



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

November 20, 2012

TO ALL INTERESTED PARTIES:

This report represents the Comparison of the Chicago Mercantile Exchange (CME) Butter Prices and the Audited California Butter Sales for the 24-month period July 2010 through June 2012. As was discussed last November and throughout the year in Dairy Advisory Committee meetings, the Comparison of the CME Cheddar Cheese Prices and Audited California Cheddar Cheese Sales cannot be released because of limitations due to the concentration issues and confidentiality of proprietary information. In addition, these same confidentiality limitations have affected the release of the Manufacturing Cost Exhibit for Cheddar Cheese data.

We continue to appreciate the assistance of those plants that are providing the Manufacturing Cost Unit with data to complete the comparison.

Should you have any questions regarding this material, please contact me at the telephone number below or by e-mail at venetta.reed@cdfa.ca.gov.

Sincerely,

Venetta Reed
Supervising Auditor I



Comparison: CME Butter Prices / Audited California Butter Sales

24-Month Period: July 2010 through June 2012

- Data were collected and audited from seven California butter plants. The plants reported monthly sales volume and sales revenue for salted bulk butter for the 24-month period, representing 100% of the salted bulk butter sold by these audited California plants.
- The Chicago Mercantile Exchange (CME) butter prices are the simple average of the daily butter price per pound, released by the CME, using the 26th of the prior month through the 25th of the current month.
- The weighted average California butter prices represent the calendar monthly price per pound received by each plant and then weighted by sales volume.

Breakdown of CME Butter Prices and Audited California Butter Sales July 2010 through June 2012

Date	CME Butter Prices	California Weighted Average Prices	Difference: Calif. Weighted Less CME
<i>In Dollars Per Pound</i>			
Jul-10	\$1.7643	\$1.7297	-\$0.0346
Aug-10	\$1.9153	\$1.9281	\$0.0128
Sep-10	\$2.2170	\$2.1675	-\$0.0495
Oct-10	\$2.1990	\$2.1560	-\$0.0430
Nov-10	\$2.0123	\$1.8790	-\$0.1333
Dec-10	\$1.6154	\$1.5936	-\$0.0218
Jan-11	\$1.9323	\$1.7429	-\$0.1894
Feb-11	\$2.0710	\$2.0551	-\$0.0159
Mar-11	\$2.0930	\$2.0448	-\$0.0482
Apr-11	\$1.9971	\$1.9848	-\$0.0123
May-11	\$2.0518	\$2.0236	-\$0.0282
Jun-11	\$2.1325	\$2.1125	-\$0.0200
Jul-11	\$2.0330	\$2.0024	-\$0.0306
Aug-11	\$2.0868	\$2.0401	-\$0.0467
Sep-11	\$1.9443	\$1.9240	-\$0.0203
Oct-11	\$1.8055	\$1.7751	-\$0.0304
Nov-11	\$1.7727	\$1.6729	-\$0.0998
Dec-11	\$1.6228	\$1.5785	-\$0.0443
Jan-12	\$1.5964	\$1.5645	-\$0.0319
Feb-12	\$1.4511	\$1.4499	-\$0.0012
Mar-12	\$1.4734	\$1.4329	-\$0.0405
Apr-12	\$1.4403	\$1.4443	\$0.0040
May-12	\$1.3477	\$1.3597	\$0.0120
Jun-12	\$1.4565	\$1.3957	-\$0.0608

Summary of Comparison: California Weighted Less CME

Time Period	Simple Average Difference
All 24 months	-\$0.0406
12 months ending June 2011	-\$0.0486
12 months ending June 2012	-\$0.0325