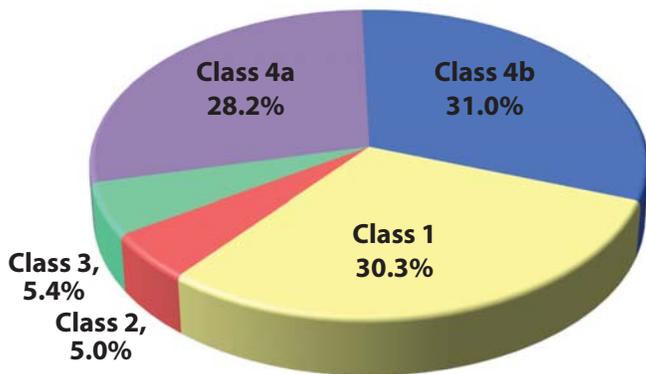
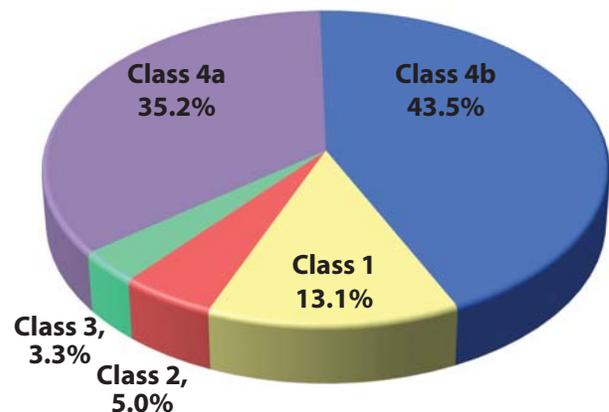


Percent Utilization of Pooled Milk in California by Class, Comparing 1992 to 2012

