

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (04/20):**

**BUTTER:** Grade AA closed at \$1.4125. The weekly average for Grade AA is \$1.4175 (-.0085).

**CHEESE:** Barrels closed at \$1.4600 and 40# blocks at \$1.5275. The weekly average for barrels is \$1.4600 (+.0105) and blocks, \$1.5030 (+.0155).

**BUTTER HIGHLIGHTS:** The CME Group cash butter price declined 1 1/4 cents this week and closed on Friday at \$1.4125. Churning schedules have eased following the active churning prior to the recent holiday. Cream volumes remain plentiful to the churn and many churns are running at or very near capacity levels. Many butter producers are able to manage their output at this time and be selective with their additional cream purchases. Churning continues to generate print butter for current and near term needs, but much churning is being directed toward bulk volumes which are clearing to inventory. Butter demand has slowed considerably. In most instances, orders are being placed for near or short term needs as many buyers feel that further price weakness will develop as milk and cream volumes increase seasonally. Retail buyers are indicating that feature activity is limited, although advertised butter continues to be present in many grocery ads. Cooperatives Working Together (CWT) accepted export assistance requests last week totaling 1.1 million pounds (487 MT).

**CHEESE HIGHLIGHTS:** Heavier than anticipated milk production across the country continues to find its way to cheese plants. Production levels are at or near capacity in many areas. In the Midwest, milk supplies are being offered to some cheese manufacturers at below class price enhancing production. Retail demand is lower than two weeks ago as cheese features are not as prevalent in store ads. In some cases, retail prices have increased while wholesale prices are somewhat steady. Export demand is good as U.S. prices are favorable compared to current prices in Oceania. Trading at the CME Group this week has been active for barrels with 31 loads trading this week. In spite of the active sales, barrel prices have remained steady, closing Friday at \$1.4600. Block prices firmed at the exchange with daily unfilled bids raising the price with no sales reported. Blocks closed Friday up 4 cents for the week at \$1.5275.

**FLUID MILK:** From North to South, farm milk supplies are steady to slowly declining as the flush advances. Florida milk exports dropped by 24% for this week (190 loads) compared to last week (250

loads). Milk production in the Pacific Northwest, Idaho, Utah and California continues to run ahead of 2011 volumes and is holding steady. Farm milk intakes in the upper Midwest continue to surpass year ago volumes and are holding steady. Arizona milk production, which is decreasing, reflects the arrival of warmer weather. Daytime temperatures surpassed 90 degrees this week and are forecast to hit 100 degrees by the weekend. Bottled milk demand is steady to lower. Milk handlers speculate the early arrival of warmer weather in the Northern tier of states decreased several weeks of mealtime milk consumption and pushed the calendar ahead to preferences for iced beverages. Cream demand from ice cream and ice cream mix end users hasn't moved out of the doldrums yet. This is in contrast to the early in the season decline of bottled milk consumption. Spot cream load availability is strong throughout all regions, but ice cream and mix manufacturers seem to be bypassing bargain prices on cream and condensed skim to limit early season inventory buildup and the attendant freezer storage costs.

**DRY PRODUCTS:** Many dry product markets continued lower this week. Active production is pressuring the supply side of nonfat dry milk throughout the country as farm milk production continues to exceed 2012 projections. Condensed skim loads are crossing regional boundaries to find processing room and hiking production in some butter/powder plants, as dryer schedules allow. Dry buttermilk markets in the West declined this week as a response to active production in that region, but Central prices held steady. The Central market is lightly tested as buyers and sellers are not inclined to move beyond contract agreements at this time. Whey protein concentrate 34% prices notched lower for the fifth consecutive week as market participants note ready availability of edible and off spec nonfat dry milk at lower prices than WPC 34%. The lactose market held steady on the mostly price series. The range widened as some lower priced spot sales to intermittent customers finalized while spots sales between approved suppliers and end users also finalized at higher prices due to strong demand.

**ORGANIC DAIRY MARKET OVERVIEW (DMN):** AMS reports Total Organic Milk Products sales for February 2012, 176 million pounds, were up 11.2% from February 2011. Organic Whole

CONTINUED ON PAGE 1-A

## \*\*\*\*\*SPECIALS THIS ISSUE\*\*\*\*\*

ORGANIC DAIRY MARKET NEWS (PAGES 8-8B)  
JANUARY OVER ORDER CHARGES ON PRODUCER MILK IN FMMO'S (PAGES 9)  
FEDERAL MILK ORDER MAY ADVANCE PRICES (PAGE 10)  
ANNUAL MAILBOX MILK PRICES (PAGE 11)

MARCH MILK PRODUCTION (PAGES 12)  
FEBRUARY FLUID MILK SALES (PAGE 13)  
DAIRY GRAPHS (G1-G2)

CME GROUP CASH TRADING

COMMODITY	MONDAY APR 16	TUESDAY APR 17	WEDNESDAY APR 18	THURSDAY APR 19	FRIDAY APR 20	WEEKLY CHANGE*	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$1.4600 (N.C.)	\$1.4600 (N.C.)	\$1.4600 (N.C.)	\$1.4600 (N.C.)	\$1.4600 (N.C.)	:: :: (N.C.)	:: :: \$1.4600 :: (+.0105)
40# BLOCKS	\$1.4875 (N.C.)	\$1.4900 (+.0025)	\$1.5000 (+.0100)	\$1.5100 (+.0100)	\$1.5275 (+.0175)	:: :: (+.0400)	:: :: \$1.5030 :: (+.0155)
<b>NONFAT DRY MILK</b>							
EXTRA GRADE	\$1.1675 (-.0150)	\$1.1575 (-.0100)	\$1.1575 (N.C.)	\$1.1375 (-.0200)	\$1.1275 (-.0100)	:: :: (-.0550)	:: :: \$1.1495 :: (-.0830)
GRADE A	\$1.1775 (-.0150)	\$1.1775 (N.C.)	\$1.1775 (N.C.)	\$1.1775 (N.C.)	\$1.1675 (-.0100)	:: :: (-.0250)	:: :: \$1.1755 :: (-.0670)
<b>BUTTER</b>							
GRADE AA	\$1.4250 (N.C.)	\$1.4250 (N.C.)	\$1.4125 (-.0125)	\$1.4125 (N.C.)	\$1.4125 (N.C.)	:: :: (-.0125)	:: :: \$1.4175 :: (-.0085)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. \*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.  
Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/DAIRYMARKETNEWS.

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CONTINUED FROM PAGE 1**

Milk sales for February 2012, 43 million pounds, were up 15.2% compared with February 2011. Organic Fat-Reduced Milk sales for February 2012, 133 million pounds, were up 9.9% compared with February 2011. This contrasts with a 3.4% February 2012 decline for Total Fluid Milk Products Adjusted (which includes organic and non-organic) compared with one year ago. This total Fluid Milk products data is adjusted for calendar year composition. The national weighted average advertised price of organic milk half gallons, \$3.56, is 48 cents higher than two weeks ago. The price range, \$3.99 to \$2.69, increased 10 cents at the top and increased 2 cents at the bottom. In comparison, the price for non-organic half gallons is \$2.09, a \$1.47 price spread, up from \$.96 two weeks ago and \$.78 four weeks ago. The national weighted average advertised price for 4-6 ounce organic yogurt increased 5 cents, to \$0.63. The price range, compared to the previous reporting period, was 1 cent lower on the upper end of the range and 10 cents higher on the bottom, \$0.66 to \$0.60, one of the narrowest ranges recorded by this survey. The national weighted average advertised price of 4-6 ounce organic Greek yogurt is \$1.20, down from \$1.36 two weeks ago. Advertised prices ranged from \$1.00 to \$1.25. Organic dairy advertising volume reached a new 2012 high level, 20% above the previous high four weeks ago. Organic milk ads comprised nearly 71% of the total, up from 37% two weeks ago. Organic yogurt ads comprised almost 25% of total ads, close to the 24% level two weeks ago. Remaining ad categories are organic ice cream, just over 2%, with organic sour cream and cottage cheese each tied slightly over 1%.

**INTERNATIONAL UPDATE (DMN):** At the April 17 g/DT session #66, the all contract price averages were lower to sharply lower when compared to the previous event. Contract #1 (May) again had activity only in U.S. sourced skim milk powder which averaged \$2,648/MT, -4.0% from the previous session. U.S. sourced skim milk powder was also again offered during contract #2. European sourced skim milk powder was offer during contract #2 and averaged \$2,625/MT for low heat and \$2,600/MT for medium heat. No Australian sourced lactose was offered. Contract #2 (June) prices per MT and changes from the previous session were reported at: anhydrous milk fat, \$3,170, -6.3%; buttermilk powder, no trading; skim milk powder, \$2,795, -8.4%; whole milk powder, \$2,766, -13.6%; milk protein concentrate \$4,520, -3.9%; rennet casein \$6,424, -11.9%; and cheddar cheese \$2,753, -15.0%.

**JANUARY OVER-ORDER CHARGES ON PRODUCER MILK IN FMMOS (DAIRY PROGRAMS):** For January 2012, the all reporting areas combined average over-order charge on producer milk used in Class I was \$2.08, down \$0.06 from the December 2011 average. Eighty-nine percent of the producer milk used in Class I carried an over-order charge. On an individual order basis, Class I over-order charges ranged from \$0.78 in the Pacific Northwest to \$2.95 in the Florida Order. For producer milk used in Class II, the all reporting areas combined average over-order charge was \$1.18, with no change from the December 2011 average. Eighty percent of the producer milk used in Class II carried an over-order charge.

**FEDERAL MILK ORDER ADVANCE PRICE HIGHLIGHTS (DAIRY PROGRAMS):** Under the Federal milk order pricing system, the Class I base price for May 2012 is \$15.85. This price is derived from the Class III skim milk pricing factor of \$10.76 and the advanced butterfat pricing factor of \$1.5633. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. Compared to April 2012, the Class I base price increased \$0.19. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.19 per cwt., \$0.016 per gallon; -1A-

reduced fat milk (2%), \$0.14 per cwt., \$0.012 per gallon; fat-free (skim milk), \$0.08 per cwt., \$0.007 per gallon. The advanced Class IV skim milk pricing factor is \$9.77. Thus, the Class II skim milk price for May is \$10.47 per cwt., and the Class II nonfat solids price is \$1.1633. The two-week product price averages for May are: butter \$1.4624, nonfat dry milk \$1.2642, cheese \$1.5431, and dry whey \$0.6022.

**2011 ANNUAL MAILBOX PRICES (AMS & CDFA):** For 2011, mailbox milk prices for all selected reporting areas in Federal milk orders averaged \$20.20 per cwt., \$3.85 higher than the all-area average reported for 2010. The component tests of producer milk in 2011 averaged: butterfat, 3.70%; protein 3.08%; and other solids, 5.73%. On an individual reporting area basis, mailbox prices increased for all Federal milk order reporting areas, and ranged from \$23.14 in Florida to \$18.33 in New Mexico.

