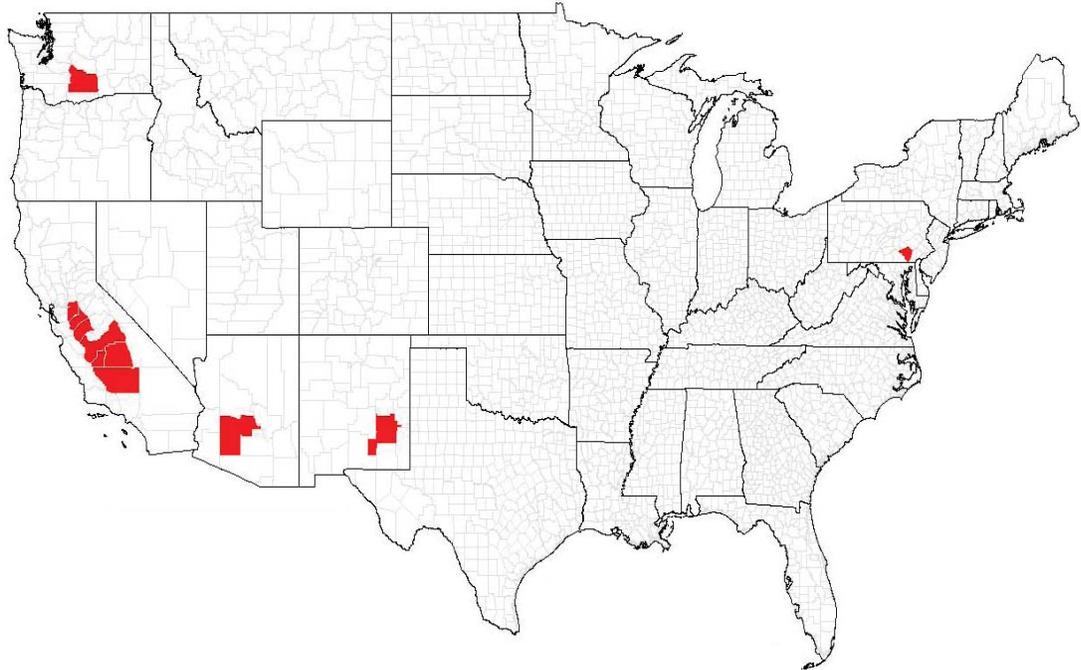


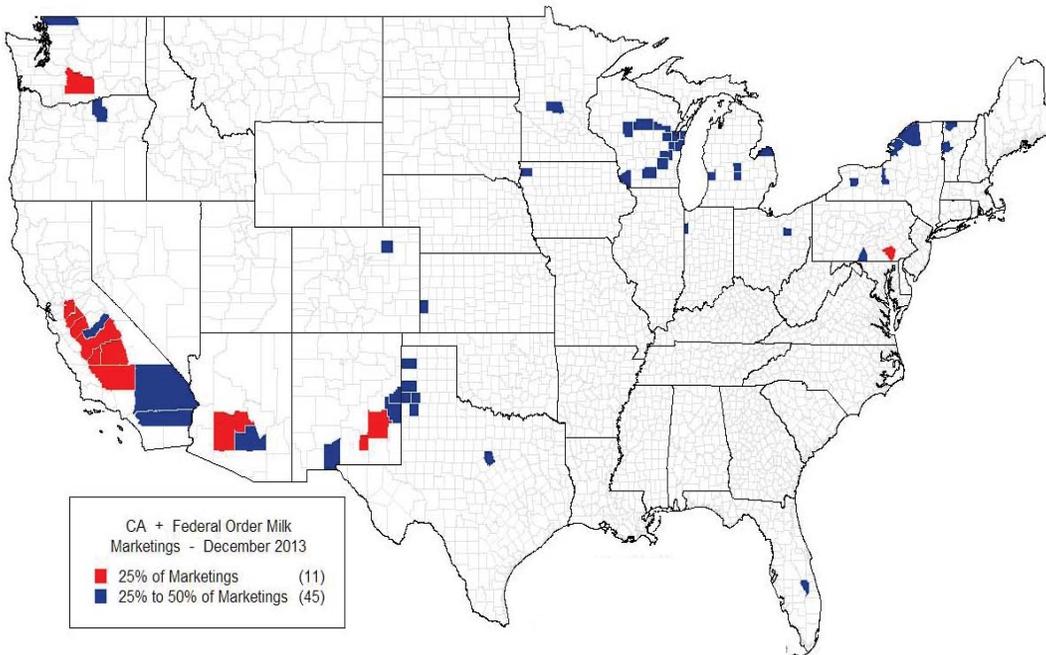
11 Counties Marketed 25% of All California and Federal Order Milk Marketings During December 2013

