California Dairy Review

cdfa

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Packaged Fluid Milk in California - Container Survey

Percentage of Total Fluid Milk Products Sold, by Size of Container
October of Selected Years: 2010, 2011, 2012, 2013, 2014, 2015

Year	3, 5, 6 Gallon	1 Gallon	1/2 Gallon	Quart	1/3 Quart (10 oz.)	Pint	1/2 Pint & (8 oz. Pouch)	4 oz. (Pouch)	12, 14 oz.	Other
	Percent									
2010	0.94%	66.72%	19.82%	2.78%	0.17%	0.39%	8.09%	0.10%	0.61%	0.38%
2011	0.78%	70.06%	15.29%	2.44%	0.20%	0.59%	9.78%	0.11%	0.08%	0.66%
2012	0.76%	68.42%	16.17%	2.52%	0.17%	0.63%	9.98%	0.11%	0.13%	1.12%
2013	0.76%	68.61%	16.17%	2.61%	0.14%	0.41%	10.20%	0.07%	0.60%	0.43%
2014	0.70%	64.75%	17.42%	2.68%	0.13%	0.43%	11.45%	0.11%	0.71%	1.62%
2015	0.73%	68.91%	15.24%	2.06%	0.13%	0.36%	11.37%	0.07%	0.47%	0.66%

Percentage of Total Fluid Milk Products Sold, by Type of Container
October of Selected Years: 2010, 2011, 2012, 2013, 2014, 2015

Year	Glass	Paper	Plastic	Bag
	Percent			
2010	0.02%	22.64%	76.36%	0.98%
2011	0.10%	18.22%	80.65%	1.02%
2012	0.17%	19.34%	79.30%	1.19%
2013	0.21%	20.94%	77.90%	0.95%
2014	0.27%	23.14%	75.73%	0.86%
2015	0.19%	17.38%	81.59%	0.84%

- The top three containers of fluid milk sold in California for October 2015 were: gallon containers (68.9%); half gallon containers (15.2%); and half pint containers (11.4%).

Source: October 2015 Fluid Milk Sales Container Survey for California, completed by CDFA Dairy Marketing Branch, December 2015

California Minimum Class Prices

Hundredweight Prices

Class	Nov.	Dec.	Jan.
1 No. Calif.	$17.68	$18.33	$17.88
So. Calif	$17.95	$18.60	$18.15
2 No. Calif.	$14.66	$16.57	$16.57
So. Calif.	$14.90	$16.81	$16.81
3	$14.62	$16.52	$16.52
4a	$16.57	N/A	N/A
4b	$14.43	N/A	N/A

California Pool Prices

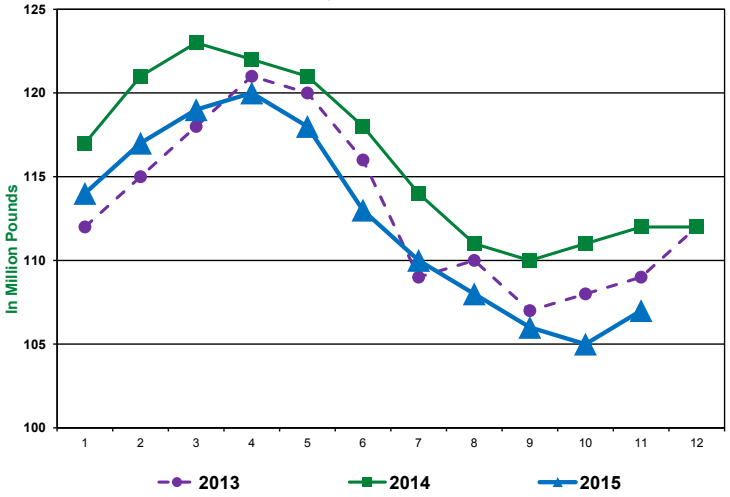
Pool Price	Sept.	Oct.	Nov.
Quota	$16.68	$16.60	$16.76
Overbase	$14.98	$14.90	$15.06

Quota Transfer Summary

Quota Transfers	Oct.	Nov.	Dec.
Number of Sellers	4	6	6
Pounds of SNF Quota Transferred	6,266	10,582	10,064
Average Price Per Pound of SNF Quota	$543	$542	$540

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
	Dollars per Hundredweight									
1st Quarter										
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
2nd Quarter										
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
3rd Quarter										
Total Costs	$25.74	$26.70	$17.75	$17.92	$17.75	$18.05	$17.03	$17.26	$17.88	$18.16
Total Costs & Allowances*	$27.69	$28.67	$19.43	$19.48	$19.44	$19.64	$18.75	$18.87	$19.58	$19.74

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

California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	November 27, 2015		December 4, 2015		December 11, 2015		December 18, 2015	
Delivered	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas								
Supreme	N/A	N/A	400	$260-$275	1,275	$255-$275	1,225	$250-$275
Premium	N/A	N/A	-	No Sales	2,240	$220-$235	-	No Sales
Good	N/A	N/A	3,125	$170-$205	300	$195-$205	1,150	$185-$210
Fair	N/A	N/A	2,400	$155-$165	2,800	$155-$165	350	$155-$165
Escalon, Modesto, Turlock Areas								
Supreme	N/A	N/A	900	$260-$280	1,125	$260-$270	2,025	$250-$278
Premium	N/A	N/A	375	$218-$230	250	$218-$235	400	$218-$235
Good	N/A	N/A	-	No Sales	75	$170-$180	350	$180-$210
Fair	N/A	N/A	25	$158	240	$150-$160	200	$160

