

Season's Greetings from CDFA Dairy Programs



Upcoming Changes to the Data Statistics Release:

- Starting with the January 2015 statistics data, the data tables will be released in two phases:
 - Dairy Product tables will be released approximately the 18th-21st of the month.
 - Milk Production and Pooling tables will be released approximately the 27th-30th of the month.
- The Dairy Information Bulletin will no longer be published as a monthly newsletter, however the tables will continue to be posted to the website with the option of downloading in PDF or excel formats.
- The new format of the tables will resemble the USDA standard table format. The statistics webpage will include periodic postings of visual charts/graphs, similar to previous DIB cover displays.

California Minimum Class Prices

Hundredweight Prices

Class	Oct.	Nov.	Dec.
1 No. Calif.	\$26.09	\$24.33	\$23.72
So. Calif.	\$26.36	\$24.60	\$23.99
2 No. Calif.	\$23.71	\$23.71	N/A
So. Calif.	\$23.94	\$23.94	N/A
3	\$23.66	\$23.66	N/A
4a	\$21.51	N/A	N/A
4b	\$20.94	N/A	N/A

Quota Transfer Summary

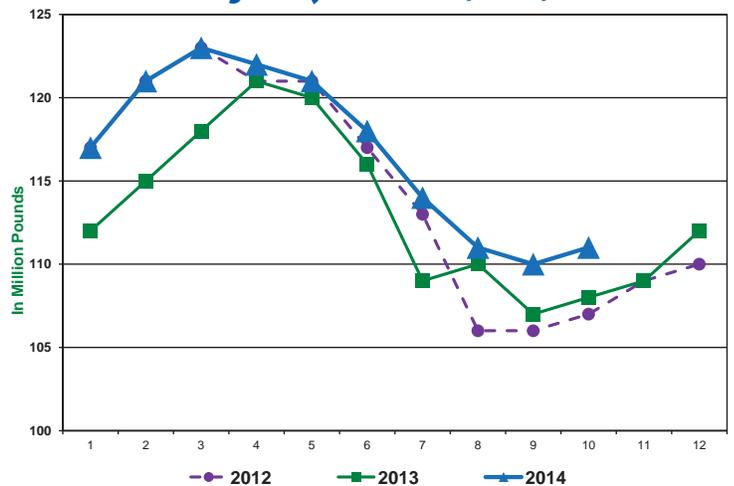
Quota Transfers	Sept.	Oct.	Nov.
Number of Sellers	6	3	3
Pounds of SNF Quota Transferred	24,616	4,809	3,587
Average Price Per Pound of SNF Quota	\$523	\$525	\$525

California Pool Prices

Pool Price	Aug.	Sept.	Oct.
Quota	\$23.34	\$24.15	\$23.19
Overbase	\$21.64	\$22.45	\$21.49

California Milk Production

Average Daily Basis: 2012, 2013, 2014



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

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

California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	Oct. 31, 2014		Nov. 7, 2014		Nov. 14, 2014		Nov. 21, 2014	
	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas								
Supreme	2,550	\$325-\$345	3,125	\$325-\$355	1,510	\$330-\$345	2,600	\$330-\$350
Premium	1,775	\$290-\$320	350	\$290-\$310	900	\$300-\$310	820	\$290-\$310
Good	2,100	\$260-\$287	1,200	\$255-\$285	750	\$260-\$275	750	\$245-\$275
Fair	1,600	\$220-\$230	950	\$220-\$227	525	\$225-\$233	1,300	\$225-\$230
Escalon, Modesto, Turlock Areas								
Supreme	775	\$315-\$343	1,250	\$320-\$350	2,175	\$310-\$350	555	\$325-\$350
Premium	650	\$290-\$300	100	\$310	200	\$305	300	\$315-\$320
Good	275	\$235-\$255	0	No Sales	500	\$255	350	\$240
Fair	950	\$220-\$230	0	No Sales	210	\$215-\$225	100	\$230

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	Oct.	Nov.	Dec.
Phoenix, Arizona	\$26.54	\$26.41	\$24.88
Portland, Oregon	\$26.09	\$25.96	\$24.43
Boston (Northeast)	\$27.44	\$27.31	\$25.78
Class III	\$23.82	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.
10/17/14	14,700	55,700	\$88-\$111
10/24/14	15,300	56,100	\$91-\$100
10/31/14	14,800	54,700	\$95
11/07/14	15,500	55,900	\$93-\$96

