

Statistics & Trends Mid-Year Review January-June 2016 Data

Milk Production

During the first six months of 2016, California produced 20.7 billion pounds of milk, which represents a 2.0 percent decrease in total milk production compared to the same period in 2015. When adjusting February's production to account for the additional day (Leap Year), output in the state decreased each month during the first half of 2016, compared to the corresponding month in the previous year. Overall U.S. milk production during the first half of 2016 was up 1.6 percent, compared to the first half of 2015.

Dairy Products

Comparing the first half of 2016 to the first half of 2015, total cheese production in California increased 1.6 percent; yogurt production decreased 30.8 percent; butter production decreased 4.8 percent; and nonfat dry milk production (for human consumption) decreased 22.4 percent. In addition, from January through June of 2016, total sales of Class 1 fluid milk products (including half-and-half) in California decreased 2.8 percent, compared to the same period in 2015.

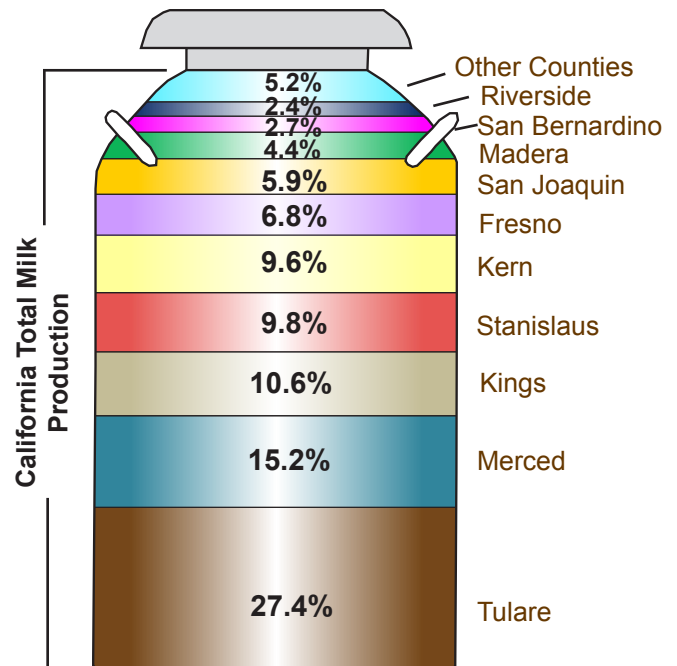
Milk Prices

From January through May of 2016, the average mailbox price paid to California producers was \$13.60/cwt., which represents a \$1.04/cwt. decrease compared to the average mailbox price paid to producers during the first five months of 2015 (\$14.64/cwt.). Comparing May 2016 to May 2015, the California mailbox price decreased by \$2.14/cwt., and the average mailbox price for all reporting Federal order areas was down \$2.23/cwt.

California's Top 10 Milk Producing Counties Percent Share of California's Total Milk Production January-June 2016

County (by rank)	Total Milk Production Jan-June 2016 (In Pounds)	% Change from 2015	% Total California Milk Production Jan-June 2016
#1 Tulare	5,670,920,852	-2.8%	27.4%
#2 Merced	3,153,001,107	-2.1%	15.2%
#3 Kings	2,200,869,357	-0.9%	10.6%
#4 Stanislaus	2,036,101,441	-4.2%	9.8%
#5 Kern	1,979,055,700	-1.2%	9.6%
#6 Fresno	1,408,616,372	-1.0%	6.8%
#7 San Joaquin	1,223,855,683	0.4%	5.9%
#8 Madera	912,933,065	-3.5%	4.4%
#9 San Bernardino	551,533,368	-1.7%	2.7%
#10 Riverside	494,041,502	1.5%	2.4%

Percent Share of California's Total Milk Production January-June 2016






Milk Production during January-June 2016:

- ▶ The top ten counties in California accounted for 94.8 percent of the state's total milk production and 18.3 percent of the nation's total milk production.
- ▶ The milk production of Tulare, Merced, Kings, Stanislaus, and Kern counties accounted for 14.0 percent of the nation's total milk production.

