

California

# Dairy Review

A publication serving the California dairy industry for over 12 years

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## CWT Completes Latest Herd Retirement Round

Cooperatives Working Together (CWT) finished the farm audits of its seventh herd retirement round, removing 101,040 cows that produced almost two billion pounds of milk.

For this round, CWT removed 367 herds in 41 states, comprised of nearly 101,000 cows that produced 1.96 million pounds of milk. These figures reflect the final number of dairies that successfully were audited in the herd retirement process in May and June.

"Even though this was by far the largest of CWT's seven herd retirement efforts, we were able to move quickly in May and June to audit the participating farms," says Jim Tillison, chief operating officer of CWT. CWT had received 538 bids from 41 states during the bidding process in April. As has been the case with its previous herd retirement rounds, most of the cows removed were in the western regions of the country. This round also removed 818 bred heifers.

CWT auditors were sent to each of the farms whose bids were accepted. Once the information submitted by the farmers with their bid was verified, each of the cows had a special CWT ear tag applied, and the farmers were given a brief amount of time to sell their cows for processing. Once the sales receipts for the animals are verified and ear tags are returned to CWT by the processing plants, farmers are issued payment.

Tillison noted that the CWT website will be updated soon with the names of those participating in this herd retirement round, after they have received their payments. He added that additional CWT herd reduction activities are likely in 2009, given the depressed state of milk prices and the continuing imbalance between supply and demand.

See Continued Story and  
Summary Chart on Page 6



California Department of Food and Agriculture  
A.G. Kawamura, Secretary

# Production, Prices, Quota Transfers, Alfalfa

## June Milk Production

USDA estimates U.S. milk production for June 2009 in the top 23 milk producing states at 14.7 billion pounds, down 0.1 percent from June 2008. Production per cow in the top 23 milk producing states averaged 1,746 pounds for June, 10 pounds above June 2008.

## Quota Transfer Summary

Quota Transfers	May	June	July
Number of Sellers			
Pounds of SNF Quota Transferred	9	7	13
Average Price Per pound of SNF Quota	\$406	\$409	\$402

## Minimum Class Prices

California Hundredweight Prices

Class	June	July	August
1 No. Calif.	\$11.70	\$11.88	\$11.71
o. Calif.	\$11.97	\$12.15	\$11.98
2 No. Calif.	\$10.34	\$10.34	N/A
o. Calif.	\$10.57	\$10.57	N/A
3	\$10.29	\$10.29	N/A
4a	\$10.06		N/A
4b	\$ 9.52	N/A	N/A

## Commodity Prices Used in the Calculation of California Class 1 Milk Prices

Month	Chicago Mercantile Exchange		California Manufacturing Plants	Dairy Market News
	Grade AA Butter	Block Cheddar Cheese	Nonfat Dry Milk	Western Dry Whey
<i>Dollars per Pound</i>				
Jan.	\$1.1275	\$1.1178	\$0.8146	\$0.1500
Feb.	\$1.1008	\$1.1456	\$0.8106	\$0.1488
Mar.	\$1.1594	\$1.1900	\$0.8036	\$0.1644
Apr.	\$1.1870	\$1.2723	\$0.8069	\$0.2150
May	\$1.2313	\$1.1503	\$0.8084	\$0.2488
June	\$1.2550	\$1.1483	\$0.8212	\$0.2825
July	\$1.1965	\$1.1125	\$0.8152	\$0.3175
Aug.				
Sept.				
Oct.				
Nov.				
Dec.				

