

California Dairy Review



Volume 19 Issue 10

October 2015

Breakdown of Feed Ingredients; January-June 2015

Based on the CDFA Cost of Production Survey, this summary provides a breakdown for feed ingredients fed to Holstein and Jersey milk cows (excludes dry cow feed) for January-June 2015. The table displays the dollars-per-ton fed for each commodity fed, feed intake per-cow-per-day, estimated dry matter intake per-cow-per-day, and the percent of total feed cost. This table does not contain organic herds.

FEED	HOLSTEIN MILK COWS				JERSEY MILK COWS			
	\$ Per Ton ¹	As Fed #s Per Cow Per Day ¹	Dry Matter #s Per Cow Per Day ²	% of Total Feed Cost ¹	\$ Per Ton ¹	As Fed #s Per Cow Per Day ¹	Dry Matter #s Per Cow Per Day ²	% of Total Feed Cost ¹
DRY ROUGHAGE								
Alfalfa Hay	\$290.91	8.83	7.94	17.1%	\$327.34	6.06	5.43	14.3%
Other Hay	\$166.21	0.58	0.51	0.6%	\$167.64	1.07	0.93	1.2%
Almond Hulls & Shells	\$159.82	4.35	3.88	4.4%	\$164.48	3.41	3.06	3.8%
Total Dry Roughage	\$244.27	13.76	12.34	22.3%	\$258.48	10.54	9.42	19.6%
SILAGE								
Corn Silage	\$81.05	28.04	9.40	15.1%	\$88.20	21.21	7.10	13.5%
Other Silage	\$71.35	8.97	2.99	4.3%	\$68.33	11.15	3.75	5.5%
Green Chop	\$67.51	1.05	0.21	0.5%	\$0.00	0.00	0.00	0.0%
Total Silage	\$78.39	38.07	12.60	19.8%	\$81.35	32.36	10.85	19.0%
OTHER FORAGES & WET FEEDS								
Earlage	\$0.00	0.00	0.00	0.0%	\$0.00	0.00	0.00	0.0%
Wet Distiller Grain	\$81.94	2.40	0.76	1.3%	\$76.98	1.80	0.56	1.0%
Wet Corn Gluten	\$84.63	1.40	0.45	0.8%	\$80.54	1.93	0.77	1.1%
Whey	\$37.02	3.87	0.60	1.0%	\$27.36	0.84	0.11	0.2%
Other Wet Feeds	\$37.93	2.82	0.59	0.7%	\$46.46	1.16	0.32	0.4%
Total Other Forages & Wet Feeds	\$53.89	10.48	2.40	3.8%	\$64.75	5.73	1.76	2.7%
CONCENTRATES & BYPRODUCTS								
Inside Barn Mix	\$256.43	1.69	1.45	2.9%	\$0.00	0.00	0.00	0.0%
Rolled Corn	\$194.63	9.97	8.76	12.9%	\$192.00	10.50	9.28	14.5%
Rolled Barley	\$204.34	0.21	0.18	0.3%	\$0.00	0.00	0.00	0.0%
Whole Cottonseed/Pima	\$399.99	2.76	2.54	7.3%	\$384.98	3.50	3.22	9.7%
Soybean Meal	\$446.66	0.11	0.10	0.3%	\$383.92	0.39	0.35	1.1%
Canola	\$297.38	3.92	3.59	7.7%	\$295.39	3.68	3.38	7.8%
Beet Pulp	\$207.07	0.32	0.29	0.4%	\$215.28	0.13	0.12	0.2%
Wheat Millrun	\$191.71	0.52	0.46	0.7%	\$200.00	0.14	0.12	0.2%
Dried Distillers Grain	\$234.50	2.07	1.89	3.2%	\$219.07	1.26	1.16	2.0%
Other Grains & byproducts	\$276.22	2.96	2.69	5.4%	\$280.29	5.32	4.73	10.7%
Mill/Custom Mix	\$296.54	4.52	3.92	8.9%	\$360.58	2.36	2.04	6.1%
Total Concentrates & Byproducts	\$259.76	29.04	25.88	50.1%	\$266.67	27.28	24.40	52.4%
MINERALS & ADDITIVES								
All Minerals	\$404.04	1.38	1.16	3.7%	\$359.90	2.47	2.10	6.4%
PASTURE								
Pasture	\$47.88	0.84	0.19	0.3%	\$0.00	0.00	0.00	0.0%
TOTALS	\$160.86	93.58	54.57	100.0%	\$177.24	78.38	48.53	100.0%

Cost Per Cow-Per Day \$7.53
 Cost Per Cwt. of Milk \$9.52
 Avg. Milk Cows 1,231
 Milk Production Per Cow-Per Day 79.06

Cost Per Cow-Per Day \$6.95
 Cost Per Cwt. of Milk \$11.33
 Avg. Milk Cows 2,051
 Milk Production Per Cow-Per Day 61.30

¹ All figures based on weighted averages

² Dry Matter is estimated

This table represents California Holstein and Jersey herds that participate in the Cost of Production Survey. This table does not include organic herds.

