

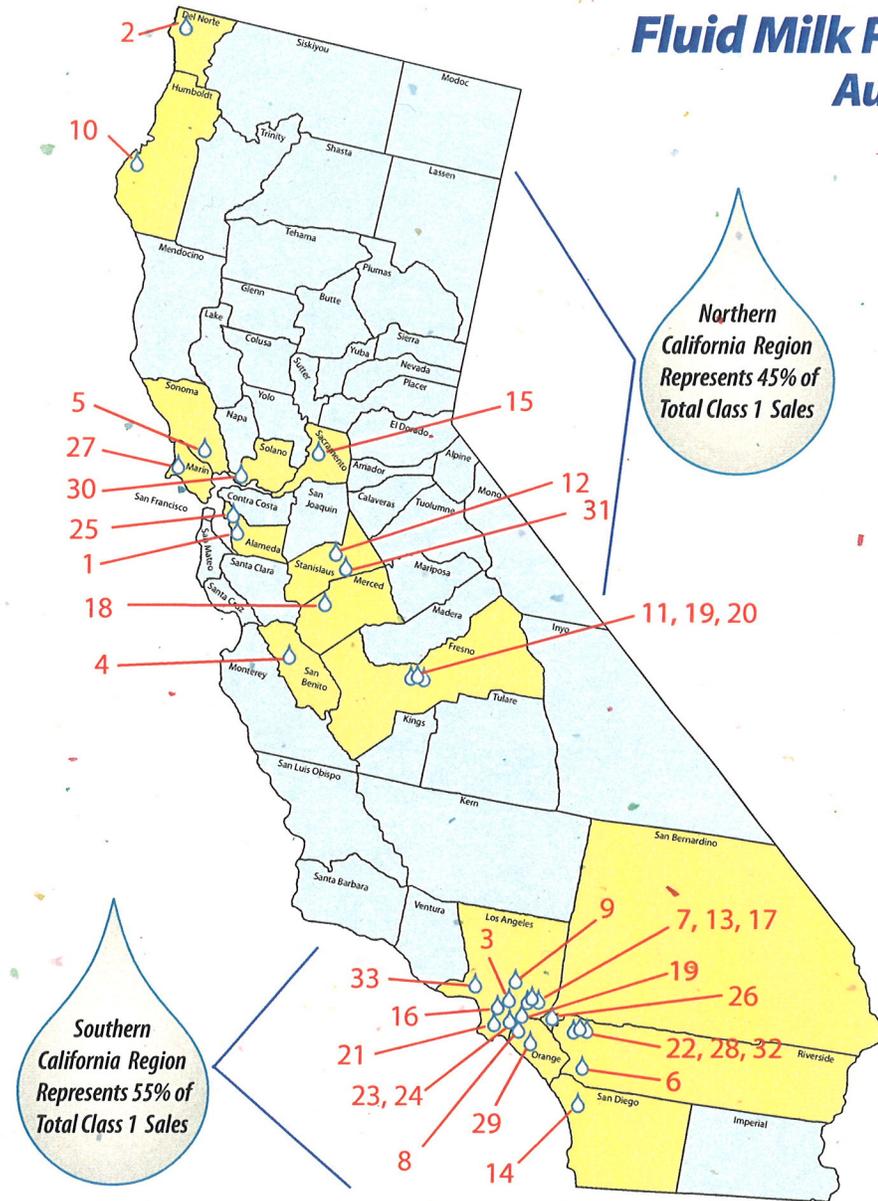


CALIFORNIA Dairy Information

BULLETIN

A publication serving the dairy industry for over 67 years

Fluid Milk Plants in California August 2011



Name and Location of Plants

1. Berkeley Farms, *Hayward*
2. Borges Family Creamery, *Smith River*
3. Broguiere Farm Fresh, *Montebello*
4. Claravale Farms Co., *Paicines*
5. Clover-Stornetta Farms Inc, *Petaluma*
6. De Jong's Dairy, *Wildomar*
7. DEA Inc/Alta-Dena Dairy, *City of Industry*
8. Dean Foods, *Buena Park*
9. Driftwood Dairy Inc, *El Monte*
10. Foster Farms - Humboldt, *Fortuna*
11. Foster Farms Jersey Dairy, *Fresno*
12. Foster Farms Jersey Dairy, *Modesto*
13. Heartland Farms, *City of Industry*
14. Hollandia Dairy, *San Marcos*
15. HP Hood, *Sacramento*
16. Jerseymaid Milk Products, *City of Commerce*
17. Morningstar Foods LLC, *City of Industry*
18. Morningstar Foods LLC, *Gustine*
19. Organic Pastures Dairy, *Fresno*
20. Producers Dairy Delivery Inc, *Fresno*
21. Ralphs Grocery, *Compton*
22. Ralphs Grocery, *Riverside*
23. Rex Creamery, *Downey*
24. Rockview Milk Farms, *Downey*
25. Safeway Stores Inc., *San Leandro*
26. Scott Brothers, *Chino*
27. Straus Family Creamery, *Marshall*
28. Stremick's Heritage Foods, *Riverside*
29. Stremick's Heritage Foods, *Santa Ana*
30. Super Store Industries, *Vallejo*
31. Super Store Industries, *Turlock*
32. Swiss Dairy, *Riverside*
33. Unified Grocers, Inc., *Los Angeles*

Fluid Milk Plant Location

Blue-shaded areas have no fluid milk plants

- From 2006 to 2010, annual California Class 1 Sales have remained flat despite California's resident population increasing by 3.5% during that time period.
- Over the last ten years (from 2001-2011), the number of California Class 1 fluid plants has decreased from 37 to 33 plants.



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National Dairy Situation & Outlook – USDA Estimates

Milk Production

Monthly: USDA estimates overall milk production across the U.S. was up by 1.7% in September 2011, compared to September 2010. USDA reports that California milk production increased 0.6% compared to September 2010 (on 25,000 more cows and 15 less pounds of milk per cow). Among other western states, compared to September 2010, Arizona was up 4.7%; New Mexico was up 4.4%; and Washington was up 5.5%. Two of the top 10 states reported a production decrease. The largest increase was reported by Florida at 11.3% growth in milk production (on 6,000 more cows and 75 more pounds of milk per cow).

Quarterly: For the third quarter of 2011 compared to the second quarter of 2011, U.S. milk cow numbers increased to 9.217 million head, milk production per cow decreased to 5,290 pounds; the net effect was decreased milk production to 48.8 billion pounds. USDA projects that for the fourth quarter of 2011 compared to the third quarter of 2011, U.S. milk cow numbers will decrease to 9.215 million head, production per cow will decrease to 5,245 pounds; the net effect would be decreased milk production to 48.3 billion pounds.

Milk Prices

Comparing the third quarter of 2011 to the second quarter of 2011, U.S. average milk prices increased to \$21.60/cwt. USDA projects that for the fourth quarter of 2011, U.S. average all-milk prices will be \$19.60-20.00/cwt.; Class 4b prices will be \$17.85-18.25/cwt.; and Class 4a prices will be \$17.85-18.35/cwt.

Utility Cow Prices

Comparing the third quarter of 2011 to the second quarter of 2011, average U.S. utility cow prices were down \$8.77/cwt. to a national average of \$66.11/cwt. USDA projects that utility cow prices will average \$65-67/cwt. in the fourth quarter of 2011.

Information from the USDA-NASS publication "Milk Production" and the USDA-ERS publication: "Livestock, Dairy, and Poultry Outlook."

California Data Summaries

COMMERCIAL PRODUCTION OF ALL MILK

Production of all milk on farms and ranches in California during September 2011 totaled 3.31 billion pounds, 0.6 percent more than the quantity produced during September 2010. For the twelve months ending September 2011, total milk production increased 2.8 percent as compared to the same period the previous year.

MANUFACTURED PRODUCTS

For the month of September 2011, as compared to September 2010, the total manufacture of butter increased 15.5 percent; manufacture of nonfat dried milk for human consumption decreased 20.1 percent; manufacture of total cheese decreased 2.8 percent; and manufacture of total frozen products decreased 2.6 percent.

SALES OF CLASS 1 MARKET MILK

Total sales of Class 1 market milk products in California during September 2011 decreased 1.4 percent compared to sales during September 2010.

All Data displayed in the Dairy Information Bulletin is subject to change and/or revision.

MILK PRODUCTION

**Table 1: Commercial Production of Market and Manufacturing Milk
in Thousand Pounds, in California, by Month ¹
October 2009 - September 2011**

Month	Market Milk			Manufacturing Milk			Total Milk		
	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change
October	3,056,611	3,166,273	3.6%	148,616	175,532	18.1%	3,205,227	3,341,805	4.3%
November	2,988,806	3,096,024	3.6%	142,303	169,214	18.9%	3,131,110	3,265,238	4.3%
December	3,136,149	3,189,493	1.7%	146,638	171,966	17.3%	3,282,787	3,361,458	2.4%
January	3,193,141	3,329,957	4.3%	175,499	58,465	-66.7%	3,368,639	3,388,422	0.6%
February	2,921,998	3,104,945	6.3%	165,204	54,547	-67.0%	3,087,202	3,159,492	2.3%
March	3,293,405	3,524,818	7.0%	185,666	62,723	-66.2%	3,479,071	3,587,541	3.1%
April	3,249,518	3,455,312	6.3%	181,635	59,881	-67.0%	3,431,153	3,515,192	2.4%
May	3,350,312	3,610,947	7.8%	190,301	64,175	-66.3%	3,540,613	3,675,122	3.8%
June	3,209,629	3,447,274	7.4%	181,094	61,107	-66.3%	3,390,723	3,508,381	3.5%
July	3,216,853	3,469,714	7.9%	180,367	62,364	-65.4%	3,397,220	3,532,078	4.0%
August	3,222,441	3,436,774	6.7%	178,073	60,749	-65.9%	3,400,514	3,497,523	2.9%
September	3,120,444	3,254,550	4.3%	171,035	56,743	-66.8%	3,291,480	3,311,293	0.6%
Jan-Sep Total	28,777,741	30,634,290	6.5%	1,608,873	540,754	-66.4%	30,386,614	31,175,044	2.6%
Oct-Sep Total	37,959,307	40,086,079	5.6%	2,046,430	1,057,466	-48.3%	40,005,737	41,143,545	2.8%
2010 Total	38,229,530			2,125,585			40,355,115		

¹ Includes total milk sold. Excludes milk left on ranch.

DAILY AVERAGE MILK PRODUCTION

**Table 2: Commercial Production of Market and Manufacturing Milk, Average Daily Basis
Compared to Prior Month, in Thousand Pounds, in California, by Month ¹
October 2010 - September 2011**

Month	Market Milk		Manufacturing Milk		Total Milk	
	2010-2011	% Change	2010-2011	% Change	2010-2011	% Change
September	104,015		5,701		109,716	
October	102,138	-1.8%	5,662	-0.7%	107,800	-1.7%
November	103,201	1.0%	5,640	-0.4%	108,841	1.0%
December	102,887	-0.3%	5,547	-1.7%	108,434	-0.4%
January	107,418	4.4%	1,886	-66.0%	109,304	0.8%
February	110,891	3.2%	1,948	3.3%	112,839	3.2%
March	113,704	2.5%	2,023	3.9%	115,727	2.6%
April	115,177	1.3%	1,996	-1.3%	117,173	1.2%
May	116,482	1.1%	2,070	3.7%	118,552	1.2%
June	114,909	-1.4%	2,037	-1.6%	116,946	-1.4%
July	111,926	-2.6%	2,012	-1.2%	113,938	-2.6%
August	110,864	-0.9%	1,960	-2.6%	112,823	-1.0%
September	108,485	-2.1%	1,891	-3.5%	110,376	-2.2%

¹ Includes total milk sold. Excludes milk left on ranch.

MILK PRODUCTION BY COUNTY

Table 3: Commercial Production of Bulk Milk, Average Milk Fat and Solids-Not-Fat Test, in Pounds, in California, by Counties and Regions ¹ September 2011

County and Region	Bulk Milk		Total	Percent change from 2010	Average Milk Fat Test	Average Solids-Not-Fat Test
	Market	Manufacturing				
Alameda						
Alpine						
Amador						
Butte	447,811	16,079	463,890	-3.0%	4.28%	9.16%
Calaveras						
Colusa						
Contra Costa						
Del Norte	3,750,626	977,122	4,727,748	7.4%	4.35%	9.04%
El Dorado						
Fresno	214,148,910	284,843	214,433,753	-0.8%	3.62%	8.84%
Glenn	31,438,505	1,130,114	32,568,619	3.2%	3.65%	8.76%
Humboldt	15,107,134	3,665,120	18,772,254	-3.4%	4.25%	8.97%
Inyo						
Kern	304,035,029	2,485,349	306,520,378	2.2%	3.62%	8.80%
Kings	343,960,154	1,513,380	345,473,534	1.7%	3.60%	8.82%
Lake						
Lassen						
Madera	146,999,037	564,826	147,563,863	7.5%	3.57%	8.80%
Marin	12,964,708	0	12,964,708	-8.1%	3.69%	8.88%
Mariposa						
Mendocino						
Merced	449,538,087	29,341,507	478,879,594	-0.5%	3.73%	8.87%
Modoc						
Mono						
Monterey						
Napa						
Nevada						
Placer						
Plumas						
Sacramento	27,543,661	0	27,543,661	0.5%	3.69%	8.83%
San Benito						
San Francisco						
San Joaquin	190,925,715	5,474,368	196,400,083	4.2%	3.55%	8.80%
San Mateo						
Santa Clara						
Santa Cruz						
Shasta						
Sierra						
Siskiyou	1,258,222	0	1,258,222	-5.9%	3.70%	8.80%
Solano						
Sonoma	38,905,893	53,957	38,959,850	-3.0%	3.74%	8.90%
Stanislaus	324,679,047	5,331,964	330,011,011	-0.6%	3.64%	8.83%
Sutter						
Tehama	6,073,170	404,033	6,477,203	-21.6%	3.96%	8.99%
Trinity						
Tulare	885,457,728	3,295,526	888,753,254	-0.6%	3.65%	8.85%
Tuolumne						
Yolo						
Yuba	5,974,122	0	5,974,122	3.7%	3.81%	8.88%
N. California	3,018,313,485	55,244,529	3,073,558,014	0.5%	3.65%	8.84%