## Federal Order and California Minimum Class 1 Prices

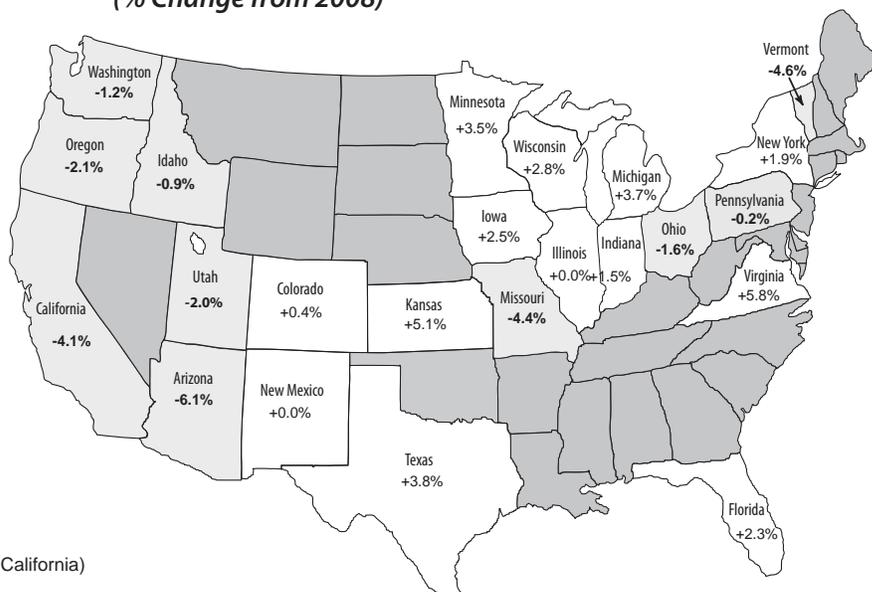
Hundredweight Prices

Regions	June	July	August
Phoenix, Arizona	\$12.43	\$12.61	\$12.39
Southern California	\$11.97	\$12.15	\$11.98
Portland, Oregon	\$11.98	\$12.16	\$11.94
Northern California	\$11.70	\$11.88	\$11.71
Boston (Northeast)	\$13.33	\$13.51	\$13.29

## June Milk Production in the Top 23 States (% Change from 2008)

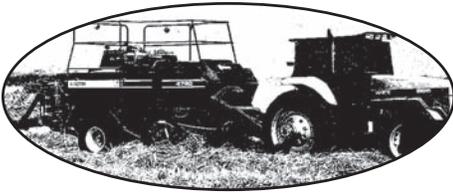
For the U.S. overall, comparing June 2009 to June 2008:

- U.S. Milk production during June was down 0.2%
- The number of cows on farms was 9.235 million head, down 86,000 head
- Production per cow averaged 1,723 pounds, 13 pounds more than June 2008
- Ten of the top twenty-three milk producing states showed a decrease in milk production



As reported by USDA and CDFA (for California)

# Premium Alfalfa Hay Prices / Alfalfa Sales - Reported Weekly



## Alfalfa Hay Update

**Northern California:** Premium alfalfa was steady to firm with good demand and light supplies. Retail and stable hay was steady with light test. Exporters were still showing interest and buying alfalfa hay.

**Southern California:** Premium alfalfa was not well tested, while demand was moderate to good, with no new supplies. Exporters interested in Sudan hay. Hot and humid weather caused low alfalfa production.

### Premium Alfalfa Hay Statewide Average Prices Per Ton / Total Tons Sold or Delivered

Area	July 3	July 10	July 17	July 24	Monthly Low/High
Petaluma	\$150	N/A	N/A	N/A	\$150
North Valley	\$130-150	\$135-145	\$130-140	\$135-150	\$130-150
South Valley <sup>2</sup>	\$135	\$145	\$145-148	\$135-155	\$135-155
Chino Valley	\$145	\$145-155	\$130	N/A	\$130-155
<b>Tons Sold<sup>3</sup></b>	55,896	79,999	62,975	54,475	
<b>Tons Delivered<sup>4</sup></b>	18,325	31,390	28,275	34,630	

<sup>1</sup> North Valley is Escalon, Modesto and Turlock areas.

<sup>2</sup> South Valley is Tulare, Visalia and Hanford areas.

<sup>3</sup> For current or future delivery.

<sup>4</sup> Contracted or current sales.

**Definition of premium Alfalfa Hay:** Early maturity, i.e., pre-bloom in legumes and pre head in grass hays, extra leafy and fine stemmed-factors indicative of a high nutritive content. Hay is green and free of damage.

Source: USDA Market News, Moses Lake, Washington, (509) 765-3611, [www.ams.usda.gov/LSMarketNews](http://www.ams.usda.gov/LSMarketNews)

