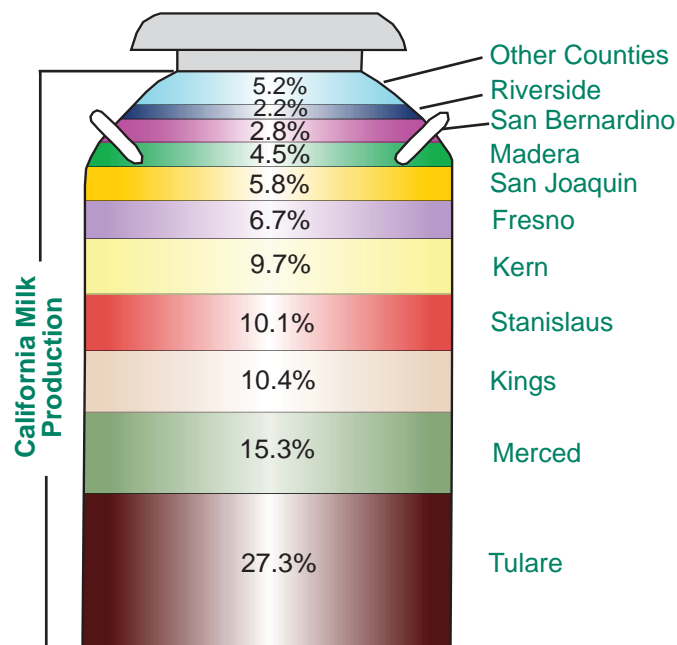


California's Top 10 Milk Producing Counties, Percent Share of California Milk Production, January-December 2014

County (by rank)	Milk Production Jan-Dec 2014 (In Pounds)	% Change from 2013
#1 Tulare	11,555,074,430	2.06%
#2 Merced	6,460,220,359	4.64%
#3 Kings	4,418,690,842	4.46%
#4 Stanislaus	4,276,801,395	-0.80%
#5 Kern	4,096,363,973	0.77%
#6 Fresno	2,842,302,353	4.41%
#7 San Joaquin	2,460,191,603	6.23%
#8 Madera	1,890,690,392	6.68%
#9 San Bernardino	1,187,278,784	-5.70%
#10 Riverside	912,512,331	-1.67%



California Milk Production in 2014:

- There were 32 California counties recording milk production in 2014, producing 42.3 billion pounds (a 2.6 percent increase over 2013 total milk production).
- The top 10 milk producing counties in 2014 represented 94.8 percent of the total California milk production.
- Tulare, Merced, and Kings counties (the top 3 milk producing counties in 2014) represented 53.0 percent of the total milk production.
- For the top 10 counties, comparing 2014 to 2013, the largest increase in milk production was recorded by Madera County, showing a 6.68 percent increase.
- The Southern California counties of San Bernardino and Riverside recorded the largest decreases in milk production in 2014 compared to the previous year, -5.70 percent and -1.67 percent, respectively.

Sources: CDFA Dairy Marketing and
Milk Pooling Branches

California Minimum Class Prices

Hundredweight Prices

Class	Jan.	Feb.	Mar.
1 No. Calif.	\$19.49	\$17.08	\$16.66
So. Calif.	\$19.76	\$17.36	\$16.93
2 No. Calif.	\$20.25	\$15.25	\$15.25
So. Calif.	\$20.48	\$15.49	\$15.49
3	\$20.20	\$15.21	\$15.21
4a	\$13.09	N/A	N/A
4b	\$13.75	N/A	N/A

Quota Transfer Summary

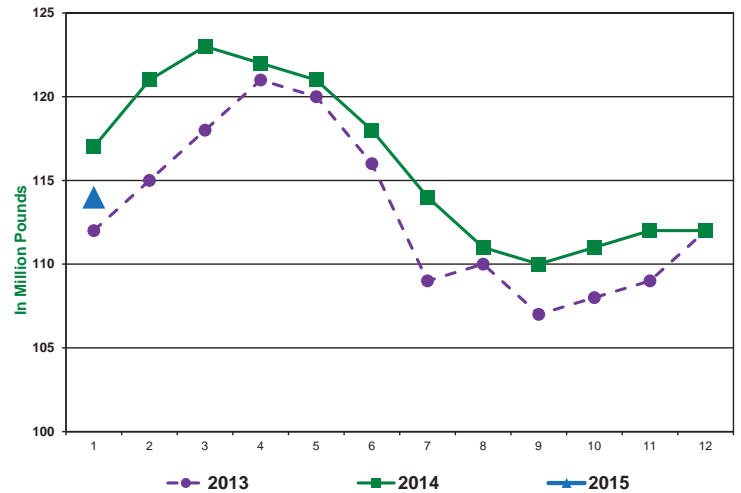
Quota Transfers	Dec.	Jan.	Feb.
Number of Sellers	6	1	0
Pounds of SNF Quota Transferred	8,935	2,007	0
Average Price Per Pound of SNF Quota	\$522	\$525	\$0

