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Milk Pricing NEWSLETTER

Serving the California dairy industry for over 12 years

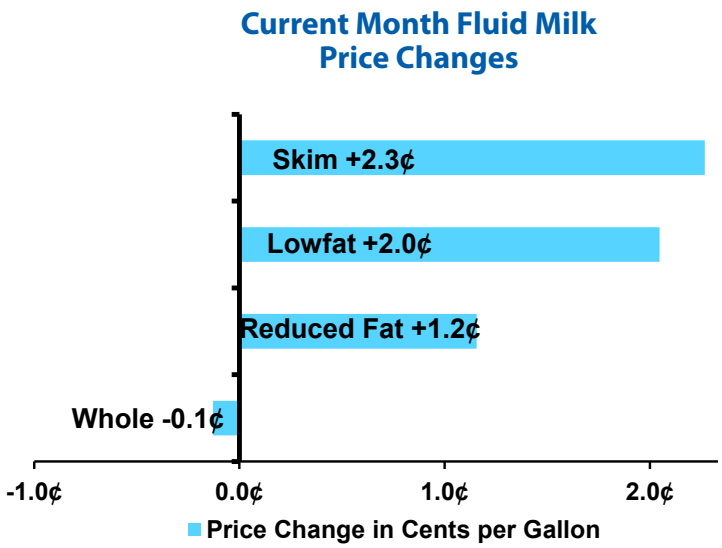
Dairy Marketing Branch, CDFA November 2013

Fluid Milk Price Changes for December 2013

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 Nonfat Dry Milk price increased, Grade AA Butter price decreased, while Western Dry Whey showed no change.

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 2013

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	$1.868	$0.934	$0.467	$0.234	$0.156	$0.117
Reduced Fat 2%	$1.821	$0.911	$0.455	$0.228	$0.152	$0.114
Lowfat 1%	$1.807	$0.903	$0.452	$0.226	$0.151	$0.113
Nonfat (Skim)	$1.431	$0.716	$0.358	$0.179	$0.119	$0.089
Southern California						
Whole	$1.892	$0.946	$0.473	$0.236	$0.158	$0.118
Reduced Fat 2%	$1.845	$0.922	$0.461	$0.231	$0.154	$0.115
Lowfat 1%	$1.830	$0.915	$0.458	$0.229	$0.153	$0.114
Nonfat (Skim)	$1.455	$0.728	$0.364	$0.182	$0.121	$0.091

Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	-$0.001 ↓	-$0.001 ↓	$0.000	$0.000	$0.000	$0.000
Reduced Fat 2%	$0.012	$0.006	$0.003	$0.001	$0.001	$0.001
Lowfat 1%	$0.020	$0.010	$0.005	$0.003	$0.002	$0.001
Nonfat (Skim)	$0.023	$0.011	$0.006	$0.003	$0.002	$0.001

Price Changes from the Previous Pricing Period Displayed in Cents

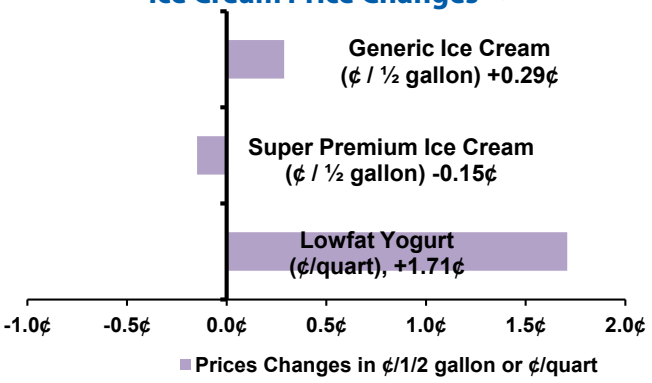
	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	-0.1¢ ↓	-0.1¢ ↓	0.0¢	0.0¢	0.0¢	0.0¢
Reduced Fat 2%	1.2¢	0.6¢	0.3¢	0.1¢	0.1¢	0.1¢
Lowfat 1%	2.0¢	1.0¢	0.5¢	0.3¢	0.2¢	0.1¢
Nonfat (Skim)	2.3¢	1.1¢	0.6¢	0.3¢	0.2¢	0.1¢

Whole milk decreased one tenth of a cent per gallon; reduced fat milk increased one and two tenths cents per gallon; lowfat milk increased two and zero tenths cents per gallon; and skim milk increased two and three 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)
April '12	$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	$1.38	$1.54
July	$0.34	$1.35	$0.53	$1.33	$1.50
August	$0.37	$1.31	$0.52	$1.26	$1.57
September	$0.37	$1.31	$0.52	$1.34	$1.60
October	$0.39	$1.30	$0.53	$1.40	$1.62
November	$0.39	$1.30	$0.53	N/A	N/A

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

CITY	July 2013				August 2013				September 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	$3.28	$3.29	$3.28	$3.03	$3.35	$3.27	$3.38	$3.10	$3.36	$3.25	$3.37	$3.07
San Diego	$3.41	$3.35	$3.51	$3.22	$3.44	$3.35	$3.57	$3.26	$3.47	$3.35	$3.57	$3.23
Sacramento	$3.95	$3.74	$3.83	$3.82	$3.97	$3.76	$3.84	$3.86	$3.98	$3.75	$3.86	$3.82
San Francisco	$4.17	$3.96	$4.31	$4.09	$4.19	$3.97	$4.35	$4.09	$4.18	$3.98	$4.36	$4.10
Denver	$2.98	$2.85	$2.89	$2.73	$2.94	$2.81	$2.87	$2.73	$2.95	$2.82	$2.87	$2.73
Las Vegas	$3.19	$2.98	$3.00	$3.26	$3.12	$2.99	$3.01	$3.28	$3.13	$3.00	$3.00	$3.33
Phoenix	$2.45	$2.37	$2.38	$2.29	$2.47	$2.37	$2.40	$2.30	$2.33	$2.22	$2.24	$2.17
Portland	$3.16	$2.91	$3.05	$3.00	$3.06	$2.81	$2.95	$2.87	$3.08	$2.81	$2.94	$2.90
Salt Lake City-Boise	$2.91	$2.72	$2.69	$2.87	$2.90	$2.69	$2.65	$2.88	$2.93	$2.71	$2.68	$2.89
Seattle	$3.16	$2.94	$3.01	$3.05	$3.09	$2.87	$2.97	$2.98	$3.09	$2.87	$2.96	$2.99

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. Prices may include organic and raw milks. Data subject to revision. September data through the week ending 9/28/13.

California Department of Food and Agriculture (CDFA)

Karen Ross, *Secretary*

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