## California Weekly Feed Commodity Spot Prices, Delivered to the Dairy

AREA	Almond Hulls	Canola	Distillers Dried Grains	Rolled Corn	Soybean Meal	Whole Cottonseed
<b>Tulare/Pixley</b>						
June 30	\$90.00	\$369.00	\$170.00	\$170.50	\$474.00	\$345.00
July 7	\$90.00	\$325.00	\$152.00	\$162.50	\$423.00	\$319.00
July 14	\$90.00	\$305.00	\$146.00	\$166.00	\$403.00	\$314.00
July 21	\$90.00	\$289.00	\$147.00	\$157.50	\$386.00	\$305.00
<b>Monthly Average</b>	<b>\$90.00</b>	<b>\$322.00</b>	<b>\$153.75</b>	<b>\$164.13</b>	<b>\$421.50</b>	<b>\$320.75</b>
<b>North Valley</b>						
June 30	\$87.00	\$369.00	\$170.00	\$179.50	\$474.00	\$345.00
July 7	\$87.00	\$325.00	\$152.00	\$171.50	\$423.00	\$319.00
July 14	\$87.00	\$305.00	\$146.00	\$175.00	\$403.00	\$314.00
July 21	\$87.00	\$289.00	\$145.00	\$166.50	\$386.00	\$305.00
<b>Monthly Average</b>	<b>\$87.00</b>	<b>\$322.00</b>	<b>\$153.25</b>	<b>\$173.13</b>	<b>\$421.50</b>	<b>\$320.75</b>
<b>Los Banos/Chowchilla</b>						
June 30	\$88.00	\$371.00	\$173.00	\$175.50	\$476.00	\$345.00
July 7	\$88.00	\$327.00	\$155.00	\$167.50	\$425.00	\$321.00
July 14	\$88.00	\$307.00	\$149.00	\$171.00	\$405.00	\$316.00
July 21	\$88.00	\$291.00	\$149.00	\$162.50	\$388.00	\$307.00
<b>Monthly Average</b>	<b>\$88.00</b>	<b>\$324.00</b>	<b>\$156.50</b>	<b>\$169.13</b>	<b>\$423.50</b>	<b>\$322.25</b>

# Milk Production Cost Comparison Summary for California \*

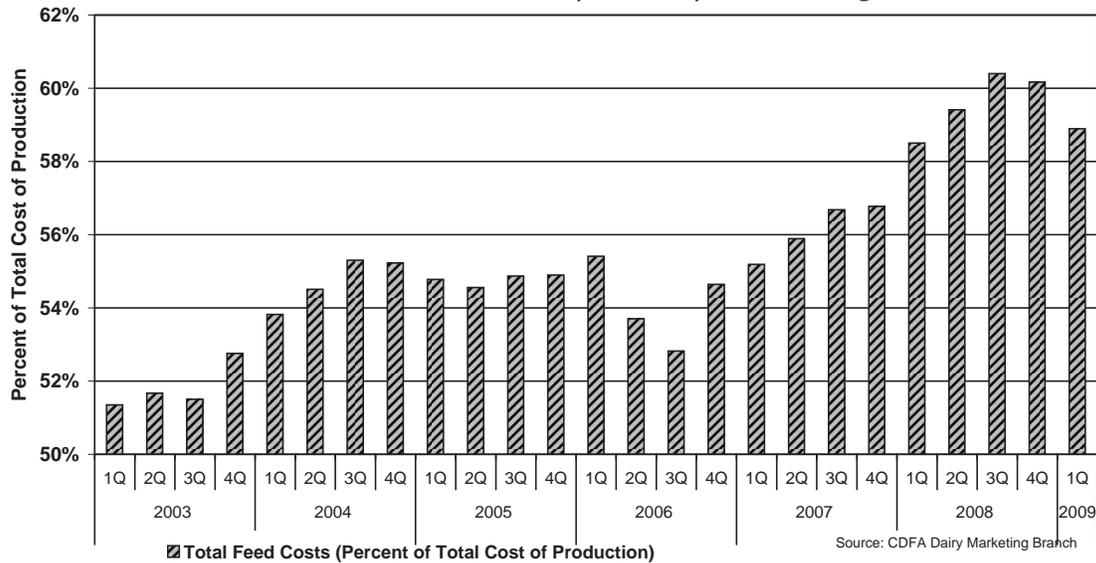
## By Quarter, 2008-2009

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
<i>Dollars per Hundredweight</i>										
<b>1st Quarter</b>										
Total Costs	19.74	22.38	15.14	16.63	15.31	16.63	15.44	15.35	15.34	16.67
Total Costs & Allowances*	21.97	24.77	16.98	18.23	17.17	18.58	17.07	17.29	17.31	18.51
<b>2nd Quarter</b>										
Total Costs	18.49		15.86		16.26		16.06		16.14	
Total Costs & Allowances*	20.62		17.76		18.16		17.69		18.04	
<b>3rd Quarter</b>										
Total Costs	20.52		16.68		17.38		17.13		17.17	
Total Costs & Allowances*	22.74		18.67		19.46		18.93		19.21	
<b>4th Quarter</b>										
Total Costs	22.08		17.08		17.39		16.62		17.33	
Total Costs & Allowances*	24.71		19.32		19.65		18.56		19.58	

