



Milk Pricing

NEWSLETTER

Serving the California dairy industry for over 11 years

Dairy Marketing Branch, CDFA

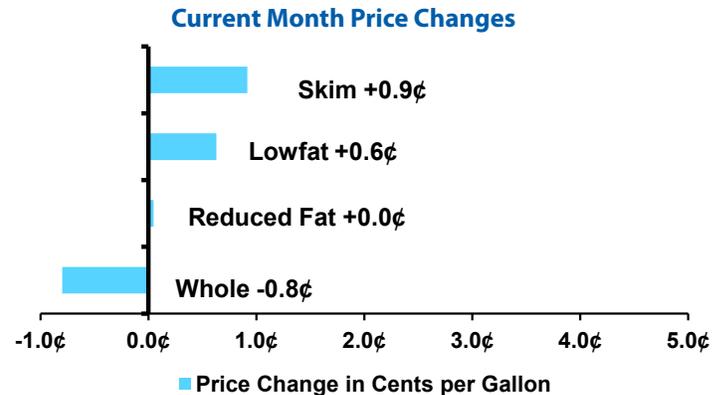
November 2012

All Milk Prices Remain Steady Compared to Previous Month

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 Grade AA Butter, Cheddar Cheese, Nonfat Dry Milk, and Dry Whey are significant factors in determining the minimum milk price.

Compared to last month, the national commodity prices for Cheddar Cheese and Grade AA Butter decreased, while Western Dry Whey and Nonfat Dry Milk recorded increases.

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 December 2012

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$1.985	\$0.992	\$0.496	\$0.248	\$0.165	\$0.124
Reduced Fat 2%	\$1.880	\$0.940	\$0.470	\$0.235	\$0.157	\$0.118
Lowfat 1%	\$1.827	\$0.914	\$0.457	\$0.228	\$0.152	\$0.114
Nonfat (Skim)	\$1.420	\$0.710	\$0.355	\$0.178	\$0.118	\$0.089
Southern California						
Whole	\$2.008	\$1.004	\$0.502	\$0.251	\$0.167	\$0.125
Reduced Fat 2%	\$1.904	\$0.952	\$0.476	\$0.238	\$0.159	\$0.119
Lowfat 1%	\$1.851	\$0.925	\$0.463	\$0.231	\$0.154	\$0.116
Nonfat (Skim)	\$1.444	\$0.722	\$0.361	\$0.181	\$0.120	\$0.090

Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	-\$0.008 ↓	-\$0.004 ↓	-\$0.002 ↓	-\$0.001 ↓	-\$0.001 ↓	\$0.000
Reduced Fat 2%	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Lowfat 1%	\$0.006	\$0.003	\$0.002	\$0.001	\$0.001	\$0.000
Nonfat (Skim)	\$0.009	\$0.005	\$0.002	\$0.001	\$0.001	\$0.001

Price Changes from the Previous Pricing Period Displayed in Cents

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	-0.8¢ ↓	-0.4¢ ↓	-0.2¢ ↓	-0.1¢ ↓	-0.1¢ ↓	0.0¢
Reduced Fat 2%	0.0¢	0.0¢	0.0¢	0.0¢	0.0¢	0.0¢
Lowfat 1%	0.6¢	0.3¢	0.2¢	0.1¢	0.1¢	0.0¢
Nonfat (Skim)	0.9¢	0.5¢	0.2¢	0.1¢	0.1¢	0.1¢

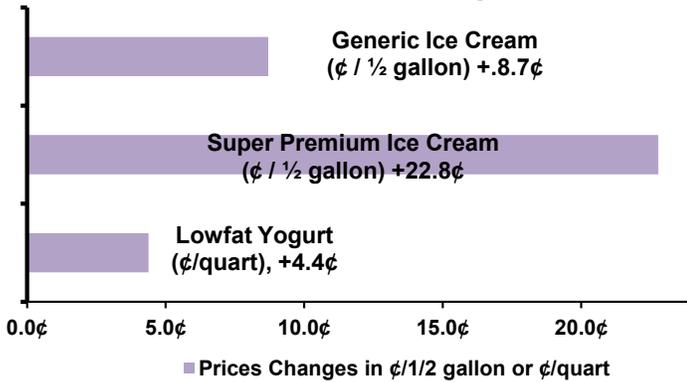
Whole milk decreased eight tenths of a cent per gallon; reduced fat milk recorded no change; lowfat milk increased six tenths of a cent per gallon; and skim milk increased nine tenths of a cent per gallon.