**MARCH MILK PRODUCTION (NASS):** Milk production in the 23 major states during March totaled 16.5 billion pounds, up 4.3% from March 2011. February revised production at 15.1 billion pounds, was up 8.2% from February 2011. The February revision represented a decrease of 13 million pounds or 0.1% from last month's preliminary production estimate. Adjusting February production for the additional day due to leap year causes February revised production to be up 4.5% on a per day basis. Production per cow in the 23 States averaged 1,931 pounds for March, 59 pounds above March 2011. The number of milk cows on farms in the 23 States was 8.52 million head, 94,000 head more than March 2011, and 9,000 head more than February 2012. Milk production in the U.S. during the January-March quarter totaled 51.0 billion pounds, up 5.2% from the January-March quarter last year. The average number of milk cows in the U.S. during the quarter was 9.25 million head, 86,000 head more than the same period last year.

**FEBRUARY FLUID MILK SALES (AMS):** During February, 4.3 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.2% higher than February 2011. After adjusting for calendar composition, sales in February 2012 were 3.4% lower than February 2011. Estimated sales of total conventional fluid milk products decreased 0.2% from February 2011 and estimated sales of total organic fluid milk products increased 11.2% from a year earlier.

## CME GROUP

## MONDAY, APRIL 16, 2012

CHEESE -- SALES: 7 CARS BARRELS @ \$1.4600; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4600; 2 CARS 40# BLOCKS @ \$1.4875; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4700

NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.1775; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.1675

BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4200; LAST OFFER UNCOVERED: NONE

## TUESDAY, APRIL 17, 2012

CHEESE -- SALES: 10 CARS BARRELS @ \$1.4600; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4575; 1 CAR 40# BLOCKS @ \$1.4900; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4650

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.1575; 1 CAR GRADE A @ \$1.1775

BUTTER -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.4150; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.4300

## WEDNESDAY, APRIL 18, 2012

CHEESE -- SALES: 3 CARS BARRELS @ \$1.4600; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5000; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4625

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.1575; 1 CAR GRADE A @ \$1.1775

BUTTER -- SALES: 1 CAR GRADE AA @ \$1.4125; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4100; LAST OFFER UNCOVERED: NONE

## THURSDAY, APRIL 19, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4500; 1 CAR 40# BLOCKS @ \$1.5100; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4800

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.1375; 1 CAR GRADE A @ \$1.1775

BUTTER -- SALES: 1 CAR GRADE AA @ \$1.4125; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4125; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.4200

## FRIDAY, APRIL 20, 2012

CHEESE -- SALES: 11 CARS BARRELS: 3 @ \$1.4600, 7 @ \$1.4500, 1 @ \$1.4600; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5275; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS EXTRA GRADE @ \$1.1275; 2 CARS GRADE A @ \$1.1675

BUTTER -- SALES: 2 CARS GRADE AA @ \$1.4125; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4100; LAST OFFER UNCOVERED: NONE

## BUTTER MARKETS

## NORTHEAST

The CME Group butter price was unchanged Tuesday and closed at \$1.4250. The butter price has held steady at the \$1.4250 level for the past 5 trading sessions. Cream supplies remain heavy with significant volumes going to the churn. Butter production is at or near maximum levels. Bulk, print, salted and unsalted varieties of butter are being made and adding to inventories. Domestic demand has turned sluggish after the recent holiday. The National Dairy Retail Report shows a significant decline in butter ads from 2 weeks ago. The Northeast price range for conventional butter was \$1.88-\$3.99 with the weighted average price at \$2.80. Butter production for export is very active, prompted by recent export assistance sales. Cooperatives Working Together (CWT) has accepted 16 requests for export assistance to sell 1.074 million pounds of butter and 1.817 million pounds of Cheddar and Monterey Jack cheese to customers in Asia, the Caribbean, the Middle East and North Africa. Delivery of product will be from April through October 2012. To date in 2012, CWT has assisted with 38.5 million pounds in export butter sales. Current bulk butter prices range from 2-8 cents over the market based on the CME Group with various time frames and averages used.

## CENTRAL

During the past week, the CME cash butter price declined \$0.0125 to settle at \$1.4125 at midweek. This midweek decline has some butter producers and handlers questioning if weakness will continue. Many have mixed opinions on the stability of the cash butter market with most feeling that further weakness will follow. Churning schedules remain seasonally strong and are projected to remain so for the foreseeable future. Cream volumes have eased following the recent holiday period, but remain sufficient to maintain steady, near

capacity, production runs. Churning continues to surpass demand, thus clearances to inventory continue. Class II operations have cut back on their holiday, cream based product, production, but are maintaining production schedules typical for the period following the spring holiday. Ice cream producers are indicating that ice cream and mix orders are heavier than usual for this time of the season, but also indicate that production capacity still has plenty of room for expansion. Butter orders are fair at best with most orders being placed for near term needs. Buyers are often speculating that they feel prices will ease in the near future, thus they are unwilling to place too large of orders just to have stock. The CWT program continues to extend butter export assistance. Last week, nearly 1.1 million pounds (487 MT) of domestically produced butter received export assistance through the CWT program. This butter will be exported now through September 2012. Bulk butter prices range from flat to 3 cents over various pricing bases and averages per pound.

## WEST

Western butter prices continued to trade in a narrow range with a weak undertone noted. Available supplies of cream are being directed to butter churns as milk volumes are heavier than usual for this time of year. High transportation costs are adding to difficulties in moving cream out of the West. Print sales are reported good, although retail sales features have slowed after the Easter holiday. Demand from bulk butter customers is uneven as buyers assess buying now or waiting to see if further price reductions are possible. Stocks of butter are building, but manufacturers are comfortable with currently building inventory. Wednesday's close on the CME Group exchange for butter is down \$.0125 to close at \$1.4125. The trade on Wednesday was light with one sale of butter. Sales have been light with only the one sale reported by midweek.

## NATIONAL DAIRY PRODUCTS SALES REPORT

## U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
April 14, 2012	1,4481	1,5190	1,5108	0,5935	1,2672
	2,586,156	10,202,237	11,356,102	7,953,726	25,380,070

## CHEESE MARKETS

## NORTHEAST

CME Group cheese prices were mixed Tuesday with barrels unchanged, closing at \$1.4600, while blocks advanced \$0.0025 and closed at \$1.4900. The net effect of the barrel \$0.0525 price decline Thursday and rebound on Friday has been an increase in sales. In the 4 days of trading beginning on Thursday barrels have traded 29 loads. There have been no sales of blocks during that same period. Increased milk supplies are continuing to keep cheese production at increased levels. Domestic demand has declined following the holiday, causing increases in cheese inventories. The National Dairy Retail Report shows a significant decline in 8 ounce cheese block ads from 2 weeks ago. The Northeast price range for 8 ounce cheese blocks was \$1.49-\$3.00 with the weighted average price at \$2.39. Export interest is steady, supported by export assistance sales. Cooperatives Working Together (CWT) has accepted 16 requests for export assistance to sell 1.817 million pounds of Cheddar and Monterey Jack cheese and 1.074 million pounds of butter to customers in Asia, Central America, the Middle East and North Africa. Delivery of product will be from April through September 2012. To date in 2012, CWT has assisted with 43.4 million pounds in export cheese sales.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 40# Block	:	1.8900-2.1750
Process 5# Sliced	:	1.6700-1.7900
Muenster	:	1.9100-2.2700
Grade A Swiss Cuts 10 - 14#	:	3.2950-3.6175

## MIDWEST

CME sales of barrels this week through Wednesday, 20 cars, in addition to 18 sales last week, contrasts with zero blocks sold during the same period. Even with the sales volume, barrels closed this Wednesday at the same price as last week Monday, \$1.46, with blocks up 1 1/4 cents by this Wednesday from last Monday, to \$1.5000. The CME price persistence is observed to be in contrast with what a cheese manufacturer referenced as the "real world of buying and selling" in the retail marketplace. It was observed that the fundamentals of each do not always seem to coincide. In the Midwest, milk continues to be available to cheese manufacturers in quantities greater than production needs. The regional flows from the Western states toward the East, helped result in milk flowing from Indiana toward Wisconsin, contribute to the availability of milk. Milk continues to be available to cheese manufacturers in Wisconsin at below class prices. The volume of cheese production has now resulted in some cheese manufacturers offering sales into retail channels at under market prices, undercutting other manufacturers, to move product. Yet in the view of some manufacturers, retailers are harming cheese sales by holding higher prices, or at least not offering as many price promotions, on the expectation of cheese prices moving higher yet. The Dairy Market News survey of retail advertising for this period has found that the magnitude of supermarket advertising for cheese has fallen from two weeks ago, while the weighted average advertised price offered by retailers has increased. Cheese ads throughout the U.S. are 68.6% of the level of two weeks ago and in the Midwest, 37.6%. The weighted average advertised price in the Midwest for 8 ounce blocks is up to \$2.09 from \$1.75 two weeks ago and up to \$1.82 for 8 ounce shreds from \$1.78 two weeks ago. "Cheese buyers in retail stores have become motivated to buy when there are specials", a manufacturer commented. With increasing downward price pressure on manufacturers focused on making retail sales, less retail advertising for cheese, higher advertised retail prices, contrasting with a CME market with recent overall price stability, there are competing market forces which have not yet worked in a unified way. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell a total of 1.817 million pounds (824 metric tons) of Cheddar and Monterey Jack cheese. During 2012, CWT has assisted member cooperatives in making export sales of Cheddar, Monterey Jack and Gouda cheese totaling 43.4 million pounds.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.6425-2.3475
Brick And/Or Muenster 5#	:	1.8775-2.4375
Cheddar 40# Block	:	1.8775-2.8625
Monterey Jack 10#	:	1.8475-2.8625
Blue 5#	:	2.1425-3.1275
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7225-2.9625
Grade A Swiss Cuts 6 - 9#	:	2.7050-3.0225

## WEST

Western wholesale cheese prices are mostly unchanged to fractionally lower this week. Production remains heavy as farm milk volumes continue to stress production capabilities. Demand for cheese is reported good at current price levels. Retail features of cheese are lower after Easter promotions have ended. Wholesale demand from processors and some aging programs have kept barrel inventories manageable. Export sales are good as U.S. prices are favorable in comparison to prices from the Oceania region. The Cooperatives Working Together (CWT) program assisted with an additional 1.8 million pounds of cheese this week. Wednesday's close at the CME Group for cheese was unchanged for barrels at \$1.4600. Blocks were up \$.0100 to close at \$1.5000. The price of barrels has remained steady this week with active trading taking place. Barrels have sold 20 loads by midweek, while blocks have no reported sales so far this week. Blocks have been bid higher with sellers on the sidelines.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.5750-1.8325
Cheddar 40# Block	:	1.6125-1.9650
Cheddar 10# Cuts	:	1.7925-2.0125
Monterey Jack 10#	:	1.8025-1.9625
Grade A Swiss Cuts 6 - 9#	:	2.8725-3.3025

