

Public Hearing on August 19, 2015 Continuation of the CMAB and the CMMAB

CDFA has called a consolidated public hearing to consider the possible continuation of the California Milk Advisory Board (CMAB) and of the California Manufacturing Milk Advisory Board (CMMAB). CDFA is required to conduct such a hearing every five years to determine if these programs are fulfilling their declared purposes. The hearing is scheduled as follows:

Date & Time	Location
Wednesday August 19, 2015 Starting at 10 a.m.	Stanislaus County Ag. Center Harvest Hall 3800 Cornucopia Way Modesto, CA

As part of this hearing, CDFA will also consider the possible merger of the CMAB and the CMMAB. This proposed merger was recently endorsed by the boards of directors of the CMAB and the CMMAB as a means to increase efficiency and reduce administrative costs.

The CMAB and the CMMAB are both state marketing programs that conduct research, education and generic promotion activities on behalf of California dairymen. Both programs are funded by a mandatory producer assessment that is currently \$0.10/cwt.

For more information, view official hearing notice at the website below after July 15:
<http://www.cdfa.ca.gov/mkt/mkt/>

Amendments to the CMAB Marketing Order - Term of Office Dates Modified -

CDFA, upon the recommendation of the California Milk Advisory Board (CMAB), has approved minor amendments to the CMAB Marketing Order. The amendments relate to changing the start and ending dates for the CMAB board member term of office. Currently, a term of office is three years with a start date of December 1 and an ending date of November 30 three years later. Under these amendments, the term will start on March 1 and conclude at the end of February three years later. Following are key points relating to these amendments:

- The CMAB’s annual district nomination meetings will continue to occur in the fall.
- New incoming board members will be invited as observers to the CMAB’s December meeting, but will not officially serve as voting board members until the CMAB’s March meeting.
- Outgoing board members will serve out their term which will now include serving as voting members at the December meeting.
- The Executive Committee will be elected at the March meeting after the seating of the new board.
- Members of the outgoing Executive Committee will continue serving until a new Executive Committee is elected at the March meeting.

For more information, view official amendment notice at this website: <http://www.cdfa.ca.gov/mkt/mkt/>

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>										
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

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

California Minimum Class Prices

Hundredweight Prices

Class	May	Jun.	Jul.
1 No. Calif.	\$17.06	\$17.47	\$18.42
So. Calif.	\$17.34	\$17.74	\$18.70
2 No. Calif.	\$13.87	\$14.06	\$14.06
So. Calif.	\$14.10	\$14.29	\$14.29
3	\$13.82	\$14.01	\$14.01
4a	\$13.91	N/A	N/A
4b	\$14.63	N/A	N/A

Quota Transfer Summary

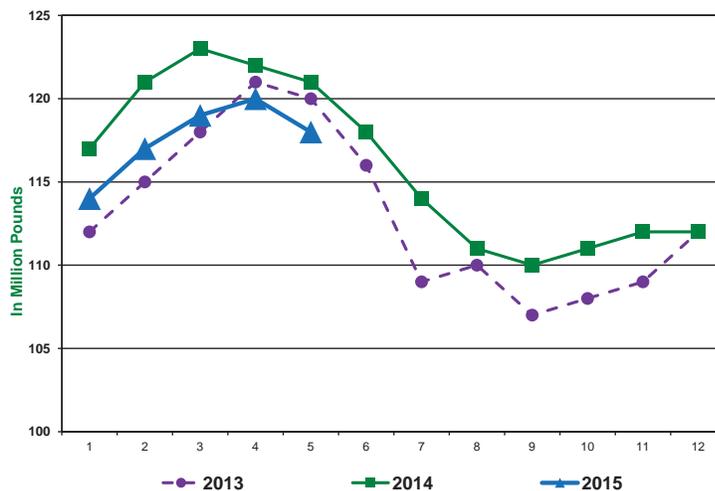
Quota Transfers	Apr.	May	Jun.
Number of Sellers	2	1	1
Pounds of SNF Quota Transferred	914	153	238
Average Price Per Pound of SNF Quota	\$525	\$525	\$525

California Pool Prices

Pool Price	Mar.	Apr.	May
Quota	\$15.52	\$15.55	\$15.94
Overbase	\$13.82	\$13.85	\$14.24

California Milk Production

Average Daily Basis: 2013, 2014, 2015



California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	May 29, 2015		June 5, 2015		June 12, 2015		June 19, 2015		
	Delivered	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas									
Supreme		750	\$285-\$305	2,235	\$280-\$295	1,215	\$285-\$303	650	\$280-\$295
Premium		1,300	\$260-\$280	2,945	\$260-\$280	3,850	\$265-\$282	8,200	\$265-\$280
Good		2,760	\$230-\$260	3,725	\$230-\$260	4,950	\$220-\$255	3,325	\$220-\$245
Fair		1,950	\$195-\$210	1,450	\$195-\$200	630	\$190-\$206	325	\$190-\$210
Escalon, Modesto, Turlock Areas									
Supreme		1,375	\$280-\$295	3,110	\$280-\$300	2,415	\$280-\$310	2,725	\$280-\$290
Premium		3,250	\$260-\$270	1,950	\$260-\$280	1,650	\$260-\$280	1,375	\$255-\$280
Good		1,500	\$240-\$260	775	\$230-\$250	1,150	\$230-\$250	1,200	\$238-\$250
Fair		1,200	\$200-\$210	600	\$190-\$205	400	\$190-\$200	1,200	\$190-\$210

