

## Representation on the California Milk Advisory Board (CMAB) Amended

### District 12 and District 13 Merged to Form New District 11

The representation provisions within the CMAB Marketing Order were recently amended so as to merge Districts 12 and 13 (the two most southern districts) into one consolidated district entitled District 11. This merger is the result of a recent unanimous recommendation of the CMAB Board of Directors and the subsequent approval by CDFA. Such changes are authorized by the CMAB Marketing Order for the purpose of maintaining equitable representation upon the CMAB that reasonably reflects the production of milk within the State. Following are some key facts regarding the amendment.

- The amendment merges the geographical areas of District 12 and District 13 so as to form one consolidated district entitled District 11. The new District 11 now consists of the counties of Ventura, Los Angeles, San Bernardino, Orange, Riverside, San Diego and Imperial.
- The amendment combines the representation of District 12 and District 13. Whereas District 12 and District 13 were each previously allocated one board member position (along with one alternate position and one reserve alternate position) the new District 11 is allocated two board member positions (along with two alternate positions and two reserve alternate positions).
- All producers within the new District 11 are eligible to serve in the available positions allocated to it.
- Producers currently serving on the CMAB Board from the former Districts 12 and 13 will continue to serve out their respective term without interruption as District 11 representatives.

As you may be aware, the CMAB is a state marketing order funded by a mandatory \$0.10/cwt. assessment on all California market milk producers. The assessment revenues are used to fund promotion and research activities to better the California milk industry. The activities of the CMAB are directed by a board of directors made up of 24 producer board members from ten different districts across the state. Each board member also has an assigned alternate and an assigned reserve alternate. The allocation of board positions is based upon the number of milk producers and the volume of milk production accounted for by each respective district.

Copies of the revised CMAB Marketing Order can be accessed at the following web address:

<http://www.cdfa.ca.gov/mkt/mkt/ordslaws.html>

If you have any questions regarding this amendment, please call Dennis Manderfield of this office at (916) 900-9018. If you have questions about the CMAB and its activities, please call John Talbot, CEO of the CMAB, at (650) 871-6455.

### Upcoming Changes to the Data Statistics Release:

- Starting with the January 2015 statistics data, the data tables will be released in two phases:
  - Dairy Product tables will be released approximately the 18<sup>th</sup>-21<sup>st</sup> of the month.
  - Milk Production and Pooling tables will be released approximately the 27<sup>th</sup>-30<sup>th</sup> of the month.
- The Dairy Information Bulletin will no longer be published as a monthly newsletter, however the tables will continue to be posted with the option of downloading in PDF or excel formats.
- The new format of the tables will follow the USDA standard table format. The statistics webpage will include periodic postings of visual charts/graphs, similar to previous DIB cover displays.

## California Minimum Class Prices

Hundredweight Prices

Class	Sept.	Oct.	Nov.
1 No. Calif.	\$25.39	\$26.09	\$24.33
So. Calif.	\$25.66	\$26.36	\$24.60
2 No. Calif.	\$23.74	\$23.71	\$23.71
So. Calif.	\$23.97	\$23.94	\$23.94
3	\$23.69	\$23.66	\$23.66
4a	\$22.72	N/A	N/A
4b	\$22.39	N/A	N/A

## Quota Transfer Summary

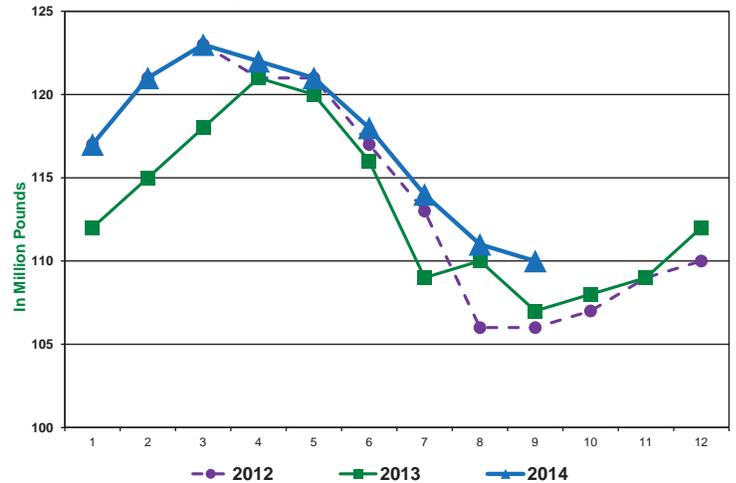
Quota Transfers	Aug.	Sept.	Oct.
Number of Sellers	2	6	3
Pounds of SNF Quota Transferred	275	24,616	4,809
Average Price Per Pound of SNF Quota	\$538	\$523	\$525