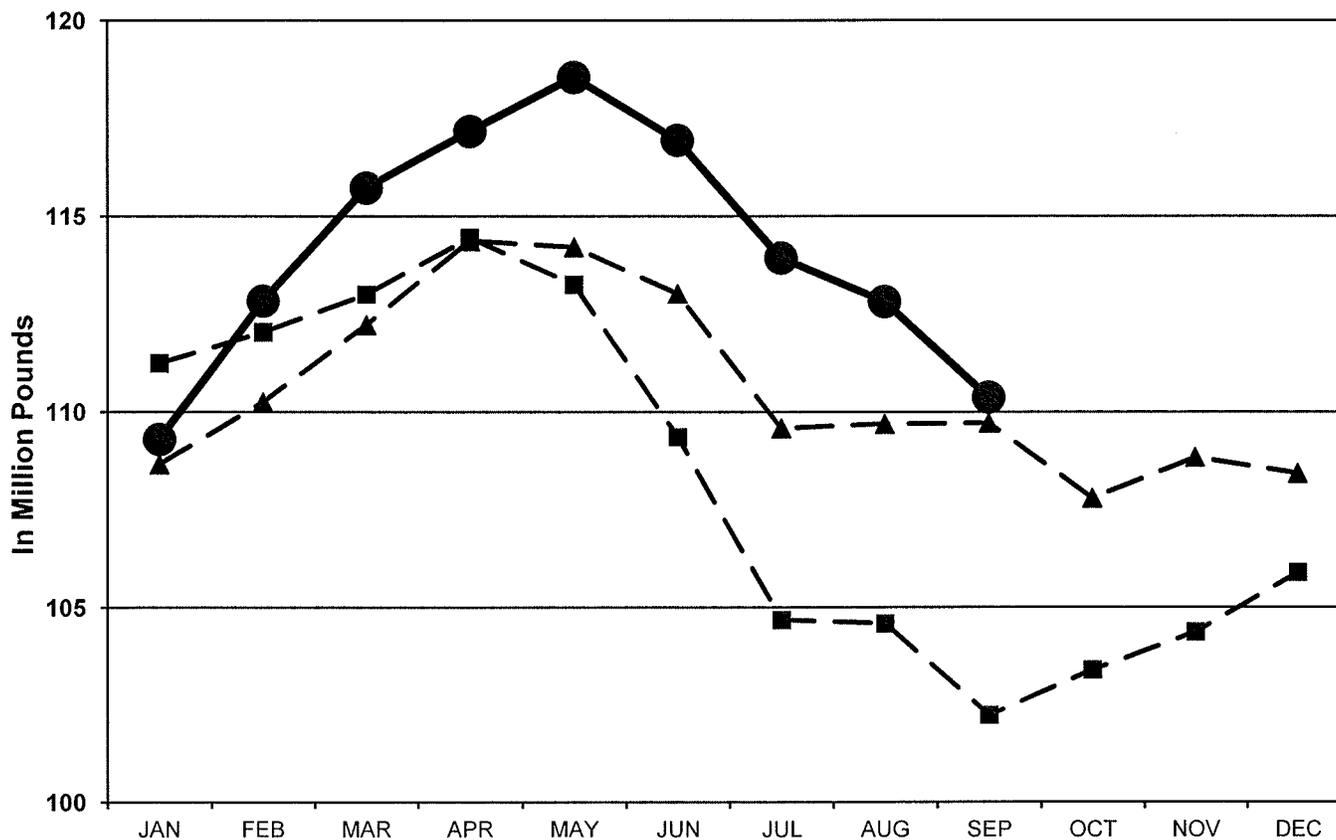
MILK PRODUCTION BY COUNTY

Table 3 (continued): Commercial Production of Bulk Milk, Average Milk Fat and Solids-Not-Fat Test, in Pounds, in California, by Counties and Regions ¹ September 2011

County and Region	Bulk Milk		Percent change from 2010	Average Milk Fat Test	Average Solids-Not-Fat Test	
	Market	Manufacturing				Total
Imperial	11,104,942	0	11,104,942	-1.0%	3.90%	8.93%
Los Angeles						
Orange						
Riverside	80,903,989	269,791	81,173,780	4.1%	3.54%	8.80%
San Bernardino	132,069,076	1,228,817	133,297,893	0.8%	3.52%	8.76%
San Diego	4,048,176	0	4,048,176	-7.0%	3.42%	8.75%
San Luis Obispo						
Santa Barbara						
Ventura						
S. California	236,236,499	1,498,608	237,735,107	1.4%	3.55%	8.78%
State Total	3,254,549,984	56,743,137	3,311,293,121	0.6%	3.64%	8.83%

¹ Data for counties in bold-type are not shown but are included in total: Mendocino, Monterey, Placer, San Benito, Santa Clara, Shasta, Solano, Sutter, Yolo, Los Angeles, San Luis Obispo, Santa Barbara.

CALIFORNIA MILK PRODUCTION Average Daily Basis 2009, 2010, 2011



MILK UTILIZATION

**Table 4: Pooled Milk Utilization of Grade A Milk, by Classes and Months,
in Thousand Pounds ¹
2010 - 2011**

Month	Class 1 - Fat		Class 2 - Fat		Class 3 - Fat		Class 4a - Fat	
	2010	2011	2010	2011	2010	2011	2010	2011
January	10,332	10,107	7,854	7,266	5,839	6,044	51,632	52,335
February	9,523	9,129	6,876	8,361	5,917	7,160	46,502	46,820
March	10,479	10,114	9,068	9,856	8,622	9,767	46,852	50,601
April	10,178	9,069	9,244	7,698	10,296	7,541	43,516	52,381
May	9,795	9,798	10,209	9,131	10,171	7,596	44,402	53,130
June	9,507	9,255	9,932	9,988	10,067	10,120	39,629	46,261
July	9,705	9,203	9,228	9,233	8,877	9,486	38,988	46,204
August	10,316	10,100	9,738	8,714	10,752	9,626	35,969	44,138
September	10,266	9,756	10,563	8,241	9,176	7,448	35,848	43,914
October	10,314		10,868		6,801		41,664	
November	10,438		10,341		4,945		43,475	
December	10,743		8,810		4,401		50,548	
Jan - Sep Total	90,101	86,531	82,711	78,487	79,715	74,789	383,339	435,784
Change from 2010		-4.0%		-5.1%		-6.2%		13.7%
2010 Total	121,595		112,730		95,862		519,026	
Month	Class 1 - SNF		Class 2 - SNF		Class 3 - SNF		Class 4a - SNF	
	2010	2011	2010	2011	2010	2011	2010	2011
January	49,330	48,947	10,958	10,940	5,318	5,732	96,614	92,275
February	45,003	43,680	10,011	10,518	5,283	6,431	87,633	87,698
March	50,058	50,030	12,286	11,469	7,637	8,199	94,311	101,746
April	48,567	44,262	11,150	11,031	7,857	7,016	97,543	103,665
May	47,759	47,730	11,904	11,757	7,959	7,489	102,468	106,038
June	44,454	43,448	11,786	12,281	8,124	8,071	94,259	101,899
July	44,540	42,116	11,616	12,062	7,401	7,814	88,600	102,092
August	47,561	47,066	11,805	12,250	7,937	7,919	83,940	92,564
September	48,165	47,049	12,020	11,499	6,791	6,253	79,773	85,846
October	49,238		11,184		5,599		85,227	
November	47,970		11,595		4,600		85,209	
December	48,894		10,971		3,855		93,425	
Jan - Sep Total	425,437	414,327	103,537	103,808	64,306	64,926	825,142	873,822
Change from 2010		-2.6%		0.3%		1.0%		5.9%
2010 Total	571,539		137,285		78,360		1,089,003	
Month	Fluid							
	2010	2011						
January	442,780	440,090						
February	405,816	393,653						
March	448,793	451,153						
April	436,795	399,359						
May	431,272	431,010						
June	400,548	392,496						
July	401,244	380,081						
August	429,398	424,487						
September	434,148	423,519						
October	442,849							
November	430,648							
December	439,167							
Jan - Sep Total	3,830,793	3,735,849						
Change from 2010		-2.5%						
2010 Total	5,143,457							

MILK UTILIZATION

**Table 4 (continued): Pooled Milk Utilization of Grade A Milk, by Classes and Months,
in Thousand Pounds ¹
2010 - 2011**

Month	Class 4b - Fat		Quota - Fat		Non-quota - Fat		Pool Total - Fat	
	2010	2011	2010	2011	2010	2011	2010	2011
January	40,364	48,669	27,383	27,380	88,639	97,041	116,021	124,421
February	35,538	43,162	24,734	24,727	79,622	89,906	104,356	114,632
March	41,086	48,013	27,383	27,375	88,724	100,976	116,107	128,351
April	39,814	47,328	26,498	26,494	86,551	97,523	113,048	124,017
May	40,965	49,044	27,373	27,375	88,169	101,324	115,542	128,699
June	40,135	46,420	26,494	26,491	82,776	95,552	109,270	122,043
July	41,867	46,825	27,382	27,386	81,284	93,565	108,666	120,952
August	43,419	48,111	27,376	27,386	82,819	93,303	110,194	120,689
September	43,013	45,795	26,487	26,503	82,379	88,651	108,866	115,154
October	42,049		27,369		84,326		111,695	
November	43,306		26,494		86,011		112,505	
December	43,368		27,373		90,497		117,870	
Jan - Sep Total	366,202	423,369	241,109	241,118	760,960	857,842	1,002,069	1,098,960
Change from 2010		15.6%		0.0%		12.7%		9.7%
2010 Total	494,925		322,346		1,021,794		1,344,139	
Month	Class 4b - SNF		Quota - SNF		Non-quota - SNF		Pool Total - SNF	
	2010	2011	2010	2011	2010	2011	2010	2011
January	111,507	131,007	66,768	66,757	206,960	222,145	273,728	288,902
February	101,632	120,409	60,311	60,307	189,251	208,430	249,562	268,736
March	117,239	133,396	66,767	66,761	214,763	238,080	281,531	304,841
April	112,940	131,651	64,619	64,620	213,439	233,006	278,058	297,626
May	116,912	138,855	66,763	66,776	220,239	245,093	287,001	311,869
June	115,441	130,293	64,627	64,616	209,437	231,375	274,064	295,991
July	121,059	133,125	66,794	66,793	206,422	230,417	273,215	297,209
August	123,096	135,584	66,767	66,788	207,571	228,596	274,338	295,383
September	119,972	129,591	64,596	64,629	202,124	215,609	266,720	280,238
October	119,488		66,749		203,987		270,736	
November	117,898		64,600		202,671		267,271	
December	118,606		66,747		209,004		275,751	
Jan - Sep Total	1,039,797	1,183,912	588,011	588,045	1,870,207	2,052,750	2,458,217	2,640,795
Change from 2010		13.9%		0.0%		9.8%		7.4%
2010 Total	1,395,788		786,107		2,485,868		3,271,975	

¹ Includes pooled milk only. Excludes exempt, non-pool, grade B milk, and bulk milk shipped out-of-California (ranch to plant). Class usage has been adjusted for plant gain and inventory variance.

POOL MILK PRODUCTION

**Table 5: Commercial Production of Grade A Milk, Pooled and Non-Pooled, Total Grade B Milk by Months, in Thousand Pounds
2010 - 2011**

Month	Pool Milk		Grade A Milk Not Pooled ¹		Total Grade A Milk ²		Total Grade B Milk	
	2010	2011	2010	2011	2010	2011	2010	2011
January	3,086,476	3,244,196	106,665	85,760	3,193,141	3,329,957	175,499	58,465
February	2,824,771	3,025,881	97,227	79,063	2,921,998	3,104,945	165,204	54,547
March	3,184,064	3,436,566	109,341	88,251	3,293,405	3,524,818	185,666	62,723
April	3,142,869	3,364,808	106,648	90,503	3,249,518	3,455,312	181,635	59,881
May	3,241,407	3,522,929	108,906	88,018	3,350,312	3,610,947	190,301	64,175
June	3,106,906	3,358,196	102,723	89,078	3,209,629	3,447,274	181,094	61,107
July	3,112,991	3,387,064	103,863	82,650	3,216,853	3,469,714	180,367	62,364
August	3,116,893	3,353,561	105,548	83,213	3,222,441	3,436,774	178,073	60,749
September	3,015,171	3,172,926	105,273	81,624	3,120,444	3,254,550	171,035	56,743
October	3,056,728		109,545		3,166,273		175,532	
November	2,992,831		103,193		3,096,024		169,214	
December	3,085,751		103,741		3,189,493		171,966	
Jan - Sep Total	27,831,547	29,866,128	946,193	768,162	28,777,741	30,634,290	1,608,873	540,754
Change from 2010		7.3%		-18.8%		6.5%		-66.4%
2010 Total	36,966,857		1,262,673		38,229,530		2,125,585	

¹ Grade A farm milk delivered to non-pooled plants; milk from exempt Producer-Handler type 66; the exempt portion of milk from Producer-Handler type 70; and Grade A producer milk delivered directly out of state.

² Not all milk shipped out of state is reported. These numbers represent lower limits.

NET MILK AVAILABLE IN CALIFORNIA

**Table 6: California Commercial Milk Production, Production Entering, and Production Leaving, Net Milk Available, by Months, in Thousand Pounds ¹
2010 - 2011**

Month	California Milk Production		Production Entering California		Production Leaving California		Net Milk Available in California	
	2010	2011	2010	2011	2010	2011	2010	2011
January	3,368,639	3,388,422	51,449	59,819	35,943	37,013	3,384,145	3,411,228
February	3,087,202	3,159,492	45,403	56,336	31,504	34,447	3,101,101	3,181,380
March	3,479,071	3,587,541	51,642	54,403	37,305	38,382	3,493,407	3,603,563
April	3,431,153	3,515,192	51,160	55,210	35,658	41,942	3,446,655	3,528,460
May	3,540,613	3,675,122	55,344	57,445	35,239	38,190	3,560,718	3,694,378
June	3,390,723	3,508,381	54,245	58,077	34,182	40,768	3,410,786	3,525,690
July	3,397,220	3,532,078	56,979	63,420	35,078	34,460	3,419,121	3,561,037
August	3,400,514	3,497,523	53,727	58,676	35,655	35,597	3,418,586	3,520,602
September	3,291,480	3,311,293	50,399	53,365	36,883	35,883	3,304,995	3,328,775
October	3,341,805		54,100		39,503		3,356,402	
November	3,265,238		53,852		41,416		3,277,673	
December	3,361,458		55,656		42,903		3,374,211	
Jan - Sep Total	30,386,614	31,175,044	470,348	516,751	317,449	336,682	30,539,513	31,355,113
Change from 2010		2.6%		9.9%		6.1%		2.7%
2010 Total	40,355,115		633,956		441,272		40,547,799	

¹ Not all milk shipped into or out of the state is reported. These numbers represent lower limits.

