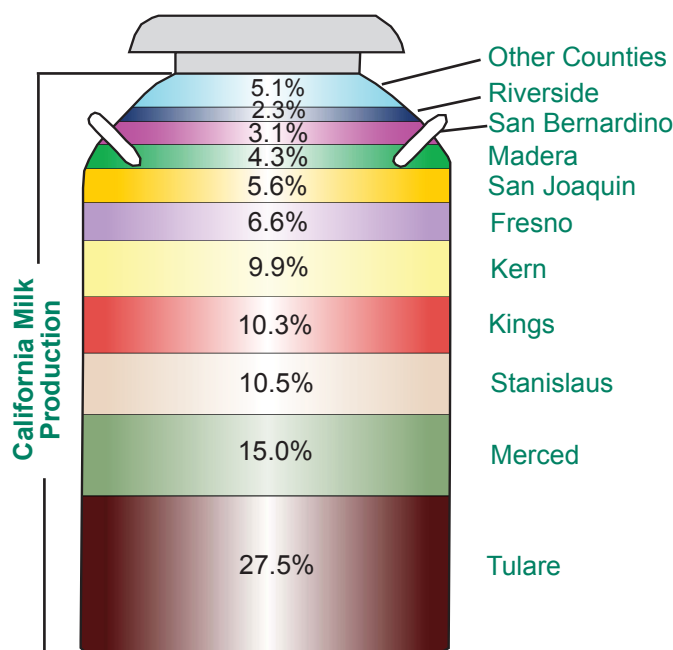


## California's Top 10 Milk Producing Counties, Percent Share of California Milk Production, January-December 2013

County (by rank)	Milk Production Jan-Dec 2013 (In Pounds)	% Change from 2012
#1 Tulare	11,321,487,115	-0.09%
#2 Merced	6,173,614,431	1.43%
#3 Stanislaus	4,311,323,471	0.16%
#4 Kings	4,230,194,424	-0.57%
#5 Kern	4,065,219,877	0.15%
#6 Fresno	2,722,285,317	2.02%
#7 San Joaquin	2,315,833,660	-2.58%
#8 Madera	1,772,306,412	-0.19%
#9 San Bernardino	1,259,087,263	-21.36%
#10 Riverside	928,016,765	-9.28%



Sources: CDFA Dairy Marketing and Milk Pooling Branches

### California Milk Production in 2013:

- There were 33 California counties recording milk production in 2013, producing 41.2 billion pounds (a 1.3 percent decrease over 2012 total milk production).
- The top 10 milk producing counties in 2013 represented 94.9 percent of the total California milk production.
- Tulare, Merced, and Stanislaus counties (the top 3 milk producing counties in 2013) represented 52.9 percent of the total milk production.
- For the top 10 counties, comparing 2013 to 2012, the largest increase in milk production was recorded by Fresno County, showing a 2.02 percent increase.
- The Southern California counties of San Bernardino and Riverside recorded the largest decreases in milk production in 2013 compared to the previous year, -21.36 percent and -9.28 percent, respectively.

## California Minimum Class Prices

Hundredweight Prices

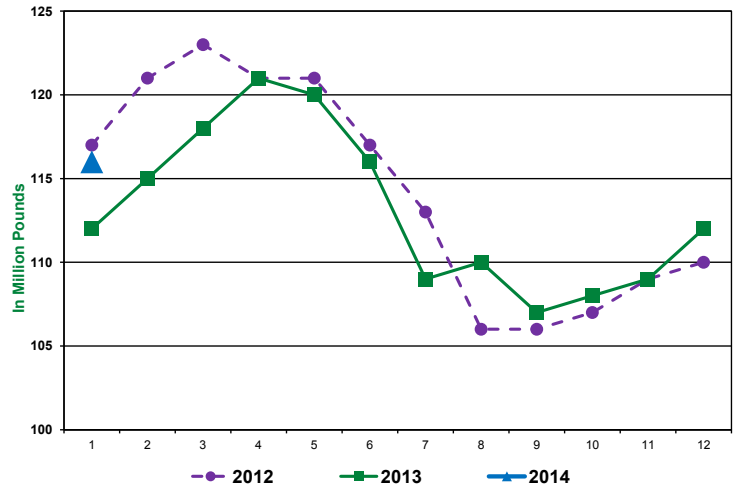
Class	Jan.	Feb.	Mar.
1 No. Calif.	\$22.84	\$23.11	\$25.38
So. Calif.	\$23.11	\$23.38	\$25.65
2 No. Calif.	\$20.64	\$21.97	\$21.97
So. Calif.	\$20.88	\$22.21	\$22.21
3	\$20.60	\$21.93	\$21.93
4a	\$22.13	N/A	N/A
4b	\$20.31	N/A	N/A

## California Pool Prices

Pool Price	Nov.	Dec.	Jan.
Quota	\$20.31	\$20.98	\$22.53
Overbase	\$18.61	\$19.28	\$20.83