## FOREIGN

The CME Group weekly average block cheese price declined and as a result, domestic wholesale cheese prices declined \$0.0025. Swiss cheese and all varieties of imported cheeses held steady. Swiss cheese makers have indicated that demand/sales have improved, but continue to fall below expectations. As a reminder to the industry, calendar year 2012 license fee payments must be transmitted no later than May 1, 2012.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.0300-3.5175*
Gorgonzola	: 3.6900-6.3900	: 2.5325-2.7925*
Parmesan (Italy)	: -0-	: 3.1525-3.7075*
Provolone (Italy)	: 3.4400-6.1800	: 2.0725-2.2300*
Romano (Cows Milk)	: -0-	: 3.2200-5.3700*
Sardo Romano (Argentine)	: 2.8500-3.9800	: -0-
Reggianito (Argentine)	: 3.2900-4.1900	: -0-
Jarlsberg-(Brand)	: 2.9500-5.2900	: -0-
Swiss Cuts Switzerland	: -0-	: 3.3875-3.7100
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

\* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
	:	:
04/16/12	8,778	130,168
04/01/12	8,178	133,301
CHANGE	600	-3,133
% CHANGE	7	-2

## FLUID MILK AND CREAM

## EAST

## SPOT SHIPMENTS OF GRADE A MILK INTO OR OUT OF FLORIDA &amp; SOUTHEASTERN STATES

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	190	0	250	0	220
SOUTHEAST STATES	30	0	0	0	0	0

Milk production increases have off set and exceed improved Class I demand, keeping manufacturing milk supplies near capacity levels in the Northeast and Mid-Atlantic regions. The combination of greening pastures, good cow comfort levels, plus cows and heifers beginning to calve are causing the increases in milk supplies. Some unloading delays are occurring as numerous plants are being inundated with milk. Florida's milk production is declining, but only at a "snail's pace" as described by one contact. Class I demand declined this week with no particular factor identified for the decrease. The Florida drought not only continues, but the effects are very tangible as smoke from 29,000 acres of wild fires covers a good portion of the state. Spot loads of milk exported out of state this week dropped to 190. Milk production continues to expand in the Southeast region with no end in sight. Milk is being shuffled from area to area as needed and where possible to maximize all auxiliary manufacturing plants. Southeast manufacturers were able to assist other regions with excess milk supplies and absorbed 30 spot loads. Unloading delays are occurring from time to time, but are not the problem they were last week. Price discounts on spot loads of whole milk are significant with some discounts at \$2.00-\$4.00 under Class. Cream supplies remain at increased levels with significant volumes going to churns. Demand for cream has declined and spot sales are limited with numerous loads having difficulty finding a home. Demand continues to vary widely, depending on day of the week with multiples ranging from 109-133. Condensed skim milk volumes are heavy going into Class IV production with most dryers operating at near capacity. Condensed skim demand continues to be very sluggish and spot sales activity remains light as contracted supplies are adequate for most manufacturers. Price discounts, some under Class price, are needed to entice manufacturers to take on additional loads.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, DOLLARS PER LB. BUTTERFAT:

F.O.B. producing plants: Northeast -	1.5543-1.8953
F.O.B. producing plants: Upper Midwest -	1.6399-1.7540

## PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.18 - 1.41
Northeast - Class III - spot prices -	1.15 - 1.37

## MIDWEST

Balancing facilities indicate farm milk intakes remain pinned to the high side of the dial as North Central region cows continue to outpace 2012 milk production estimates and historical volumes. With Class II plants still holding back on kicking up production, cheese and butter/powder plants are fully committed to clearing milk intakes to the extent allowed by equipment. That goal is running into the additional challenge of managing milk spot loads from outside the region. Spot loads of milk are reportedly trading at \$2 to \$5 under Class. Some reports indicate milk production in South Central areas, including East Texas are declining slightly as the

flush advances in those warmer areas. Cream availability is steady within the region, but running into price competition from Eastern cream spot loads trading at lower multiples into Class II and IV end users. Cream prices vary also by the time of purchase, with some lower prices recorded closer to the weekend. Fluid milk sales into bottled milk accounts are tepid even as schools reopen for full class schedules after the spring break. Features at retail stores for various sizes of bottled milk containers have been infrequent, thus stalling demand from that market sector. Crop progress is reported as very good in southern areas of the Central region, with corn at 12 - 15 inches. Southern to middle Illinois planting is nearing completion, as are fields in Iowa. Field preparation continues in the North Central region along with the start of corn planting, although some areas of Minnesota received 10 or more inches of snow over the weekend.

## WEST

CALIFORNIA milk output is mostly steady. Some areas were seeing the effects of wet conditions tempering the milk flow. Temperatures have been favorable for cow comfort in the state. Green chop feeding is giving a boost to production. Processing plants are working through the heavy milk supply. Several plants are down for maintenance. Other processors are seeing schedules increase to handle the milk supply. ARIZONA milk production is moving slightly lower. Hotter weather conditions are developing. Temperatures are in the 90's this week and are forecast to be 100 degrees this weekend. The heat is expected to affect the milk flow slightly; yet that decline is welcomed by the processors who have been running on extended schedules. The Class I markets are steady. Western CREAM markets are slightly weaker. Pricing trends have been lower for basing points and multiples are trending lower. Cream demand is uneven. Demand from ice cream producers has been lighter than planned. Transportation logistics and costs remain big challenges in placing Western cream. Butter churning remains heavy and taking large volumes of cream. The CME Group, Grade AA butter price closed at \$1.4125 on Wednesday, down 1.25 cents from the prior week. Cream multiples are 104-120 and vary based on class usage and basing points. Milk production in the PACIFIC NORTHWEST continued to outpace last year and is causing some difficulties as manufacturing plants are running extended schedules in many cases to handle the increased volumes. Class I demand has returned to expected levels as schools return to normal schedules. Milk continues to be moved to adequately handle current production with some excess being shipped out of the region. UTAH and IDAHO milk supplies are in balance with expected levels. Spring weather has brought a mix of cool rainy weather and some warm sunny days. Conditions are favorable for good milk production. Processors in the region are handling supplies and in some instances are taking excess milk from nearby states.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL AND EAST**

CENTRAL: Nonfat dry milk prices in the Central region are under pressure from steadily increasing domestic inventories as well as international pricing. Manufacturers' decisions at some Central production facilities to shift spot prices lower successfully cleared some low heat NDM loads. End user focus for NDM is often down to specific days of need, according to some in the industry, in contrast to earlier discussions when end users were looking for coverage for weeks, months, or quarters. Therefore, opportunities to satisfy NDM needs are arriving load by load rather than blocks. NDM production is steady, close to maximum volumes at many plants, and expected to continue for the next several weeks as the flush continues. Sales of condensed skim are steady to higher into Class II, unchanged into Class III.

EAST: Prices for nonfat dry milk declined this week as production increases, leading to increased inventories, which are pressuring prices lower. Milk production increases and the resulting increase in condensed skim supplies, quickly exceed demand and are expanding drying schedules. Drying schedules are at or near capacity with the focus on low heat nonfat dry milk production as manufacturers attempt to clear milk supplies as quickly as possible. High heat nonfat dry milk supplies are being worked lower, due to limited production schedules. Demand remains very sluggish as many potential buyers continue to purchase for immediate needs only, not willing to expand inventories on a downward trending market. Spot market activity remains fairly light with spot sales requiring price discounts to complete transactions. The market undertone remains very weak.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.0850 - 1.3300 MOSTLY: 1.1500 - 1.3100  
 HIGH HEAT: 1.2900 - 1.3800

**NONFAT DRY MILK - WEST**

Prices for Western low/medium heat nonfat dry milk are lower. The market tone continues to be weak. Lower prices and weaker trends for the international skim milk powder markets are noted by the trade as "a window" to where the U.S. market is heading. Contacts are noting that lower prices are being bid for sales into Mexico. Domestically, pricing levels are tending to be bimodal, with the current negotiated market prices at the bottom of the range and index-based sales defining the top end. Buying interest is slower, mainly because buyers are anticipating further weakness in the market and they are willing to wait. Export sales are moving under established contracts, but new business has slowed. Drying remains heavy to process available milk and condensed skim in the region. Stocks are moderate to heavy. Western high heat prices continue to move lower. The market tone remains weak and untested. Shipments are light to regular accounts. Drying schedules are being worked in to make high heat for needs. High heat stocks are light to moderate and available for current needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.1000 - 1.3250 MOSTLY: 1.1500 - 1.2600  
 HIGH HEAT: 1.2800 - 1.3900

**DRY BUTTERMILK - CENTRAL AND EAST**

CENTRAL: Central dry buttermilk prices are unchanged in an untested market. Interest in Central dry buttermilk is light outside of contract agreements. Western dry buttermilk spot loads are clearing into the Central region, with cost plus transportation offering some savings compared to Central dry buttermilk F.O.B. quoted prices, according to buyers. Dry buttermilk production is active at several Central region plants as bulk butter production reemerges following the typical post-holiday decline in print butter.

EAST: Prices for dry buttermilk were unchanged this week. Cream supplies are very heavy with significant volumes going to churns and as a result, dry buttermilk inventories are increasing. Demand for dry buttermilk has declined as many buyers are purchasing for immediate needs only, unwilling to expand inventories on a downward trending market. The lower nonfat dry milk market is putting pressure on dry buttermilk prices. Spot market activity remains very light. The market undertone remains weak.

F.O.B. CENTRAL/EAST: 1.0950 - 1.2825

**DRY BUTTERMILK - WEST**

Western dry buttermilk prices moved lower in generally light sales movement. The market tone remains weak and untested. Buying interest is subdued, partly because buyers perceive future weakness in the buttermilk market. Additionally, lower NDM prices in domestic markets and lower SMP pricing in international markets are reflecting weakness in protein values.

Buttermilk drying schedules are active to process available buttermilk solids. Dryer times are mainly full and processors are working in as much buttermilk in as they can. Dry buttermilk stocks remain moderate to heavy.

F.O.B. WEST: 1.0800 - 1.2000 MOSTLY: 1.1300 - 1.1800

**DRY WHOLE MILK - NATIONAL**

Dry whole milk prices are unchanged on a lightly traded market. Dry whole milk production at several plants is scheduled for the post-flush period when farm milk intakes subside and allow additional time within dryer schedules.

F.O.B. PRODUCING PLANT: 1.5300 - 1.5500

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 13	\$1.3034	14,255,528	0
April 6	\$1.2980	14,814,431	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**WHEY, WPC 34%, LACTOSE & CASEIN**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**DRY WHEY - CENTRAL**

Dry whey prices in the Central region declined for the eighth consecutive week as the market seeks a floor. Various manufacturers indicate spot market activity increased during the last few weeks as a result of slow/cancelled pickups of Q1 dry whey loads. The pace of spot load aggregation has leveled off, though, according to some manufacturers as end products shift to other commodities. For those manufacturers, upcoming spot market activity is anticipated to be lower than during the last few weeks. Resale offers continue to surface from brokers, traders and end users. Spot load interest remains slow as buyers cite various reasons, including: lagging end product orders; ample inputs on hand; and continued dry whey market degradation in the near term. The buyers' market conditions are also evident in the condensed whey market. Condensed whey continues to be readily available from cheese plants as well as resellers. Buyers now have the option of selecting among condensed whey loads based on the type of cheese from which it was obtained, plant of origination, price, and day of delivery. ANIMAL FEED DRY WHEY prices are unchanged to lower on a weak market. Several Central plants indicate interest is lower from regular buyers as feed blenders now have spot load offers from many sellers from which to choose. Feed blenders report the market for finished feed continues to suffer from calf raising operations curtailing operations due to calf prices. There was a short term decrease in calf prices recently, but new market reports indicate prices rebounded to \$175 - \$250. Calf raisers indicate that price range for calves allows little for profit at time of sale for the finished animal.

