

Jeff Cesca Appointed As Director of the Division of Marketing Services

Secretary Ross has announced the appointment of Jeff Cesca as Director of the Division of Marketing Services of CDFA, effective March 24, 2015. Jeff fills the vacancy left by Dr. Stephen Beam, who is now with the Milk and Dairy Food Safety Branch. Jeff started his career at CDFA in the Budget Office as a Budget Analyst and then went to Marketing Services, first as an Administrative Assistant,

and then as the Division's Special Assistant. Jeff earned his Bachelor's degree in Business Administration from San Francisco State University and his Master's of Business Administration from Golden Gate University. His education and lengthy history in the Division will be valuable in this new role as the director.

California Milk Production Cost Comparison, by Region, 2013-2014

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
	<i>Dollars per Hundredweight</i>									
1st Quarter										
Total Costs	\$24.44	\$24.89	\$17.64	\$16.73	\$17.57	\$16.19	\$16.96	\$16.11	\$17.69	\$16.56
Total Costs & Allowances*	\$26.14	\$26.92	\$19.08	\$18.38	\$19.06	\$17.84	\$18.38	\$17.76	\$19.16	\$18.22
2nd Quarter										
Total Costs	\$22.52	\$23.50	\$17.00	\$17.07	\$16.81	\$16.72	\$16.57	\$15.73	\$16.98	\$16.93
Total Costs & Allowances*	\$24.19	\$25.34	\$18.42	\$18.69	\$18.27	\$18.33	\$17.88	\$17.33	\$18.42	\$18.55
3rd Quarter										
Total Costs	\$22.94	\$25.74	\$17.58	\$17.75	\$17.73	\$17.75	\$17.16	\$17.03	\$17.76	\$17.88
Total Costs & Allowances*	\$24.71	\$27.69	\$19.13	\$19.43	\$19.35	\$19.44	\$18.70	\$18.75	\$19.35	\$19.58
4th Quarter										
Total Costs	\$24.74	\$27.47	\$17.61	\$18.30	\$17.04	\$18.22	\$16.27	\$17.31	\$17.37	\$18.39
Total Costs & Allowances*	\$26.68	\$29.38	\$19.23	\$19.93	\$18.68	\$19.85	\$17.70	\$18.99	\$19.01	\$20.09

*Includes an allowance for management and a return on investment.

Recent Data Releases Posted to the Dairy Marketing Branch Website:

The California Hauling Surveys for Ranch-to-Plant rates, Plant-to-Plant rates, and Transportation Allowance areas was posted to the website at: <http://www.cdfa.ca.gov/dairy/uploader/postings/haulingsurveys/>

The Statistics & Trends Annual data tables for 2014 Data have been posted to the website at: http://www.cdfa.ca.gov/dairy/dairystats_annual.html

California Dairy Product and Milk Pooling data tables have been posted at: <http://www.cdfa.ca.gov/dairy/uploader/postings/datastats/>

California Minimum Class Prices

Hundredweight Prices

Class	Feb.	Mar.	Apr.
1 No. Calif.	\$17.08	\$16.66	\$16.94
So. Calif.	\$17.36	\$16.93	\$17.21
2 No. Calif.	\$15.25	\$15.25	N/A
So. Calif.	\$15.49	\$15.49	N/A
3	\$15.21	\$15.21	N/A
4a	\$13.46	N/A	N/A
4b	\$13.78	N/A	N/A

Quota Transfer Summary

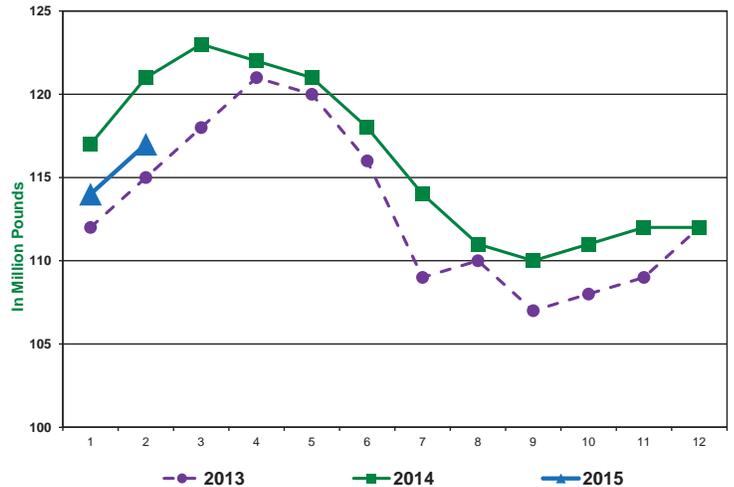
Quota Transfers	Jan.	Feb.	Mar.
Number of Sellers	1	0	1
Pounds of SNF Quota Transferred	2,007	0	563
Average Price Per Pound of SNF Quota	\$525	\$0	\$525

California Pool Prices

Pool Price	Dec.	Jan.	Feb.
Quota	\$18.22	\$15.85	\$15.53
Overbase	\$16.52	\$14.15	\$13.83

