



# Milk Pricing NEWSLETTER

Serving the California dairy industry for over 9 years

Dairy Marketing Branch, CDFA

August 2010

## National Dairy Commodity Prices for Butter and Cheddar Cheese Increase . . .

The minimum price of milk, established by the Department, is the price that dairy processors must pay for milk used to produce dairy products. National commodity prices, primarily butter, Cheddar cheese, nonfat dry milk and dry whey, are significant factors in determining the minimum milk price (See page 2).

Compared to last month, the national commodity prices for Grade AA Butter and Cheddar Cheese increased, while Nonfat Dry Milk and Western Dry Whey decreased, consequently all milk prices decreased: whole milk decreased one and five tenths cents per gallon; reduced fat milk decreased three and five tenths cents per gallon; lowfat milk decreased four and eight tenths cents per gallon; and skim milk decreased four and nine tenths cents per gallon.

### PLEASE NOTE:

This publication is available on the Dairy Marketing Branch website at: [http://www.cdfa.ca.gov/dairy/milkpricing\\_nl.html](http://www.cdfa.ca.gov/dairy/milkpricing_nl.html) and the gallon prices are on the toll-free phone line at: 916-442-MILK or 1-800-503-3490

Butter inventories are low and cream supplies are tight partly because of the lower fat content in milk deliveries and seasonal ice cream production. Fluid milk sales are lower due to many schools closed for the summer.

The table below shows individual prices for the four types of fluid milk by container size and the price changes from the previous month. The prices listed represent the minimum price paid by processors for the milk only - no other processing costs are included.

### Minimum Prices for the Four Types of Fluid Milk, by Container Size for September 2010

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$1.475	\$0.738	\$0.369	\$0.184	\$0.123	\$0.092
Reduced Fat 2%	\$1.320	\$0.660	\$0.330	\$0.165	\$0.110	\$0.083
Lowfat 1%	\$1.227	\$0.613	\$0.307	\$0.153	\$0.102	\$0.077
Nonfat (Skim)	\$0.911	\$0.455	\$0.228	\$0.114	\$0.076	\$0.057

### Southern California

Whole	\$1.499	\$0.749	\$0.375	\$0.187	\$0.125	\$0.094
Reduced Fat 2%	\$1.344	\$0.672	\$0.336	\$0.168	\$0.112	\$0.084
Lowfat 1%	\$1.250	\$0.625	\$0.313	\$0.156	\$0.104	\$0.078
Nonfat (Skim)	\$0.935	\$0.468	\$0.234	\$0.117	\$0.078	\$0.058

### Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	-\$0.015 ↓	-\$0.008 ↓	-\$0.004 ↓	-\$0.002 ↓	-\$0.001 ↓	-\$0.001 ↓
Reduced Fat 2%	-\$0.035 ↓	-\$0.017 ↓	-\$0.009 ↓	-\$0.004 ↓	-\$0.003 ↓	-\$0.002 ↓
Lowfat 1%	-\$0.048 ↓	-\$0.024 ↓	-\$0.012 ↓	-\$0.006 ↓	-\$0.004 ↓	-\$0.003 ↓
Nonfat (Skim)	-\$0.049 ↓	-\$0.024 ↓	-\$0.012 ↓	-\$0.006 ↓	-\$0.004 ↓	-\$0.003 ↓

### California Department of Food and Agriculture (CDFA)

A.G. Kawamura, Secretary

Price Information Lines: (800) 503-3490 within California; (916) 442-MILK outside California  
Phone (916) 341-5988; Website: [www.cdfa.ca.gov/dairy](http://www.cdfa.ca.gov/dairy); email address: [dairy@cdfa.ca.gov](mailto:dairy@cdfa.ca.gov)

## Minimum Prices for the Milk Component of Various Manufactured Dairy Products

The minimum prices for the raw milk component used by processors in manufacturing dairy products are listed in the table to the right. No other costs incurred by the processor are included, such as:

- milk quality premiums,
- milk composition premiums,
- competitiveness for availability of milk premiums,
- transportation costs,
- plant processing costs,
- service charges
- marketing costs

	Lowfat Yogurt	Super Premium Ice Cream		Generic Ice Cream	
	(\$/qt)	(\$/1.5qt)*	(\$/1.75qt)*	(\$/1.5qt)*	(\$/1.75qt)*
July '09	\$0.18	\$0.84	\$0.98	\$0.32	\$0.38
August	\$0.18	\$0.85	\$0.99	\$0.33	\$0.38
September	\$0.18	\$0.85	\$0.99	\$0.33	\$0.38
October	\$0.19	\$0.87	\$1.02	\$0.34	\$0.39
November	\$0.19	\$0.87	\$1.02	\$0.34	\$0.39
December	\$0.23	\$1.00	\$1.17	\$0.39	\$0.45
January '10	\$0.23	\$1.02	\$1.19	\$0.40	\$0.46
February	\$0.27	\$1.11	\$1.30	\$0.44	\$0.51
March	\$0.27	\$1.11	\$1.30	\$0.44	\$0.51
April	\$0.23	\$1.04	\$1.21	\$0.40	\$0.47
May	\$0.23	\$1.04	\$1.21	\$0.40	\$0.47
June	\$0.24	\$1.15	\$1.34	\$0.45	\$0.52
July	\$0.24	\$1.15	\$1.34	\$0.45	\$0.52
August	\$0.28	\$1.26	\$1.47	\$0.49	\$0.57

*\* Prices are based on the new container size instead of 1/2 gallon previously.*

### Percentage of Total Fluid Milk Products Sold, by Size of Container October of Selected Years, 2004, 2005, 2006, 2007, 2008, 2009

Year	3, 5, 6 Gallon	1 Gallon	1/2 Gallon	Quart	1/3 Quart (10 oz.)	Pint	1/2 Pint & (8 oz. Pouch)	4 oz. (Pouch)	12, 14 oz.	Other
Percent										
2004	1.02%	69.49%	15.08%	2.52%	0.41%	1.97%	8.82%	0.09%	0.35%	0.26%
2005	1.06%	69.89%	14.99%	2.32%	0.41%	1.70%	9.10%	0.19%	0.35%	0.01%
2006	0.85%	69.66%	15.25%	2.08%	0.40%	1.74%	8.97%	0.09%	0.28%	0.67%
2007	0.91%	67.02%	16.58%	2.12%	0.37%	1.59%	9.70%	0.11%	0.24%	1.37%
2008	0.88%	68.56%	16.67%	2.25%	0.29%	1.68%	9.41%	0.10%	0.14%	0.01%
2009	0.77%	65.90%	21.60%	2.66%	0.19%	0.42%	7.86%	0.09%	0.27%	0.24%

This newsletter can also be found on our website at: [www.cdffa.ca.gov/dairy/milkpricing\\_n1.html](http://www.cdffa.ca.gov/dairy/milkpricing_n1.html)

In accordance with the California Government Code and ADA requirements, this publication can be made available in an alternative format by contacting Karen Dapper at (916) 341-5988, by email at [dairy@cdffa.ca.gov](mailto:dairy@cdffa.ca.gov), or by contacting TDD 1-800-735-0193.

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