CLASS 1 SALES

**Table 7: Sales of Class 1 Market Milk Products in California, by Months, in Thousand Gallons ^{1 2}
October 2009 - September 2011**

Month	Whole Milk			Reduced-fat			Lowfat/Light Milk		
	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change
October	20,681	18,944	-8.4%	24,714	24,492	-0.9%	10,604	10,009	-5.6%
November	18,792	18,915	0.7%	23,464	24,134	2.9%	9,591	9,338	-2.6%
December	20,351	19,635	-3.5%	25,114	24,891	-0.9%	9,411	8,836	-6.1%
January	19,233	18,864	-1.9%	24,207	24,329	0.5%	9,679	9,558	-1.3%
February	17,357	16,987	-2.1%	21,960	22,158	0.9%	8,918	8,684	-2.6%
March	19,117	18,607	-2.7%	24,654	24,964	1.3%	10,031	9,849	-1.8%
April	18,795	17,509	-6.8%	24,147	23,637	-2.1%	9,669	8,889	-8.1%
May	18,755	17,705	-5.6%	23,941	23,992	0.2%	9,724	9,441	-2.9%
June	18,325	17,432	-4.9%	23,388	23,688	1.3%	8,296	7,780	-6.2%
July	18,676	17,708	-5.2%	23,355	24,021	2.9%	7,889	7,387	-6.4%
August	19,050	18,303	-3.9%	23,988	25,010	4.3%	8,739	8,235	-5.8%
September	18,383	17,414	-5.3%	23,260	24,018	3.3%	9,765	9,121	-6.6%
Jan - Sep Total	167,691	160,529	-4.3%	212,900	215,817	1.4%	82,710	78,944	-4.6%
Oct - Sep Total	227,515	218,023	-4.2%	286,192	289,334	1.1%	112,316	107,126	-4.6%
2010 Total	225,185			286,418			110,892		
Month	Skim/Nonfat/Fat-free Milk			Subtotal Beverage Milks			Half - and - Half		
	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change
October	11,030	10,714	-2.9%	67,029	64,159	-4.3%	1,574	1,512	-3.9%
November	9,802	9,905	1.0%	61,650	62,292	1.0%	1,611	1,716	6.6%
December	9,875	9,376	-5.1%	64,752	62,738	-3.1%	1,736	1,756	1.1%
January	10,229	10,341	1.1%	63,348	63,092	-0.4%	1,492	1,537	3.1%
February	9,750	9,594	-1.6%	57,985	57,423	-1.0%	1,471	1,503	2.2%
March	10,806	10,920	1.1%	64,608	64,341	-0.4%	1,653	1,685	2.0%
April	10,296	9,683	-6.0%	62,907	59,718	-5.1%	1,581	1,558	-1.4%
May	10,295	10,369	0.7%	62,715	61,507	-1.9%	1,561	1,505	-3.6%
June	8,660	8,575	-1.0%	58,669	57,475	-2.0%	1,470	1,523	3.6%
July	7,856	7,690	-2.1%	57,775	56,806	-1.7%	1,404	1,451	3.4%
August	8,731	9,089	4.1%	60,509	60,636	0.2%	1,478	1,528	3.4%
September	10,057	9,990	-0.7%	61,464	60,544	-1.5%	1,476	1,513	2.5%
Jan - Sep Total	86,679	86,252	-0.5%	549,980	541,542	-1.5%	13,584	13,804	1.6%
Oct - Sep Total	117,387	116,247	-1.0%	743,411	730,730	-1.7%	18,504	18,789	1.5%
2010 Total	116,674			739,169			18,568		
Month	Total Class 1 Milk			Class 1 Sales Out of State 3/					
	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change			
October	68,604	65,673	-4.3%	1,812	1,794	-1.0%			
November	63,261	64,010	1.2%	1,793	1,798	0.3%			
December	66,489	64,495	-3.0%	1,701	1,878	10.4%			
January	64,841	64,631	-0.3%	1,741	1,824	4.8%			
February	59,456	58,928	-0.9%	1,621	1,633	0.7%			
March	66,262	66,029	-0.4%	1,785	1,714	-4.0%			
April	64,489	61,279	-5.0%	1,711	1,607	-6.1%			
May	64,277	63,016	-2.0%	1,590	1,639	3.1%			
June	60,141	59,001	-1.9%	1,710	1,567	-8.4%			
July	59,181	58,261	-1.6%	1,963	1,792	-8.7%			
August	61,988	62,168	0.3%	2,051	1,790	-12.8%			
September	62,943	62,060	-1.4%	1,820	1,610	-11.5%			
Jan - Sep Total	563,578	555,372	-1.5%	15,993	15,175	-5.1%			
Oct - Sep Total	761,933	749,550	-1.6%	21,298	20,645	-3.1%			
2010 Total	757,756			21,462					

¹ Reported by California plants only.

² Table 7 includes all Class 1 market milk product sales (except for Class 1 Out of State Sales which are displayed in a separate boxed area), including flavored milk sales and organic milk sales. For a breakdown of Class 1 Organic Milk Sales, see Table 8. For a breakdown of Class 1 Flavored Milk Sales, see Table 9.

³ Includes all whole, reduced fat, lowfat, and skim market milk product sales sold out of California. The Class 1 Sales Out of State figures are not included in the Total Class 1 Sales nor in any other Class 1 Sales tables.

CLASS 1 ORGANIC MILK SALES

**Table 8: Sales of Class 1 Organic Market Milk Products in California, by Months,
in Thousand Gallons ^{1 2 3}
October 2009 - September 2011**

Month	Whole Milk			Reduced-fat			Lowfat/Light Milk		
	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change
October	674	852	26.5%	735	1,027	39.6%	832	792	-4.9%
November	643	827	28.8%	708	962	35.8%	857	807	-5.8%
December	729	873	19.7%	782	974	24.5%	843	779	-7.6%
January	682	824	20.8%	756	994	31.4%	843	803	-4.8%
February	647	793	22.6%	731	1,073	46.8%	637	688	8.0%
March	734	897	22.3%	852	1,345	57.9%	824	705	-14.4%
April	733	840	14.6%	831	1,228	47.8%	748	656	-12.3%
May	713	834	17.0%	794	1,162	46.4%	715	665	-7.0%
June	702	864	23.0%	809	1,333	64.7%	750	661	-11.8%
July	696	807	15.9%	811	1,231	51.8%	808	629	-22.2%
August	806	934	16.0%	914	1,391	52.2%	765	686	-10.3%
September	870	918	5.5%	1,063	1,595	50.1%	809	691	-14.6%
Jan - Sep Total	6,582	7,711	17.1%	7,561	11,353	50.1%	6,898	6,183	-10.4%
Oct - Sep Total	8,628	10,263	19.0%	9,787	14,315	46.3%	9,431	8,561	-9.2%
2010 Total	9,134			10,523			9,276		
Month	Skim/Nonfat/Fat-free Milk			Subtotal Organic Milks					
	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change			
October	514	596	16.0%	2,755	3,266	18.6%			
November	481	602	25.2%	2,689	3,198	18.9%			
December	527	567	7.6%	2,882	3,193	10.8%			
January	521	601	15.4%	2,801	3,220	15.0%			
February	502	567	12.9%	2,517	3,121	24.0%			
March	590	637	7.9%	3,000	3,584	19.5%			
April	586	587	0.2%	2,898	3,311	14.3%			
May	524	582	11.2%	2,746	3,244	18.1%			
June	554	596	7.5%	2,815	3,454	22.7%			
July	565	549	-2.9%	2,880	3,215	11.6%			
August	586	634	8.2%	3,070	3,645	18.7%			
September	606	630	4.0%	3,347	3,834	14.5%			
Jan - Sep Total	5,034	5,382	6.9%	26,075	30,628	17.5%			
Oct - Sep Total	6,555	7,148	9.0%	34,401	40,286	17.1%			
2010 Total	6,799			35,733					

1 Reported by California plants only.

2 Organic milk sales are included in Table 7 - Class 1 Milk figures, Subtotal Beverage Milks and Total Class 1 Milk.

3 Data unavailable prior to April, 2006.

CLASS 1 FLAVORED MILK SALES

**Table 9: Sales of Class 1 Flavored Market Milk Products in California, by Months,
in Thousand Gallons ^{1 2}
October 2009 - September 2011**

Month	Whole Milk			Reduced-fat			Lowfat/Light Milk		
	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change
October	50	57	15.6%	236	77	-67.4%	1,492	1,290	-13.6%
November	49	56	14.2%	102	73	-28.3%	1,298	1,137	-12.4%
December	48	55	15.1%	109	75	-31.0%	1,043	973	-6.6%
January	46	53	16.2%	140	69	-50.3%	1,194	1,157	-3.1%
February	45	54	20.0%	133	69	-48.1%	1,175	1,092	-7.0%
March	51	62	21.2%	321	74	-76.9%	1,263	1,197	-5.2%
April	52	58	10.5%	369	72	-80.4%	1,219	1,024	-16.0%
May	47	58	22.9%	430	69	-83.9%	1,174	1,134	-3.4%
June	49	54	8.9%	552	66	-88.1%	830	669	-19.5%
July	50	54	8.4%	138	65	-53.0%	720	585	-18.8%
August	54	67	22.4%	105	64	-39.0%	945	636	-32.7%
September	55	67	21.8%	101	65	-35.3%	1,287	694	-46.0%
Jan - Sep Total	451	528	17.0%	2,288	614	-73.2%	9,808	8,189	-16.5%
Oct - Sep Total	598	696	16.5%	2,735	839	-69.3%	13,641	11,588	-15.0%
2010 Total	620			2,513			13,207		
Month	Skim/Nonfat/Fat-free Milk			Subtotal Flavored Milks					
	2009-2010	2010-2011	% Change	2009-2010	2010-2011	% Change			
October	2,608	2,669	2.3%	4,386	4,093	-6.7%			
November	1,927	2,022	5.0%	3,376	3,288	-2.6%			
December	1,616	1,530	-5.3%	2,815	2,633	-6.5%			
January	2,125	2,365	11.3%	3,504	3,644	4.0%			
February	2,171	2,322	7.0%	3,523	3,538	0.4%			
March	2,466	2,817	14.2%	4,102	4,150	1.2%			
April	2,222	2,079	-6.4%	3,862	3,233	-16.3%			
May	2,420	2,694	11.3%	4,072	3,956	-2.8%			
June	1,158	1,220	5.4%	2,589	2,008	-22.4%			
July	339	306	-9.7%	1,248	1,011	-19.0%			
August	1,094	1,358	24.1%	2,199	2,124	-3.4%			
September	2,414	2,460	1.9%	3,856	3,287	-14.8%			
Jan - Sep Total	16,407	17,621	7.4%	28,955	26,951	-6.9%			
Oct - Sep Total	22,558	23,842	5.7%	39,531	36,966	-6.5%			
2010 Total	22,629			38,970					

¹ Reported by California plants only.

² Flavored milk sales are included in Table 7 - Class 1 Milk figures, Subtotal Beverage Milks and Total Class 1 Milk.

CLASS 1 SALES, BY MARKETING AREA

Table 10: Sales of Class 1 Products in California, by Marketing Areas ¹
September 2009, September 2010, September 2011

Products and Marketing Areas	Sales			Change to September 2011 from	
	September 2009	September 2010	September 2011	September 2009	September 2010
	<i>gallons</i>			<i>percent</i>	
Whole Milk					
N. California	8,161,223	7,505,436	7,410,053	-9.2%	-1.3%
S. California	11,953,917	10,877,264	10,004,386	-16.3%	-8.0%
State Total	20,115,140	18,382,700	17,414,439	-13.4%	-5.3%
Reduced Fat Milk					
N. California	9,309,315	9,550,639	10,324,617	10.9%	8.1%
S. California	14,074,620	13,709,111	13,693,601	-2.7%	-0.1%
State Total	23,383,935	23,259,750	24,018,218	2.7%	3.3%
Lowfat/Light Milk					
N. California	4,935,773	4,836,662	4,244,533	-14.0%	-12.2%
S. California	5,018,585	4,927,944	4,876,301	-2.8%	-1.0%
State Total	9,954,358	9,764,606	9,120,834	-8.4%	-6.6%
Skim/Nonfat/Fat free Milk					
N. California	4,193,350	4,046,704	4,478,291	6.8%	10.7%
S. California	6,217,369	6,010,508	5,511,870	-11.3%	-8.3%
State Total	10,410,719	10,057,212	9,990,161	-4.0%	-0.7%
Beverage Milk Totals					
N. California	26,599,661	25,939,441	26,457,494	-0.5%	2.0%
S. California	37,264,491	35,524,827	34,086,158	-8.5%	-4.0%
State Total	63,864,152	61,464,268	60,543,652	-5.2%	-1.5%
Half - And - Half					
N. California	655,341	639,047	727,828	11.1%	13.9%
S. California	754,751	837,340	785,496	4.1%	-6.2%
State Total	1,410,092	1,476,387	1,513,324	7.3%	2.5%

¹ Sales to N. Calif. and/or S. Calif. regions; not necessarily in area of plant.

CLASS 2 PRODUCTION

**Table 11: Manufacture of Selected Class 2 Dairy Products in California,
by Months, in Thousand Pounds (P) or Gallons (G)
2010 - 2011**

Month	Creamed Cottage Cheese (P)			Lowfat Cottage Cheese (P)			Nonfat Cottage Cheese (P)		
	2010	2011	% Change	2010	2011	% Change	2010	2011	% Change
January	1,959	1,906	-2.7%	4,314	4,649	7.8%	763	699	-8.4%
February	1,844	1,884	2.2%	4,221	4,319	2.3%	651	726	11.5%
March	2,274	2,276	0.1%	5,263	5,399	2.6%	790	759	-3.9%
April	1,961	1,913	-2.4%	4,767	5,087	6.7%	740	639	-13.6%
May	1,904	2,176	14.2%	4,531	6,432	42.0%	703	815	15.9%
June	2,185	2,339	7.1%	5,282	7,514	42.2%	797	850	6.7%
July	2,136	2,227	4.3%	5,051	5,589	10.7%	740	638	-13.8%
August	1,899	2,005	5.6%	4,193	5,177	23.5%	668	738	10.5%
September	1,992	1,936	-2.8%	4,638	5,665	22.1%	681	702	3.1%
October	1,732			3,880			664		
November	1,919			4,139			615		
December	1,843			4,224			613		
Jan - Sep Total	18,153	18,662	2.8%	42,260	49,831	17.9%	6,534	6,567	0.5%
2010 Total	23,648			54,503			8,426		
Month	Total Cottage Cheese (P)			Sour Cream & S. C. Dressing (G)			Other Cream (G) ¹		
	2010	2011	% Change	2010	2011	% Change	2010	2011	% Change
January	7,103	7,325	3.1%	1,615	1,600	-0.9%	1,430	1,662	16.2%
February	6,781	7,014	3.4%	1,511	1,587	5.0%	1,328	1,852	39.5%
March	8,391	8,561	2.0%	1,959	1,851	-5.5%	1,849	2,489	34.6%
April	7,568	7,744	2.3%	1,688	1,764	4.5%	2,254	2,011	-10.8%
May	7,214	9,518	31.9%	1,715	1,880	9.6%	2,345	2,132	-9.1%
June	8,337	10,820	29.8%	1,711	2,016	17.8%	2,249	2,697	19.9%
July	7,995	8,537	6.8%	1,613	1,708	5.9%	2,194	2,390	8.9%
August	6,841	8,033	17.4%	1,634	1,853	13.4%	2,280	2,132	-6.5%
September	7,399	8,408	13.6%	1,681	1,646	-2.1%	2,334	2,299	-1.5%
October	6,346			1,604			2,285		
November	6,747			1,954			2,235		
December	6,752			1,883			2,071		
Jan - Sep Total	67,630	75,961	12.3%	15,127	15,905	5.1%	18,262	19,665	7.7%
2010 Total	87,475			20,567			24,854		
Month	Buttermilk (G)			Yogurt (P)			Manufacturing Cream (G)		
	2010	2011	% Change	2010	2011	% Change	2010	2011	% Change
January	771	672	-12.8%	52,628	54,729	4.0%	2,893	3,067	6.0%
February	767	760	-0.9%	47,411	54,679	15.3%	2,826	2,826	0.0%
March	843	761	-9.7%	63,993	58,159	-9.1%	3,409	3,375	-1.0%
April	842	652	-22.6%	54,669	50,163	-8.2%	3,508	3,560	1.5%
May	827	742	-10.3%	55,842	50,587	-9.4%	3,922	3,447	-12.1%
June	888	647	-27.2%	60,226	52,789	-12.3%	3,890	3,542	-8.9%
July	881	623	-29.3%	54,428	51,894	-4.7%	3,633	3,564	-1.9%
August	805	672	-16.5%	54,848	58,528	6.7%	4,153	4,062	-2.2%
September	812	678	-16.5%	60,356	54,850	-9.1%	3,783	3,400	-10.1%
October	833			49,313			3,541		
November	866			46,967			3,763		
December	704			48,305			3,586		
Jan - Sep Total	7,436	6,207	-16.5%	504,400	486,377	-3.6%	32,016	30,841	-3.7%
2010 Total	9,839			648,986			42,906		

¹ Other Cream includes: Cream, Other Cream, Whipping, and Whipped (Cream Topping).

