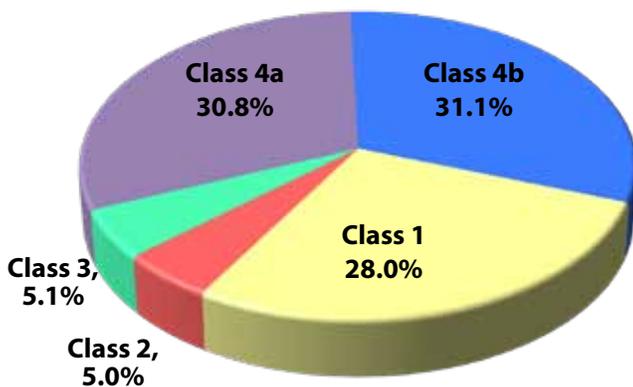
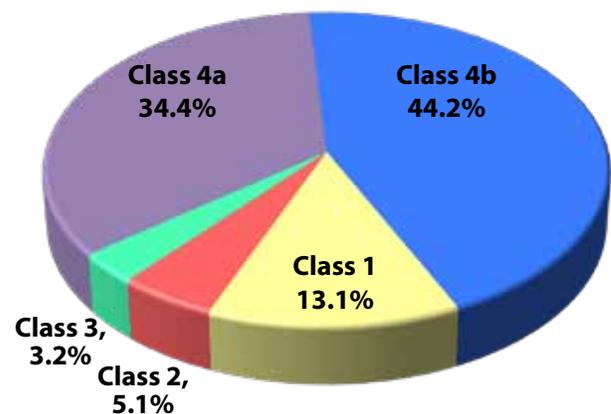


## Percent Utilization of Pooled Milk in California by Class, Comparing 1993 to 2013

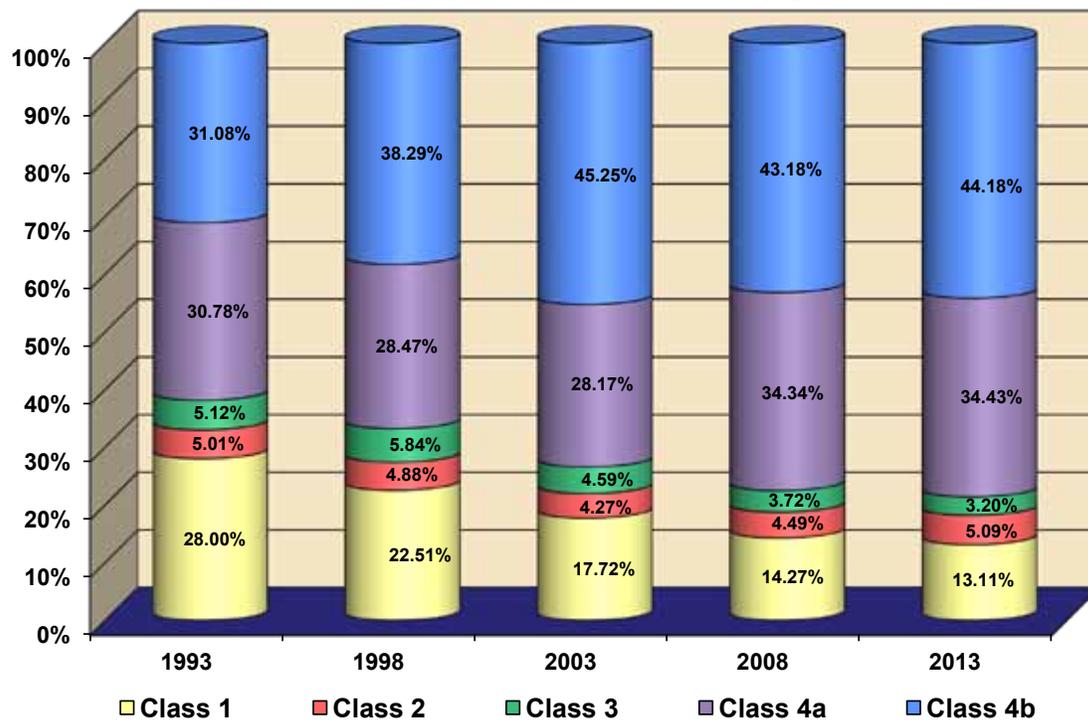
California Pooled Milk 1993



California Pooled Milk 2013



## Utilization of Pooled Milk in California, by Class: 1993 - 2013



► As indicated by the chart above: Over the last 20 years, Classes 1 and 3 have shown steady decreases in utilization, while Class 2 has shown slight fluctuation. For both 2012 and 2013, Class 4a (butter and nonfat dry milk) and Class 4b (cheese and whey products) have accounted for 78 percent of the utilization of pooled milk.