F.O.B. CENTRAL: .3000 - .6200 MOSTLY: .4850 - .5800  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4300 - .4800

**DRY WHEY - NORTHEAST**

Dry whey prices increased marginally on the upper end of the range as sales based on price indices moved higher. Dry whey production continues at increased levels as milk production increases have expanded the volumes of milk going into cheese production. Numerous cheese makers are offering condensed whey at price discounts, but spot sales have only marginally decreased the flow of condensed whey to dryers. Most dry whey manufacturers are near their drying capacity and current production is adding to inventories. Demand is seasonally steady. Potential buyers are aware of the increases in supply and are anticipating price discounts when they're looking for additional loads. Spot market activity is fairly active, but numerous buyers continue to sit on the sidelines waiting for prices to move lower. Multiple load purchases are receiving the largest price discounts. The overall undertone of the market remains weak.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5600 - .6600

**DRY WHEY - WEST**

Western dry whey prices are mixed this week. The full range price series adjusted higher following contract based indices. Meanwhile, reported spot sales were lower and brought the mostly series lower. Whey production continues at increased levels as cheese plants are busy with increased milk intakes. The market tone is uneven as spot buyers look at increased supplies and weaker prices. Spot export prices are lower as international prices are weak. Manufacturers and resellers are keeping a close eye on inventories and appear willing to discount product to move current supplies.

NONHYGROSCOPIC: .3000 - .6325 MOSTLY: .4600 - .5450

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate 34% prices are unchanged to lower on both the range and mostly series. The WPC 34% market continues to struggle against strong current production and increased spot load availability of manufacturer-based WPC 34% and nonfat dry milk. Competitively priced resale offers of NDM/WPC 34% are also exerting price pressure on the market. The high sides of the range and mostly series represent adjustable index contract and spot sales between established trading partners. The low side of each series generally represents sales between intermittent trading partners. With the recent decline in prices, spot market buyers are unruled in their buying decisions and hoping only to satisfy near term input needs.

F.O.B. EXTRA GRADE 34% PROTEIN:1.2000-1.5750 MOSTLY: 1.3600 - 1.4650

**LACTOSE - CENTRAL AND WEST**

The mostly price series for Central and West lactose is unchanged, while the range price series widened. Spot loads of unground to 100 mesh lactose are available from a few manufacturers on an intermittent basis, but other manufacturers indicate sales are steady to their regular customer bases and spot market activity is limited by light inventories. Lactose production is steady at most locations, higher at a few locations where cheese production is mopping up strong farm milk intakes. Some producers are running lactose more heavily to satisfy over-contract orders from buyers. Various manufacturers indicate price concerns are evident within their customer bases and more prevalent among offshore buyers compared to domestic lactose buyers.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL.8500 -1.0500 MOSTLY: .8900 - .9400

**CASEIN - NATIONAL**

Casein markets are generally steady, although the undertone is weak. Prices are holding steady for the time being, but appear that they will be lower for Q3. Suppliers are indicating that stock availability should be sufficient for contractual needs with spot availability uncertain. The Oceania region is meeting commitments from inventoried stock while the European production season is just getting underway. Early reports indicate that the European milk and casein production season are off to a positive start with casein producers very optimistic about the future. Rennet casein at the May 17th Global Dairy Trading event in New Zealand averaged \$6,424 per MT (\$2.91 per pound) for New Zealand sourced product and June delivery. With this trading average being 11.9% lower than the previous event, domestic rennet casein buyers are questioning the strength of future price quotes to them. Even the previous event average of \$3.30 per pound had some U.S. buyers puzzled.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 4.3000 - 4.7000  
ACID: 4.6000 - 4.9000



ORGANIC DAIRY MARKET NEWS

Information gathered April 9 - 20, 2012

ORGANIC DAIRY FLUID OVERVIEW

**Milk Product Sales:** AMS reports Total Organic Milk Products sales for February 2012, 176 million pounds, were up 11.2% from February 2011.

Organic Whole Milk sales for February 2012, 43 million pounds, were up 15.2% compared with February 2011.

Organic Fat-Reduced Milk sales for February 2012, 133 million pounds, were up 9.9% compared with February 2011.

This contrasts with a 3.4% February 2012 decline for Total Fluid Milk Products Adjusted (which includes organic and non-organic) compared with one year ago. This total Fluid Milk products data is adjusted for calendar year composition.

Total Conventional Milk Products, which does not include organic milk, has a 0.2% decline in sales comparing February 2012 with February, 2011.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, FEBRUARY 2012, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	February	Y-T-D	Prev Yr.	Y-T-D
	Mil. Lbs.		Percent	
Whole Milk	1,061	2,217	-1.4	-3.1
Flavored Whole Milk	40	80	-5.6	-5.7
Reduced Fat Milk (2%)	1,421	2,971	-0.5	-2.0
Low Fat Milk (1%)	595	1,234	6.5	4.4
Fat-Free Milk (Skim)	608	1,260	-2.1	-3.5
Flavored Fat-Reduced	365	737	4.3	2.2
Buttermilk	39	79	2.8	1.9
Tot. Conv. Milk Products	4,239	8,584	-0.2	-1.8
Organic Whole Milk	43	91	15.2	13.6
Organic Reduced Fat Milk	50	108	11.0	14.9
Organic Low Fat Milk	39	80	19.5	21.6
Organic Fat-Free Milk (Skim)	36	75	0.7	0.2
Organic Flavored Milk	6	13	-19.9	-14.9
Organic Fat-Reduced Milk 4/	133	228	9.9	11.3
Tot. Organic Milk Products.	176	369	11.2	11.9
Tot. Fluid Milk Prod. 5/	4,308	8,953	0.2	-1.3
Tot Fluid Milk Prod Adj 5/6/	4,155	8,852	-3.4	-3.0

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; 3/ Total of organic reduced fat, lowfat, skim, flavored, and miscellaneous milk products combined. 4/ Total fluid milk products include the products listed price plus miscellaneous products and egnog. 5/ Sales volumes and percent changes have been adjusted for calendar composition; see <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3023272>

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

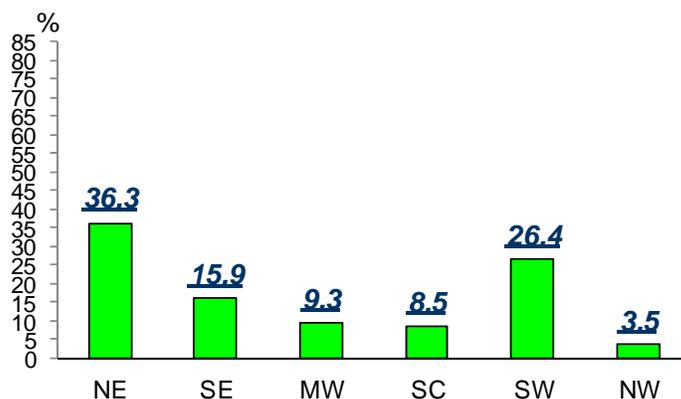
**Organic Dairy Overview.** Organic dairy advertising volume reached a new 2012 high level, 20% above the previous high four weeks ago.

Organic milk ads comprised nearly 71% of the total, up from 37% two weeks ago. Organic yogurt ads comprised almost 25% of total ads, close to the 24% level two weeks ago. Remaining ad categories are organic ice cream, just over 2%, with organic sour cream and cottage cheese each tied slightly over 1%.

Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period April 7, 2012, to April 20, 2012, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

**Regional Organic Dairy Ad Trends – Current Period.** Organic dairy ads continued to be dominated by the Northeast with 36.3% of ads. The remaining regional percentages include the Southwest, 26.4%, Southeast, 15.9%, Midwest, 9.3%, South Central, 8.5% and Northwest, 3.5%.

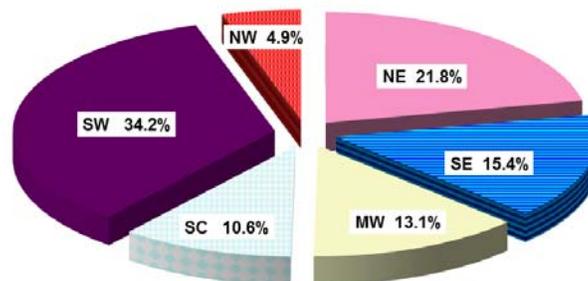
Organic Dairy Newspaper Ads Regionally As A Percentage of Surveyed Organic Dairy Ads 2012 - Week 16



**Organic Milk.** Organic milk ads are the leading category of organic dairy advertising and half gallons constitute nearly two thirds of all organic milk ads. No gallon ads appeared for the sixth of the eight report periods of 2012. Milk ads appeared in all regions.

ORGANIC MILK FEATURES

Regional % of Nationally Surveyed Supermarket Ads Report - Week 16, 2012



**Organic Milk Half Gallons.** Advertising volume for organic half gallons set a new 2012 record, 22% above the previous 2012 record level of four weeks ago. Virtually all organic half gallon ads were for store brands of milk, in contrast with two weeks ago when about

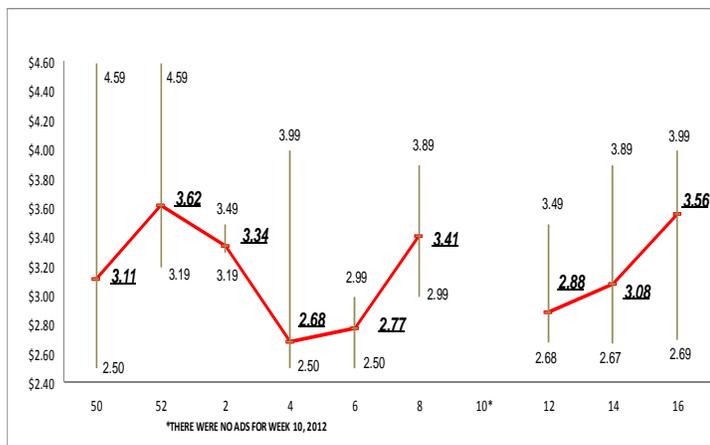
ORGANIC DAIRY MARKET NEWS

Information gathered April 9 - 20, 2012

CONTINUED FROM PAGE 8

32% of ads were for national brands and the balance for store brands  
 The national weighted average advertised price of organic milk half gallons, \$3.56, is 48 cents higher than two weeks ago. The price range, \$3.99 to \$2.69, increased 10 cents at the top and increased 2 cents at the bottom.

