



Milk Pricing

NEWSLETTER

Serving the California dairy industry for over 12 years

Dairy Marketing Branch, CDFA

July 2014

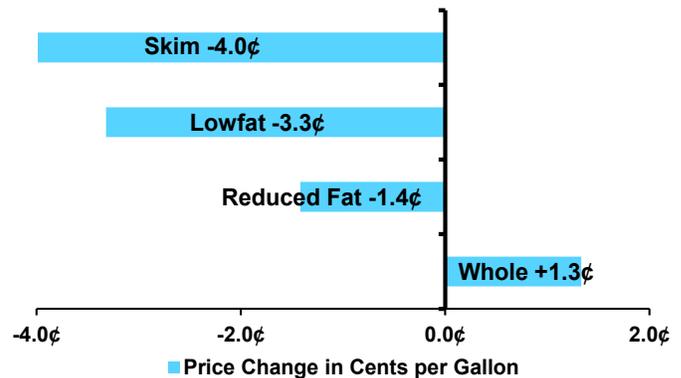
Fluid Milk Price Changes for August 2014

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 Grade AA Butter, Cheddar Cheese, Nonfat Dry Milk, and Dry Whey are significant factors in determining the minimum milk price.

Compared to last month, the national commodity prices for Cheddar Cheese, Nonfat Dry Milk, and Western Dry Whey decreased, while Grade AA Butter increased.

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.

Current Month Fluid Milk Price Changes



Minimum Prices for the Four Types of Fluid Milk, by Container Size for August 2014

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$2.174	\$1.087	\$0.544	\$0.272	\$0.181	\$0.136
Reduced Fat 2%	\$1.991	\$0.996	\$0.498	\$0.249	\$0.166	\$0.124
Lowfat 1%	\$1.885	\$0.942	\$0.471	\$0.236	\$0.157	\$0.118
Nonfat (Skim)	\$1.429	\$0.714	\$0.357	\$0.179	\$0.119	\$0.089

Southern California

Whole	\$2.198	\$1.099	\$0.549	\$0.275	\$0.183	\$0.137
Reduced Fat 2%	\$2.015	\$1.007	\$0.504	\$0.252	\$0.168	\$0.126
Lowfat 1%	\$1.909	\$0.954	\$0.477	\$0.239	\$0.159	\$0.119
Nonfat (Skim)	\$1.453	\$0.727	\$0.363	\$0.182	\$0.121	\$0.091

Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$0.013	\$0.007	\$0.003	\$0.002	\$0.001	\$0.001
Reduced Fat 2%	-\$0.014	-\$0.007	-\$0.004	-\$0.002	-\$0.001	-\$0.001
Lowfat 1%	-\$0.033	-\$0.017	-\$0.008	-\$0.004	-\$0.003	-\$0.002
Nonfat (Skim)	-\$0.040	-\$0.020	-\$0.010	-\$0.005	-\$0.003	-\$0.002

Price Changes from the Previous Pricing Period Displayed in Cents

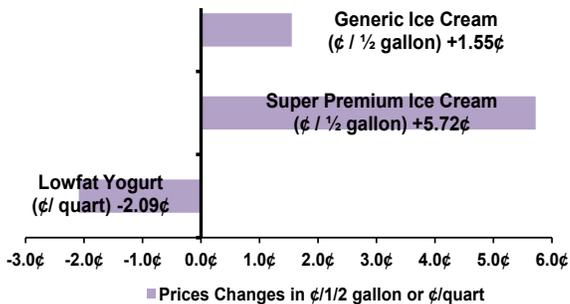
	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	1.3¢	0.7¢	0.3¢	0.2¢	0.1¢	0.1¢
Reduced Fat 2%	-1.4¢ ↓	-0.7¢ ↓	-0.4¢ ↓	-0.2¢ ↓	-0.1¢ ↓	-0.1¢ ↓
Lowfat 1%	-3.3¢ ↓	-1.7¢ ↓	-0.8¢ ↓	-0.4¢ ↓	-0.3¢ ↓	-0.2¢ ↓
Nonfat (Skim)	-4.0¢ ↓	-2.0¢ ↓	-1.0¢ ↓	-0.5¢ ↓	-0.3¢ ↓	-0.2¢ ↓

Whole milk increased one and three tenths cents per gallon; reduced fat milk decreased one and four tenths cents per gallon; lowfat milk decreased three and three tenths cents per gallon; and skim milk decreased four and no tenths cents per gallon.

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, transportation costs, plant processing costs, service charges, marketing costs.

