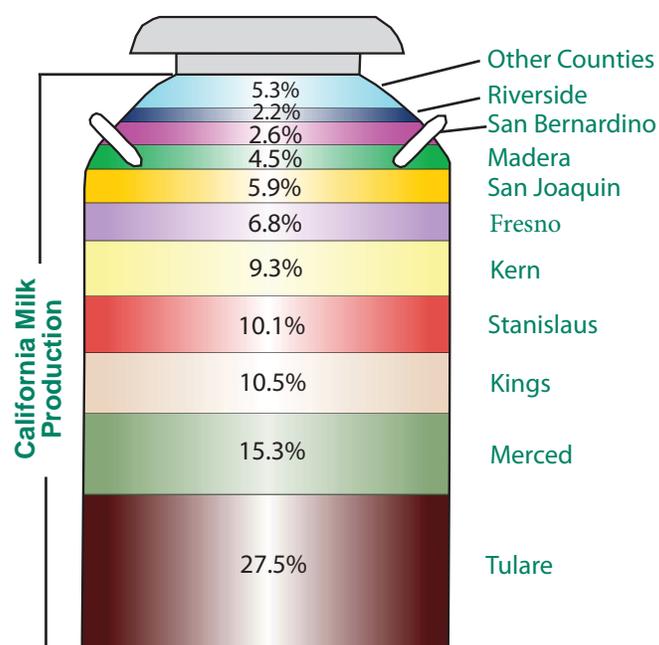


California's Top 10 Milk Producing Counties, Percent Share of California Milk Production, January-December 2015

County (by rank)	Milk Production Jan-Dec 2015 (In Pounds)	% Change from 2014
#1 Tulare	11,225,031,413	-2.86%
#2 Merced	6,263,366,489	-3.05%
#3 Kings	4,273,165,599	-3.29%
#4 Stanislaus	4,135,690,373	-3.30%
#5 Kern	3,802,354,602	-7.18%
#6 Fresno	2,773,237,239	-2.43%
#7 San Joaquin	2,402,649,922	-2.34%
#8 Madera	1,839,082,266	-2.73%
#9 San Bernardino	1,062,534,723	-10.51%
#10 Riverside	919,420,293	0.76%



California Milk Production in 2015:

- There were 31 California counties recording milk production in 2015, producing 40.9 billion pounds (a 3.4 percent decrease over 2014 total milk production).
- The top 10 milk producing counties in 2015 represented 94.7 percent of the total California milk production.
- Tulare, Merced, and Kings counties (the top 3 milk producing counties in 2015) represented 53.3 percent of the total milk production.
- For the top 10 counties, comparing 2015 to 2014, the only increase in milk production was recorded by Riverside County, showing a 0.76 percent increase.
- The top 9 counties recorded decreases in milk production in 2015 compared to the previous year, the largest percent decrease was recorded by San Bernardino, a 10.51 percent decrease compared to 2014.

California Minimum Class Prices

Hundredweight Prices

Class	Jan.	Feb.	Mar.
1 No. Calif.	\$17.88	\$14.98	\$15.38
So. Calif.	\$18.15	\$15.25	\$15.65
2 No. Calif.	\$16.57	\$14.33	\$14.33
So. Calif.	\$16.81	\$14.56	\$14.56
3	\$16.52	\$14.28	\$14.28
4a	\$13.26	N/A	N/A
4b	\$13.08	N/A	N/A

Quota Transfer Summary

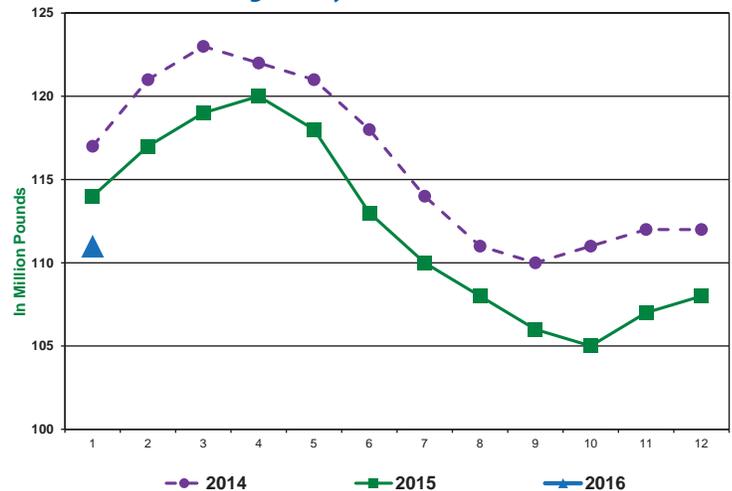
Quota Transfers	Dec.	Jan.	Feb.
Number of Sellers	6	7	1
Pounds of SNF Quota Transferred	10,064	6,198	739
Average Price Per Pound of SNF Quota	\$540	\$539	\$540