## California Minimum Class Prices

### Hundredweight Prices

Class	Feb.	Mar.	Apr.
1 No. Calif.	\$23.11	\$25.38	\$24.88
So. Calif.	\$23.38	\$25.65	\$25.15
2 No. Calif.	\$21.97	\$21.97	N/A
So. Calif.	\$22.21	\$22.21	N/A
3	\$21.93	\$21.93	N/A
4a	\$23.08	N/A	N/A
4b	\$21.14	N/A	N/A

## Quota Transfer Summary

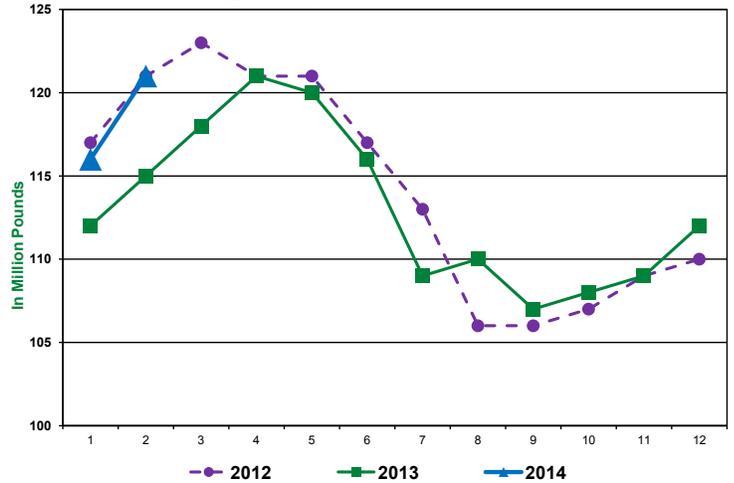
Quota Transfers	Jan.	Feb.	Mar.
Number of Sellers	3	5	3
Pounds of SNF Quota Transferred	2,696	6,929	2,616
Average Price Per Pound of SNF Quota	\$425	\$445	\$440

## California Pool Prices

Pool Price	Dec.	Jan.	Feb.
Quota	\$20.98	\$22.53	\$23.39
Overbase	\$19.28	\$20.83	\$21.69

## California Milk Production

### Average Daily Basis: 2012, 2013, 2014



February 2012 Milk Production included 29 days.

## California Milk Production Cost Comparison, by Region, 2012-2013

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
<i>Dollars per Hundredweight</i>										
<b>1st Quarter</b>										
Total Costs	\$23.47	\$24.44	\$16.79	\$17.64	\$16.31	\$17.57	\$16.36	\$16.96	\$16.63	\$17.69
Total Costs & Allowances*	\$25.28	\$26.14	\$18.21	\$19.08	\$17.77	\$19.06	\$17.89	\$18.38	\$18.09	\$19.16
<b>2nd Quarter</b>										
Total Costs	\$22.00	\$22.52	\$16.99	\$17.00	\$16.64	\$16.81	\$16.04	\$16.57	\$16.84	\$16.98
Total Costs & Allowances*	\$23.60	\$24.19	\$18.34	\$18.42	\$18.02	\$18.27	\$17.47	\$17.88	\$18.22	\$18.42
<b>3rd Quarter</b>										
Total Costs	\$22.34	\$22.94	\$18.19	\$17.58	\$18.61	\$17.73	\$17.53	\$17.16	\$18.46	\$17.76
Total Costs & Allowances*	\$23.96	\$24.71	\$19.62	\$19.13	\$20.12	\$19.35	\$19.07	\$18.70	\$19.94	\$19.35
<b>4th Quarter</b>										
Total Costs	\$24.54	\$24.74	\$18.30	\$17.61	\$18.58	\$17.04	\$17.92	\$16.27	\$18.55	\$17.37
Total Costs & Allowances*	\$26.31	\$26.68	\$19.78	\$19.23	\$20.13	\$18.68	\$19.56	\$17.70	\$20.08	\$19.01