\* Includes an allowance for management and a return on investment

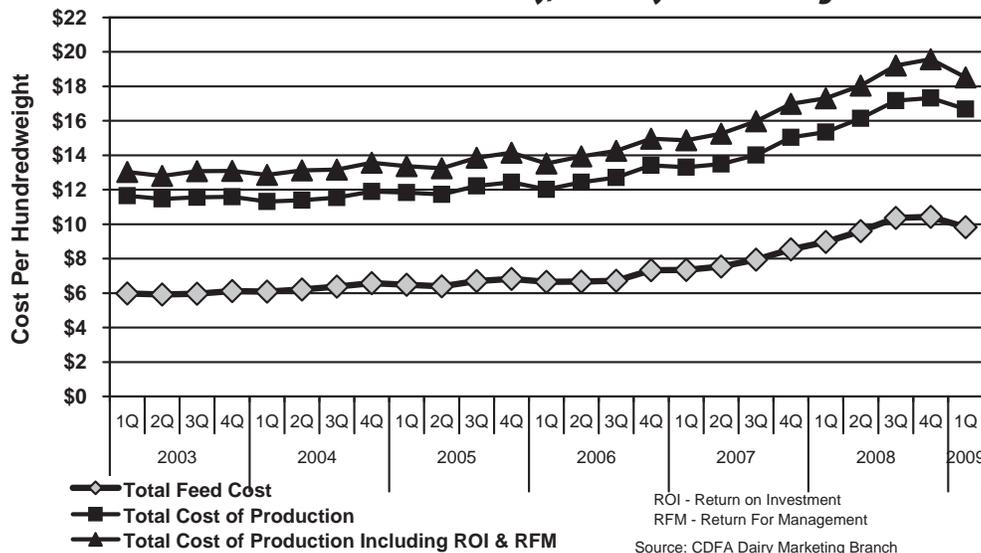
## Total Feed Costs (Percent of Total Cost of Production)

### Based on California Production Cost Survey, January 2003 through March 2009



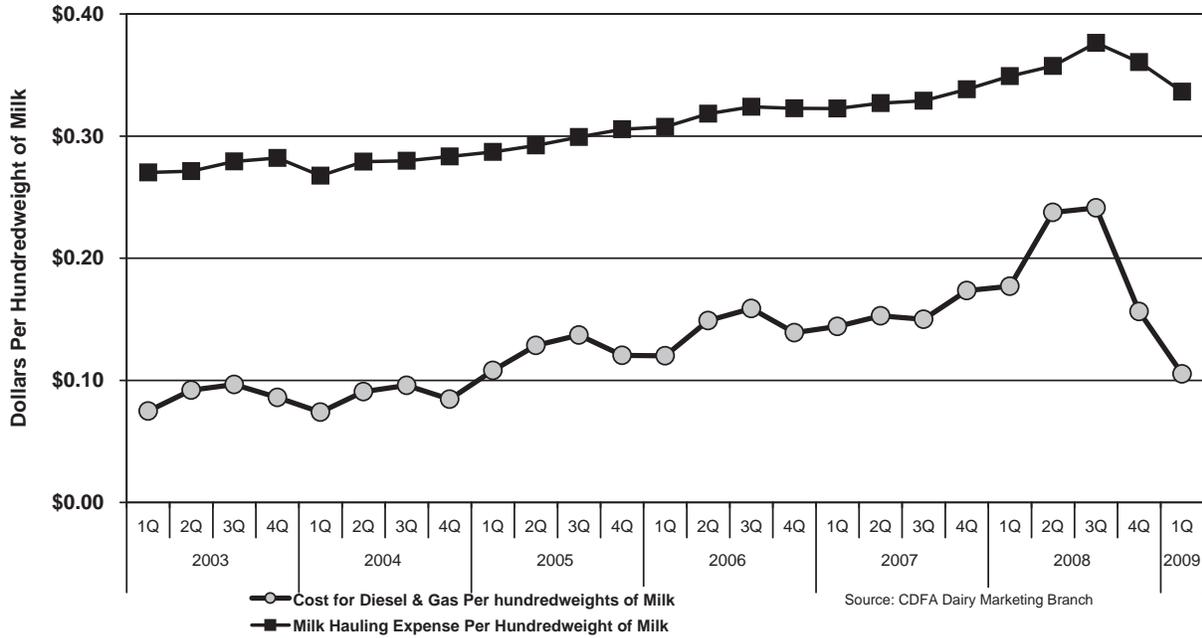
## California Cost of Production, Total Feed Cost, by Quarter

### Based on California Production Cost Survey, January 2003 through March 2009





## Diesel, Gas, and Milk Hauling Costs, Per Hundredweight of Milk Based on California Production Cost Survey, January 2003 through March 2009



### 2009-2010 DAIRY COUNCIL ASSESSMENT RATES ESTABLISHED

The Dairy Council of California has recommended and the Department of Food and Agriculture has approved assessment rates for the Council's 2009-2010 fiscal year (July 1, 2009, through June 30, 2010). The rates are presented below. These rates are the same as last year's rates.

