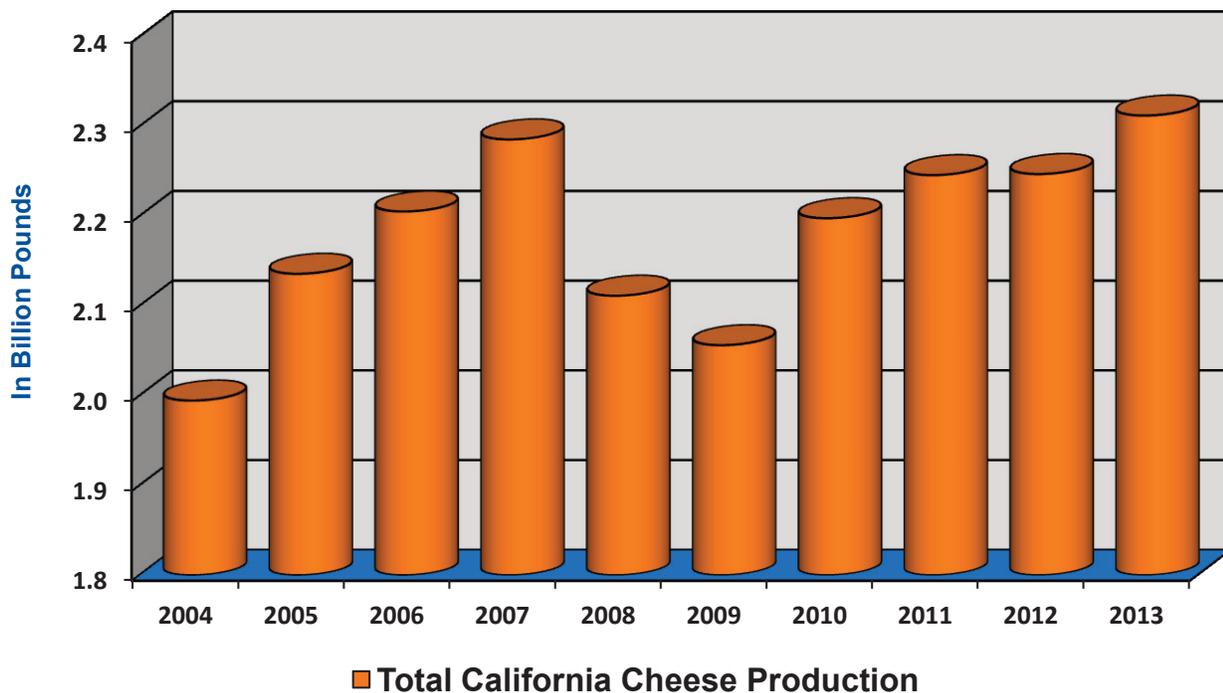
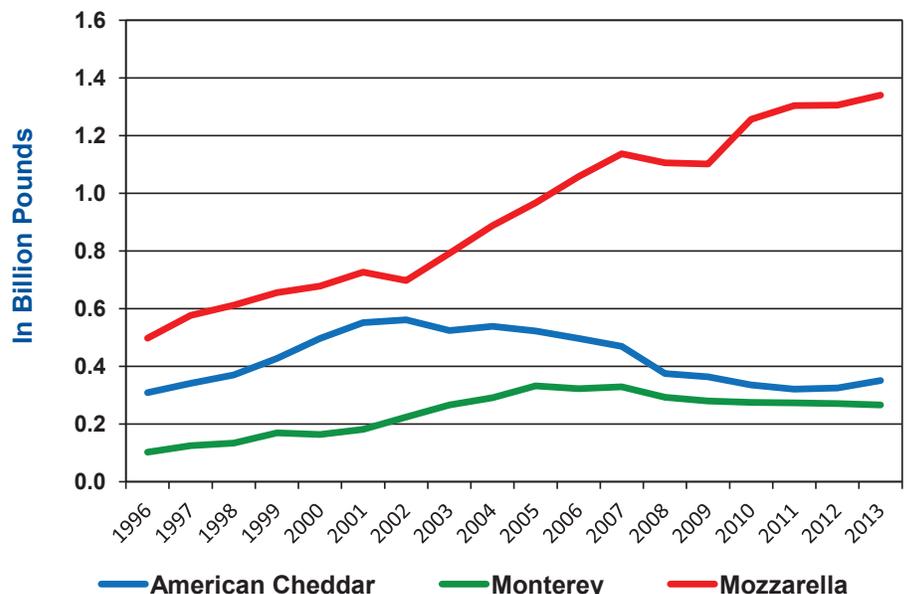


