only.

2 Organic milk sales are included in Table 7 - Class 1 Milk figures, Subtotal Beverage Milks and Total Class 1 Milk.

3 Data unavailable prior to April, 2006.

CLASS 1 FLAVORED MILK SALES

**Table 9: Sales of Class 1 Flavored Market Milk Products in California, by Months,
in Thousand Gallons ^{1 2}
November 2008 - October 2010**

Month	Whole Milk			Reduced-fat			Lowfat/Light Milk		
	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change
November	88	49	-43.6%	363	102	-72.0%	877	1,298	48.0%
December	96	48	-50.6%	406	109	-73.1%	983	1,043	6.1%
January	75	46	-39.4%	375	140	-62.8%	1,103	1,194	8.3%
February	78	45	-42.0%	313	133	-57.6%	1,162	1,175	1.1%
March	87	51	-41.2%	177	321	81.5%	1,391	1,263	-9.2%
April	84	52	-37.6%	165	369	123.9%	1,237	1,219	-1.4%
May	84	47	-44.0%	265	430	62.0%	1,288	1,174	-8.9%
June	88	49	-43.6%	214	552	157.8%	949	830	-12.5%
July	80	50	-36.8%	272	138	-49.2%	646	720	11.5%
August	58	54	-6.4%	509	105	-79.3%	904	945	4.5%
September	57	55	-3.0%	363	101	-72.3%	1,327	1,287	-3.0%
October	50	57	15.6%	236	76	-67.8%	1,492	1,290	-13.6%
Jan - Oct Total	741	509	-31.4%	2,889	2,364	-18.2%	11,498	11,097	-3.5%
Nov - Oct Total	925	606	-34.5%	3,658	2,575	-29.6%	13,358	13,438	0.6%
2009 Total	838			3,099			13,839		

Month	Skim/Nonfat/Fat-free Milk			Subtotal Flavored Milks		
	2008-2009	2009-2010	% Change	2008-2009	2009-2010	% Change
November	1,853	1,927	4.0%	3,180	3,376	6.1%
December	1,689	1,616	-4.3%	3,174	2,815	-11.3%
January	2,187	2,125	-2.8%	3,740	3,504	-6.3%
February	2,079	2,171	4.4%	3,633	3,523	-3.0%
March	2,390	2,466	3.2%	4,045	4,102	1.4%
April	1,964	2,222	13.1%	3,449	3,862	12.0%
May	2,219	2,420	9.1%	3,857	4,072	5.6%
June	1,165	1,158	-0.6%	2,415	2,589	7.2%
July	339	339	-0.1%	1,337	1,248	-6.7%
August	936	1,094	16.9%	2,407	2,199	-8.7%
September	2,324	2,414	3.8%	4,071	3,856	-5.3%
October	2,608	2,669	2.3%	4,386	4,092	-6.7%
Jan - Oct Total	18,212	19,077	4.7%	33,340	33,047	-0.9%
Nov - Oct Total	21,754	22,619	4.0%	39,695	39,238	-1.2%
2009 Total	21,754			39,531		

1 Reported by California plants only.

2 Flavored milk sales are included in Table 7 - Class 1 Milk figures, Subtotal Beverage Milks and Total Class 1 Milk.

CLASS 1 SALES, BY MARKETING AREA

Table 10: Sales of Class 1 Products in California, by Marketing Areas ¹
October 2008, October 2009, October 2010

Products and Marketing Areas	Sales			Change to October 2010 from	
	October 2008	October 2009	October 2010	October 2008	October 2009
	<i>gallons</i>			<i>percent</i>	
Whole Milk					
N. California	8,761,440	8,516,512	7,683,642	-12.3%	-9.8%
S. California	12,504,253	12,164,900	11,254,094	-10.0%	-7.5%
State Total	21,265,693	20,681,412	18,937,736	-10.9%	-8.4%
Reduced Fat Milk					
N. California	9,755,309	10,019,134	9,922,392	1.7%	-1.0%
S. California	14,218,793	14,694,515	14,569,451	2.5%	-0.9%
State Total	23,974,102	24,713,649	24,491,843	2.2%	-0.9%
Lowfat/Light Milk					
N. California	5,301,523	5,265,520	4,942,575	-6.8%	-6.1%
S. California	5,076,746	5,338,071	5,060,351	-0.3%	-5.2%
State Total	10,378,269	10,603,591	10,002,926	-3.6%	-5.7%
Skim/Nonfat/Fat free Milk					
N. California	4,434,752	4,364,251	4,291,773	-3.2%	-1.7%
S. California	7,005,682	6,666,181	6,351,122	-9.3%	-4.7%
State Total	11,440,434	11,030,432	10,642,895	-7.0%	-3.5%
Beverage Milk Totals					
N. California	28,253,024	28,165,417	26,840,382	-5.0%	-4.7%
S. California	38,805,474	38,863,667	37,235,018	-4.0%	-4.2%
State Total	67,058,498	67,029,084	64,075,400	-4.4%	-4.4%
Half - And - Half					
N. California	726,719	741,303	644,038	-11.4%	-13.1%
S. California	814,261	832,582	868,287	6.6%	4.3%
State Total	1,540,980	1,573,885	1,512,325	-1.9%	-3.9%

¹ Sales to N. Calif. and/or S. Calif. regions; not necessarily in area of plant.

CLASS 2 PRODUCTION

**Table 11: Manufacture of Selected Class 2 Dairy Products in California,
by Months, in Thousand Pounds (P) or Gallons (G)
2009 - 2010**

Month	Creamed Cottage Cheese (P)			Lowfat Cottage Cheese (P)			Nonfat Cottage Cheese (P)		
	2009	2010	% Change	2009	2010	% Change	2009	2010	% Change
January	1,988	1,959	-1.5%	4,738	4,314	-8.9%	807	763	-5.4%
February	2,128	1,844	-13.3%	4,299	4,221	-1.8%	745	651	-12.6%
March	2,160	2,274	5.3%	4,828	5,263	9.0%	800	790	-1.2%
April	2,252	1,961	-12.9%	5,019	4,767	-5.0%	824	740	-10.2%
May	2,131	1,904	-10.6%	4,351	4,531	4.1%	757	703	-7.1%
June	2,133	2,185	2.4%	4,588	5,282	15.1%	779	797	2.3%
July	2,115	2,136	1.0%	4,500	5,051	12.2%	734	740	0.9%
August	2,176	1,899	-12.7%	4,635	4,193	-9.5%	783	668	-14.7%
September	2,288	1,992	-12.9%	5,010	4,638	-7.4%	842	681	-19.1%
October	2,072	1,732	-16.4%	4,326	3,880	-10.3%	702	664	-5.5%
November	1,974			4,172			694		
December	2,033			4,177			676		
Jan - Oct Total	21,442	19,885	-7.3%	46,295	46,140	-0.3%	7,773	7,198	-7.4%
2009 Total	25,450			54,644			9,143		
Month	Total Cottage Cheese (P)			Sour Cream & S. C. Dressing (G)			Other Cream (G) ¹		
	2009	2010	% Change	2009	2010	% Change	2009	2010	% Change
January	7,572	7,103	-6.2%	1,603	1,615	0.7%	1,585	1,477	-6.8%
February	7,208	6,781	-5.9%	1,592	1,511	-5.1%	1,567	1,371	-12.5%
March	7,833	8,391	7.1%	1,769	1,959	10.7%	1,841	1,900	3.2%
April	8,135	7,568	-7.0%	1,785	1,688	-5.4%	1,818	2,303	26.6%
May	7,274	7,214	-0.8%	1,580	1,715	8.6%	1,867	2,397	28.4%
June	7,552	8,337	10.4%	1,702	1,711	0.5%	1,971	2,301	16.7%
July	7,395	7,995	8.1%	1,683	1,613	-4.2%	2,055	2,253	9.7%
August	7,640	6,841	-10.5%	1,669	1,634	-2.1%	1,990	2,327	16.9%
September	8,190	7,399	-9.7%	1,696	1,681	-0.9%	1,938	2,381	22.8%
October	7,142	6,346	-11.2%	1,713	1,604	-6.4%	2,235	2,345	5.0%
November	6,912			1,924			2,440		
December	6,956			1,948			1,895		
Jan - Oct Total	75,941	73,976	-2.6%	16,792	16,730	-0.4%	18,867	21,055	11.6%
2009 Total	89,810			20,664			23,202		
Month	Buttermilk (G)			Yogurt (P)			Manufacturing Cream (G)		
	2009	2010	% Change	2009	2010	% Change	2009	2010	% Change
January	4,403	771	-82.5%	47,340	52,628	11.2%	3,659	2,893	-20.9%
February	2,749	767	-72.1%	51,406	47,411	-7.8%	3,664	2,826	-22.9%
March	3,471	843	-75.7%	57,764	63,993	10.8%	3,846	3,409	-11.4%
April	2,914	842	-71.1%	54,056	54,669	1.1%	4,189	3,508	-16.2%
May	1,909	827	-56.7%	50,471	55,842	10.6%	4,117	3,922	-4.7%
June	955	888	-7.0%	53,849	60,226	11.8%	4,155	3,890	-6.4%
July	1,036	881	-14.9%	49,892	54,428	9.1%	3,958	3,633	-8.2%
August	884	805	-9.0%	54,626	53,844	-1.4%	4,310	4,153	-3.7%
September	975	812	-16.7%	58,273	59,805	2.6%	3,835	3,783	-1.4%
October	1,035	833	-19.5%	51,585	49,313	-4.4%	4,135	3,541	-14.4%
November	1,209			44,551			4,264		
December	1,085			46,358			3,934		
Jan - Oct Total	20,332	8,269	-59.3%	529,263	552,158	4.3%	39,869	35,557	-10.8%
2009 Total	22,626			620,172			48,067		

¹ Other Cream includes: Cream, Other Cream, Whipping, and Whipped (Cream Topping).

