

Packaged Fluid Milk in California - Container Survey

Percentage of Total Fluid Milk Products Sold, by Size of Container
October of Selected Years: 2007, 2008, 2009, 2010, 2011, 2012

Year	3, 5, 6 Gallon	1 Gallon	1/2 Gallon	Quart	1/3 Quart (10 oz.)	Pint	1/2 Pint & (8 oz. Pouch)	4 oz. (Pouch)	12, 14 oz.	Other
Percent										
2007	0.91%	67.02%	16.58%	2.12%	0.37%	1.59%	9.70%	0.11%	0.24%	1.37%
2008	0.88%	68.56%	16.67%	2.25%	0.29%	1.68%	9.41%	0.10%	0.14%	0.01%
2009	0.77%	65.90%	21.60%	2.66%	0.19%	0.42%	7.86%	0.09%	0.27%	0.24%
2010	0.94%	66.72%	19.82%	2.78%	0.17%	0.39%	8.09%	0.10%	0.61%	0.38%
2011	0.78%	70.06%	15.29%	2.44%	0.20%	0.59%	9.78%	0.11%	0.08%	0.66%
2012	0.76%	68.42%	16.17%	2.52%	0.17%	0.63%	9.98%	0.11%	0.13%	1.12%

Source: October 2012 Fluid Milk Sales Container Survey for California, completed by CDFA Dairy Marketing Branch, December 2012

2013 Assessment Rates Established for the CMAB and the CMMAB

The Department recently approved the 2013 assessment rates applicable to the California Milk Advisory Board (CMAB) and the California Manufacturing Milk Advisory Board (CMMAB). These two producer-funded programs conduct dairy promotion and research activities on behalf of California's dairy farmers.

The 2013 CMAB assessment rate for market milk and the 2013 CMMAB assessment rate for manufacturing milk have both been set at ten cents (\$0.10) per hundredweight. These rates are unchanged from the 2012 rates.

As in the past, these assessments will be collected from the first handlers who purchase or otherwise acquire possession of milk from producers. Each

handler shall in turn deduct such assessments from payment owed to their producers.

These assessments are authorized separate and apart from the fifteen-cent (\$0.15) assessment of the National Dairy Promotion and Research Board (NDPRB), but qualify California milk producers for a credit toward the NDPRB assessment.

Please call Glenn Yost at the CDFA Marketing Branch at (916) 900-5182 if you have any questions about these assessments.

California Minimum Class Prices

Hundredweight Prices

Class	Nov.	Dec.	Jan.
1 No. Calif.	\$23.17	\$23.08	\$20.24
So. Calif.	\$23.44	\$23.35	\$22.51
2 No. Calif.	\$16.44	\$18.54	\$18.54
So. Calif.	\$16.67	\$18.77	\$18.77
3	\$16.39	\$18.49	\$18.49
4a	\$18.27	N/A	N/A
4b	\$18.48	N/A	N/A

Quota Transfer Summary

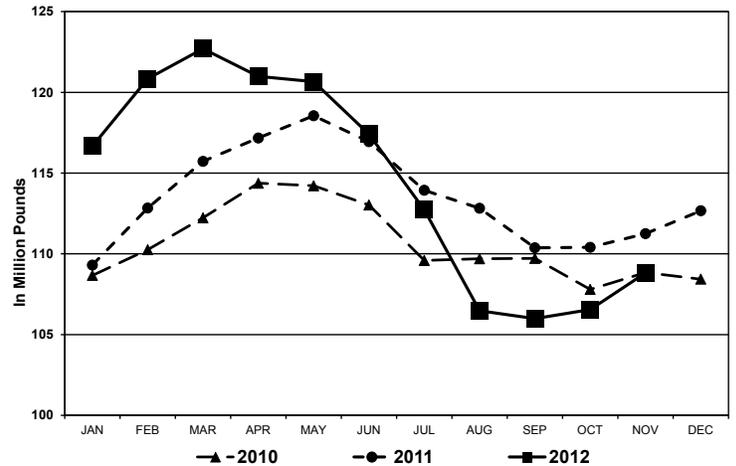
Quota Transfers	Oct.	Nov.	Dec.
Number of Sellers	14	7	74
Pounds of SNF Quota Transferred	15,569	13,396	17,654
Average Price Per Pound of SNF Quota	\$435	\$407	\$385

California Pool Prices

Pool Price	Sept.	Oct.	Nov.
Quota	\$18.42	\$20.17	\$20.19
Overbase	\$16.72	\$18.47	\$18.49

California Milk Production

Average Daily Basis: 2010, 2011, 2012



February 2012 Milk Production includes 29 days.