2009-2010 Dairy Council Assessment Rates	
Class 1 Milk	one and fifty hundredths cents ( <b><u>\$0.015</u></b> ) per cwt.
Milk For All Other Classes	sixty hundredths cents ( <b><u>\$0.006</u></b> ) per cwt.

As you can see from the table above, the Dairy Council Law mandates a two-tier assessment structure; an assessment for milk used in Class 1 milk products and a lower assessment for milk used in all other classes of milk products. The Dairy Council Law stipulates that the assessment rate for Class 1 milk shall not exceed two cents (\$.02) per hundredweight (cwt.) and that the assessment rate for all other usages of milk shall not exceed eight mills (\$0.008) per hundredweight (cwt.). In addition, the Law further requires that the relationship between the two rates shall be at a ratio of 2.5 to 1. The Dairy Council assessment rates are applicable to both milk producers and milk handlers. The Dairy Council uses the funds generated from these assessments to carry out its mission of stimulating demand for milk by demonstrating the role of dairy products as essential elements in a healthy diet.

As in the past, handlers will continue to be responsible for remitting both the handler and producer assessments to the Department. Handlers shall pay the handler assessments for milk utilized in the plant of the handler. The producer assessments shall be collected by the first handler of milk produced in California by deducting any such assessments from any payment due the producer of such milk.

Please call Dennis Manderfield of the CDFA Marketing Branch at (916) 341-6005 if you have any questions about these assessment rates. If you have questions regarding the activities of the Dairy Council, please call Peggy Biltz, CEO of the Dairy Council, at (916) 263-3560.

## **CWT Latest Herd Retirement Summary - Another Round Announced**

*Continued from Page 1*

CWT announced a second herd-retirement for 2009 and shortened the time frame for producers to submit bids - all bids had to be postmarked by July 24, 2009. Jerry Kozak, president and chief executive officer of the National Milk Producers Federation, which manages CWT, noted the following: "To expedite and simplify the bidding process, CWT will consider bids up to, but not to exceed \$5.25 per hundredweight. However, there is no guarantee that a producer who bids at the maximum level will be selected." Producers must still bid on a per hundredweight basis, and CWT will continue to review and accept bids beginning from the lowest bids received and moving up toward the maximum level.

As has been the case in recent herd-retirements, in addition to submitting bids for their milk herds, participating farmers had the option of offering all of their bred heifers, at a flat price of \$700 per animal. With this eighth herd-retirement, CWT reinstated the rule that members of CWT whose herds were retired in any of the seven previous herd-retirement rounds were not allowed to bid again.

Producers whose bids are accepted in this herd retirement will be paid in two installments; 90 percent of the amount bid times the producer's 12 months of milk production when it is verified that all cows have gone to slaughter and the remaining 10 percent plus interest at the end of 12 months following the farm audit if both the producer and his dairy facility — whether owned or leased — do not become involved in the commercial production and marketing of milk during that period. Finally, producers whose bids are accepted in this herd-retirement and then choose to opt out will not be eligible to bid in future herd retirements.

## **Gas & Diesel Prices Continue to Rise**

The volatility of the oil markets for the last 18 months has shown no signs of slowing down, with oil prices more than doubling since January 2009 despite the weak economy. There is speculation that the instability of oil and gas prices could jeopardize a global recovery. The rising fuel prices are challenging for businesses and consumers who are already facing the effects of the recession. Last summer, prices surged to a record high \$145+ per barrel, driving up gasoline prices to over \$4 per gallon. But by December, oil tumbled to \$33 per barrel. Now, oil has risen to \$70 a barrel, pushing gas prices up again to \$2.60 a gallon.

Laura Wright, the chief financial officer at Southwest Airlines (a company that tries to insure against volatile prices by buying long-term oil contracts), speaks on the volatility: "Over the past 15 to 18 months, this has been unprecedented. At Southwest Airlines, fuel accounts for about a third of the company's costs." Airlines could have another year of deep losses attributed to rising jet fuel costs. And households, already financially affected by falling home prices, mounting job losses and credit pressures, are once more forced to monitor their discretionary spending as energy prices rise.

## **Saputo to Buy F&A Dairy of California**

Montreal-based Saputo announced that it is buying the activities of F&A Dairy of California, a mozzarella, provolone, and whey producer in Newman. Saputo is the 11th largest dairy processor and one of the top three cheese producers in the U.S. F&A Dairy produced approximately 60 million pounds of cheese in 2008. The sale was expected to be finalized in late July, 2009.

Saputo recently expanded in the U.S. by purchasing Wisconsin's Alto Dairy Cooperative in 2008, and a California cheese operation from Land O'Lakes in 2007. In addition, Saputo purchased Weston Foods' dairy division, Neilson Dairy, in 2008.