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	May	Jun.	Jul.
Phoenix, Arizona	\$18.18	\$18.49	\$18.88
Portland, Oregon	\$17.73	\$18.04	\$18.43
Boston (Northeast)	\$19.08	\$19.39	\$19.78
Class III	\$16.19	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.
5/16/15	13,300	51,600	\$93-\$95
5/23/15	13,600	51,800	\$98-\$102
5/30/15	12,400	46,500	\$94-\$110
6/06/15	13,600	53,200	\$90-\$94

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
<i>In Million Pounds</i>						
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	249
May	209	264	656	664	221	N/A
June	186		655		229	
July	170		660		250	
August	165		662		243	
September	146		631		178	
October	139		623		195	
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 April 2015 was 1.95 (down from 2.00 in March 2015). The current ratio of 1.95 means that a dairy producer can buy 1.95 pounds of feed for every pound of milk sold. The prices used to calculate the April 2015 milk-feed price ratio were: corn \$3.75/bushel; soybeans \$9.70/bushel; alfalfa hay \$184/ton; all-milk price \$16.50/cwt. (decreased from \$16.60 in March 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 1.4% in May 2015, compared to May 2014. USDA reports that California milk production decreased 2.9% compared to May 2014 (with no change in the number of cows and 60 less pounds of milk per cow). Among other western states, compared to May 2014, Arizona was down 0.2%; New Mexico was down 2.3%; and Washington was up 0.7%. Three of the top 10 milk producing states reported a production decrease. The largest increase was reported by South Dakota at 8.9% growth in milk production (on 6,000 more cows and 50 more pounds of milk per cow).

Quarterly: For the first quarter of 2015 compared to the fourth quarter of 2014, U.S. milk cow numbers increased to 9.305 million head, milk production per cow increased to 5,581 pounds; the net effect was an increase in milk production to 51.9 billion pounds. USDA projects that for the second quarter of 2015 compared to the first quarter of 2015, milk cow numbers will remain the same at 9.305 million head, production per cow will increase to 5,760 pounds; the net effect would be an increase in milk production to 53.6 billion pounds.

Milk Prices

Comparing the first quarter of 2015 to the fourth quarter of 2014, U.S. average all-milk prices decreased to \$17.00/cwt. USDA projects that for the second quarter of 2015, U.S. average all-milk prices will be \$16.40-\$16.60/cwt.; Class III prices will be \$16.05-\$16.25/cwt.; and Class IV prices will be \$13.70-\$14.00/cwt.

Utility Cow Prices

Comparing the first quarter of 2015 to the fourth quarter of 2014, average U.S. utility cow prices were down \$1.60/cwt. to a national average of \$107.61/cwt. USDA projects that utility cow prices will average \$109-\$112/cwt. in the second quarter of 2015.

Top Ten Milk Production States - May 2015

(Percent Change from Same Month/Previous Year)

1. California	-2.9%	6. Texas	-1.6%
2. Wisconsin	+4.4%	7. Michigan	+7.6%
3. Idaho	+2.4%	8. Minnesota	+3.8%
4. New York	+2.6%	9. New Mexico	-2.3%
5. Pennsylvania	+3.1%	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
Dollars Per Hundredweight												
California	\$15.11	\$14.49	\$14.45									
New England States	\$19.33	\$18.44	\$18.08									
New York	\$18.01	\$17.05	\$16.67									
Eastern Pennsylvania	\$17.85	\$17.03	\$16.56									
Appalachian States	\$19.09	\$17.94	\$16.91									
Southeast States	\$19.81	\$18.29	\$17.06									
Southern Missouri	\$18.39	\$17.72	\$16.79									
Florida	\$21.33	\$19.55	\$17.98									
Western Pennsylvania	\$17.98	\$17.10	\$16.73									
Ohio	\$18.19	\$17.33	\$16.85									
Indiana	\$17.31	\$16.43	\$15.89									
Michigan	\$16.89	\$16.03	\$15.56									
Wisconsin	\$18.18	\$17.58	\$17.46									
Minnesota	\$18.03	\$17.41	\$17.32									
Iowa	\$17.58	\$17.11	\$16.74									
Illinois	\$17.74	\$17.28	\$17.01									
Corn Belt States	\$16.55	\$16.01	\$15.63									
Western Texas	\$16.38	\$15.78	\$15.47									
New Mexico	\$15.19	\$14.84	\$14.51									
Northwest States	\$16.79	\$15.39	\$16.65									
All Federal Order Areas	\$17.71	\$16.91	\$16.60									

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

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