



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

June 3, 2013

**RE: ANNOUNCEMENT OF MINIMUM PRICES FOR CLASSES 2, 3, 4a and 4b MARKET MILK
TO ALL INTERESTED PARTIES:**

On the reverse side of this page are the following minimum prices for market milk: 1) June 2013 Class 2 and 3 and 2) May 2013 Class 4a and 4b. 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, 3, 4a and 4b 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



**MINIMUM PRICES FOR CLASSES 2, 3, 4a & 4b MARKET MILK
F.O.B. PROCESSING PLANT**

Released: June 3, 2013

CLASS 2: June 2013 *	LB. FAT	LB. SNF	EQUIVALENT PER CWT.
Northern California	\$1.7478	\$1.3953	\$18.26
Southern California	\$1.7478	\$1.4220	\$18.49

CLASS 3: June 2013 *	LB. FAT	LB. SNF	EQUIVALENT PER CWT.
Statewide	\$1.7478	\$1.3896	\$18.21

CLASS 4a: May 2013	LB. FAT	LB. SNF	EQUIVALENT PER CWT.
Statewide	\$1.7186	\$1.4047	\$18.24

CLASS 4b: May 2013	LB. FAT	LB. SNF	EQUIVALENT PER CWT.
Statewide	\$1.7186	\$1.2853	\$17.20

COMMODITY MARKET PRICES:	\$ PER LB.
Chicago Mercantile Exchange Grade AA Butter - Daily Simple Average (April 26th - May 25th)	\$1.6237
Chicago Mercantile Exchange Block Cheddar Cheese - Daily Simple Average (April 26th - May 25th)	\$1.8261
California Extra Grade & Grade A Nonfat Dry Milk - Monthly Weighted Average (April 26th - May 25th)	\$1.5564
Dairy Market News Western Dry Whey (Mostly) - Monthly Simple Average (April 26th - May 25th)	\$0.5753

The May 2013 Class 4a and 4b prices include the temporary price increases resulting from the December 21, 2012 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 after all other calculations of the current formulas have been performed.

** Pending the outcome of the May 20, 2013 public hearing, the July Class 1, 2 and 3 prices will be announced on or before June 21, 2013.*

For questions, please contact Hyrum Eastman at 916-900-5014

The July 2013 Class 1 prices will be announced no later than 4:00 p.m. on or before June 21, 2013.
The July 2013 Class 2 and 3 prices will be announced no later than 4:00 p.m. on or before June 21, 2013.
June 2013 Class 4a and 4b prices will be announced no later than 4:00 p.m. on July 1, 2013.