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	
	2013	2014	2013	2014	2013	2014
<i>In Million Pounds</i>						
January	207	138	644	631	249	149
February	240	164	667	628	225	182
March	255	180	680	639	218	214
April	310	174	699	648	208	239
May	321	193	714	656	227	221
June	319	186	711	655	230	229
July	296	170	705	660	207	250
August	269	165	670	662	194	243
September	233	146	661	631	145	171
October	182	138	626	612	111	N/A
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 October 2014 was 3.07 (up from 2.97 in September 2014). The current ratio of 3.07 means that a dairy producer can buy 3.07 pounds of feed for every pound of milk sold. The prices used to calculate the October 2014 milk-feed price ratio were: corn \$3.28/bushel; soybeans \$9.64/bushel; baled alfalfa hay \$194/ton; all-milk price \$25.30/cwt. (decreased from \$25.70 in September 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 3.8% in October 2014, compared to October 2013. USDA reports that California milk production increased 2.7% compared to October 2013 (on same number of cows and 50 more pounds of milk per cow). Among other western states, compared to October 2013, Arizona was up 2.8%; New Mexico was up 2.0%; and Washington was up 4.6%. None of the top 10 milk producing states reported a production decrease. The largest increase was reported by Texas at 11.6% growth in milk production (on 32,000 more cows and 75 more pounds of milk per cow).

Quarterly: For the third quarter of 2014 compared to the second quarter of 2014, U.S. milk cow numbers increased to 9.268 million head, milk production per cow decreased to 5,517 pounds; the net effect was a decrease in milk production to 51.1 billion pounds. USDA projects that for the fourth quarter of 2014 compared to the third quarter of 2014, milk cow numbers will increase to 9.280 million head, production per cow will slightly decrease to 5,515 pounds; the net effect would be an increase in milk production to 51.2 billion pounds.

Milk Prices

Comparing the third quarter of 2014 to the second quarter of 2014, U.S. average all-milk prices increased to \$24.37/cwt. USDA projects that for the fourth quarter of 2014, U.S. average all-milk prices will be \$23.55-\$23.85/cwt.; Class III prices will be \$21.90-\$22.20/cwt.; and Class IV prices will be \$18.90-\$19.30/cwt.

Utility Cow Prices

Comparing the third quarter of 2014 to the second quarter of 2014, average U.S. utility cow prices were up \$12.70/cwt. to a national average of \$111.27/cwt. USDA projects that utility cow prices will average \$108-\$112/cwt. in the fourth quarter of 2014.

Top Ten Milk Production States - Oct. 2014

(Percent Change from Same Month/Previous Year)

1. California	+2.7%	6. Pennsylvania	+3.6%
2. Wisconsin	+2.4%	7. Michigan	+7.1%
3. Idaho	+5.1%	8. Minnesota	+2.8%
4. New York	+3.0%	9. New Mexico	+2.0%
5. Texas	+11.6%	10. Washington	+4.6%

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 - 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				
New England States	\$24.68	\$25.94	\$26.30	\$26.41	\$25.91	\$24.92	\$25.06					
New York	\$23.64	\$25.06	\$25.58	\$25.66	\$25.16	\$24.08	\$24.27					
Eastern Pennsylvania	\$23.75	\$25.10	\$25.48	\$25.58	\$25.12	\$24.07	\$24.20					
Appalachian States	\$24.59	\$25.41	\$25.96	\$25.78	\$25.77	\$24.68	\$25.27					
Southeast States	\$24.62	\$25.69	\$26.10	\$25.83	\$26.12	\$24.85	\$25.83					
Southern Missouri	\$23.69	\$24.57	\$24.92	\$24.64	\$24.63	\$23.66	\$24.44					
Florida	\$25.33	\$26.77	\$27.27	\$27.13	\$27.41	\$25.78	\$27.40					
Western Pennsylvania	\$23.69	\$25.20	\$25.61	\$25.77	\$24.87	\$23.70	\$23.83					
Ohio	\$23.68	\$24.92	\$25.24	\$25.38	\$24.45	\$23.34	\$23.61					
Indiana	\$23.03	\$24.22	\$24.46	\$24.51	\$23.87	\$22.61	\$22.96					
Michigan	\$22.94	\$24.28	\$24.62	\$24.66	\$23.90	\$22.97	\$23.08					
Wisconsin	\$23.51	\$25.31	\$25.34	\$25.91	\$24.38	\$22.91	\$23.16					
Minnesota	\$23.48	\$25.48	\$25.43	\$26.06	\$24.47	\$22.85	\$23.11					
Iowa	\$23.84	\$25.44	\$25.75	\$25.97	\$24.83	\$23.48	\$23.76					
Illinois	\$23.75	\$25.50	\$25.61	\$25.81	\$24.80	\$23.33	\$23.61					
Corn Belt States	\$22.77	\$24.24	\$24.39	\$24.51	\$23.32	\$21.84	\$21.84					
Western Texas	\$22.73	\$24.31	\$24.32	\$24.42	\$22.96	\$21.43	\$21.56					
New Mexico	\$21.53	\$22.90	\$22.96	\$22.94	\$21.77	\$20.25	\$20.25					
Northwest States	\$23.73	\$24.63	\$25.36	\$24.97	\$23.85	\$23.29	\$23.47					
All Federal Order Areas	\$23.47	\$24.91	\$25.18	\$25.33	\$24.37	\$23.11	\$23.36					

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

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