



# Milk Pricing

## NEWSLETTER

Serving the California dairy industry for over 11 years

Dairy Marketing Branch, CDFA

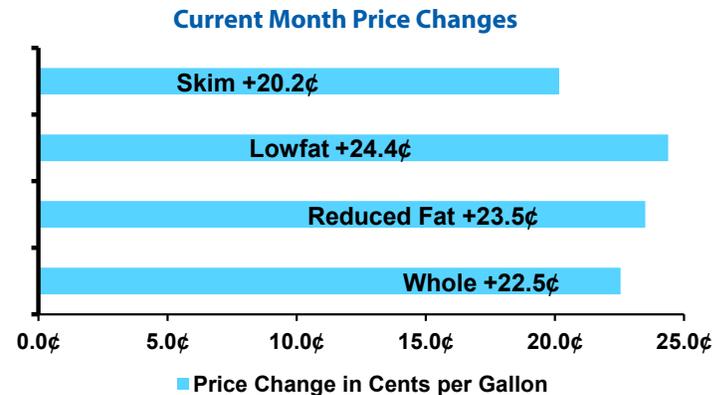
October 2012

### All Milk Prices Increase Compared to Previous Month

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, Grade AA Butter, Western Dry Whey, and Nonfat Dry Milk all recorded increases.

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 2012

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$1.992	\$0.996	\$0.498	\$0.249	\$0.166	\$0.125
Reduced Fat 2%	\$1.880	\$0.940	\$0.470	\$0.235	\$0.157	\$0.117
Lowfat 1%	\$1.821	\$0.910	\$0.455	\$0.228	\$0.152	\$0.114
Nonfat (Skim)	\$1.411	\$0.706	\$0.353	\$0.176	\$0.118	\$0.088

#### Southern California

Whole	\$2.016	\$1.008	\$0.504	\$0.252	\$0.168	\$0.126
Reduced Fat 2%	\$1.903	\$0.952	\$0.476	\$0.238	\$0.159	\$0.119
Lowfat 1%	\$1.844	\$0.922	\$0.461	\$0.231	\$0.154	\$0.115
Nonfat (Skim)	\$1.435	\$0.718	\$0.359	\$0.179	\$0.120	\$0.090

### Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	\$0.225	\$0.113	\$0.056	\$0.028	\$0.019	\$0.014
Reduced Fat 2%	\$0.235	\$0.118	\$0.059	\$0.029	\$0.020	\$0.015
Lowfat 1%	\$0.244	\$0.122	\$0.061	\$0.030	\$0.020	\$0.015
Nonfat (Skim)	\$0.202	\$0.101	\$0.050	\$0.025	\$0.017	\$0.013

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

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole	22.5¢	11.3¢	5.6¢	2.8¢	1.9¢	1.4¢
Reduced Fat 2%	23.5¢	11.8¢	5.9¢	2.9¢	2.0¢	1.5¢
Lowfat 1%	24.4¢	12.2¢	6.1¢	3.0¢	2.0¢	1.5¢
Nonfat (Skim)	20.2¢	10.1¢	5.0¢	2.5¢	1.7¢	1.3¢

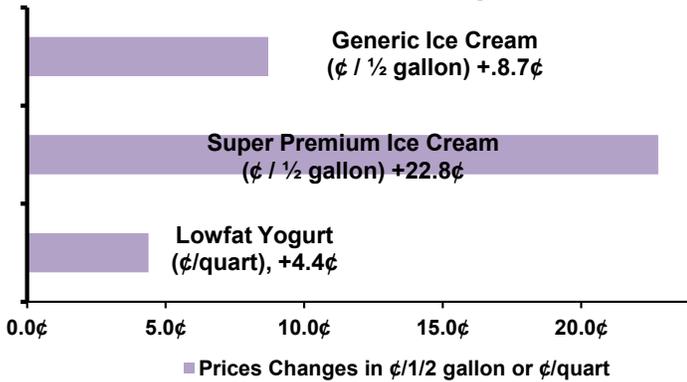
Whole milk increased twenty-two and five tenths cents per gallon; reduced fat milk increased twenty-three and five tenths cents per gallon; lowfat milk increased twenty-four and four tenths cents per gallon; and skim milk increased twenty and two tenth cents per gallon.

