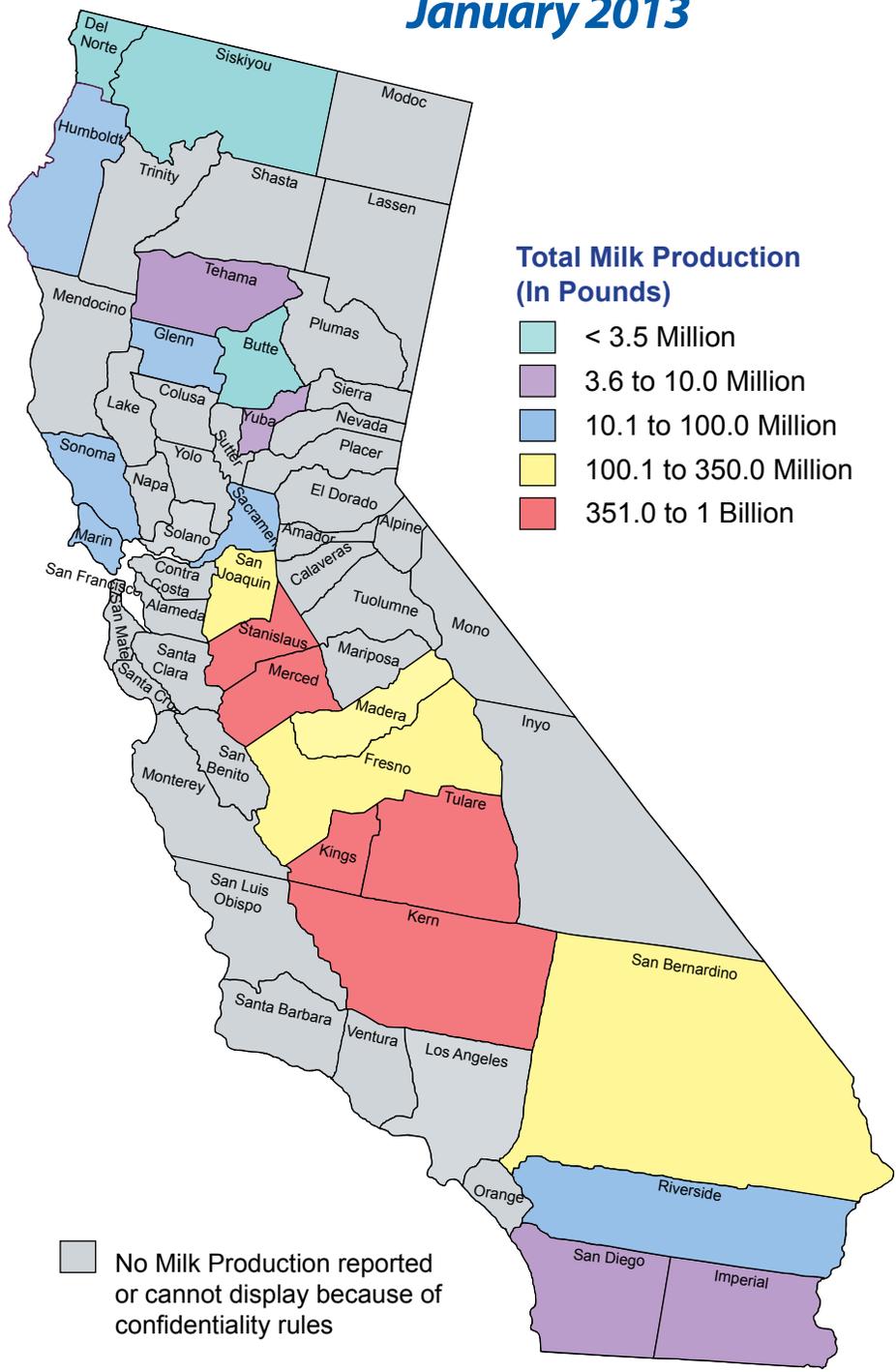


California Total Milk Production, by County January 2013



California Minimum Class Prices

Hundredweight Prices

Class	March	April	May
1 No. Calif.	\$19.33	\$19.49	\$19.39
So. Calif.	\$19.60	\$19.77	\$19.66
2 No. Calif.	\$17.81	\$18.17	\$18.17
So. Calif.	\$18.04	\$18.40	\$18.40
3	\$17.76	\$18.12	\$18.12
4a	\$17.87	N/A	N/A
4b	\$15.02	N/A	N/A