Current Month Yogurt and Ice Cream Price Changes



	Lowfat Yogurt (\$/qt)	Super Premium Ice Cream (\$/1.5 qt)*	Generic Ice Cream (\$/1.5 qt)*	Grade AA Butter (\$/lb)	Cheese (\$/lb)
January '13	\$0.33	\$1.44	\$0.56	\$1.34	\$1.53
February	\$0.34	\$1.28	\$0.51	\$1.42	\$1.46
March	\$0.34	\$1.28	\$0.51	\$1.48	\$1.42
April	\$0.34	\$1.31	\$0.52	\$1.57	\$1.61
May	\$0.34	\$1.31	\$0.52	\$1.48	\$1.64
June	\$0.34	\$1.34	\$0.53	\$1.38	\$1.54
July	\$0.34	\$1.35	\$0.53	\$1.33	\$1.50
August	\$0.37	\$1.31	\$0.52	\$1.26	\$1.57
September	\$0.37	\$1.31	\$0.52	\$1.34	\$1.60
October	\$0.39	\$1.30	\$0.53	\$1.40	\$1.62
November	\$0.39	\$1.30	\$0.53	\$1.44	\$1.66
December	\$0.41	\$1.40	\$0.56	\$1.47	\$1.74
January '14	\$0.41	\$1.40	\$0.56	\$1.55	\$1.96
February	\$0.43	\$1.50	\$0.60	\$1.68	\$2.04
March	\$0.43	\$1.50	\$0.60	\$1.74	\$2.14
April	\$0.46	\$1.64	\$0.66	\$1.80	\$2.10
May	\$0.46	\$1.64	\$0.66	\$1.96	\$1.86
June	\$0.44	\$1.70	\$0.67	\$2.10	\$1.83
July	\$0.44	\$1.70	\$0.67	\$2.10	\$1.83

Average U.S. Retail Prices for Whole, Reduced Fat, Lowfat, and Skim Milk Selected Cities, March - May 2014

CITY	March 2014				April 2014				May 2014			
	Whole	Reduced Fat	Lowfat	Skim	Whole	Reduced Fat	Lowfat	Skim	Whole	Reduced Fat	Lowfat	Skim
<i>Weighted Average Prices in Dollars Per Gallon</i>												
Los Angeles	\$3.70	\$3.61	\$3.71	\$3.42	\$3.78	\$3.70	\$3.81	\$3.39	\$3.81	\$3.73	\$3.83	\$3.44
San Diego	\$3.87	\$3.75	\$3.92	\$3.66	\$3.93	\$3.81	\$3.98	\$3.59	\$3.98	\$3.88	\$4.04	\$3.69
Sacramento	\$4.48	\$4.32	\$4.38	\$4.46	\$4.52	\$4.38	\$4.44	\$4.48	\$4.54	\$4.42	\$4.45	\$4.57
San Francisco	\$4.68	\$4.52	\$4.84	\$4.64	\$4.71	\$4.52	\$4.84	\$4.59	\$4.79	\$4.61	\$4.90	\$4.72
Denver	\$3.38	\$3.22	\$3.30	\$3.18	\$3.40	\$3.28	\$3.29	\$3.23	\$3.42	\$3.29	\$3.30	\$3.30
Las Vegas	\$3.20	\$3.07	\$3.00	\$3.12	\$3.38	\$3.24	\$3.22	\$3.32	\$3.43	\$3.26	\$3.25	\$3.39
Phoenix	\$2.59	\$2.47	\$2.50	\$2.42	\$2.64	\$2.56	\$2.57	\$2.51	\$2.55	\$2.44	\$2.46	\$2.41
Portland	\$3.42	\$3.13	\$3.26	\$3.19	\$3.42	\$3.13	\$3.26	\$3.20	\$3.48	\$3.22	\$3.33	\$3.34
Salt Lake City-Boise	\$2.94	\$2.77	\$2.71	\$3.01	\$2.97	\$2.90	\$2.85	\$2.99	\$2.99	\$2.89	\$2.85	\$3.04
Seattle	\$3.43	\$3.18	\$3.27	\$3.31	\$3.45	\$3.20	\$3.30	\$3.29	\$3.55	\$3.31	\$3.39	\$3.47

Source: AC Nielsen Scantrack Reports on Refrigerated Milk. The average price per gallon represents the weighted averages for specific brands of milk within the specified market. Prices may include organic and raw milks. Data subject to revision. May data through the week ending 05/10/14.

California Department of Food and Agriculture (CDFA)

Karen Ross, Secretary

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