California Minimum Class Prices

Hundredweight Prices

Class	Aug.	Sept.	Oct.
1 No. Calif.	\$17.66	\$18.08	\$17.37
So. Calif.	\$17.93	\$18.35	\$17.64
2 No. Calif.	\$13.77	\$13.77	N/A
So. Calif.	\$14.00	\$14.00	N/A
3	\$13.72	\$13.72	N/A
4a	\$13.08	N/A	N/A
4b	\$15.74	N/A	N/A

Quota Transfer Summary

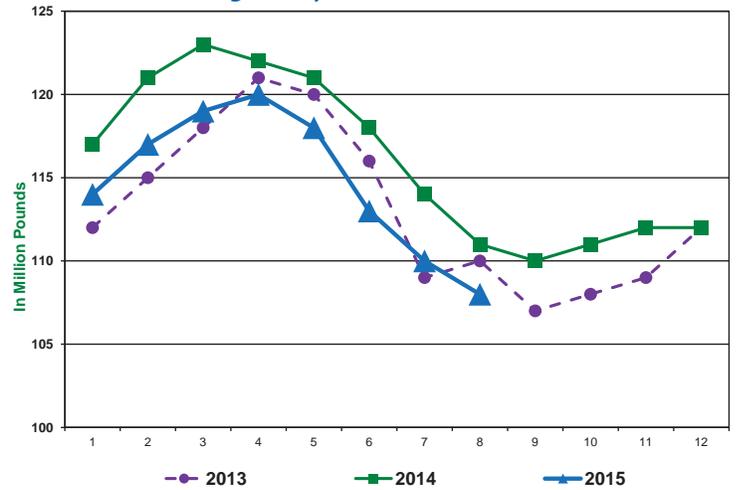
Quota Transfers	July	Aug.	Sept.
Number of Sellers	1	2	5
Pounds of SNF Quota Transferred	2,882	675	5,271
Average Price Per Pound of SNF Quota	\$525	\$528	\$528

California Pool Prices

Pool Price	June	July	Aug.
Quota	\$16.34	\$16.02	\$16.33
Overbase	\$14.64	\$14.32	\$14.63

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
<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

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

California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	August 28, 2015		September 4, 2015		September 11, 2015		September 18, 2015		
	Delivered	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas									
Supreme		700	\$275-\$285	470	\$280-\$295	725	\$227-\$290	350	\$260-\$290
Premium		1,100	\$245-\$250	460	\$240-\$250	1,150	\$248-\$260	2,475	\$230-\$250
Good		1,225	\$190-\$210	1,000	\$180-\$215	4,450	\$180-\$200	525	\$180-\$197
Fair		6,525	\$155-\$170	6,140	\$155-\$170	2,825	\$155-\$165	2,315	\$150-\$165
Escalon, Modesto, Turlock Areas									
Supreme		1,525	\$270-\$295	925	\$275-\$290	887	\$270-\$300	1,768	\$260-\$280
Premium		550	\$245-\$263	125	\$257	721	\$235-\$260	1,000	\$238-\$240
Good		2,500	\$175-\$180	1,000	\$175-\$185	425	\$175-\$210	400	\$180-\$198
Fair		3,400	\$150-\$175	700	\$150-\$165	1,850	\$145-\$170	-	No Sales

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	Aug.	Sept.	Oct.
Phoenix, Arizona	\$18.63	\$18.69	\$18.19
Portland, Oregon	\$18.18	\$18.24	\$17.74
Boston (Northeast)	\$19.53	\$19.59	\$19.09
Class III	\$16.27	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.
8/21/15	13,400	55,000	\$94-\$120
8/28/15	14,600	53,900	\$97-\$98
9/4/15	14,400	57,400	\$88-\$105
9/11/15	13,600	51,500	\$97-\$97

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	248
May	209	264	656	664	221	261
June	186	256	655	685	229	262
July	181	254	660	698	248	270
August	165	209	662	709	243	N/A
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 July 2015 was 2.01 (down from 2.06 in June 2015). The current ratio of 2.01 means that a dairy producer can buy 2.01 pounds of feed for every pound of milk sold. The prices used to calculate the July 2015 milk-feed price ratio were: corn \$3.80/bushel; soybeans \$9.96/bushel; alfalfa hay \$169/ton; all-milk price \$16.60/cwt. (decreased from \$16.90 in June 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 0.8% in August 2015, compared to August 2014. USDA reports that California milk production decreased 3.4% compared to August 2014 (with 1,000 less cows and 65 less pounds of milk per cow). Among other western states, compared to August 2014, Arizona was up 2.2%; New Mexico was down 4.3%; 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 13.3% growth in milk production (on 10,000 more cows and 50 more pounds of milk per cow).

