

## *Season's Greetings*



*from CDFA Dairy Programs*

## California Minimum Class Prices

### Hundredweight Prices

Class	Oct.	Nov.	Dec.
1 No. Calif.	\$17.37	\$17.68	\$18.33
So. Calif.	\$17.64	\$17.95	\$18.60
2 No. Calif.	\$14.66	\$14.66	N/A
So. Calif.	\$14.90	\$14.90	N/A
3	\$14.62	\$14.62	N/A
4a	\$15.72	N/A	N/A
4b	\$14.75	N/A	N/A

## Quota Transfer Summary

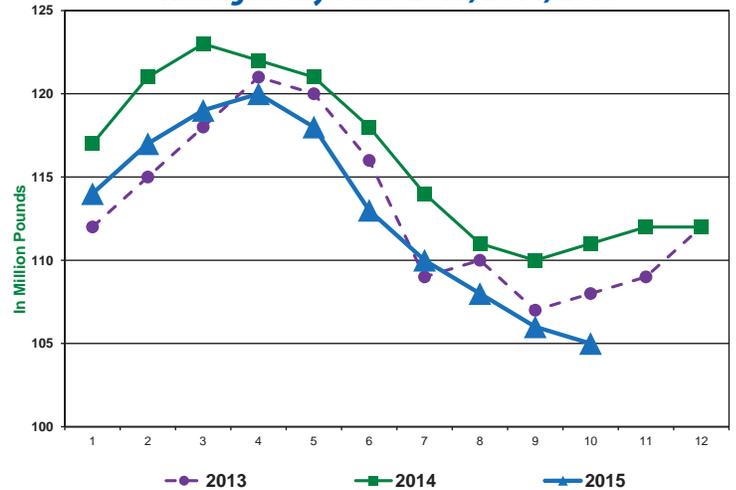
Quota Transfers	Sept.	Oct.	Nov.
Number of Sellers	5	4	6
Pounds of SNF Quota Transferred	5,271	6,266	10,582
Average Price Per Pound of SNF Quota	\$528	\$543	\$542

## California Pool Prices

Pool Price	Aug.	Sept.	Oct.
Quota	\$16.33	\$16.68	\$16.60
Overbase	\$14.63	\$14.98	\$14.90

## California Milk Production

### Average Daily Basis: 2013, 2014, 2015



## California Milk Production Cost Comparison, by Region, 2014-2015

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
<i>Dollars per Hundredweight</i>										
<b>1st Quarter</b>										
Total Costs	\$24.89	\$26.65	\$16.73	\$17.89	\$16.19	\$17.37	\$16.11	\$16.49	\$16.56	\$17.71
Total Costs & Allowances*	\$26.92	\$28.37	\$18.38	\$19.29	\$17.84	\$18.78	\$17.76	\$17.86	\$18.22	\$19.12
<b>2nd Quarter</b>										
Total Costs	\$23.50	\$25.04	\$17.07	\$17.37	\$16.72	\$17.07	\$15.73	\$16.00	\$16.93	\$17.30
Total Costs & Allowances*	\$25.34	\$26.77	\$18.69	\$18.81	\$18.33	\$18.52	\$17.33	\$17.40	\$18.55	\$18.74

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

## California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	October 30, 2015		November 6, 2015		November 13, 2015		November 20, 2015		
	Delivered	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
<b>Tulare, Hanford Areas</b>									
Supreme		3,750	\$240-\$280	1,320	\$255-\$275	1,630	\$260-\$285	500	\$265-\$285
Premium		1,000	\$230-\$255	258	\$225-\$245	600	\$235-\$255	50	\$225
Good		2,845	\$165-\$215	250	\$215	1,000	\$195-\$200	1,300	\$165-\$205
Fair		1,800	\$150-\$155	100	\$155	3,500	\$150-\$155	200	\$150-\$155
<b>Escalon, Modesto, Turlock Areas</b>									
Supreme		2,825	\$240-\$275	875	\$255-\$270	200	\$265-\$275	300	\$270-\$280
Premium		1,125	\$200-\$240	-	No Sales	-	No Sales	-	No Sales
Good		1,275	\$160-\$197	-	No Sales	-	No Sales	50	\$190
Fair		400	\$145-\$150	-	No Sales	150	\$150	1,000	\$145

Source: The Hoyt Report, Inc.

## Federal Order Minimum Class Prices

### Hundredweight Prices

Class I	Oct.	Nov.	Dec.
Phoenix, Arizona	\$18.19	\$18.83	\$19.06
Portland, Oregon	\$17.74	\$18.38	\$18.61
Boston (Northeast)	\$19.09	\$19.73	\$19.96
Class III	\$15.46	N/A	N/A

## 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.
10/16/15	14,700	56,600	\$85-\$86
10/23/15	16,000	56,100	\$84-\$100
10/30/15	16,100	59,200	\$80-\$97
11/06/15	15,500	60,300	\$81-\$81

<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	
	2014	2015	2014	2015	2014	2015
	In Million Pounds					
January	144	149	631	634	149	240
February	172	178	629	643	181	241
March	180	184	639	632	215	251
April	174	232	649	644	240	248
May	209	264	656	664	221	261
June	186	256	655	685	229	262
July	181	254	660	698	248	270
August	165	212	662	709	236	231
September	152	188	631	699	170	212
October	148	179	623	696	195	N/A
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 September 2015 was 2.25 (up from 2.11 in August 2015). The current ratio of 2.25 means that a dairy producer can buy 2.25 pounds of feed for every pound of milk sold. The prices used to calculate the September 2015 milk-feed price ratio were: corn \$3.68/bushel; soybeans \$9.05/bushel; alfalfa hay \$157/ton; all-milk price \$17.50/cwt. (increased from \$16.70 in August 2015).

