

Fluid Milk Processors Approve Continuation of California Milk Processor Board

In a referendum recently conducted by CDFA, fluid milk processors voted in favor of continuing the operations of the California Milk Processor Board for another three years. The voting results are presented below.

- 62% Portion of All Eligible Processors that actually participated by casting valid ballots
- 67% Portion of Those Processors Voting who favored continuation of the Milk Processor Board
- 87% Portion of the Voted Volume represented by those processors favoring continuation of the Milk Processor Board

The marketing order for the Milk Processor Board specifies that the program may be continued if CDFA finds that of those voting, a majority of the fluid milk processors accounting for a majority of the voted volume favor continuation. Since the above voting results meet the marketing order's continuation requirements, CDFA has authorized the Milk Processor Board to continue operating for another three years through January 31, 2017.

The California Milk Processor Board is responsible for the renowned "got milk?" advertising campaign which is funded by a mandatory 3-cents/gallon processor assessment. This program has been in existence since 1993.

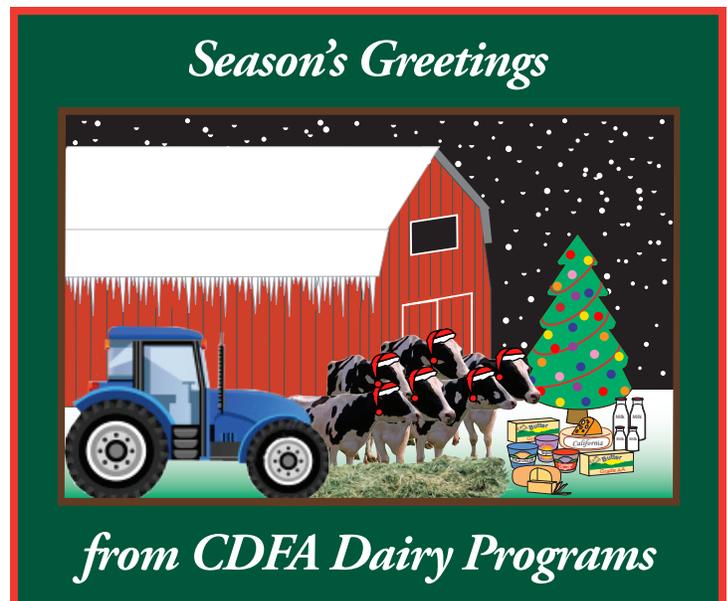
If you have questions about this referendum, please contact Dennis Manderfield of CDFA at (916) 900-5018. If you have questions concerning the operations of the California Milk Processor Board, please call Steve James, Executive Director of the Board, at (949) 481-6620.

Dairy Council of California Receives Authorization to Continue

CDFA recently conducted a public hearing to receive comments from the dairy industry and the general public regarding whether or not the Dairy Council of California should be continued. Such a hearing must be conducted every five years.

CDFA received much testimony supportive of the Dairy Council's continuation from a wide spectrum of interested parties; milk producers, milk processors, agricultural trade associations, affiliated milk promotion programs, university representatives, school districts, nutrition professionals and government agencies associated with health and education. The hearing record substantiated that the Dairy Council is fulfilling its declared statutory purposes. Therefore, CDFA has authorized the Dairy Council to continue operating for five more fiscal years, through June of 2019.

The Dairy Council conducts activities to educate the public about the importance of milk and dairy products in a well balanced diet. These activities are funded by a mandatory assessment upon all producers and processors of California milk. For more information regarding this hearing, please contact Dennis Manderfield of the CDFA Marketing Branch at 916-900-5018. For more information regarding the activities of the Dairy Council, please contact Tammy Anderson-Wise, CEO of the Dairy Council, at 916-263-3560.



California Minimum Class Prices

Hundredweight Prices

Class	Oct.	Nov.	Dec.
1 No. Calif.	\$20.79	\$21.74	\$21.73
So. Calif.	\$21.06	\$22.01	\$22.00
2 No. Calif.	\$19.41	\$19.41	N/A
So. Calif.	\$19.64	\$19.64	N/A
3	\$18.86	\$19.36	N/A
4a	\$20.00	N/A	N/A
4b	\$16.82	N/A	N/A