California Pool Prices

Pool Price	Nov.	Dec.	Jan.
Quota	\$16.76	\$15.55	\$15.14
Overbase	\$15.06	\$13.85	\$13.44

California Milk Production

Average Daily Basis: 2014, 2015, 2016



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
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	January 29, 2016		February 5, 2016		February 12, 2016		February 19, 2016		
	Delivered	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas									
Supreme		800	\$240-\$270	3,695	\$240-\$260	1,250	\$240-\$262	N/A	N/A
Premium		200	\$225-\$235	700	\$220-\$235	-	No Sales	N/A	N/A
Good		1,800	\$180-\$185	2,500	\$185-\$205	-	No Sales	N/A	N/A
Fair		1,500	\$145-\$170	1,225	\$155-\$160	550	\$150-\$160	N/A	N/A
Escalon, Modesto, Turlock Areas									
Supreme		175	\$250-\$270	100	\$260	125	\$250-\$265	N/A	N/A
Premium		200	\$225-\$240	150	\$218-\$230	450	\$218-\$245	N/A	N/A
Good		25	\$180	125	\$170-\$185	150	\$180-\$200	N/A	N/A
Fair		325	\$150-\$160	250	\$150-\$170	650	\$145-\$180	N/A	N/A

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	Jan.	Feb.	Mar.
Phoenix, Arizona	\$18.39	\$15.99	\$16.13
Portland, Oregon	\$17.94	\$15.54	\$15.68
Boston (Northeast)	\$19.29	\$16.89	\$17.03
Class III	\$13.72	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.
01/15/16	17,800	65,500	\$62-\$78
01/22/16	19,100	62,200	\$64-\$64
01/29/16	18,700	65,100	\$63-\$68
02/05/16	18,900	64,600	\$62-\$63

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	
	2015	2016	2015	2016	2015	2016
<i>In Million Pounds</i>						
January	149	196	636	716	240	N/A
February	178		643		241	
March	184		632		251	
April	232		644		248	
May	264		664		261	
June	256		685		262	
July	254		698		270	
August	212		709		231	
September	188		699		212	
October	179		697		180	
November	133		698		198	
December	155		701		199	

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 December 2015 was 2.27 (down from 2.42 in November 2015). The current ratio of 2.27 means that a dairy producer can buy 2.27 pounds of feed for every pound of milk sold. The prices used to calculate the December 2015 milk-feed price ratio were: corn \$3.65/bushel; soybeans \$8.76/bushel; alfalfa hay \$150/ton; all-milk price \$17.20/cwt. (decreased from \$18.20 in November 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 0.3% in January 2016, compared to January 2015. USDA reports that California milk production decreased 2.7% compared to January 2015 (with 4,000 less cows and 50 less pounds of milk per cow). Among other western states, compared to January 2015, Arizona was up 1.0%; New Mexico was down 12.0%; and Washington was up 0.9%. Three of the top 10 milk producing states reported a production decrease. The largest increase was reported by South Dakota at 12.2% growth in milk production (on 12,000 more cows and same pounds of milk per cow).

Quarterly: For the fourth quarter of 2015 compared to the third quarter of 2015, U.S. milk cow numbers increased to 9.320 million head, milk production per cow decreased to 5,498 pounds; the net effect was a decrease in milk production to 51.2 billion pounds. USDA projects that for the first quarter of 2016 compared to the fourth quarter of 2015, milk cow numbers will decrease to 9.295 million head, production per cow will increase to 5,690 pounds; the net effect would be an increase in milk production to 52.9 billion pounds.

Milk Prices

Comparing the fourth quarter of 2015 to the third quarter of 2015, U.S. average all-milk prices increased to \$17.70/cwt. USDA projects that for the first quarter of 2016, U.S. average all-milk prices will be \$15.50-\$15.80/cwt.; Class III prices will be \$13.55-\$13.85/cwt.; and Class IV prices will be \$13.15-\$13.55/cwt.

