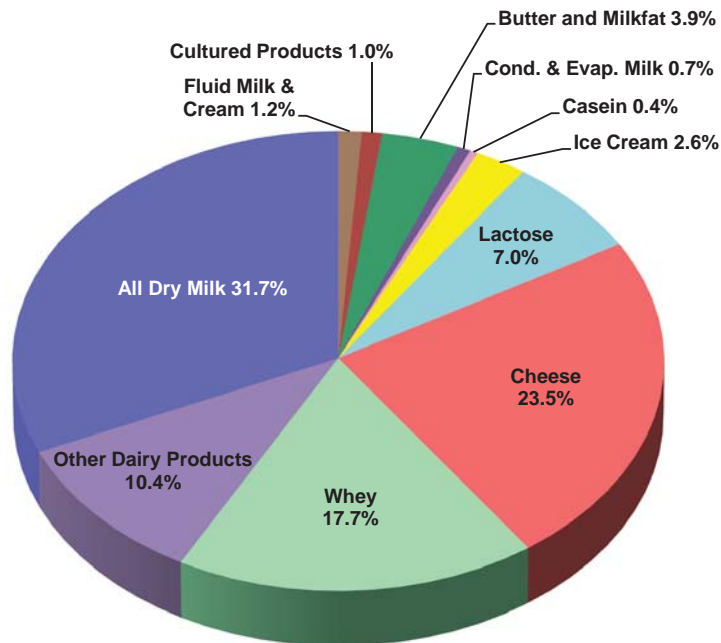


## 2014 Total U.S. Dairy Product Exports

Percent of Total Export Value, by Export Product, 2014

Total Export  
Value in 2014;  
\$7.2 Billion



### Percent of Volume of Product Exported, by Destination/Product, 2014

Export Destination	All Dry Milk	All Dry Whey	Cheese	Butter	Fluid Milk & Cream
North America	36.18%	21.67%	26.34%	7.38%	70.35%
Caribbean	1.73%	0.71%	3.29%	1.27%	4.93%
Central America	1.16%	1.65%	4.79%	1.43%	0.42%
South America	3.91%	3.10%	3.77%	0.25%	1.64%
Europe	0.18%	1.48%	1.58%	5.97%	0.06%
Middle East/N.A.	7.42%	2.72%	9.75%	73.79%	0.21%
Far East	47.54%	62.16%	45.19%	7.66%	21.87%
South Asia	1.20%	0.26%	0.01%	0.00%	0.00%
Oceania	0.43%	5.72%	5.26%	0.76%	0.47%
Sub-Saharan Africa	0.25%	0.54%	0.03%	1.48%	0.06%

For a breakdown of the Export Destination areas, visit the U.S. Dairy Export Council website at <http://usdec.files.cms-plus.com/TradeData/PDFs/Regions.pdf>

## California Minimum Class Prices

### Hundredweight Prices

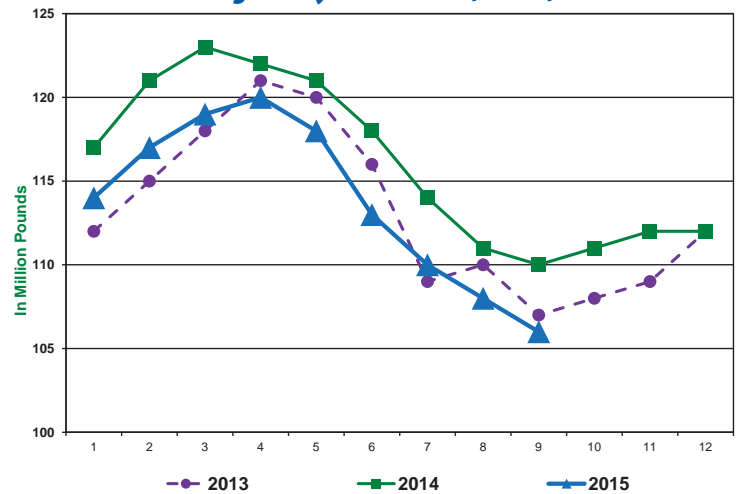
Class	Sept.	Oct.	Nov.
1 No. Calif.	\$18.08	\$17.37	\$17.68
So. Calif.	\$18.35	\$17.64	\$17.95
2 No. Calif.	\$13.77	\$14.66	\$14.66
So. Calif.	\$14.00	\$14.90	\$14.90
3	\$13.72	\$14.62	\$14.62
4a	\$15.40	N/A	N/A
4b	\$14.94	N/A	N/A