Quota Transfer Summary

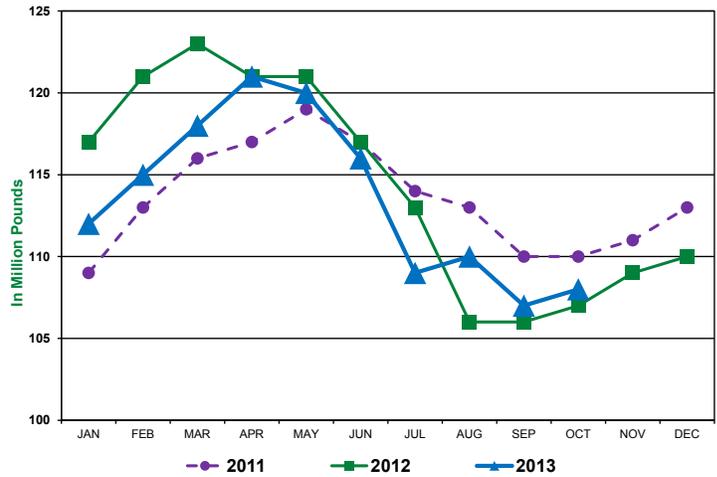
Quota Transfers	Sep.	Oct.	Nov.
Number of Sellers	7	9	5
Pounds of SNF Quota Transferred	8,122	6,746	6,477
Average Price Per Pound of SNF Quota	\$403	\$405	\$424

California Pool Prices

Pool Price	Aug.	Sept.	Oct.
Quota	\$19.01	\$19.44	\$19.80
Overbase	\$17.31	\$17.74	\$18.10

California Milk Production

Average Daily Basis: 2011, 2012, 2013



California Milk Production Cost Comparison, by Region, 2nd 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>										
2nd Quarter										
Total Costs	\$22.00	\$22.52	\$16.99	\$17.00	\$16.64	\$16.81	\$16.04	\$16.57	\$16.84	\$16.98
Total Costs & Allowances*	\$23.60	\$24.19	\$18.34	\$18.42	\$18.02	\$18.27	\$17.47	\$17.88	\$18.22	\$18.42

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

California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	November 1, 2013		November 8, 2013		November 15, 2013		November 22, 2013	
	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas								
Supreme	1,805	\$280-\$308	N/A	N/A	4,080	\$280-\$310	1,050	\$285-\$315
Premium	1,600	\$265-\$285	N/A	N/A	2,855	\$265-\$285	2,225	\$260-\$282
Good	1,500	\$230-\$255	N/A	N/A	955	\$230-\$260	3,220	\$235-\$260
Fair	450	\$215-\$220	N/A	N/A	500	\$210-\$225	800	\$215-\$230
Escalon, Modesto, Turlock Areas								
Supreme	3,090	\$280-\$306	N/A	N/A	5,575	\$278-\$308	1,100	\$285-\$308
Premium	475	\$265-\$275	N/A	N/A	2,050	\$265-\$290	No Sale	-
Good	350	\$230-\$250	N/A	N/A	900	\$235-\$265	400	\$235-\$255
Fair	200	\$210-\$225	N/A	N/A	350	\$215-\$225	No Sale	-

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	Oct.	Nov.	Dec.
Phoenix, Arizona	\$21.55	\$22.55	\$22.72
Portland, Oregon	\$21.10	\$22.10	\$22.72
Boston (Northeast)	\$22.45	\$23.45	\$23.62
Class III	\$18.22	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.
10/19/13	16,000	60,600	N/A
10/26/13	15,700	60,600	\$64-\$74
11/02/13	15,000	59,000	N/A
11/09/13	14,900	61,100	\$65-\$72

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	319	630	711	145	230
July	234	296	635	705	130	207
August	201	269	614	670	106	194
September	195	233	608	661	118	147
October	145	174	582	629	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 October 2013 was 2.09 (increased \$0.21 from September 2013). The current ratio of 2.09 means that a dairy producer can buy 2.09 pounds of feed for every pound of milk sold. The prices used to calculate the October 2013 milk-feed price ratio were: corn \$4.49/bushel; baled alfalfa hay \$193/ton; soybeans \$12.60/bushel; all-milk price \$20.30/cwt. (increased \$0.20 from September 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 - Most Recent Available

Monthly: USDA estimates overall milk production across the U.S. was up by 1.0% in October 2013, compared to October 2012. USDA reports that California milk production increased 1.0% compared to October 2012 (on 3,000 more cows and 15 more pounds of milk per cow). Among other western states, compared to October 2012, Arizona was up 4.1%; New Mexico was down 0.6%; and Washington was up 2.3%. Three of the top 10 states reported a production decrease. The largest increase was reported by Kansas at 6.1% growth in milk production (on 7,000 more cows and 5 more pounds of milk per cow).