## California 2013 Total Cheese Production



## California Cheddar, Monterey, and Mozzarella Production, 1996-2013, In Billion Pounds

- California total cheese production reached 2.3 billion pounds for 2013.
- Cheddar, Monterey, and Mozzarella cheeses accounted for approximately 85 percent of California's total cheese production in 2013.
- Mozzarella cheese represents more than half of all cheese produced in California.



## California Minimum Class Prices

Hundredweight Prices

Class	Dec.	Jan.	Feb.
1 No. Calif.	\$21.73	\$22.84	\$23.11
So. Calif.	\$22.00	\$23.11	\$23.38
2 No. Calif.	\$20.64	\$20.64	N/A
So. Calif.	\$20.88	\$20.88	N/A
3	\$20.60	\$20.60	N/A
4a	\$21.16	N/A	N/A
4b	\$18.03	N/A	N/A

## Quota Transfer Summary

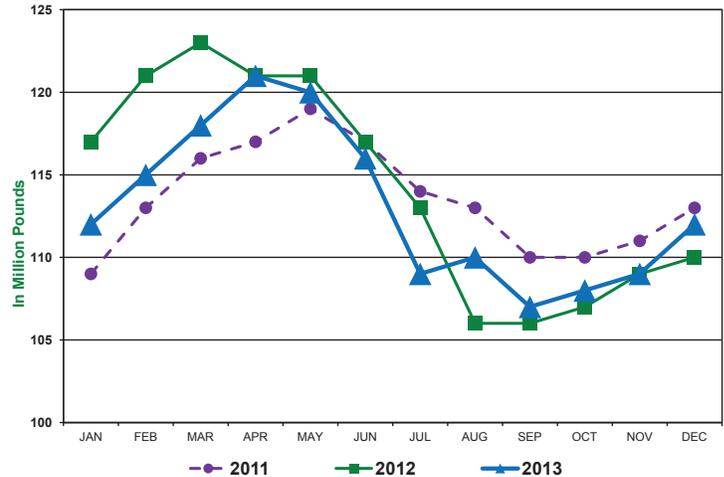
Quota Transfers	Nov.	Dec.	Jan.
Number of Sellers	5	8	3
Pounds of SNF Quota Transferred	6,477	5,436	2,696
Average Price Per Pound of SNF Quota	\$424	\$419	\$425

## California Pool Prices

Pool Price	Oct.	Nov.	Dec.
Quota	\$19.80	\$20.31	\$20.98
Overbase	\$18.10	\$18.61	\$19.28

## California Milk Production

Average Daily Basis: 2011, 2012, 2013



February 2012 Milk Production included 29 days.

## California Milk Production Cost Comparison, by Region, 3<sup>rd</sup> Quarter 2012-2013

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
<i>Dollars per Hundredweight</i>										
<b>3rd Quarter</b>										
Total Costs	\$22.34	\$22.94	\$18.19	\$17.58	\$18.61	\$17.73	\$17.53	\$17.16	\$18.46	\$17.76
Total Costs & Allowances*	\$23.96	\$24.71	\$19.62	\$19.13	\$20.12	\$19.35	\$19.07	\$18.70	\$19.94	\$19.35

