



# Milk Pricing NEWSLETTER

Serving the California dairy industry for over 9 years

Dairy Marketing Branch, CDFA

February 2010

## National Dairy Commodity Prices for Nonfat Dry Milk Slide Downward ...

The minimum price of milk, established by the Department each month, is the price that dairy processors must pay for milk used to produce dairy products. National commodity prices, primarily butter, Cheddar cheese, nonfat dry milk and dry whey, are significant factors in determining the minimum milk price (See *national commodities prices chart on page 2*).

Compared to last month, the national commodity prices for Grade AA Butter, Cheddar Cheese and Western Dry Whey increased slightly, however Nonfat Dry Milk decreased significantly, consequently all milk prices decreased: whole milk decreased two tenths cents per gallon; reduced fat milk decreased five tenths cents per gallon; lowfat milk decreased seven tenths cents per gallon; and skim milk decreased seven tenths cents per gallon.

Recent large winter storms that have blanketed northeastern, central and southern United States coupled with the heavy rainstorms in the west has at times led to increases in demand for retail fluid milk. Delays are common for milk deliveries to and from plants in these areas. Production of dips and sour cream remained strong for Super Bowl parties, however cream interests for ice cream remain sluggish, butter production is surpassing demand, whereas orders for cheese remain slow.

The table below shows individual prices for the four types of fluid milk by container size and the price changes from the previous month. The prices listed represent the minimum price paid by processors for the milk only - no other processing costs are included.

### Minimum Prices for the Four Types of Fluid Milk by Container Size for March 2010

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
<b>Northern California</b>						
Whole	\$1.414	\$0.707	\$0.354	\$0.177	\$0.118	\$0.088
Reduced Fat 2%	\$1.348	\$0.674	\$0.337	\$0.168	\$0.112	\$0.084
Lowfat 1%	\$1.315	\$0.658	\$0.329	\$0.164	\$0.110	\$0.082
Nonfat (Skim)	\$1.025	\$0.512	\$0.256	\$0.128	\$0.085	\$0.064
<b>Southern California</b>						
Whole	\$1.437	\$0.719	\$0.359	\$0.180	\$0.120	\$0.090
Reduced Fat 2%	\$1.371	\$0.686	\$0.343	\$0.171	\$0.114	\$0.086
Lowfat 1%	\$1.339	\$0.669	\$0.335	\$0.167	\$0.112	\$0.084
Nonfat (Skim)	\$1.049	\$0.525	\$0.262	\$0.131	\$0.087	\$0.066

### Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	-\$0.002 ↓	-\$0.001 ↓	\$0.000	\$0.000	\$0.000	\$0.000
Reduced Fat 2%	-\$0.005 ↓	-\$0.002 ↓	-\$0.001 ↓	-\$0.001 ↓	\$0.000	\$0.000
Lowfat 1%	-\$0.007 ↓	-\$0.003 ↓	-\$0.002 ↓	-\$0.001 ↓	-\$0.001 ↓	\$0.000
Nonfat (Skim)	-\$0.007 ↓	-\$0.004 ↓	-\$0.002 ↓	-\$0.001 ↓	-\$0.001 ↓	\$0.000

### California Department of Food and Agriculture (CDFA)

A.G. Kawamura, Secretary

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## Minimum Prices for the Milk Component of Various Manufactured Dairy Products

The minimum prices for the raw milk component used by processors in manufacturing dairy products are listed in the table to the right. No other costs incurred by the processor are included, such as:

- milk quality premiums,
- milk composition premiums,
- competitiveness for availability of milk premiums,
- transportation costs,
- plant processing costs,
- service charges
- marketing costs

	Lowfat Yogurt	Super Premium Ice Cream		Generic Ice Cream	
	(\$/qt)	(\$/1.5qt)*	(\$/1.75qt)*	(\$/1.5qt)*	(\$/1.75qt)*
February '09	\$0.18	\$0.82	\$0.96	\$0.32	\$0.37
March	\$0.18	\$0.82	\$0.96	\$0.32	\$0.37
April	\$0.17	\$0.79	\$0.93	\$0.31	\$0.36
May	\$0.17	\$0.79	\$0.93	\$0.31	\$0.36
June	\$0.18	\$0.84	\$0.98	\$0.32	\$0.38
July	\$0.18	\$0.84	\$0.98	\$0.32	\$0.38
August	\$0.18	\$0.85	\$0.99	\$0.33	\$0.38
September	\$0.18	\$0.85	\$0.99	\$0.33	\$0.38
October	\$0.19	\$0.87	\$1.02	\$0.34	\$0.39
November	\$0.19	\$0.87	\$1.02	\$0.34	\$0.39
December	\$0.23	\$1.00	\$1.17	\$0.39	\$0.45
January '10	\$0.23	\$1.02	\$1.19	\$0.40	\$0.46
February	\$0.27	\$1.11	\$1.30	\$0.44	\$0.51
March	\$0.27	\$1.11	\$1.30	\$0.44	\$0.51

*\* Prices are based on the new container size instead of 1/2 gallon previously.*

### Percentage of Total Fluid Milk Products Sold, by Size of Container October of selected Years, 2004, 2005, 2006, 2007, 2008, 2009

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									
2004	1.02%	69.49%	15.08%	2.52%	0.41%	1.97%	8.82%	0.09%	0.35%	0.26%
2005	1.06%	69.89%	14.99%	2.32%	0.41%	1.70%	9.10%	0.19%	0.35%	0.01%
2006	0.85%	69.66%	15.25%	2.08%	0.40%	1.74%	8.97%	0.09%	0.28%	0.67%
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%

This newsletter can also be found on our website at: [www.cdffa.ca.gov/dairy/milkpricing\\_nl.html](http://www.cdffa.ca.gov/dairy/milkpricing_nl.html)

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@cdffa.ca.gov](mailto:dairy@cdffa.ca.gov), or by contacting TDD 1-800-735-0193.

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