Top 11 U.S. Milk Producing Counties, December 2013 (in ranking order):

- Tulare, CA
- Merced, CA
- Kings, CA
- Stanislaus, CA
- Kern, CA
- Fresno, CA
- Yakima, WA
- San Joaquin, CA
- Maricopa, AZ
- Lancaster, PA
- Chaves, NM



56 Counties Marketed 50% of All California and Federal Order Milk Marketings During December 2013



California's Role in U.S. Milk Production (December 2013):

- Tulare County is the largest milk producing county in the U.S., marketing 950.6 million pounds of milk in December 2013.
- California milk marketings accounted for 23.1 percent of the total California and Federal Order milk marketings.
- In perspective: it would take milk marketings from the smallest 1,482 milk producing counties in the U.S. to equal the amount from the seven largest California counties.

California Minimum Class Prices

Hundredweight Prices

Class	May	June	July
1 No. Calif.	\$25.88	\$25.10	\$25.13
So. Calif.	\$26.15	\$25.37	\$25.40
2 No. Calif.	\$23.55	\$23.27	\$23.22
So. Calif.	\$23.79	\$23.50	\$23.45
3	\$23.50	\$23.22	\$23.17
4a	\$22.57	N/A	N/A
4b	\$19.34	N/A	N/A

Quota Transfer Summary

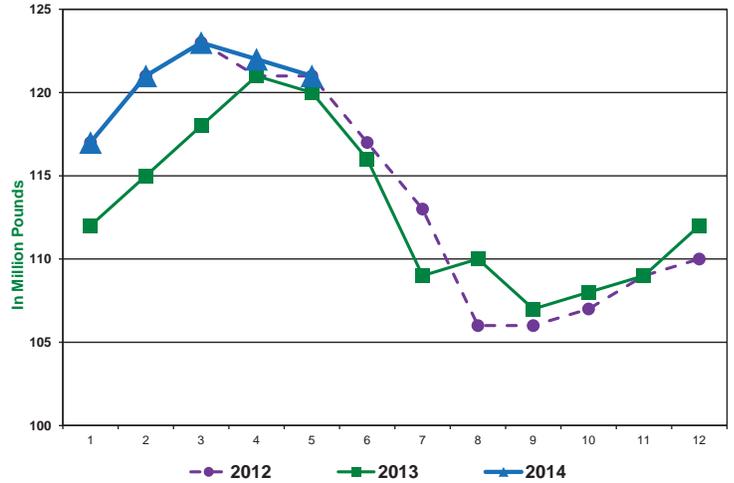
Quota Transfers	April	May	June
Number of Sellers	4	2	1
Pounds of SNF Quota Transferred	1,796	7,133	1,974
Average Price Per Pound of SNF Quota	\$460	\$483	\$525

California Pool Prices

Pool Price	March	April	May
Quota	\$24.17	\$24.04	\$22.77
Overbase	\$22.47	\$22.34	\$21.07

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

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

California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	May 30, 2014		June 6, 2014		June 13, 2014		June 20, 2014	
	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas								
Supreme	1,000	\$345-\$361	1,350	\$345-\$360	1,800	\$353-\$365	800	\$355-\$360
Premium	1,775	\$340-\$350	1,725	\$340-\$355	2,400	\$345-\$355	1,000	\$345-\$350
Good	2,950	\$315-\$335	3,900	\$320-\$330	2,050	\$320-\$335	325	\$330
Fair	2,125	\$290-\$310	3,025	\$290-\$300	2,930	\$290-\$308	2,530	\$282-\$300
Escalon, Modesto, Turlock Areas								
Supreme	2,900	\$350-\$370	4,300	\$345-\$365	1,900	\$350-\$372	3,165	\$350-\$370
Premium	3,950	\$335-\$350	6,075	\$340-\$353	1,275	\$345-\$355	2,150	\$345-\$355
Good	650	\$320-\$335	700	\$315-\$330	1,825	\$320-\$340	535	\$325-\$335
Fair	1,800	\$290-\$300	1,150	\$295-\$300	2,075	\$285-\$295	500	\$295