California Milk Production Cost Comparison, by Region, 3rd Quarter 2011-2012

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Averages	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
<i>In Dollars per Hundredweight</i>										
3rd Quarter										
Total Costs	\$20.32	\$22.34	\$16.47	\$18.19	\$16.91	\$18.61	\$16.53	\$17.53	\$16.80	\$18.46
Total Costs & Allowances ¹	\$22.23	\$23.96	\$18.07	\$19.62	\$18.53	\$20.12	\$18.26	\$19.07	\$18.43	\$19.94

California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	November 30, 2012		December 7, 2012		December 14, 2012		December 21, 2012	
	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas								
Supreme	2,270	\$285-\$310	925	\$209-\$310	300	\$290-\$300	1,050	\$285-\$310
Premium	400	\$280-\$290	400	\$290-\$290	575	\$275-\$290	2,300	\$275-\$290
Good	563	\$238-\$255	770	\$255-\$270	500	\$250-\$260	625	\$240-\$270
Fair	950	\$220-\$230	N/A	N/A	600	\$220-\$230	650	\$220-\$240
Escalon, Modesto, Turlock Areas								
Supreme	425	\$285-\$295	500	\$290-\$298	1,525	\$280-\$290	875	\$280-\$300
Premium	2,000	\$275-\$297	150	\$275-\$275	600	\$265-\$285	300	\$267-\$290
Good	125	\$240-\$245	100	\$268-\$268	400	\$265-\$265	N/A	N/A
Fair	150	\$225-\$225	50	\$220-\$225	300	\$225-\$225	350	\$220-\$240

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	Nov.	Dec.	Jan.
Phoenix, Arizona	\$23.05	\$23.74	\$21.32
Portland, Oregon	\$22.60	\$23.29	\$20.87
Boston (Northeast)	\$23.95	\$24.64	\$22.22
Class III	\$20.83	N/A	N/A

USDA Dairy Cow Culling Activity

Week Ending	Region 9 ¹ Dairy Cows	U.S. Dairy Cows	West Region ² Price Range
	Head	Head	\$/cwt.
11/09/12	15,000	64,300	\$62-\$64
11/17/12	15,600	65,300	\$66-\$67
11/24/12	13,100	49,800	N/A
12/1/12	16,900	65,100	\$65-\$72
12/8/12	17,500	67,800	\$69-\$69

¹ Region 9 includes AZ, CA, HI and NV

² West region includes AZ, NV, UT, CA, ID, OR and WA

Source: USDA Market News: Report LM_CT168 and SJ_LS714

USDA Commercial Cold Storage Report

Month	Butter		American Cheese		Nonfat Dry Milk	
	2011	2012	2011	2012	2011	2012
<i>In Million Pounds</i>						
January	119	170	638	612	98	159
February	139	205	620	608	124	196
March	144	211	611	622	124	210
April	142	254	621	632	150	227
May	170	264	623	623	166	215
June	190	243	618	630	186	145
July	188	234	649	635	192	130
August	166	201	647	614	168	106
September	151	195	639	608	151	118
October	130	145	615	582	143	-
November	94	127	584	581	146	-
December	105		601		165	

Source: USDA, Farm Services Agency, NASS Cold Storage and Dairy Products. (As published in the Dairy Market News)

USDA Milk-Feed Price Ratio

USDA reports that the milk-feed price ratio for November 2012 was 1.79 (up from 1.73 in October 2012). The current ratio of 1.79 means that a dairy producer can buy 1.79 pounds of feed for every pound of milk sold. The prices used to calculate the November 2012 milk-feed price ratio: corn was \$6.71/bushel; baled alfalfa hay was \$215/ton; soybeans were \$13.80/bushel; all-milk price \$22.10/cwt. (up \$0.60/cwt. from October 2012).

Prices used to calculate the milk-feed price ratio are based on U.S. prices and don't necessarily reflect California prices.

National Dairy Situation & Outlook USDA Estimates

Milk Production

Monthly: USDA estimates overall milk production across the U.S. was up 1.0% in November 2012, compared to November 2011. USDA reports that California milk production decreased 2.3% compared to November 2011 (on 2,000 more cows and 45 less pounds of milk per cow). Among other western states, compared to November 2011, Arizona was down 2.0%; New Mexico was down 4.0%; and Washington was down 0.6%. Four of the top 10 states reported a production decrease. The largest increase was reported by Colorado at 6.5% growth in milk production (on 4,000 more cows and 65 more pounds of milk per cow).

