CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE
Karen Ross, Secretary

June 21, 2013

RE: ANNOUNCEMENT OF MINIMUM PRICES FOR CLASSES 2 and 3 MARKET MILK

TO ALL INTERESTED PARTIES:

On the reverse side of this page are the minimum prices for Class 2 and 3 market milk for July 2013. All prices are f.o.b. milk processing plant. As provided in the Stabilization and Marketing Plans for Market Milk (Plans), milk handlers shall pay producers the minimum prices for market milk components sold or used for all Classes 2 and 3 purposes as specified on the reverse side of this page. The calculated monthly California weighted average price for Extra Grade & Grade A Nonfat Dry Milk reflects the audit verification process. This price can differ from the reported weekly prices.

If market milk components are purchased f.o.b. producer's dairy location, haul deductions may be made as provided in the Plans.

Equivalent hundredweight prices shown in the right-hand column are based upon milk that is 3.5% fat and 8.7% solids-not-fat (SNF). These classified minimum prices that processors must pay for milk received from producers are calculated based upon mathematical formulas. The formulas are established and amended as needed through a public hearing process. These formulas include commercial prices for manufactured dairy products (butter, Cheddar cheese, and nonfat dry milk). These commercial prices are also listed on the reverse side of this page.

You can access class price information over the Internet on the Department's dairy homepage at http://www.cdfa.ca.gov/dairy. From the main menu, select the [Dairy Prices] link and then the [Minimum Class Price Letters] link. Once there, be sure to make a bookmark for future reference. Current class price information is also available on a recorded message. Please call (800) 503-3490 to hear the recording. If you are calling from Sacramento, or from outside of California, please call (916) 442-MILK.

For more information, please contact us at the telephone number or e-mail address below.

Sincerely,

Candace Gates, Chief
Dairy Marketing Branch

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MINIMUM PRICES FOR CLASSES 2 & 3 MARKET MILK
F.O.B. PROCESSING PLANT

Released: **June 21, 2013**

CLASS 2: July 2013	**LB. FAT**	**LB. SNF**	**EQUIVALENT PER CWT.**
Northern California	$1.7519	$1.3994	$18.31
Southern California	$1.7519	$1.4261	$18.54

CLASS 3: July 2013	**LB. FAT**	**LB. SNF**	**EQUIVALENT PER CWT.**
Statewide	$1.7519	$1.3937	$18.26

The July 2013 Class 2 and 3 prices include the temporary price increases resulting from the May 20, 2013 public hearing. In order to calculate the class prices for these months, the additional temporary increases are added to the corresponding per pound price of the Fat and SNF <u>after</u> all other calculations of the current formulas have been performed. For questions, please contact Hyrum Eastman at 916-900-5014.

The August 2013 Class 1 prices will be announced no later than 4:00 p.m. on on July 10, 2013.
The August and September 2013 Class 2 and 3 prices will be announced no later than 4:00 p.m. on on August 1, 2013.
The June 2013 Class 4a and 4b prices will be announced no later than 4:00 p.m. on on July 1, 2013.