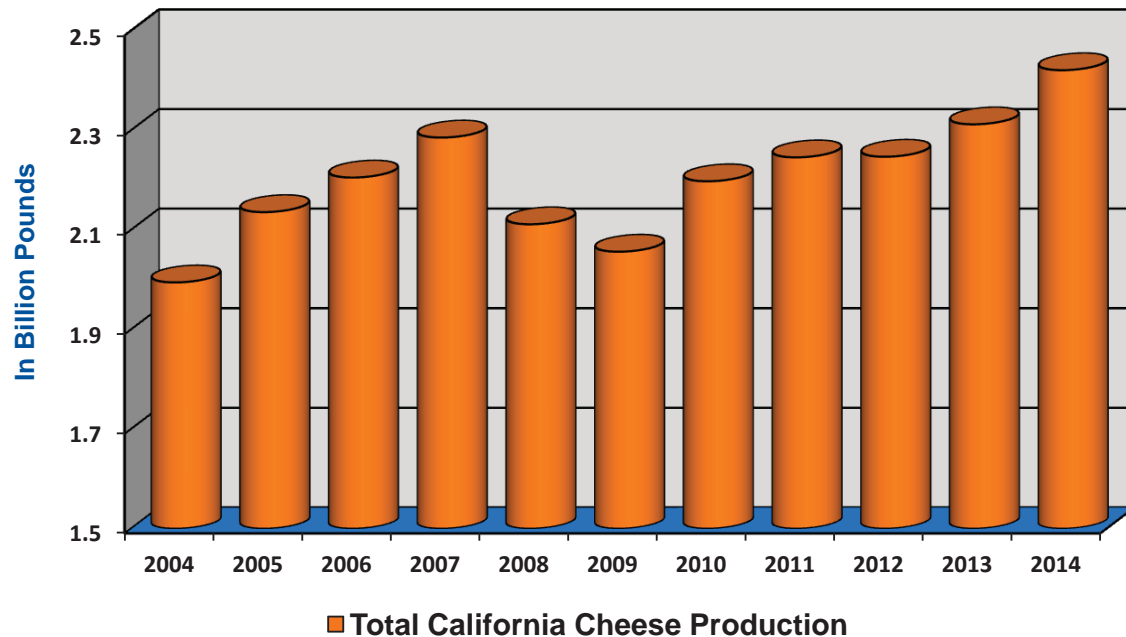


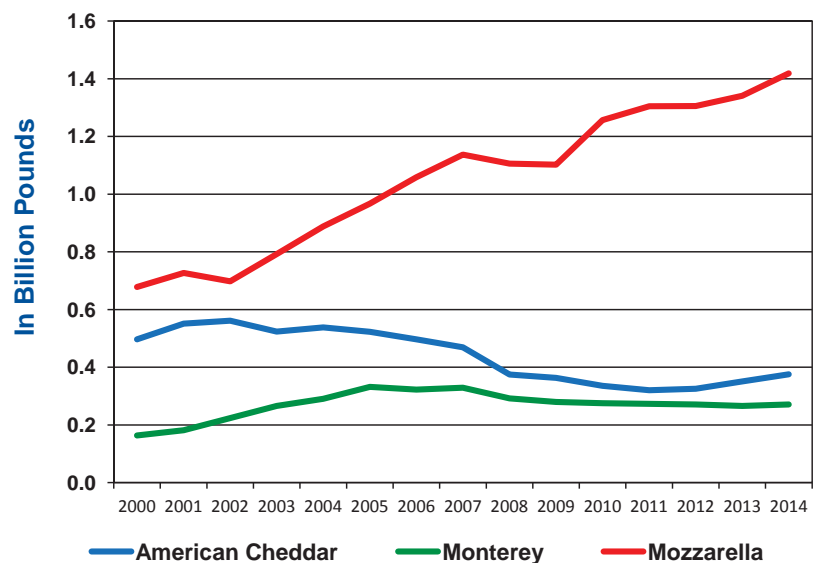
## Total Cheese Production in California



- California total cheese production reached a record 2.42 billion pounds for 2014.
- Cheddar, Monterey, and Mozzarella cheeses accounted for approximately 85 percent of California's total cheese production in 2014.
- Mozzarella cheese represents more than half of all cheese produced in California.

Source: CDFA Dairy Marketing Branch, California cheese processing plants.

## California Cheddar, Monterey, and Mozzarella Production, 2000-2014, In Billion Pounds



- Starting with the January 2015 statistics data, the data tables will be released in two phases:
  - Dairy Product tables will be released/posted approximately the 18<sup>th</sup>-21<sup>st</sup> of the month.
  - Milk Production and Pooling tables will be released/posted approximately the 27<sup>th</sup>-30<sup>th</sup> of the month.
- This is the last Dairy Information Bulletin newsletter, however the tables will continue to be posted to the website with the option of downloading in PDF or excel formats.