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

## California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	February 28, 2014		March 7, 2014		March 14, 2014		March 21, 2014	
	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
<b>Tulare, Hanford Areas</b>								
Supreme	2,100	\$310-\$335	4,600	\$315-\$335	5,375	\$320-\$335	4,250	\$320-\$341
Premium	2,225	\$300-\$325	3,000	\$300-\$320	2,600	\$300-\$320	3,082	\$310-\$325
Good	4,375	\$280-\$300	1,250	\$285-\$310	900	\$300-\$315	400	\$290-\$310
Fair	1,000	\$270-\$285	1,400	\$265-\$280	2,290	\$270-\$280	1,100	\$265-\$280
<b>Escalon, Modesto, Turlock Areas</b>								
Supreme	1,225	\$320-\$340	125	\$318-\$325	1,100	\$318-\$355	1,230	\$320-\$355
Premium	100	\$315	550	\$300-\$315	665	\$300-\$330	280	\$300-\$330
Good	125	\$280-\$300	250	\$288-\$300	150	\$295-\$305	275	\$280-\$300
Fair	150	\$270-\$275	125	\$268-\$275	225	\$275-\$280	150	\$270-\$280

Source: The Hoyt Report, Inc.

## Federal Order Minimum Class Prices

### Hundredweight Prices

Class I	Feb.	Mar.	Apr.
Phoenix, Arizona	\$24.37	\$25.99	\$26.00
Portland, Oregon	\$23.92	\$25.54	\$25.55
Boston (Northeast)	\$25.27	\$26.89	\$26.90
<b>Class III</b>	<b>\$23.35</b>	<b>N/A</b>	<b>N/A</b>

## USDA Dairy Cow Culling Activity

Week Ending	Region 9 <sup>1</sup> Dairy Cows	U.S. Dairy Cows	West Region <sup>2</sup> Price Range
	Head	Head	\$/cwt.
02/14/14	15,100	57,800	\$80-\$88
02/21/14	15,300	58,400	\$77-\$88
02/28/14	15,900	61,200	\$76-\$82
03/07/14	15,800	59,600	\$82-\$90

<sup>1</sup> Region 9 includes AZ, CA, HI and NV

<sup>2</sup> 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	
	2013	2014	2013	2014	2013	2014
<i>In Million Pounds</i>						
January	207	138	644	631	249	149
February	240	164	667	628	225	-
March	255		680		214	
April	310		699		208	
May	321		714		227	
June	319		711		230	
July	296		705		207	
August	269		670		194	
September	233		661		147	
October	182		626		111	
November	121		616		114	
December	112		618		133	

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 February 2014 was 2.55 (increased 0.09 from January 2014). The current ratio of 2.55 means that a dairy producer can buy 2.55 pounds of feed for every pound of milk sold. The prices used to calculate the February 2014 milk-feed price ratio were: corn \$4.47/bushel; soybeans \$13.10/bushel; baled alfalfa hay price not available; all-milk price \$24.70/cwt. (increased \$1.20 from January 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 1.1% in February 2014, compared to February 2013. USDA reports that California milk production increased 5.3% compared to February 2013 (on 1,000 more cows and 95 more pounds of milk per cow). Among other western states, compared to February 2013, Arizona was up 2.2%; New Mexico was down 1.4%; and Washington was up 3.1%. Four of the top 10 states reported a production decrease. The largest increase was reported by Colorado at 6.0% growth in milk production (on 5,000 more cows and 45 more pounds of milk per cow).

**Quarterly:** For the fourth quarter of 2013 compared to the third quarter of 2013, U.S. milk cow numbers decreased to 9.201 million head, milk production per cow decreased to 5,355 pounds; the net effect was milk production decreased to 49.3 billion pounds. USDA projects that for the first quarter of 2014 compared to the fourth quarter of 2013, milk cow numbers will increase to 9.225 million head, production per cow will increase to 5,520 pounds, the net effect would be increased milk production to 50.9 billion pounds.

### Milk Prices

Comparing the fourth quarter of 2013 to the third quarter of 2013, U.S. average all-milk prices increased to \$21.43/cwt. USDA projects that for the first quarter of 2014, U.S. average all-milk prices will be \$24.15-24.35/cwt.; Class III prices will be \$22.20-22.40/cwt.; and Class IV prices will be \$22.80-\$23.10/cwt.

### Utility Cow Prices

Comparing the fourth quarter of 2013 to the third quarter of 2013, average U.S. utility cow prices were down \$1.81/cwt. to a national average of \$76.55/cwt. USDA projects that utility cow prices will average \$85-88/cwt. in the first quarter of 2014.