## California Pool Prices

Pool Price	July	Aug.	Sept.
Quota	\$22.53	\$23.34	\$24.15
Overbase	\$20.83	\$21.64	\$22.45

## California Milk Production

Average Daily Basis: 2012, 2013, 2014



## California Milk Production Cost Comparison, by Region, 2013-2014

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
<i>Dollars per Hundredweight</i>										
<b>1st Quarter</b>										
Total Costs	\$24.44	\$24.89	\$17.64	\$16.73	\$17.57	\$16.19	\$16.96	\$16.11	\$17.69	\$16.56
Total Costs & Allowances*	\$26.14	\$26.92	\$19.08	\$18.38	\$19.06	\$17.84	\$18.38	\$17.76	\$19.16	\$18.22
<b>2nd Quarter</b>										
Total Costs	\$22.52	\$23.50	\$17.00	\$17.07	\$16.81	\$16.72	\$16.57	\$15.73	\$16.98	\$16.93
Total Costs & Allowances*	\$24.19	\$25.34	\$18.42	\$18.69	\$18.27	\$18.33	\$17.88	\$17.33	\$18.42	\$18.55

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

## California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	Oct. 3, 2014		Oct. 10, 2014		Oct. 17, 2014		Oct. 24, 2014	
	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
<b>Tulare, Hanford Areas</b>								
Supreme	650	\$330-\$340	1,500	\$335-\$350	3,800	\$325-\$345	1,100	\$320-\$350
Premium	650	\$320-\$330	200	\$320-\$330	1,800	\$300-\$330	675	\$295-\$320
Good	1,030	\$275-\$302	400	\$275-\$280	2,025	\$248-\$285	2,000	\$250-\$290
Fair	4,800	\$230-\$240	1,350	\$225-\$230	2,300	\$220-\$230	575	\$225-\$230
<b>Escalon, Modesto, Turlock Areas</b>								
Supreme	325	\$330-\$340	1,200	\$330-\$350	900	\$325-\$340	1,100	\$325-\$350
Premium	50	\$300	1,225	\$305-\$320	550	\$300-\$320	750	\$220-\$235
Good	300	\$250-\$260	1,220	\$245-\$275	400	\$240-\$280	N/A	N/A
Fair	3,250	\$215-\$230	2,225	\$220-\$230	500	\$225	3,300	\$220-\$225

Source: The Hoyt Report, Inc.

## Federal Order Minimum Class Prices

### Hundredweight Prices

Class I	Sept.	Oct.	Nov.
Phoenix, Arizona	\$25.98	\$26.54	\$26.41
Portland, Oregon	\$25.53	\$26.09	\$25.96
Boston (Northeast)	\$26.88	\$27.44	\$27.31
<b>Class III</b>	<b>\$24.60</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.
09/20/14	14,800	56,300	\$93-\$106
09/27/14	15,000	55,400	\$88-\$110
10/3/14	15,000	55,400	\$87-\$101
10/10/14	14,700	55,300	\$93-\$100

<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	149
February	240	164	667	628	225	182
March	255	180	680	639	218	214
April	310	174	699	648	208	239
May	321	193	714	656	227	221
June	319	186	711	655	230	229
July	296	170	705	660	207	250
August	269	165	670	662	194	244
September	233	146	661	631	147	N/A
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 September 2014 was 2.90 (up from 2.61 in August 2014). The current ratio of 2.90 means that a dairy producer can buy 2.90 pounds of feed for every pound of milk sold. The prices used to calculate the September 2014 milk-feed price ratio were: corn \$3.38/bushel; soybeans \$11.20/bushel; baled alfalfa hay \$197/ton; all-milk price \$25.00/cwt. (increased from \$24.10 in August 2014).

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 4.0% in September 2014, compared to September 2013. USDA reports that California milk production increased 2.9% compared to September 2013 (on 2,000 less cows and 55 more pounds of milk per cow). Among other western states, compared to September 2013, Arizona was up 6.5%; New Mexico was up 3.4%; and Washington was up 5.5%. None of the top 10 milk producing states reported a production decrease. The largest increase was reported by Colorado at 10.8% growth in milk production (on 8,000 more cows and 90 more pounds of milk per cow).