## California Pool Prices

Pool Price	July	Aug.	Sep.
Quota	\$16.02	\$16.33	\$16.68
Overbase	\$14.32	\$14.63	\$14.98

## California Milk Production

### Average Daily Basis: 2013, 2014, 2015



## Quota Transfer Summary

Quota Transfers	Aug.	Sept.	Oct.
Number of Sellers	2	5	4
Pounds of SNF Quota Transferred	675	5,271	6,266
Average Price Per Pound of SNF Quota	\$528	\$528	\$543

## California Milk Production Cost Comparison, by Region, 2014-2015

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
<i>Dollars per Hundredweight</i>										
<b>1st Quarter</b>										
Total Costs	\$24.89	\$26.65	\$16.73	\$17.89	\$16.19	\$17.37	\$16.11	\$16.49	\$16.56	\$17.71
Total Costs & Allowances*	\$26.92	\$28.37	\$18.38	\$19.29	\$17.84	\$18.78	\$17.76	\$17.86	\$18.22	\$19.12
<b>2nd Quarter</b>										
Total Costs	\$23.50	\$25.04	\$17.07	\$17.37	\$16.72	\$17.07	\$15.73	\$16.00	\$16.93	\$17.30
Total Costs & Allowances*	\$25.34	\$26.77	\$18.69	\$18.81	\$18.33	\$18.52	\$17.33	\$17.40	\$18.55	\$18.74

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

## California Alfalfa Hay Monthly Weighted Average Prices – Delivered

Week Ending	October 2, 2015		October 9, 2015		October 16, 2015		October 23, 2015	
Delivered	Tons	Price Range	Tons	Price Range	Tons	Price Range	Tons	Price Range
<b>Tulare, Hanford Areas</b>								
Supreme	2,595	\$260-\$290	1,245	\$265-\$285	3,300	\$260-\$287	1,850	\$260-\$285
Premium	1,400	\$230-\$267	600	\$235-\$265	350	\$237-\$255	1,270	\$230-\$255
Good	2,200	\$170-\$210	2,350	\$180-\$215	525	\$185-\$207	3,900	\$195-\$220
Fair	2,375	\$150-\$165	1,625	\$150-\$165	475	\$150-\$160	1,000	\$155-\$160
<b>Escalon, Modesto, Turlock Areas</b>								
Supreme	675	\$270-\$290	2,525	\$265-\$280	900	\$260-\$280	3,125	\$258-\$280
Premium	1,400	\$230-\$250	800	\$240-\$260	400	\$230-\$250	350	\$220-\$240
Good	1,390	\$178-\$195	700	\$195	-	No Sales	375	\$195-\$200
Fair	1,220	\$150-\$160	2,450	\$150-\$155	200	\$150-\$160	6,500	\$150-\$160

Source: The Hoyt Report, Inc.

## Federal Order Minimum Class Prices

### Hundredweight Prices

Class I	Sept.	Oct.	Nov.
Phoenix, Arizona	\$18.69	\$18.19	\$18.83
Portland, Oregon	\$18.24	\$17.74	\$18.38
Boston (Northeast)	\$19.59	\$19.09	\$19.73
<b>Class III</b>	<b>\$15.82</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.
9/18/15	16,400	59,800	\$94-\$94
9/25/15	16,700	58,800	\$94-\$94
10/2/15	16,000	59,300	\$91-\$94
10/9/15	15,800	58,900	\$85-\$96

<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	
	2014	2015	2014	2015	2014	2015
	In Million Pounds					
January	144	149	631	634	149	240
February	172	178	629	643	181	241
March	180	184	639	632	215	251
April	174	232	649	644	240	248
May	209	264	656	664	221	261
June	186	256	655	685	229	262
July	181	254	660	698	248	270
August	165	212	662	709	236	231
September	152	187	631	699	178	N/A
October	139		623		195	
November	101		635		222	
December	104		628		241	

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 August 2015 was 2.11 (up from 2.01 in July 2015). The current ratio of 2.11 means that a dairy producer can buy 2.11 pounds of feed for every pound of milk sold. The prices used to calculate the August 2015 milk-feed price ratio were: corn \$3.68/bushel; soybeans \$9.71/bushel; alfalfa hay \$159/ton; all-milk price \$16.70/cwt. (increased from \$16.60 in July 2015).