CLASS 3 PRODUCTION

**Table 12: Manufacture of Selected Class 3 Dairy Products in California,
by Months, in Thousand Gallons ¹
2010 - 2011**

Month	Ice Cream			Ice Milk ²			Sherbet		
	2010	2011	% Change	2010	2011	% Change	2010	2011	% Change
January	9,025	10,461	15.9%	1,086	1,096	1.0%	195	213	9.2%
February	10,123	11,193	10.6%	1,314	1,210	-7.9%	199	215	8.0%
March	13,600	11,783	-13.4%	1,847	1,552	-16.0%	447	352	-21.3%
April	13,785	11,977	-13.1%	1,852	1,650	-10.9%	516	281	-45.5%
May	13,342	11,831	-11.3%	1,671	1,713	2.5%	476	463	-2.6%
June	14,490	12,317	-15.0%	1,969	1,804	-8.4%	517	353	-31.7%
July	13,767	13,622	-1.1%	1,978	1,814	-8.3%	426	315	-26.2%
August	11,882	15,113	27.2%	1,762	1,679	-4.7%	442	423	-4.4%
September	13,087	12,930	-1.2%	1,449	1,410	-2.7%	290	257	-11.5%
October	9,251			1,330			286		
November	7,686			1,214			125		
December	6,536			1,031			198		
Jan - Sep Total	113,103	111,228	-1.7%	14,927	13,927	-6.7%	3,508	2,870	-18.2%
2010 Total	136,576			18,502			4,117		
Month	Frozen Yogurt ³			Total Frozen Products					
	2010	2011	% Change	2010	2011	% Change			
January	554	571	3.1%	10,888	12,399	13.9%			
February	671	936	39.5%	12,369	13,626	10.2%			
March	943	1,153	22.3%	16,981	14,943	-12.0%			
April	933	790	-15.4%	17,191	14,826	-13.8%			
May	1,005	864	-14.0%	16,625	14,981	-9.9%			
June	1,034	1,013	-2.1%	18,132	15,604	-13.9%			
July	954	903	-5.3%	17,213	16,757	-2.6%			
August	991	1,306	31.7%	15,161	18,659	23.1%			
September	911	736	-19.2%	15,845	15,427	-2.6%			
October	649			11,568					
November	614			9,741					
December	495			8,304					
Jan - Sep Total	7,995	8,271	3.4%	140,405	137,222	-2.3%			
2010 Total	9,754			170,019					

¹ Data includes soft serve and shake mixes in appropriate categories as defined by butterfat standards.

² Includes light dairy dessert and nonfat ice cream.

³ Includes nonfat and reduced fat yogurts.

CLASS 4A PRODUCTION

**Table 13: Manufacture of Selected Class 4A Products in California,
by Months, in Thousand Pounds
2010 - 2011**

Month	Butter			Nonfat Dried Milk, Human Consumption			Other Dry Milk Products ¹		
	2010	2011	% Change	2010	2011	% Change	2010	2011	% Change
January	54,654	53,996	-1.2%	72,447	61,477	-15.1%	17,131	26,423	54.2%
February	49,362	49,751	0.8%	64,686	53,446	-17.4%	17,276	27,647	60.0%
March	51,837	55,985	8.0%	74,117	66,908	-9.7%	17,728	29,699	67.5%
April	48,323	54,705	13.2%	84,449	76,300	-9.6%	8,550	18,588	117.4%
May	47,598	56,275	18.2%	84,862	74,130	-12.6%	7,943	25,850	225.5%
June	44,274	51,776	16.9%	70,284	72,000	2.4%	19,433	25,400	30.7%
July	41,646	47,366	13.7%	68,034	64,096	-5.8%	12,810	29,013	126.5%
August	39,206	46,244	18.0%	74,252	61,333	-17.4%	3,843	26,768	596.5%
September	39,457	45,582	15.5%	69,676	55,692	-20.1%	3,884	25,145	547.3%
October	42,395			69,059			6,276		
November	44,720			72,796			5,611		
December	53,624			72,699			11,512		
Jan - Sep Total	416,356	461,680	10.9%	662,806	585,382	-11.7%	108,600	234,533	116.0%
2010 Total	557,095			877,360			131,999		
Month	Condensed & Evap. Milk ²								
	2010	2011	% Change						
January	74,907	81,287	8.5%						
February	71,841	83,500	16.2%						
March	79,769	99,251	24.4%						
April	82,351	98,021	19.0%						
May	88,898	97,394	9.6%						
June	91,880	94,852	3.2%						
July	94,868	93,364	-1.6%						
August	106,214	91,566	-13.8%						
September	100,556	83,394	-17.1%						
October	98,770								
November	85,493								
December	73,953								
Jan - Sep Total	791,284	822,629	4.0%						
2010 Total	1,049,500								

¹ Other Dry Milk Products include: Dry Whole Milk; Dry Buttermilk; Skim Milk Powder (30-40% Protein); Skim Milk Powder Blends (Fat-Filled Powder); Milk Protein Concentrate, Dry; Milk Protein Isolate, Dry (90% Protein); Casein, Dry; Caseinates, Dry; Dry Nonfat milk (Animal Feed), and Other Dry Milk Products.

² Includes Condensed Skim Milk and Whole (Sweetened and Unsweetened); Condensed Evaporated Buttermilk; Evaporated Skim and Whole; Condensed Premix Skim and Cream; Other Condensed, Evaporated Milk, Ultrafiltered Milk.

CLASS 4B PRODUCTION

**Table 14: Manufacture of Selected Class 4B Products in California,
by Months, in Thousand Pounds
2010 - 2011**

Month	Monterey Cheese			Cheddar Cheese			Mozzarella Cheese		
	2010	2011	% Change	2010	2011	% Change	2010	2011	% Change
January	23,493	20,307	-13.6%	29,671	29,821	0.5%	97,658	111,618	14.3%
February	19,797	20,099	1.5%	27,068	24,875	-8.1%	90,194	101,348	12.4%
March	22,425	25,254	12.6%	30,538	25,280	-17.2%	104,772	112,701	7.6%
April	24,260	22,963	-5.3%	27,065	26,917	-0.5%	102,805	105,952	3.1%
May	23,478	22,924	-2.4%	29,226	28,322	-3.1%	104,870	114,440	9.1%
June	19,921	21,465	7.7%	31,788	27,473	-13.6%	102,260	105,176	2.9%
July	25,116	23,178	-7.7%	27,313	26,412	-3.3%	106,246	105,760	-0.5%
August	24,048	22,627	-5.9%	27,548	27,783	0.9%	110,385	107,209	-2.9%
September	24,259	21,983	-9.4%	23,703	25,243	6.5%	108,802	104,588	-3.9%
October	22,372			27,172			107,504		
November	22,638			26,396			110,630		
December	23,226			27,808			110,872		
Jan - Sep Total	206,797	200,799	-2.9%	253,920	242,125	-4.6%	927,992	968,792	4.4%
2010 Total	275,034			335,296			1,256,999		
Month	Provolone Cheese			Parmesan Cheese			Hispanic Cheese		
	2010	2011	% Change	2010	2011	% Change	2010	2011	% Change
January	3,296	3,754	13.9%	*	*	-42.1%	8,946	9,128	2.0%
February	3,887	4,080	4.9%	*	*	3.3%	9,307	8,934	-4.0%
March	4,647	4,323	-7.0%	*	*	-11.5%	10,757	10,172	-5.4%
April	4,663	4,561	-2.2%	*	*	-51.8%	9,525	8,988	-5.6%
May	4,642	4,832	4.1%	*	*	2.2%	8,897	9,943	11.8%
June	4,296	4,354	1.4%	*	*	-4.6%	9,494	9,090	-4.3%
July	4,367	4,421	1.2%	*	*	-14.9%	9,684	9,013	-6.9%
August	4,604	4,324	-6.1%	*	*	-48.1%	9,791	10,043	2.6%
September	4,643	4,843	4.3%	*	*	-47.6%	10,022	9,537	-4.8%
October	4,148			*			8,726		
November	4,185			*			8,862		
December	3,507			*			8,995		
Jan - Sep Total	39,046	39,492	1.1%	48,115	37,337	-22.4%	86,422	84,849	-1.8%
2010 Total	50,887			60,767			113,006		
Month	Other Cheeses 1/			Total Cheese					
	2010	2011	% Change	2010	2011	% Change			
January	6,711	10,957	63.3%	175,568	188,999	7.6%			
February	5,594	6,748	20.6%	161,803	172,330	6.5%			
March	7,253	9,733	34.2%	186,854	193,135	3.4%			
April	7,120	11,667	63.9%	180,664	183,783	1.7%			
May	7,439	10,632	42.9%	184,124	196,939	7.0%			
June	7,362	11,169	51.7%	181,740	185,068	1.8%			
July	10,444	10,047	-3.8%	188,497	183,346	-2.7%			
August	8,874	12,666	42.7%	190,099	187,237	-1.5%			
September	9,684	11,977	23.7%	186,181	181,048	-2.8%			
October	8,451			182,880					
November	12,728			189,091					
December	10,499			190,401					
Jan - Sep Total	70,481	95,596	35.6%	1,635,531	1,671,885	2.2%			
2010 Total	102,158			2,197,903					

* Data cannot be published due to confidentiality rules.

CLASS 4B PRODUCTION

**Table 14 (continued): Manufacture of Selected Class 4B Products in California,
by Months, in Thousand Pounds
2010 - 2011**

Month	Dry Whey, Human and Animal			Whey Protein (Human), Concentrate and Isolates			Other Dry Whey Products 2/		
	2010	2011	% Change	2010	2011	% Change	2010	2011	% Change
January	*	*	8.2%	9,466	8,732	-7.8%	61,864	61,446	-0.7%
February	*	*	19.3%	8,344	7,809	-6.4%	57,492	59,416	3.3%
March	*	*	-1.6%	9,181	8,850	-3.6%	64,310	67,202	4.5%
April	*	*	19.3%	9,477	8,329	-12.1%	63,887	65,280	2.2%
May	*	*	9.6%	8,929	8,681	-2.8%	63,794	74,473	16.7%
June	*	*	4.8%	8,875	8,242	-7.1%	67,197	72,010	7.2%
July	*	*	-10.4%	9,266	8,479	-8.5%	64,794	71,166	9.8%
August	*	*	10.0%	8,565	8,328	-2.8%	68,682	74,673	8.7%
September	*	*	2.8%	9,082	8,474	-6.7%	70,806	68,878	-2.7%
October	*			8,772			62,299		
November	*			7,995			61,915		
December	*			8,597			61,662		
Jan - Sep Total	60,788	64,563	6.2%	81,184	75,924	-6.5%	582,825	614,544	5.4%
2010 Total	79,871			106,549			768,701		
Month	Lactose Powders (Human and Animal)								
	2010	2011	% Change						
January	20,985	26,526	26.4%						
February	20,747	24,415	17.7%						
March	23,591	28,024	18.8%						
April	23,403	27,047	15.6%						
May	24,662	29,041	17.8%						
June	25,785	28,468	10.4%						
July	26,980	28,908	7.1%						
August	26,938	28,241	4.8%						
September	26,306	27,489	4.5%						
October	24,707								
November	26,545								
December	26,947								
Jan - Sep Total	219,397	248,159	13.1%						
2010 Total	297,596								

1/ Other Cheeses includes all cheeses not accounted for in categories listed, including Farmstead and Organic Cheeses.

2/ Includes Whey Protein Fractions; Permeate, On or Off Farm UF or MPC product (Animal & Human); Deproteinized Whey; Delactose Permeate Whey; Permeate, Dry, Finished Product; Reduced Lactose Whey (Animal & Human); Reduced Minerals Whey (Animal & Human); Concentrated Whey (Sweet Type & Acid-Type, Lbs, Solids, Animal & Human); Whey Protein Concentrate (Animal).

* Data cannot be published due to confidentiality rules.

AVERAGE PRICE PAID FOR MARKET MILK

Table 15: Market Bulk Milk and Milk Fat Purchased from Producers, Average Milk Fat Test, Average Solids-Not-Fat and Average Prices Paid Producers in California, by Months 2010 - 2011

Month	Total Grade A Milk		Average Milk Fat Test		Average Solids-not-fat		Average Prices Paid Producers ¹	
	2010	2011	2010	2011	2010	2011	2010	2011
	<i>thousand pounds</i>		<i>percent</i>		<i>percent</i>		<i>dollars per hundredweight</i>	
January	3,193,141	3,329,957	3.76%	3.84%	8.86%	8.90%	\$14.44	\$15.68
February	2,921,998	3,104,945	3.70%	3.79%	8.83%	8.87%	\$13.92	\$17.93
March	3,293,405	3,524,818	3.65%	3.74%	8.83%	8.86%	\$13.15	\$18.38
April	3,249,518	3,455,312	3.60%	3.69%	8.84%	8.84%	\$13.28	\$17.92
May	3,350,312	3,610,947	3.56%	3.65%	8.84%	8.84%	\$13.57	\$18.13
June	3,209,629	3,447,274	3.52%	3.64%	8.81%	8.81%	\$13.99	\$20.30
July	3,216,853	3,469,714	3.49%	3.57%	8.77%	8.77%	\$14.70	\$20.16
August	3,222,441	3,436,774	3.54%	3.60%	8.79%	8.80%	\$15.41	\$20.27
September	3,120,444	3,254,550	3.61%	3.63%	8.84%	8.83%	\$16.34	\$18.99
October	3,166,273		3.66%		8.85%		\$16.86	
November	3,096,024		3.76%		8.92%		\$15.92	
December	3,189,493		3.82%		8.93%		\$14.91	
Jan - Sep Total/Avg	28,777,741	30,634,290	3.60%	3.68%	8.82%	8.84%	\$14.31	\$18.64
2010 Total/Avg	38,229,530		3.64%		8.84%		\$14.71	

¹ Prices are F.O.B. plant, at actual test. Includes in-state pool shipments, and California milk shipped into a Federal Milk Marketing Order.

AVERAGE PRICE PAID FOR MANUFACTURING MILK

Table 16: Manufacturing Bulk Milk and Milk Fat Purchased from Producers, Average Milk Fat Test, Average Solids-Not-Fat and Average Prices Paid Producers in California, by Months 2010 - 2011

Month	Total Grade B Milk		Average Milk Fat Test		Average Solids-not-fat		Average Prices Paid Producers ¹	
	2010	2011	2010	2011	2010	2011	2010	2011
	<i>thousand pounds</i>		<i>percent</i>		<i>percent</i>		<i>dollars per hundredweight</i>	
January	175,499	58,465	4.24%	4.58%	9.08%	9.20%	\$14.14	\$15.11
February	165,204	54,547	4.17%	4.46%	9.03%	9.17%	\$14.20	\$19.61
March	185,666	62,723	4.12%	4.42%	9.04%	9.16%	\$12.31	\$19.33
April	181,635	59,881	4.08%	4.37%	9.05%	9.15%	\$13.52	\$16.64
May	190,301	64,175	4.07%	4.32%	9.05%	9.12%	\$13.63	\$16.96
June	181,094	61,107	3.99%	4.28%	9.03%	9.10%	\$13.31	\$21.17
July	180,367	62,364	3.95%	4.18%	8.99%	9.03%	\$14.46	\$21.33
August	178,073	60,749	4.00%	4.18%	9.03%	9.07%	\$15.72	\$20.60
September	171,035	56,743	4.08%	4.24%	9.08%	9.10%	\$17.21	\$18.31
October	175,532		4.13%		9.10%		\$17.52	
November	169,214		4.27%		9.19%		\$15.13	
December	171,966		4.34%		9.20%		\$14.01	
Jan - Sep Total/Avg	1,608,873	540,754	4.08%	4.34%	9.04%	9.12%	\$14.28	\$18.78
2010 Total/Avg	2,125,585		4.12%		9.07%		\$14.60	

¹ Prices are F.O.B. plant, at actual test.