California Commercial Production of Market and Manufacturing Milk January-June, 2015 vs 2016 (In Pounds)

Month	Market Milk			Manufacturing Milk			Total Milk Production		
	2015	2016	% Change	2015	2016	% Change	2015	2016	% Change
January	3,489,816,736	3,361,345,440	-3.7%	38,070,207	68,403,833	79.7%	3,527,886,943	3,429,749,273	-2.8%
February	3,244,730,085	3,232,836,233	-0.4%	36,337,148	66,062,915	81.8%	3,281,067,233	3,298,899,148	0.5%
March	3,655,450,869	3,534,440,389	-3.3%	41,929,881	68,546,109	63.5%	3,697,380,750	3,602,986,498	-2.6%
April	3,562,578,424	3,412,072,627	-4.2%	39,075,096	65,868,217	68.6%	3,601,653,520	3,477,940,844	-3.4%
May	3,608,227,746	3,480,555,643	-3.5%	40,600,864	70,091,908	72.6%	3,648,828,610	3,550,647,551	-2.7%
June	3,350,851,840	3,290,989,522	-1.8%	42,448,186	65,665,920	54.7%	3,393,300,026	3,356,655,442	-1.1%
Jan-June Totals	20,911,655,700	20,312,239,854	-2.9%	238,461,382	404,638,902	69.7%	21,150,117,082	20,716,878,756	-2.0%

Size of California's Dairy Farms, May 2016

	Range of Milk Marketings	Number of Grade A & B Farms	Percent of Total Grade A & B Farms	Percent of Total Grade A & B Milk Marketings
	≥ 5.0 Million Lbs.	194	14.0%	41.7%
	2.4 Million to 4,999,999 Lbs.	325	23.5%	32.1%
	1.5 Million to 2,399,999 Lbs.	252	18.2%	13.5%
	1 Million to 1,499,999 Lbs.	188	13.6%	6.6%
	750,000 to 999,999 Lbs.	97	7.0%	2.4%
	500,000 to 749,999 Lbs.	110	7.9%	1.9%
	250,000 to 499,999 Lbs.	139	10.0%	1.5%
	≤ 249,999 Lbs.	80	5.8%	0.3%



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

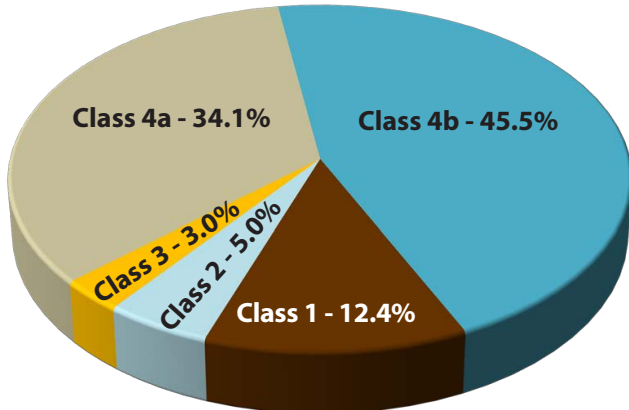
Sources: CDFA Dairy Marketing and Milk Pooling Branches

Comparison of California Dairy Farms by Size:

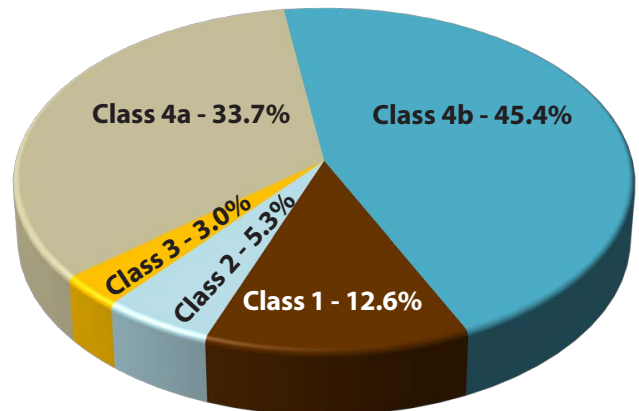
- ▶ In May 2016, a total of 1,385 dairy farms produced milk in California.
- ▶ Fourteen percent of all California dairies (194 dairy farms) produced more than 5 million pounds of milk during the month.
- ▶ A total of 771 dairies in California, or 55.7 percent of all dairies in the state, produced at least one tanker load of milk per day during the month.
- ▶ Nearly 42 percent of California's total milk marketings came from dairies producing over 5 million pounds of milk during the month.
- ▶ Less than 4 percent of the state's milk marketings came from 329 dairies producing less than 750,000 pounds of milk during the month.

