

Distribution of California Milk Production by Farm Size, May 2013

	Range of Milk Marketings	Number of Grade A & B Farms (Arrows Indicate Difference from May 2012)	Percent of Total Grade A & B Farms	Percent of Total Grade A & B Milk Marketings
	> 5.0 Million Lbs.	201 ↑	13.32%	40.97%
	2.4 to 4.9 Million Lbs.	340 ↑	22.53%	31.61%
	1.5 to 2.3 Million Lbs.	259 ↓	17.16%	13.47%
	1 to 1.4 Million Lbs.	215 ↓	14.25%	7.24%
	750,000 to 999,999 Lbs.	123 ↓	8.15%	2.89%
	500,000 to 749,999 Lbs.	110 ↓	7.29%	1.86%
	250,000 to 499,999 Lbs.	157 ↓	10.40%	1.56%
	< 249,999 Lbs.	104 ↓	6.89%	0.40%



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

California Farms by Size: A Comparison . . . May 2013

- The 541 dairy farms producing over 2.4 million pounds per month (36% of the state's dairies) produce 73% of the state's milk marketings.
- In May 2013, 800 dairies produced more than one tanker load of milk per day.
- The two highest ranges of dairies producing from 2.4 to more than 5.0 million pounds per month were the only ranges showing an increase in number of dairies and milk production, compared to 2012.
- The 371 lowest-producing dairy farms (25% of the state's dairies) produce only 4% of the state's milk marketings.
- The group of dairies producing less than 249,999 pounds of milk per month (104 dairies) accounted for less than one half of 1% of the state's milk marketings.
- In May 2013, there were 201 dairies producing more than 5 million pounds of milk per month (up from 195 dairies in 2012).

2013-2014 Dairy Council Assessment Rates Established

The Dairy Council of California has recommended and the Department of Food and Agriculture has approved assessment rates for the Council's 2013-2014 fiscal year (July 1, 2013, through June 30, 2014). The rates are presented below. These rates are the same as last year's rates.

2013-2014 Dairy Council Assessment Rates (applicable to both producers and handlers)	
Class 1 Milk	one and fifty hundredths cents (\$0.015) per cwt.
Milk For All Other Classes	sixty hundredths cents (\$0.006) per cwt.

The Dairy Council uses the funds generated from these assessments to carry out its mission of stimulating demand for milk by demonstrating the role of dairy products as essential elements in a healthy diet. As in the past, handlers will continue to be responsible for remitting both the handler and producer assessments to the Department. Handlers shall pay the handler assessments for milk utilized in the plant of the handler. The producer assessments shall be collected by the first handler of milk produced in California by deducting any such assessments from any payment due the producer of such milk. Please call Dennis Manderfield of the CDFA Marketing Branch at (916) 900-5018 if you have any questions about these assessment rates. If you have questions regarding the activities of the Dairy Council, please call Tammy Anderson-Wise, CEO of the Dairy Council, at (916) 263-3560.

California Minimum Class Prices

Hundredweight Prices

Class	June	July	August
1 No. Calif.	\$20.84	\$19.59	\$20.21
So. Calif.	\$21.12	\$19.86	\$20.48
2 No. Calif.	\$18.26	\$18.31	N/A
So. Calif.	\$18.49	\$18.54	N/A
3	\$18.21	\$18.26	N/A
4a	\$18.39	N/A	N/A
4b	\$15.91	N/A	N/A

Quota Transfer Summary

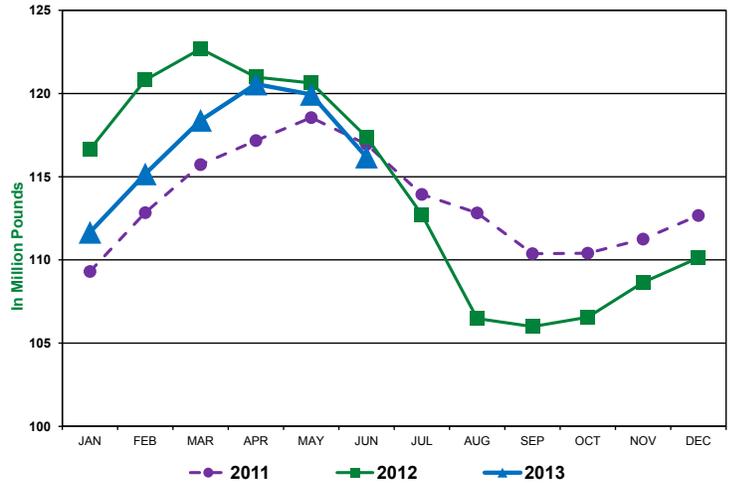
Quota Transfers	May	June	July
Number of Sellers	12	3	8
Pounds of SNF Quota Transferred	13,958	14,168	16,431
Average Price Per Pound of SNF Quota	\$398	\$400	\$403