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 0.4% in September 2015, compared to September 2014. USDA reports that California milk production decreased 3.6% compared to September 2014 (with 1,000 less cows and 65 less pounds of milk per cow). Among other western states, compared to September 2014, Arizona was up 1.2%; New Mexico was down 2.0%; and Washington was down 0.2%. Four of the top 10 milk producing states reported a production decrease. The largest increase was reported by South Dakota at 12.6% growth in milk production (on 10,000 more cows and 40 more pounds of milk per cow).

**Quarterly:** For the third quarter of 2015 compared to the second quarter of 2015, U.S. milk cow numbers remained the same as 9.320 million head, milk production per cow decreased to 5,550 pounds; the net effect was a decrease in milk production to 51.7 billion pounds. USDA projects that for the fourth quarter of 2015 compared to the third quarter of 2015, milk cow numbers will increase to 9.325 million head, production per cow will decrease to 5,530 pounds; the net effect would be a decrease in milk production to 51.6 billion pounds.

### Milk Prices

For the third quarter of 2015 U.S. average all-milk prices are estimated to be \$16.75-\$16.85/cwt. USDA projects that for the fourth quarter of 2015, U.S. average all-milk prices will be \$17.00-\$17.40/cwt.; Class III prices will be \$15.45-\$15.85/cwt.; and Class IV prices will be \$14.45-\$14.95/cwt.

### Utility Cow Prices

For the third quarter of 2015, average U.S. utility cow price was \$103.34/cwt. USDA projects that utility cow prices will average \$98-\$104/cwt. in the fourth quarter of 2015.

## Top Ten Milk Production States - Sept. 2015

(Percent Change from Same Month/Previous Year)

1. California	-3.6%	6. Texas	+0.6%
2. Wisconsin	+3.1%	7. Michigan	+4.0%
3. Idaho	+1.7%	8. Minnesota	+2.2%
4. New York	+1.1%	9. New Mexico	-2.0%
5. Pennsylvania	-1.9%	10. Washington	-0.2%


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 - 2015

## 2015 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>\$15.11</b>	<b>\$14.49</b>	<b>\$14.45</b>	<b>\$14.43</b>	<b>\$14.72</b>	<b>\$15.05</b>	<b>\$14.62</b>					
New England States	\$19.33	\$18.44	\$18.08	\$17.97	\$18.07	\$18.18	\$17.74					
New York	\$18.01	\$17.05	\$16.67	\$16.55	\$16.68	\$16.74	\$16.44					
Eastern Pennsylvania	\$17.85	\$17.03	\$16.56	\$16.41	\$16.48	\$16.49	\$16.28					
Appalachian States	\$19.09	\$17.94	\$16.91	\$16.54	\$16.49	\$17.02	\$17.53					
Southeast States	\$19.81	\$18.29	\$17.06	\$16.61	\$16.69	\$17.28	\$18.05					
Southern Missouri	\$18.39	\$17.72	\$16.79	\$15.95	\$15.99	\$16.59	\$17.88					
Florida	\$21.33	\$19.55	\$17.98	\$17.77	\$17.77	\$18.21	\$18.96					
Western Pennsylvania	\$17.98	\$17.10	\$16.73	\$16.72	\$16.75	\$16.67	\$16.54					
Ohio	\$18.19	\$17.33	\$16.85	\$16.79	\$16.84	\$16.78	\$16.66					
Indiana	\$17.31	\$16.43	\$15.89	\$16.04	\$15.81	\$15.87	\$15.75					
Michigan	\$16.89	\$16.03	\$15.56	\$15.58	\$15.48	\$15.47	\$15.33					
Wisconsin	\$18.18	\$17.58	\$17.46	\$17.51	\$17.65	\$17.82	\$17.49					
Minnesota	\$18.03	\$17.41	\$17.32	\$17.36	\$17.55	\$17.61	\$17.06					
Iowa	\$17.58	\$17.11	\$16.74	\$16.65	\$16.72	\$16.97	\$16.68					
Illinois	\$17.74	\$17.28	\$17.01	\$16.79	\$16.84	\$16.90	\$16.75					
Corn Belt States	\$16.55	\$16.01	\$15.63	\$15.56	\$15.76	\$15.86	\$15.68					
Western Texas	\$16.38	\$15.78	\$15.47	\$15.49	\$15.71	\$15.70	\$15.55					
New Mexico	\$15.19	\$14.84	\$14.51	\$14.39	\$14.63	\$14.62	\$14.90					
Northwest States	\$16.79	\$15.39	\$16.65	\$15.69	\$16.81	\$15.83	\$15.33					
All Federal Order Areas	\$17.71	\$16.91	\$16.60	\$16.44	\$16.60	\$16.62	\$16.43					

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

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