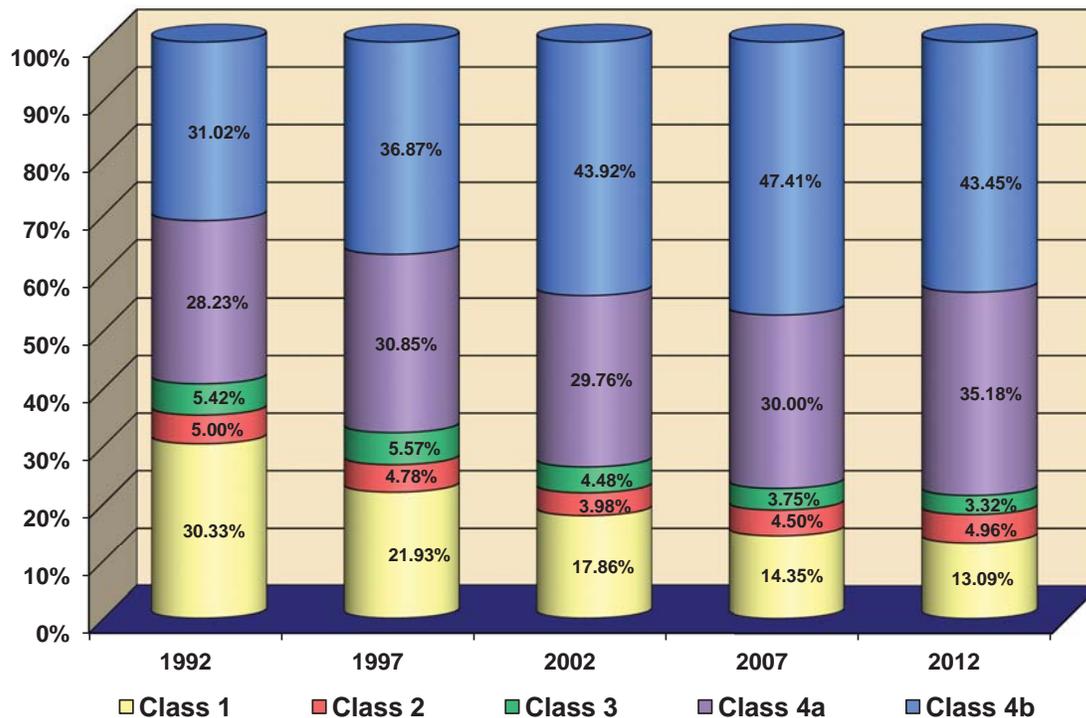
California Pooled Milk 1992



California Pooled Milk 2012



Utilization of Pooled Milk in California, by Class: 1992 - 2012



► Over the last 20 years: As indicated by the chart above, Classes 1 and 3 have shown steady decreases in utilization, while Class 2 has remained even or slightly increased. Since 2007, the utilization trend changed with Class 4a (butter and nonfat dry milk) increasing its share of pool utilization and Class 4b (cheese and whey products) showing a decline in utilization.

California Minimum Class Prices

Hundredweight Prices

Class	Feb.	March	April
1 No. Calif.	\$19.83	\$19.33	\$19.49
So. Calif.	\$20.10	\$19.60	\$19.77
2 No. Calif.	\$17.81	\$17.81	N/A
So. Calif.	\$18.04	\$18.04	N/A
3	\$17.76	\$17.76	N/A
4a	\$18.01	N/A	N/A
4b	\$15.41	N/A	N/A

Quota Transfer Summary

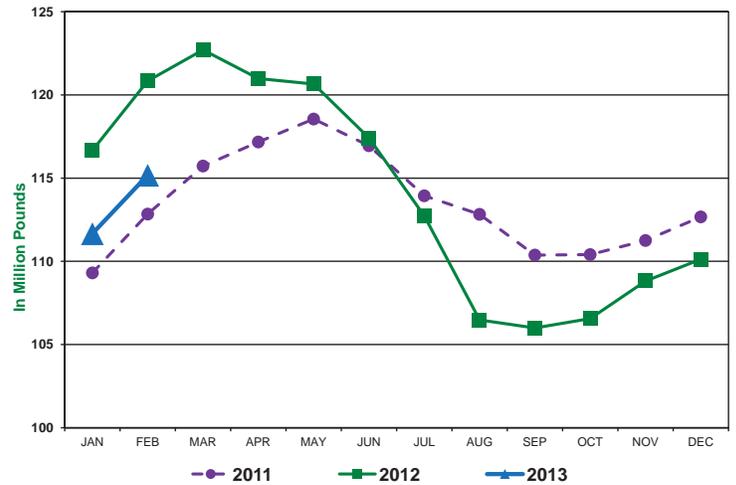
Quota Transfers	Jan.	Feb.	March
Number of Sellers	7	7	5
Pounds of SNF Quota Transferred	9,185	5,518	3,948
Average Price Per Pound of SNF Quota	\$400	\$391	\$399

California Pool Prices

Pool Price	Dec.	Jan.	Feb.
Quota	\$18.97	\$18.30	\$18.36
Overbase	\$17.27	\$16.60	\$16.66

California Milk Production

Average Daily Basis: 2011, 2012, 2013



February 2012 Milk Production included 29 days.

California Milk Production Cost Comparison, by Region, 4th Quarter 2011-2012

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Averages	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
<i>In Dollars per Hundredweight</i>										
4th Quarter										
Total Costs	\$23.39	\$24.54	\$17.02	\$18.30	\$16.84	\$18.58	\$16.60	\$17.92	\$17.43	\$18.55
Total Costs & Allowances*	\$25.34	\$26.31	\$18.54	\$19.78	\$18.45	\$20.13	\$18.24	\$19.56	\$19.01	\$20.08

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

California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	March 1, 2013		March 8, 2013		March 15, 2013		March 22, 2013	
	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas								
Supreme	200	\$275-\$285	7,030	\$275-\$287	5,250	\$270-\$285	5,850	\$265-\$285
Premium	500	\$270-\$280	2,460	\$270-\$278	1,300	\$265-\$270	1,175	\$260-\$270
Good	325	\$245-\$260	1,250	\$240-\$265	205	\$245-\$250	875	\$235-\$260
Fair	200	\$230-\$230	250	\$222-\$230	225	\$230-\$230	350	\$220-\$230
Escalon, Modesto, Turlock Areas								
Supreme	825	\$275-\$285	700	\$275-\$290	300	\$275-\$285	450	\$270-\$285
Premium	300	\$270-\$275	450	\$265-\$275	350	\$265-\$275	300	\$270-\$270
Good	No Sales	N/A	50	\$242-\$242	300	\$230-\$245	250	\$235-\$240
Fair	No Sales	N/A	275	\$220-\$230	150	\$225-\$230	175	\$225-\$230