Percent Utilization of Pooled Milk in California, by Class

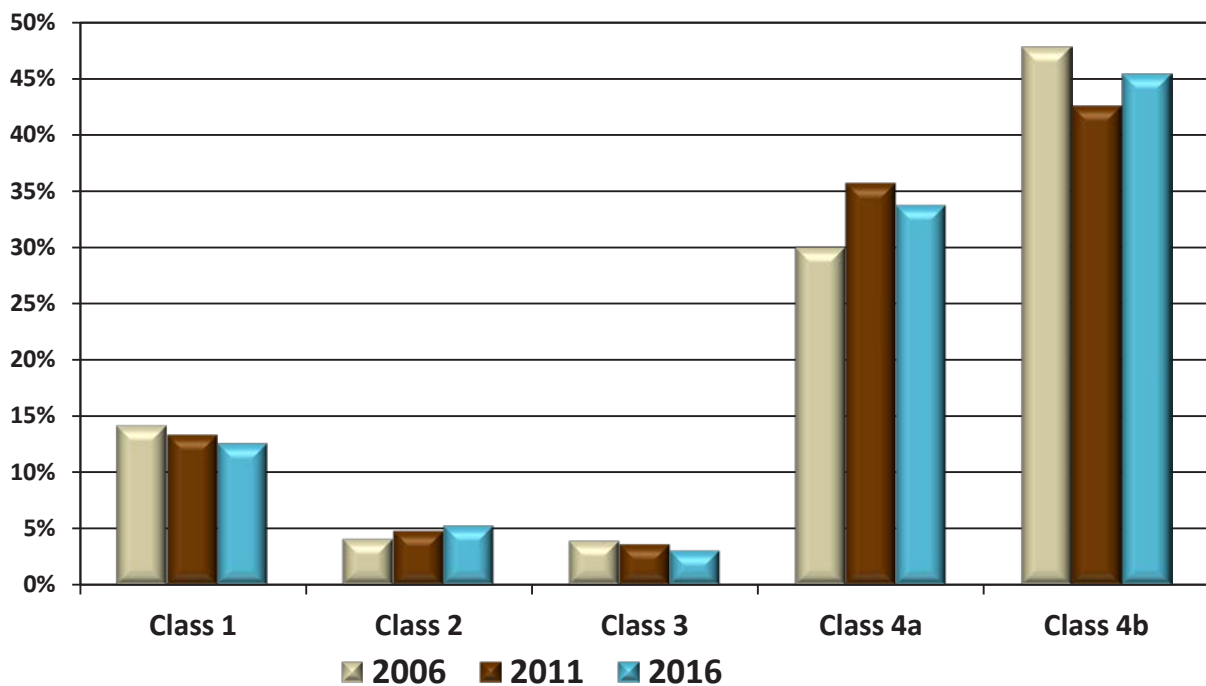
January - June 2015



January - June 2016



January-June 2006, 2011, 2016



Comparison of Class Utilization during January-June of 2006, 2011, 2016:

- ▶ Over the ten-year period, the percent of milk utilized for the production of Class 1 and Class 3 products has steadily decreased, while the percent of milk utilized for the production of Class 2 products has steadily increased.
- ▶ Over the ten-year period, the percent of milk utilized for the production of Class 4a products has fluctuated, but increased overall, while the percent of milk utilized for the production of Class 4b products has fluctuated, but decreased overall.
- ▶ During January through June of 2016, approximately 79.1 percent of the milk pooled in California was utilized to manufacture Class 4a and 4b products.