### ***CWT Latest Herd Retirement Summary - Continued from Page 1***

<b>Region</b>	<b>Northeast</b>	<b>Southeast</b>	<b>Midwest</b>	<b>Southwest</b>	<b>West</b>	<b>Total</b>
<b>Total Farms Audited</b>	41	52	125	63	86	367
<b>Total Cows Retired</b>	5,121	6,400	8,153	43,121	38,245	101,040
<b>Total Milk Removed</b>	104.3 million pounds	107.2 million pounds	147.3 million pounds	844.4 million pounds	759.9 million pounds	1.96 billion pounds

## **Sweden Introducing Climate Labeling for Foods**

Sweden is developing standards to help consumers make choices about the impact of their purchases on global warming. Starting with plant production, dairy and fish products, those with at least 25% greenhouse gas savings will be earmarked. Euractiv.com reports that the new label is a joint initiative by the Federation of Swedish Farmers, two food labelling organizations and various dairy and meat co-operatives.

According to Swedish studies, consumers are interested in climate-friendly products and 60% of consumers would like to see a corresponding label on the products they buy. The labels are intended to help the consumer choose a climate-friendlier alternative.

## **USDA Milk-Feed Price Ratio**

The June Milk Feed Price Ratio was 1.47, unchanged from the previous month, but down 1.88 from a year ago.

The June ratio reflects a \$0.20 decrease in the all-milk price — from \$11.60 to \$11.40 per hundredweight. One year ago the all-milk price used to calculate the ratio was \$19.30 per hundredweight.

The June ratio reflects a decrease in feed cost and in milk prices. Alfalfa hay decreased from \$138 to \$128 per ton, down from \$172 per ton in June 2008. Soybeans increased \$0.90, from \$10.70 to \$11.60 per bushel (however, still lower than last June when the price was \$13.10 per bushel). The corn price used to calculate the June ratio was \$3.93 per bushel, down 4 cents from May (corn in June 2008 was \$5.47 per bushel).

A ratio of 1.47 means that a dairy producer can buy 1.47 pounds of feed for every pound of milk sold. Whenever the ratio meets or exceeds 3.0, it is considered profitable to buy feed and produce milk.

## **NMPF Calls For Temporary Expansion Of Dairy Price Support Program**

The National Milk Producers Federation (NMPF) requested the U.S. Department of Agriculture (USDA) to boost its purchase prices for barrel and block cheeses and nonfat dry milk powder.

NMPF requested Agriculture Secretary Tom Vilsack to raise the purchase price for cheese blocks from \$1.13/lb. to \$1.19; raise the purchase price for barrel cheese from \$1.10 to \$1.16/lb.; and raise the purchase price for nonfat dry milk powder from \$0.80/lb. to \$0.84 - for the three month period of July through September. NMPF ascertains that higher dairy product prices will translate into higher farm-level prices.

Under the Dairy Product Price Support Program, the USDA serves as a “buyer of last resort” as an effort to help clear commodity dairy markets, especially during periods of low farm-level prices. The current cheese and nonfat dry milk support price levels were set by the 2008 Farm Bill, but the USDA has the authority to increase those prices.

“Secretary Vilsack is sensitive to the fact that farmers are desperate for any type of price relief, as they are caught in the crushing vise of low prices and high input costs,” said Jerry Kozak, President and CEO of NMPF. “Raising the price support levels by a few pennies a pound will be a simple and effective way to offer some assistance to farmers facing a very difficult summer.” Kozak said that USDA has already taken several important steps to help farmers in 2009, including liquidating 200 million pounds of surplus milk powder, reauthorizing the Dairy Export Incentive Program (DEIP) in May, and expediting the payments under the Milk Income Loss Contract program.

The NMPF also requested that USDA authorize DEIP bonuses for the new fiscal year that begins July 1, 2009, which, if fully implemented, could help clear another 1.7 billion pounds of milk from the U.S. market.

## **USDA Extends DEIP Allocations**

USDA is extending the remainder of the uncommitted bids from 2008-2009, making available 48,176 metric tons of nonfat dry milk, 19,235 metric tons of butterfat and 2,878 metric tons of cheese for the new 2009-2010 DEIP marketing year. These quantities will count towards the new marketing year that began July 1, 2009 and that ends June 30, 2010. USDA will continue to work with other agencies to make the rest of the full DEIP allocations (20,025 metric tons of nonfat dry milk, 1,862 metric tons of butterfat and 152 metric tons of cheese) available at a later date.

## **Study Finds Dairy Farms Rely on Foreign Workers**

*NMPP States... "Losing Immigrant Laborers Would Reduce Farm Numbers, Increase Unemployment"*

During May-July 2008, the National Milk Producers Federation (NMPP) sponsored a comprehensive national survey of the employment practices of America's dairy farmers and found that they rely heavily on foreign-born workers. NMPP claims that the loss of these immigrant workers could cripple many farms and create a ripple effect of job losses throughout the rural economy.

