



Milk Pricing

NEWSLETTER

Serving the California dairy industry for over 12 years

Dairy Marketing Branch, CDFA

February 2014

Fluid Milk Price Changes for March 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, Nonfat Dry Milk, Western Dry Whey and Grade AA Butter 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.

Current Month Fluid Milk Price Changes



Minimum Prices for the Four Types of Fluid Milk, by Container Size for March 2014

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$2.183	\$1.091	\$0.546	\$0.273	\$0.182	\$0.136
Reduced Fat 2%	\$2.106	\$1.053	\$0.526	\$0.263	\$0.175	\$0.132
Lowfat 1%	\$2.073	\$1.037	\$0.518	\$0.259	\$0.173	\$0.130
Nonfat (Skim)	\$1.632	\$0.816	\$0.408	\$0.204	\$0.136	\$0.102

Southern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$2.206	\$1.103	\$0.551	\$0.276	\$0.184	\$0.138
Reduced Fat 2%	\$2.129	\$1.065	\$0.532	\$0.266	\$0.177	\$0.133
Lowfat 1%	\$2.097	\$1.049	\$0.524	\$0.262	\$0.175	\$0.131
Nonfat (Skim)	\$1.657	\$0.828	\$0.414	\$0.207	\$0.138	\$0.104

Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$0.195	\$0.098	\$0.049	\$0.024	\$0.016	\$0.012
Reduced Fat 2%	\$0.165	\$0.082	\$0.041	\$0.021	\$0.014	\$0.010
Lowfat 1%	\$0.145	\$0.073	\$0.036	\$0.018	\$0.012	\$0.009
Nonfat (Skim)	\$0.103	\$0.051	\$0.026	\$0.013	\$0.009	\$0.006

Price Changes from the Previous Pricing Period Displayed in Cents

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	19.5¢	9.8¢	4.9¢	2.4¢	1.6¢	1.2¢
Reduced Fat 2%	16.5¢	8.2¢	4.1¢	2.1¢	1.4¢	1.0¢
Lowfat 1%	14.5¢	7.3¢	3.6¢	1.8¢	1.2¢	0.9¢
Nonfat (Skim)	10.3¢	5.1¢	2.6¢	1.3¢	0.9¢	0.6¢

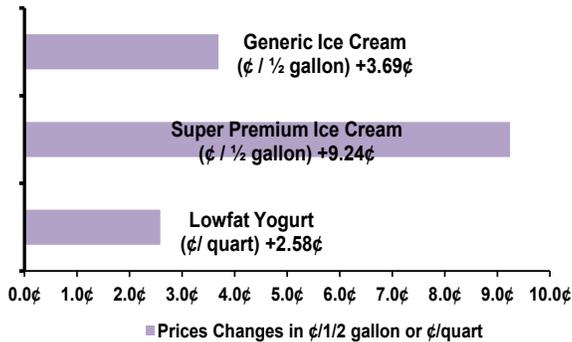
Whole milk increased nineteen and five tenths cents per gallon; reduced fat milk increased sixteen and five tenths cents per gallon; lowfat milk increased fourteen and five tenths cents per gallon; and skim milk increased ten and three tenths cents per gallon.

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.

	Lowfat Yogurt (\$/qt)	Super Premium Ice Cream (\$/1.5 qt)*	Generic Ice Cream (\$/1.5 qt)*	Grade AA Butter (\$/lb)	Cheese (\$/lb)
July '12	\$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	\$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

Current Month Yogurt and Ice Cream Price Changes



Average U.S. Retail Prices for Whole, Reduced Fat, Lowfat, and Skim Milk Selected Cities, November 2013 - January 2014

CITY	November 2013				December 2013				January 2014			
	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	\$3.43	\$3.34	\$3.46	*	\$3.54	\$3.45	\$3.55	*	\$3.59	\$3.51	\$3.62	\$3.40
San Diego	\$3.57	\$3.46	\$3.67	*	\$3.68	\$3.56	\$3.74	*	\$3.74	\$3.62	\$3.81	\$3.54
Sacramento	\$4.11	\$3.88	\$3.97	*	\$4.17	\$3.93	\$4.01	*	\$4.24	\$4.00	\$4.07	\$4.12
San Francisco	\$4.32	\$4.12	\$4.48	*	\$4.37	\$4.17	\$4.54	*	\$4.46	\$4.26	\$4.60	\$4.38
Denver	\$2.98	\$2.85	\$2.89	*	\$3.18	\$3.04	\$3.09	*	\$3.26	\$3.16	\$3.24	\$3.14
Las Vegas	\$3.12	\$3.14	\$2.98	*	\$3.24	\$3.18	\$3.07	*	\$3.30	\$3.15	\$3.13	\$3.26
Phoenix	\$2.60	\$2.59	\$2.54	*	\$2.49	\$2.44	\$2.43	*	\$2.65	\$2.52	\$2.59	\$2.59
Portland	\$3.12	\$3.19	\$2.98	*	\$3.18	\$3.27	\$3.05	*	\$3.25	\$2.97	\$3.10	\$3.04
Salt Lake City-Boise	\$2.99	\$3.49	\$2.59	*	\$2.93	\$4.13	\$2.61	*	\$3.08	\$3.41	\$2.84	\$3.86
Seattle	\$3.15	\$3.34	\$2.99	*	\$3.22	\$3.39	\$3.08	*	\$3.25	\$3.17	\$3.11	\$3.15

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. March data through the week ending 01/18/14.

*Data under revision.

California Department of Food and Agriculture (CDFA)

Karen Ross, Secretary

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