POOL PRICE DATA

**Table 17: Statistical Summary of California Milk Pool Data for Selected Months,
with Comparisons for the Most Recent Month ^{1 2}
September 2010, July 2011, August 2011, September 2011**

Receipts and Usage	2010 September	2011 July	2011 August	2011 September	Annual Change ³
	<i>pounds</i>				<i>percent</i>
Milk Fat					
Receipts: Quota	882,902	883,430	883,428	883,429	0.1%
Base	3,432	3,457	3,469	3,405	-0.8%
Overbase	2,742,529	3,014,783	3,006,299	2,951,641	7.6%
Other Source Milk	0	0	0	0	
Daily Average	3,628,863	3,901,670	3,893,196	3,838,475	5.8%
Usage: Class 1	342,184	296,870	325,807	325,184	-5.0%
Class 2	352,115	297,844	281,083	274,700	-22.0%
Class 3	305,873	306,011	310,532	248,275	-18.8%
Class 4a	1,194,929	1,490,453	1,423,798	1,463,802	22.5%
Class 4b	1,433,762	1,510,492	1,551,976	1,526,514	6.5%
Daily Average	3,628,863	3,901,670	3,893,196	3,838,475	5.8%
Solids-not-fat					
Receipts: Quota	2,153,201	2,154,597	2,154,443	2,154,297	0.1%
Base	6,902	6,994	6,958	6,990	1.3%
Overbase	6,730,570	7,425,801	7,367,092	7,179,977	6.7%
Other Source Milk	0	0	0	0	
Daily Average	8,890,673	9,587,392	9,528,493	9,341,264	5.1%
Usage: Class 1	1,605,500	1,358,565	1,518,263	1,568,308	-2.3%
Class 2	400,678	389,108	395,161	383,296	-4.3%
Class 3	226,354	252,070	255,450	208,449	-7.9%
Class 4a	2,659,091	3,293,298	2,985,925	2,861,522	7.6%
Class 4b	3,999,051	4,294,352	4,373,693	4,319,689	8.0%
Daily Average	8,890,673	9,587,392	9,528,493	9,341,264	5.1%
Class 1 (Daily Average)	14,471,597	12,260,676	13,693,135	14,117,310	-2.4%

Daily Class 1 Use as a Percent of Daily Quota					
	<i>percent</i>				
Milk Fat	38.8%	33.6%	36.9%	36.8%	-2.0%
Solids-not-fat	74.6%	63.1%	70.5%	72.8%	-1.8%

Announced Pool Prices, September 2011			
Pooling Category	Milk Component Prices		Standardized Milk ⁴
	Fat	Solids-not-fat	Prices
	<i>dollars/pound</i>		<i>dollars/cwt.</i>
Quota ⁵	\$2.120	\$1.431	\$19.87
Base	\$2.120	\$1.236	\$18.17
Overbase	\$2.120	\$1.236	\$18.17

¹ Daily totals may not agree due to rounding.

² Based on handler reports of pool milk receipts and utilization.

³ Percent change from September 2010.

⁴ Hundredweight prices based on 3.5% fat and 8.7% SNF milk.

⁵ Quota prices are subject to regional quota adjuster.

Class and Pool Prices

Minimum Prices^{1/} for Classes 1, 2, 3, 4a, and 4b Market Milk F.O.B. Plant and
Pool Prices for Quota, Overbase^{2/} and Blend, August 2007 - November 2011

Month	Year	No. Calif.	So. Calif.	No. Calif.	So. Calif.	No. Calif.	So. Calif.	Statewide	Statewide	Statewide	Statewide	Statewide	Fed. Order
		Class 1	Class 1	Class 2	Class 2	Class 3	Class 3	Class 4a	Class 4b	Quota	Overbase	Blend ^{3/}	Class III
<i>Dollars per Hundredweight</i>													
August	2007	23.49	23.76	19.13	19.36	19.08	19.09	21.21	19.41	21.74	20.04	20.64	19.83
September		22.83	23.10	19.13	19.36	19.08	19.09	21.62	19.34	21.69	19.99	20.72	20.07
October		23.54	23.81	22.10	22.34	22.05	22.06	21.32	17.65	21.16	19.46	20.46	18.70
November		23.54	23.43	22.10	22.34	22.05	22.06	20.66	19.75	21.93	20.23	21.23	19.22
December		22.99	23.26	21.68	21.91	21.63	21.64	19.14	18.58	20.79	19.09	20.23	20.60
January	2008	22.96	23.23	21.68	21.91	21.63	21.64	16.40	16.91	19.14	17.44	18.49	19.32
February		21.71	21.98	18.46	18.69	18.41	18.42	14.28	17.54	18.42	16.72	17.67	17.03
March		18.90	19.17	18.46	18.69	18.41	18.42	14.36	16.94	17.71	16.01	16.82	18.00
April		19.92	20.19	15.01	15.24	14.96	14.97	14.31	16.79	17.56	15.86	16.62	16.76
May		18.78	19.05	15.01	15.24	14.96	14.97	15.19	18.66	18.47	16.77	17.47	18.18
June		20.23	20.50	15.44	15.67	15.39	15.40	15.61	19.12	19.12	17.42	18.03	20.25
July		22.49	22.77	15.44	15.67	15.39	15.40	16.08	17.77	19.05	17.35	17.88	18.24
August		19.79	20.07	16.53	16.76	16.48	16.49	16.24	16.14	18.01	16.31	16.90	17.32
September		19.23	19.51	16.53	16.76	16.48	16.49	15.51	16.63	17.92	16.22	16.91	16.28
October		18.23	18.50	16.57	16.80	16.52	16.53	13.54	16.63	17.14	15.44	16.34	17.06
November		18.72	19.00	16.57	16.80	16.52	16.53	12.20	15.14	15.97	14.27	15.20	15.51
December		16.57	16.84	13.56	13.79	13.51	13.52	10.15	13.95	14.11	12.41	13.39	15.28
January	2009	17.42	17.69	13.30	13.53	13.25	13.25	9.53	9.02	12.10	10.40	11.29	10.78
February		11.27	11.55	10.27	10.50	10.22	10.22	9.40	10.11	11.28	9.58	10.35	9.31
March		11.13	11.40	10.27	10.50	10.22	10.22	9.67	10.45	11.54	9.84	10.55	10.44
April		11.58	11.85	9.96	10.20	9.91	9.91	9.79	10.41	11.57	9.87	10.52	10.78
May		12.68	12.96	9.96	10.20	9.91	9.91	10.03	9.54	11.46	9.76	10.31	9.84
June		11.70	11.97	10.34	10.57	10.29	10.29	10.06	9.52	11.32	9.62	10.16	9.97
July		11.88	12.15	10.34	10.57	10.29	10.29	10.02	9.39	11.30	9.60	10.12	9.97
August		11.71	11.98	10.47	10.70	10.42	10.42	10.21	11.29	12.18	10.48	11.06	11.20
September		13.21	13.48	10.47	10.70	10.42	10.42	11.08	11.40	12.74	11.04	11.73	12.11
October		13.75	14.02	11.07	11.30	11.02	11.02	11.54	12.69	13.61	11.91	12.77	12.82
November		15.04	15.31	11.07	11.30	11.02	11.02	13.16	13.76	14.83	13.13	14.20	14.08
December		16.04	16.31	12.77	13.01	12.72	12.72	14.76	15.04	16.17	14.47	15.62	14.98
January	2010	18.22	18.49	13.02	13.26	12.97	12.97	13.75	12.72	15.18	13.48	14.50	14.50
February		16.46	16.74	14.88	15.12	14.83	14.83	12.84	12.95	14.81	13.11	13.98	14.28
March		16.44	16.71	14.88	15.12	14.83	14.83	12.84	11.13	14.11	12.41	13.20	12.78
April		14.37	14.64	13.16	13.40	13.11	13.11	13.49	12.30	14.33	12.63	13.35	12.92
May		15.37	15.64	13.16	13.40	13.11	13.11	13.95	12.40	14.65	12.95	13.63	13.38
June		15.68	15.95	14.15	14.38	14.10	14.10	15.26	12.23	15.17	13.47	14.05	13.62
July		17.14	17.42	14.15	14.38	14.10	14.10	15.62	13.37	15.94	14.24	14.75	13.74
August		17.33	17.60	15.87	16.10	15.82	15.82	15.69	14.39	16.54	14.84	15.47	15.18
September		17.15	17.43	15.87	16.10	15.82	15.82	16.61	15.48	17.25	15.55	16.40	16.26
October		18.44	18.71	16.57	16.81	16.52	16.52	16.65	15.66	17.64	15.94	16.92	16.94
November		18.71	18.98	16.57	16.81	16.52	16.52	16.34	13.14	16.45	14.75	15.97	15.44
December		18.28	18.55	16.92	17.15	16.87	16.87	14.67	12.22	15.42	13.72	14.96	13.83
January	2011	18.28	18.55	16.92	17.15	16.87	16.87	16.49	12.49	16.12	14.42	15.74	13.48
February		16.88	17.15	16.01	16.24	15.96	15.96	17.88	16.92	18.44	16.74	17.99	17.00
March		19.24	19.51	16.01	16.24	15.96	15.96	19.06	16.76	19.01	17.31	18.43	19.40
April		21.66	21.93	18.90	19.13	18.85	18.85	19.45	14.34	18.70	17.00	17.96	16.87
May		20.90	21.17	18.90	19.13	18.85	18.85	19.94	14.74	18.97	17.27	18.18	16.52
June		21.41	21.68	20.12	20.35	20.07	20.07	20.79	18.79	21.19	19.49	20.35	19.11
July		22.38	22.65	20.12	20.35	20.07	20.07	20.07	19.35	21.24	19.54	20.21	21.39
August		23.24	23.51	20.85	21.09	20.80	20.80	20.23	18.60	21.23	19.53	20.32	21.67
September		23.56	23.84	20.85	21.09	20.80	20.80	19.29	16.33	19.87	18.17	19.00	19.07
October		21.50	21.77	20.18	20.42	20.13	20.13						
November		20.26	20.54	20.18	20.42	20.13	20.13						

1/ Prices as reported by the Dairy Marketing Branch in the monthly class price letter.

2/ Prices as reported by the Milk pooling Branch in the monthly pool price letter. Quota price is not reduced by the Regional Quota Adjuster (RQA).

3/ Gross pool value after RQA and Transportation Allowance adjustments divided by the total pounds of pooled milk production. Price is at actual test, which is generally higher than the 3.5% fat and 8.7% SNF used in all other prices.

Commodity Prices

Selected Monthly Commodity Prices Used in the Calculation of the California Class 4a and 4b Prices ^{1/}

January 2010 - December 2011

Month	Chicago Mercantile Exchange				Dairy Market News Western Dry Whey ^{2/}		California Manufacturing Plants Nonfat Dry Milk	
	Grade AA Butter		Block Cheddar Cheese		2010	2011	2010	2011
	2010	2011	2010	2011				
<i>Dollars Per Pound</i>								
January	1.3871	1.9323	1.4462	1.4308			1.1598	1.2221
February	1.3555	2.0710	1.4691	1.8689			1.0697	1.3149
March	1.4559	2.0930	1.2883	1.8529			1.0213	1.4409
April	1.5239	1.9971	1.4144	1.6136			1.0750	1.5317
May	1.5947	2.0518	1.4231	1.6526			1.0936	1.5612
June	1.6139	2.1325	1.4065	2.0542			1.2345	1.6199
July	1.7643	2.0330	1.5189	2.1100			1.2041	1.5852
August	1.9153	2.0868	1.6191	2.0360			1.1387	1.5775
September	2.2170	1.9443	1.7260	1.7716		0.6078	1.0984	1.5570
October	2.1990		1.7436				1.1118	
November	2.0123		1.4942				1.1662	
December	1.6154		1.4058				1.1667	

^{1/} All commodity prices are for the 26th of the prior month to the 25th of the current month.

When the Class 2 and 3 prices are issued every other month, the commodity reference prices are the same as those used for the calculation of that month's Class 4a and 4b prices.

^{2/} Simple average of the mostly price as reported by "Dairy Market News."

Selected Monthly Commodity Prices Used in the Calculation of the

California Class 1 Price ¹ January 2010 - December 2011

Month	Chicago Mercantile Exchange				Dairy Market News Western Dry Whey ¹		California Manufacturing Plants Nonfat Dry Milk		Commodity Reference Prices ²	
	Grade AA Butter		Block Cheddar Cheese		2010	2011	2010	2011	2010	2011
	2010	2011	2010	2011						
<i>Dollars Per Pound</i>										
<i>Dollars Per Cwt.</i>										
January	1.3303	1.7798	1.4492	1.3434	0.4044	0.3988	1.2775	1.1470	16.5904	17.3543
February	1.3446	2.1000	1.5033	1.7952	0.4050	0.4181	1.0757	1.2648	16.5674	19.7137
March	1.4453	2.0967	1.3089	2.0081	0.4044	0.4775	1.0192	1.3875	14.8486	22.1380
April	1.4943	1.9993	1.4288	1.6115	0.4000	0.4856	1.0409	1.5067	15.8487	21.3743
May	1.6009	2.0618	1.3834	1.6284	0.3981	0.4963	1.0952	1.5358	16.1567	21.8874
June	1.5711	2.1434	1.4186	1.9932	0.3950	0.5306	1.2792	1.6081	17.6164	22.8528
July	1.7447	2.0328	1.4564	2.1219	0.3863	0.5606	1.2165	1.6025	17.8055	23.7180
August	1.8346	2.0902	1.6046	2.1390	0.3788	0.5838	1.1520	1.5706	17.6275	24.0356
September	2.2107	2.0288	1.7123	1.7895	0.3725	0.6056	1.1183	1.5618	18.9169	21.9727
October	2.2145	1.7634	1.7613	1.7309	0.3800	0.6263	1.1103	1.5480	19.1857	20.7392
November	2.1075		1.5406		0.3875		1.1501		18.7573	
December	1.5848		1.4758		0.3925		1.1924		16.9263	

¹ All commodity prices are for the 26th of the prior month to the 10th of the current month, except the California NFDM price is a weighted average of the two weekly prices available as of the 10th of the month, and the Western Dry Whey price is a simple average of the two weekly prices available as of the 10th of the month.

² Commodity Reference Price equals the higher of either (a) 9.8 times CME Block Cheddar; plus 0.27 times CME AA Butter, minus 10 cents; plus the Western Dry Whey times 5.8 minus 85 cents; or (b) 3.5 times CME Grade AA Butter plus 8.7 times California Nonfat Dry Milk.