A Breakdown of Feed Ingredients, January-March 2016 (Based on the CDFA Cost of Production Survey)

This summary provides a breakdown for feed ingredients fed to milk cows (excludes dry cow feed) for the first quarter of 2016. The table displays the dollars-per-ton fed for each commodity fed, feed intake per-cow-per-day, estimated dry matter intake per-cow-per-day, and the percent of total feed cost. This table does not include organic herds.

California Holstein and Jersey Dairies - Feed Summary 1st Quarter 2016-Weighted Averages, Based on CDFA Cost Study Dairy Surveys

FEED	HOLSTEIN MILK COWS				JERSEY MILK COWS			
	\$ Per Ton ¹	As Fed #'s Per Cow Per Day ¹	Dry Matter #'s Per Cow Per Day ²	% of Total Feed Cost ¹	\$ Per Ton ¹	As Fed #'s Per Cow Per Day ¹	Dry Matter #'s Per Cow Per Day ²	% of Total Feed Cost ¹
DRY ROUGHAGE								
Alfalfa Hay	\$247.25	9.28	8.33	16.9%	\$275.51	6.19	5.55	13.7%
Other Hay	\$126.67	0.77	0.69	0.7%	\$107.80	1.22	1.03	1.0%
Almond Hulls & Shells	\$123.32	3.98	3.58	3.4%	\$121.79	2.92	2.61	2.7%
Total Dry Roughage	\$205.46	14.03	12.60	21.2%	\$212.26	10.33	9.19	17.6%
SILAGE								
Corn Silage	\$72.19	28.97	9.75	15.4%	\$77.36	20.18	6.75	12.5%
Other Silage	\$62.93	10.20	3.29	4.7%	\$62.86	13.50	4.72	6.8%
Green Chop	\$61.81	0.83	0.17	0.4%	\$0.00	0.00	0.00	0.0%
Total Silage	\$69.61	40.00	13.20	20.5%	\$71.54	33.68	11.47	19.3%
OTHER FORAGES & WET FEEDS								
Earlage	\$0.00	0.00	0.00	0.0%	\$90.00	0.36	0.23	0.3%
Wet Distiller Grain	\$67.41	2.57	0.82	1.3%	\$68.00	0.95	0.30	0.5%
Wet Corn Gluten	\$72.44	0.80	0.25	0.4%	\$73.76	1.92	0.76	1.1%
Whey	\$32.11	3.48	0.51	0.8%	\$27.70	0.88	0.14	0.2%
Other Wet Feeds	\$33.14	3.03	0.61	0.7%	\$25.64	0.89	0.19	0.2%
Total Other Forages & Wet Feeds	\$44.86	9.88	2.19	3.3%	\$57.10	5.00	1.63	2.3%
CONCENTRATES & BYPRODUCTS								
Inside Barn Mix	\$235.41	1.59	1.37	2.7%	\$0.00	0.00	0.00	0.0%
Rolled Corn	\$182.41	10.28	9.04	13.8%	\$178.01	10.72	9.47	15.3%
Rolled Barley	\$195.21	0.09	0.08	0.1%	\$0.00	0.00	0.00	0.0%
Whole Cottonseed/Pima	\$379.43	2.74	2.51	7.6%	\$380.29	3.22	2.97	9.8%
Soybean Meal	\$340.17	0.08	0.07	0.2%	\$386.61	0.43	0.38	1.3%
Canola	\$259.48	4.67	4.28	8.9%	\$267.10	3.94	3.62	8.4%
Beet Pulp	\$177.62	0.46	0.42	0.6%	\$167.45	0.12	0.10	0.2%
Wheat Millrun	\$151.22	0.57	0.51	0.6%	\$171.90	0.26	0.24	0.4%
Dried Distillers Grain	\$193.10	2.16	1.98	3.1%	\$180.77	2.05	1.86	3.0%
Other Grains & byproducts	\$280.39	2.39	2.17	4.9%	\$281.17	3.89	3.55	8.8%
Mill/Custom Mix	\$256.77	4.08	3.53	7.7%	\$273.12	2.91	2.53	6.4%
Total Concentrates & Byproducts	\$235.26	29.12	25.97	50.4%	\$242.40	27.55	24.73	53.5%
MINERALS & ADDITIVES								
All Minerals	\$373.18	1.69	1.37	4.6%	\$371.08	2.47	1.85	7.3%
PASTURE								
Pasture	\$52.03	0.24	0.07	0.1%	\$0.00	0.00	0.00	0.0%
TOTALS	\$143.26	\$94.96	\$55.41	100.0%	\$157.95	79.02	48.86	100.0%