CLASS 3 PRODUCTION

**Table 12: Manufacture of Selected Class 3 Dairy Products in California,
by Months, in Thousand Gallons ¹
2009 - 2010**

Month	Ice Cream			Ice Milk ²			Sherbet		
	2009	2010	% Change	2009	2010	% Change	2009	2010	% Change
January	7,782	9,025	16.0%	1,163	1,086	-6.6%	143	195	36.3%
February	10,632	10,123	-4.8%	1,105	1,314	18.9%	349	199	-43.0%
March	12,572	13,600	8.2%	1,673	1,847	10.4%	267	447	67.8%
April	12,976	13,785	6.2%	1,662	1,852	11.4%	435	516	18.6%
May	15,049	13,342	-11.3%	1,585	1,671	5.4%	486	476	-2.1%
June	15,619	14,490	-7.2%	1,702	1,969	15.7%	540	517	-4.3%
July	14,990	13,767	-8.2%	1,781	1,978	11.1%	489	426	-12.9%
August	14,823	11,882	-19.8%	1,565	1,762	12.6%	518	442	-14.6%
September	13,594	13,087	-3.7%	1,448	1,449	0.0%	339	290	-14.3%
October	12,449	9,251	-25.7%	1,250	1,330	6.4%	340	286	-15.9%
November	7,709			1,047			156		
December	8,163			1,142			144		
Jan - Oct Total	130,486	122,354	-6.2%	14,935	16,257	8.9%	3,905	3,794	-2.8%
2009 Total	146,358			17,124			4,205		
Month	Frozen Yogurt ³			Total Frozen Products					
	2009	2010	% Change	2009	2010	% Change			
January	514	554	7.8%	9,626	10,888	13.1%			
February	614	671	9.1%	12,848	12,369	-3.7%			
March	828	943	13.9%	15,523	16,981	9.4%			
April	715	933	30.5%	15,997	17,191	7.5%			
May	689	1,005	45.8%	17,998	16,625	-7.6%			
June	800	1,034	29.3%	18,845	18,132	-3.8%			
July	933	954	2.3%	18,292	17,213	-5.9%			
August	771	991	28.6%	17,816	15,161	-14.9%			
September	810	911	12.4%	16,316	15,845	-2.9%			
October	577	649	12.6%	14,715	11,568	-21.4%			
November	441			9,457					
December	473			9,961					
Jan - Oct Total	7,251	8,645	19.2%	157,976	151,973	-3.8%			
2009 Total	8,166			177,394					

¹ Data includes soft serve and shake mixes in appropriate categories as defined by butterfat standards.

² Includes light dairy dessert and nonfat ice cream.

³ Includes nonfat and reduced fat yogurts.

CLASS 4A PRODUCTION

**Table 13: Manufacture of Selected Class 4A Products in California,
by Months, in Thousand Pounds
2009 - 2010**

Month	Butter			Nonfat Dried Milk, Human Consumption			Other Dry Milk Products 1/		
	2009	2010	% Change	2009	2010	% Change	2009	2010	% Change
January	51,888	54,654	5.3%	85,739	72,447	-15.5%	3,614	17,131	374.1%
February	43,670	49,362	13.0%	68,568	64,686	-5.7%	9,775	17,276	76.7%
March	46,774	51,837	10.8%	74,990	74,117	-1.2%	10,884	17,728	62.9%
April	45,673	48,323	5.8%	69,514	84,449	21.5%	14,134	8,550	-39.5%
May	43,029	47,598	10.6%	75,657	84,862	12.2%	13,251	7,943	-40.1%
June	40,075	44,274	10.5%	71,857	70,284	-2.2%	11,006	19,433	76.6%
July	37,597	41,646	10.8%	68,837	68,034	-1.2%	7,465	12,810	71.6%
August	37,613	39,206	4.2%	68,765	74,252	8.0%	4,761	3,843	-19.3%
September	36,732	39,457	7.4%	57,666	69,676	20.8%	4,776	3,884	-18.7%
October	41,872	42,425	1.3%	63,174	69,059	9.3%	6,960	6,276	-9.8%
November	44,961			59,721			17,138		
December	50,405			67,811			20,770		
Jan - Oct Total	424,923	458,781	8.0%	704,767	731,865	3.8%	86,625	114,876	32.6%
2009 Total	520,290			832,299			124,534		

Month	Condensed & Evap. Milk 2/		
	2009	2010	% Change
January	87,353	74,907	-14.2%
February	85,849	71,841	-16.3%
March	103,546	79,769	-23.0%
April	111,131	82,351	-25.9%
May	101,907	88,898	-12.8%
June	92,886	91,880	-1.1%
July	86,916	94,868	9.1%
August	100,004	106,214	6.2%
September	95,391	100,556	5.4%
October	90,851	98,770	8.7%
November	88,007		
December	75,125		
Jan - Oct Total	955,834	890,054	-6.9%
2009 Total	1,118,966		

**Lactose Powders now displayed in
Table 14, page 19 (no longer
included in Other Dry Milk Products).**

1/ Other Dry Milk Products include: Dry Whole Milk; Dry Buttermilk; Skim Milk Powder (30-40% Protein); Skim Milk Powder Blends (Fat-Filled Powder); Milk Protein Concentrate, Dry; Milk Protein Isolate, Dry (90% Protein); Casein, Dry; Caseinates, Dry; Dry Nonfat milk (Animal Feed), and Other Dry Milk Products.

2/ Includes Condensed Skim Milk and Whole (Sweetened and Unsweetened); Condensed Evaporated Buttermilk; Evaporated Skim and Whole; Condensed Premix Skim and Cream; Other Condensed, Evaporated Milk, Ultrafiltered Milk.

CLASS 4B PRODUCTION

**Table 14: Manufacture of Selected Class 4B Products in California,
by Months, in Thousand Pounds
2009 - 2010**

Month	Monterey Cheese			Cheddar Cheese			Mozzarella Cheese		
	2009	2010	% Change	2009	2010	% Change	2009	2010	% Change
January	22,546	23,493	4.2%	33,111	29,671	-10.4%	91,832	97,658	6.3%
February	24,375	19,797	-18.8%	25,338	27,068	6.8%	84,802	90,194	6.4%
March	24,982	22,425	-10.2%	31,340	30,538	-2.6%	95,485	104,772	9.7%
April	24,268	24,260	0.0%	32,381	27,065	-16.4%	88,906	102,805	15.6%
May	24,592	23,478	-4.5%	34,007	29,226	-14.1%	90,727	104,870	15.6%
June	21,626	19,921	-7.9%	33,583	31,788	-5.3%	85,779	102,260	19.2%
July	22,017	25,116	14.1%	30,061	27,313	-9.1%	89,974	106,246	18.1%
August	22,172	24,048	8.5%	30,022	27,548	-8.2%	90,547	110,385	21.9%
September	22,525	24,259	7.7%	28,511	23,703	-16.9%	91,787	108,802	18.5%
October	23,639	22,372	-5.4%	29,778	27,172	-8.8%	96,965	107,504	10.9%
November	23,110			24,742			99,221		
December	23,618			30,624			95,794		
Jan - Oct Total	232,741	229,170	-1.5%	308,131	281,092	-8.8%	906,805	1,035,497	14.2%
2009 Total	279,470			363,497			1,101,819		
Month	Provolone Cheese			Parmesan Cheese			Hispanic Cheese		
	2009	2010	% Change	2009	2010	% Change	2009	2010	% Change
January	4,105	3,296	-19.7%	*	*	24.8%	9,080	8,946	-1.5%
February	3,378	3,887	15.1%	*	*	71.4%	9,136	9,307	1.9%
March	3,907	4,647	18.9%	*	*	24.0%	10,137	10,757	6.1%
April	4,003	4,663	16.5%	*	*	-2.6%	10,103	9,525	-5.7%
May	3,550	4,642	30.7%	*	*	17.0%	8,821	8,897	0.9%
June	3,770	4,296	13.9%	*	*	22.4%	9,061	9,494	4.8%
July	3,636	4,367	20.1%	*	*	-3.9%	9,783	9,684	-1.0%
August	4,693	4,604	-1.9%	*	*	-22.9%	9,972	9,791	-1.8%
September	3,253	4,643	42.7%	*	*	-28.9%	9,667	9,873	2.1%
October	4,346	4,148	-4.6%	*	*	-23.3%	8,988	8,708	-3.1%
November	3,840			*			8,588		
December	3,696			*			9,741		
Jan - Oct Total	38,642	43,194	11.8%	*	*	3.3%	94,748	94,982	0.2%
2009 Total	46,178			60,983			113,077		
Month	Other Cheeses 1/			Total Cheese					
	2009	2010	% Change	2009	2010	% Change			
January	9,172	6,719	-26.7%	174,685	175,576	0.5%			
February	9,801	5,594	-42.9%	160,615	161,803	0.7%			
March	10,096	7,256	-28.1%	181,191	186,858	3.1%			
April	8,895	7,124	-19.9%	174,030	180,668	3.8%			
May	9,099	7,443	-18.2%	175,512	184,128	4.9%			
June	5,936	7,364	24.1%	165,412	181,743	9.9%			
July	5,948	10,446	75.6%	167,062	188,499	12.8%			
August	5,570	8,876	59.4%	169,236	190,101	12.3%			
September	4,821	9,684	100.9%	167,742	186,033	10.9%			
October	5,538	8,345	50.7%	175,078	182,756	4.4%			
November	5,177			170,855					
December	7,883			176,100					
Jan - Oct Total	74,874	78,852	5.3%	1,710,564	1,818,164	6.3%			
2009 Total	87,935			2,057,518					

* Data cannot be published due to confidentiality rules.

CLASS 4B PRODUCTION

**Table 14 (continued): Manufacture of Selected Class 4B Products in California,
by Months, in Thousand Pounds
2009 - 2010**

Month	Dry Whey, Human and Animal			Whey Protein (Human), Concentrate and Isolates			Other Dry Whey Products 2/		
	2009	2010	% Change	2009	2010	% Change	2009	2010	% Change
January	*	*	18.7%	10,575	9,466	-10.5%	42,121	61,864	46.9%
February	*	*	-1.3%	9,294	8,344	-10.2%	37,744	57,492	52.3%
March	*	*	15.6%	10,098	9,181	-9.1%	42,909	64,310	49.9%
April	*	*	-14.8%	8,668	9,477	9.3%	41,476	63,887	54.0%
May	*	*	9.8%	9,299	8,929	-4.0%	40,724	63,794	56.7%
June	*	*	22.0%	9,372	8,875	-5.3%	38,852	67,197	73.0%
July	*	*	45.2%	9,511	9,266	-2.6%	44,906	64,794	44.3%
August	*	*	-2.5%	9,630	8,565	-11.1%	44,227	68,682	55.3%
September	*	*	-11.6%	9,116	9,082	-0.4%	52,375	70,806	35.2%
October	*	*	-27.7%	9,566	8,772	-8.3%	48,245	62,299	29.1%
November	*			8,184			51,156		
December	*			8,616			50,956		
Jan - Oct Total	*	*	3.1%	95,128	89,956	-5.4%	433,576	645,124	48.8%
2009 Total	77,733			111,928			535,688		
Month	Lactose Powders (Human and Animal)								
	2009	2010	% Change						
January	19,295	20,985	8.8%						
February	15,089	20,747	37.5%						
March	17,276	23,591	36.5%						
April	16,470	23,403	42.1%						
May	18,052	24,662	36.6%						
June	17,417	25,785	48.0%						
July	17,566	26,980	53.6%						
August	17,387	26,938	54.9%						
September	15,828	26,306	66.2%						
October	18,596	24,707	32.9%						
November	18,224								
December	20,858								
Jan - Oct Total	172,977	244,104	41.1%						
2009 Total	212,059								

1/ Other Cheeses includes all cheeses not accounted for in categories listed, including Farmstead and Organic Cheeses.