## California Milk Production

Average Daily Basis: 2012, 2013, 2014



## Quota Transfer Summary

Quota Transfers	Dec.	Jan.	Feb.
Number of Sellers	8	3	5
Pounds of SNF Quota Transferred	5,436	2,696	6,929
Average Price Per Pound of SNF Quota	\$419	\$425	\$445

## California Milk Production Cost Comparison, by Region, 3<sup>rd</sup> Quarter 2012-2013

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
<i>Dollars per Hundredweight</i>										
<b>3rd Quarter</b>										
Total Costs	\$22.34	\$22.94	\$18.19	\$17.58	\$18.61	\$17.73	\$17.53	\$17.16	\$18.46	\$17.76
Total Costs & Allowances*	\$23.96	\$24.71	\$19.62	\$19.13	\$20.12	\$19.35	\$19.07	\$18.70	\$19.94	\$19.35

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

## California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	January 31, 2014		February 7, 2014		February 15, 2014		February 21, 2014	
	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
<b>Tulare, Hanford Areas</b>								
Supreme	1,600	\$290-\$335	1,025	\$297-\$315	2,465	\$305-\$325	2,350	\$310-\$330
Premium	1,000	\$280-\$300	1,545	\$280-\$310	900	\$285-\$315	400	\$300-\$325
Good	725	\$265-\$292	550	\$265-\$285	1,400	\$270-\$290	1,100	\$270-\$295
Fair	1,850	\$245-\$270	350	\$265-\$270	2,800	\$255-\$280	1,450	\$270-\$285
<b>Escalon, Modesto, Turlock Areas</b>								
Supreme	400	\$300-\$310	1,100	\$310-\$325	1,350	\$298-\$336	780	\$315-\$335
Premium	1,080	\$290-\$305	600	\$310-\$325	1,100	\$288-\$315	725	\$290-\$320
Good	650	\$280-\$295	200	\$285	275	\$265-\$280	475	\$280-\$295
Fair	625	\$250-\$270	100	\$260	150	\$260-\$268	200	\$265-\$270

Source: The Hoyt Report, Inc.

## Federal Order Minimum Class Prices

### Hundredweight Prices

Class I	Jan.	Feb.	Mar.
Phoenix, Arizona	\$23.83	\$24.37	\$25.99
Portland, Oregon	\$23.38	\$23.92	\$25.54
Boston (Northeast)	\$24.73	\$25.27	\$26.89
<b>Class III</b>	<b>\$21.15</b>	<b>N/A</b>	<b>N/A</b>

## USDA Dairy Cow Culling Activity

Week Ending	Region 9 <sup>1</sup> Dairy Cows	U.S. Dairy Cows	West Region <sup>2</sup> Price Range
	Head	Head	\$/cwt.
01/18/14	16,900	68,900	\$68-\$72
1/25/14	15,700	60,500	\$68-\$80
1/31/14	14,800	53,900	\$67-\$73
2/7/14	14,600	59,900	\$70-\$80

<sup>1</sup> Region 9 includes AZ, CA, HI and NV

<sup>2</sup> 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	
February	240		667		225	
March	255		680		214	
April	310		699		208	
May	321		714		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 January 2014 was 2.44 (increased 0.14 from December 2013). The current ratio of 2.44 means that a dairy producer can buy 2.44 pounds of feed for every pound of milk sold. The prices used to calculate the January 2014 milk-feed price ratio were: corn \$4.37/bushel; baled alfalfa hay \$185/ton; soybeans \$13.00/bushel; all-milk price \$23.20/cwt. (increased \$1.20 from December 2013).

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 0.9 % in January 2014, compared to January 2013. USDA reports that California milk production increased 4.7% compared to January 2013 (on 1,000 more cows and 90 more pounds of milk per cow). Among other western states, compared to January 2013, Arizona was up 0.8%; New Mexico was down 0.9%; and Washington was up 1.7%. Three of the top 10 states reported a production decrease. The largest increase was reported by Colorado at 5.8% growth in milk production (on 5,000 more cows and 40 more pounds of milk per cow).

**Quarterly:** For the fourth quarter of 2013 compared to the third quarter of 2013, U.S. milk cow numbers decreased to 9.206 million head, milk production per cow increased to 5,356 pounds; the net effect was milk production decreased to 49.3 billion pounds. USDA projects that for the first quarter of 2014 compared to the fourth quarter of 2013, milk cow numbers will increase to 9.225 million head, production per cow will increase to 5,525 pounds, the net effect would be increased milk production to 51.0 billion pounds.

### Milk Prices

Comparing the fourth quarter of 2013 to the third quarter of 2013, U.S. average all-milk prices increased to \$21.43/cwt. USDA projects that for the first quarter of 2014, U.S. average all-milk prices will be \$23.35-23.65/cwt.; Class III prices will be \$21.15-21.45/cwt.; and Class IV prices will be \$22.10-\$22.50/cwt.