Cost Per Cow-Per Day \$6.80
 Cost Per Cwt. of Milk \$8.70
 Avg. Milk Cows 1,299
 Milk Production Per Cow-Per Day 78.23

Cost Per Cow-Per Day \$6.24
 Cost Per Cwt. of Milk \$10.00
 Avg. Milk Cows 1,964
 Milk Production Per Cow-Per Day 62.42

¹ All figures based on weighted averages

² Dry Matter is estimated

This table represents California Holstein and Jersey herds that participate in the Cost of Production Survey.

California Dairy Product Production, January-June 2016

Month	Total Class 1 Sales (In Gallons)		
	2015	2016	% Change
Jan	58,949,878	55,076,953	-6.6%
Feb	52,720,884	52,275,023	-0.8%
Mar	57,632,079	55,259,869	-4.1%
Apr	54,359,439	53,942,207	-0.8%
May	55,274,134	54,345,120	-1.7%
Jun	51,412,939	50,215,516	-2.3%
Jul	52,564,387		
Aug	54,444,099		
Sep	55,176,848		
Oct	57,901,698		
Nov	55,381,920		
Dec	56,695,536		
Jan-June	330,349,353	321,114,688	-2.8%

Month	Butter (In Pounds)		
	2015	2016	% Change
Jan	57,421,495	52,775,726	-8.1%
Feb	50,893,610	50,993,111	0.2%
Mar	57,003,472	55,449,529	-2.7%
Apr	56,965,056	51,573,985	-9.5%
May	54,588,714	49,548,856	-9.2%
Jun	44,899,708	46,035,491	2.5%
Jul	40,719,451		
Aug	40,833,050		
Sep	38,519,552		
Oct	41,750,195		
Nov	45,514,030		
Dec	51,442,854		
Jan-June	321,772,055	306,376,698	-4.8%