Quarterly: For the third quarter of 2013 compared to the second quarter of 2013, U.S. milk cow numbers were at 9.227 million head, milk production per cow was at 5,356 pounds; the net effect was milk production recorded at 49.4 billion pounds. USDA projects that for the fourth quarter of 2013 compared to the third quarter of 2013, milk cow numbers will decrease to 9.220 million head, production per cow will increase to 5,400 pounds, the net effect would be increased milk production to 49.8 billion pounds.

Milk Prices

Comparing the third quarter of 2013 to the second quarter of 2013, U.S. average all-milk prices decreased to \$19.53/cwt. USDA projects that for the fourth quarter of 2013, U.S. average all-milk prices will be \$20.70-21.00/cwt.; Class III prices will be \$18.40-\$18.70/cwt.; and Class IV prices will be \$19.95-\$20.35/cwt.

Utility Cow Prices

Comparing the third quarter of 2013 to the second quarter of 2013, average U.S. utility cow prices were up \$0.13/cwt. to a national average of \$77.59/cwt. USDA projects that utility cow prices will average \$78-\$80/cwt. in the fourth quarter of 2013.

Top Ten Milk Production States - Oct. 2013

(Percent Change from Same Month/Previous Year)

1. California	+1.0%	6. Texas	+3.8%
2. Wisconsin	+0.9%	7. Michigan	+2.7%
3. New York	+2.8%	8. Minnesota	-0.3%
4. Idaho	-2.7%	9. New Mexico	-0.6%
5. Pennsylvania	+0.2%	10. Washington	+2.3%

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

Reporting Areas	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Dollars Per Hundredweight												
California	\$17.73	\$17.58	\$17.05	\$17.90	\$17.95	\$17.55	\$17.25	\$17.87				
New England States	\$21.45	\$21.00	\$20.65	\$20.80	\$20.77	\$20.90	\$20.60	\$21.02				
New York	\$20.29	\$19.93	\$19.74	\$19.83	\$19.83	\$19.93	\$19.62	\$20.04				
Eastern Pennsylvania	\$20.39	\$20.08	\$19.90	\$19.91	\$19.94	\$20.01	\$19.67	\$20.11				
Appalachian States	\$21.31	\$20.74	\$20.08	\$20.02	\$20.04	\$20.41	\$20.76	\$21.24				
Southeast States	\$21.71	\$21.04	\$20.43	\$20.26	\$20.41	\$20.85	\$21.34	\$21.89				
Southern Missouri	\$19.98	\$19.35	\$19.00	\$18.87	\$18.74	\$19.13	\$19.63	\$20.73				
Florida	\$23.22	\$22.60	\$21.96	\$21.73	\$21.67	\$22.30	\$22.86	\$23.39				
Western Pennsylvania	\$20.39	\$20.02	\$19.90	\$19.94	\$19.98	\$19.86	\$19.33	\$19.86				
Ohio	\$20.71	\$20.08	\$19.83	\$19.82	\$19.86	\$19.92	\$19.60	\$20.06				
Indiana	\$19.95	\$19.54	\$19.32	\$19.33	\$19.26	\$19.31	\$19.20	\$19.49				
Michigan	\$19.81	\$19.27	\$18.95	\$18.96	\$18.97	\$19.17	\$18.89	\$19.52				
Wisconsin	\$20.33	\$19.52	\$19.52	\$19.65	\$20.16	\$19.67	\$18.90	\$19.55				
Minnesota	\$20.24	\$19.39	\$19.37	\$19.63	\$20.15	\$19.38	\$18.58	\$19.30				
Iowa	\$20.60	\$19.79	\$19.55	\$19.85	\$20.21	\$19.74	\$19.29	\$19.80				
Illinois	\$20.50	\$19.82	\$19.67	\$19.75	\$19.99	\$19.73	\$19.22	\$19.87				
Corn Belt States	\$19.50	\$18.87	\$18.51	\$18.71	\$18.82	\$18.45	\$18.23	\$18.79				
Western Texas	\$19.08	\$18.63	\$18.11	\$18.40	\$18.65	\$18.30	\$17.93	\$18.21				
New Mexico	\$18.16	\$17.76	\$17.01	\$17.25	\$17.42	\$17.19	\$17.05	\$17.29				
Northwest States	\$19.70	\$19.00	\$18.66	\$19.22	\$19.26	\$19.07	\$18.73	\$19.15				
All Federal Order Areas	\$20.18	\$19.56	\$19.30	\$19.45	\$19.63	\$19.46	\$19.08	\$19.59				

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

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