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 0.1% in October 2015, compared to October 2014. USDA reports that California milk production decreased 5.5% compared to October 2014 (with 2,000 less cows and 105 less pounds of milk per cow). Among other western states, compared to October 2014, Arizona was down 1.3%; New Mexico was down 2.9%; and Washington was down 0.7%. Five of the top 10 milk producing states reported a production decrease. The largest increase was reported by South Dakota at 13.3% growth in milk production (on 11,000 more cows and 25 more pounds of milk per cow).

**Quarterly:** For the third quarter of 2015 compared to the second quarter of 2015, U.S. milk cow numbers decreased to 9.313 million head, milk production per cow decreased to 5,545 pounds; the net effect was a decrease in milk production to 51.6 billion pounds. USDA projects that for the fourth quarter of 2015 compared to the third quarter of 2015, milk cow numbers will decrease to 9.310 million head, production per cow will decrease to 5,525 pounds; the net effect would be a decrease in milk production to 51.4 billion pounds.

### Milk Prices

Comparing the third quarter of 2015 to the second quarter of 2015, U.S. average all-milk prices increased to \$16.80/cwt. USDA projects that for the fourth quarter of 2015, U.S. average all-milk prices will be \$17.50-\$17.80/cwt.; Class III prices will be \$15.00 - \$15.30/cwt.; and Class IV prices will be \$15.55 - \$15.95/cwt.

### Utility Cow Prices

Comparing the third quarter of 2015 to the second quarter of 2015, average U.S. utility cow prices were down \$6.16/cwt. to a national average of \$103.34/cwt. USDA projects that utility cow prices will average \$93-\$97/cwt. in the fourth quarter of 2015.

## Top Ten Milk Production States - Oct. 2015

(Percent Change from Same Month/Previous Year)

1. California	-5.5%	6. Michigan	+4.5%
2. Wisconsin	+4.5%	7. Texas	-0.7%
3. New York	+2.4%	8. Minnesota	+1.8%
4. Idaho	+1.2%	9. New Mexico	-2.9%
5. Pennsylvania	-1.7%	10. Washington	-0.7%

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 - 2015

## 2015 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>\$15.11</b>	<b>\$14.49</b>	<b>\$14.45</b>	<b>\$14.43</b>	<b>\$14.72</b>	<b>\$15.05</b>	<b>\$14.62</b>	<b>\$15.05</b>				
New England States	\$19.33	\$18.44	\$18.08	\$17.97	\$18.07	\$18.18	\$17.74	\$17.72				
New York	\$18.01	\$17.05	\$16.67	\$16.55	\$16.68	\$16.74	\$16.44	\$16.44				
Eastern Pennsylvania	\$17.85	\$17.03	\$16.56	\$16.41	\$16.48	\$16.49	\$16.28	\$16.37				
Appalachian States	\$19.09	\$17.94	\$16.91	\$16.54	\$16.49	\$17.02	\$17.53	\$17.62				
Southeast States	\$19.81	\$18.29	\$17.06	\$16.61	\$16.69	\$17.28	\$18.05	\$18.20				
Southern Missouri	\$18.39	\$17.72	\$16.79	\$15.95	\$15.99	\$16.59	\$17.88	\$17.80				
Florida	\$21.33	\$19.55	\$17.98	\$17.77	\$17.77	\$18.21	\$18.96	\$19.11				
Western Pennsylvania	\$17.98	\$17.10	\$16.73	\$16.72	\$16.75	\$16.67	\$16.54	\$16.42				
Ohio	\$18.19	\$17.33	\$16.85	\$16.79	\$16.84	\$16.78	\$16.66	\$16.36				
Indiana	\$17.31	\$16.43	\$15.89	\$16.04	\$15.81	\$15.87	\$15.75	\$15.70				
Michigan	\$16.89	\$16.03	\$15.56	\$15.58	\$15.48	\$15.47	\$15.33	\$15.48				
Wisconsin	\$18.18	\$17.58	\$17.46	\$17.51	\$17.65	\$17.82	\$17.49	\$17.50				
Minnesota	\$18.03	\$17.41	\$17.32	\$17.36	\$17.55	\$17.61	\$17.06	\$17.23				
Iowa	\$17.58	\$17.11	\$16.74	\$16.65	\$16.72	\$16.97	\$16.68	\$16.84				
Illinois	\$17.74	\$17.28	\$17.01	\$16.79	\$16.84	\$16.90	\$16.75	\$17.07				
Corn Belt States	\$16.55	\$16.01	\$15.63	\$15.56	\$15.76	\$15.86	\$15.68	\$15.44				
Western Texas	\$16.38	\$15.78	\$15.47	\$15.49	\$15.71	\$15.70	\$15.55	\$15.88				
New Mexico	\$15.19	\$14.84	\$14.51	\$14.39	\$14.63	\$14.62	\$14.90	\$14.73				
Northwest States	\$16.79	\$15.39	\$16.65	\$15.69	\$16.81	\$15.83	\$15.33	\$15.42				
All Federal Order Areas	\$17.71	\$16.91	\$16.60	\$16.44	\$16.60	\$16.62	\$16.43	\$16.48				

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

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California Department of Food and Agriculture  
Karen Ross, Secretary

Dairy Marketing Branch  
1220 N Street  
Sacramento, CA 95814

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@cdffa.ca.gov](mailto:dairy@cdffa.ca.gov)

**Dairy Marketing Branch:**  
Phone (916) 900-5014; Fax (916) 900-5341  
Website: [www.cdffa.ca.gov/dairy](http://www.cdffa.ca.gov/dairy)  
Email: [dairy@cdffa.ca.gov](mailto:dairy@cdffa.ca.gov)