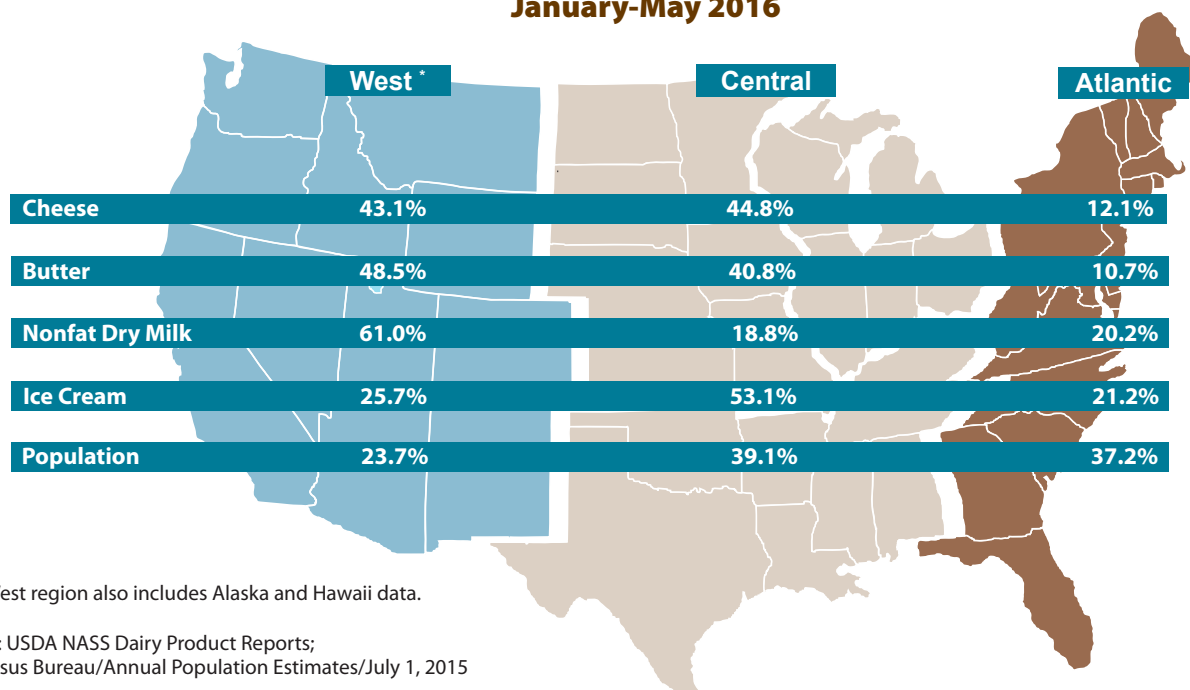
Month	Yogurt (In Pounds)		
	2015	2016	% Change
Jan	45,492,801	27,837,137	-38.8%
Feb	45,925,390	29,071,669	-36.7%
Mar	46,176,670	31,617,039	-31.5%
Apr	43,796,249	30,402,962	-30.6%
May	37,693,109	29,573,692	-21.5%
Jun	39,452,795	30,435,189	-22.9%
Jul	37,402,876		
Aug	37,899,704		
Sep	36,669,587		
Oct	31,070,378		
Nov	39,261,595		
Dec	24,823,461		
Jan-June	258,537,014	178,937,688	-30.8%

Month	Nonfat Dry Milk, Human (In Pounds)		
	2015	2016	% Change
Jan	63,823,492	46,948,139	-26.4%
Feb	59,748,246	52,555,834	-12.0%
Mar	76,297,211	65,948,141	-13.6%
Apr	76,689,115	60,262,040	-21.4%
May	69,965,288	50,565,610	-27.7%
Jun	58,645,930	38,003,851	-35.2%
Jul	57,045,607		
Aug	44,767,333		
Sep	48,691,283		
Oct	45,530,171		
Nov	47,908,702		
Dec	53,053,064		
Jan-June	405,169,282	314,283,615	-22.4%

Month	Total Frozen Products (In Gallons)		
	2015	2016	% Change
Jan	8,342,237	11,223,012	34.5%
Feb	10,234,714	12,744,722	24.5%
Mar	15,626,843	16,733,149	7.1%
Apr	16,077,999	16,733,860	4.1%
May	16,431,582	16,561,616	0.8%
Jun	16,824,399	17,127,118	1.8%
Jul	18,373,258		
Aug	16,541,192		
Sep	15,439,691		
Oct	14,486,939		
Nov	11,182,327		
Dec	9,211,523		
Jan-June	83,537,774	91,123,477	9.1%

Month	Total Cheese (In Pounds)		
	2015	2016	% Change
Jan	210,054,492	215,136,298	2.4%
Feb	190,245,314	199,172,789	4.7%
Mar	211,954,430	214,938,988	1.4%
Apr	204,555,865	201,539,366	-1.5%
May	212,383,590	213,652,709	0.6%
Jun	202,830,236	207,600,548	2.4%
Jul	205,028,990		
Aug	190,890,327		
Sep	193,061,232		
Oct	198,382,524		
Nov	199,747,879		
Dec	216,685,701		
Jan-June	1,232,023,927	1,252,040,698	1.6%

Percent Share of Selected U.S. Dairy Product Production and U.S. Population, by Region January-May 2016