## Top Ten Milk Production States - Jan. 2014

(Percent Change from Same Month/Previous Year)

1. California	+5.3%	6. Texas	+3.2%
2. Wisconsin	-2.0%	7. Michigan	+0.7%
3. New York	+0.2%	8. Minnesota	-2.3%
4. Idaho	+2.6%	9. New Mexico	-1.4%
5. Pennsylvania	-0.2%	10. Washington	+3.1%

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 - 2013

## 2013 Mailbox Milk Prices

Reporting Areas	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Dollars Per Hundredweight</b>												
<b>California</b>	<b>\$17.73</b>	<b>\$17.58</b>	<b>\$17.05</b>	<b>\$17.90</b>	<b>\$17.95</b>	<b>\$17.55</b>	<b>\$17.25</b>	<b>\$17.87</b>	<b>\$18.48</b>	<b>\$19.26</b>	<b>\$19.94</b>	<b>\$20.60</b>
New England States	\$21.45	\$21.00	\$20.65	\$20.80	\$20.77	\$20.90	\$20.60	\$21.02	\$21.67	\$22.42	\$23.14	\$23.72
New York	\$20.29	\$19.93	\$19.74	\$19.83	\$19.83	\$19.93	\$19.62	\$20.04	\$20.66	\$21.38	\$22.11	\$22.58
Eastern Pennsylvania	\$20.39	\$20.08	\$19.90	\$19.91	\$19.94	\$20.01	\$19.67	\$20.11	\$20.74	\$21.49	\$22.21	\$22.73
Appalachian States	\$21.31	\$20.74	\$20.08	\$20.02	\$20.04	\$20.41	\$20.76	\$21.24	\$21.61	\$21.85	\$23.14	\$23.52
Southeast States	\$21.71	\$21.04	\$20.43	\$20.26	\$20.41	\$20.85	\$21.34	\$21.89	\$22.08	\$22.16	\$23.50	\$23.69
Southern Missouri	\$19.98	\$19.35	\$19.00	\$18.87	\$18.74	\$19.13	\$19.63	\$20.73	\$21.13	\$21.91	\$22.45	\$22.80
Florida	\$23.22	\$22.60	\$21.96	\$21.73	\$21.67	\$22.30	\$22.86	\$23.39	\$23.40	\$23.89	\$24.57	\$24.68
Western Pennsylvania	\$20.39	\$20.02	\$19.90	\$19.94	\$19.98	\$19.86	\$19.33	\$19.86	\$20.44	\$21.27	\$22.05	\$22.37
Ohio	\$20.71	\$20.08	\$19.83	\$19.82	\$19.86	\$19.92	\$19.60	\$20.06	\$20.61	\$21.33	\$22.06	\$22.53
Indiana	\$19.95	\$19.54	\$19.32	\$19.33	\$19.26	\$19.31	\$19.20	\$19.49	\$20.12	\$20.76	\$21.47	\$21.91
Michigan	\$19.81	\$19.27	\$18.95	\$18.96	\$18.97	\$19.17	\$18.89	\$19.52	\$20.07	\$20.51	\$21.24	\$21.72
Wisconsin	\$20.33	\$19.52	\$19.52	\$19.65	\$20.16	\$19.67	\$18.90	\$19.55	\$19.97	\$20.64	\$21.50	\$21.76
Minnesota	\$20.24	\$19.39	\$19.37	\$19.63	\$20.15	\$19.38	\$18.58	\$19.30	\$19.76	\$20.57	\$21.39	\$21.61
Iowa	\$20.60	\$19.79	\$19.55	\$19.85	\$20.21	\$19.74	\$19.29	\$19.80	\$20.24	\$21.03	\$21.87	\$22.25
Illinois	\$20.50	\$19.82	\$19.67	\$19.75	\$19.99	\$19.73	\$19.22	\$19.87	\$20.40	\$21.08	\$21.98	\$22.27
Corn Belt States	\$19.50	\$18.87	\$18.51	\$18.71	\$18.82	\$18.45	\$18.23	\$18.79	\$19.31	\$20.06	\$20.92	\$21.13
Western Texas	\$19.08	\$18.63	\$18.11	\$18.40	\$18.65	\$18.30	\$17.93	\$18.21	\$19.04	\$19.85	\$20.70	\$21.12
New Mexico	\$18.16	\$17.76	\$17.01	\$17.25	\$17.42	\$17.19	\$17.05	\$17.29	\$17.96	\$18.87	\$19.61	\$19.99
Northwest States	\$19.70	\$19.00	\$18.66	\$19.22	\$19.26	\$19.07	\$18.73	\$19.15	\$19.88	\$20.73	\$21.45	\$22.09
All Federal Order Areas	\$20.18	\$19.56	\$19.30	\$19.45	\$19.63	\$19.46	\$19.08	\$19.59	\$20.13	\$20.83	\$21.65	\$22.04

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

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