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

## California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	January 3, 2014		January 10, 2014		January 17, 2014		January 24, 2014	
	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
<b>Tulare, Hanford Areas</b>								
Supreme	150	\$305	400	\$295-\$305	700	\$290-\$306	650	\$295-\$310
Premium	2,050	\$265-\$288	2,500	\$270-\$285	1,660	\$280-\$285	4,600	\$280-\$295
Good	1,550	\$260-\$265	2,300	\$255-\$280	2,650	\$260-\$275	1,700	\$265-\$279
Fair	2,900	\$240-\$250	600	\$245-\$255	1,750	\$245-\$255	640	\$245-\$260
<b>Escalon, Modesto, Turlock Areas</b>								
Supreme	200	\$295-\$305	1,850	\$295-\$312	800	\$290-\$315	400	\$290-\$310
Premium	250	\$282-\$288	425	\$283-\$290	660	\$288-\$300	3,465	\$285-\$305
Good	2,250	\$258-\$270	275	\$265-\$278	2,098	\$268-\$285	1,175	\$268-\$290
Fair	150	\$245-\$250	1,325	\$245-\$250	875	\$250-\$260	745	\$240-\$260

Source: The Hoyt Report, Inc.

## Federal Order Minimum Class Prices

### Hundredweight Prices

Class I	Dec.	Jan.	Feb.
Phoenix, Arizona	\$22.72	\$23.83	\$24.37
Portland, Oregon	\$22.27	\$23.38	\$23.92
Boston (Northeast)	\$23.62	\$24.73	\$25.27
<b>Class III</b>	<b>\$18.95</b>	<b>N/A</b>	<b>N/A</b>

## USDA Dairy Cow Culling Activity

Week Ending	Region 9 <sup>1</sup> Dairy Cows	U.S. Dairy Cows	West Region <sup>2</sup> Price Range
	Head	Head	\$/cwt.
12/21/13	15,200	61,500	\$60-\$80
12/28/13	12,800	45,600	\$67-\$75
01/04/14	14,900	51,200	\$66-\$75
01/11/14	16,500	59,400	\$64-\$76

<sup>1</sup> Region 9 includes AZ, CA, HI and NV

<sup>2</sup> 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	680	210	214
April	254	310	632	699	227	208
May	264	321	623	714	215	227
June	243	319	630	711	145	230
July	234	296	635	705	130	207
August	201	269	614	670	106	194
September	195	233	608	661	118	147
October	145	182	582	626	104	111
November	127	121	612	616	127	118
December	153	111	605	619	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 December 2013 was 2.30 (increased \$0.03 from November 2013). The current ratio of 2.30 means that a dairy producer can buy 2.30 pounds of feed for every pound of milk sold. The prices used to calculate the December 2013 milk-feed price ratio were: corn \$4.31/bushel; baled alfalfa hay \$187/ton; soybeans \$13.00/bushel; all-milk price \$21.80/cwt. (increased \$0.20 from November 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 - Most Recent Available

**Monthly:** USDA estimates overall milk production across the U.S. showed no change in December 2013, compared to December 2012. USDA reports that California milk production increased 1.6% compared to December 2012 (on 1,000 more cows and 30 more pounds of milk per cow). Among other western states, compared to December 2012, Arizona was up 1.1%; New Mexico was down 1.8%; and Washington was up 1.0%. Six of the top 10 states reported a production decrease. The largest increase was reported by Utah at 6.7% growth in milk production (on 4,000 more cows and 40 more pounds of milk per cow).

**Quarterly:** For the fourth quarter of 2013 compared to the third quarter of 2013, U.S. milk cow numbers decreased to 9.205 million head, milk production per cow increased to 5,370 pounds; the net effect was no change in milk production recorded at 49.4 billion pounds. USDA projects that for the first quarter of 2014 compared to the fourth quarter of 2013, milk cow numbers will increase to 9.225 million head, production per cow will increase to 5,525 pounds, the net effect would be increased milk production to 51.0 billion pounds.

### Milk Prices

Comparing the fourth quarter of 2013 to the third quarter of 2013, U.S. average all-milk prices increased to \$21.37/cwt. USDA projects that for the first quarter of 2014, U.S. average all-milk prices will be \$22.45-22.85/cwt.; Class III prices will be \$19.55-19.95/cwt.; and Class IV prices will be \$21.50-\$22.00/cwt.

### Utility Cow Prices

Comparing the fourth quarter of 2013 to the third quarter of 2013, average U.S. utility cow prices were down \$1.81/cwt. to a national average of \$76.55/cwt. USDA projects that utility cow prices will average \$78-84/cwt. in the first quarter of 2014.