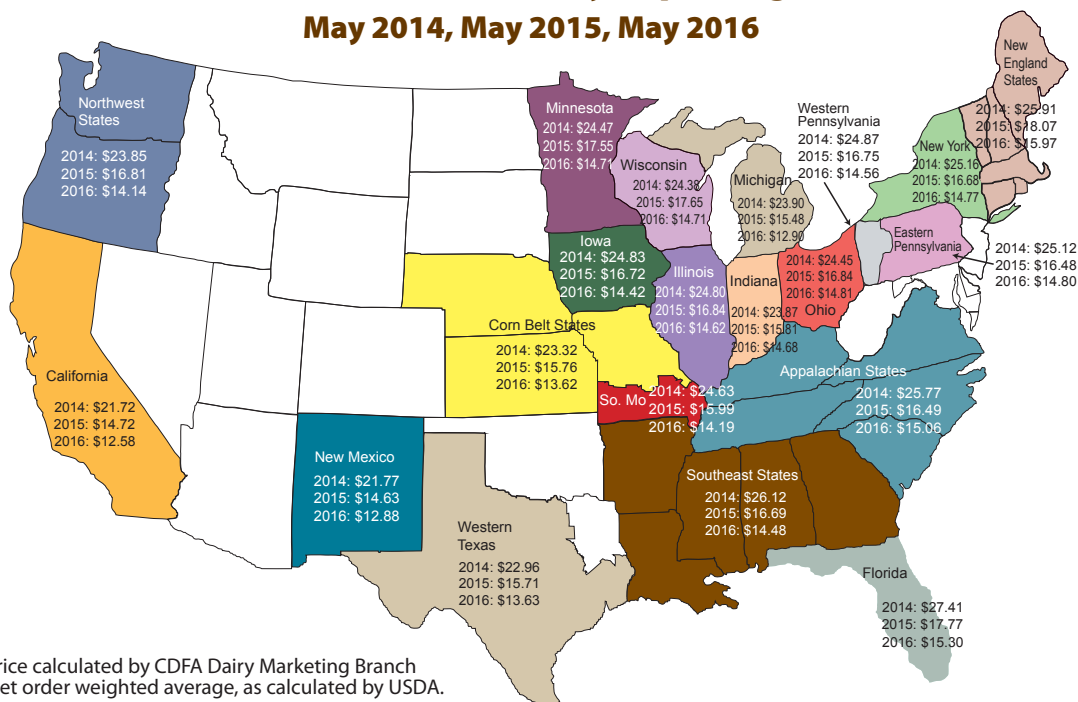


* The West region also includes Alaska and Hawaii data.

Sources: USDA NASS Dairy Product Reports;
U.S. Census Bureau/Annual Population Estimates/July 1, 2015

- ▶ The West region, which accounts for 23.7 percent of the U.S. population, produces the largest percent share of U.S. nonfat dry milk (61.0 percent) and butter (48.5 percent).
- ▶ The Central region, which represents 39.1 percent of the U.S. population, produces the largest percent share of U.S. cheese (44.8 percent) and ice cream (53.1 percent).
- ▶ The Atlantic region, which accounts for 37.2 percent of the U.S. population, produces the smallest percent share of U.S. cheese (12.1 percent), butter (10.7 percent), and ice cream (21.2 percent).

Mailbox Prices (\$/cwt) by Reporting Area May 2014, May 2015, May 2016



California mailbox price calculated by CDFA Dairy Marketing Branch
All federal milk market order weighted average, as calculated by USDA.



California Department of Food and Agriculture
Karen Ross, Secretary
Dairy Marketing Branch
1220 N Street - Sacramento, CA 95814
Phone 916-900-5014 / Website: www.cdfa.ca.gov/dairy
Email: dairy@cdfa.ca.gov

This publication was prepared in the Division of Marketing Services, Dairy Marketing Branch, and is a joint effort of the California Department of Food and Agriculture, the U.S. Department of Agriculture, and the National Agricultural Statistics Service. This publication would not be possible without the cooperation of the individuals and firms engaged in the production, manufacture, and distribution of milk and dairy products.