**Advertised Organic Milk Half Gallon Price Range and Weighted Average Advertised Price by 2011 - 12 Week**



The survey which generated the current national organic half gallon milk weighted average advertised price of \$3.56, also determined the price for non-organic half gallons as \$2.09, a \$1.47 price spread, up from \$.96 two weeks ago and \$.78 four weeks ago.

**ORGANIC MILK HALF GALLON ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE**

REGION	%	WTD. AV. ADV. PRICE \$
NE	20.5	3.62
SE	6.9	3.94
MW	6.0	3.99
SC	11.6	2.72
SW	51.5	3.65
NW	3.5	3.18
US		3.56

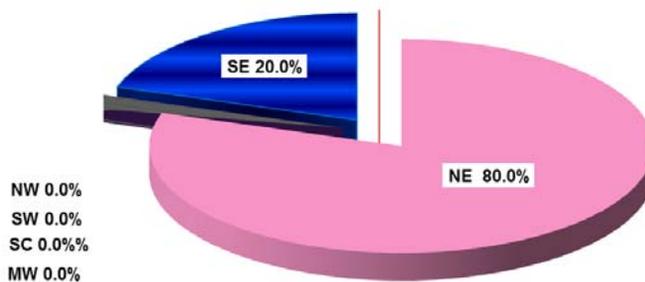
**Organic Milk 8 Ounce.** About one third of organic milk ads are for 8 ounce containers. Ads ran in all regions except the Southwest.

**ORGANIC MILK 8 OUNCE ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE**

REGION	%	WTD. AV. ADV. PRICE \$
NE	24.3	1.22
SE	32.3	1.00
MW	27.2	1.00
SC	08.7	1.00
SW	00.0	---
NW	7.6	1.00
US		1.05

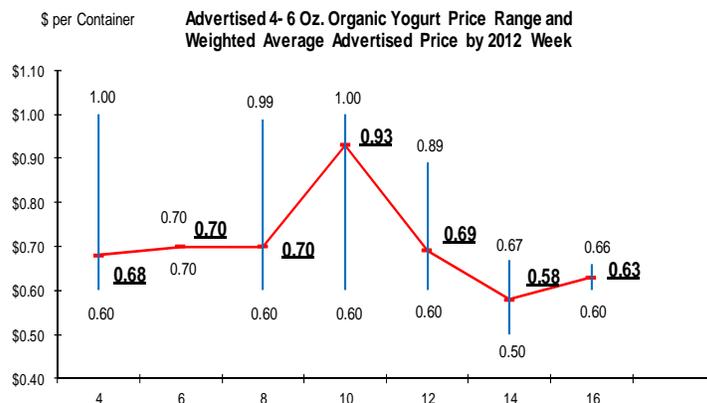
**Organic Yogurt.** Eighty percent of organic yogurt ads ran in the Northeast, with 20% in the Southeast. Week in and week out, the Northeast is generally the big region for organic yogurt advertising.

**ORGANIC YOGURT FEATURES Regional % of Surveyed National Newspaper Ads Report Week 16, 2012**



**4-6 Ounce Organic Yogurt.** Slightly over 16% of organic yogurt ads were for 4-6 ounce organic yogurt. These ads appeared only in the Northeast. The national weighted average advertised price increased 5 cents, to \$0.63. The price range, compared to the previous reporting period, was 1 cent lower on the upper end of the range and 10 cents higher on the bottom, \$0.66 to \$0.60, one of the narrowest ranges recorded by this survey.

**Advertised 4-6 Oz. Organic Yogurt Price Range and Weighted Average Advertised Price by 2011 - 12 Week**



**4-6 Ounce Organic Greek Yogurt.** About two thirds of 4-6 ounce organic Greek yogurt ads ran in the Northeast, with the balance in the Southeast. The national weighted average advertised price is \$1.20, down from \$1.36 two weeks ago. Advertised prices ranged from \$1.00 to \$1.25.

**32 Ounce Organic Yogurt.** All 32 ounce organic yogurt ads ran in the Northeast. The national weighted average advertised price is \$3.95.

**48-64 Ounce Organic Ice Cream.** Organic ice cream ads appeared for the second time during 2012. Ads were closely split between the Northeast and South Central, with the South Central slightly ahead. The lowest advertised price is \$4.99 and the highest advertised price is \$5.99. The national weighted average advertised price is \$5.45.

**Organic Cottage Cheese.** Ads for 16 ounce organic cottage cheese appeared for 70 stores in the Southwest. All ad prices are \$3.00.

## ORGANIC DAIRY MARKET NEWS

Information gathered April 9 - 20, 2012

## CONTINUED FROM PAGE 8-A

**Organic Sour Cream.** Ads for 16 ounce organic sour cream appeared for 70 stores in the Southwest. All ad prices are \$2.29.

The price ranges did not change although prices within the ranges changed.

## SUPERMARKET PRICE COMPARISON:

**Madison, Wisconsin Prices.** Non-advertised organic milk, yogurt, butter and cheese prices in a range of food stores in Madison, Wisconsin are compared for this two week period.

Madison stores included a big-box sized local supermarket; 2 regional chain supermarkets; a smaller but full product line food market; and 2 natural food stores; a national discount big box chain store also selling food; and a large local cooperative grocery store.

Organic milk available in Madison stores included 2 national brands, 4 private label store brands, and 3 small local or near-by creamery brands, one featuring non-homogenized milk. Cheese available included 2 national brands, 2 store brands, and cheese from 5 other cheese makers.

A table summarizing the survey results follows:

**ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE  
2012 REPORTING WEEK 16**

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
	(in Dollars)		
<b>MILK - gallon</b>			
Whole	5.49	6.99	1.50
Nonfat (Skim)	5.49	6.99	1.50
Low fat (1%)	5.49	6.99	1.50
Reduced fat (2%)	5.49	6.99	1.50
<b>MILK - half gallon</b>			
Whole	3.17	4.49	1.32
Nonfat (Skim)	3.17	4.49	1.32
Reduced fat (2%)	3.17	4.49	1.32
Low fat (1%)	3.17	4.49	1.32
<b>FLAVMILK - half gallon</b>			
All fat tests	3.09	5.69	2.60
<b>YOGURT</b>			
Yogurt - 4-6 oz			
Yogurt	0.79	1.29	0.50
<b>CHEESE</b>			
<b>Cheese - 8 oz block</b>			
Mozzarella	3.40	5.75	2.35
Mild Cheddar	3.79	5.99	2.20
Monterey Jack	3.79	5.99	2.20
Pepper Jack	3.89	5.99	2.10
<b>Cheese - 6 oz string</b>			
Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	4.99	1.10
<b>BUTTER</b>			
Butter - 1 Pound	3.79	6.19	2.40

\* = Price change from prior reporting period.

## ORGANIC GRAIN AND FEEDSTUFFS MARKETS:

National organic grain and feedstuffs were unevenly steady in all regions of organic production. Although feed grade corn averaged a slightly lower price, trades were fewer than the previous period and the bulk of the current trades reported were \$13.25-\$14.00/bushel with good demand and light offerings. Good demand and a higher average for soybeans was reported, along with light to moderate offerings of food and feed grade barley, wheat and rye this period. Current inventories of available grain (corn and soybeans, specifically) is an inquiry on the mouths of many in the industry, and two key scenarios are reported quite regularly: 1. *Buyers know of producers with available grain, but the producer is currently unwilling to sell product.* 2. *Product in some areas is extremely thin and inventories are reportedly depleted, or near depletion, nearby.* These situations are not specific to any geographical region, as they have been reported in numerous areas, with most reports occurring in the Upper Midwest and Eastern Cornbelt. This has been a major factor in the importation of soybeans during the first quarter of 2012, along with the addition of feed wheat into livestock rations, and most recently an increase in interest and trade of feed grade rye. Domestic feed grade peas have reportedly been difficult to locate, along with high quality oats. Canadian product remains in utilization for many processors and end users. In the North Inter-Mountain region of California this period, fair quality alfalfa hay was \$260/ton, good quality was \$270/ton, and premium and supreme hay was \$280-\$290/ton. Additional livestock and grain market news information is available at: <http://www.ams.usda.gov/mnreports/lbfnof.pdf>

**OVER-ORDER CHARGES ON PRODUCER MILK, BY CLASS OF UTILIZATION,  
BY FEDERAL MILK ORDER MARKETING AREA, JANUARY 2012 1/**

For January 2012, the all reporting areas combined average over-order charge on producer milk used in Class I was \$2.08 per cwt., down \$0.06 from the December 2011 average. Eighty-nine percent of the producer milk used in Class I carried an over-order charge. On an individual order basis, Class I over-order charges ranged from \$0.78 in the Pacific Northwest to \$2.95 in the Florida Order. For producer milk used in Class II, the all reporting areas combined average over-order charge was \$1.18 per cwt., with no change per cwt. from the December 2011 average. Eighty percent of the producer milk used in Class II carried an over-order charge.

Federal Milk Order Marketing Area 2/	Order Number	Weighted Average of Over-Order Charges Spread Over Total Class I Milk 1/	Weighted Average of Over-Order Charges Spread Over Total Class II Milk 1/
		\$/cwt	
Appalachian	005	2.85	1.18
Southeast	007	2.39	1.89
Florida	006	2.95	0.43
Mideast	033	1.97	1.48
Upper Midwest	030	1.89	1.12
Central	032	2.05	0.90
Pacific Northwest	124	0.78	0.64
All Reporting Areas Combined 3/		2.08	1.18

1/ Figures are weighted averages of all the over-order charges applicable to any volume of milk used in the respective class spread over 100 percent of the producer milk used in that class. Includes some producer milk for which there was no over-order charge.

2/ Information is available for all Federal milk marketing areas except the Northeast and Southwest. See 3/.

3/ Figures are weighted averages of the available individual marketing area data; includes information for the Arizona order which is administratively confidential.

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## FEDERAL MILK ORDER ADVANCE PRICES, MAY

**Class I Base Price.** Under the Federal milk order pricing system, the Class I base price for May 2012 is \$15.85 per cwt. This price is derived from the Class III skim milk pricing factor of \$10.76 and the advanced butterfat pricing factor of \$1.5633. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Comparison to Previous Month.** Compared to April 2012, the Class I base price increased \$0.19 per cwt. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.19 per cwt., \$0.016 per gallon; reduced fat milk (2%), \$0.14 per cwt., \$0.012 per gallon; fat-free (skim milk), \$0.08 per cwt., \$0.007 per gallon. **Class II Price Information.** The advanced Class IV skim milk pricing factor is \$9.77. Thus, the Class II skim milk price for May is \$10.47 per cwt., and the Class II nonfat solids price is \$1.1633. **Product Price Averages.** The two-week product price averages for May are: butter \$1.4624, nonfat dry milk \$1.2642, cheese \$1.5431, and dry whey \$0.6022.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <sup>1/ 2/</sup>				
May 2012				
Federal Milk Order Marketing Area <sup>3/</sup>	Order Number	Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) <sup>4/</sup>	001	19.10	14.01	1.5958
Appalachian (Charlotte) <sup>5/ 6/</sup>	005	19.25	14.16	1.5973
Southeast (Atlanta) <sup>6/ 7/</sup>	007	19.65	14.56	1.6013
Florida (Tampa) <sup>6/ 8/</sup>	006	21.25	16.16	1.6173
Midwest (Cleveland) <sup>9/</sup>	033	17.85	12.76	1.5833
Upper Midwest (Chicago) <sup>10/</sup>	030	17.65	12.56	1.5813
Central (Kansas City) <sup>11/</sup>	032	17.85	12.76	1.5833
Southwest (Dallas) <sup>12/</sup>	126	18.85	13.76	1.5933
Arizona (Phoenix)	131	18.20	13.11	1.5868
Pacific Northwest (Seattle) <sup>13/</sup>	124	17.75	12.66	1.5823
All-Market Average		18.74	13.65	1.5922

<sup>1/</sup> To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. <sup>2/</sup> Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. <sup>3/</sup> Names in parentheses are the major city in the principal pricing point of the markets. <sup>4/</sup> Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25. <sup>5/</sup> Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10. <sup>6/</sup> Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted. <sup>7/</sup> Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40. <sup>8/</sup> Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40. <sup>9/</sup> Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. <sup>10/</sup> Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10. <sup>11/</sup> Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55. <sup>12/</sup> Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. <sup>13/</sup> Class I prices at other cities are: Portland, same; and Spokane, same.

**MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, 2011 ANNUAL AVERAGES, WITH COMPARISONS 1/**

For 2011, mailbox milk prices for all selected reporting areas in Federal milk orders averaged \$20.20 per cwt., \$3.85 higher than the all-area average reported for 2010. The component tests of producer milk in 2011 averaged: butterfat, 3.70%; protein 3.08%; and other solids, 5.73%. On an individual reporting area basis, mailbox prices increased for all Federal milk order reporting areas, and ranged from \$23.14 in Florida to \$18.33 in New Mexico.

Reporting Area 2/	Mailbox Milk Price 3/		
	2010	2011	Change 2011 from 2010
	Dollars per hundredweight		
New England States 4/	17.48	21.34	3.86
New York	16.33	20.00	3.67
Eastern Pennsylvania 5/	17.01	20.84	3.83
Appalachian States 6/	17.98	21.64	3.66
Southeast States 7/	18.38	22.00	3.62
Southern Missouri 8/	16.33	20.05	3.72
Florida	19.40	23.14	3.74
Western Pennsylvania 9/	17.00	20.93	3.93
Ohio	17.18	20.85	3.67
Indiana	16.83	20.42	3.59
Michigan	16.33	20.11	3.78
Wisconsin	15.89	20.06	4.17
Minnesota	15.71	19.95	4.24
Iowa	16.39	20.25	3.86
Illinois	16.49	20.58	4.09
Corn Belt States 10/	16.03	19.88	3.85
Western Texas 11/	15.68	19.37	3.69
New Mexico	14.77	18.33	3.56
Northwest States 12/	15.71	19.90	4.19
All Reported Areas 13/	16.29	20.20	3.91
California 14/	14.37	18.14	3.77

1/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. Mailbox price does include, for the most part, the assessment under the Cooperatives Working Together (CWT) program. 2/ Information is shown for those area for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from that area. 3/ Figures are annual averages -- the weighted average of the monthly figures; except California, which is the simple average. 4/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. 5/ All counties to the east of those listed in 9/. 6/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 7/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 8/ The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 9/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 10/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 8/. 11/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 12/ Includes Oregon and Washington. 13/ Weighted average of the information for all selected reporting areas in Federal milk orders. 14/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."  
Report Contact: Randal Stoker, [randal.stoker@usda.gov](mailto:randal.stoker@usda.gov) or 202-690-1932

## MARCH MILK PRODUCTION

Milk production in the 23 major states during March totaled 16.5 billion pounds, up 4.3 percent from March 2011. February revised production at 15.1 billion pounds, was up 8.2 percent from February 2011. The February revision represented a decrease of 13 million pounds or 0.1 percent from last month's preliminary production estimate. Adjusting February production for the additional day due to leap year causes February revised production to be up 4.5 percent on a per day basis. Production per cow in the 23 States averaged 1,931 pounds for March, 59 pounds above March 2011. The number of milk cows on farms in the 23 States was 8.52 million head, 94,000 head more than March 2011, and 9,000 head more than February 2012. Milk production in the U.S. during the January-March quarter totaled 51.0 billion pounds, up 5.2 percent from the January-March quarter last year. The average number of milk cows in the U.S. during the quarter was 9.25 million head, 86,000 head more than the same period last year.

STATE	MILK COWS <sup>1/</sup> <sup>2/</sup>				MILK PRODUCTION <sup>1/</sup> <sup>3/</sup>			
	MARCH		JANUARY-MARCH		MARCH		JANUARY-MARCH	
	2011	2012	2011	2012	2012	% CHANGE FROM 2011	2012	% CHANGE FROM 2011
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	--	--	11.0	10.0	--	--	39.0	-9.3
AK	--	--	0.6	0.5	--	--	1.7	-5.6
AZ	187	194	186.0	192.0	435	6.6	1,230.0	8.4
AR	--	--	12.0	11.0	--	--	38.0	-2.6
CA	1,760	1,785	1,756.0	1,784.0	3,811	6.2	10,934.0	7.8
CO	125	132	124.0	133.0	270	7.1	780.0	8.9
CT	--	--	18.5	18.5	--	--	93.0	1.1
DE	--	--	5.0	5.0	--	--	25.0	2.9
FL	119	122	118.0	122.0	223	0.5	650.0	3.7
GA	--	--	80.0	80.0	--	--	406.0	6.8
HI	--	--	1.9	1.9	--	--	7.2	4.3
ID	576	580	574.0	580.0	1,119	3.3	3,279.0	5.2
IL	98	100	98.0	100.0	177	5.4	511.0	6.2
IN	172	176	172.0	175.0	325	5.2	934.0	6.9
IA	209	204	209.0	205.0	388	1.8	1,130.0	3.4
KS	122	123	122.0	123.0	230	3.1	663.0	3.9
KY	--	--	76.0	75.0	--	--	296.0	3.9
LA	--	--	19.0	18.0	--	--	70.0	1.4
ME	--	--	32.0	32.0	--	--	151.0	2.7
MD	--	--	53.0	52.0	--	--	255.0	0.8
MA	--	--	13.5	12.0	--	--	55.0	-3.5
MI	364	375	364.0	374.0	776	7.3	2,227.0	6.8
MN	469	465	470.0	465.0	795	2.1	2,302.0	2.6
MS	--	--	15.0	14.5	--	--	58.0	-1.7
MO	94	93	95.0	93.0	130	1.6	361.0	2.0
MT	--	--	14.0	14.0	--	--	74.0	7.2
NE	--	--	57.0	56.0	--	--	295.0	1.7
NV	--	--	29.0	29.0	--	--	162.0	1.3
NH	--	--	15.0	14.0	--	--	71.0	-5.3
NJ	--	--	8.0	7.5	--	--	35.0	0.0
NM	325	336	324.0	335.0	736	5.3	2,086.0	4.8
NY	610	610	610.0	610.0	1,138	3.1	3,291.0	3.7
NC	--	--	45.0	45.0	--	--	249.0	8.3
ND	--	--	20.0	18.0	--	--	84.0	-4.5
OH	269	270	270.0	270.0	462	3.4	1,329.0	2.9
OK	--	--	54.0	52.0	--	--	251.0	4.1
OR	119	123	119.0	123.0	215	3.4	619.0	4.0
PA	543	540	543.0	540.0	923	-0.6	2,668.0	1.1
RI	--	--	1.1	1.1	--	--	4.9	2.1
SC	--	--	16.0	16.0	--	--	80.0	6.7
SD	--	--	91.0	92.0	--	--	492.0	7.0
TN	--	--	50.0	52.0	--	--	225.0	4.2
TX	426	439	425.0	437.0	876	5.7	2,503.0	6.2
UT	87	91	87.0	91.0	166	7.8	484.0	9.5
VT	135	133	135.0	133.0	221	0.0	641.0	0.8
VA	96	96	95.0	96.0	158	1.9	454.0	3.4
WA	254	263	252.0	263.0	537	4.5	1,560.0	6.2
WV	--	--	10.0	10.0	--	--	40.0	2.6
WI	1,266	1,269	1,266.0	1,267.0	2,341	4.2	6,771.0	5.0
WY	--	--	6.0	6.0	--	--	29.8	-2.0
23 STATE TOTAL	8,425	8,519	--	--	16,452	4.3	--	--
U.S. <sup>4/</sup> <sup>5/</sup>	--	--	9,168.0	9,254.0	--	--	50,995.0	5.2

<sup>1/</sup> Preliminary. <sup>2/</sup> Includes dry cows, excludes heifers not yet fresh. <sup>3/</sup> Excludes milk sucked by calves. <sup>4/</sup> Includes states for which individual monthly estimates are not available. <sup>5/</sup> Milk cows will not add due to rounding. **Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. *Milk Production, April 2012.*

## FEBRUARY FLUID MILK SALES

During February, 4.3 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.2 percent higher than February 2011. After adjusting for calendar composition, sales in February 2012 were 3.4 percent lower than February 2011. Estimated sales of total conventional fluid milk products decreased 0.2 percent from February 2011 and estimated sales of total organic fluid milk products increased 11.2 percent from a year earlier.

**Editor's Note:** Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYearToDate>.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,  
FEBRUARY 2012, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	February	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Whole Milk	1,061	2,217	-1.4	-3.1
Flavored Whole Milk	40	80	-5.6	-5.7
Reduced Fat Milk (2%)	1,421	2,971	-0.5	-2.0
Low Fat Milk (1%)	595	1,234	6.5	4.4
Fat-Free Milk (Skim)	608	1,260	-2.1	-3.5
Flavored Fat-Reduced Milk	365	737	4.3	2.2
Buttermilk	39	79	2.8	1.9
Total Conventional Milk Products 5/	4,133	8,584	-0.2	-1.8
Organic Whole Milk	43	91	15.2	13.6
Organic Reduced Fat Milk	50	108	11.0	14.9
Organic Low Fat Milk	39	80	19.5	21.6
Organic Fat-Free Milk (Skim)	36	75	0.7	0.2
Organic Flavored Milk	6	13	-19.9	-14.9
Organic Fat-Reduced Milk 3/	133	228	9.9	11.3
Total Organic Milk Products	176	369	11.2	11.9
Total Fluid Milk Products 4/	4,308	8,953	0.2	-1.3
Total Fluid Milk Products Adjusted 4/ 5/	4,155	8,852	-3.4	-3.0

