cdfa

# Milk Pricing NEWSLETTER

*Serving the California dairy industry for over 12 years*

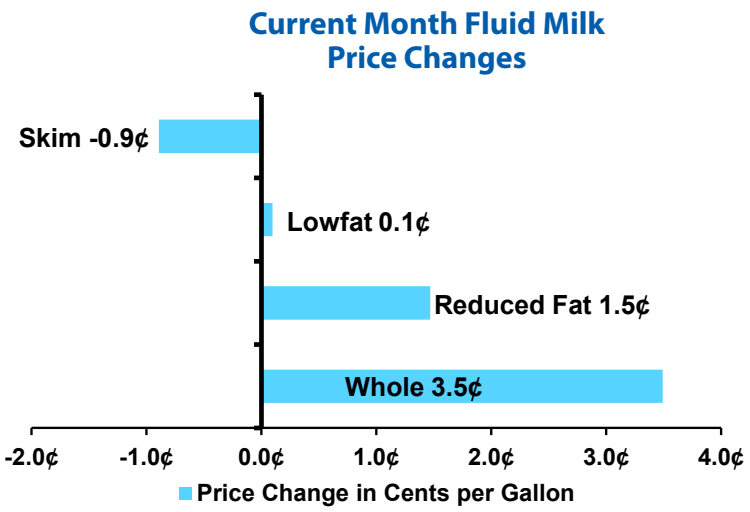
Dairy Marketing Branch, CDFA May 2015

## Fluid Milk Price Changes for June 2015

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 Butter and Cheddar Cheese increased, while Western Dry Whey and Nonfat Dry Milk decreased.

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 June 2015

| Northern California | Gallon | 1/2 Gallon | Quart | Pint | 1/3 Quart | 1/2 Pint |
|---|---|---|---|---|---|---|
| Whole | $1.502 | $0.751 | $0.376 | $0.188 | $0.125 | $0.094 |
| Reduced Fat 2% | $1.343 | $0.672 | $0.336 | $0.168 | $0.112 | $0.084 |
| Lowfat 1% | $1.247 | $0.624 | $0.312 | $0.156 | $0.104 | $0.078 |
| Nonfat (Skim) | $0.925 | $0.463 | $0.231 | $0.116 | $0.077 | $0.058 |
| **Southern California** | | | | | | |
| Whole | $1.526 | $0.763 | $0.381 | $0.191 | $0.127 | $0.095 |
| Reduced Fat 2% | $1.367 | $0.683 | $0.342 | $0.171 | $0.114 | $0.085 |
| Lowfat 1% | $1.271 | $0.635 | $0.318 | $0.159 | $0.106 | $0.079 |
| Nonfat (Skim) | $0.950 | $0.475 | $0.237 | $0.119 | $0.079 | $0.059 |

**Price Changes from the Previous Pricing Period**

| | Gallon | 1/2 Gallon | Quart | Pint | 1/3 Quart | 1/2 Pint |
|---|---|---|---|---|---|---|
| Whole | $0.035 | $0.017 | $0.009 | $0.004 | $0.003 | $0.002 |
| Reduced Fat 2% | $0.015 | $0.007 | $0.004 | $0.002 | $0.001 | $0.001 |
| Lowfat 1% | $0.001 | $0.000 | $0.000 | $0.000 | $0.000 | $0.000 |
| Nonfat (Skim) | -$0.009 | -$0.004 | -$0.002 | -$0.001 | -$0.001 | -$0.001 |

**Price Changes from the Previous Pricing Period Displayed in Cents**

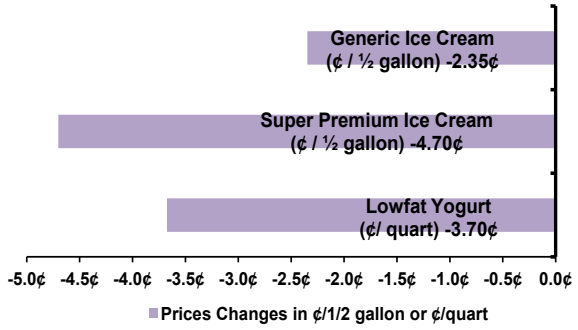
| | Gallon | 1/2 Gallon | Quart | Pint | 1/3 Quart | 1/2 Pint |
|---|---|---|---|---|---|---|
| Whole | 3.5¢ | 1.7¢ | 0.9¢ | 0.4¢ | 0.3¢ | 0.2¢ |
| Reduced Fat 2% | 1.5¢ | 0.7¢ | 0.4¢ | 0.2¢ | 0.1¢ | 0.1¢ |
| Lowfat 1% | 0.1¢ | 0.0¢ | 0.0¢ | 0.0¢ | 0.0¢ | 0.0¢ |
| Nonfat (Skim) | -0.9¢ ↓ | -0.4¢ ↓ | -0.2¢ ↓ | -0.1¢ ↓ | -0.1¢ ↓ | -0.1¢ ↓ |