2/ Includes Whey Protein Fractions; Permeate, On or Off Farm UF or MPC product (Animal & Human); Deproteinized Whey; Delactose Permeate Whey; Permeate, Dry, Finished Product; Reduced Lactose Whey (Animal & Human); Reduced Minerals Whey (Animal & Human); Concentrated Whey (Sweet Type & Acid-Type, Lbs, Solids, Animal & Human); Whey Protein Concentrate (Animal).

* Data cannot be published due to confidentiality rules.

AVERAGE PRICE PAID FOR MARKET MILK

Table 15: Market Bulk Milk and Milk Fat Purchased from Producers, Average Milk Fat Test, Average Solids-Not-Fat and Average Prices Paid Producers in California, by Months 2009 - 2010

Month	Total Grade A Milk		Average Milk Fat Test		Average Solids-not-fat		Average Prices Paid Producers ¹	
	2009	2010	2009	2010	2009	2010	2009	2010
	<i>thousand pounds</i>		<i>percent</i>		<i>percent</i>		<i>dollars per hundredweight</i>	
January	3,289,250	3,193,141	3.76%	3.76%	8.86%	8.86%	\$11.23	\$14.44
February	3,004,049	2,921,998	3.70%	3.70%	8.83%	8.83%	\$10.29	\$13.92
March	3,355,052	3,293,405	3.65%	3.65%	8.81%	8.83%	\$10.47	\$13.15
April	3,282,426	3,249,518	3.61%	3.60%	8.81%	8.84%	\$10.46	\$13.28
May	3,352,685	3,350,312	3.54%	3.56%	8.78%	8.84%	\$10.25	\$13.57
June	3,131,599	3,209,629	3.53%	3.52%	8.76%	8.81%	\$10.09	\$13.99
July	3,094,477	3,216,853	3.52%	3.49%	8.71%	8.77%	\$10.01	\$14.70
August	3,092,257	3,222,441	3.53%	3.54%	8.75%	8.79%	\$10.94	\$15.41
September	2,924,511	3,120,444	3.59%	3.61%	8.78%	8.84%	\$11.64	\$16.34
October	3,056,611	3,164,945	3.68%	3.66%	8.86%	8.85%	\$12.71	\$16.86
November	2,988,806		3.75%		8.92%		\$14.13	
December	3,136,149		3.80%		8.91%		\$15.56	
Jan - Oct Total/Avg	31,582,916	31,942,685	3.61%	3.61%	8.80%	8.83%	\$10.81	\$14.57
2009 Total/Avg	37,707,871		3.64%		8.82%		\$11.48	

¹ Prices are F.O.B. plant, at actual test. Includes in-state pool shipments, and California milk shipped into a Federal Milk Marketing Order.

AVERAGE PRICE PAID FOR MANUFACTURING MILK

Table 16: Manufacturing Bulk Milk and Milk Fat Purchased from Producers, Average Milk Fat Test, Average Solids-Not-Fat and Average Prices Paid Producers in California, by Months 2009 - 2010

Month	Total Grade B Milk		Average Milk Fat Test		Average Solids-not-fat		Average Prices Paid Producers ¹	
	2009	2010	2009	2010	2009	2010	2009	2010
	<i>thousand pounds</i>		<i>percent</i>		<i>percent</i>		<i>dollars per hundredweight</i>	
January	159,406	175,499	4.29%	4.24%	9.08%	9.08%	\$10.15	\$14.14
February	133,199	165,204	4.19%	4.17%	9.07%	9.03%	\$11.14	\$14.20
March	148,616	185,666	4.15%	4.12%	9.05%	9.04%	\$11.45	\$12.31
April	151,030	181,635	4.10%	4.08%	9.04%	9.05%	\$11.36	\$13.52
May	158,256	190,301	4.00%	4.07%	9.02%	9.05%	\$10.37	\$13.63
June	149,224	181,094	3.97%	3.99%	9.00%	9.03%	\$10.29	\$13.31
July	150,704	180,367	3.95%	3.95%	8.95%	8.99%	\$10.09	\$14.46
August	149,922	178,073	3.98%	4.00%	8.97%	9.03%	\$12.10	\$15.72
September	142,436	171,035	4.07%	4.08%	9.02%	9.08%	\$12.36	\$17.21
October	148,616	175,532	4.18%	4.13%	9.10%	9.10%	\$13.91	\$17.52
November	142,303		4.30%		9.16%		\$15.46	
December	146,638		4.40%		9.16%		\$16.70	
Jan - Oct Total/Avg	1,491,409	1,784,405	4.09%	4.08%	9.03%	9.05%	\$11.32	\$14.60
2009 Total/Avg	1,780,351		4.13%		9.05%		\$12.12	

¹ Prices are F.O.B. plant, at actual test.

POOL PRICE DATA

**Table 17: Statistical Summary of California Milk Pool Data for Selected Months,
with Comparisons for the Most Recent Month ^{1 2}
October 2009, August 2010, September 2010, October 2010**

Receipts and Usage	2009 October	2010 August	2010 September	2010 October	Annual Change ³
	<i>pounds</i>				<i>percent</i>
Milk Fat					
Receipts: Quota	883,350	883,086	882,902	882,870	-0.1%
Base	3,585	3,417	3,432	3,432	-4.3%
Overbase	2,607,184	2,668,152	2,742,529	2,716,765	4.2%
Other Source Milk	0	0	0	0	
Daily Average	3,494,120	3,554,655	3,628,863	3,603,066	3.1%
Usage: Class 1	338,334	332,769	342,184	332,698	-1.7%
Class 2	335,133	314,135	352,115	350,568	4.6%
Class 3	216,467	346,826	305,873	219,379	1.3%
Class 4a	1,320,610	1,160,304	1,194,929	1,343,991	1.8%
Class 4b	1,283,576	1,400,621	1,433,762	1,356,432	5.7%
Daily Average	3,494,120	3,554,655	3,628,863	3,603,066	3.1%
Solids-not-fat					
Receipts: Quota	2,153,823	2,153,761	2,153,201	2,153,198	0.0%
Base	7,267	6,867	6,902	6,901	-5.0%
Overbase	6,273,212	6,688,975	6,730,570	6,573,326	4.8%
Other Source Milk	0	0	0	0	
Daily Average	8,434,302	8,849,603	8,890,673	8,733,425	3.5%
Usage: Class 1	1,611,854	1,534,232	1,605,500	1,588,322	-1.5%
Class 2	365,134	380,792	400,678	360,761	-1.2%
Class 3	200,256	256,021	226,354	180,621	-9.8%
Class 4a	2,619,876	2,707,731	2,659,091	2,749,273	4.9%
Class 4b	3,637,182	3,970,827	3,999,051	3,854,447	6.0%
Daily Average	8,434,302	8,849,603	8,890,673	8,733,425	3.5%
Class 1 (Daily Average)	14,547,054	13,851,541	14,471,597	14,285,465	-1.8%

Daily Class 1 Use as a Percent of Daily Quota

	<i>percent</i>				
	Milk Fat	38.3%	37.7%	38.8%	37.7%
Solids-not-fat	74.8%	71.2%	74.6%	73.8%	-1.0%

Announced Pool Prices, October 2010

Pooling Category	Milk Component Prices		Standardized Milk ⁴ Prices
	Fat	Solids-not-fat	
	<i>dollars/pound</i>		<i>dollars/cwt.</i>
Quota ⁵	\$2.396	\$1.063	\$17.64
Base	\$2.396	\$0.868	\$15.94
Overbase	\$2.396	\$0.868	\$15.94

¹ Daily totals may not agree due to rounding.

² Based on handler reports of pool milk receipts and utilization.

³ Percent change from October 2009.

⁴ Hundredweight prices based on 3.5% fat and 8.7% SNF milk.

⁵ Quota prices are subject to regional quota adjuster.

Class and Pool Prices

Minimum Prices^{1/} for Classes 1, 2, 3, 4a, and 4b Market Milk F.O.B. Plant and
Pool Prices for Quota, Overbase^{2/} and Blend, November 2006 - December 2010

Month	Year	No. Calif.	So. Calif.	No. Calif.	So. Calif.	No. Calif.	So. Calif.	Statewide	Statewide	Statewide	Statewide	Statewide
		Class 1	Class 1	Class 2	Class 2	Class 3	Class 3	Class 4a	Class 4b	Quota	Overbase	Blend ^{3/}
<i>Dollars per Hundredweight</i>												
November ^{4/}		13.08	13.35	11.33	11.57	11.28	11.29	11.32	12.32	13.31	11.61	12.51
December		13.34	13.61	11.86	12.09	11.81	11.82	11.65	12.37	13.50	11.80	12.78
January	2007	13.73	14.00	11.86	12.09	11.81	11.82	11.92	12.47	13.70	12.00	12.98
February		15.10	15.37	12.47	12.71	12.42	12.43	12.34	13.20	14.45	12.75	13.61
March		15.74	16.01	12.47	12.71	12.42	12.43	13.24	14.13	15.28	13.58	14.37
April		16.44	16.71	13.48	13.71	13.43	13.44	14.53	15.20	16.33	14.63	15.36
May		17.44	17.71	13.48	13.71	13.43	13.44	16.00	18.05	18.29	16.59	17.28
June		20.01	20.28	15.95	16.19	15.90	15.91	17.03	21.18	20.70	19.00	19.67
July		22.99	23.26	15.95	16.19	15.90	15.91	19.84	20.54	21.60	19.90	20.49
August		23.49	23.76	19.13	19.36	19.08	19.09	21.21	19.41	21.74	20.04	20.64
September		22.83	23.10	19.13	19.36	19.08	19.09	21.62	19.34	21.69	19.99	20.72
October		23.54	23.81	22.10	22.34	22.05	22.06	21.32	17.65	21.16	19.46	20.46
November		23.54	23.43	22.10	22.34	22.05	22.06	20.66	19.75	21.93	20.23	21.23
December		22.99	23.26	21.68	21.91	21.63	21.64	19.14	18.58	20.79	19.09	20.23
January	2008	22.96	23.23	21.68	21.91	21.63	21.64	16.40	16.91	19.14	17.44	18.49
February		21.71	21.98	18.46	18.69	18.41	18.42	14.28	17.54	18.42	16.72	17.67
March		18.90	19.17	18.46	18.69	18.41	18.42	14.36	16.94	17.71	16.01	16.82
April		19.92	20.19	15.01	15.24	14.96	14.97	14.31	16.79	17.56	15.86	16.62
May		18.78	19.05	15.01	15.24	14.96	14.97	15.19	18.66	18.47	16.77	17.47
June		20.23	20.50	15.44	15.67	15.39	15.40	15.61	19.12	19.12	17.42	18.03
July		22.49	22.77	15.44	15.67	15.39	15.40	16.08	17.77	19.05	17.35	17.88
August		19.79	20.07	16.53	16.76	16.48	16.49	16.24	16.14	18.01	16.31	16.90
September		19.23	19.51	16.53	16.76	16.48	16.49	15.51	16.63	17.92	16.22	16.91
October		18.23	18.50	16.57	16.80	16.52	16.53	13.54	16.63	17.14	15.44	16.34
November		18.72	19.00	16.57	16.80	16.52	16.53	12.20	15.14	15.97	14.27	15.20
December		16.57	16.84	13.56	13.79	13.51	13.52	10.15	13.95	14.11	12.41	13.39
January	2009	17.42	17.69	13.30	13.53	13.25	13.25	9.53	9.02	12.10	10.40	11.29
February		11.27	11.55	10.27	10.50	10.22	10.22	9.40	10.11	11.28	9.58	10.35
March		11.13	11.40	10.27	10.50	10.22	10.22	9.67	10.45	11.54	9.84	10.55
April		11.58	11.85	9.96	10.20	9.91	9.91	9.79	10.41	11.57	9.87	10.52
May		12.68	12.96	9.96	10.20	9.91	9.91	10.03	9.54	11.46	9.76	10.31
June		11.70	11.97	10.34	10.57	10.29	10.29	10.06	9.52	11.32	9.62	10.16
July		11.88	12.15	10.34	10.57	10.29	10.29	10.02	9.39	11.30	9.60	10.12
August		11.71	11.98	10.47	10.70	10.42	10.42	10.21	11.29	12.18	10.48	11.06
September		13.21	13.48	10.47	10.70	10.42	10.42	11.08	11.40	12.74	11.04	11.73
October		13.75	14.02	11.07	11.30	11.02	11.02	11.54	12.69	13.61	11.91	12.77
November		15.04	15.31	11.07	11.30	11.02	11.02	13.16	13.76	14.83	13.13	14.20
December		16.04	16.31	12.77	13.01	12.72	12.72	14.76	15.04	16.17	14.47	15.62
January	2010	18.22	18.49	13.02	13.26	12.97	12.97	13.75	12.72	15.18	13.48	14.50
February		16.46	16.74	14.88	15.12	14.83	14.83	12.84	12.95	14.81	13.11	13.98
March		16.44	16.71	14.88	15.12	14.83	14.83	12.84	11.13	14.11	12.41	13.20
April		14.37	14.64	13.16	13.40	13.11	13.11	13.49	12.30	14.33	12.63	13.35
May		15.37	15.64	13.16	13.40	13.11	13.11	13.95	12.40	14.65	12.95	13.63
June		15.68	15.95	14.15	14.38	14.10	14.10	15.26	12.23	15.17	13.47	14.05
July		17.14	17.42	14.15	14.38	14.10	14.10	15.62	13.37	15.94	14.24	14.75
August		17.33	17.60	15.87	16.10	15.82	15.82	15.69	14.39	16.54	14.84	15.47
September		17.15	17.43	15.87	16.10	15.82	15.82	16.61	15.48	17.25	15.55	16.40
October		18.44	18.71	16.57	16.81	16.52	16.52	16.65	15.66	17.64	15.94	16.92
November		18.71	18.98	16.57	16.81	16.52	16.52					
December		18.28	18.55									

