

## The Size of California's Dairy Farms, May 2015

	Range of Milk Marketings	Number of Grade A & B Farms	Percent of Total Grade A & B Farms	Percent of Total Grade A & B Milk Marketings
	> 5.0 Million Lbs.	197	13.74%	41.01%
	2.4 to 4.9 Million Lbs.	320	22.32%	31.31%
	1.5 to 2.3 Million Lbs.	278	19.39%	14.79%
	1 to 1.4 Million Lbs.	192	13.39%	6.50%
	750,000 to 999,999 Lbs.	111	7.74%	2.69%
	500,000 to 749,999 Lbs.	111	7.74%	1.93%
	250,000 to 499,999 Lbs.	142	9.90%	1.46%
	< 249,999 Lbs.	83	5.79%	0.32%



= Farms producing at least one tanker load of milk per day, based on 1.5+ million pounds/month.

Sources: CDFA Dairy Marketing and Milk Pooling Branches

### California Farms by Size, a Comparison...

- The 517 dairy farms producing over 2.4 million pounds per month (36% of the state's dairies) produce 72% of the state's milk marketings.
- In May 2015, 795 dairies produced more than one tanker load of milk per day.
- The 336 dairy farms (23% of the state's dairies) producing less than 750,000 pounds per month produce less than 4% of the state's milk marketings.
- Just over 41% of the total milk marketings were from dairies producing over 5 million pounds of milk per month.
- In May 2015, 197 dairies produced more than 5 million pounds of milk per month (a decrease of 6 dairies from 203 dairies in 2014).

## California Minimum Class Prices

### Hundredweight Prices

Class	July	Aug.	Sept.
1 No. Calif.	\$18.42	\$17.66	\$18.08
So. Calif.	\$18.70	\$17.93	\$18.35
2 No. Calif.	\$14.06	\$13.77	\$13.77
So. Calif.	\$14.29	\$14.00	\$14.00
3	\$14.01	\$13.72	\$13.72
4a	\$13.03	N/A	N/A
4b	\$13.72	N/A	N/A

## Quota Transfer Summary

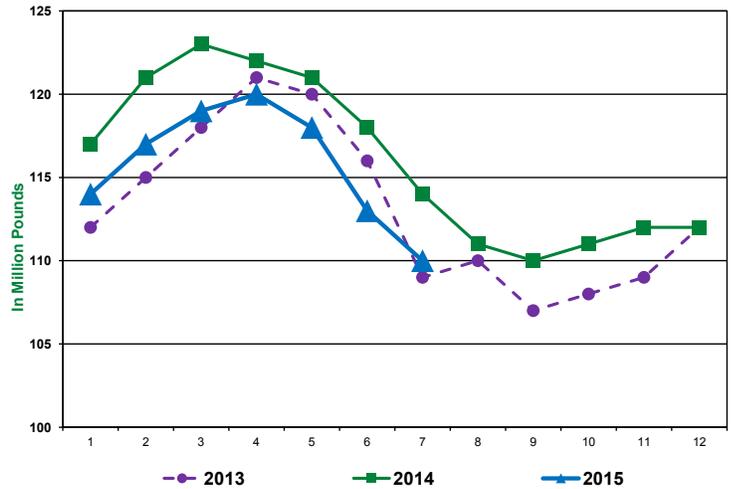
Quota Transfers	June	July	Aug.
Number of Sellers	1	1	2
Pounds of SNF Quota Transferred	238	2,882	675
Average Price Per Pound of SNF Quota	\$525	\$525	\$528

## California Pool Prices

Pool Price	May	June	July
Quota	\$15.94	\$16.34	\$16.02
Overbase	\$14.24	\$14.64	\$14.32

## California Milk Production

### Average Daily Basis: 2013, 2014, 2015



## California Milk Production Cost Comparison, by Region, 2014-20145

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
	Dollars per Hundredweight									
<b>1st Quarter</b>										
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 Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	July 31, 2015		August 7, 2015		August 14, 2015		August 21, 2015	
	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
<b>Tulare, Hanford Areas</b>								
Supreme	300	\$280-\$290	400	\$280-\$287	675	\$262-\$282	-	No Sales
Premium	575	\$250-\$275	1,250	\$255-\$260	3,625	\$245-\$268	1,900	\$245-\$260
Good	3,600	\$195-\$230	3,350	\$205-\$235	1,150	\$207-\$227	575	\$190-\$200
Fair	3,340	\$160-\$175	11,000	\$160-\$175	6,200	\$160-\$178	5,025	\$155-\$175
<b>Escalon, Modesto, Turlock Areas</b>								
Supreme	775	\$280-\$295	550	\$285-\$295	1,160	\$265-\$295	700	\$270-\$295
Premium	1,200	\$250-\$270	650	\$240-\$250	1,195	\$245-\$260	-	No Sales
Good	600	\$198-\$210	775	\$190-\$220	1,600	\$185-\$210	1,065	\$175-\$185
Fair	3,800	\$165-\$185	650	\$175-\$185	1,350	\$165-\$175	2,075	\$155-\$170

Source: The Hoyt Report, Inc.