Whole milk increased three and five tenths cents per gallon; reduced fat milk increased one and five tenths cents per gallon; lowfat milk increased one tenth of a cent per gallon; and skim milk decreased nine tenths of a cent 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) |
|---|---|---|---|---|---|
| October '13 | $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 | $2.30 | $1.81 |
| August | $0.42 | $1.84 | $0.72 | $2.40 | $1.93 |
| September | $0.42 | $1.84 | $0.72 | $2.79 | $2.17 |
| October | $0.39 | $2.00 | $0.76 | $2.38 | $2.03 |
| November | $0.39 | $2.00 | $0.76 | $1.82 | $1.82 |
| December | $0.34 | $1.66 | $0.64 | $1.67 | $1.43 |
| January '15 | $0.34 | $1.66 | $0.64 | $1.40 | $1.34 |
| February | $0.26 | $1.22 | $0.47 | $1.57 | $1.34 |
| March | $0.26 | $1.22 | $0.47 | $1.56 | $1.37 |
| April | $0.23 | $1.18 | $0.45 | $1.63 | $1.39 |
| May | $0.23 | $1.18 | $0.45 | N/A | N/A |

## Average U.S. Retail Prices for Whole, Reduced Fat, Lowfat, and Skim Milk Selected Cities, January - March 2015

| CITY | January 2015 | | | | February 2015 | | | | March 2015 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Whole | Reduced Fat | Lowfat | Skim | Whole | Reduced Fat | Lowfat | Skim | Whole | Reduced Fat | Lowfat | Skim |
| | *Weighted Average Prices in Dollars Per Gallon* | | | | | | | | | | | |
| **Los Angeles** | $3.41 | $3.34 | $3.49 | $3.22 | $3.29 | $3.22 | $3.39 | $3.13 | $3.24 | $3.12 | $3.31 | $3.09 |
| **San Diego** | $3.76 | $3.66 | $3.78 | $3.55 | $3.63 | $3.51 | $3.64 | $3.41 | $3.59 | $3.47 | $3.63 | $3.42 |
| **Sacramento** | $4.53 | $4.39 | $4.45 | $4.37 | $4.38 | $4.23 | $4.33 | $4.20 | $4.27 | $4.14 | $4.27 | $4.13 |
| **San Francisco** | $4.80 | $4.66 | $4.84 | $4.75 | $4.80 | $4.65 | $4.85 | $4.75 | $4.79 | $4.67 | $4.88 | $4.80 |
| **Denver** | $3.59 | $3.06 | $3.07 | $2.92 | $3.26 | $2.78 | $2.77 | $2.61 | $3.08 | $2.55 | $2.56 | $2.40 |
| **Las Vegas** | $3.39 | $3.19 | $3.58 | $3.12 | $3.34 | $3.14 | $3.95 | $2.99 | $3.23 | $2.99 | $3.95 | $2.85 |
| **Phoenix** | $2.51 | $2.52 | $2.53 | $2.51 | $2.47 | $2.35 | $2.38 | $2.35 | $2.34 | $2.22 | $2.27 | $2.23 |
| **Portland** | $3.51 | $3.30 | $3.33 | $3.27 | $3.40 | $3.14 | $3.18 | $3.12 | $3.40 | $3.20 | $3.22 | $3.17 |
| **Salt Lake City-Boise** | $2.71 | $2.62 | $2.56 | $2.62 | $2.59 | $2.47 | $2.38 | $2.44 | $2.55 | $2.36 | $2.33 | $2.38 |
| **Seattle** | $3.53 | $3.32 | $3.34 | $3.30 | $3.43 | $3.19 | $3.21 | $3.17 | $3.43 | $3.18 | $3.19 | $3.16 |

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. March data through the week ending 3/14/15.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