## California Minimum Class Prices

Hundredweight Prices

Class	Dec.	Jan.	Feb.
1 No. Calif.	\$23.72	\$19.49	\$17.08
So. Calif.	\$23.99	\$19.76	\$17.36
2 No. Calif.	\$20.25	\$20.25	N/A
So. Calif.	\$20.48	\$20.48	N/A
3	\$20.20	\$20.20	N/A
4a	\$16.57	N/A	N/A
4b	\$14.78	N/A	N/A

## Quota Transfer Summary

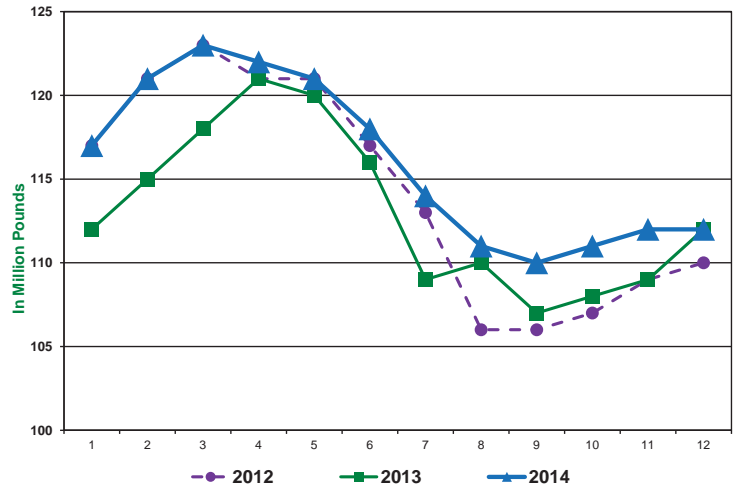
Quota Transfers	Nov.	Dec.	Jan.
Number of Sellers	3	6	1
Pounds of SNF Quota			
Transferred	3,587	8,935	2,007
Average Price Per			
Pound of SNF Quota	\$525	\$522	\$525

## California Pool Prices

Pool Price	Oct.	Nov.	Dec.
Quota	\$23.19	\$20.70	\$18.22
Overbase	\$21.49	\$19.00	\$16.52

## California Milk Production

Average Daily Basis: 2012, 2013, 2014



February 2012 Milk Production included 29 days.

## California Milk Production Cost Comparison, by Region, 2013-2014

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
<i>Dollars per Hundredweight</i>										
<b>1st Quarter</b>										
Total Costs	\$24.44	\$24.89	\$17.64	\$16.73	\$17.57	\$16.19	\$16.96	\$16.11	\$17.69	\$16.56
Total Costs & Allowances*	\$26.14	\$26.92	\$19.08	\$18.38	\$19.06	\$17.84	\$18.38	\$17.76	\$19.16	\$18.22
<b>2nd Quarter</b>										
Total Costs	\$22.52	\$23.50	\$17.00	\$17.07	\$16.81	\$16.72	\$16.57	\$15.73	\$16.98	\$16.93
Total Costs & Allowances*	\$24.19	\$25.34	\$18.42	\$18.69	\$18.27	\$18.33	\$17.88	\$17.33	\$18.42	\$18.55
<b>3rd Quarter</b>										
Total Costs	\$22.94	\$25.74	\$17.58	\$17.75	\$17.73	\$17.75	\$17.16	\$17.03	\$17.76	\$17.88
Total Costs & Allowances*	\$24.71	\$27.69	\$19.13	\$19.43	\$19.35	\$19.44	\$18.70	\$18.75	\$19.35	\$19.58

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

## California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	Dec. 31, 2014		Jan. 2, 2015		Jan. 9, 2015		Jan. 16, 2015	
Delivered	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
<b>Tulare, Hanford Areas</b>								
Supreme	75	\$320-\$340	N/A	-	875	\$310-\$330	550	\$310-\$330
Premium	825	\$280	N/A	-	1,880	\$280-\$296	375	\$270-\$290
Good	0	No Sales	N/A	-	800	\$235-\$265	300	\$225-\$260
Fair	0	No Sales	N/A	-	1,482	\$215-\$220	900	\$205-\$220
<b>Escalon, Modesto, Turlock Areas</b>								
Supreme	0	No Sales	N/A	-	355	\$320-\$325	125	\$310-\$325
Premium	1,350	\$287-\$305	N/A	-	425	\$278-\$310	50	\$278
Good	0	No Sales	N/A	-	675	\$235-\$260	0	No Sales
Fair	300	\$220-\$230	N/A	-	150	\$210-\$225	50	\$200

Source: The Hoyt Report, Inc.

