



Milk Pricing NEWSLETTER

Serving the California dairy industry for over 9 years

Dairy Marketing Branch, CDFA

May 2010

National Dairy Commodity Prices for Butter and Nonfat Dry Milk Increased . . .

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 Nonfat Dry Milk increased, while Cheddar Cheese and Western Dry Whey decreased, consequently milk price changes are mixed: whole milk increased two and six tenths cents per gallon; reduced fat milk increased nine tenths of a cent per gallon; lowfat milk decreased four tenths of a cent per gallon; and skim milk decreased one and two tenths cents per gallon.

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.

Please note:

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

The cost of paper, printing and mail service for this publication continues to increase. In an effort to gain better control over these costs, the Branch has determined that as of June 30, 2010, it will discontinue the printing and mailing of this publication in hard copy. The publication will be posted to our website and put on the toll-free phone line on the same day the price is announced, much timelier than mail delivery.

We appreciate your cooperation. If you have any questions regarding this change please contact Karen or Lu at (916) 341-5988 or via email at: dairy@cdfa.ca.gov.

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

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Northern California						
Whole	\$1.348	\$0.674	\$0.337	\$0.169	\$0.112	\$0.084
Reduced Fat 2%	\$1.224	\$0.612	\$0.306	\$0.153	\$0.102	\$0.076
Lowfat 1%	\$1.151	\$0.575	\$0.288	\$0.144	\$0.096	\$0.072
Nonfat (Skim)	\$0.864	\$0.432	\$0.216	\$0.108	\$0.072	\$0.054
Southern California						
Whole	\$1.372	\$0.686	\$0.343	\$0.171	\$0.114	\$0.086
Reduced Fat 2%	\$1.247	\$0.624	\$0.312	\$0.156	\$0.104	\$0.078
Lowfat 1%	\$1.174	\$0.587	\$0.294	\$0.147	\$0.098	\$0.073
Nonfat (Skim)	\$0.888	\$0.444	\$0.222	\$0.111	\$0.074	\$0.056

Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$0.026	\$0.013	\$0.007	\$0.003	\$0.002	\$0.002
Reduced Fat 2%	\$0.009	\$0.004	\$0.002	\$0.001	\$0.001	\$0.001
Lowfat 1%	-\$0.004 ↓	-\$0.002 ↓	-\$0.001 ↓	\$0.000	\$0.000	\$0.000
Nonfat (Skim)	-\$0.012 ↓	-\$0.006 ↓	-\$0.003 ↓	-\$0.001 ↓	-\$0.001 ↓	-\$0.001 ↓

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; email address: 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)*
April '09	\$0.17	\$0.79	\$0.93	\$0.31	\$0.36
May	\$0.17	\$0.79	\$0.93	\$0.31	\$0.36
June	\$0.18	\$0.84	\$0.98	\$0.32	\$0.38
July	\$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

** 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

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, or by contacting TDD 1-800-735-0193.

Printed on Recycled Paper



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