Quota Transfer Summary

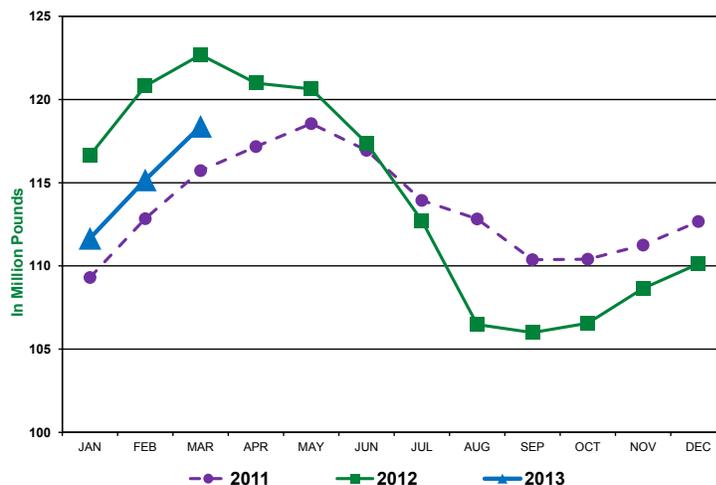
Quota Transfers	Feb.	March	April
Number of Sellers	7	5	9
Pounds of SNF Quota Transferred	5,518	3,948	15,130
Average Price Per Pound of SNF Quota	\$391	\$399	\$403

California Pool Prices

Pool Price	Jan.	Feb.	March
Quota	\$18.30	\$18.36	\$18.03
Overbase	\$16.60	\$16.66	\$16.33

California Milk Production

Average Daily Basis: 2011, 2012, 2013



California Milk Production Cost Comparison, by Region, 4th 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>										
4th Quarter										
Total Costs	\$23.39	\$24.54	\$17.02	\$18.30	\$16.84	\$18.58	\$16.60	\$17.92	\$17.43	\$18.55
Total Costs & Allowances*	\$25.34	\$26.31	\$18.54	\$19.78	\$18.45	\$20.13	\$18.24	\$19.56	\$19.01	\$20.08

*Includes an allowance for management and a return on investment.

California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	March 29, 2013		April 5, 2013		April 12, 2013		April 19, 2013	
	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas								
Supreme	9,175	\$265-\$280	2,785	\$262-\$275	3,995	\$265-\$275	5,025	\$265-\$280
Premium	2,750	\$260-\$270	2,940	\$260-\$270	4,800	\$252-\$272	8,411	\$250-\$270
Good	450	\$245-\$250	No Sales	N/A	150	\$245-\$250	7,738	\$240-\$255
Fair	50	\$225-\$225	No Sales	N/A	50	\$225-\$225	2,400	\$225-\$230
Escalon, Modesto, Turlock Areas								
Supreme	700	\$265-\$285	1,220	\$268-\$285	325	\$260-\$280	1,475	\$265-\$275
Premium	250	\$260-\$270	275	\$260-\$270	150	\$260-\$265	400	\$258-\$270
Good	75	\$240-\$240	200	\$240-\$245	100	\$240-\$240	475	\$235-\$250
Fair	50	\$225-\$225	300	\$220-\$240	175	\$225-\$235	175	\$225-\$230

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	March	April	May
Phoenix, Arizona	\$20.15	\$20.01	\$20.11
Portland, Oregon	\$19.70	\$19.56	\$19.66
Boston (Northeast)	\$21.05	\$20.91	\$21.01
Class III	\$16.93	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.
3/16/13	18,500	65,300	N/A
3/23/13	17,300	64,400	\$69-\$71
3/30/13	17,000	63,000	\$66-\$68
4/6/13	17,500	62,400	\$66-\$68
4/13/13	18,100	63,900	\$64-\$68

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	
	2012	2013	2012	2013	2012	2013
<i>In Million Pounds</i>						
January	170	207	612	644	159	249
February	205	240	608	667	196	225
March	211	255	622	688	210	-
April	254		632		227	
May	264		623		215	
June	243		630		145	
July	234		635		130	
August	201		614		106	
September	195		608		118	
October	145		582		104	
November	127		581		127	
December	153		605		181	

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 March 2013 was 1.47 (down from 1.52 in February 2013). The current ratio of 1.47 means that a dairy producer can buy 1.47 pounds of feed for every pound of milk sold. The prices used to calculate the March 2013 milk-feed price ratio were: corn \$7.18/bushel; baled alfalfa hay \$219/ton; soybeans \$14.50/bushel; all-milk price \$19.10/cwt. (down \$0.40/cwt. from February 2013).

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

Note: Through September 2013, USDA will only publish administrative data for Milk Production (there will be no "milk per cow" or "number of cows" data available).