1/ Prices as reported by the Dairy Marketing Branch in the monthly class price letter.

2/ Prices as reported by the Milk pooling Branch in the monthly pool price letter. Quota price is not reduced by the Regional Quota Adjuster (RQA).

3/ Gross pool value after RQA and Transportation Allowance adjustments divided by the total pounds of pooled milk production. Price is at actual test, which is generally higher than the 3.5% fat and 8.7% SNF used in all other prices.

4/ Effective October 1, 2008, Class 1, 2, and 3 hundredweight prices no longer include Milk Producers Security Trust Fund charges.

Commodity Prices

Selected Monthly Commodity Prices Used In the Calculation of the California Class 4a and 4b Prices ¹ January 2009 - December 2010

Month	Chicago Mercantile Exchange				California Manufacturing Plants Nonfat Dry Milk	
	Grade AA Butter		Block Cheddar Cheese		2009	2010
	2009	2010	2009	2010		
<i>Dollars Per Pound</i>						
January	1.1165	1.3871	1.0907	1.4462	0.8161	1.1598
February	1.1047	1.3555	1.1992	1.4691	0.8074	1.0697
March	1.1728	1.4559	1.2321	1.2883	0.8058	1.0213
April	1.1961	1.5239	1.2279	1.4144	0.8082	1.0750
May	1.2449	1.5947	1.1418	1.4231	0.8124	1.0936
June	1.2337	1.6139	1.1397	1.4065	0.8203	1.2345
July	1.2263	1.7643	1.1268	1.5189	0.8198	1.2041
August	1.2172	1.9153	1.3157	1.6191	0.8458	1.1387
September	1.2068	2.2170	1.3261	1.7260	0.9514	1.0984
October	1.2575	2.1990	1.4541	1.7436	0.9793	1.1118
November	1.4700		1.5588		1.0627	
December	1.4182		1.6867		1.2718	

¹ All commodity prices are for the 26th of the prior month to the 25th of the current month.
When the Class 2 and 3 prices are issued every other month, the commodity reference prices are the same as those used for the calculation of that month's Class 4a and 4b prices.

Selected Monthly Commodity Prices Used in the Calculation of the California Class 1 Price ¹ January 2009 - December 2010

Month	Chicago Mercantile Exchange				Dairy Market News		California Manufacturing Plants Nonfat Dry Milk		Commodity Reference Prices ²	
	Grade AA Butter		Block Cheddar Cheese		Western Dry Whey ¹		2009	2010	2009	2010
	2009	2010	2009	2010	2009	2010				
<i>Dollars Per Pound</i>							<i>Dollars Per Cwt.</i>			
January	1.1275	1.3303	1.1178	1.4492	0.1500	0.4044	0.8146	1.2775	11.7516	16.5904
February	1.1008	1.3446	1.1456	1.5033	0.1488	0.4050	0.8106	1.0757	11.6051	16.5674
March	1.1594	1.4453	1.1900	1.3089	0.1644	0.4044	0.8036	1.0192	12.0516	14.8486
April	1.1870	1.4943	1.2723	1.4288	0.2150	0.4000	0.8069	1.0409	13.1590	15.8487
May	1.2313	1.6009	1.1503	1.3834	0.2488	0.3981	0.8084	1.0952	12.1714	16.1567
June	1.2550	1.5711	1.1483	1.4186	0.2825	0.3950	0.8212	1.2792	12.3537	17.6164
July	1.1965	1.7447	1.1125	1.4564	0.3175	0.3863	0.8152	1.2165	12.1901	17.8055
August	1.2414	1.8346	1.2623	1.6046	0.3200	0.3788	0.8296	1.1520	13.6847	17.6275
September	1.1698	2.2107	1.3189	1.7123	0.3200	0.3725	0.9355	1.1183	14.2201	18.9169
October	1.2405	2.2145	1.4428	1.7613	0.3313	0.3800	0.9577	1.1103	15.5189	19.1857
November	1.4196	2.1075	1.5269	1.5406	0.3525	0.3875	0.9980	1.1501	16.5144	18.7573
December	1.4683		1.6986		0.3756		1.2271		18.3442	

¹ All commodity prices are for the 26th of the prior month to the 10th of the current month, except the California NFDM price is a weighted average of the two weekly prices available as of the 10th of the month, and the Western Dry Whey price is a simple average of the two weekly prices available as of the 10th of the month.

² Commodity Reference Price equals the higher of either (a) 9.8 times CME Block Cheddar; plus 0.27 times CME AA Butter, minus 10 cents; plus the Western Dry Whey times 5.8 minus 85 cents; or (b) 3.5 times CME Grade AA Butter plus 8.7 times California Nonfat Dry Milk.

Milk Production Cost Comparison Summary for California, by Quarter, 2009-2010

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
	<i>Dollars per Hundredweight</i>									
1st Quarter										
Total Costs	\$22.38	\$19.02	\$16.63	\$13.60	\$16.63	\$13.26	\$15.35	\$12.81	\$16.67	\$13.48
Total Costs & Allowances*	\$24.77	\$20.86	\$18.23	\$15.11	\$18.58	\$14.78	\$17.29	\$14.49	\$18.51	\$15.02
2nd Quarter										
Total Costs	\$18.30	\$16.54	\$15.30	\$13.17	\$15.46	\$12.81	\$14.06	\$12.20	\$15.37	\$12.98
Total Costs & Allowances*	\$20.34	\$18.30	\$17.08	\$14.59	\$17.22	\$14.25	\$15.54	\$13.75	\$17.12	\$14.43
3rd Quarter										
Total Costs	\$17.35		\$14.47		\$14.68		\$13.85		\$14.62	
Total Costs & Allowances*	\$19.08		\$16.01		\$16.26		\$15.21		\$16.17	
4th Quarter										
Total Costs	\$18.23		\$14.09		\$13.91		\$13.46		\$14.05	
Total Costs & Allowances*	\$20.11		\$15.68		\$15.50		\$14.89		\$15.63	

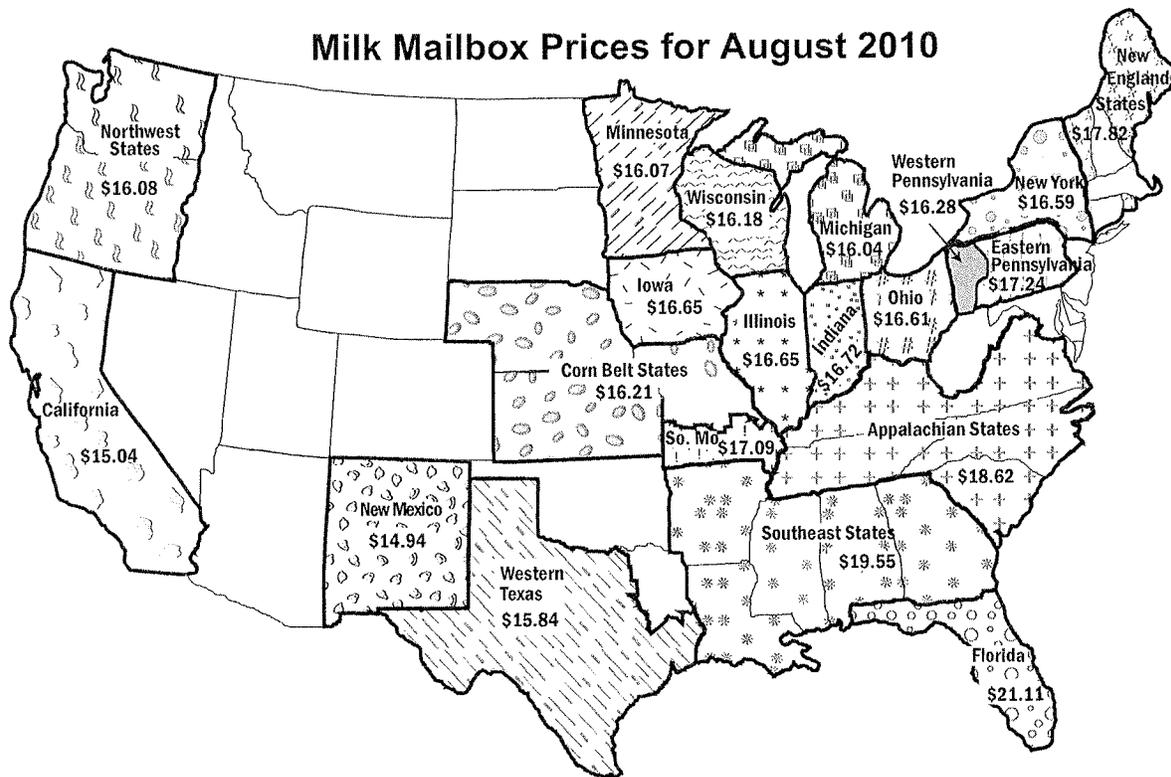
* Includes an allowance for management and a return on investment

Milk Mailbox Prices in Dollars per Hundredweight

	Feb. '10	March	April	May	June	July	August
California ¹	\$13.59	\$12.81	\$12.93	\$13.25	\$13.64	\$14.33	\$15.04
USDA ²	\$15.97	\$14.92	\$14.51	\$15.08	\$15.39	\$15.81	\$16.51

¹ California mailbox price calculated by CDFA.