Milk Production Cost Comparison Summary for California, by Quarter, 2010-2011

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
	<i>Dollars per Hundredweight</i>									
1st Quarter										
Total Costs	\$19.02	\$19.99	\$13.60	\$14.73	\$13.26	\$14.62	\$12.81	\$14.86	\$13.48	\$14.79
Total Costs & Allowances*	\$20.86	\$21.92	\$15.11	\$16.29	\$14.78	\$16.18	\$14.49	\$16.56	\$15.02	\$16.37
2nd Quarter										
Total Costs	\$16.54	\$18.75	\$13.17	\$15.16	\$12.81	\$15.11	\$12.20	\$15.08	\$12.98	\$15.21
Total Costs & Allowances*	\$18.30	\$20.67	\$14.59	\$16.73	\$14.25	\$16.68	\$13.75	\$16.76	\$14.43	\$16.79
3rd Quarter										
Total Costs	\$16.73		\$13.75		\$13.57		\$12.74		\$13.65	
Total Costs & Allowances*	\$18.47		\$15.20		\$15.06		\$14.29		\$15.13	
4th Quarter										
Total Costs	\$19.15		\$14.83		\$14.71		\$14.06		\$14.81	
Total Costs & Allowances*	\$21.00		\$16.33		\$16.24		\$15.65		\$16.34	

* Includes an allowance for management and a return on investment

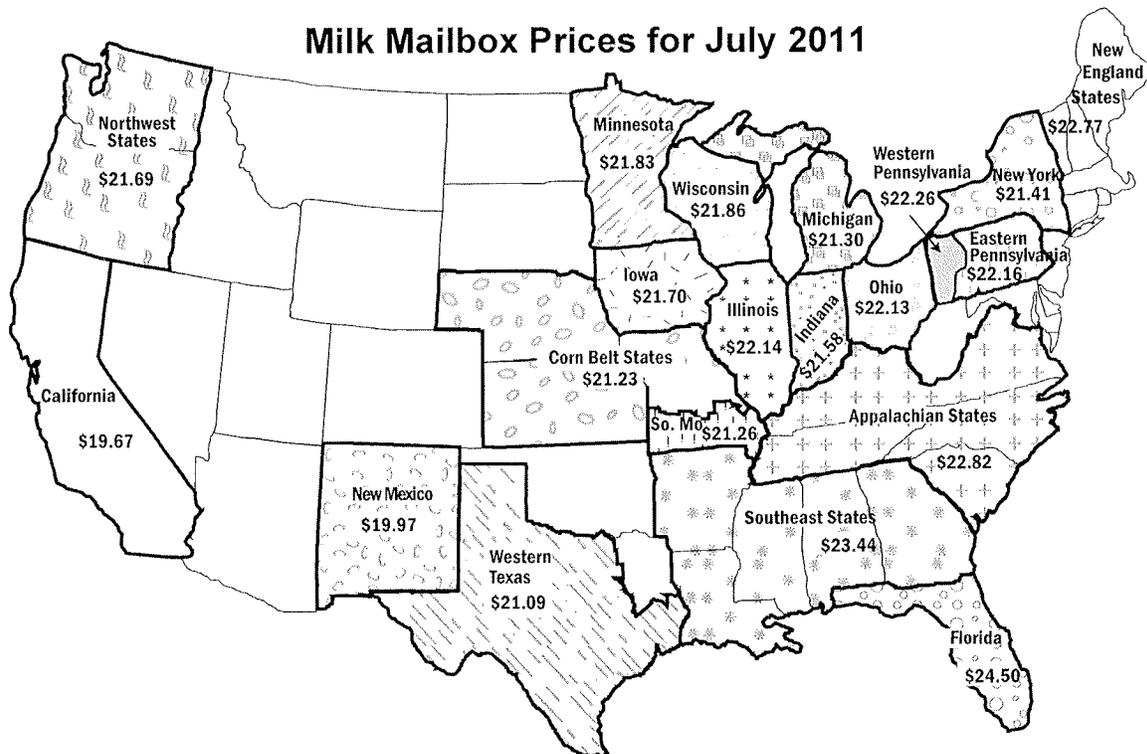
Milk Mailbox Prices in Dollars per Hundredweight

	January '11	February	March	April	May	June	July
California ¹	\$15.31	\$17.50	\$18.00	\$17.51	\$17.72	\$19.80	\$19.67
USDA ²	\$16.66	\$18.93	\$20.50	\$19.66	\$19.58	\$20.88	\$21.74

¹ California mailbox price calculated by CDFA.

² All federal milk market order weighted average, as calculated by USDA.

Milk Mailbox Prices for July 2011



In July 2011, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$21.74 per cwt., up \$.86 from the previous month average, and up \$5.92 from July 2010. The component tests of producer milk in July 2011 were: butterfat, 3.56%; protein, 2.95%; and other solids, 5.72%. On an individual reporting area basis, mailbox prices increased from the previous month in all Federal milk order reporting areas. Mailbox prices in July 2011 ranged from \$24.50 in Florida to \$19.97 in New Mexico.

Average Retail Prices

Comparison of Class 1 "Farm" and "Average Retail" Prices for Selected Markets

November 2009 through November 2011

Month	Year	Class 1 Farm Price ^{1/}				Average Whole Milk Retail Price Collected by AC Nielsen ^{2/}				
		Southern California	Phoenix	Albuquerque	Amarillo	Los Angeles	San Diego	Las Vegas	Phoenix	Denver
		Dollars Per Gallon								
November	2009	1.32	1.31	1.31	1.31	2.70	2.75	2.54	1.95	2.31
December		1.40	1.40	1.40	1.41	2.81	2.85	2.62	2.17	2.31
January	2010	1.59	1.49	1.49	1.50	2.94	2.98	2.54	2.17	2.27
February		1.44	1.48	1.48	1.48	2.94	2.96	2.55	2.19	2.42
March		1.44	1.44	1.44	1.44	2.94	2.95	2.50	2.13	2.43
April		1.26	1.34	1.34	1.34	2.85	2.86	2.44	2.13	2.43
May		1.35	1.39	1.39	1.39	2.82	2.85	2.41	2.02	2.30
June		1.37	1.52	1.52	1.52	2.91	2.99	2.50	2.14	2.38
July		1.50	1.55	1.55	1.55	2.99	3.06	2.55	2.14	2.44
August		1.51	1.56	1.56	1.56	2.99	3.04	2.57	2.10	2.56
September		1.50	1.53	1.53	1.54	2.99	3.06	2.60	2.19	2.55
October		1.61	1.63	1.63	1.63	3.08	3.15	2.68	2.23	2.55
November		1.63	1.68	1.68	1.69	3.14	3.21	2.75	2.08	2.61
December		1.60	1.66	1.66	1.66	3.12	3.21	2.83	2.28	2.59
January	2011	1.44	1.51	1.51	1.51	3.06	3.18	2.80	2.33	2.68
February		1.47	1.57	1.57	1.57	3.01	3.16	2.84	2.17	2.69
March		1.68	1.77	1.77	1.77	3.18	3.30	2.95	2.23	2.80
April		1.89	1.87	1.87	1.88	3.41	3.51	3.13	2.39	2.82
May		1.82	1.90	1.90	1.90	3.41	3.53	3.14	2.35	2.96
June		1.86	1.95	1.95	1.95	3.44	3.55	3.18	2.36	2.91
July		1.95	2.01	2.01	2.01	3.50	3.60	3.24	2.37	2.97
August		2.02	2.04	2.04	2.05	3.52	3.65	3.29	2.40	2.91
September		2.05	2.07	2.07	2.08	3.57	3.72	3.35	2.56	2.91
October ^{3/}		1.87	1.88	1.88	1.89	3.59	3.73	3.31	2.60	2.88
November		1.77	1.79	1.79	1.79					

Month	Year	Class 1 Farm Price ^{1/}				Average Whole Milk Retail Price Collected by AC Nielsen ^{2/}				
		Northern California	Pacific Northwest	Las Vegas	Denver	Sacramento	San Francisco	Salt Lake City/Boise	Portland	Seattle
		Dollars Per Gallon								
November	2009	1.29	1.27	1.23	1.33	2.97	3.07	2.24	2.35	2.50
December		1.38	1.37	1.32	1.42	3.09	3.15	2.25	2.43	2.56
January	2010	1.57	1.46	1.41	1.51	3.16	3.24	2.11	2.36	2.55
February		1.42	1.44	1.40	1.50	2.94	3.02	2.33	2.43	2.69
March		1.41	1.40	1.35	1.45	2.84	2.93	2.30	2.66	2.78
April		1.24	1.30	1.26	1.36	2.75	2.84	2.34	2.63	2.68
May		1.32	1.35	1.31	1.41	2.77	2.89	2.25	2.43	2.58
June		1.35	1.48	1.43	1.53	2.82	2.97	2.33	2.65	2.75
July		1.47	1.51	1.47	1.57	2.94	3.07	2.31	2.61	2.80
August		1.49	1.52	1.48	1.58	2.95	3.10	2.31	2.50	2.67
September		1.47	1.50	1.45	1.55	2.93	3.13	2.31	2.49	2.64
October		1.59	1.59	1.55	1.64	3.02	3.25	2.32	2.49	2.73
November		1.61	1.65	1.60	1.70	3.07	3.26	2.42	2.48	2.72
December		1.57	1.62	1.58	1.68	3.09	3.27	2.43	2.45	2.58
January	2011	1.41	1.47	1.43	1.53	3.06	3.25	2.40	2.47	2.63
February		1.45	1.53	1.49	1.59	3.01	3.27	2.47	2.65	2.73
March		1.65	1.73	1.69	1.79	3.19	3.41	2.47	2.80	2.91
April		1.86	1.83	1.79	1.89	3.44	3.67	2.67	2.89	2.96
May		1.80	1.86	1.82	1.92	3.48	3.71	2.69	2.93	2.98
June		1.84	1.91	1.87	1.97	3.49	3.73	2.72	2.98	3.01
July		1.92	1.97	1.93	2.03	3.58	3.84	2.75	3.01	3.03
August		2.00	2.01	1.96	2.06	3.70	3.93	2.77	3.09	3.04
September		2.03	2.04	1.99	2.09	3.72	3.95	2.89	3.15	3.06
October ^{3/}		1.85	1.85	1.80	1.90	3.74	3.95	2.90	3.11	3.02
November		1.74	1.75	1.71	1.81					

^{1/} Class 1 farm prices depicted are minimum producer FOB plant prices. They don't include either haul, deductions or any over-order charges such as quality bonuses, service charges, premiums, etc.

^{2/} The Department has contracted with AC Nielsen to provide the retail price survey data on a monthly basis. Data subject to revision.

^{3/} October data as reported by AC Nielsen, data through 10/01/11.

Source: Dairy Marketing Class 1 Price Letter – Selected Issues; AC Nielsen Scantrack Reports on Refrigerated Milk; Dairy Market News.

MINIMUM CLASS 1, 2, 3, 4A, 4B PRICES

Market Milk (F.O.B. Processing Plant)

► CLASS 1 for November 2011

	LB. FAT	LB. SNF	LB. FLUID	EQUIVALENT PER CWT.
Northern California	\$1.9583	\$1.1952	\$0.0343	\$20.26
Southern California	\$1.9583	\$1.1952	\$0.0374	\$20.54
Statewide Average Cwt. Price:				
Based Upon Production				\$20.28
Based Upon Utilization				\$20.42

COMMODITY MARKET PRICES

	\$ Per Lb.
Chicago Mercantile Exchange Grade AA Butter – Daily Simple Average (September 26 th to October 10 th)	\$1.7634
Chicago Mercantile Exchange Block Cheddar Cheese – Daily Simple Average (September 26 th to October 10 th)	\$1.7309
California Extra Grade & Grade A Nonfat Dry Milk (for weeks ending September 23 rd and September 30 th)	\$1.5480
Western Dry Whey (Mostly) – Simple Average (for weeks ending September 30 th and October 7 th)	\$0.6263

COMMODITY REFERENCE PRICE FOR NOVEMBER CLASS 1 PRICING: \$20.7392

December 2011 Class 1 prices will be announced no later than 4:00 p.m. on November 10, 2011.

► CLASS 2 for October and November 2011

	LB. FAT	LB. SNF	EQUIVALENT PER CWT.
Northern California	\$2.1794	\$1.4432	\$20.18
Southern California	\$2.1794	\$1.4699	\$20.42

► CLASS 3 for October and November 2011

	LB. FAT	LB. SNF	EQUIVALENT PER CWT.
Statewide	\$2.1794	\$1.4375	\$20.13

COMMODITY MARKET PRICES

	\$ Per Lb.
Chicago Mercantile Exchange Grade AA Butter – Daily Simple Average (August 26 th to September 25 th)	\$1.9443
Chicago Mercantile Exchange Block Cheddar Cheese – Daily Simple Average (August 26 th to September 25 th)	\$1.7716
California Extra Grade & Grade A Nonfat Dry Milk – Monthly Weighted Average (August 26 th to September 25 th)	\$1.5570
Western Dry Whey (Mostly) – Monthly Simple Average (August 26 th – September 25 th)	\$0.6078

December 2011 and January 2012 Class 2 and 3 prices will be announced no later than 4:00 p.m. on December 1, 2011.

► CLASS 4a for September 2011

	LB. FAT	LB. SNF	EQUIVALENT PER CWT.
Statewide	\$2.0788	\$1.3807	\$19.29

► CLASS 4b for September 2011

	LB. FAT	LB. SNF	EQUIVALENT PER CWT.
Statewide	\$2.0788	\$1.0405	\$16.33

COMMODITY MARKET PRICES

	\$ Per Lb.
Chicago Mercantile Exchange Grade AA Butter – Daily Simple Average (August 26 th to September 25 th)	\$1.9443
Chicago Mercantile Exchange Block Cheddar Cheese – Daily Simple Average (August 26 th to September 25 th)	\$1.7716
California Extra Grade & Grade A Nonfat Dry Milk – Monthly Weighted Average (August 26 th to September 25 th)	\$1.5570
Western Dry Whey (Mostly) – Monthly Simple Average (August 26 th – September 25 th)	\$0.6078

October 2011 Class 4a and 4b prices will be announced no later than 4:00 p.m. on November 1, 2011.

Average U.S. Retail Prices for Whole, Reduced Fat, Lowfat, and Skim Milk
(Weighted Average Prices in Dollars Per Gallon)

