CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE
Karen Ross, Secretary

August 1, 2012

RE: ANNOUNCEMENT OF MINIMUM PRICES FOR CLASSES 2, 3, 4a and 4b MARKET MILK

TO ALL INTERESTED PARTIES:

On the reverse side of this page are the minimum prices for Classes 2, 3, 4a and 4b market milk for July, August and September 2012. All prices are f.o.b. milk processing plant. As provided in the Stabilization and Marketing Plans for Market Milk (Plans), milk handlers shall pay producers the minimum prices for market milk components sold or used for all Classes 2, 3, 4a and 4b purposes as specified on the reverse side of this page. The calculated monthly California weighted average price for Extra Grade & Grade A Nonfat Dry Milk reflects the audit verification process. This price can differ from the reported weekly prices.

If market milk components are purchased f.o.b. producer's dairy location, haul deductions may be made as provided in the Plans.

Equivalent hundredweight prices shown in the right-hand column are based upon milk that is 3.5% fat and 8.7% solids-not-fat (SNF). These classified minimum prices that processors must pay for milk received from producers are calculated based upon mathematical formulas. The formulas are established and amended as needed through a public hearing process. These formulas include commercial prices for manufactured dairy products (butter, Cheddar cheese, and nonfat dry milk). These commercial prices are also listed on the reverse side of this page.

You can access class price information over the Internet on the Department's dairy homepage at http://www.cdfa.ca.gov/dairy. From the main menu, select the [Dairy Prices] link and then the [Minimum Class Price Letters] link. Once there, be sure to make a bookmark for future reference. Current class price information is also available on a recorded message. Please call (800) 503-3490 to hear the recording. If you are calling from Sacramento, or from outside of California, please call (916) 442-MILK.

For more information, please contact us at the telephone number or e-mail address below.

Sincerely,

Candace Gates, Chief
Dairy Marketing Branch

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MINIMUM PRICES FOR CLASSES 2, 3, 4a & 4b MARKET MILK
F.O.B. PROCESSING PLANT

Released: August 1, 2012

CLASS 2:			**EQUIVALENT**
For August and September 2012	**LB. FAT**	**LB. SNF**	**PER CWT.**
Northern California	$1.5538	$0.9563	$13.76
Southern California	$1.5538	$0.9830	$13.99

CLASS 3:			**EQUIVALENT**
For August and September 2012	**LB. FAT**	**LB. SNF**	**PER CWT.**
Statewide	$1.5538	$0.9506	$13.71

CLASS 4a:			**EQUIVALENT**
July 2012	**LB. FAT**	**LB. SNF**	**PER CWT.**
Statewide	$1.6141	$0.9018	$13.50

CLASS 4b:			**EQUIVALENT**
July 2012	**LB. FAT**	**LB. SNF**	**PER CWT.**
Statewide	$1.6141	$1.0956	$15.18

COMMODITY MARKET PRICES:	**$ PER LB.**
Chicago Mercantile Exchange Grade AA Butter - Daily Simple Average (June 26th - July 25th)	$1.5571
Chicago Mercantile Exchange Block Cheddar Cheese - Daily Simple Average (June 26th - July 25th)	$1.6746
California Extra Grade & Grade A Nonfat Dry Milk - Monthly Weighted Average (June 26th - July 25th)	$1.0781
Dairy Market News Western Dry Whey (Mostly) - Monthly Simple Average (June 26th - July 25th)	$0.4931

September 2012 Class 1 prices will be announced no later than 4:00 p.m. on August 10, 2012.
October and November 2012 Class 2 and 3 prices will be announced no later than 4:00 p.m. on October 1, 2012.
August 2012 Class 4a and 4b prices will be announced no later than 4:00 p.m. on September 4, 2012.