Monthly: USDA estimates overall milk production across the U.S. was down by 0.3% in March 2013, compared to March 2012. USDA reports that California milk production decreased 3.3% compared to March 2012. Among other western states, compared to March 2012, Arizona was down 2.8%; New Mexico was down 2.9%; and Washington was down 1.1%. Three of the top 10 states reported a production decrease. The largest increase was reported by Kansas at 5.0% growth in milk production.

Quarterly: For the first quarter of 2013 compared to the fourth quarter of 2012, U.S. milk cow numbers increased to 9.225 million head, milk production per cow increased to 5,475 pounds; the net effect was increased milk production at 50.5 billion pounds. USDA projects that for the second quarter of 2013 compared to the first quarter of 2013, U.S. milk cow numbers will decrease to 9.200 million head, production per cow will increase to 5,630 pounds; the net effect would be increased milk production to 51.8 billion pounds.

Milk Prices: Comparing the first quarter of 2013 to the fourth quarter of 2012, U.S. average milk prices decreased to \$19.50/cwt. USDA projects that for the second quarter of 2013, U.S. average all-milk prices will be \$19.00-19.40/cwt.; Class III prices will be \$17.60-18.00/cwt.; and Class IV prices will be \$18.05-18.55/cwt.

Utility Cow Prices

Comparing the first quarter of 2013 to the fourth quarter of 2012, average U.S. utility cow prices were up \$4.06/cwt. to a national average of \$77.87/cwt. USDA projects that utility cow prices will average \$81-85/cwt. in the second quarter of 2013.

Top Ten Milk Production States - Mar. 2013

(Percent Change from Same Month/Previous Year)

1. California	-3.2%	6. Texas	-4.1%
2. Wisconsin	+3.0%	7. Minnesota	+1.8%
3. New York	+1.8%	8. Michigan	+3.0%
4. Idaho	+0.5%	9. New Mexico	-2.9%
5. Pennsylvania	+0.3%	10. Washington	+1.1%

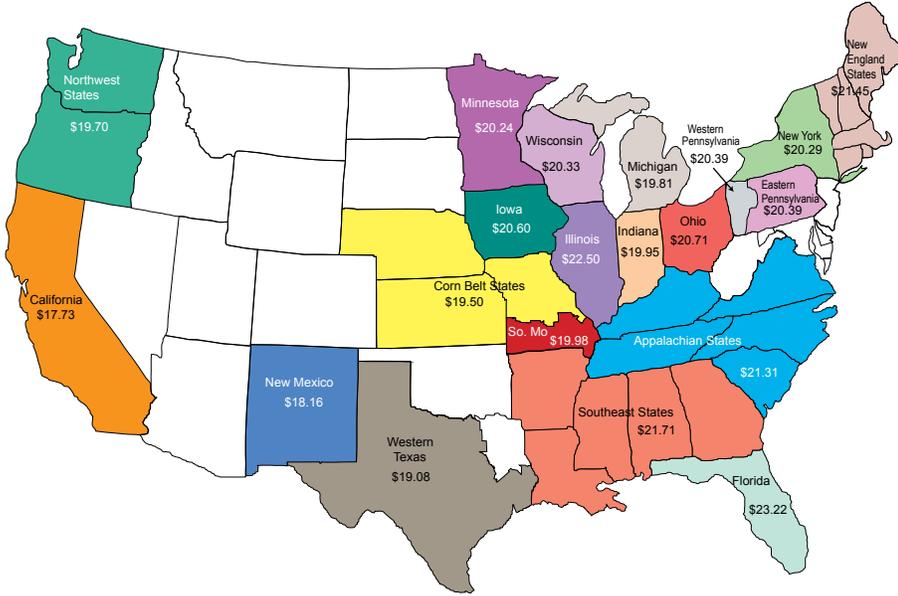
Information from the USDA-NASS publication "Milk Production" and the USDA-ERS publication: "Livestock, Dairy, and Poultry Outlook."

Milk Mailbox Prices in Dollars per Hundredweight - 2013

Area	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
California	\$17.73											
USDA	\$20.18											

¹ California mailbox price calculated by CDFA

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



In January 2013, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$20.18 per cwt., down \$1.32 from the December 2012 average, and up \$0.88 from the January 2012 average. The component tests of producer milk in January 2013 were: butterfat, 3.86%; protein, 3.17%; and other solids, 5.75%. On an individual reporting area basis, mailbox prices decreased in all Federal milk order reporting areas when compared to the previous month. Mailbox prices in January 2013 ranged from \$23.22 in Florida to \$18.16 in New Mexico.

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