



# Milk Pricing NEWSLETTER

Serving the California dairy industry for over 9 years

Dairy Marketing Branch, CDFA

October 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, Cheddar Cheese and Western Dry Whey increased, while Nonfat Dry Milk decreased, consequently milk price changes show slight increases: whole milk increased two and three tenths cents per gallon; reduced fat milk increased two and five tenths cents per gallon; lowfat milk increased two and seven tenths cents per gallon; and skim milk increased two and three 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. If you would like an email notification when this newsletter is posted, send an email to [dairy@cdfa.ca.gov](mailto:dairy@cdfa.ca.gov) with your name and email address.

Butter and cheese commodity prices have been steady and the seasonal holiday orders are starting to pick up. Butter and cheese inventories remain low as the demand for these products and the export market remain strong.

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 November 2010

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$1.609	\$0.805	\$0.402	\$0.201	\$0.134	\$0.101
Reduced Fat 2%	\$1.395	\$0.698	\$0.349	\$0.174	\$0.116	\$0.087
Lowfat 1%	\$1.262	\$0.631	\$0.316	\$0.158	\$0.105	\$0.079
Nonfat (Skim)	\$0.911	\$0.456	\$0.228	\$0.114	\$0.076	\$0.057

Southern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$1.633	\$0.816	\$0.408	\$0.204	\$0.136	\$0.102
Reduced Fat 2%	\$1.419	\$0.709	\$0.355	\$0.177	\$0.118	\$0.089
Lowfat 1%	\$1.286	\$0.643	\$0.321	\$0.161	\$0.107	\$0.080
Nonfat (Skim)	\$0.936	\$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	\$0.023	\$0.012	\$0.006	\$0.003	\$0.002	\$0.001
Reduced Fat 2%	\$0.025	\$0.013	\$0.006	\$0.003	\$0.002	\$0.002
Lowfat 1%	\$0.027	\$0.013	\$0.007	\$0.003	\$0.002	\$0.002
Nonfat (Skim)	\$0.023	\$0.011	\$0.006	\$0.003	\$0.002	\$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](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)*
October '09	\$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
September	\$0.28	\$1.26	\$1.47	\$0.49	\$0.57
October	\$0.26	\$1.44	\$1.68	\$0.55	\$0.64
November	\$0.26	\$1.44	\$1.68	\$0.55	\$0.64

*\* 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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California Department of Food and Agriculture  
Dairy Marketing Branch  
1220 N Street  
Sacramento, CA 95814



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Permit No. 81  
Sacramento, CA