CITY	August 2011				September 2011				October 2011			
	Whole	Reduced Fat	Lowfat	Skim	Whole	Reduced Fat	Lowfat	Skim	Whole	Reduced Fat	Lowfat	Skim
	<i>Weighted Average Prices in Dollars Per Gallon</i>											
Albany	3.26	3.16	3.13	2.99	3.29	3.21	3.19	3.06	3.27	3.18	3.20	3.06
Atlanta	3.29	3.28	3.23	3.28	3.33	3.33	3.27	3.32	3.38	3.41	3.36	3.42
Baltimore	3.98	3.92	3.87	3.63	4.11	4.02	3.95	3.68	4.09	3.99	3.93	3.64
Birmingham	3.91	3.83	3.74	3.80	3.87	3.79	3.66	3.71	3.97	3.88	3.82	3.87
Boston	3.35	3.30	3.28	3.16	3.39	3.32	3.26	3.14	3.36	3.28	3.22	3.10
Buffalo/Rochester	2.78	2.63	2.54	2.31	2.78	2.62	2.54	2.30	2.77	2.62	2.53	2.29
Charlotte	3.76	3.73	3.79	3.76	3.76	3.71	3.73	3.68	3.81	3.77	3.86	3.84
Chicago	3.23	3.01	3.08	3.08	3.28	2.99	3.10	3.09	3.30	3.02	3.10	3.10
Cincinnati	2.75	2.71	2.65	2.66	2.88	2.84	2.79	2.81	3.00	2.95	2.92	2.94
Cleveland	3.26	3.14	3.16	3.11	3.21	3.11	3.16	3.11	3.34	3.23	3.25	3.20
Columbus	2.85	2.86	2.76	2.77	2.80	2.82	2.72	2.73	3.01	3.01	2.89	2.89
Dallas	2.95	2.87	2.93	2.75	3.02	2.94	2.98	2.78	3.03	2.95	2.98	2.77
Denver	2.91	2.83	2.88	2.74	2.91	2.82	2.88	2.74	2.88	2.81	2.86	2.71
Des Moines	4.09	3.83	3.61	3.43	4.10	3.82	3.64	3.44	4.13	3.89	3.66	3.47
Detroit	2.73	2.69	2.61	2.67	2.77	2.72	2.64	2.70	2.77	2.74	2.69	2.69
Grand Rapids	2.91	2.84	2.67	2.74	2.93	2.84	2.71	2.75	3.15	3.07	2.95	3.02
Hartford-New Haven	3.87	3.95	3.81	3.91	3.86	3.92	3.78	3.89	3.78	3.82	3.67	3.68
Houston	3.51	3.48	3.41	3.30	3.53	3.50	3.43	3.32	3.63	3.56	3.51	3.40
Indianapolis	2.85	2.88	2.79	2.81	2.96	2.99	2.91	2.94	2.98	2.98	2.91	2.93
Jacksonville	3.77	3.71	3.84	3.83	3.82	3.76	3.86	3.82	3.92	3.85	3.93	3.90
Kansas City	4.17	3.96	3.87	3.73	4.12	3.83	3.69	3.60	4.23	4.02	3.89	3.73
Las Vegas	3.29	3.18	3.18	3.32	3.35	3.24	3.25	3.34	3.31	3.21	3.25	3.19
Little Rock	4.01	3.93	3.95	3.87	4.04	3.95	3.98	3.90	4.05	3.96	3.97	3.89
Los Angeles	3.52	3.35	3.47	3.15	3.57	3.42	3.58	3.20	3.59	3.42	3.57	3.16
Louisville	2.97	2.91	2.78	2.80	3.06	3.03	2.90	2.92	3.16	3.19	3.07	3.11
Memphis	3.62	3.56	3.31	3.48	3.66	3.58	3.29	3.46	3.64	3.58	3.32	3.48
Miami	3.92	3.91	3.89	3.91	3.98	3.96	3.94	3.95	3.99	3.96	3.96	3.97
Milwaukee	3.38	3.12	3.13	2.96	3.43	3.04	3.14	2.87	3.40	3.12	3.23	3.04
Minneapolis	3.59	3.35	3.33	3.39	3.59	3.35	3.33	3.35	3.69	3.41	3.40	3.48
Nashville	3.42	3.34	3.13	3.13	3.52	3.44	3.24	3.22	3.65	3.59	3.42	3.35
New Orleans-Mobile	4.43	4.45	4.32	4.61	4.43	4.38	4.28	4.53	4.49	4.47	4.40	4.60
New York	4.00	3.93	3.98	3.89	4.05	3.97	4.02	3.93	4.07	4.00	4.03	3.61
Oklahoma City-Tulsa	4.03	3.96	3.89	3.81	4.10	4.00	3.94	3.87	4.13	4.02	3.97	3.91
Omaha	3.84	3.62	3.48	3.28	3.78	3.64	3.50	3.30	3.97	3.73	3.54	3.36
Orlando	3.87	3.86	3.88	3.88	3.89	3.88	3.90	3.88	3.92	3.91	3.92	3.90
Philadelphia	4.24	4.10	3.98	3.84	4.28	4.13	3.97	3.89	4.28	4.14	4.00	3.86
Phoenix	2.40	2.28	2.30	2.21	2.56	2.48	2.48	2.42	2.60	2.56	2.54	2.51
Pittsburgh	3.93	3.76	3.63	3.56	3.88	3.72	3.60	3.53	4.01	3.82	3.69	3.60
Portland	3.09	3.03	3.04	2.96	3.15	3.04	3.05	2.97	3.11	2.92	2.89	2.78
Raleigh-Durham	3.76	3.69	3.71	3.69	3.86	3.77	3.75	3.69	3.84	3.75	3.74	3.70
Richmond- Norfolk	3.93	3.83	3.67	3.66	4.01	3.92	3.72	3.70	4.01	3.92	3.75	3.74
Sacramento	3.70	3.56	3.63	3.45	3.72	3.59	3.66	3.48	3.74	3.60	3.66	3.43
Salt Lake City-Boise	2.77	2.65	2.64	2.84	2.89	2.74	2.72	2.88	2.90	2.75	2.73	2.90
San Antonio	3.51	3.39	3.28	3.07	3.48	3.36	3.26	3.03	3.50	3.35	3.29	3.07
San Diego	3.65	3.44	3.63	3.37	3.72	3.50	3.69	3.41	3.73	3.51	3.71	3.39
San Francisco	3.93	3.75	4.04	3.78	3.95	3.78	4.06	3.79	3.95	3.76	4.04	3.74
Seattle	3.04	2.92	2.98	2.95	3.06	2.91	3.00	2.92	3.02	2.89	2.91	2.82
St Louis	3.71	3.57	3.53	3.43	3.76	3.59	3.59	3.50	3.73	3.57	3.56	3.48
Syracuse	3.02	2.91	2.79	2.59	3.03	2.91	2.79	2.56	3.03	2.91	2.80	2.58
Tampa	3.89	3.88	3.89	3.89	3.91	3.89	3.90	3.89	3.93	3.91	3.91	3.90
Washington DC	3.99	3.92	3.84	3.79	4.06	4.00	3.90	3.86	4.05	3.99	3.88	3.85
West Texas	3.40	3.38	3.41	3.35	3.30	3.28	3.29	3.25	3.14	3.12	3.18	3.10
Total US	3.50	3.41	3.37	3.32	3.53	3.43	3.40	3.33	3.57	3.46	3.43	3.35

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. October data through the week ending 10/01/11.

November 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday																																																																																																																
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27	28	29 Weekly NFDM	30	<table border="1"> <thead> <tr> <th colspan="7">Oct 2011</th> <th colspan="7">Dec 2011</th> </tr> <tr> <th>S</th><th>M</th><th>T</th><th>W</th><th>T</th><th>F</th><th>S</th> <th>S</th><th>M</th><th>T</th><th>W</th><th>T</th><th>F</th><th>S</th> </tr> </thead> <tbody> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td>1</td> <td></td><td></td><td></td><td></td><td>1</td><td>2</td><td>3</td> </tr> <tr> <td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> <td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td> </tr> <tr> <td>9</td><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td> <td>11</td><td>12</td><td>13</td><td>14</td><td>15</td><td>16</td><td>17</td> </tr> <tr> <td>16</td><td>17</td><td>18</td><td>19</td><td>20</td><td>21</td><td>22</td> <td>18</td><td>19</td><td>20</td><td>21</td><td>22</td><td>23</td><td>24</td> </tr> <tr> <td>23</td><td>24</td><td>25</td><td>26</td><td>27</td><td>28</td><td>29</td> <td>25</td><td>26</td><td>27</td><td>28</td><td>29</td><td>30</td><td>31</td> </tr> <tr> <td>30</td><td>31</td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </tbody> </table>		Oct 2011							Dec 2011							S	M	T	W	T	F	S	S	M	T	W	T	F	S							1					1	2	3	2	3	4	5	6	7	8	4	5	6	7	8	9	10	9	10	11	12	13	14	15	11	12	13	14	15	16	17	16	17	18	19	20	21	22	18	19	20	21	22	23	24	23	24	25	26	27	28	29	25	26	27	28	29	30	31	30	31													
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CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

October 27, 2011

TO ALL INTERESTED PARTIES:

This report represents the latest nonfat dry milk, bulk butter, and Cheddar cheese Manufacturing Cost Exhibit for the period of January through December 2010. The processing cost data does not include the cost of raw product nor does it include any cost of marketing finished product.

The cost data for nonfat dry milk and bulk butter are presented in a table that shows actual weighted-average cost of plants grouped by efficiency; the Cheddar cheese is presented in a table as one group to protect confidentiality. The report includes a summary table showing the weighted-average manufacturing cost for nonfat dry milk, bulk butter, and Cheddar cheese as published since July 2000. In addition, included in this package is a comparative analysis of common line item costs. Costs include: packaging, processing labor, processing non-labor, general and administrative cost, return on investment, and for butter and Cheddar cheese, other miscellaneous ingredients.

We continue to appreciate the assistance of those plants that are providing the Manufacturing Cost Unit with data to complete the studies.

Should you have any questions regarding this material, please contact me at the telephone number below or by e-mail at venetta.reed@cdfa.ca.gov.

Sincerely,

Original Signed by

Venetta Reed
Supervising Auditor I



Summary of Weighted Average Manufacturing Costs
Butter, Nonfat Dry Milk, Cheddar Cheese, and Dry Whey Powder

Costs include processing labor, non-labor processing, packaging, other ingredients (for butter and Cheddar cheese only), general and administrative, and return on investments at 6.038% for 2010.

Study Period	Release Date	BUTTER		NONFAT DRY MILK		CHEDDAR CHEESE		DRY WHEY POWDER	
		Cost Per Pound	Number of Plants	Cost Per Pound	Number of Plants	Cost Per Pound	Number of Plants	Cost Per Pound	Number of Plants
July 2000-Dec 2001	Nov-02	\$0.1208	7	\$0.1619	11	\$0.1775	9	--	--
Jan-Dec 2002	Nov-03	\$0.1235	7	\$0.1464	10	\$0.1632	9	--	--
Jan-Dec 2003	Nov-04	\$0.1299	7	\$0.1560	10	\$0.1706	9	\$0.2675	4
Jan-Dec 2004	Nov-05	\$0.1368	8	\$0.1543	10	\$0.1769	7	\$0.2673	3
Jan-Dec 2005	Nov-06	\$0.1408	8	\$0.1659	9	\$0.1914	7	\$0.2851	3
Jan-Dec 2006	Sep-07	\$0.1373	7	\$0.1664	8	\$0.1988	7	\$0.3099	3
Jan-Dec 2007	Sep-08	\$0.1316	7	\$0.1568	8	\$0.2003	6	--	--
Jan-Dec 2008	Oct-09	\$0.1553	8	\$0.1931	9	\$0.2099	6	--	--
Jan-Dec 2009	Nov-10	\$0.1811	8	\$0.1984	9	\$0.1966	6	--	--
Jan-Dec 2010	Oct-11	\$0.1781	8	\$0.2070	9	\$0.1921	6	--	--

Notes:

- Since 1996, the Cheddar cheese cost studies have included costs associated with Cheddar cheese plants producing 500-pound barrels and 640-pound blocks. However, costs for packaging labor and packaging expenses were replaced with the average of those costs associated with 40-pound block plants.
- No cost studies performed for Dry Whey Powder plants since January 2007 due to less than 3 plants manufacturing Dry Whey Powder.

BUTTER MANUFACTURING COSTS

CURRENT Study Period: January through December 2010
With Comparison to the same time period Prior Year (2009)

- Manufacturing cost data were collected and summarized from eight California butter plants. The eight plants processed 552.4 million pounds of butter during the 12-month study period, January through December 2010, representing 99.2% of the butter processed in California.
- The volume total includes both bulk butter and cut butter, but the costs reflect only costs for bulk butter (25 kg and 68 lb. blocks).
- To obtain the weighted average, individual plant costs were weighted by their butter processing volume relative to the total volume of butter processed by all plants included in this cost study.
- For this study period, approximately 4.7% of the butter was processed at a cost less than the current manufacturing allowance for butter of \$0.1635 per pound.

Breakdown of Butter Manufacturing Costs - January through December 2010

Categories	Low Cost Group	High Cost Group	Range of Costs		CURRENT Weighted Average Cost All Plants Jan-Dec 2010	PRIOR YEAR Weighted Average Cost All Plants Jan-Dec 2009	Actual Difference Current Less Prior Year
			Minimum	Maximum			
<i>Dollars Per Pound of Butter</i>							
Number of Plants	4	4	8	8	8	8	0
Processing Labor	\$0.0613	\$0.0584	\$0.0342	\$0.2261	\$0.0598	\$0.0620	-\$0.0022
Processing Non-Labor	\$0.0694	\$0.0693	\$0.0505	\$0.2230	\$0.0694	\$0.0718	-\$0.0024
Packaging	\$0.0111	\$0.0120	\$0.0100	\$0.0134	\$0.0116	\$0.0124	-\$0.0008
Other Ingredients	\$0.0026	\$0.0017	\$0.0015	\$0.0030	\$0.0021	\$0.0024	-\$0.0003
General & Administrative	\$0.0170	\$0.0272	\$0.0166	\$0.0452	\$0.0222	\$0.0182	\$0.0040
Return on Investment	\$0.0068	\$0.0189	\$0.0027	\$0.0340	\$0.0130	\$0.0143	-\$0.0013
Average Total Cost	\$0.1682	\$0.1875	--	--	\$0.1781	\$0.1811	-\$0.0030
Volume in Group (Lbs.)	269,294,778	283,084,117	--	--	552,378,895	512,544,105	39,834,790
% Volume by Group	48.80%	51.20%	--	--	100.0%	100.0%	--

Processing Labor: Labor costs associated with processing of product, including wages, payroll taxes and fringe benefits.

Processing Non-Labor: Includes costs such as utilities, repairs and maintenance, laundry, supplies, depreciation, plant insurance, outside storage, and rent.

Packaging: Includes all non-reusable items used in the packaging of the product, such as boxes, bags, cartons, liners, tape, glue, and stretch wrap.

Other Ingredients: Includes salt and color.

General & Administrative: Includes expenses in the management of the company, such as office supplies, short-term interest, dues and subscriptions, accounting fees, headquarter charges, office clerical wages and executive salaries.

Return on Investment: Calculated by subtracting accumulated depreciation from the original cost of assets, with the remaining book value multiplied by Moody's "BAA" corporate bond index.

	WEIGHTED AVERAGE COSTS	2010 WEIGHTED AVERAGE COSTS	% CHANGE
Total Lbs - All Butter	512,544,105	552,378,895	7.77%
Total Lbs - Bulk Butter	204,172,879	246,762,053	20.86%
SUMMARY OF COSTS			
Misc. Ingredient Costs	0.0024	0.0021	-12.50%
Packaging Expense	0.0124	0.0116	-6.45%
Processing Labor	0.0620	0.0598	-3.55%
Processing Non-Labor	0.0718	0.0694	-3.34%
Gen & Admin Expenses	0.0182	0.0222	21.98%
Return On Investment	0.0143	0.0130	-9.09%
Manufact Costs - per Lb.	0.1811	0.1781	-1.66%
SELECTED EXPENSES PER LB.			
Natural Gas & Fuel Oil	0.0028	0.0051	82.14%
Electricity	0.0098	0.0089	-9.18%
Sewer, Water, Garbage	0.0042	0.0039	-7.14%
Depreciation	0.0118	0.0149	26.27%
Property Taxes	0.0020	0.0028	40.00%
Insurance	0.0015	0.0015	0.00%
Repairs & Maintenance	0.0073	0.0090	23.29%
Plant Supplies	0.0145	0.0129	-11.03%
Outside Storage	0.0079	0.0047	-40.51%
Rent-Plant & Equip	0.0018	0.0011	-38.89%
Outside Testing & Grading	0.0030	0.0025	-16.67%
Gen & Admin Payroll	0.0060	0.0062	3.33%
Short-Term Interest	0.0036	0.0057	58.33%
Professional Services	0.0030	0.0015	-50.00%
Headquarter Expenses	0.0053	0.0054	1.89%
Other Misc. Expenses	0.0055	0.0055	0.00%
Total Non-Labor & G&A Exps	0.0900	0.0916	1.78%
MISC. INFORMATION			
Payroll per Employee-Plant	\$74,718	\$75,354	0.85%
Total Book Value of Assets	\$6,135,200	\$11,113,049	81.14%
Book Value of Assets per Lb.	0.1960	0.2162	10.31%

NONFAT DRY MILK MANUFACTURING COSTS

CURRENT Study Period: January through December 2010
With Comparison to the same time period Prior Year (2009)

- Manufacturing cost data were collected and summarized from nine California NFDM plants. The nine plants processed 875.0 million pounds of NFDM during the 12-month study period, January through December 2010, representing 99.4% of the NFDM processed in California.
- The volume includes NFDM, both animal and human consumption. NFDM for human consumption represented 99.67% of the 875 million pounds of NFDM processed, and NFDM for animal consumption represented 0.33%.
- The volume total includes all grades of NFDM packaged in any container size, but the costs reflect only costs for 25 kg and 50 lb. bags of NFDM.
- To obtain the weighted average, individual plant costs were weighted by their NFDM processing volume relative to the total volume of NFDM processed by all plants included in the cost study.
- For this study period, approximately 31.8% of the NFDM was processed at a cost less than the current manufacturing cost allowance for NFDM of \$0.1763 per pound.