² All federal milk market order weighted average, as calculated by USDA.



In August 2010, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.51 per cwt., up \$0.69 from the previous month average, and up \$4.47 from August 2009. The component tests of producer milk in August 2010 were: butterfat, 3.52%; protein, 2.96%; and other solids, 5.72%. On an individual reporting area basis, mailbox prices increased from the previous month in all Federal milk order reporting areas except Western Pennsylvania, Ohio, and Indiana. Mailbox prices in August 2010 ranged from \$21.11 in Florida to \$14.94 in New Mexico.

Average Retail Prices

Comparison of Class 1 "Farm" and "Average Retail" Prices for Selected Markets
December 2008 through December 2010

Month	Year	Class 1 Farm Price ^{1/}				Average Whole Milk Retail Price Collected by AC Nielsen ^{2/}				
		Southern California	Phoenix	Albuquerque	Amarillo	Los Angeles	San Diego	Las Vegas	Phoenix	Denver
		<i>Dollars Per Gallon</i>								
December	2008	1.45	1.53	1.53	1.53	2.99	2.97	2.99	2.62	2.93
January	2009	1.52	1.56	1.56	1.56	2.94	2.91	2.98	2.60	2.90
February		0.99	1.12	1.12	1.13	2.46	2.43	2.60	2.23	2.43
March		0.98	1.01	1.01	1.02	2.48	2.43	2.36	2.15	2.51
April		1.02	1.09	1.09	1.10	2.41	2.42	2.39	2.09	2.50
May		1.11	1.15	1.15	1.15	2.46	2.47	2.37	2.02	2.12
June		1.03	1.07	1.07	1.07	2.48	2.47	2.42	1.98	2.00
July		1.04	1.08	1.08	1.09	2.44	2.45	2.42	2.04	1.96
August		1.03	1.07	1.07	1.07	2.41	2.43	2.37	1.91	1.98
September		1.16	1.14	1.14	1.15	2.55	2.57	2.41	1.91	2.04
October		1.21	1.26	1.26	1.27	2.56	2.63	2.46	2.02	2.15
November		1.32	1.31	1.31	1.31	2.70	2.75	2.54	1.95	2.31
December		1.40	1.40	1.40	1.41	2.81	2.85	2.62	2.17	2.31
January	2010	1.59	1.49	1.49	1.50	2.94	2.98	2.54	2.17	2.27
February		1.44	1.48	1.48	1.48	2.94	2.96	2.55	2.19	2.42
March		1.44	1.44	1.44	1.44	2.94	2.95	2.50	2.13	2.43
April		1.26	1.34	1.34	1.34	2.85	2.86	2.44	2.13	2.43
May		1.35	1.39	1.39	1.39	2.82	2.85	2.41	2.02	2.30
June		1.37	1.52	1.52	1.52	2.91	2.99	2.50	2.14	2.38
July		1.50	1.55	1.55	1.55	2.99	3.06	2.55	2.14	2.44
August		1.51	1.56	1.56	1.56	2.99	3.04	2.57	2.10	2.56
September		1.50	1.53	1.53	1.54	2.99	3.06	2.60	2.19	2.55
October ^{3/}		1.61	1.63	1.63	1.63	3.08	3.15	2.68	2.23	2.55
November		1.63	1.68	1.68	1.69					
December		1.60	1.66	1.66	1.66					

Month	Year	Class 1 Farm Price ^{1/}				Average Whole Milk Retail Price Collected by AC Nielsen ^{2/}				
		Northern California	Pacific Northwest	Las Vegas	Denver	Sacramento	San Francisco	Salt Lake City/Boise	Portland	Seattle
		<i>Dollars Per Gallon</i>								
December	2008	1.43	1.49	1.45	1.55	3.15	3.20	2.68	2.86	3.03
January	2009	1.50	1.52	1.47	1.57	3.12	3.20	2.66	2.79	2.97
February		0.97	1.09	1.04	1.14	2.70	2.74	2.40	2.50	2.61
March		0.96	0.97	0.93	1.03	2.64	2.71	2.14	2.39	2.53
April		1.00	1.05	1.01	1.11	2.64	2.80	1.91	2.32	2.46
May		1.09	1.11	1.06	1.16	2.73	2.79	2.18	2.33	2.49
June		1.01	1.03	0.99	1.09	2.74	2.81	2.15	2.33	2.46
July		1.02	1.05	1.00	1.10	2.71	2.82	2.17	2.36	2.46
August		1.01	1.03	0.98	1.08	2.69	2.81	2.11	2.30	2.45
September		1.14	1.10	1.06	1.16	2.83	2.97	2.11	2.30	2.43
October		1.18	1.23	1.18	1.28	2.87	2.98	2.20	2.34	2.50
November		1.29	1.27	1.23	1.33	2.97	3.07	2.24	2.35	2.50
December		1.38	1.37	1.32	1.42	3.09	3.15	2.25	2.43	2.56
January	2010	1.57	1.46	1.41	1.51	3.16	3.24	2.11	2.36	2.55
February		1.42	1.44	1.40	1.50	2.94	3.02	2.33	2.43	2.69
March		1.41	1.40	1.35	1.45	2.84	2.93	2.30	2.66	2.78
April		1.24	1.30	1.26	1.36	2.75	2.84	2.34	2.63	2.68
May		1.32	1.35	1.31	1.41	2.77	2.89	2.25	2.43	2.58
June		1.35	1.48	1.43	1.53	2.82	2.97	2.33	2.65	2.75
July		1.47	1.51	1.47	1.57	2.94	3.07	2.31	2.61	2.80
August		1.49	1.52	1.48	1.58	2.95	3.10	2.31	2.50	2.67
September		1.47	1.50	1.45	1.55	2.93	3.13	2.31	2.49	2.64
October ^{3/}		1.59	1.59	1.55	1.64	3.02	3.25	2.32	2.49	2.73
November		1.61	1.65	1.60	1.70					
December		1.57	1.62	1.58	1.68					

^{1/} Class1 farm prices depicted are minimum producer FOB plant prices. They don't include either haul, deductions or any over-order charges such as quality bonuses, service charges, premiums, etc

^{2/} The Department has contracted with AC Nielsen to provide the retail price survey data on a monthly basis. Data subject to revision.

^{3/} October data as reported by AC Nielsen, data through 10/30/10.

Source: Dairy Marketing Class 1 Price Letter – Selected Issues; AC Nielsen Scantrack Reports on Refrigerated Milk; Dairy Market News.

MINIMUM CLASS 1, 2, 3, 4A, 4B PRICES

Market Milk (F.O.B. Processing Plant)

► **CLASS 1 for December 2010**

	<u>LB. FAT</u>	<u>LB. SNF</u>	<u>LB. FLUID</u>	<u>EQUIVALENT PER CWT.</u>
Northern California	\$2.3712	\$0.8958	\$0.0249	\$18.28
Southern California	\$2.3712	\$0.8958	\$0.0280	\$18.55
Statewide Average Cwt. Price:				
Based Upon Production				\$18.30
Based Upon Utilization				\$18.44

COMMODITY MARKET PRICES

	<u>\$ Per Lb.</u>
Chicago Mercantile Exchange Grade AA Butter – Daily Simple Average (October 26 th to November 10 th)	\$2.1075
Chicago Mercantile Exchange Block Cheddar Cheese – Daily Simple Average (October 26 th to November 10 th)	\$1.5406
California Extra Grade & Grade A Nonfat Dry Milk (for weeks ending October 29 th and November 5 th)	\$1.1501
Western Dry Whey (Mostly) – Simple Average (for weeks ending October 29 th and November 5 th)	\$0.3875

COMMODITY REFERENCE PRICE FOR DECEMBER CLASS 1 PRICING:

\$18.7573

January 2011 Class 1 prices will be announced no later than 4:00 p.m. on December 10, 2010.

► **CLASS 2 for October and November 2010**

	<u>LB. FAT</u>	<u>LB. SNF</u>	<u>EQUIVALENT PER CWT.</u>
Northern California	\$2.2551	\$0.9978	\$16.57
Southern California	\$2.2551	\$1.0245	\$16.81

► **CLASS 3 for October and November 2010**

	<u>LB. FAT</u>	<u>LB. SNF</u>	<u>EQUIVALENT PER CWT.</u>
Statewide	\$2.2551	\$0.9921	\$16.52

COMMODITY MARKET PRICES

	<u>\$ Per Lb.</u>
Chicago Mercantile Exchange Grade AA Butter – Daily Simple Average (August 26 th to September 25 th)	\$2.2170
Chicago Mercantile Exchange Block Cheddar Cheese – Daily Simple Average (August 26 th to September 25 th)	\$1.7260
California Extra Grade & Grade A Nonfat Dry Milk – Monthly Weighted Average (August 26 th to September 25 th)	\$1.0984

December 2010 and January 2011 Class 2 and 3 prices will be issued no later than 4:00 p.m. on December 1, 2010.

► **CLASS 4a for October 2010**

	<u>LB. FAT</u>	<u>LB. SNF</u>	<u>EQUIVALENT PER CWT.</u>
Statewide	\$2.4145	\$0.9420	\$16.65

► **CLASS 4b for October 2010**

	<u>LB. FAT</u>	<u>LB. SNF</u>	<u>EQUIVALENT PER CWT.</u>
Statewide	\$2.4145	\$0.8287	\$15.66

COMMODITY MARKET PRICES

	<u>\$ Per Lb.</u>
Chicago Mercantile Exchange Grade AA Butter – Daily Simple Average (September 26 th to October 25 th)	\$2.1990
Chicago Mercantile Exchange Block Cheddar Cheese – Daily Simple Average (September 26 th to October 25 th)	\$1.7436
California Extra Grade & Grade A Nonfat Dry Milk – Monthly Weighted Average (September 26 th to October 25 th)	\$1.1118

November 2010 Class 4a and 4b prices will be issued no later than 4:00 p.m. on December 1, 2010.