California Pool Prices

Pool Price	Nov.	Dec.	Jan.
Quota	\$20.70	\$18.22	\$15.85
Overbase	\$19.00	\$16.52	\$14.15

California Milk Production

Average Daily Basis: 2013, 2014, 2015



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>										
1st Quarter										
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
2nd Quarter										
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
3rd Quarter										
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	Jan. 30, 2015		Feb. 6, 2015		Feb. 13, 2015		Feb. 20, 2015	
Delivered	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
Tulare, Hanford Areas								
Supreme	1,250	\$300-\$320	875	\$305-\$320	210	\$300-\$310	-	No Sales
Premium	900	\$280-\$285	2,800	\$265-\$278	500	\$265-\$290	400	\$270
Good	250	\$250	-	No Sales	1,125	\$250-\$258	1,475	\$225-\$255
Fair	250	\$205-\$215	400	\$205-\$215	1,100	\$190-\$215	575	\$200-\$215
Escalon, Modesto, Turlock Areas								
Supreme	600	\$310-\$320	1,925	\$295-\$325	75	\$280-\$305	525	\$300-\$315
Premium	175	\$278-\$300	550	\$278-\$300	100	\$275	220	\$275-\$285
Good	1,900	\$220-\$250	450	\$235	-	No Sales	325	\$225-\$260
Fair	625	\$205-\$215	600	\$198-\$220	300	\$198-\$220	275	\$200-\$215

Source: The Hoyt Report, Inc.

Federal Order Minimum Class Prices

Hundredweight Prices

Class I	Jan.	Feb.	Mar.
Phoenix, Arizona	\$20.93	\$18.59	\$18.59
Portland, Oregon	\$20.48	\$18.14	\$18.14
Boston (Northeast)	\$21.83	\$19.49	\$19.49
Class III	\$16.18	N/A	N/A

USDA Dairy Cow Culling Activity

Week Ending	Region 9 ¹ Dairy Cows	U.S. Dairy Cows	West Region ² Price Range
	Head	Head	\$/cwt.
1/16/15	18,700	65,200	\$86-\$93
1/23/15	18,400	65,500	\$88-\$118
1/30/15	18,600	64,700	\$85-\$88
2/7/15	18,800	62,800	\$79-\$94

¹ Region 9 includes AZ, CA, HI and NV

² 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	
	2014	2015	2014	2015	2014	2015
	In Million Pounds					
January	144	148	631	632	149	N/A
February	164		628		182	
March	180		639		214	
April	174		648		239	
May	193		656		221	
June	186		655		229	
July	170		660		250	
August	165		662		243	
September	146		631		178	
October	139		623		195	
November	101		635		222	
December	104		628		247	

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 2.38 (down from 2.74 in November 2014). The current ratio of 2.38 means that a dairy producer can buy 2.38 pounds of feed for every pound of milk sold. The prices used to calculate the December 2014 milk-feed price ratio were: corn \$3.78/bushel; soybeans \$10.30/bushel; baled alfalfa hay \$183/ton; all-milk price \$20.40/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 2.1% in January 2015, compared to January 2014. USDA reports that California milk production decreased 2.6% compared to January 2014 (with 2,000 less cows and 50 less pounds of milk per cow). Among other western states, compared to January 2014, Arizona was up 3.0%; New Mexico was down 1.9%; and Washington was up 2.0%. Two of the top 10 milk producing states reported a production decrease. The largest increase was reported by Michigan at 9.6% growth in milk production (on 22,000 more cows and 75 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 9.284 million head, milk production per cow decreased to 5,487 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 9.310 million head, production per cow will increase to 5,650 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 decreased to \$22.77/cwt. USDA projects that for the first quarter of 2015, U.S. average all-milk prices will be \$17.10-\$17.40/cwt.; Class III prices will be \$15.70-\$16.00/cwt.; and Class IV prices will be \$13.40-\$13.80/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 \$104-\$108/cwt. in the first quarter of 2015.