California Milk Production

Average Daily Basis: 2013, 2014, 2015



California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	Feb. 27, 2015		Mar. 6, 2015		Mar. 13, 2015		Mar. 20, 2015		
	Delivered	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas									
Supreme	N/A	N/A	750	\$285-\$300	450	\$285-\$300	500	\$280-\$300	
Premium	N/A	N/A	2,700	\$258-\$285	3,050	\$265-\$285	3,150	\$260-\$280	
Good	N/A	N/A	1,425	\$230-\$250	2,675	\$235-\$265	4,375	\$225-\$265	
Fair	N/A	N/A	2,050	\$185-\$205	3,507	\$180-\$205	800	\$190-\$200	
Escalon, Modesto, Turlock Areas									
Supreme	N/A	N/A	-	No Sales	350	\$285-\$310	650	\$200-\$310	
Premium	N/A	N/A	400	\$265-\$290	750	\$270-\$285	2,375	\$265-\$278	
Good	N/A	N/A	-	No Sales	175	\$220-\$258	30	\$245	
Fair	N/A	N/A	200	\$205-\$215	715	\$195-\$210	250	\$190-\$200	

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	Feb.	Mar.	Apr.
Phoenix, Arizona	\$18.59	\$18.59	\$17.85
Portland, Oregon	\$18.14	\$18.14	\$17.40
Boston (Northeast)	\$19.49	\$19.49	\$18.75
Class III	\$15.46	N/A	N/A

USDA Dairy Cow Culling Activity

Week Ending	Region 9 ¹ Dairy Cows	U.S. Dairy Cows	West Region ² Price Range
	Head	Head	\$/cwt.
2/14/15	17,800	63,700	\$80-\$110
2/21/15	17,200	57,300	\$79-\$88
2/28/15	16,600	58,400	\$85-\$91
3/7/15	16,200	60,100	\$84-\$91

¹ Region 9 includes AZ, CA, HI and NV

² West region includes AZ, NV, UT, CA, ID, OR and WA

Source: USDA Market News: Report LM_CT168 and SJ_LS714

USDA Commercial Cold Storage Report

Month	Butter		American Cheese		Nonfat Dry Milk	
	2014	2015	2014	2015	2014	2015
<i>In Million Pounds</i>						
January	144	149	631	634	149	240
February	172	178	629	643	182	N/A
March	180		639		214	
April	174		648		239	
May	193		656		221	
June	186		655		229	
July	170		660		250	
August	165		662		243	
September	146		631		178	
October	139		623		195	
November	101		635		222	
December	104		628		241	

Source: USDA, Farm Services Agency, NASS Cold Storage and Dairy Products. (As published in the Dairy Market News)

USDA Milk-Feed Price Ratio

USDA reports that the milk-feed price ratio for January 2015 was 2.09 (down from 2.38 in December 2014). The current ratio of 2.09 means that a dairy producer can buy 2.09 pounds of feed for every pound of milk sold. The prices used to calculate the January 2015 milk-feed price ratio were: corn \$3.81/bushel; soybeans \$10.30/bushel; all-milk price \$17.60/cwt. (decreased from \$20.40 in December 2014).

Prices used to calculate the milk-feed price ratio are based on U.S. prices and don't necessarily reflect California prices.

National Dairy Situation & Outlook USDA Estimates

Milk Production

Monthly: USDA estimates overall milk production across the U.S. increased 1.7% in February 2015, compared to February 2014. USDA reports that California milk production decreased 3.8% compared to February 2014 (with 2,000 less cows and 70 less pounds of milk per cow). Among other western states, compared to February 2014, Arizona was up 2.9%; New Mexico was down 3.7%; and Washington was up 2.4%. Two of the top 10 milk producing states reported a production decrease. The largest increase was reported by South Dakota at 9.6% growth in milk production (on 6,000 more cows and 50 more pounds of milk per cow).

Quarterly: For the fourth quarter of 2014 compared to the third quarter of 2014, U.S. milk cow numbers increased to 9.287 million head, milk production per cow decreased to 5,487 pounds; the net effect was a decrease in milk production to 51.0 billion pounds. USDA projects that for the first quarter of 2015 compared to the fourth quarter of 2014, milk cow numbers will increase to 9.315 million head, production per cow will increase to 5,620 pounds; the net effect would be an increase in milk production to 52.4 billion pounds.

Milk Prices

Comparing the fourth quarter of 2014 to the third quarter of 2014, U.S. average all-milk prices decreased to \$22.77/cwt. USDA projects that for the first quarter of 2015, U.S. average all-milk prices will be \$16.80-\$17.00/cwt.; Class III prices will be \$15.55-\$15.75/cwt.; and Class IV prices will be \$13.60-\$13.90/cwt.

Utility Cow Prices

Comparing the fourth quarter of 2014 to the third quarter of 2014, average U.S. utility cow prices were down \$2.06/cwt. to a national average of \$109.21/cwt. USDA projects that utility cow prices will average \$105-\$108/cwt. in the first quarter of 2015.