Breakdown of Nonfat Dry Milk Manufacturing Costs - January through December 2010

Categories	Low Cost Group	Medium Cost Group	High Cost Group	Range of Costs		CURRENT Weighted Average Cost All Plants Jan-Dec 2010	PRIOR YEAR Weighted Average Cost All Plants Jan-Dec 2009	Actual Difference Current Less Prior Year
				Minimum	Maximum			
<i>Dollars Per Pound of NFDM</i>								
Number of Plants	3	3	3	9	9	9	9	0
Processing Labor	\$0.0402	\$0.0456	\$0.0265	\$0.0221	\$0.1015	\$0.0388	\$0.0366	\$0.0022
Processing Non-Labor	\$0.1018	\$0.1232	\$0.1379	\$0.0983	\$0.2791	\$0.1194	\$0.1156	\$0.0038
Packaging	\$0.0151	\$0.0138	\$0.0136	\$0.0135	\$0.0167	\$0.0142	\$0.0145	-\$0.0003
General & Administrative	\$0.0104	\$0.0150	\$0.0268	\$0.0090	\$0.0290	\$0.0164	\$0.0135	\$0.0029
Return on Investment	\$0.0062	\$0.0162	\$0.0378	\$0.0040	\$0.0398	\$0.0182	\$0.0182	\$0.0000
Average Total Cost	\$0.1737	\$0.2138	\$0.2426	--	--	\$0.2070	\$0.1984	\$0.0086
Volume in Group (Lbs.)	308,708,212	341,898,356	224,433,182	--	--	875,039,750	815,148,443	59,891,307
% Volume by Group	35.28%	39.07%	25.65%	--	--	100.0%	100.0%	--

Processing Labor: Labor costs associated with processing of product, including wages, payroll taxes and fringe benefits.

Processing Non-Labor: Includes costs such as utilities, repairs and maintenance, laundry, supplies, depreciation, plant insurance, outside storage, and rent.

Packaging: Includes all non-reusable items used in the packaging of the product, such as boxes, bags, cartons, liners, tape, glue and stretch wrap.

General & Administrative: Includes expenses in the management of the company, such as office supplies, short-term interest, dues and subscriptions, accounting fees, headquarter charges, office clerical wages and executive salaries.

Return on Investment: Calculated by subtracting accumulated depreciation from the original cost of assets, with the remaining book value multiplied by Moody's "BAA" corporate bond index.

	2009 WEIGHTED AVERAGE COSTS	2010 WEIGHTED AVERAGE COSTS	% CHANGE
NFDM Powder Pounds	815,148,443	875,039,750	7.35%
SUMMARY OF COSTS			
Misc. Ingredients Cost	0.0000	0.0000	0.00%
Packaging Expense	0.0145	0.0142	-2.07%
Processing Labor	0.0366	0.0388	6.01%
Processing Non-Labor	0.1156	0.1194	3.29%
Gen & Admin Expenses	0.0135	0.0164	21.48%
Return On Investment	0.0182	0.0182	0.00%
Manufact Costs - per Lb.	0.1984	0.2070	4.33%
SELECTED EXPENSES PER LB.			
Natural Gas & Fuel Oil	0.0313	0.0270	-13.74%
Electricity	0.0179	0.0176	-1.68%
Sewer,Water,Garbage	0.0053	0.0062	16.98%
Depreciation	0.0143	0.0192	34.27%
Property Taxes	0.0026	0.0039	50.00%
Insurance	0.0012	0.0013	8.33%
Repairs & Maintenance	0.0074	0.0104	40.54%
Plant Supplies	0.0178	0.0161	-9.55%
Outside Storage	0.0058	0.0073	25.86%
Rent-Plant & Equip	0.0015	0.0014	-6.67%
Outside Testing & Grading	0.0060	0.0058	-3.33%
Gen & Admin Payroll	0.0039	0.0042	7.69%
Short-Term Interest	0.0044	0.0052	18.18%
Professional Services	0.0003	0.0008	166.67%
Headquarter Expenses	0.0034	0.0038	11.76%
Other Misc.Expenses	0.0060	0.0056	-6.67%
Total Non-Labor & G&A Exps	0.1291	0.1358	5.19%
MISC. INFORMATION			
Payroll per Employee-Plant	\$73,074	\$74,974	2.60%
Total Book Value of Assets	\$40,952,298	\$65,349,050	59.57%
Book Value of Assets per Lb.	0.2494	0.3025	21.29%

CHEESE MANUFACTURING COSTS

CURRENT Study Period: January through December 2010
With Comparison to the same time period Prior Year (2009)

- Manufacturing cost data were collected and summarized from six California cheese plants. The six plants processed 585.1 million pounds of cheese during the 12-month study period, January through December 2010, representing 95.9% of the Cheddar and Monterey Jack cheese processed in California.
- The volume total includes both Cheddar and Monterey Jack cheeses, but the costs reflect only costs for 40-lb. blocks of Cheddar.
- Three plants processed 500-lb. barrels or 640-lb. blocks. Packaging costs and packaging labor for 40-lb. blocks were substituted for these plants.
- To obtain the weighted average, individual plant costs were weighted by their cheese processing volume relative to the total volume of cheese processed by all plants included in the cost study.
- For all cheese: the weighted average yield was 13.70 lbs. of cheese per hundredweight of milk. The weighted average moisture was 37.78% and the weighted average vat tests were 4.67% fat and 9.60% SNF.
- For the study period, approximately 88.8% of the cheese was processed at a cost less than the current manufacturing cost allowance for cheese of \$0.1988 per pound.

Breakdown of Cheese Manufacturing Costs - January through December 2010

Categories	Total Cost One Group	Range of Costs		CURRENT Weighted Average Cost All Plants Jan-Dec 2010	PRIOR YEAR Weighted Average Cost All Plants Jan-Dec 2009	Actual Difference Current Less Prior Year
		Minimum	Maximum			
<i>Dollars Per Pound of Cheese</i>						
Number of Plants	6	6	6	6	6	0
Processing Labor	\$0.0481	\$0.0403	\$0.1102	\$0.0481	\$0.0491	-\$0.0010
Processing Non-Labor	\$0.0766	\$0.0606	\$0.1340	\$0.0766	\$0.0729	\$0.0037
Packaging	\$0.0228	\$0.0126	\$0.0262	\$0.0228	\$0.0260	-\$0.0032
Other Ingredients	\$0.0211	\$0.0103	\$0.0324	\$0.0211	\$0.0248	-\$0.0037
General & Administrative	\$0.0189	\$0.0155	\$0.0432	\$0.0189	\$0.0183	\$0.0006
Return on Investment	\$0.0046	\$0.0033	\$0.0154	\$0.0046	\$0.0055	-\$0.0009
Average Total Cost	\$0.1921	--	--	\$0.1921	\$0.1966	-\$0.0045
Volume in Group (Lbs.)	585,108,135	--	--	585,108,135	614,680,488	-29,572,353
% Volume by Group	100.0%	--	--	100.0%	100.0%	--

Processing Labor: Labor costs associated with processing of product, including wages, payroll taxes and fringe benefits.

Processing Non-Labor: Includes costs such as utilities, repairs and maintenance, laundry, supplies, depreciation, plant insurance, outside storage, and rent.

Packaging: Includes all non-reusable items used in the packaging of the product, such as boxes, bags, cartons, liners, tape, glue and stretch wrap.

Other Ingredients: Includes salt, color, and rennet.

General & Administrative: Includes expenses in the management of the company, such as office supplies, short-term interest, dues and subscriptions, accounting fees, headquarter charges, office clerical wages and executive salaries.

Return on Investment: Calculated by subtracting accumulated depreciation from the original cost of assets, with the remaining book value multiplied by Moody's "BAA" corporate bond index.

	2009 WEIGHTED AVERAGE COSTS	2010 WEIGHTED AVERAGE COSTS	% CHANGE
Cheddar Cheese Pounds	614,680,488	585,108,135	-4.81%

SUMMARY OF COSTS

Misc. Ingredient Costs	0.0248	0.0211	-14.92%
Packaging Expense	0.0260	0.0228	-12.31%
Processing Labor	0.0491	0.0481	-2.04%
Processing Non-Labor	0.0729	0.0766	5.08%
Gen & Admin Expenses	0.0183	0.0189	3.28%
Return On Investment	0.0055	0.0046	-16.36%

Manufact Costs - per Lb.	0.1966	0.1921	-2.29%
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SELECTED EXPENSES PER LB.

Natural Gas & Fuel Oil	0.0070	0.0072	2.86%
Electricity	0.0065	0.0072	10.77%
Sewer & Whey Disposal	0.0077	0.0042	-45.45%
Depreciation	0.0100	0.0099	-1.00%
Property Taxes	0.0020	0.0022	10.00%
Insurance	0.0018	0.0013	-27.78%
Repairs & Maintenance	0.0101	0.0124	22.77%
Plant Supplies	0.0119	0.0140	17.65%
Outside Storage	0.0009	0.0009	0.00%
Rent - Plant & Equipment	0.0132	0.0135	2.27%
Outside Testing & Grading	0.0010	0.0011	10.00%

Gen & Admin Payroll	0.0098	0.0106	8.16%
Short-Term Interest	0.0003	0.0006	100.00%
Professional Services	0.0022	0.0052	136.36%
Headquarter Expenses	0.0017	0.0011	-35.29%
Other Misc. Expenses	0.0051	0.0041	-19.61%

Total Non-Labor & G&A Exps	0.0912	0.0955	4.71%
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MISC. INFORMATION

Payroll per Employee-Plant	\$58,668	\$60,791	3.62%
Total Book Value of Assets	\$15,728,362	\$15,708,923	-0.12%
Book Value of Assets per Lb.	0.0748	0.0748	0.00%

FINISHED MOISTURE	38.03	37.78	-0.65%
VAT FAT	4.62	4.67	1.12%
VAT SNF	9.58	9.60	0.22%
VAT YIELD	13.28	13.70	3.13%



Comparison: CME Butter Prices / Audited California Butter Sales

24-Month Period: September 2009 through August 2011

- Data were collected and audited from seven California butter plants. The plants reported monthly sales volume and sales revenue for salted bulk butter for the 24-month period, representing 100% of the salted bulk butter sold by these audited California plants.
- The Chicago Mercantile Exchange (CME) butter prices are the simple average of the daily butter price per pound, released by the CME, using the 26th of the prior month through the 25th of the current month.
- The weighted average California butter prices represent the calendar monthly price per pound received by each plant and then weighted by sales volume.

Breakdown of CME Butter Prices and Audited California Butter Sales

September 2009 through August 2011

Date	CME Butter Prices	California Weighted Average Prices	Difference: Calif. Weighted Less CME
	<i>In Dollars Per Pound</i>		
Sep-09	\$1.2068	\$1.1680	-\$0.0388
Oct-09	\$1.2575	\$1.2260	-\$0.0315
Nov-09	\$1.4700	\$1.3765	-\$0.0935
Dec-09	\$1.4182	\$1.3738	-\$0.0444
Jan-10	\$1.3871	\$1.3449	-\$0.0422
Feb-10	\$1.3555	\$1.3202	-\$0.0353
Mar-10	\$1.4559	\$1.4186	-\$0.0373
Apr-10	\$1.5239	\$1.4963	-\$0.0276
May-10	\$1.5947	\$1.5558	-\$0.0389
Jun-10	\$1.6139	\$1.5855	-\$0.0284
Jul-10	\$1.7643	\$1.7297	-\$0.0346
Aug-10	\$1.9153	\$1.9281	\$0.0128
Sep-10	\$2.2170	\$2.1675	-\$0.0495
Oct-10	\$2.1990	\$2.1560	-\$0.0430
Nov-10	\$2.0123	\$1.8790	-\$0.1333
Dec-10	\$1.6154	\$1.5936	-\$0.0218
Jan-11	\$1.9323	\$1.7429	-\$0.1894
Feb-11	\$2.0710	\$2.0551	-\$0.0159
Mar-11	\$2.0930	\$2.0448	-\$0.0482
Apr-11	\$1.9971	\$1.9848	-\$0.0123
May-11	\$2.0518	\$2.0236	-\$0.0282
Jun-11	\$2.1325	\$2.1125	-\$0.0200
Jul-11	\$2.0330	\$2.0024	-\$0.0306
Aug-11	\$2.0868	\$2.0401	-\$0.0467

Summary of Comparison: California Weighted Less CME

Time Period	Simple Average Difference
All 24 months	-\$0.0449
12 months ending August 2010	-\$0.0366
12 months ending August 2011	-\$0.0532



Comparison: CME Cheddar Cheese Prices / Audited California Cheddar Cheese Sales

24-Month Period: September 2009 through August 2011

- Data were collected and audited from three California Cheddar cheese plants. The plants reported monthly sales volume and sales revenue for 40-pound block Cheddar cheese for the 24-month period, representing 100% of the 40-pound block Cheddar cheese sold by these audited California plants.
- The Chicago Mercantile Exchange (CME) Cheddar cheese prices are the simple average of the daily block Cheddar cheese price per pound, released by the CME, using the 26th of the prior month through the 25th of the current month.
- The weighted average California Cheddar cheese prices represent the calendar monthly price per pound received by each plant and then weighted by sales volume.

Breakdown of CME Cheddar Cheese Prices and Audited California Cheddar Cheese Sales September 2009 through August 2011

Date	CME Cheese Prices	California Weighted Average Prices	Difference: Calif. Weighted Less CME
	<i>In Dollars Per Pound</i>		
Sep-09	\$1.3261	\$1.3189	-\$0.0072
Oct-09	\$1.4541	\$1.3925	-\$0.0616
Nov-09	\$1.5588	\$1.4912	-\$0.0676
Dec-09	\$1.6867	\$1.6395	-\$0.0472
Jan-10	\$1.4462	\$1.5198	\$0.0736
Feb-10	\$1.4691	\$1.4736	\$0.0045
Mar-10	\$1.2883	\$1.3348	\$0.0465
Apr-10	\$1.4144	\$1.3606	-\$0.0538
May-10	\$1.4231	\$1.3809	-\$0.0422
Jun-10	\$1.4065	\$1.4240	\$0.0175
Jul-10	\$1.5189	\$1.4190	-\$0.0999
Aug-10	\$1.6191	\$1.5717	-\$0.0474
Sep-10	\$1.7260	\$1.6672	-\$0.0588
Oct-10	\$1.7436	\$1.7348	-\$0.0088
Nov-10	\$1.4942	\$1.6106	\$0.1164
Dec-10	\$1.4058	\$1.4292	\$0.0234
Jan-11	\$1.4308	\$1.3516	-\$0.0792
Feb-11	\$1.8689	\$1.6246	-\$0.2443
Mar-11	\$1.8529	\$1.9390	\$0.0861
Apr-11	\$1.6136	\$1.6289	\$0.0153
May-11	\$1.6526	\$1.6106	-\$0.0420
Jun-11	\$2.0542	\$1.8618	-\$0.1924
Jul-11	\$2.1100	\$2.0980	-\$0.0120
Aug-11	\$2.0360	\$2.0950	\$0.0590

Summary of Comparison: California Weighted Less CME

Time Period	Simple Average Difference
All 24 months	-\$0.0259
12 months ending August 2010	-\$0.0237
12 months ending August 2011	-\$0.0281



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