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Milk Pricing NEWSLETTER

Serving the California dairy industry for over 12 years

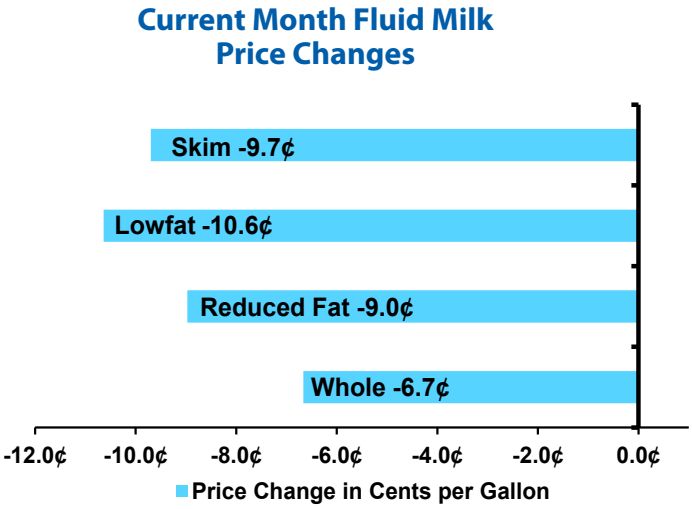
Dairy Marketing Branch, CDFA May 2014

Fluid Milk Price Changes for June 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 Grade AA Butter and Dry Whey increased, while Cheddar Cheese and 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 June 2014

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	$2.159	$1.079	$0.540	$0.270	$0.180	$0.135
Reduced Fat 2%	$2.042	$1.021	$0.510	$0.255	$0.170	$0.128
Lowfat 1%	$1.982	$0.991	$0.495	$0.248	$0.165	$0.124
Nonfat (Skim)	$1.539	$0.770	$0.385	$0.192	$0.128	$0.096
Southern California						
Whole	$2.182	$1.091	$0.546	$0.273	$0.182	$0.136
Reduced Fat 2%	$2.066	$1.033	$0.516	$0.258	$0.172	$0.129
Lowfat 1%	$2.005	$1.003	$0.501	$0.251	$0.167	$0.125
Nonfat (Skim)	$1.563	$0.782	$0.391	$0.195	$0.130	$0.098

Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	-$0.067 ↓	-$0.033 ↓	-$0.017 ↓	-$0.008 ↓	-$0.006 ↓	-$0.004 ↓
Reduced Fat 2%	-$0.090 ↓	-$0.045 ↓	-$0.022 ↓	-$0.011 ↓	-$0.007 ↓	-$0.006 ↓
Lowfat 1%	-$0.106 ↓	-$0.053 ↓	-$0.027 ↓	-$0.013 ↓	-$0.009 ↓	-$0.007 ↓
Nonfat (Skim)	-$0.097 ↓	-$0.048 ↓	-$0.024 ↓	-$0.012 ↓	-$0.008 ↓	-$0.006 ↓

Price Changes from the Previous Pricing Period Displayed in Cents

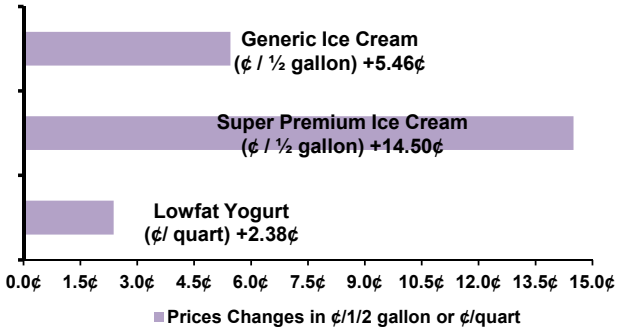
	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	-6.7¢ ↓	-3.3¢ ↓	-1.7¢ ↓	-0.8¢ ↓	-0.6¢ ↓	-0.4¢ ↓
Reduced Fat 2%	-9.0¢ ↓	-4.5¢ ↓	-2.2¢ ↓	-1.1¢ ↓	-0.7¢ ↓	-0.6¢ ↓
Lowfat 1%	-10.6¢ ↓	-5.3¢ ↓	-2.7¢ ↓	-1.3¢ ↓	-0.9¢ ↓	-0.7¢ ↓
Nonfat (Skim)	-9.7¢ ↓	-4.8¢ ↓	-2.4¢ ↓	-1.2¢ ↓	-0.8¢ ↓	-0.6¢ ↓

Whole milk decreased six and seven tenths cents per gallon; reduced fat milk decreased nine and zero tenths cents per gallon; lowfat milk decreased ten and six tenths cents per gallon; and skim milk decreased nine and seven 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)
November '12	$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
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	N/A	N/A

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

CITY	February 2014				March 2014				April 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	$3.63	$3.54	$3.66	$3.46	$3.70	$3.61	$3.71	$3.42	$3.79	$3.70	$3.82	$3.39
San Diego	$3.77	$3.64	$3.84	$3.60	$3.87	$3.75	$3.92	$3.66	$3.93	$3.82	$4.00	$3.60
Sacramento	$4.29	$4.12	$4.19	$4.27	$4.48	$4.32	$4.38	$4.46	$4.51	$4.38	$4.44	$4.49
San Francisco	$4.53	$4.35	$4.67	$4.45	$4.68	$4.52	$4.84	$4.64	$4.70	$4.51	$4.83	$4.60
Denver	$3.29	$3.15	$3.23	$3.10	$3.38	$3.22	$3.30	$3.18	$3.42	$3.31	$3.32	$3.26
Las Vegas	$3.29	$3.15	$3.14	$3.30	$3.20	$3.07	$3.00	$3.12	$3.38	$3.25	$3.21	$3.31
Phoenix	$2.55	$2.44	$2.47	$2.40	$2.59	$2.47	$2.50	$2.42	$2.58	$2.47	$2.49	$2.44
Portland	$3.30	$3.01	$3.16	$3.07	$3.42	$3.13	$3.26	$3.19	$3.42	$3.12	$3.24	$3.16
Salt Lake City-Boise	$3.08	$2.89	$2.86	$3.13	$2.94	$2.77	$2.71	$3.01	$2.95	$2.90	$2.83	$2.97
Seattle	$3.32	$3.07	$3.18	$3.18	$3.43	$3.18	$3.27	$3.31	$3.45	$3.20	$3.29	$3.28

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 04/12/14.

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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