California Pool Prices

Pool Price	Apr.	May	June
Quota	\$18.99	\$19.13	\$18.78
Overbase	\$17.29	\$17.43	\$17.08

California Milk Production

Average Daily Basis: 2011, 2012, 2013



California Milk Production Cost Comparison, by Region, 1st 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>										
1st Quarter										
Total Costs	\$23.47	\$24.44	\$16.79	\$17.64	\$16.31	\$17.57	\$16.36	\$16.96	\$16.63	\$17.69
Total Costs & Allowances*	\$25.28	\$26.14	\$18.21	\$19.08	\$17.77	\$19.06	\$17.89	\$18.38	\$18.09	\$19.16

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

California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	June 28, 2013		July 5, 2013		July 12, 2013		July 19, 2013	
	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas								
Supreme	5,500	\$280-\$290	3,500	\$275-\$292	5,200	\$280-\$305	3,417	\$280-\$302
Premium	2,370	\$260-\$278	800	\$265-\$270	1,880	\$265-\$280	2,515	\$265-\$280
Good	5,789	\$245-\$255	2,075	\$242-\$260	2,361	\$240-\$260	8,140	\$240-\$265
Fair	7,514	\$225-\$240	6,137	\$225-\$240	6,350	\$225-\$240	12,607	\$225-\$240
Escalon, Modesto, Turlock Areas								
Supreme	4,325	\$270-\$295	3,090	\$270-\$290	2,025	\$268-\$295	1,300	\$275-\$292
Premium	3,650	\$255-\$270	1,000	\$260-\$270	1,480	\$262-\$270	2,225	\$260-\$278
Good	1,400	\$240-\$250	130	\$248-\$248	400	\$245-\$245	2,375	\$230-\$260
Fair	2,000	\$210-\$225	950	\$210-\$225	4,955	\$210-\$230	5,225	\$210-\$230

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	June	July	Aug.
Phoenix, Arizona	\$21.28	\$21.26	\$21.23
Portland, Oregon	\$20.83	\$20.81	\$20.78
Boston (Northeast)	\$22.18	\$22.16	\$22.13
Class III	\$18.02	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.
6/15/13	16,100	55,300	\$65-\$67
6/22/13	14,300	53,700	\$63-\$80
6/29/13	14,700	53,700	\$63-\$68
7/06/13	13,400	47,200	\$63-\$85
7/13/13	14,900	56,600	\$67-\$85

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	
	2012	2013	2012	2013	2012	2013
<i>In Million Pounds</i>						
January	170	207	612	644	159	249
February	205	240	608	667	196	225
March	211	255	622	680	210	214
April	254	310	632	699	227	208
May	264	321	623	714	215	227
June	243	324	630	705	145	N/A
July	234		635		130	
August	201		614		106	
September	195		608		118	
October	145		582		104	
November	127		581		127	
December	153		605		181	

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 2013 was 1.53 (no change from May 2013). The current ratio of 1.53 means that a dairy producer can buy 1.53 pounds of feed for every pound of milk sold. The prices used to calculate the June 2013 milk-feed price ratio were: corn \$7.02/bushel; baled alfalfa hay \$220/ton; soybeans \$15.10/bushel; all-milk price \$19.70/cwt. (no change from May 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

Note: Through September 2013, USDA will only publish administrative data for Milk Production (there will be no "milk per cow" or "number of cows" data available).