## Federal Order Minimum Class Prices

### Hundredweight Prices

Class I	July	Aug.	Sept.
Phoenix, Arizona	\$18.88	\$18.63	\$18.69
Portland, Oregon	\$18.43	\$18.18	\$18.24
Boston (Northeast)	\$19.78	\$19.53	\$19.59
<b>Class III</b>	<b>\$16.33</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.
7/10/15	13,400	52,700	\$94-\$112
7/17/15	13,500	52,900	\$86-\$104
7/24/15	13,000	51,400	\$99-\$102
7/31/15	14,700	52,800	\$96-\$96

<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	
	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	250	N/A
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 June 2015 was 2.06 (up from 1.96 in May 2015). The current ratio of 2.06 means that a dairy producer can buy 2.06 pounds of feed for every pound of milk sold. The prices used to calculate the June 2015 milk-feed price ratio were: corn \$3.58/bushel; soybeans \$9.58/bushel; alfalfa hay \$178/ton; all-milk price \$16.90/cwt. (increased from \$16.70 in May 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 1.2% in July 2015, compared to July 2014. USDA reports that California milk production decreased 3.3% compared to July 2014 (with 1,000 less cows and 65 less pounds of milk per cow). Among other western states, compared to July 2014, Arizona was up 2.4%; New Mexico was down 4.2%; and Washington was up 0.2%. Three of the top 10 milk producing states reported a production decrease. The largest increase was reported by South Dakota at 12.3% growth in milk production (on 9,000 more cows and 55 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 9.319 million head, milk production per cow increased to 5,753 pounds; the net effect was a increase in milk production to 53.6 billion pounds. USDA projects that for the third quarter of 2015 compared to the second quarter of 2015, milk cow numbers will increase to 9.320 million head, production per cow will decrease to 5,545 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 \$16.95-\$17.25/cwt.; Class III prices will be \$16.10-\$16.40/cwt.; and Class IV prices will be \$12.60-\$13.00/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 \$106-\$110/cwt. in the third quarter of 2015.

## Top Ten Milk Production States - July 2015

(Percent Change from Same Month/Previous Year)

1. California	-3.3%	6. Michigan	+6.3%
2. Wisconsin	+5.3%	7. Texas	-1.2%
3. Idaho	+0.7%	8. Minnesota	+4.2%
4. New York	+3.2%	9. New Mexico	-4.2%
5. Pennsylvania	+2.3%	10. Washington	+0.2%

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
<b>Dollars Per Hundredweight</b>												
<b>California</b>	<b>\$15.11</b>	<b>\$14.49</b>	<b>\$14.45</b>	<b>\$14.43</b>	<b>\$14.72</b>							
New England States	\$19.33	\$18.44	\$18.08	\$17.97	\$18.07							
New York	\$18.01	\$17.05	\$16.67	\$16.55	\$16.68							
Eastern Pennsylvania	\$17.85	\$17.03	\$16.56	\$16.41	\$16.48							
Appalachian States	\$19.09	\$17.94	\$16.91	\$16.54	\$16.49							
Southeast States	\$19.81	\$18.29	\$17.06	\$16.61	\$16.69							
Southern Missouri	\$18.39	\$17.72	\$16.79	\$15.95	\$15.99							
Florida	\$21.33	\$19.55	\$17.98	\$17.77	\$17.77							
Western Pennsylvania	\$17.98	\$17.10	\$16.73	\$16.72	\$16.75							
Ohio	\$18.19	\$17.33	\$16.85	\$16.79	\$16.84							
Indiana	\$17.31	\$16.43	\$15.89	\$16.04	\$15.81							
Michigan	\$16.89	\$16.03	\$15.56	\$15.58	\$15.48							
Wisconsin	\$18.18	\$17.58	\$17.46	\$17.51	\$17.66							
Minnesota	\$18.03	\$17.41	\$17.32	\$17.36	\$17.56							
Iowa	\$17.58	\$17.11	\$16.74	\$16.65	\$16.65							
Illinois	\$17.74	\$17.28	\$17.01	\$16.79	\$16.82							
Corn Belt States	\$16.55	\$16.01	\$15.63	\$15.56	\$15.72							
Western Texas	\$16.38	\$15.78	\$15.47	\$15.49	\$15.71							
New Mexico	\$15.19	\$14.84	\$14.51	\$14.39	\$14.63							
Northwest States	\$16.79	\$15.39	\$16.65	\$15.69	\$16.81							
All Federal Order Areas	\$17.71	\$16.91	\$16.60	\$16.44	\$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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