U.S. Retail Average Prices for Whole, Reduced Fat, Lowfat, and Skim Milk
(Weighted Average Prices in Dollars Per Gallon)

City	August 2010				September 2010				October 2010			
	Whole	Reduced Fat	Lowfat	Skim	Whole	Reduced Fat	Lowfat	Skim	Whole	Reduced Fat	Lowfat	Skim
	<i>Weighted Average Prices in Dollars Per Gallon</i>											
Albany	2.99	2.82	2.79	2.61	2.97	2.71	2.73	2.53	2.99	2.83	2.78	2.58
Atlanta	2.48	2.44	2.34	2.40	2.77	2.75	2.63	2.68	2.76	2.73	2.62	2.67
Baltimore	3.53	3.50	3.46	3.09	3.49	3.45	3.40	3.05	3.47	3.41	3.35	2.93
Birmingham	3.47	3.39	3.34	3.37	3.46	3.37	3.32	3.35	3.47	3.38	3.36	3.39
Boston	3.10	3.07	3.01	2.99	3.10	3.05	2.99	2.99	3.04	3.00	2.94	2.90
Buffalo/Rochester	2.41	2.30	2.22	2.10	2.35	2.21	2.13	1.99	2.36	2.21	2.12	1.99
Charlotte	3.18	3.15	3.16	3.13	3.31	3.30	3.35	3.32	3.37	3.37	3.42	3.43
Chicago	2.81	2.62	2.68	2.65	2.88	2.59	2.68	2.65	2.85	2.58	2.65	2.65
Cincinnati	2.33	2.29	2.23	2.25	2.49	2.45	2.38	2.40	2.44	2.41	2.35	2.37
Cleveland	2.75	2.66	2.72	2.67	2.76	2.63	2.66	2.61	2.89	2.73	2.76	2.72
Columbus	2.37	2.33	2.24	2.26	2.59	2.54	2.41	2.44	2.63	2.58	2.43	2.46
Dallas	2.51	2.44	2.48	2.26	2.41	2.35	2.41	2.16	2.18	2.08	2.16	1.86
Denver	2.56	2.49	2.54	2.38	2.55	2.48	2.53	2.37	2.55	2.47	2.51	2.36
Des Moines	3.49	3.20	3.04	2.91	3.49	3.19	3.01	2.87	3.55	3.22	3.02	2.86
Detroit	2.24	2.19	2.12	2.20	2.28	2.26	2.19	2.24	2.22	2.21	2.15	2.20
Grand Rapids	2.53	2.45	2.32	2.36	2.51	2.44	2.31	2.31	2.53	2.46	2.26	2.34
Hartford-New Haven	3.52	3.58	3.50	3.64	3.59	3.66	3.50	3.71	3.47	3.53	3.42	3.58
Houston	2.93	2.89	2.91	2.77	2.91	2.86	2.87	2.73	2.89	2.85	2.85	2.71
Indianapolis	2.34	2.32	2.22	2.24	2.47	2.43	2.34	2.37	2.41	2.40	2.30	2.32
Jacksonville	3.26	3.20	3.28	3.24	3.22	3.17	3.25	3.21	3.27	3.19	3.28	3.23
Kansas City	3.63	3.48	3.40	3.26	3.63	3.47	3.38	3.24	3.68	3.49	3.39	3.25
Las Vegas	2.57	2.51	2.59	2.58	2.60	2.58	2.62	2.67	2.68	2.59	2.62	2.73
Little Rock	3.46	3.42	3.43	3.38	3.40	3.36	3.42	3.37	3.43	3.39	3.40	3.36
Los Angeles	2.99	2.89	3.04	2.80	2.99	2.87	3.02	2.79	3.08	2.92	3.06	2.84
Louisville	2.63	2.56	2.44	2.46	2.72	2.68	2.56	2.58	2.66	2.62	2.49	2.52
Memphis	3.29	3.18	2.96	3.00	3.23	3.14	2.92	2.97	3.29	3.20	2.95	3.03
Miami	3.43	3.39	3.34	3.36	3.37	3.33	3.30	3.33	3.41	3.35	3.32	3.34
Milwaukee	3.16	2.79	2.83	2.68	3.17	2.73	2.80	2.55	3.07	2.48	2.76	2.36
Minneapolis	3.23	2.93	2.97	3.09	3.20	2.87	2.89	2.96	3.22	2.93	2.95	3.06
Nashville	3.04	2.97	2.82	2.84	3.07	3.04	2.95	2.94	3.14	3.09	2.97	2.96
New Orleans-Mobile	4.08	4.07	4.00	4.24	3.98	4.00	3.94	4.18	4.01	4.05	4.00	4.22
New York	3.66	3.49	3.56	3.52	3.65	3.53	3.53	3.52	3.72	3.55	3.63	3.52
Oklahoma City-Tulsa	3.54	3.46	3.39	3.33	3.55	3.47	3.40	3.34	3.53	3.45	3.42	3.32
Omaha	3.43	3.20	2.97	2.87	3.43	3.15	3.00	2.89	3.29	3.09	2.95	2.83
Orlando	3.30	3.29	3.31	3.30	3.23	3.23	3.25	3.24	3.30	3.26	3.28	3.26
Philadelphia	3.73	3.61	3.51	3.39	3.70	3.63	3.51	3.39	3.77	3.61	3.50	3.38
Phoenix	2.10	2.05	2.06	2.02	2.19	2.15	2.15	2.14	2.23	2.19	2.18	2.18
Pittsburgh	3.41	3.27	3.18	3.13	3.45	3.27	3.16	3.13	3.52	3.31	3.18	3.11
Portland	2.50	2.44	2.48	2.44	2.49	2.39	2.45	2.39	2.49	2.39	2.45	2.39
Raleigh-Durham	3.34	3.36	3.43	3.37	3.31	3.33	3.36	3.30	3.46	3.47	3.54	3.47
Richmond- Norfolk	3.38	3.35	3.18	3.19	3.36	3.32	3.12	3.10	3.43	3.36	3.14	3.13
Sacramento	2.95	2.91	3.00	2.97	2.93	2.88	2.93	2.99	3.02	2.93	2.99	2.99
Salt Lake City-Boise	2.31	2.12	2.08	2.28	2.31	2.14	2.10	2.28	2.32	2.11	2.12	2.35
San Antonio	3.42	3.30	3.20	3.03	3.42	3.30	3.21	3.03	3.26	3.13	3.04	2.88
San Diego	3.04	2.92	3.13	2.87	3.06	2.91	3.12	2.87	3.15	2.95	3.16	2.91
San Francisco	3.10	3.01	3.30	3.05	3.13	3.03	3.31	3.09	3.25	3.11	3.38	3.16
Seattle	2.67	2.55	2.63	2.60	2.64	2.51	2.58	2.60	2.73	2.60	2.69	2.61
St Louis	3.38	3.27	3.29	3.21	3.46	3.35	3.38	3.29	3.49	3.37	3.42	3.32
Syracuse	2.68	2.54	2.44	2.30	2.64	2.49	2.39	2.24	2.63	2.48	2.38	2.22
Tampa	3.35	3.35	3.35	3.35	3.31	3.29	3.30	3.29	3.35	3.31	3.31	3.30
Washington DC	3.59	3.52	3.44	3.31	3.58	3.51	3.43	3.26	3.56	3.50	3.41	3.15
West Texas	3.10	2.98	2.99	2.94	2.89	2.82	2.85	2.77	2.83	2.77	2.78	2.76
Total US	3.04	2.95	2.93	2.88	3.05	2.96	2.93	2.88	3.06	2.96	2.93	2.87

Source: AC Nielsen Scantrack Reports on Refrigerated Milk. The average price per gallon represents the weighted averages for specific brands of milk within the specified market. Data includes organic milk. Data subject to revision. October data through the week ending 10/30/10.

December 2010

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November 2, 2010

TO ALL INTERESTED PARTIES:

Enclosed are copies of the latest nonfat dry milk, bulk butter, and Cheddar cheese Manufacturing Cost Exhibit for the period of January through December 2009. The processing cost data does not include the cost of raw product nor does it include any cost of marketing finished product.

For each of the three manufactured products, the cost data are presented in a table that shows actual weighted-average cost of plants grouped by efficiency. Also enclosed is a summary table showing the weighted-average manufacturing cost for Nonfat Powder, Butter and Cheddar Cheese as published since July 2000. In addition, included in this package is a comparative analysis of common line item costs. Cost includes packaging, processing labor, processing non-labor, general and administrative cost, and return on investment and, for butter and Cheddar cheese, miscellaneous ingredients.

We continue to appreciate the assistance of those plants that are providing the Manufacturing Cost Unit with data to complete our studies.

Should you have any questions regarding this material, please contact me at the telephone number or e-mail address listed below.

Sincerely,

Venetta Reed
Supervising Auditor I

Enclosures



Summary of Weighted Average Manufacturing Costs
Butter, Nonfat Dry Milk, and Cheddar Cheese

Costs include processing labor, non-labor processing, packaging, other ingredients (for butter and Cheddar cheese only), general and administrative, and return on investments at 7.30% for 2009.

Study Period	Release Date	BUTTER		NONFAT DRY MILK		CHEDDAR CHEESE		DRY WHEY POWDER	
		Cost Per Pound	Number of Plants	Cost Per Pound	Number of Plants	Cost Per Pound	Number of Plants	Cost Per Pound	Number of Plants
July 2000-Dec 2001	Nov-02	\$0.1208	7	\$0.1619	11	\$0.1775	9	--	--
Jan-Dec 2002	Nov-03	\$0.1235	7	\$0.1464	10	\$0.1632	9	--	--
Jan-Dec 2003	Nov-04	\$0.1299	7	\$0.1560	10	\$0.1706	9	\$0.2675	4
Jan-Dec 2004	Nov-05	\$0.1368	8	\$0.1543	10	\$0.1769	7	\$0.2673	3
Jan-Dec 2005	Nov-06	\$0.1408	8	\$0.1659	9	\$0.1914	7	\$0.2851	3
Jan-Dec 2006	Sep-07	\$0.1373	7	\$0.1664	8	\$0.1988	7	\$0.3099	3
Jan-Dec 2007	Sep-08	\$0.1316	7	\$0.1568	8	\$0.2003	6	-	--
Jan-Dec 2008	Oct-09	\$0.1553	8	\$0.1931	9	\$0.2099	6	-	--
Jan-Dec 2009	Oct-10	\$0.1811	8	\$0.1984	9	\$0.1966	6	-	--

Notes:

- Since 1996, the Cheddar cheese cost studies have included costs associated with Cheddar cheese plants producing 500-pound barrels and 640-pound blocks. However, costs for packaging labor and packaging expenses were replaced with the average of those costs associated with 40-lb. block plants.
- No cost studies performed for Dry Whey Powder plants starting January 2007 due to less than 3 plants manufacturing Dry Whey Powder.

