cdfa

Milk Pricing NEWSLETTER

Serving the California dairy industry for over 12 years

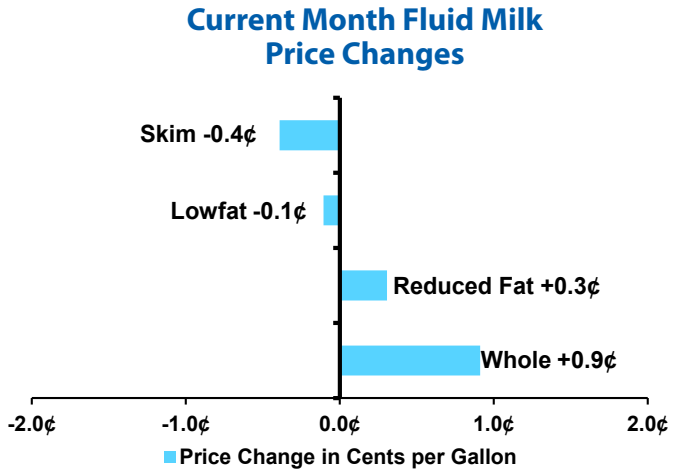
Dairy Marketing Branch, CDFA August 2014

Fluid Milk Price Changes for September 2014

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, Grade AA Butter, and Western Dry Whey increased, while Nonfat Dry Milk decreased.

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 September 2014

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	$2.183	$1.092	$0.546	$0.273	$0.182	$0.136
Reduced Fat 2%	$1.994	$0.997	$0.499	$0.249	$0.166	$0.125
Lowfat 1%	$1.884	$0.942	$0.471	$0.235	$0.157	$0.118
Nonfat (Skim)	$1.425	$0.712	$0.356	$0.178	$0.119	$0.089
Southern California						
Whole	$2.207	$1.103	$0.552	$0.276	$0.184	$0.138
Reduced Fat 2%	$2.018	$1.009	$0.504	$0.252	$0.168	$0.126
Lowfat 1%	$1.907	$0.954	$0.477	$0.238	$0.159	$0.119
Nonfat (Skim)	$1.449	$0.725	$0.362	$0.181	$0.121	$0.091

Price Changes from the Previous Pricing Period

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

Price Changes from the Previous Pricing Period Displayed in Cents

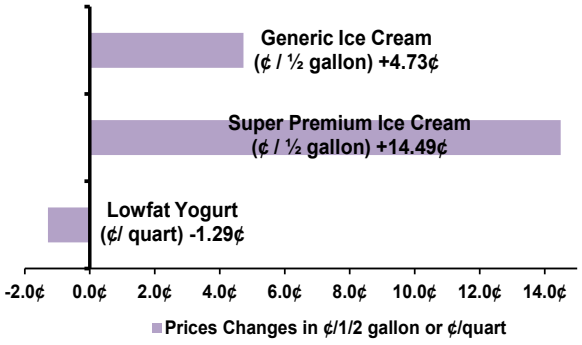
	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	0.9¢	0.5¢	0.2¢	0.1¢	0.1¢	0.1¢
Reduced Fat 2%	0.3¢	0.2¢	0.1¢	0.0¢	0.0¢	0.0¢
Lowfat 1%	-0.1¢ ↓	-0.1¢ ↓	0.0¢	0.0¢	0.0¢	0.0¢
Nonfat (Skim)	-0.4¢ ↓	-0.2¢ ↓	-0.1¢ ↓	0.0¢	0.0¢	0.0¢

Whole milk increased nine tenths of a cent per gallon; reduced fat milk increased three tenths of a cent per gallon; lowfat milk decreased one tenth of a cent per gallon; and skim milk decreased four 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.

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)
February '13	$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	$1.44	$1.66
December	$0.41	$1.40	$0.56	$1.47	$1.74
January '14	$0.41	$1.40	$0.56	$1.55	$1.96
February	$0.43	$1.50	$0.60	$1.68	$2.04
March	$0.43	$1.50	$0.60	$1.74	$2.14
April	$0.46	$1.64	$0.66	$1.80	$2.10
May	$0.46	$1.64	$0.66	$1.96	$1.86
June	$0.44	$1.70	$0.67	$2.10	$1.83
July	$0.44	$1.70	$0.67	$2.10	$1.83
August	$0.42	$1.84	$0.72	$2.30	$1.81

Average U.S. Retail Prices for Whole, Reduced Fat, Lowfat, and Skim Milk Selected Cities, May-July 2014

CITY	May 2014				June 2014				July 2014			
	Whole	Reduced Fat	Lowfat	Skim	Whole	Reduced Fat	Lowfat	Skim	Whole	Reduced Fat	Lowfat	Skim
	Weighted Average Prices in Dollars Per Gallon											
Los Angeles	$3.81	$3.73	$3.84	$3.44	$3.67	$3.58	$3.68	$3.27	$3.80	$3.70	$3.79	$3.35
San Diego	$3.98	$3.88	$4.04	$3.68	$3.93	$3.81	$3.98	$3.62	$3.99	$3.83	$4.00	$3.67
Sacramento	$4.56	$4.43	$4.47	$4.57	$4.56	$4.43	$4.50	$4.69	$4.59	$4.45	$4.55	$4.84
San Francisco	$4.79	$4.61	$4.89	$4.71	$4.78	$4.60	$4.89	$4.80	$4.79	$4.60	$4.88	$5.13
Denver	$3.42	$3.27	$3.29	$3.24	$3.32	$3.10	$3.12	$3.13	$3.50	$3.23	$3.23	$3.09
Las Vegas	$3.45	$3.27	$3.25	$3.39	$3.39	$3.23	$3.20	$3.39	$3.49	$3.30	$3.30	$3.56
Phoenix	$2.58	$2.48	$2.50	$2.44	$2.60	$2.48	$2.51	$2.37	$2.61	$2.48	$2.52	$2.28
Portland	$3.48	$3.22	$3.34	$3.33	$3.34	$3.09	$3.21	$3.23	$3.36	$3.04	$3.17	$3.17
Salt Lake City-Boise	$2.96	$2.88	$2.83	$3.04	$2.91	$2.83	$2.78	$2.95	$2.92	$2.83	$2.81	$2.88
Seattle	$3.54	$3.30	$3.39	$3.43	$3.38	$3.13	$3.23	$3.35	$3.38	$3.10	$3.21	$3.40

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. June data through the week ending 07/05/14.

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) 900-5014; Website: www.cdfa.ca.gov/dairy; email address: dairy@cdfa.ca.gov

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