



Milk Pricing NEWSLETTER

Serving the California dairy industry for over 10 years

Dairy Marketing Branch, CDFA

March 2011

National Dairy Commodity Prices Drive Retail Milk Prices Higher

The minimum price of milk, established by the Department, 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 page 2).

Compared to last month, the national commodity prices for Cheddar Cheese, Nonfat Dry Milk, and Western Dry Whey increased, while Grade AA Butter decreased, consequently all milk prices showed an increase: whole milk increased twenty and nine tenths cents per gallon; reduced fat milk increased twenty-three and five tenths cents per gallon; lowfat milk increased twenty-five and four tenths cents per gallon; and skim milk increased twenty-one and eight tenths cents per gallon.

Milk production across the U.S. is still hampered by the cold and wet weather. Retail milk prices continued to climb due to rising commodity prices. Commodity prices are increasing partly because of the strong export market, steady domestic demand, and low inventories.

If you would like an email notification when this newsletter is posted, send an email to dairy@cdfa.ca.gov with your name and email address.

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 April 2011

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$1.863	\$0.931	\$0.466	\$0.233	\$0.155	\$0.116
Reduced Fat 2%	\$1.703	\$0.851	\$0.426	\$0.213	\$0.142	\$0.106
Lowfat 1%	\$1.610	\$0.805	\$0.402	\$0.201	\$0.134	\$0.101
Nonfat (Skim)	\$1.218	\$0.609	\$0.304	\$0.152	\$0.101	\$0.076

Southern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$1.886	\$0.943	\$0.472	\$0.236	\$0.157	\$0.118
Reduced Fat 2%	\$1.726	\$0.863	\$0.432	\$0.216	\$0.144	\$0.108
Lowfat 1%	\$1.633	\$0.817	\$0.408	\$0.204	\$0.136	\$0.102
Nonfat (Skim)	\$1.242	\$0.621	\$0.310	\$0.155	\$0.103	\$0.078

Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$0.209	\$0.104	\$0.052	\$0.026	\$0.017	\$0.013
Reduced Fat 2%	\$0.235	\$0.117	\$0.059	\$0.029	\$0.020	\$0.015
Lowfat 1%	\$0.254	\$0.127	\$0.064	\$0.032	\$0.021	\$0.016
Nonfat (Skim)	\$0.218	\$0.109	\$0.054	\$0.027	\$0.018	\$0.014

California Department of Food and Agriculture (CDFA)

Karen Ross, Secretary

Price Information Lines: (800) 503-3490 within California; (916) 442-MILK outside California
Phone (916) 341-5988; Website: www.cdfa.ca.gov/dairy; email address: dairy@cdfa.ca.gov

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'10	\$0.27	\$1.11	\$1.30	\$0.44	\$0.51
March	\$0.27	\$1.11	\$1.30	\$0.44	\$0.51
April	\$0.23	\$1.04	\$1.21	\$0.40	\$0.47
May	\$0.23	\$1.04	\$1.21	\$0.40	\$0.47
June	\$0.24	\$1.15	\$1.34	\$0.45	\$0.52
July	\$0.24	\$1.15	\$1.34	\$0.45	\$0.52
August	\$0.28	\$1.26	\$1.47	\$0.49	\$0.57
September	\$0.28	\$1.26	\$1.47	\$0.49	\$0.57
October	\$0.26	\$1.44	\$1.68	\$0.55	\$0.64
November	\$0.26	\$1.44	\$1.68	\$0.55	\$0.64
December	\$0.27	\$1.47	\$1.72	\$0.56	\$0.65
January '11	\$0.27	\$1.47	\$1.72	\$0.56	\$0.65
February	\$0.27	\$1.30	\$1.52	\$0.50	\$0.59
March	\$0.27	\$1.30	\$1.52	\$0.50	\$0.59

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

Percentage of Total Fluid Milk Products Sold, by Size and Container Type October 2010

Size of Container	TYPE OF CONTAINER			
	Glass	Paper/Bag	Plastic	Total of Each Type
	Percent			
3, 5, 6 Gallon	N/A	0.76%	0.18%	0.94%
1 Gallon	0.00%	0.00%	66.72%	66.72%
1/2 Gallon	0.01%	13.77%	6.04%	19.82%
Quart	0.00%	2.36%	0.42%	2.78%
1/3 Quart (10 oz.)	N/A	0.14%	0.04%	0.17%
Pint	N/A	0.17%	0.22%	0.39%
1/2 Pint (8 oz. Pouch)	N/A	6.08%	2.00%	8.09%
4 oz (Pouch)	N/A	0.10%	0.00%	0.10%
12, 14 oz.	N/A	0.00%	0.61%	0.61%
Other	N/A	0.22%	0.15%	0.38%

This newsletter can also be found on our website at: 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, or by contacting TDD 1-800-735-0193.

California Department of Food and Agriculture
Dairy Marketing Branch
1220 N Street
Sacramento, CA 95814



First Class Mail
U.S. Postage
PAID
Permit No. 81
Sacramento, CA