Top Ten Milk Production States - Feb. 2015

(Percent Change from Same Month/Previous Year)

1. California	-3.8%	6. Texas	+4.2%
2. Wisconsin	+4.3%	7. Michigan	+7.8%
3. New York	+2.3%	8. Minnesota	+4.3%
4. Idaho	+1.5%	9. New Mexico	-3.7%
5. Pennsylvania	+2.0%	10. Washington	+2.4%

Information from the USDA-NASS publication "Milk Production" and the USDA-ERS publication: "Livestock, Dairy, and Poultry Outlook."

Milk Mailbox Prices in Dollars per Hundredweight - 2014

2014 Mailbox Milk Prices

Reporting Areas	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Dollars Per Hundredweight												
California	\$22.04	\$22.67	\$23.36	\$23.13	\$21.72	\$21.60	\$21.32	\$22.27	\$23.31	\$22.66	\$20.26	\$17.64
New England States	\$24.68	\$25.94	\$26.30	\$26.41	\$25.91	\$24.92	\$25.06	\$25.94	\$27.18	\$25.80	\$24.06	\$22.84
New York	\$23.64	\$25.06	\$25.58	\$25.66	\$25.16	\$24.08	\$24.27	\$25.25	\$26.39	\$24.85	\$23.00	\$21.53
Eastern Pennsylvania	\$23.75	\$25.10	\$25.48	\$25.58	\$25.12	\$24.07	\$24.20	\$25.17	\$26.25	\$24.85	\$22.99	\$21.60
Appalachian States	\$24.59	\$25.41	\$25.96	\$25.78	\$25.77	\$24.68	\$25.27	\$26.46	\$27.14	\$26.11	\$24.58	\$23.68
Southeast States	\$24.62	\$25.69	\$26.10	\$25.83	\$26.12	\$24.85	\$25.83	\$27.29	\$27.98	\$26.79	\$25.11	\$24.48
Southern Missouri	\$23.69	\$24.57	\$24.92	\$24.64	\$24.63	\$23.66	\$24.44	\$25.77	\$27.34	\$26.44	\$24.69	\$22.84
Florida	\$25.33	\$26.77	\$27.27	\$27.13	\$27.41	\$25.78	\$27.40	\$28.67	\$29.25	\$28.10	\$26.43	\$25.98
Western Pennsylvania	\$23.69	\$25.20	\$25.61	\$25.77	\$24.87	\$23.70	\$23.83	\$24.89	\$26.27	\$25.24	\$22.99	\$21.36
Ohio	\$23.68	\$24.92	\$25.24	\$25.38	\$24.45	\$23.34	\$23.61	\$24.66	\$25.83	\$24.88	\$23.00	\$21.36
Indiana	\$23.03	\$24.22	\$24.46	\$24.51	\$23.87	\$22.61	\$22.96	\$24.31	\$25.35	\$24.31	\$22.42	\$20.51
Michigan	\$22.94	\$24.28	\$24.62	\$24.66	\$23.90	\$22.97	\$23.08	\$23.99	\$25.50	\$23.69	\$22.04	\$19.98
Wisconsin	\$23.51	\$25.31	\$25.34	\$25.91	\$24.38	\$22.91	\$23.16	\$23.96	\$26.27	\$25.76	\$21.82	\$20.92
Minnesota	\$23.48	\$25.48	\$25.43	\$26.06	\$24.47	\$22.85	\$23.11	\$23.98	\$26.52	\$25.91	\$21.69	\$20.24
Iowa	\$23.84	\$25.44	\$25.75	\$25.97	\$24.83	\$23.48	\$23.76	\$24.61	\$26.22	\$25.55	\$23.10	\$21.20
Illinois	\$23.75	\$25.50	\$25.61	\$25.81	\$24.80	\$23.33	\$23.61	\$24.63	\$26.40	\$26.00	\$23.28	\$20.97
Corn Belt States	\$22.77	\$24.24	\$24.39	\$24.51	\$23.32	\$21.84	\$21.84	\$22.59	\$24.55	\$23.88	\$22.21	\$19.50
Western Texas	\$22.73	\$24.31	\$24.32	\$24.42	\$22.96	\$21.43	\$21.56	\$22.37	\$24.10	\$23.65	\$21.87	\$18.80
New Mexico	\$21.53	\$22.90	\$22.96	\$22.94	\$21.77	\$20.25	\$20.25	\$21.10	\$22.88	\$22.59	\$20.80	\$18.09
Northwest States	\$23.73	\$24.63	\$25.36	\$24.97	\$23.85	\$23.29	\$23.47	\$24.38	\$25.86	\$24.04	\$21.81	\$19.53
All Federal Order Areas	\$23.47	\$24.91	\$25.18	\$25.33	\$24.37	\$23.11	\$23.36	\$24.29	\$25.92	\$24.88	\$22.46	\$20.83

California mailbox price calculated by CDFA Dairy Marketing Branch
All federal milk market order weighted average, as calculated by USDA.

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