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	May	June	July
Phoenix, Arizona	\$26.82	\$25.21	\$25.37
Portland, Oregon	\$26.37	\$24.76	\$24.92
Boston (Northeast)	\$27.72	\$26.11	\$26.27
Class III	\$ 22.57	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.
05/17/14	12,000	47,900	\$103
05/24/14	12,000	48,400	\$82-\$92
05/31/14	11,000	42,900	\$80-\$94
06/07/14	11,800	48,500	\$83-\$87

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	657	227	-
June	319		711		230	
July	296		705		207	
August	269		670		194	
September	233		661		147	
October	182		626		111	
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 May 2014 was 2.28 (down from 2.43 in April 2014). The current ratio of 2.28 means that a dairy producer can buy 2.28 pounds of feed for every pound of milk sold. The prices used to calculate the May 2014 milk-feed price ratio were: corn \$4.71/bushel; soybeans \$14.50/bushel; baled alfalfa hay \$224/ton; all-milk price \$24.70/cwt. (decreased from \$25.30 in April 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 1.4% in May 2014, compared to May 2013. USDA reports that California milk production increased 1.0% compared to May 2013. Among other western states, compared to May 2013, Arizona was up 3.9%; New Mexico was up 1.4%; and Washington was up 2.7%. Three of the top 10 states reported a production decrease. The largest increase was reported by Texas at 10.1% growth in milk production.

Quarterly: For the first quarter of 2014 compared to the fourth quarter of 2013, U.S. milk cow numbers increased to 9.216 million head, milk production per cow increased to 5,541 pounds; the net effect was milk production increased to 51.1 billion pounds. USDA projects that for the second quarter of 2014 compared to the first quarter of 2014, milk cow numbers will increase to 9.240 million head, production per cow will increase to 5,710 pounds, the net effect would be increased milk production to 52.8 billion pounds.

Milk Prices

Comparing the first quarter of 2014 to the fourth quarter of 2013, U.S. average all-milk prices increased to \$24.53/cwt. USDA projects that for the second quarter of 2014, U.S. average all-milk prices will be \$24.40-24.60/cwt.; Class III prices will be \$22.65-22.85/cwt.; and Class IV prices will be \$22.95-\$23.25/cwt.

Utility Cow Prices

Comparing the first quarter of 2014 to the fourth quarter of 2013, average U.S. utility cow prices were up \$12.57/cwt. to a national average of \$89.12/cwt. USDA projects that utility cow prices will average \$97-100/cwt. in the second quarter of 2014.

Top Ten Milk Production States - May 2014

(Percent Change from Same Month/Previous Year)

1. California	+1.0%	6. Texas	+10.1%
2. Wisconsin	+0.0%	7. Michigan	+3.3%
3. New York	-0.3%	8. Minnesota	-0.1%
4. Idaho	+0.5%	9. New Mexico	-1.4%
5. Pennsylvania	-1.4%	10. Washington	+2.7%

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 - 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									
New England States	\$24.68	\$25.94	\$26.30									
New York	\$23.64	\$25.06	\$25.58									
Eastern Pennsylvania	\$23.75	\$25.10	\$25.48									
Appalachian States	\$24.59	\$25.41	\$25.96									
Southeast States	\$24.62	\$25.69	\$26.10									
Southern Missouri	\$23.69	\$24.57	\$24.92									
Florida	\$25.33	\$26.77	\$27.27									
Western Pennsylvania	\$23.69	\$25.20	\$25.61									
Ohio	\$23.68	\$24.92	\$25.24									
Indiana	\$23.03	\$24.22	\$24.46									
Michigan	\$22.94	\$24.28	\$24.62									
Wisconsin	\$23.51	\$25.31	\$25.34									
Minnesota	\$23.48	\$25.48	\$25.43									
Iowa	\$23.84	\$25.44	\$25.75									
Illinois	\$23.75	\$25.50	\$25.61									
Corn Belt States	\$22.77	\$24.24	\$24.39									
Western Texas	\$22.73	\$24.31	\$24.32									
New Mexico	\$21.53	\$22.90	\$22.96									
Northwest States	\$23.73	\$24.63	\$25.36									
All Federal Order Areas	\$23.47	\$24.91	\$25.18									

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

If you would like to receive an email notification when this publication is posted to the website, please go to: www.cdfa.gov/dairy and click on  to subscribe to the Dairy Marketing Branch Email Notifications.



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