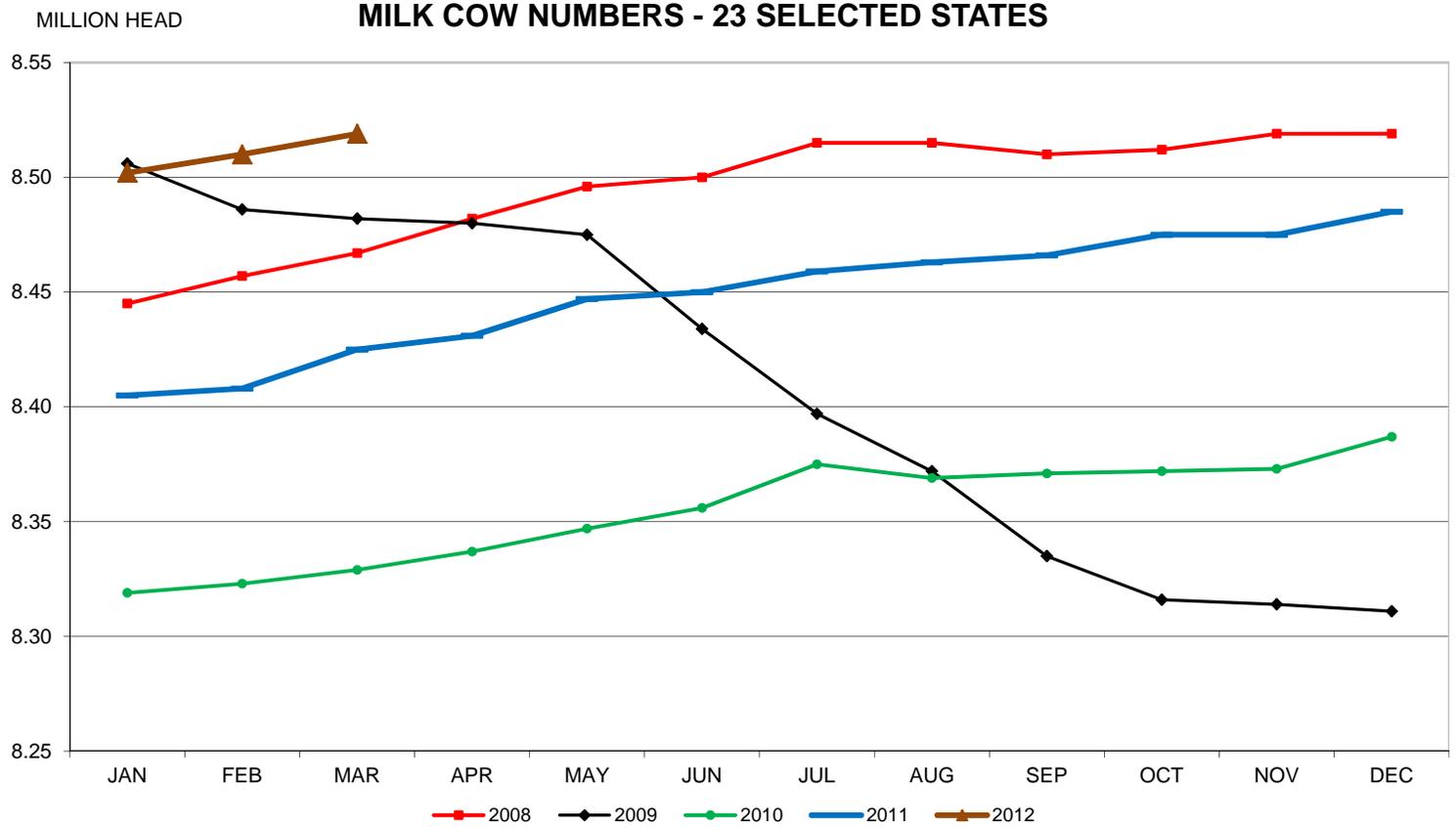
1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; 3/ Total of organic reduced fat, lowfat, skim, flavored, and miscellaneous milk products combined. 4/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 5/ Sales volumes and percent changes have been adjusted for calendar composition; see <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3023272> Report contact: Daniel Manzoni, [Daniel.manzoni@ams.usda.gov](mailto:Daniel.manzoni@ams.usda.gov) or 202-720-2352

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS  
AND CALIFORNIA, FEBRUARY 2012, WITH COMPARISONS 1/

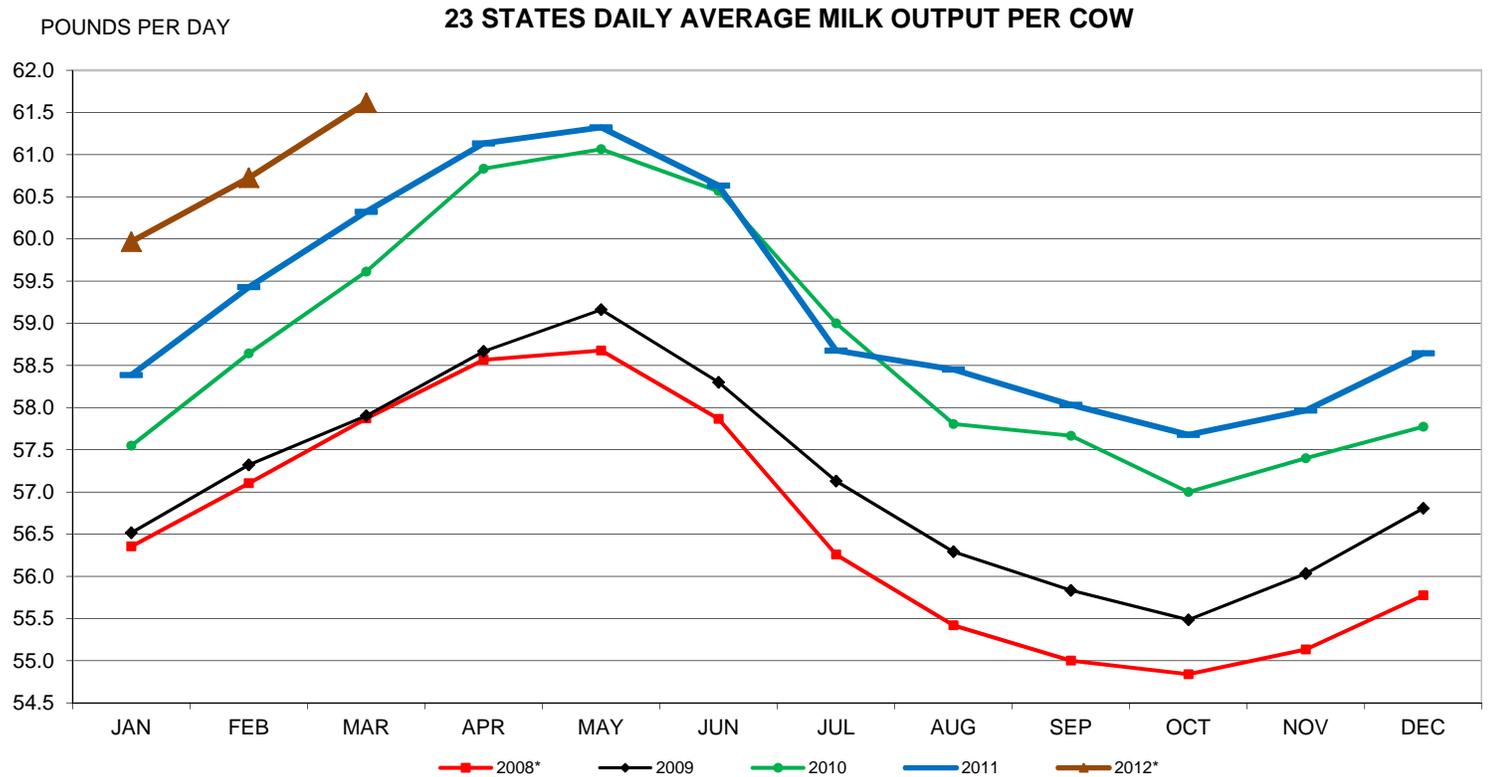
Area (Order Number)	Sales		Change from: 2/	
	February	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Northeast (001)	730	1,508	2.2	-0.2
Appalachian (005)	286	592	2.5	-0.6
Southeast (007)	394	817	0.4	-2.1
Florida (006)	241	496	2.0	-0.5
Mideast (033)	481	1,000	0.1	-0.7
Upper Midwest (030)	339	705	-1.1	-1.7
Central (032)	371	770	2.4	0.7
Southwest (126)	365	759	2.5	0.0
Arizona (131)	93	198	-4.5	-2.4
Pacific Northwest (124)	176	366	1.0	0.2
California (---)	488	1,026	-6.3	-6.0

1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 5/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis.

**Source:** U.S. Department of Agriculture. California Department of Food and Agriculture. Milk Stabilization Branch. *California Dairy Information Bulletin*, February 2012.



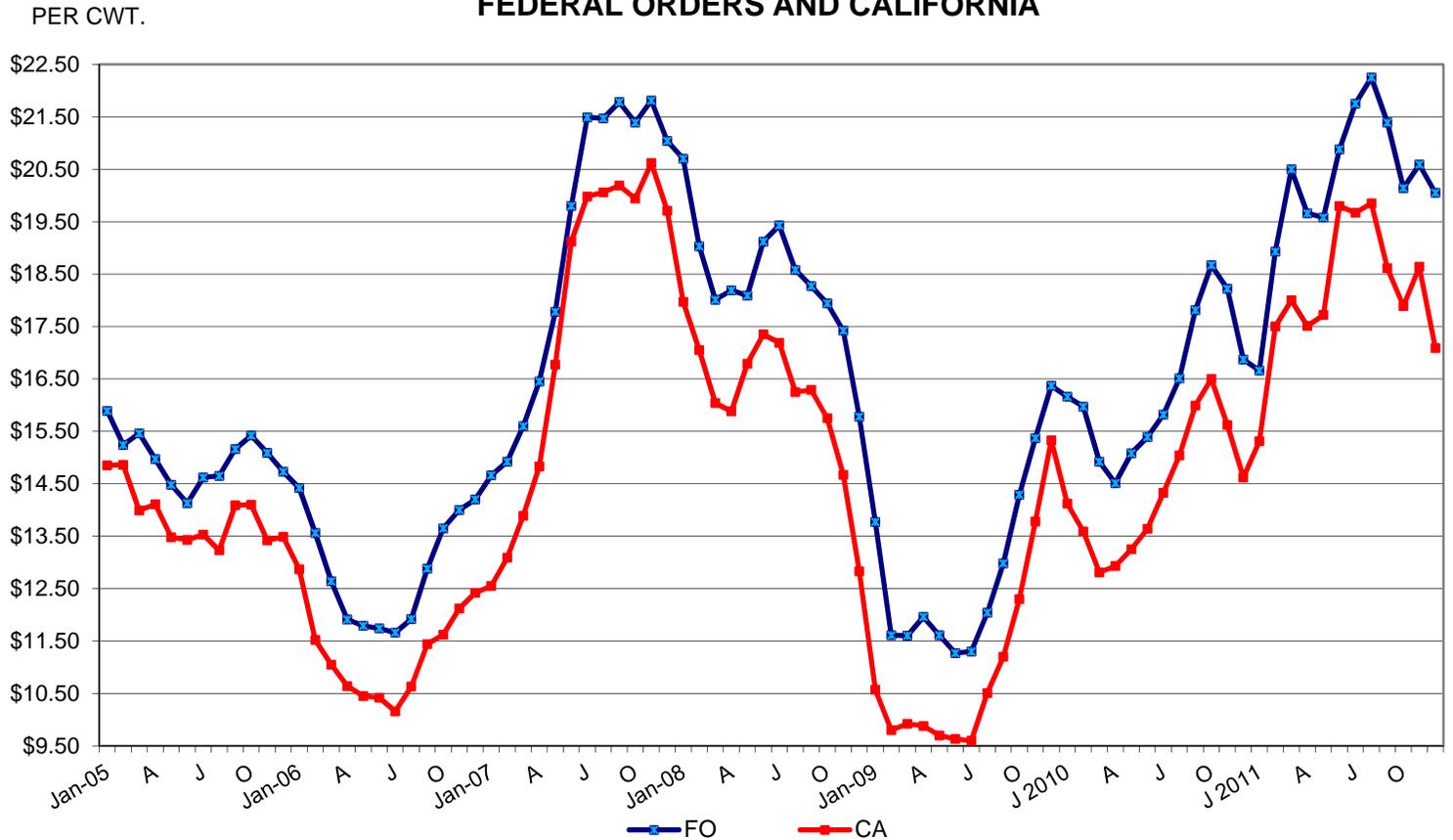
DATA SOURCE, USDA, NASS; GRAPH, USDA, DMN



