cdfa

Milk Pricing NEWSLETTER

Serving the California dairy industry for over 12 years

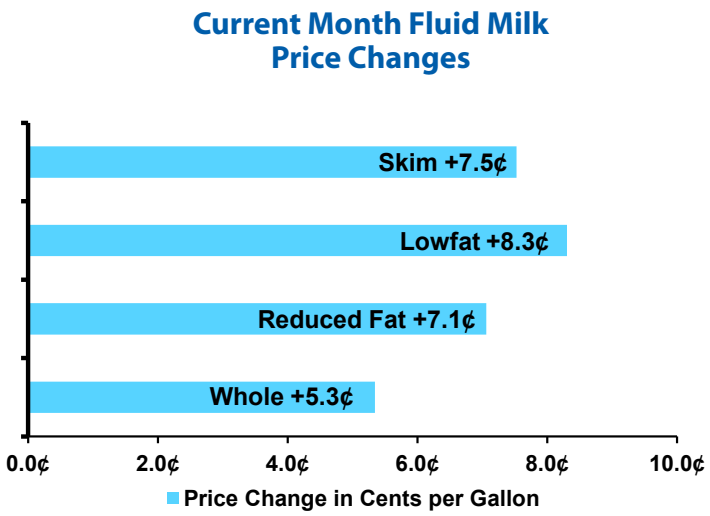
Dairy Marketing Branch, CDFA July 2013

All Milk Prices Show Increases 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 Grade AA Butter and Cheddar Cheese decreased, while Western Dry Whey and Nonfat Dry Milk prices increased.

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 August 2013

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	$1.738	$0.869	$0.434	$0.217	$0.145	$0.109
Reduced Fat 2%	$1.683	$0.841	$0.421	$0.210	$0.140	$0.105
Lowfat 1%	$1.661	$0.831	$0.415	$0.208	$0.138	$0.104
Nonfat (Skim)	$1.310	$0.655	$0.327	$0.164	$0.109	$0.082
Southern California						
Whole	$1.761	$0.881	$0.440	$0.220	$0.147	$0.110
Reduced Fat 2%	$1.706	$0.853	$0.427	$0.213	$0.142	$0.107
Lowfat 1%	$1.685	$0.842	$0.421	$0.211	$0.140	$0.105
Nonfat (Skim)	$1.334	$0.667	$0.334	$0.167	$0.111	$0.083

Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	$0.053	$0.027	$0.013	$0.007	$0.004	$0.003
Reduced Fat 2%	$0.071	$0.035	$0.018	$0.009	$0.006	$0.004
Lowfat 1%	$0.083	$0.042	$0.021	$0.010	$0.007	$0.005
Nonfat (Skim)	$0.075	$0.038	$0.019	$0.009	$0.006	$0.005

Price Changes from the Previous Pricing Period Displayed in Cents

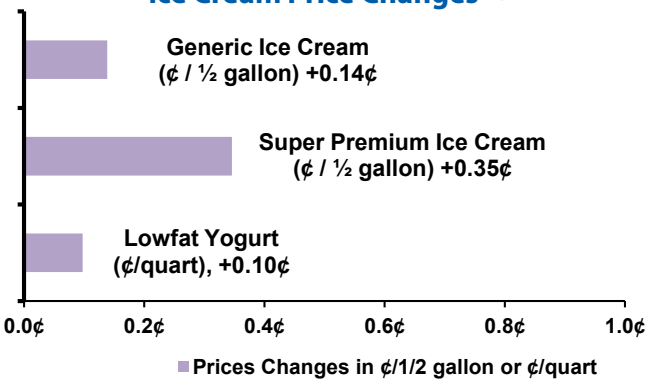
	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	5.3¢	2.7¢	1.3¢	0.7¢	0.4¢	0.3¢
Reduced Fat 2%	7.1¢	3.5¢	1.8¢	0.9¢	0.6¢	0.4¢
Lowfat 1%	8.3¢	4.2¢	2.1¢	1.0¢	0.7¢	0.5¢
Nonfat (Skim)	7.5¢	3.8¢	1.9¢	0.9¢	0.6¢	0.5¢

Whole milk increased five and three tenths cents per gallon; reduced fat milk increased seven and one tenth cents per gallon; lowfat milk increased eight and three tenths cents per gallon; and skim milk increased seven and five tenths cents 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.

Current Month Yogurt and Ice Cream Price Changes



	Lowfat Yogurt ($/qt)	Super Premium Ice Cream ($/1.5 qt)*	Generic Ice Cream ($/1.5 qt)*	Grade AA Butter ($/lb)	Cheese ($/lb)
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	$1.71	$1.79
December	$0.33	$1.44	$0.56	$1.44	$1.57
January '13	$0.33	$1.44	$0.56	$1.34	$1.53
February	$0.34	$1.28	$0.51	$1.42	$1.46
March	$0.34	$1.28	$0.51	$1.48	$1.42
April	$0.34	$1.31	$0.52	$1.57	$1.61
May	$0.34	$1.31	$0.52	$1.48	$1.64
June	$0.34	$1.34	$0.53	N/A	N/A
July	$0.34	$1.35	$0.53	N/A	N/A

Average U.S. Retail Prices for Whole, Reduced Fat, Lowfat, and Skim Milk Selected Cities, April - June 2013

CITY	April 2013				May 2013				June 2013			
	Whole	Reduced Fat	Lowfat	Skim	Whole	Reduced Fat	Lowfat	Skim	Whole	Reduced Fat	Lowfat	Skim
	Weighted Average Prices in Dollars Per Gallon											
Los Angeles	$3.33	$3.27	$3.34	$3.04	$3.25	$3.25	$3.25	$2.99	$3.35	$3.32	$3.38	$3.12
San Diego	$3.43	$3.35	$3.53	$3.24	$3.39	$3.33	$3.48	$3.18	$3.47	$3.41	$3.57	$3.29
Sacramento	$3.88	$3.67	$3.78	$3.63	$3.88	$3.65	$3.73	$3.64	$3.94	$3.73	$3.80	$3.75
San Francisco	$4.13	$3.90	$4.29	$4.03	$4.13	$3.88	$4.28	$3.98	$4.21	$3.99	$4.38	$4.13
Denver	$2.94	$2.79	$2.84	$2.66	$2.90	$2.77	$2.84	$2.66	$2.92	$2.81	$2.86	$2.68
Las Vegas	$3.10	$2.96	$2.99	$3.00	$3.12	$2.92	$2.93	$3.24	$3.18	$2.97	$2.97	$3.33
Phoenix	$2.52	$2.47	$2.48	$2.42	$2.37	$2.27	$2.30	$2.22	$2.43	$2.35	$2.38	$2.30
Portland	$3.08	$2.81	$2.95	$2.87	$3.08	$2.82	$2.99	$2.92	$3.17	$2.92	$3.07	$3.04
Salt Lake City-Boise	$2.94	$2.71	$2.68	$2.86	$2.85	$2.66	$2.62	$2.84	$2.90	$2.74	$2.71	$2.91
Seattle	$3.09	$2.87	$2.96	$2.98	$3.07	$2.85	$2.94	$2.99	$3.17	$2.96	$3.04	$3.11

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. June data through the week ending 6/8/13.

California Department of Food and Agriculture (CDFA)

Karen Ross, *Secretary*

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