## Federal Order Minimum Class Prices

### Hundredweight Prices

Class I	Dec.	Jan.	Feb.
Phoenix, Arizona	\$24.88	\$20.93	\$18.59
Portland, Oregon	\$24.43	\$20.48	\$18.14
Boston (Northeast)	\$25.78	\$21.83	\$19.49
<b>Class III</b>	<b>\$17.82</b>	<b>N/A</b>	<b>N/A</b>

## USDA Dairy Cow Culling Activity

Week Ending	Region 9 <sup>1</sup> Dairy Cows	U.S. Dairy Cows	West Region <sup>2</sup> Price Range
	Head	Head	\$/cwt.
12/12/14	17,700	60,100	\$85-\$100
12/19/14	16,700	59,400	\$85-\$95
12/26/14	13,200	42,400	\$90
1/2/15	14,700	48,200	\$82-\$95

<sup>1</sup> Region 9 includes AZ, CA, HI and NV

<sup>2</sup> West region includes AZ, NV, UT, CA, ID, OR and WA

Source: USDA Market News: Report LM\_CT168 and SJ\_LS714

## USDA Commercial Cold Storage Report

Month	Butter		American Cheese		Nonfat Dry Milk	
	2013	2014	2013	2014	2013	2014
	In Million Pounds					
January	207	138	644	631	249	149
February	240	164	667	628	225	182
March	255	180	680	639	218	214
April	310	174	699	648	208	239
May	321	193	714	656	227	221
June	319	186	711	655	230	229
July	296	170	705	660	207	250
August	269	165	670	662	194	243
September	233	146	661	631	145	178
October	182	139	626	623	111	195
November	122	101	614	635	114	217
December	112	99	618	624	133	N/A

Source: USDA, Farm Services Agency, NASS Cold Storage and Dairy Products.  
(As published in the Dairy Market News)

## USDA Milk-Feed Price Ratio

USDA reports that the milk-feed price ratio for December 2014 was 2.83 (down from 2.74 in November 2014). The current ratio of 2.83 means that a dairy producer can buy 2.83 pounds of feed for every pound of milk sold. The prices used to calculate the December 2014 milk-feed price ratio were: corn \$3.77/bushel; soybeans \$10.20/bushel; baled alfalfa hay \$183/ton; all-milk price \$20.30/cwt. (decreased from \$23.00 in November 2014).

Prices used to calculate the milk-feed price ratio are based on U.S. prices and don't necessarily reflect California prices.

## National Dairy Situation & Outlook USDA Estimates

### Milk Production

**Monthly:** USDA estimates overall milk production across the U.S. increased 3.1% in December 2014, compared to December 2013. USDA reports that California milk production decreased 0.1% compared to December 2013 (on 1,000 less cows and the same pounds of milk per cow). Among other western states, compared to December 2013, Arizona was up 4.5%; New Mexico was up 0.5%; and Washington was up 5.0%. Only one of the top 10 milk producing states reported a production decrease. The largest increase was reported by Texas at 9.7% growth in milk production (on 30,000 more cows and 50 more pounds of milk per cow).

**Quarterly:** For the fourth quarter of 2014 compared to the third quarter of 2014, U.S. milk cow numbers increased to 9.280 million head, milk production per cow decreased to 5,490 pounds; the net effect was a decrease in milk production to 50.9 billion pounds. USDA projects that for the first quarter of 2015 compared to the fourth quarter of 2014, milk cow numbers will increase to 9.290 million head, production per cow will increase to 5,660 pounds; the net effect would be an increase in milk production to 52.6 billion pounds.

### Milk Prices

Comparing the fourth quarter of 2014 to the third quarter of 2014, U.S. average all-milk prices increased to \$22.73/cwt. USDA projects that for the first quarter of 2015, U.S. average all-milk prices will be \$18.85-\$19.25/cwt.; Class III prices will be \$15.60-\$16.00/cwt.; and Class IV prices will be \$14.20-\$14.70/cwt.

### Utility Cow Prices

Comparing the fourth quarter of 2014 to the third quarter of 2014, average U.S. utility cow prices were down \$2.06/cwt. to a national average of \$109.21/cwt. USDA projects that utility cow prices will average \$105-\$111/cwt. in the first quarter of 2015.