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	Nov.	Dec.	Jan.
Phoenix, Arizona	$18.83	$19.06	$18.39
Portland, Oregon	$18.38	$18.61	$17.94
Boston (Northeast)	$19.73	$19.96	$19.29
Class III	$15.30	**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.
11/13/15	16,900	59,500	$77-$79
11/20/15	17,200	59,500	$76-$76
11/27/15	12,000	44,300	$78-$78
12/04/15	16,300	58,700	$72-$77

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
	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	697	186	184
November	108	133	636	698	222	N/A
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 October 2015 was 2.29 (up from 2.25 in September 2015). The current ratio of 2.29 means that a dairy producer can buy 2.29 pounds of feed for every pound of milk sold. The prices used to calculate the October 2015 milk-feed price ratio were: corn $3.67/bushel; soybeans $8.81/bushel; alfalfa hay $156/ton; all-milk price $17.70/cwt. (increased from $17.50 in September 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 0.6% in November 2015, compared to November 2014. USDA reports that California milk production decreased 4.4% compared to November 2014 (with 4,000 less cows and 80 less pounds of milk per cow). Among other western states, compared to October 2014, Arizona was up 1.3%; New Mexico was down 3.3%; and Washington was down 0.4%. Four of the top 10 milk producing states reported a production decrease. The largest increase was reported by South Dakota at 13.1% growth in milk production (on 11,000 more cows and 35 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 5,546 pounds; the net effect was a decrease in milk production to 51.7 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 5,480 pounds; the net effect would be a decrease in milk production to 51.0 billion pounds.

Milk Prices

Comparing the third quarter of 2015 to the second quarter of 2015, U.S. average all-milk prices increased to $16.93/cwt. USDA projects that for the fourth quarter of 2015, U.S. average all-milk prices will be $17.70-$17.90/cwt.; Class III prices will be $15.00 - $15.20/cwt.; and Class IV prices will be $16.35 - $16.65/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 $83-$86/cwt. in the fourth quarter of 2015.

Top Ten Milk Production States - Nov. 2015

(Percent Change from Same Month/Previous Year)

1. California	**-4.4%**	6. Michigan	+6.4%
2. Wisconsin	+4.3%	7. Texas	**-1.7%**
3. New York	+3.3%	8. Minnesota	+2.4%
4. Idaho	+1.9%	9. New Mexico	**-3.3%**
5. Pennsylvania	0.0%	10. Washington	**-0.4%**

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 - 2015

2015 Mailbox Milk Prices

Reporting Areas	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
	Dollars Per Hundredweight											
California	**$15.11**	**$14.49**	**$14.45**	**$14.43**	**$14.72**	**$15.05**	**$14.62**	**$15.05**	**$15.71**			
New England States	$19.33	$18.44	$18.08	$17.97	$18.07	$18.18	$17.74	$17.72	$18.66			
New York	$18.01	$17.05	$16.67	$16.55	$16.68	$16.74	$16.44	$16.44	$17.32			
Eastern Pennsylvania	$17.85	$17.03	$16.56	$16.41	$16.48	$16.49	$16.28	$16.37	$17.45			
Appalachian States	$19.09	$17.94	$16.91	$16.54	$16.49	$17.02	$17.53	$17.62	$19.01			
Southeast States	$19.81	$18.29	$17.06	$16.61	$16.69	$17.28	$18.05	$18.20	$19.36			
Southern Missouri	$18.39	$17.72	$16.79	$15.95	$15.99	$16.59	$17.88	$17.80	$19.36			
Florida	$21.33	$19.55	$17.98	$17.77	$17.77	$18.21	$18.96	$19.11	$20.19			
Western Pennsylvania	$17.98	$17.10	$16.73	$16.72	$16.75	$16.67	$16.54	$16.42	$17.66			
Ohio	$18.19	$17.33	$16.85	$16.79	$16.84	$16.78	$16.66	$16.36	$17.61			
Indiana	$17.31	$16.43	$15.89	$16.04	$15.81	$15.87	$15.75	$15.70	$16.83			
Michigan	$16.89	$16.03	$15.56	$15.58	$15.48	$15.47	$15.33	$15.48	$16.61			
Wisconsin	$18.18	$17.58	$17.46	$17.51	$17.65	$17.82	$17.49	$17.50	$17.76			
Minnesota	$18.03	$17.41	$17.32	$17.36	$17.55	$17.61	$17.06	$17.23	$17.44			
Iowa	$17.58	$17.11	$16.74	$16.65	$16.72	$16.97	$16.68	$16.84	$17.59			
Illinois	$17.74	$17.28	$17.01	$16.79	$16.84	$16.90	$16.75	$17.07	$17.72			
Corn Belt States	$16.55	$16.01	$15.63	$15.56	$15.76	$15.86	$15.68	$15.44	$15.83			
Western Texas	$16.38	$15.78	$15.47	$15.49	$15.71	$15.70	$15.55	$15.88	$16.62			
New Mexico	$15.19	$14.84	$14.51	$14.39	$14.63	$14.62	$14.90	$14.73	$15.52			
Northwest States	$16.79	$15.39	$16.65	$15.69	$16.81	$15.83	$15.33	$15.42	$17.24			
All Federal Order Areas	$17.71	$16.91	$16.60	$16.44	$16.60	$16.62	$16.43	$16.48	$17.37			

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

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