BUTTER MANUFACTURING COSTS

CURRENT Study Period: January through December 2009
With Comparison to the same time period PRIOR YEAR (2008)

- Manufacturing cost data were collected and summarized from eight California butter plants. The eight plants processed 512.5 million pounds of butter during the 12-month study period, January through December 2009, representing 98.5% of the butter processed in California.
- The volume total includes both bulk butter and cut butter, but the costs reflect only costs for bulk butter (25 kg and 68 lb. blocks).
- To obtain the weighted average, individual plant costs were weighted by their butter processing volume relative to the total volume of butter processed by all plants included in the cost study.
- For this study period, approximately 0% of the butter was processed at a cost less than the current manufacturing cost allowance for butter of \$0.1560 per pound.

Breakdown of Butter Manufacturing Costs - January through December 2009

Categories	Low Cost Group	High Cost Group	Range of Costs		CURRENT Weighted Average Cost All Plants Jan-Dec 2009	PRIOR YEAR Weighted Average Cost All Plants Jan-Dec 2008	Actual Difference Current Less Prior Year
			Minimum	Maximum			
<i>Dollars Per Pound of Butter</i>							
Number of Plants	4	4	8	8	8	8	0
Processing Labor	\$0.0604	\$0.0641	\$0.0459	\$0.1061	\$0.0620	\$0.0485	\$0.0135
Processing Non-Labor	\$0.0699	\$0.0742	\$0.0517	\$0.1609	\$0.0718	\$0.0656	\$0.0062
Packaging	\$0.0114	\$0.0137	\$0.0107	\$0.0160	\$0.0124	\$0.0136	-\$0.0012
Other Ingredients	\$0.0025	\$0.0022	\$0.0019	\$0.0031	\$0.0024	\$0.0023	\$0.0001
General & Administrative	\$0.0159	\$0.0210	\$0.0129	\$0.0480	\$0.0182	\$0.0167	\$0.0015
Return on Investment	\$0.0076	\$0.0227	\$0.0034	\$0.0633	\$0.0143	\$0.0086	\$0.0057
Average Total Cost	\$0.1677	\$0.1979	--	--	\$0.1811	\$0.1553	\$0.0258
Volume in Group (Lbs.)	283,885,140	228,658,965	--	--	512,544,105	550,697,392	-38,153,287
% Volume by Group	55.4%	44.6%	--	--	100.0%	100.0%	--

Processing Labor: Labor costs associated with processing of product, including wages, payroll taxes and fringe benefits.

Processing Non-Labor: Includes costs such as utilities, repairs and maintenance, laundry, supplies, depreciation, plant insurance, outside storage, and rent.

Packaging: Includes all non-reusable items used in the packaging of the product, such as boxes, bags, cartons, liners, tape, glue and stretch wrap.

Other Ingredients: Includes salt, and color.

General & Administrative: Includes expenses in the management of the company, such as: office supplies, short-term interest, dues and subscriptions, accounting fees, headquarter charges, office clerical wages and executive salaries.

Return on Investment: Calculated by subtracting accumulated depreciation from the original cost of assets, with the remaining book value multiplied by Moody's "BAA" corporate bond index.

	2008 WEIGHTED AVERAGE COSTS	2009 WEIGHTED AVERAGE COSTS	% CHANGE
Total Lbs - All Butter	550,697,392	512,544,105	-6.93%
Total Lbs - Bulk Butter	306,806,893	204,172,879	-33.45%
SUMMARY OF COSTS PER LB.			
Other Ingredients	0.0023	0.0024	4.35%
Packaging Expense	0.0136	0.0124	-8.82%
Processing Labor	0.0485	0.0620	27.84%
Processing Non-Labor	0.0656	0.0718	9.45%
Gen & Admin Expenses	0.0167	0.0182	8.98%
Return On Investment	0.0086	0.0143	66.28%
	<hr/>		
Manufact Costs - per Lb.	0.1553	0.1811	16.61%

BREAKDOWN OF COMMON NON-LABOR AND G&A COSTS PER LB.

Natural Gas & Fuel Oil	0.0027	0.0028	3.70%
Electricity	0.0102	0.0098	-3.92%
Sewer, Water, Garbage	0.0035	0.0042	20.00%
Depreciation	0.0087	0.0118	35.63%
Property Taxes	0.0012	0.0020	66.67%
Insurance	0.0015	0.0015	0.00%
Repairs & Maintenance	0.0071	0.0073	2.82%
Plant Supplies	0.0142	0.0145	2.11%
Outside Storage	0.0105	0.0079	-24.76%
Rent-Plant & Equip	0.0011	0.0018	63.64%
Outside Testing & Grading	0.0023	0.0030	30.43%
Gen & Admin Payroll	0.0058	0.0060	3.45%
Short-Term Interest	0.0040	0.0036	-10.00%
Professional Services	0.0023	0.0030	30.43%
Headquarter Expenses	0.0043	0.0053	23.26%
Other Misc. Expenses	0.0030	0.0055	83.33%
	<hr/>		
Total Non-Labor & G&A Costs	0.0824	0.0900	9.22%

NONFAT DRY MILK MANUFACTURING COSTS
CURRENT Study Period: January through December 2009
With Comparison to the same time period PRIOR YEAR (2008)

- Manufacturing cost data were collected and summarized from nine California NFDM plants. The nine plants processed 815.1 million pounds of NFDM during the 12-month study period, January through December 2009, representing 97.6% of the NFDM processed in California.
- The 97.6% includes both animal and human consumption. Human consumption representing 99.69% of the 815.1 million pounds of NFDM processed, and animal representing 0.31%.
- The volume total includes all grades of NFDM packaged in any container size, but the costs reflect only costs for 25 kg and 50 lb. bags of NFDM.
- To obtain the weighted average, individual plant costs were weighted by their NFDM processing volume relative to the total volume of NFDM processed by all plants included in the cost study.
- For this study period, approximately 38.3% of the NFDM was processed at a cost less than the current manufacturing cost allowance for NFDM of \$0.1698 per pound.

Breakdown of Nonfat Dry Milk Manufacturing Costs - January through December 2009

Categories	Low Cost Group	Medium Cost Group	High Cost Group	Range of Costs		CURRENT Weighted Average Cost All Plants Jan-Dec 2009	PRIOR YEAR Weighted Average Cost All Plants Jan-Dec 2008	Actual Difference Current Less Prior Year
				Minimum	Maximum			
<i>Dollars Per Pound of NFDM</i>								
Number of Plants	3	3	3	9	9	9	9	0
Processing Labor	\$0.0335	\$0.0457	\$0.0323	\$0.0267	\$0.0977	\$0.0366	\$0.0340	\$0.0026
Processing Non-Labor	\$0.0997	\$0.1326	\$0.1338	\$0.0907	\$0.2028	\$0.1156	\$0.1175	-\$0.0019
Packaging	\$0.0144	\$0.0154	\$0.0138	\$0.0127	\$0.0162	\$0.0145	\$0.0147	-\$0.0002
General & Administrative	\$0.0088	\$0.0125	\$0.0272	\$0.0074	\$0.0280	\$0.0135	\$0.0128	\$0.0007
Return on Investment	\$0.0092	\$0.0200	\$0.0393	\$0.0050	\$0.0424	\$0.0182	\$0.0141	\$0.0041
Average Total Cost	\$0.1656	\$0.2262	\$0.2464	--	--	\$0.1984	\$0.1931	\$0.0053
Volume in Group (Lbs.)	427,738,608	222,649,688	164,760,147	--	--	815,148,443	774,458,542	40,689,901
% Volume by Group	52.5%	27.3%	20.2%	--	--	100.0%	100.0%	--

Processing Labor: Labor costs associated with processing of product, including wages, payroll taxes and fringe benefits.

Processing Non-Labor: Includes costs such as utilities, repairs and maintenance, laundry, supplies, depreciation, plant insurance, outside storage, and rent.

Packaging: Includes all non-reusable items used in the packaging of the product, such as boxes, bags, cartons, liners, tape, glue and stretch wrap.

General & Administrative: Includes expenses in the management of the company, such as: office supplies, short-term interest, dues and subscriptions, accounting fees, headquarter charges, office clerical wages and executive salaries.

Return on Investment: Calculated by subtracting accumulated depreciation from the original cost of assets, with the remaining book value multiplied by Moody's "BAA" corporate bond index.

	2008 WEIGHTED AVERAGE COSTS	2009 WEIGHTED AVERAGE COSTS	% CHANGE
NFDM Powder Pounds	774,458,542	815,148,443	5.25%
SUMMARY OF COSTS PER LB.			
Other Ingredients	0.0000	0.0000	0.00%
Packaging Expense	0.0147	0.0145	-1.36%
Processing Labor	0.0340	0.0366	7.65%
Processing Non-Labor	0.1175	0.1156	-1.62%
Gen & Admin Expenses	0.0128	0.0135	5.47%
Return On Investment	0.0141	0.0182	29.08%
	<hr/>		
Manufact Costs - per Lb.	0.1931	0.1984	2.74%

BREAKDOWN OF COMMON NON-LABOR AND G&A COSTS PER LB.

Natural Gas & Fuel Oil	0.0383	0.0313	-18.28%
Electricity	0.0177	0.0179	1.13%
Sewer, Water, Garbage	0.0044	0.0053	20.45%
Depreciation	0.0121	0.0143	18.18%
Property Taxes	0.0018	0.0026	44.44%
Insurance	0.0011	0.0012	9.09%
Repairs & Maintenance	0.0083	0.0074	-10.84%
Plant Supplies	0.0174	0.0178	2.30%
Outside Storage	0.0075	0.0058	-22.67%
Rent-Plant & Equip	0.0016	0.0015	-6.25%
Outside Testing & Grading	0.0041	0.0060	46.34%
Gen & Admin Payroll	0.0040	0.0039	-2.50%
Short-Term Interest	0.0045	0.0044	-2.22%
Professional Services	0.0015	0.0003	-80.00%
Headquarter Expenses	0.0029	0.0034	17.24%
Other Misc. Expenses	0.0030	0.0060	100.00%
	<hr/>		
Total Non-Labor & G&A Costs	0.1303	0.1291	-0.92%

CHEESE MANUFACTURING COSTS

CURRENT Study Period: January through December 2009
With Comparison to the same time period PRIOR YEAR (2008)

- Manufacturing cost data were collected and summarized from six California cheese plants. The six plants processed 614.7 million pounds of cheese during the 12-month study period, January through December 2009, representing 95.6% of the Chedd
- The volume total includes both Cheddar and Monterey Jack cheeses, but the costs reflect only costs for 40 lb. blocks of Cheddar.
- Three plants processed 500-lb. barrels or 640-lb. blocks. Packaging costs and packaging labor for 40-lb. blocks were substituted for these plants.
- To obtain the weighted average, individual plant costs were weighted by their cheese processing volume relative to the total volume of cheese processed by all plants included in the cost study.
- For all cheese: the weighted average yield was 13.28 lbs. of cheese per hundredweight of milk. The weighted average moisture was 38.03% and weighted average vat tests were 4.62% fat and 9.58% SNF.
 - For 40-lb. blocks: the weighted average yield was 13.93 lbs. of cheese per hundredweight of milk. The weighted average moisture was 38.30% and weighted average vat tests were 4.74% fat and 9.66% SNF.
- For this study period, approximately 83.1% of the cheese was processed at a cost less than the current manufacturing cost allowance for cheese of \$0.1988 per pound.