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, transportation costs, plant processing costs, service charges, marketing costs.

	Lowfat Yogurt (\$/qt)	Super Premium Ice Cream (\$/1.5 qt)*	Generic Ice Cream (\$/1.5 qt)*	Grade AA Butter (\$/lb)	Cheese (\$/lb)
July'11	\$0.36	\$1.57	\$0.61	\$1.89	\$1.92
August	\$0.37	\$1.63	\$0.63	\$1.94	\$1.85
September	\$0.37	\$1.63	\$0.63	\$1.80	\$1.58
October	\$0.36	\$1.57	\$0.61	\$1.66	\$1.53
November	\$0.36	\$1.57	\$0.61	\$1.63	\$1.67
December	\$0.33	\$1.40	\$0.55	\$1.48	\$1.47
January '12	\$0.33	\$1.40	\$0.55	\$1.45	\$1.38
February	\$0.31	\$1.26	\$0.49	\$1.30	\$1.30
March	\$0.31	\$1.26	\$0.49	\$1.33	\$1.33
April	\$0.30	\$1.16	\$0.46	\$1.29	\$1.31
May	\$0.30	\$1.16	\$0.46	\$1.20	\$1.33
June	\$0.27	\$1.08	\$0.42	\$1.31	\$1.44
July	\$0.27	\$1.08	\$0.42	\$1.41	\$1.49
August	\$0.24	\$1.09	\$0.42	\$1.59	\$1.61
September	\$0.24	\$1.09	\$0.42	\$1.71	\$1.70
October	\$0.28	\$1.32	\$0.51	\$1.77	\$1.88
November	\$0.28	\$1.32	\$0.51	N/A	N/A

Current Month Price Changes



Average U.S. Retail Prices for Whole, Reduced Fat, Lowfat, and Skim Milk Selected Cities, July 2012 - September 2012

CITY	July 2012				August 2012				September 2012			
	Whole	Reduced Fat	Lowfat	Skim	Whole	Reduced Fat	Lowfat	Skim	Whole	Reduced Fat	Lowfat	Skim
<i>Weighted Average Prices in Dollars Per Gallon</i>												
Los Angeles	\$3.32	\$3.19	\$3.30	\$2.83	\$3.25	\$3.14	\$3.25	\$2.83	\$3.35	\$3.22	\$3.33	\$2.92
San Diego	\$3.42	\$3.27	\$3.46	\$3.07	\$3.42	\$3.27	\$3.45	\$3.09	\$3.49	\$3.33	\$3.49	\$3.15
Sacramento	\$3.55	\$3.39	\$3.50	\$3.45	\$3.53	\$3.40	\$3.50	\$3.53	\$3.62	\$3.47	\$3.58	\$3.58
San Francisco	\$3.80	\$3.61	\$3.97	\$3.68	\$3.87	\$3.65	\$4.03	\$3.75	\$3.92	\$3.69	\$4.06	\$3.79
Denver	\$2.97	\$2.88	\$2.93	\$2.85	\$2.86	\$2.76	\$2.81	\$2.69	\$3.03	\$2.94	\$3.02	\$2.90
Las Vegas	\$3.00	\$2.93	\$2.99	\$3.00	\$2.93	\$2.91	\$2.96	\$3.11	\$2.96	\$2.93	\$2.96	\$3.17
Phoenix	\$2.35	\$2.29	\$2.28	\$2.19	\$2.39	\$2.31	\$2.32	\$2.24	\$2.47	\$2.43	\$2.44	\$2.41
Portland	\$3.10	\$2.90	\$2.96	\$2.94	\$3.16	\$2.93	\$2.99	\$2.95	\$3.20	\$2.96	\$3.03	\$2.99
Salt Lake City-Boise	\$2.66	\$2.46	\$2.37	\$2.55	\$2.67	\$2.49	\$2.45	\$2.66	\$2.85	\$2.66	\$2.64	\$2.80
Seattle	\$3.03	\$2.82	\$2.91	\$2.89	\$3.10	\$2.84	\$2.93	\$2.93	\$3.15	\$2.90	\$2.99	\$3.00

Source: AC Nielsen Scantrack Reports on Refrigerated Milk. The average price per gallon represents the weighted averages for specific brands of milk within the specified market. Data includes organic milk. Data subject to revision. September data through the week ending 9/29/12.

California Department of Food and Agriculture (CDFA)

Karen Ross, Secretary

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