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	Feb.	March	April
Phoenix, Arizona	\$20.56	\$20.15	\$20.01
Portland, Oregon	\$20.11	\$19.70	\$19.56
Boston (Northeast)	\$21.46	\$21.05	\$20.91
Class III	\$17.25	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.
2/9/13	17,800	67,000	\$67-\$72
2/16/13	16,900	65,600	N/A
2/23/13	18,000	64,400	\$61-\$71
3/2/13	17,700	63,200	\$63-\$73
3/9/13	17,400	66,300	\$65-\$70

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	
	2012	2013	2012	2013	2012	2013
	<i>In Million Pounds</i>					
January	170	207	612	644	159	249
February	205	240	608	667	196	-
March	211		622		210	
April	254		632		227	
May	264		623		215	
June	243		630		145	
July	234		635		130	
August	201		614		106	
September	195		608		118	
October	145		582		104	
November	127		581		127	
December	153		605		181	

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 2013 was 1.54 (down from 1.57 in January 2013). The current ratio of 1.54 means that a dairy producer can buy 1.54 pounds of feed for every pound of milk sold. The prices used to calculate the February 2013 milk-feed price ratio were: corn \$6.89/bushel; baled alfalfa hay \$218/ton; soybeans \$14.20/bushel; all-milk price \$19.40/cwt. (down \$0.50/cwt. from January 2013).

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: (None of these reported comparisons were adjusted for the 2012 leap year.) USDA estimates overall milk production across the U.S. was down by 3.5% in February 2013, compared to February 2012. USDA reports that California milk production decreased 8.0% compared to February 2012 (on 2,000 less cows and 155 less pounds of milk per cow). Among other western states, compared to February 2012, Arizona was down 6.8%; New Mexico was down 3.9%; and Washington was down 3.6%. Eight of the top 10 states reported a production decrease. The largest increase was reported by Kansas at 3.7% growth in milk production (on 8,000 more cows and 45 less pounds of milk per cow).

Quarterly: For the fourth quarter of 2012 compared to the third quarter of 2012, U.S. milk cow numbers decreased to 9.203 million head, milk production per cow increased to 5,335 pounds; the net effect was increased milk production at 49.1 billion pounds. USDA projects that for the first quarter of 2013 compared to the fourth quarter of 2012, U.S. milk cow numbers will increase to 9.225 million head, production per cow will increase to 5,490 pounds; the net effect would be increased milk production to 50.6 billion pounds.

Milk Prices: Comparing the fourth quarter of 2012 to the third quarter of 2012, U.S. average milk prices increased to \$21.47/cwt. USDA projects that for the first quarter of 2013, U.S. average all-milk prices will be \$19.30-19.50/cwt.; Class III prices will be \$17.25-17.45/cwt.; and Class IV prices will be \$17.55-17.85/cwt.

Utility Cow Prices

Comparing the fourth quarter of 2012 to the third quarter of 2012, average U.S. utility cow prices were down \$3.13/cwt. to a national average of \$73.81/cwt. USDA projects that utility cow prices will average \$76-78/cwt. in the first quarter of 2013.