Monthly: USDA estimates overall milk production across the U.S. was up by 1.5% in June 2013, compared to June 2012. USDA reports that California milk production decreased 0.8% compared to June 2012. Among other western states, compared to June 2012, Arizona showed no change; New Mexico was up 1.2%; and Washington was up 3.6%. One of the top 10 states reported a production decrease. The largest increase was reported by Kansas at 9.4% growth in milk production.

Quarterly: For the second quarter of 2013, U.S. milk cow numbers and milk production per cow were not available. Milk production increased to 51.9 billion pounds compared to first quarter 2013 production. USDA projects that for the third quarter of 2013 compared to the second quarter of 2013, milk production will decrease to 49.8 billion pounds.

Milk Prices

Comparing the second quarter of 2013 to the first quarter of 2013, U.S. average milk prices increased to \$19.63/cwt. USDA projects that for the third quarter of 2013, U.S. average all-milk prices will be \$19.40-19.80/cwt.; Class III prices will be \$17.35-17.75/cwt.; and Class IV prices will be \$18.65-19.15/cwt.

Utility Cow Prices

Comparing the second quarter of 2013 to the first quarter of 2013, average U.S. utility cow prices were down \$0.39/cwt. to a national average of \$77.48/cwt. USDA projects that utility cow prices will average \$78-81/cwt. in the third quarter of 2013.

Top Ten Milk Production States - June 2013

(Percent Change from Same Month/Previous Year)

1. California	-0.8%	6. Texas	+1.9%
2. Wisconsin	+1.8%	7. Minnesota	+1.9%
3. Idaho	+0.0%	8. Michigan	+3.7%
4. New York	+3.9%	9. New Mexico	+1.2%
5. Pennsylvania	+2.4%	10. Washington	+3.6%

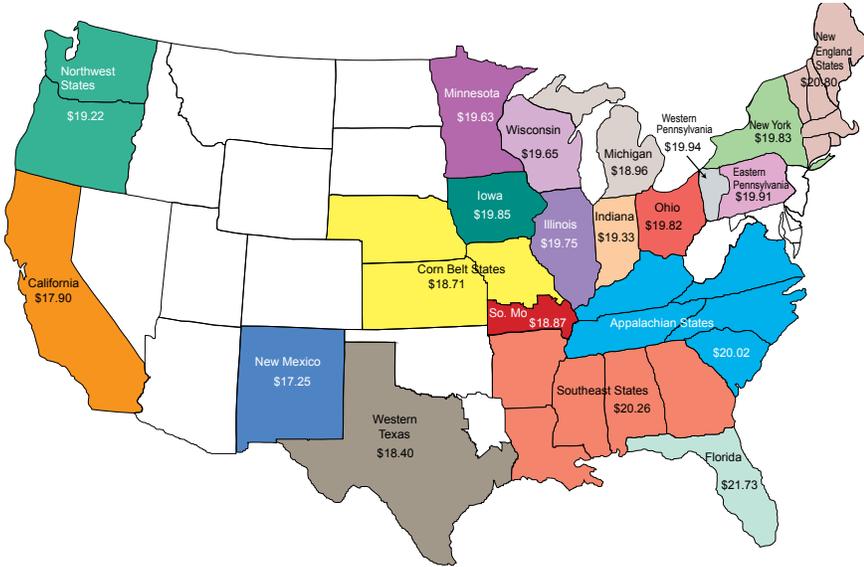
Information from the USDA-NASS publication "Milk Production" and the USDA-ERS publication: "Livestock, Dairy, and Poultry Outlook."

Milk Mailbox Prices in Dollars per Hundredweight - 2013

Area	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
California	\$17.73	\$17.58	\$17.05	\$17.90								
USDA	\$20.18	\$19.56	\$19.30	\$19.45								

¹ California mailbox price calculated by CDFA

² All federal milk market order weighted average, as calculated by USDA.



In April 2013, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$19.45 per cwt., up \$0.15 from the March 2013 average, and up \$2.58 from the April 2012 average. The component tests of producer milk in April 2013 were: butterfat, 3.76%; protein, 3.12%; and other solids, 5.75%. On an individual reporting area basis, mailbox prices decreased in five Federal milk order reporting areas and increased in 14 Federal milk order reporting areas, when compared to the previous month. Mailbox prices in April 2013 ranged from \$21.73 in Florida to \$17.25 in New Mexico.

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