**Survey Summary:** Working with researchers at Texas AgriLife Research, a component of the Texas A&M University System, NMPP surveyed 5,005 dairy farms with responses from 47 states and 1,344 useable surveys analyzed. The survey objectives included which farms were using foreign-born labor, and information on wage and non-wage benefits. The survey found that U.S. dairies employed 138,000 full-time equivalent workers, of which 57,000, or 41%, were foreign-born.

The survey showed that workers were paid an average of \$506 in weekly wages, with most employers providing at least one non-wage benefit, such as paid vacation, housing, and/or insurance. Including the non-wage benefits, the average dairy workers' salaries in 2008 were \$31,521, reportedly higher than salaries in the landscaping, ranching, and fast food sectors (which employ a similar percentage of immigrant workers).

Texas AgriLife Research estimated that the loss of just half of the 57,000 foreign-born dairy workers, an additional 66,000 workers could be lost due to the closure of some dairy farms. The resulting multiplier effect would be fewer jobs in grain and fertilizer production and sales, veterinary services, milk hauling, and related agricultural service jobs - equating to a possible economic loss of \$11 billion. The survey analysis also concluded that consumers likely would see higher retail dairy product prices caused by farms reducing or ceasing milk production which would reduce the overall U.S. milk supply.

## **MILC Eligibility and Payment Confusion . . .**

The Milk Income Loss Contract (MILC) program payments have been triggered when the Class I price in Boston falls below \$16.94 per cwt. The base payment rate is any positive difference between \$16.94 and the Class I milk price at Boston, times 45%. There is also a "feed cost adjustor," which can only increase the payment. Producers are eligible to receive payments on up to 2.985 million pounds of milk production per fiscal year. Producers can choose the month for which they want to start receiving payments and they will continue until the production cap is reached.

### **Clarification on Adjusted Gross Income**

Producers are reporting confusion about their eligibility for the MILC program with respect to the Adjusted Gross Income (AGI). The MILC payments are limited to producers with **non-farm AGI below \$500,000**. However, for the MILC program, there is no limit with respect to "actual farm" AGI.

Note that farm AGI was redefined last year to include many farm-related enterprises (see website for more details: [http://www.fsa.usda.gov/Internet/FSA\\_File/agi2009.pdf](http://www.fsa.usda.gov/Internet/FSA_File/agi2009.pdf)).

The National Milk Producers Federation (NMPP) recently sent a letter to the Farm Services Agency (FSA) urging them to effectively communicate with their agency offices on these adjusted gross income issues. In addition, NMPP urged the FSA to facilitate producer applications in a timely manner and to ease the rigidity of some of the paperwork requirements when processing the applications.

## **National Dairy Situation and Outlook – USDA Estimates**

### **Milk Production**

Monthly: Compared to 2008, USDA estimates overall milk production across the U.S. was down 0.2% in June 2009; led by Virginia at 5.8% growth in milk production (on 2,000 less cows and 110 more pounds per cow). USDA reports that California milk production was down 4.1% on (37,000 less cows and 40 less pounds per cow), compared to June 2008. Among other western states, Arizona was down 6.1%; New Mexico was unchanged; and Washington was down 1.2%. Five of the top 10 states reported a production increase.

Quarterly: For the second quarter of 2009 compared to the first quarter of 2009, U.S. milk cow numbers dropped to 9.255 million, milk production per cow increased to 5,255 pounds; the net effect was increased milk production to 48.6 billion pounds. USDA projects that for the third quarter of 2009 compared to the second quarter of 2009, U.S. milk cow numbers will decrease to 9.120 million cows, production per cow will decrease to 5,055 pounds; the net effect would be decreased milk production to 46.1 billion pounds.

### **Milk Prices**

Comparing the second quarter of 2009 to the first quarter of 2009, U.S. average milk prices decreased to \$11.63/cwt. USDA projects that for the third quarter of 2009, U.S. average all-milk prices will be \$11.05-11.45/cwt.; Class 4b prices will be \$10.11-10.51/cwt.; and Class 4a prices will be \$10.02-10.52/cwt.

### **Utility Cow Prices**

Comparing the second quarter of 2009 to the first quarter of 2009, average U.S. utility cow prices were up \$3.04/cwt. to a national average of \$49.46/cwt. USDA projects that utility cow prices will average \$47-49/cwt. in the third quarter of 2009.