For the U.S. overall, comparing February 2013 to February 2012:

- The number of cows on farms was 9.225 million head, down 32,000 head
- Production per cow averaged 1,706 pounds, down 56 pounds per cow
- Nineteen of the top twenty-three milk producing states showed a decrease in milk production

Top Ten Milk Production States - Feb. 2013

(Percent Change from Same Month/Previous Year)

1. California	-8.0%	6. Texas	-5.4%
2. Wisconsin	+0.3%	7. Minnesota	-1.0%
3. New York	-2.0%	8. Michigan	+0.6%
4. Idaho	-4.2%	9. New Mexico	-3.9%
5. Pennsylvania	-1.9%	10. Washington	-3.6%

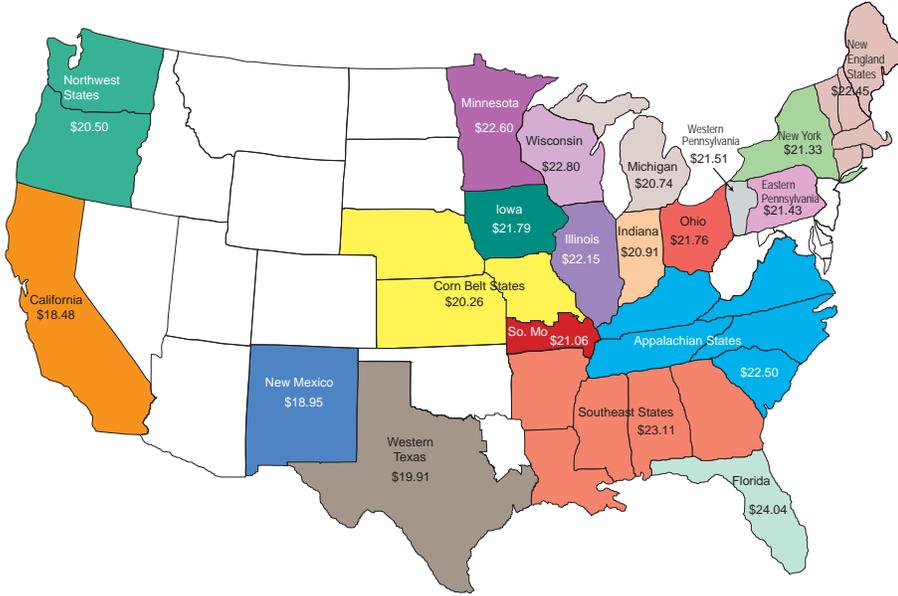
Information from the USDA-NASS publication "Milk Production" and the USDA-ERS publication: "Livestock, Dairy, and Poultry Outlook."

Milk Mailbox Prices in Dollars per Hundredweight - 2012

Area	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
California	\$16.36	\$15.22	\$14.99	\$14.59	\$13.97	\$14.38	\$14.77	\$16.20	\$17.36	\$19.40	\$19.71	\$18.48
USDA	\$19.30	\$17.32	\$17.24	\$16.87	\$16.29	\$16.21	\$16.88	\$18.22	\$19.88	\$21.55	\$22.19	\$21.50

¹ California mailbox price calculated by CDFA

² All federal milk market order weighted average, as calculated by USDA.



In December 2012, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$21.50 per cwt., down \$0.77 from the revised November 2012 average, and up \$1.45 from the December 2011 average. The component tests of producer milk in December 2012 were: butterfat, 3.85%; protein, 3.18%; and other solids, 5.75%. On an individual reporting area basis, mailbox prices decreased in all Federal milk order reporting areas when compared to the previous month. Mailbox prices in December 2012 ranged from \$24.04 in Florida to \$18.95 in New Mexico.

If you would like to receive an email notification when this publication posted on our website, please go to our website: www.cdfa.ca.gov/dairy and click on  to subscribe to the Dairy Marketing BranchEmail Notification List.

Dairy Marketing Branch:
 Phone (916) 900-5014; Fax (916) 900-5341
 Website: www.cdfa.ca.gov/dairy
 Email: dairy@cdfa.ca.gov

Milk Pricing Information:
 Within California 1-800-503-3490
 Outside California 1-916-442-MILK

The California Department of Food and Agriculture Dairy Marketing Branch publishes the California Dairy Review monthly. Please direct any comments or subscription requests to Karen Dapper or Lu Tang at (916) 900-5014, or send an email to dairy@cdfa.ca.gov

California Department of Food and Agriculture
 Karen Ross, Secretary
 Dairy Marketing Branch
 1220 N Street
 Sacramento, CA 95814