Breakdown of Cheese Manufacturing Costs - January through December 2009

Categories	Low Cost Group	High Cost Group	Range of Costs		CURRENT Weighted Average Cost All Plants Jan-Dec 2009	PRIOR YEAR Weighted Average Cost All Plants Jan-Dec 2008	Actual Difference Current Less Prior Year
			Minimum	Maximum			
<i>Dollars Per Pound of Cheese</i>							
Number of Plants	3	3	6	6	6	6	0
Processing Labor	\$0.0436	\$0.0694	\$0.0423	\$0.0812	\$0.0491	\$0.0550	-\$0.0059
Processing Non-Labor	\$0.0694	\$0.0858	\$0.0666	\$0.0918	\$0.0729	\$0.0821	-\$0.0092
Packaging	\$0.0261	\$0.0254	\$0.0134	\$0.0269	\$0.0260	\$0.0260	\$0.0000
Other Ingredients	\$0.0250	\$0.0242	\$0.0102	\$0.0309	\$0.0248	\$0.0140	\$0.0108
General & Administrative	\$0.0168	\$0.0238	\$0.0166	\$0.0269	\$0.0183	\$0.0269	-\$0.0086
Return on Investment	\$0.0050	\$0.0073	\$0.0034	\$0.0091	\$0.0055	\$0.0059	-\$0.0004
Average Total Cost	\$0.1859	\$0.2359	--	--	\$0.1966	\$0.2099	-\$0.0133
Volume in Group (Lbs.)	483,085,670	131,594,818	--	--	614,680,488	603,278,420	11,402,068
% Volume by Group	78.6%	21.4%	--	--	100.0%	100.0%	--

Processing Labor: Labor costs associated with processing of product, including wages, payroll taxes and fringe benefits.

Processing Non-Labor: Includes costs such as utilities, repairs and maintenance, laundry, supplies, depreciation, plant insurance, outside storage, and rent.

Packaging: Includes all non-reusable items used in the packaging of the product, such as boxes, bags, cartons, liners, tape, glue and stretch wrap.

Other Ingredients: Includes salt, color, and rennet.

General & Administrative: Includes expenses in the management of the company, such as: office supplies, short-term interest, dues and subscriptions, accounting fees, headquarter charges, office clerical wages and executive salaries.

Return on Investment: Calculated by subtracting accumulated depreciation from the original cost of assets, with the remaining book value multiplied by Moody's "BAA" corporate bond index.

	2008 WEIGHTED AVERAGE COSTS	2009 WEIGHTED AVERAGE COSTS	% CHANGE
CHEDDAR CHEESE POUNDS	603,278,420	614,680,488	1.89%
SUMMARY OF COSTS PER LB.			
Other Ingredients	0.0140	0.0248	77.14%
Packaging Expense	0.0260	0.0260	0.00%
Processing Labor	0.0550	0.0491	-10.73%
Processing Non-Labor	0.0821	0.0729	-11.21%
Gen & Admin Expenses	0.0269	0.0183	-31.97%
Return On Investment	0.0059	0.0055	-6.78%
	<hr/>		
Manufact Costs - per Lb.	0.2099	0.1966	-6.34%
	<hr/> <hr/>		

BREAKDOWN OF COMMON NON-LABOR AND G&A COSTS PER LB.

Natural Gas & Fuel Oil	0.0110	0.0070	-36.36%
Electricity	0.0068	0.0065	-4.41%
Sewer & Whey Disposal	0.0089	0.0077	-13.48%
Depreciation	0.0104	0.0100	-3.85%
Property Taxes	0.0026	0.0020	-23.08%
Insurance	0.0017	0.0018	5.88%
Repairs & Maintenance	0.0112	0.0101	-9.82%
Plant Supplies	0.0132	0.0119	-9.85%
Outside Storage	0.0009	0.0009	0.00%
Rent - Plant & Equipment	0.0130	0.0132	1.54%
Outside Testing & Grading	0.0008	0.0010	25.00%
Gen & Admin Payroll	0.0133	0.0098	-26.32%
Short-Term Interest	0.0020	0.0003	-85.00%
Professional Services	0.0053	0.0022	-58.49%
Headquarter Expenses	0.0021	0.0017	-19.05%
Other Misc. Expenses	0.0057	0.0051	-10.53%
	<hr/>		
Total Non-Labor & G&A Costs	0.1090	0.0912	-16.33%

Comparison: CME Butter Prices / Audited California Butter Sales

24-Month Period: July 2008 through June 2010

- Data were collected and audited from seven California butter plants. The plants reported monthly sales volume and sales revenue for salted bulk butter for the 24-month period, representing 100% of the salted bulk butter sold by these audited California plants.
- The Chicago Mercantile Exchange (CME) butter prices are the simple average of the daily butter price per pound, released by the CME, using the 26th of the prior month through the 25th of the current month.
- The weighted average California butter prices represent the calendar monthly price per pound received by each plant and then weighted by sales volume.

Breakdown of CME Butter Prices and Audited California Butter Sales July 2008 through June 2010

Date	CME Butter Prices	California Weighted Average Prices	Difference: Calif. Weighted Less CME
	<i>In Dollars Per Pound</i>		
Jul-08	\$1.5394	\$1.4860	-\$0.0534
Aug-08	\$1.6148	\$1.5306	-\$0.0842
Sep-08	\$1.6727	\$1.6278	-\$0.0449
Oct-08	\$1.7389	\$1.6864	-\$0.0525
Nov-08	\$1.6451	\$1.5839	-\$0.0612
Dec-08	\$1.2266	\$1.1727	-\$0.0539
Jan-09	\$1.1165	\$1.0617	-\$0.0548
Feb-09	\$1.1047	\$1.0603	-\$0.0444
Mar-09	\$1.1728	\$1.1250	-\$0.0478
Apr-09	\$1.1961	\$1.1516	-\$0.0445
May-09	\$1.2449	\$1.1754	-\$0.0695
Jun-09	\$1.2337	\$1.1907	-\$0.0430
Jul-09	\$1.2263	\$1.1816	-\$0.0447
Aug-09	\$1.2172	\$1.1691	-\$0.0481
Sep-09	\$1.2068	\$1.1680	-\$0.0388
Oct-09	\$1.2575	\$1.2260	-\$0.0315
Nov-09	\$1.4700	\$1.3765	-\$0.0935
Dec-09	\$1.4182	\$1.3738	-\$0.0444
Jan-10	\$1.3871	\$1.3449	-\$0.0422
Feb-10	\$1.3555	\$1.3202	-\$0.0353
Mar-10	\$1.4559	\$1.4186	-\$0.0373
Apr-10	\$1.5239	\$1.4963	-\$0.0276
May-10	\$1.5947	\$1.5558	-\$0.0389
Jun-10	\$1.6139	\$1.5854	-\$0.0285

Summary of Comparison: California Weighted Less CME

Time Period	Simple Average Difference
All 24 months	-\$0.0485
12 months ending June 2009	-\$0.0545
12 months ending June 2010	-\$0.0426



Revised
Comparison: CME Cheddar Cheese Prices / Audited California Cheddar Cheese Sales
 24-Month Period: July 2008 through June 2010

- Data were collected and audited from three California Cheddar cheese plants. The plants reported monthly sales volume and sales revenue for 40-pound block Cheddar cheese for the 24-month period, representing 100% of the 40-pound block Cheddar cheese sold by these audited California plants.
- The Chicago Mercantile Exchange (CME) Cheddar cheese prices are the simple average of the daily block Cheddar cheese price per pound, released by the CME, using the 26th of the prior month through the 25th of the current month.
- The weighted average California Cheddar cheese prices represent the calendar monthly price per pound received by each plant and then weighted by sales volume.

Breakdown of CME Cheddar Cheese Prices and Audited California Cheddar Cheese Sales
 July 2008 through June 2010

Date	CME Cheese Prices	California Weighted Average Prices	Difference: Calif. Weighted Less CME
	<i>In Dollars Per Pound</i>		
Jul-08	\$1.9561	\$1.9430	-\$0.0131
Aug-08	\$1.7943	\$1.9038	\$0.1095
Sep-08	\$1.8430	\$1.7554	-\$0.0876
Oct-08	\$1.8418	\$1.8793	\$0.0375
Nov-08	\$1.6950	\$1.7084	\$0.0134
Dec-08	\$1.5788	\$1.7126	\$0.1338
Jan-09	\$1.0907	\$1.2088	\$0.1181
Feb-09	\$1.1992	\$1.1067	-\$0.0925
Mar-09	\$1.2321	\$1.2230	-\$0.0091
Apr-09	\$1.2279	\$1.2464	\$0.0185
May-09	\$1.1418	\$1.1446	\$0.0028
Jun-09	\$1.1397	\$1.1272	-\$0.0125
Jul-09	\$1.1268	\$1.1056	-\$0.0212
Aug-09	\$1.3157	\$1.2114	-\$0.1043
Sep-09	\$1.3261	\$1.3189	-\$0.0072
Oct-09	\$1.4541	\$1.3925	-\$0.0616
Nov-09	\$1.5588	\$1.4912	-\$0.0676
Dec-09	\$1.6867	\$1.6395	-\$0.0472
Jan-10	\$1.4462	\$1.5198	\$0.0736
Feb-10	\$1.4691	\$1.4736	\$0.0045
Mar-10	\$1.2883	\$1.3348	\$0.0465
Apr-10	\$1.4144	\$1.3606	-\$0.0538
May-10	\$1.4231	\$1.3809	-\$0.0422
Jun-10	\$1.4065	\$1.4240	\$0.0175

Summary of Comparison: California Weighted Less CME

Time Period	Simple Average Difference
All 24 months	-\$0.0018
12 months ending June 2009	\$0.0182
12 months ending June 2010	-\$0.0219



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The California Dairy Information Bulletin (ISSN-0892-4406) is published monthly as a cooperative effort of the California Department of Food and Agriculture Dairy Marketing and Milk Pooling Branches, and the USDA/NASS California Agricultural Statistics Service. 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 contacting TDD 1-800-735-0193.

The Dairy Statistics Unit appreciates the cooperation of all dairy processors by filing monthly statistical reports with our office. These reports are carefully reviewed in an attempt to identify and correct any errors in reporting. All data is received directly from either California dairy processors or federal Milk Market Administrator offices in regions neighboring California. While data is submitted from reliable sources, no representation is made as to the complete accuracy of the data reported. Data is published subject to errors, revisions, or withdrawals without notice.

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