**Quarterly:** For the third quarter of 2014 compared to the second quarter of 2014, U.S. milk cow numbers increased to 9.277 million head, milk production per cow decreased to 5,500 pounds; the net effect was a decrease in milk production to 51.0 billion pounds. USDA projects that for the fourth quarter of 2014 compared to the third quarter of 2014, milk cow numbers will increase to 9.300 million head, production per cow will remain at 5,500 pounds; the net effect would be an increase in milk production to 51.2 billion pounds.

### Milk Prices

Comparing the third quarter of 2014 to the second quarter of 2014, U.S. average all-milk prices decreased to \$24.13/cwt. USDA projects that for the fourth quarter of 2014, U.S. average all-milk prices will be \$23.50-\$23.90/cwt.; Class III prices will be \$21.50-\$21.90/cwt.; and Class IV prices will be \$20.20-\$20.70/cwt.

### Utility Cow Prices

Comparing the third quarter of 2014 to the second quarter of 2014, average U.S. utility cow prices were up \$12.85/cwt. to a national average of \$111.42/cwt. USDA projects that utility cow prices will average \$104-\$110/cwt. in the fourth quarter of 2014. /cwt. in the third quarter of 2014.

## Top Ten Milk Production States - Sept. 2014

(Percent Change from Same Month/Previous Year)

1. California	+2.9%	6. Texas	+9.6%
2. Wisconsin	+3.2%	7. Michigan	+6.9%
3. Idaho	+3.4%	8. Minnesota	+1.5%
4. New York	+4.5%	9. New Mexico	+3.4%
5. Pennsylvania	+3.5%	10. Washington	+5.5%

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 - 2014

## 2014 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>\$22.04</b>	<b>\$22.67</b>	<b>\$23.36</b>	<b>\$23.13</b>	<b>\$21.72</b>	<b>\$21.60</b>	<b>\$21.32</b>					
New England States	\$24.68	\$25.94	\$26.30	\$26.41	\$25.91	\$24.92	\$25.06					
New York	\$23.64	\$25.06	\$25.58	\$25.66	\$25.16	\$24.08	\$24.27					
Eastern Pennsylvania	\$23.75	\$25.10	\$25.48	\$25.58	\$25.12	\$24.07	\$24.20					
Appalachian States	\$24.59	\$25.41	\$25.96	\$25.78	\$25.77	\$24.68	\$25.27					
Southeast States	\$24.62	\$25.69	\$26.10	\$25.83	\$26.12	\$24.85	\$25.83					
Southern Missouri	\$23.69	\$24.57	\$24.92	\$24.64	\$24.63	\$23.66	\$24.44					
Florida	\$25.33	\$26.77	\$27.27	\$27.13	\$27.41	\$25.78	\$27.40					
Western Pennsylvania	\$23.69	\$25.20	\$25.61	\$25.77	\$24.87	\$23.70	\$23.83					
Ohio	\$23.68	\$24.92	\$25.24	\$25.38	\$24.45	\$23.34	\$23.61					
Indiana	\$23.03	\$24.22	\$24.46	\$24.51	\$23.87	\$22.61	\$22.96					
Michigan	\$22.94	\$24.28	\$24.62	\$24.66	\$23.90	\$22.97	\$23.08					
Wisconsin	\$23.51	\$25.31	\$25.34	\$25.91	\$24.38	\$22.91	\$23.16					
Minnesota	\$23.48	\$25.48	\$25.43	\$26.06	\$24.47	\$22.85	\$23.11					
Iowa	\$23.84	\$25.44	\$25.75	\$25.97	\$24.83	\$23.48	\$23.76					
Illinois	\$23.75	\$25.50	\$25.61	\$25.81	\$24.80	\$23.33	\$23.61					
Corn Belt States	\$22.77	\$24.24	\$24.39	\$24.51	\$23.32	\$21.84	\$21.84					
Western Texas	\$22.73	\$24.31	\$24.32	\$24.42	\$22.96	\$21.43	\$21.56					
New Mexico	\$21.53	\$22.90	\$22.96	\$22.94	\$21.77	\$20.25	\$20.25					
Northwest States	\$23.73	\$24.63	\$25.36	\$24.97	\$23.85	\$23.29	\$23.47					
All Federal Order Areas	\$23.47	\$24.91	\$25.18	\$25.33	\$24.37	\$23.11	\$23.36					

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](http://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](mailto:dairy@cdfa.ca.gov)

**Milk Pricing Information:**  
800-503-3490 or 916-442-MILK

**Dairy Marketing Branch:**

Phone (916) 900-5014; Fax (916) 900-5341

Website: [www.cdfa.ca.gov/dairy](http://www.cdfa.ca.gov/dairy)

Email: [dairy@cdfa.ca.gov](mailto:dairy@cdfa.ca.gov)