## Top Ten Milk Production States - Dec. 2014

(Percent Change from Same Month/Previous Year)

1. California	-0.1%	6. Texas	+9.7%
2. Wisconsin	+3.1%	7. Michigan	+7.8%
3. New York	+4.1%	8. Minnesota	+2.3%
4. Idaho	+3.5%	9. New Mexico	+0.5%
5. Pennsylvania	+3.3%	10. Washington	+5.0%


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

# Milk Mailbox Prices in Dollars per Hundredweight - 2014

## 2014 Mailbox Milk Prices

Reporting Areas	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Dollars Per Hundredweight</b>												
<b>California</b>	<b>\$22.04</b>	<b>\$22.67</b>	<b>\$23.36</b>	<b>\$23.13</b>	<b>\$21.72</b>	<b>\$21.60</b>	<b>\$21.32</b>	<b>\$22.27</b>	<b>\$23.31</b>	<b>\$22.66</b>		
New England States	\$24.68	\$25.94	\$26.30	\$26.41	\$25.91	\$24.92	\$25.06	\$25.94	\$27.18	\$25.80		
New York	\$23.64	\$25.06	\$25.58	\$25.66	\$25.16	\$24.08	\$24.27	\$25.25	\$26.39	\$24.85		
Eastern Pennsylvania	\$23.75	\$25.10	\$25.48	\$25.58	\$25.12	\$24.07	\$24.20	\$25.17	\$26.25	\$24.85		
Appalachian States	\$24.59	\$25.41	\$25.96	\$25.78	\$25.77	\$24.68	\$25.27	\$26.46	\$27.14	\$26.11		
Southeast States	\$24.62	\$25.69	\$26.10	\$25.83	\$26.12	\$24.85	\$25.83	\$27.29	\$27.98	\$26.79		
Southern Missouri	\$23.69	\$24.57	\$24.92	\$24.64	\$24.63	\$23.66	\$24.44	\$25.77	\$27.34	\$26.44		
Florida	\$25.33	\$26.77	\$27.27	\$27.13	\$27.41	\$25.78	\$27.40	\$28.67	\$29.25	\$28.10		
Western Pennsylvania	\$23.69	\$25.20	\$25.61	\$25.77	\$24.87	\$23.70	\$23.83	\$24.89	\$26.27	\$25.24		
Ohio	\$23.68	\$24.92	\$25.24	\$25.38	\$24.45	\$23.34	\$23.61	\$24.66	\$25.83	\$24.88		
Indiana	\$23.03	\$24.22	\$24.46	\$24.51	\$23.87	\$22.61	\$22.96	\$24.31	\$25.35	\$24.31		
Michigan	\$22.94	\$24.28	\$24.62	\$24.66	\$23.90	\$22.97	\$23.08	\$23.99	\$25.50	\$23.69		
Wisconsin	\$23.51	\$25.31	\$25.34	\$25.91	\$24.38	\$22.91	\$23.16	\$23.96	\$26.27	\$25.76		
Minnesota	\$23.48	\$25.48	\$25.43	\$26.06	\$24.47	\$22.85	\$23.11	\$23.98	\$26.52	\$25.91		
Iowa	\$23.84	\$25.44	\$25.75	\$25.97	\$24.83	\$23.48	\$23.76	\$24.61	\$26.22	\$25.55		
Illinois	\$23.75	\$25.50	\$25.61	\$25.81	\$24.80	\$23.33	\$23.61	\$24.63	\$26.40	\$26.00		
Corn Belt States	\$22.77	\$24.24	\$24.39	\$24.51	\$23.32	\$21.84	\$21.84	\$22.59	\$24.55	\$23.88		
Western Texas	\$22.73	\$24.31	\$24.32	\$24.42	\$22.96	\$21.43	\$21.56	\$22.37	\$24.10	\$23.65		
New Mexico	\$21.53	\$22.90	\$22.96	\$22.94	\$21.77	\$20.25	\$20.25	\$21.10	\$22.88	\$22.59		
Northwest States	\$23.73	\$24.63	\$25.36	\$24.97	\$23.85	\$23.29	\$23.47	\$24.38	\$25.86	\$24.04		
All Federal Order Areas	\$23.47	\$24.91	\$25.18	\$25.33	\$24.37	\$23.11	\$23.36	\$24.29	\$25.92	\$24.88		

California mailbox price calculated by CDFA Dairy Marketing Branch  
All federal milk market order weighted average, as calculated by USDA.

If you would like to receive an email notification when this publication is posted to the website, please go to: [www.cdffa.ca.gov/dairy](http://www.cdffa.ca.gov/dairy) and click on  Web Posting Email Notification to subscribe to the Dairy Marketing Branch Email Notifications.

California Department of Food and Agriculture  
Karen Ross, Secretary  
Dairy Marketing Branch  
1220 N Street  
Sacramento, CA 95814  
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 or Lu Tang at (916) 900-5014, or send an email to [dairy@cdffa.ca.gov](mailto:dairy@cdffa.ca.gov)

**Dairy Marketing Branch:**  
Phone (916) 900-5014; Fax (916) 900-5341  
Website: [www.cdffa.ca.gov/dairy](http://www.cdffa.ca.gov/dairy)  
Email: [dairy@cdffa.ca.gov](mailto:dairy@cdffa.ca.gov)