Quarterly: For the second quarter of 2015 compared to the first quarter of 2015, U.S. milk cow numbers increased to 9.320 million head, milk production per cow increased to 5,757 pounds; the net effect was an increase in milk production to 53.7 billion pounds. USDA projects that for the third quarter of 2015 compared to the second quarter of 2015, milk cow numbers will show no change at 9.320 million head, production per cow will decrease to 5,550 pounds; the net effect would be a decrease in milk production to 51.7 billion pounds.

Milk Prices

Comparing the second quarter of 2015 to the first quarter of 2015, U.S. average all-milk prices decreased to \$16.70/cwt. USDA projects that for the third quarter of 2015, U.S. average all-milk prices will be \$16.90-\$17.10/cwt.; Class III prices will be \$16.00-\$16.20/cwt.; and Class IV prices will be \$13.45-\$13.75/cwt.

Utility Cow Prices

Comparing the second quarter of 2015 to the first quarter of 2015, average U.S. utility cow prices were up \$1.89/cwt. to a national average of \$109.50/cwt. USDA projects that utility cow prices will average \$104-\$107/cwt. in the third quarter of 2015.

Top Ten Milk Production States - Aug. 2015

(Percent Change from Same Month/Previous Year)

1. California	-3.4%	6. Michigan	+4.1%
2. Wisconsin	+4.8%	7. Texas	-1.4%
3. Idaho	+0.8%	8. Minnesota	+4.7%
4. New York	+2.5%	9. New Mexico	-4.3%
5. Pennsylvania	+0.3%	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						
New England States	\$19.33	\$18.44	\$18.08	\$17.97	\$18.07	\$18.18						
New York	\$18.01	\$17.05	\$16.67	\$16.55	\$16.68	\$16.74						
Eastern Pennsylvania	\$17.85	\$17.03	\$16.56	\$16.41	\$16.48	\$16.49						
Appalachian States	\$19.09	\$17.94	\$16.91	\$16.54	\$16.49	\$17.02						
Southeast States	\$19.81	\$18.29	\$17.06	\$16.61	\$16.69	\$17.28						
Southern Missouri	\$18.39	\$17.72	\$16.79	\$15.95	\$15.99	\$16.59						
Florida	\$21.33	\$19.55	\$17.98	\$17.77	\$17.77	\$18.21						
Western Pennsylvania	\$17.98	\$17.10	\$16.73	\$16.72	\$16.75	\$16.67						
Ohio	\$18.19	\$17.33	\$16.85	\$16.79	\$16.84	\$16.78						
Indiana	\$17.31	\$16.43	\$15.89	\$16.04	\$15.81	\$15.87						
Michigan	\$16.89	\$16.03	\$15.56	\$15.58	\$15.48	\$15.47						
Wisconsin	\$18.18	\$17.58	\$17.46	\$17.51	\$17.66	\$17.82						
Minnesota	\$18.03	\$17.41	\$17.32	\$17.36	\$17.56	\$17.61						
Iowa	\$17.58	\$17.11	\$16.74	\$16.65	\$16.65	\$16.97						
Illinois	\$17.74	\$17.28	\$17.01	\$16.79	\$16.82	\$16.90						
Corn Belt States	\$16.55	\$16.01	\$15.63	\$15.56	\$15.72	\$15.86						
Western Texas	\$16.38	\$15.78	\$15.47	\$15.49	\$15.71	\$15.70						
New Mexico	\$15.19	\$14.84	\$14.51	\$14.39	\$14.63	\$14.62						
Northwest States	\$16.79	\$15.39	\$16.65	\$15.69	\$16.81	\$15.83						
All Federal Order Areas	\$17.71	\$16.91	\$16.60	\$16.44	\$16.60	\$16.62						

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.ca.gov/dairy and click on  Web Posting Email Notification to subscribe to the Dairy Marketing Branch Email Notifications.



California Department of Food and Agriculture
Karen Ross, Secretary

Dairy Marketing Branch
1220 N Street
Sacramento, CA 95814

The California Department of Food and Agriculture Dairy Marketing Branch publishes the California Dairy Review monthly. Please direct any comments or subscription requests to Karen Dapper or Lu Tang at (916) 900-5014, or send an email to dairy@cdfa.ca.gov

Dairy Marketing Branch:
Phone (916) 900-5014; Fax (916) 900-5341
Website: www.cdfa.ca.gov/dairy
Email: dairy@cdfa.ca.gov