Top Ten Milk Production States - Jan. 2015

(Percent Change from Same Month/Previous Year)

1. California	-2.6%	6. Texas	+4.4%
2. Wisconsin	+3.4%	7. Michigan	+9.6%
3. New York	+3.7%	8. Minnesota	+3.0%
4. Idaho	+1.4%	9. New Mexico	-1.9%
5. Pennsylvania	+3.0%	10. Washington	+2.0%


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
Dollars Per Hundredweight												
California	\$22.04	\$22.67	\$23.36	\$23.13	\$21.72	\$21.60	\$21.32	\$22.27	\$23.31	\$22.66	\$20.26	
New England States	\$24.68	\$25.94	\$26.30	\$26.41	\$25.91	\$24.92	\$25.06	\$25.94	\$27.18	\$25.80	\$24.06	
New York	\$23.64	\$25.06	\$25.58	\$25.66	\$25.16	\$24.08	\$24.27	\$25.25	\$26.39	\$24.85	\$23.00	
Eastern Pennsylvania	\$23.75	\$25.10	\$25.48	\$25.58	\$25.12	\$24.07	\$24.20	\$25.17	\$26.25	\$24.85	\$22.99	
Appalachian States	\$24.59	\$25.41	\$25.96	\$25.78	\$25.77	\$24.68	\$25.27	\$26.46	\$27.14	\$26.11	\$24.58	
Southeast States	\$24.62	\$25.69	\$26.10	\$25.83	\$26.12	\$24.85	\$25.83	\$27.29	\$27.98	\$26.79	\$25.11	
Southern Missouri	\$23.69	\$24.57	\$24.92	\$24.64	\$24.63	\$23.66	\$24.44	\$25.77	\$27.34	\$26.44	\$24.69	
Florida	\$25.33	\$26.77	\$27.27	\$27.13	\$27.41	\$25.78	\$27.40	\$28.67	\$29.25	\$28.10	\$26.43	
Western Pennsylvania	\$23.69	\$25.20	\$25.61	\$25.77	\$24.87	\$23.70	\$23.83	\$24.89	\$26.27	\$25.24	\$22.99	
Ohio	\$23.68	\$24.92	\$25.24	\$25.38	\$24.45	\$23.34	\$23.61	\$24.66	\$25.83	\$24.88	\$23.00	
Indiana	\$23.03	\$24.22	\$24.46	\$24.51	\$23.87	\$22.61	\$22.96	\$24.31	\$25.35	\$24.31	\$22.42	
Michigan	\$22.94	\$24.28	\$24.62	\$24.66	\$23.90	\$22.97	\$23.08	\$23.99	\$25.50	\$23.69	\$22.04	
Wisconsin	\$23.51	\$25.31	\$25.34	\$25.91	\$24.38	\$22.91	\$23.16	\$23.96	\$26.27	\$25.76	\$21.82	
Minnesota	\$23.48	\$25.48	\$25.43	\$26.06	\$24.47	\$22.85	\$23.11	\$23.98	\$26.52	\$25.91	\$21.69	
Iowa	\$23.84	\$25.44	\$25.75	\$25.97	\$24.83	\$23.48	\$23.76	\$24.61	\$26.22	\$25.55	\$23.10	
Illinois	\$23.75	\$25.50	\$25.61	\$25.81	\$24.80	\$23.33	\$23.61	\$24.63	\$26.40	\$26.00	\$23.28	
Corn Belt States	\$22.77	\$24.24	\$24.39	\$24.51	\$23.32	\$21.84	\$21.84	\$22.59	\$24.55	\$23.88	\$22.21	
Western Texas	\$22.73	\$24.31	\$24.32	\$24.42	\$22.96	\$21.43	\$21.56	\$22.37	\$24.10	\$23.65	\$21.87	
New Mexico	\$21.53	\$22.90	\$22.96	\$22.94	\$21.77	\$20.25	\$20.25	\$21.10	\$22.88	\$22.59	\$20.80	
Northwest States	\$23.73	\$24.63	\$25.36	\$24.97	\$23.85	\$23.29	\$23.47	\$24.38	\$25.86	\$24.04	\$21.81	
All Federal Order Areas	\$23.47	\$24.91	\$25.18	\$25.33	\$24.37	\$23.11	\$23.36	\$24.29	\$25.92	\$24.88	\$22.46	

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 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

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