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

## **Dean Foods Announces Natural Dairy Products Category**

A division of Dean Foods reported the intention to create an entirely new, lower-priced, product category, "natural dairy" - Horizon will for the first time market products that are not certified organic. Dean's WhiteWave-Morningstar division, which controls the Horizon, Organic Cow, Silk, and other specialty brands and is based in Longmont, Colorado launched their "alternative to the organic label."

Dean/WhiteWave also recently announced their plans to switch almost the entire product offerings of their Silk soymilk line to "natural" (conventional) soybeans. Some consumers and retailers expressed negative views when the switch to conventional soybeans was made in Silk products without lowering the price.

Sara Loveday, a marketing communications manager at WhiteWave said: "We've only been organic in the past and the majority of our business will remain organic. These are our first natural offerings in the marketplace, and Horizon always tries to provide great-tasting products for moms and for families." The Dean/WhiteWave spokesperson continued by saying the natural Horizon products would be "easier on the pocketbook."

# Pool Prices

Month	Quota	Overbase
January '08	\$19.14	\$17.44
February	\$18.42	\$16.72
March	\$17.71	\$16.01
April	\$17.56	\$15.86
May	\$18.47	\$16.77
June	\$19.12	\$17.42
July	\$19.05	\$17.35
August	\$18.01	\$16.31
September	\$17.92	\$16.22
October	\$17.14	\$15.44
November	\$15.97	\$14.27
December	\$14.11	\$12.41
January '09	\$12.10	\$10.40
February	\$11.28	\$ 9.58
March	\$11.54	\$ 9.84
April	\$11.57	\$ 9.87
May	\$11.46	\$ 9.76
June	\$11.32	\$ 9.62

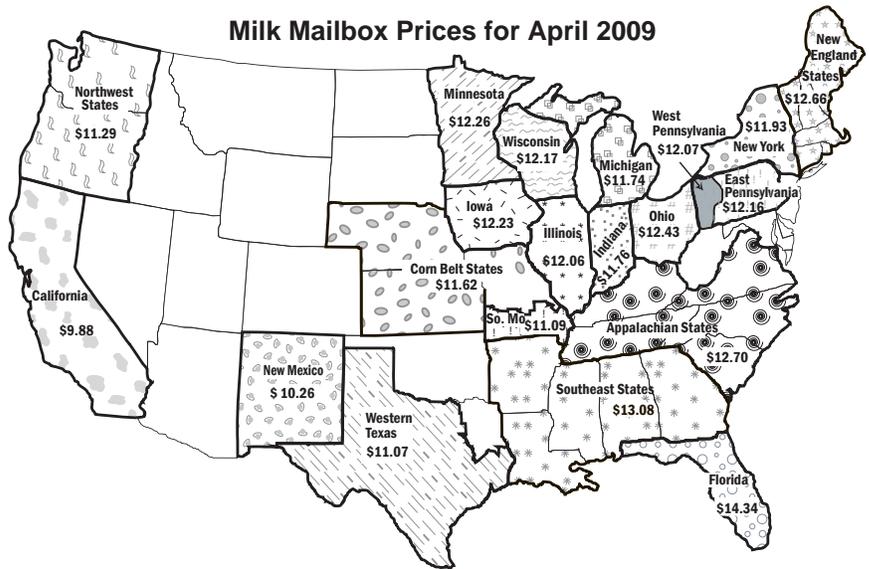
# Milk Mailbox Prices

## Milk Mailbox Prices in Dollars per Hundredweight

	October	November	December	January '09	February	March	April
California <sup>1</sup>	\$15.75	\$14.67	\$12.83	\$10.57	\$ 9.80	\$ 9.92	\$ 9.88
USDA <sup>2</sup>	\$17.95	\$17.42	\$16.12	\$13.77	\$11.61	\$11.60	\$11.96

<sup>1</sup> California mailbox price calculated by CDFA.  
<sup>2</sup> All federal milk market order weighted average, as calculated by USDA.

## Milk Mailbox Prices for April 2009



In April 2009, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$11.96 per cwt., up \$0.36 from the previous month average, and down \$6.23 from April 2008. The component tests of producer milk in April 2009 were: butterfat, 3.66%; protein, 3.04%; and other solids, 5.71%. On an individual reporting area basis, mailbox prices increased in all Federal milk order reporting areas except Minnesota, and ranged from \$14.34 in Florida to \$10.26 in New Mexico.



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**Milk Pricing Information:**  
 Within California 1-800-503-3490  
 Outside California 1-916-442-MILK

The California Department of Food and Agriculture Dairy Marketing Branch publishes the California Dairy Review monthly. Please direct any comments or subscription requests to Karen Dapper at (916) 341-5988 or send an email to [dairy@cdca.ca.gov](mailto:dairy@cdca.ca.gov)

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