### Utility Cow Prices

Comparing the fourth quarter of 2013 to the third quarter of 2013, average U.S. utility cow prices were down \$1.81/cwt. to a national average of \$76.55/cwt. USDA projects that utility cow prices will average \$82-86/cwt. in the first quarter of 2014.

## Top Ten Milk Production States - Jan. 2014

(Percent Change from Same Month/Previous Year)

1. California	+4.7%	6. Texas	+3.3%
2. Wisconsin	<b>-2.9%</b>	7. Michigan	+1.3%
3. New York	+0.3%	8. Minnesota	<b>-2.1%</b>
4. Idaho	+0.4%	9. New Mexico	<b>-0.9%</b>
5. Pennsylvania	+0.4%	10. Washington	+1.7%


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 - 2013

## 2013 Mailbox Milk Prices

Reporting Areas	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Dollars Per Hundredweight</b>												
<b>California</b>	<b>\$17.73</b>	<b>\$17.58</b>	<b>\$17.05</b>	<b>\$17.90</b>	<b>\$17.95</b>	<b>\$17.55</b>	<b>\$17.25</b>	<b>\$17.87</b>	<b>\$18.48</b>	<b>\$19.26</b>	<b>\$19.94</b>	
New England States	\$21.45	\$21.00	\$20.65	\$20.80	\$20.77	\$20.90	\$20.60	\$21.02	\$21.67	\$22.42	\$23.14	
New York	\$20.29	\$19.93	\$19.74	\$19.83	\$19.83	\$19.93	\$19.62	\$20.04	\$20.66	\$21.38	\$22.11	
Eastern Pennsylvania	\$20.39	\$20.08	\$19.90	\$19.91	\$19.94	\$20.01	\$19.67	\$20.11	\$20.74	\$21.49	\$22.21	
Appalachian States	\$21.31	\$20.74	\$20.08	\$20.02	\$20.04	\$20.41	\$20.76	\$21.24	\$21.61	\$21.85	\$23.14	
Southeast States	\$21.71	\$21.04	\$20.43	\$20.26	\$20.41	\$20.85	\$21.34	\$21.89	\$22.08	\$22.16	\$23.50	
Southern Missouri	\$19.98	\$19.35	\$19.00	\$18.87	\$18.74	\$19.13	\$19.63	\$20.73	\$21.13	\$21.91	\$22.45	
Florida	\$23.22	\$22.60	\$21.96	\$21.73	\$21.67	\$22.30	\$22.86	\$23.39	\$23.40	\$23.89	\$24.57	
Western Pennsylvania	\$20.39	\$20.02	\$19.90	\$19.94	\$19.98	\$19.86	\$19.33	\$19.86	\$20.44	\$21.27	\$22.05	
Ohio	\$20.71	\$20.08	\$19.83	\$19.82	\$19.86	\$19.92	\$19.60	\$20.06	\$20.61	\$21.33	\$22.06	
Indiana	\$19.95	\$19.54	\$19.32	\$19.33	\$19.26	\$19.31	\$19.20	\$19.49	\$20.12	\$20.76	\$21.47	
Michigan	\$19.81	\$19.27	\$18.95	\$18.96	\$18.97	\$19.17	\$18.89	\$19.52	\$20.07	\$20.51	\$21.24	
Wisconsin	\$20.33	\$19.52	\$19.52	\$19.65	\$20.16	\$19.67	\$18.90	\$19.55	\$19.97	\$20.64	\$21.50	
Minnesota	\$20.24	\$19.39	\$19.37	\$19.63	\$20.15	\$19.38	\$18.58	\$19.30	\$19.76	\$20.57	\$21.39	
Iowa	\$20.60	\$19.79	\$19.55	\$19.85	\$20.21	\$19.74	\$19.29	\$19.80	\$20.24	\$21.03	\$21.87	
Illinois	\$20.50	\$19.82	\$19.67	\$19.75	\$19.99	\$19.73	\$19.22	\$19.87	\$20.40	\$21.08	\$21.98	
Corn Belt States	\$19.50	\$18.87	\$18.51	\$18.71	\$18.82	\$18.45	\$18.23	\$18.79	\$19.31	\$20.06	\$20.92	
Western Texas	\$19.08	\$18.63	\$18.11	\$18.40	\$18.65	\$18.30	\$17.93	\$18.21	\$19.04	\$19.85	\$20.70	
New Mexico	\$18.16	\$17.76	\$17.01	\$17.25	\$17.42	\$17.19	\$17.05	\$17.29	\$17.96	\$18.87	\$19.61	
Northwest States	\$19.70	\$19.00	\$18.66	\$19.22	\$19.26	\$19.07	\$18.73	\$19.15	\$19.88	\$20.73	\$21.45	
All Federal Order Areas	\$20.18	\$19.56	\$19.30	\$19.45	\$19.63	\$19.46	\$19.08	\$19.59	\$20.13	\$20.83	\$21.65	

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

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