Quarterly: For the third quarter of 2012 compared to the second quarter of 2012, U.S. milk cow numbers decreased to 9.215 million head, milk production per cow decreased to 5,285 pounds; the net effect was decreased milk production at 48.7 billion pounds. USDA projects that for the fourth quarter of 2012 compared to the third quarter of 2012, U.S. milk cow numbers will decrease to 9.175 million head, production per cow will decrease to 5,280 pounds; the net effect would be decreased milk production to 48.4 billion pounds.

Milk Prices: Comparing the third quarter of 2012 to the second quarter of 2012, U.S. average milk prices increased to \$18.20/cwt. USDA projects that for the fourth quarter of 2012, U.S. average all-milk prices will be \$21.45-21.65/cwt.; Class III prices will be \$20.05-20.25/cwt.; and Class IV prices will be \$18.25-18.55/cwt.

Utility Cow Prices

Comparing the third quarter of 2012 to the second quarter of 2012, average U.S. utility cow prices were down \$6.57/cwt. to a national average of \$76.94/cwt. USDA projects that utility cow prices will average \$73-74/cwt. in the fourth quarter of 2012.

For the U.S. overall, comparing November 2012 to November 2011:

- The number of cows on farms was 9.193 million head, down 20,000 head
- Production per cow averaged 1,738 pounds, 21 pounds more than November 2011
- Seven of the top twenty-three milk producing states showed a decrease in milk production

Top Ten Milk Production States - Nov. 2012

(Percent Change from Same Month/Previous Year)

1. California	-2.3%	6. Texas	-3.7%
2. Wisconsin	+4.7%	7. Minnesota	+4.5%
3. Idaho	+2.3%	8. Michigan	+4.4%
4. New York	+3.2%	9. New Mexico	-4.0%
5. Pennsylvania	+0.4%	10. Washington	-0.6%

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

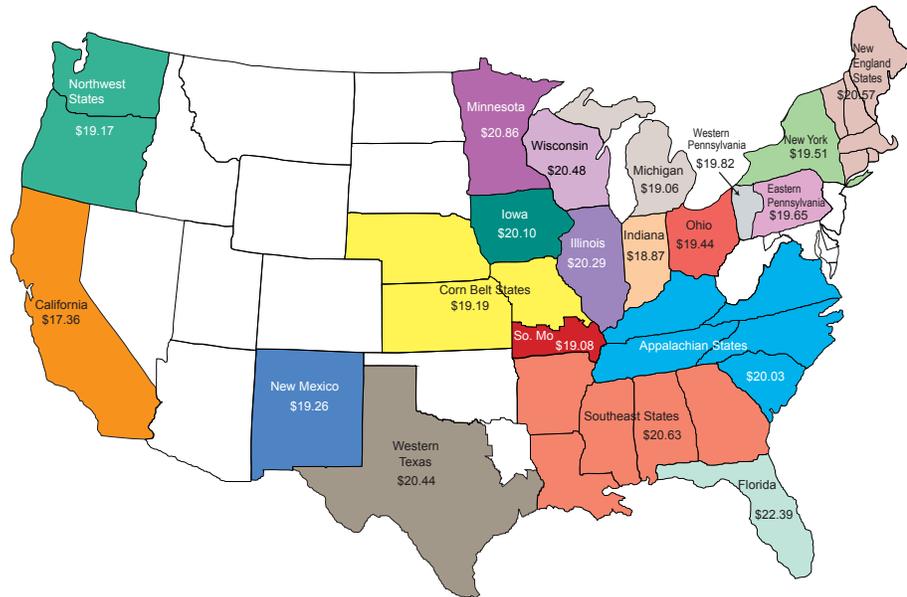
Milk Mailbox Prices in Dollars per Hundredweight

2012 Milk Mailbox Prices

Area	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
California	\$16.36	\$15.22	\$14.99	\$14.59	\$13.97	\$14.38	\$14.77	\$16.20	\$17.36			
USDA	\$19.30	\$17.32	\$17.24	\$16.87	\$16.29	\$16.21	\$16.88	\$18.22	\$19.88			

¹ California mailbox price calculated by CDFA

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



In September 2012, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$19.88 per cwt., up \$1.66 from the August 2012 average, and down \$1.51 from the September 2011 average. The component tests of producer milk in September 2012 were: butterfat, 3.69%; protein, 3.09%; and other solids, 5.73%. On an individual reporting area basis, mailbox prices increased in all Federal milk order reporting areas from the previous month. Mailbox prices in September 2012 ranged from \$22.39 in Florida to \$18.87 in Indiana.

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The California Department of Food and Agriculture Dairy Marketing Branch publishes the California Dairy Review monthly. Please direct any comments or subscription requests to Karen Dapper or Lu Tang at (916) 900-5014, or send an email to dairy@cdfa.ca.gov

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