Utility Cow Prices

Comparing the fourth quarter of 2015 to the third quarter of 2015, average U.S. utility cow prices were down \$25.54/cwt. to a national average of \$77.80/cwt. USDA projects that utility cow prices will average \$71-\$75/cwt. in the first quarter of 2016.

Top Ten Milk Production States - Jan. 2016

(Percent Change from Same Month/Previous Year)

1. California	-2.7%	6. Michigan	+5.9%
2. Wisconsin	+4.1%	7. Texas	-6.7%
3. New York	+4.1%	8. Minnesota	+3.4%
4. Idaho	+0.7%	9. New Mexico	-12.0%
5. Pennsylvania	+0.3%	10. Washington	+0.9%

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	\$15.82	\$16.36	
New England States	\$19.33	\$18.44	\$18.08	\$17.97	\$18.07	\$18.18	\$17.74	\$17.72	\$18.66	\$19.29	\$20.15	
New York	\$18.01	\$17.05	\$16.67	\$16.55	\$16.68	\$16.74	\$16.44	\$16.44	\$17.32	\$17.95	\$18.89	
Eastern Pennsylvania	\$17.85	\$17.03	\$16.56	\$16.41	\$16.48	\$16.49	\$16.28	\$16.37	\$17.45	\$18.06	\$19.03	
Appalachian States	\$19.09	\$17.94	\$16.91	\$16.54	\$16.49	\$17.02	\$17.53	\$17.62	\$19.01	\$18.83	\$19.72	
Southeast States	\$19.81	\$18.29	\$17.06	\$16.61	\$16.69	\$17.28	\$18.05	\$18.20	\$19.36	\$18.92	\$19.68	
Southern Missouri	\$18.39	\$17.72	\$16.79	\$15.95	\$15.99	\$16.59	\$17.88	\$17.80	\$19.36	\$19.35	\$19.97	
Florida	\$21.33	\$19.55	\$17.98	\$17.77	\$17.77	\$18.21	\$18.96	\$19.11	\$20.19	\$19.76	\$20.42	
Western Pennsylvania	\$17.98	\$17.10	\$16.73	\$16.72	\$16.75	\$16.67	\$16.54	\$16.42	\$17.66	\$18.27	\$19.09	
Ohio	\$18.19	\$17.33	\$16.85	\$16.79	\$16.84	\$16.78	\$16.66	\$16.36	\$17.61	\$18.09	\$18.95	
Indiana	\$17.31	\$16.43	\$15.89	\$16.04	\$15.81	\$15.87	\$15.75	\$15.70	\$16.83	\$16.99	\$17.95	
Michigan	\$16.89	\$16.03	\$15.56	\$15.58	\$15.48	\$15.47	\$15.33	\$15.48	\$16.61	\$16.78	\$17.34	
Wisconsin	\$18.18	\$17.58	\$17.46	\$17.51	\$17.65	\$17.82	\$17.49	\$17.50	\$17.76	\$17.85	\$18.03	
Minnesota	\$18.03	\$17.41	\$17.32	\$17.36	\$17.55	\$17.61	\$17.06	\$17.23	\$17.44	\$17.63	\$17.59	
Iowa	\$17.58	\$17.11	\$16.74	\$16.65	\$16.72	\$16.97	\$16.68	\$16.84	\$17.59	\$17.35	\$17.72	
Illinois	\$17.74	\$17.28	\$17.01	\$16.79	\$16.84	\$16.90	\$16.75	\$17.07	\$17.72	\$17.98	\$18.45	
Corn Belt States	\$16.55	\$16.01	\$15.63	\$15.56	\$15.76	\$15.86	\$15.68	\$15.44	\$15.83	\$16.70	\$17.45	
Western Texas	\$16.38	\$15.78	\$15.47	\$15.49	\$15.71	\$15.70	\$15.55	\$15.88	\$16.62	\$16.71	\$17.41	
New Mexico	\$15.19	\$14.84	\$14.51	\$14.39	\$14.63	\$14.62	\$14.90	\$14.73	\$15.52	\$15.55	\$16.46	
Northwest States	\$16.79	\$15.39	\$16.65	\$15.69	\$16.81	\$15.83	\$15.33	\$15.42	\$17.24	\$17.35	\$18.18	
All Federal Order Areas	\$17.71	\$16.91	\$16.60	\$16.44	\$16.60	\$16.62	\$16.43	\$16.48	\$17.37	\$17.60	\$18.22	

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

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