### Top Ten Milk Production States - Dec. 2013

(Percent Change from Same Month/Previous Year)

1. California	+1.6%	6. Texas	-0.2%
2. Wisconsin	-1.9%	7. Minnesota	-2.5%
3. New York	+1.6%	8. Michigan	+0.8%
4. Idaho	-1.1%	9. New Mexico	-1.8%
5. Pennsylvania	-0.7%	10. Washington	+1.0%

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

## 2013 Mailbox Milk Prices

Reporting Areas	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Dollars Per Hundredweight</b>												
<b>California</b>	<b>\$17.73</b>	<b>\$17.58</b>	<b>\$17.05</b>	<b>\$17.90</b>	<b>\$17.95</b>	<b>\$17.55</b>	<b>\$17.25</b>	<b>\$17.87</b>	<b>\$18.48</b>	<b>\$19.26</b>		
New England States	\$21.45	\$21.00	\$20.65	\$20.80	\$20.77	\$20.90	\$20.60	\$21.02	\$21.67	\$22.42		
New York	\$20.29	\$19.93	\$19.74	\$19.83	\$19.83	\$19.93	\$19.62	\$20.04	\$20.66	\$21.38		
Eastern Pennsylvania	\$20.39	\$20.08	\$19.90	\$19.91	\$19.94	\$20.01	\$19.67	\$20.11	\$20.74	\$21.49		
Appalachian States	\$21.31	\$20.74	\$20.08	\$20.02	\$20.04	\$20.41	\$20.76	\$21.24	\$21.61	\$21.85		
Southeast States	\$21.71	\$21.04	\$20.43	\$20.26	\$20.41	\$20.85	\$21.34	\$21.89	\$22.08	\$22.16		
Southern Missouri	\$19.98	\$19.35	\$19.00	\$18.87	\$18.74	\$19.13	\$19.63	\$20.73	\$21.13	\$21.91		
Florida	\$23.22	\$22.60	\$21.96	\$21.73	\$21.67	\$22.30	\$22.86	\$23.39	\$23.40	\$23.89		
Western Pennsylvania	\$20.39	\$20.02	\$19.90	\$19.94	\$19.98	\$19.86	\$19.33	\$19.86	\$20.44	\$21.27		
Ohio	\$20.71	\$20.08	\$19.83	\$19.82	\$19.86	\$19.92	\$19.60	\$20.06	\$20.61	\$21.33		
Indiana	\$19.95	\$19.54	\$19.32	\$19.33	\$19.26	\$19.31	\$19.20	\$19.49	\$20.12	\$20.76		
Michigan	\$19.81	\$19.27	\$18.95	\$18.96	\$18.97	\$19.17	\$18.89	\$19.52	\$20.07	\$20.51		
Wisconsin	\$20.33	\$19.52	\$19.52	\$19.65	\$20.16	\$19.67	\$18.90	\$19.55	\$19.97	\$20.64		
Minnesota	\$20.24	\$19.39	\$19.37	\$19.63	\$20.15	\$19.38	\$18.58	\$19.30	\$19.76	\$20.57		
Iowa	\$20.60	\$19.79	\$19.55	\$19.85	\$20.21	\$19.74	\$19.29	\$19.80	\$20.24	\$21.03		
Illinois	\$20.50	\$19.82	\$19.67	\$19.75	\$19.99	\$19.73	\$19.22	\$19.87	\$20.40	\$21.08		
Corn Belt States	\$19.50	\$18.87	\$18.51	\$18.71	\$18.82	\$18.45	\$18.23	\$18.79	\$19.31	\$20.06		
Western Texas	\$19.08	\$18.63	\$18.11	\$18.40	\$18.65	\$18.30	\$17.93	\$18.21	\$19.04	\$19.85		
New Mexico	\$18.16	\$17.76	\$17.01	\$17.25	\$17.42	\$17.19	\$17.05	\$17.29	\$17.96	\$18.87		
Northwest States	\$19.70	\$19.00	\$18.66	\$19.22	\$19.26	\$19.07	\$18.73	\$19.15	\$19.88	\$20.73		
All Federal Order Areas	\$20.18	\$19.56	\$19.30	\$19.45	\$19.63	\$19.46	\$19.08	\$19.59	\$20.13	\$20.83		

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

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