## 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.

	Lowfat Yogurt (\$/qt)	Super Premium Ice Cream (\$/1.5 qt)*	Generic Ice Cream (\$/1.5 qt)*	Grade AA Butter (\$/lb)	Cheese (\$/lb)
July '11	\$0.36	\$1.57	\$0.61	\$1.89	\$1.92
August	\$0.37	\$1.63	\$0.63	\$1.94	\$1.85
September	\$0.37	\$1.63	\$0.63	\$1.80	\$1.58
October	\$0.36	\$1.57	\$0.61	\$1.66	\$1.53
November	\$0.36	\$1.57	\$0.61	\$1.63	\$1.67
December	\$0.33	\$1.40	\$0.55	\$1.48	\$1.47
January '12	\$0.33	\$1.40	\$0.55	\$1.45	\$1.38
February	\$0.31	\$1.26	\$0.49	\$1.30	\$1.30
March	\$0.31	\$1.26	\$0.49	\$1.33	\$1.33
April	\$0.30	\$1.16	\$0.46	\$1.29	\$1.31
May	\$0.30	\$1.16	\$0.46	\$1.20	\$1.33
June	\$0.27	\$1.08	\$0.42	\$1.31	\$1.44
July	\$0.27	\$1.08	\$0.42	\$1.41	\$1.49
August	\$0.24	\$1.09	\$0.42	\$1.59	\$1.61
September	\$0.24	\$1.09	\$0.42	\$1.71	\$1.70
October	\$0.28	\$1.32	\$0.51	N/A	N/A

### Current Month Price Changes



## Average U.S. Retail Prices for Whole, Reduced Fat, Lowfat, and Skim Milk Selected Cities, July 2012 - September 2012

CITY	July 2012				August 2012				September 2012			
	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	\$3.32	\$3.19	\$3.30	\$2.83	\$3.25	\$3.14	\$3.25	\$2.83	\$3.31	\$3.19	\$3.30	\$2.89
San Diego	\$3.42	\$3.27	\$3.46	\$3.07	\$3.42	\$3.27	\$3.45	\$3.09	\$3.49	\$3.35	\$3.50	\$3.17
Sacramento	\$3.55	\$3.39	\$3.50	\$3.45	\$3.53	\$3.40	\$3.50	\$3.53	\$3.58	\$3.44	\$3.52	\$3.57
San Francisco	\$3.80	\$3.61	\$3.97	\$3.68	\$3.87	\$3.65	\$4.03	\$3.75	\$3.93	\$3.69	\$4.06	\$3.83
Denver	\$2.97	\$2.88	\$2.93	\$2.85	\$2.86	\$2.76	\$2.81	\$2.69	\$2.95	\$2.82	\$2.91	\$2.77
Las Vegas	\$3.00	\$2.93	\$2.99	\$3.00	\$2.93	\$2.91	\$2.96	\$3.11	\$2.97	\$2.94	\$2.99	\$3.19
Phoenix	\$2.35	\$2.29	\$2.28	\$2.19	\$2.39	\$2.31	\$2.32	\$2.24	\$2.65	\$2.65	\$2.67	\$2.70
Portland	\$3.10	\$2.90	\$2.96	\$2.94	\$3.16	\$2.93	\$2.99	\$2.95	\$3.18	\$2.95	\$3.00	\$2.98
Salt Lake City-Boise	\$2.66	\$2.46	\$2.37	\$2.55	\$2.67	\$2.49	\$2.45	\$2.66	\$2.77	\$2.58	\$2.54	\$2.68
Seattle	\$3.03	\$2.82	\$2.91	\$2.89	\$3.10	\$2.84	\$2.93	\$2.93	\$3.15	\$2.92	\$3.00	\$3.02

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. Data includes organic milk. Data subject to revision. September data through the week ending 9/1/12.

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

Karen Ross, Secretary

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