cdfa

Milk Pricing NEWSLETTER

Serving the California dairy industry for over 12 years

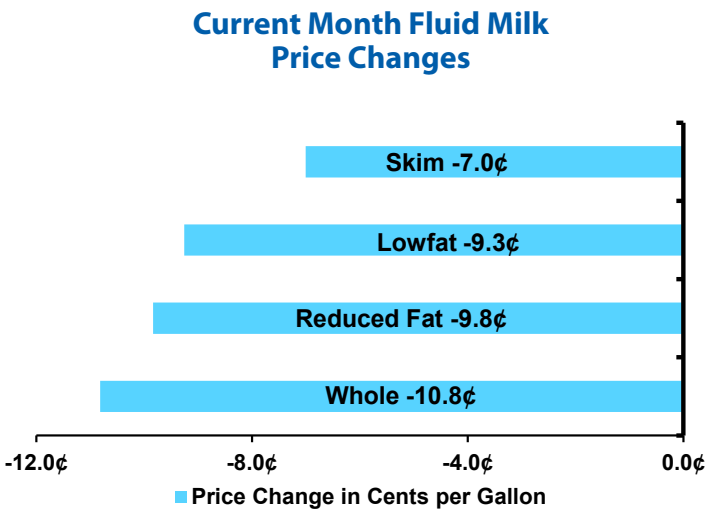
Dairy Marketing Branch, CDFA June 2013

All Milk Prices Show Decreases 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 July 2013

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	$1.684	$0.842	$0.421	$0.211	$0.140	$0.105
Reduced Fat 2%	$1.612	$0.806	$0.403	$0.202	$0.134	$0.101
Lowfat 1%	$1.578	$0.789	$0.395	$0.197	$0.132	$0.099
Nonfat (Skim)	$1.235	$0.617	$0.309	$0.154	$0.103	$0.077
Southern California						
Whole	$1.708	$0.854	$0.427	$0.213	$0.142	$0.107
Reduced Fat 2%	$1.636	$0.818	$0.409	$0.204	$0.136	$0.102
Lowfat 1%	$1.602	$0.801	$0.400	$0.200	$0.133	$0.100
Nonfat (Skim)	$1.259	$0.629	$0.315	$0.157	$0.105	$0.079

Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	-$0.108↓	-$0.054↓	-$0.027↓	-$0.014↓	-$0.009↓	-$0.007↓
Reduced Fat 2%	-$0.098↓	-$0.049↓	-$0.025↓	-$0.012↓	-$0.008↓	-$0.006↓
Lowfat 1%	-$0.093↓	-$0.046↓	-$0.023↓	-$0.012↓	-$0.008↓	-$0.006↓
Nonfat (Skim)	-$0.070↓	-$0.035↓	-$0.018↓	-$0.009↓	-$0.006↓	-$0.004↓

Price Changes from the Previous Pricing Period Displayed in Cents

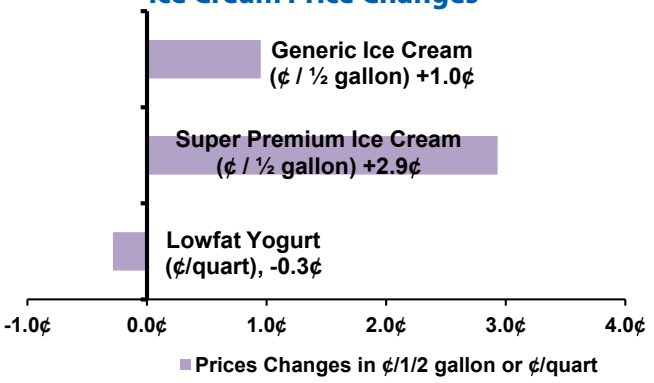
	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	-10.8¢↓	-5.4¢↓	-2.7¢↓	-1.4¢↓	-0.9¢↓	-0.7¢↓
Reduced Fat 2%	-9.8¢↓	-4.9¢↓	-2.5¢↓	-1.2¢↓	-0.8¢↓	-0.6¢↓
Lowfat 1%	-9.3¢↓	-4.6¢↓	-2.3¢↓	-1.2¢↓	-0.8¢↓	-0.6¢↓
Nonfat (Skim)	-7.0¢↓	-3.5¢↓	-1.8¢↓	-0.9¢↓	-0.6¢↓	-0.4¢↓

Whole milk decreased ten and eight tenths cents per gallon; reduced fat milk decreased nine and eight tenths cents per gallon; lowfat milk decreased nine and three tenths cents per gallon; and skim milk decreased seven and zero 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

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

CITY	March 2013				April 2013				May 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	$3.32	$3.27	$3.32	$3.04	$3.33	$3.27	$3.34	$3.04	$3.28	$3.25	$3.32	$3.05
San Diego	$3.48	$3.39	$3.54	$3.24	$3.43	$3.35	$3.53	$3.24	$3.39	$3.32	$3.48	$3.19
Sacramento	$3.89	$3.68	$3.78	$3.63	$3.88	$3.67	$3.78	$3.63	$3.88	$3.67	$3.76	$3.64
San Francisco	$4.15	$3.91	$4.26	$3.99	$4.13	$3.90	$4.29	$4.03	$4.11	$3.88	$4.28	$3.97
Denver	$2.99	$2.88	$2.93	$2.77	$2.94	$2.79	$2.84	$2.66	$2.92	$2.78	$2.84	$2.66
Las Vegas	$3.11	$2.93	$2.93	$2.96	$3.10	$2.96	$2.99	$3.00	$3.11	$2.92	$2.94	$3.23
Phoenix	$2.37	$2.26	$2.28	$2.22	$2.52	$2.47	$2.48	$2.42	$2.45	$2.38	$2.40	$2.34
Portland	$3.09	$2.82	$2.96	$2.89	$3.08	$2.81	$2.95	$2.87	$3.12	$2.86	$3.02	$2.97
Salt Lake City-Boise	$2.90	$2.69	$2.62	$2.88	$2.94	$2.71	$2.68	$2.86	$2.85	$2.64	$2.59	$2.84
Seattle	$3.11	$2.89	$2.95	$2.99	$3.09	$2.87	$2.96	$2.98	$3.09	$2.86	$2.95	$3.01

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. May data through the week ending 5/11/13.

California Department of Food and Agriculture (CDFA)

Karen Ross, *Secretary*

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