DATA SOURCE, USDA, NASS; GRAPH, USDA, DMN

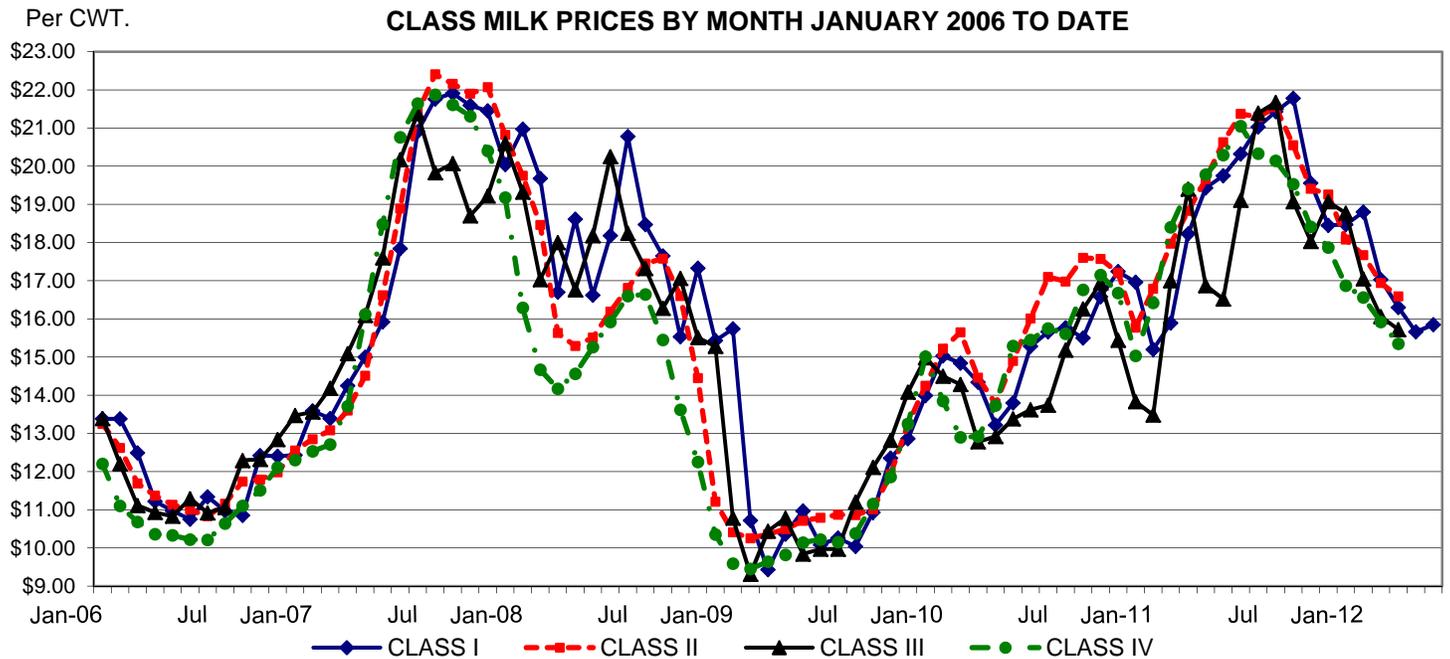
NOTE: 2008\* and 2012\* February values adjusted to 28 day equivalent

### MONTHLY MAILBOX PRICE AVERAGE FOR FEDERAL ORDERS AND CALIFORNIA



DATA SOURCE, USDA, DAIRY PROGRAMS & STATE OF CALIFORNIA, CDFA; GRAPH, USDA, DMN

### CLASS MILK PRICES BY MONTH JANUARY 2006 TO DATE



DATA SOURCE, USDA, FMMOS; GRAPH, USDA, DMN

CLASS I BASE PRICE DOES NOT INCLUDE APPLICABLE CLASS I DIFFERENTIAL

# DAIRY MARKET NEWS

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**GENERAL NUMBER**  
(608) 278-4200

**VOLUME:** 79

**REPORT:** 16

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## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Dairy Retail Report

Websites: <http://www.marketnews.usda.gov/portal/da> and <http://www.ams.usda.gov/mnreports/dybretail.pdf>

Volume 79- Number 16

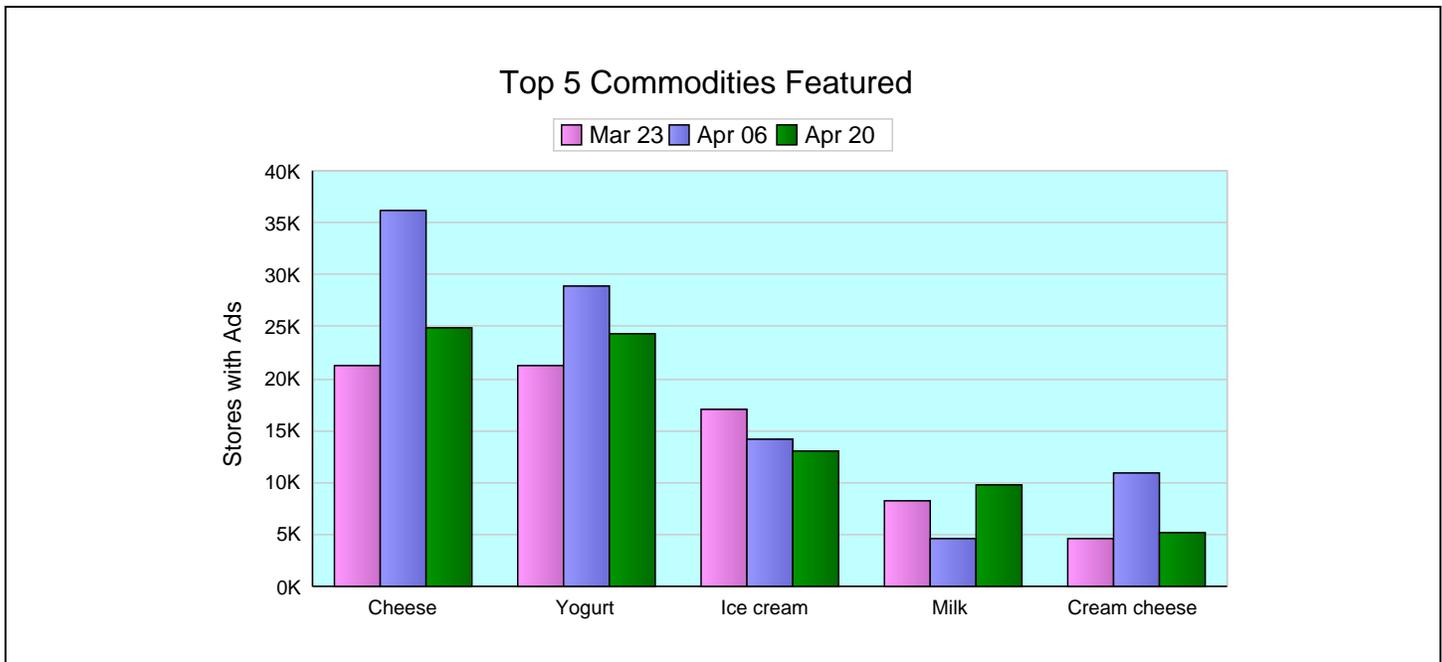
Issued Biweekly

Thursday, April 19, 2012

### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 04/09 to 04/20

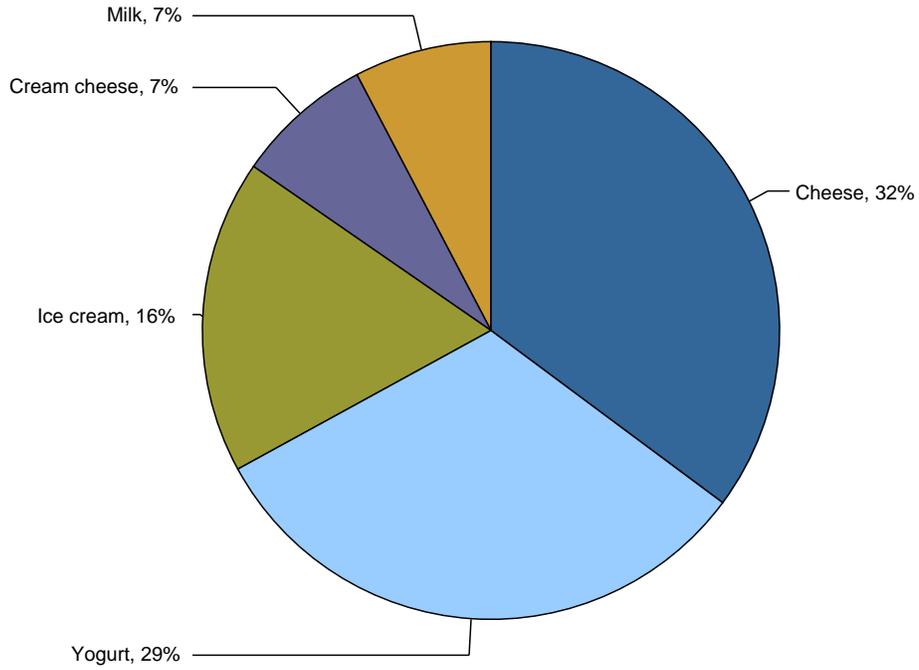
Advertised features of conventional dairy product are noticeably lower following an active featuring cycle proceeding the Easter/Passover holidays. Butter ad features declined sharply (2,170 stores with ads, down from 15,068 two weeks ago) and the national average price of \$2.68 was 40 cents higher. Cheese saw declines in ad features for 8-ounce blocks and 1-pound blocks, although 2-pound blocks of natural varieties are widely featured. Ice cream ads remain active and there are additional "buy one, get one" features that did not state a price. Yogurt placements are commonplace across regions and pricing levels are unchanged for regular yogurt at \$.56 per 4-6 ounce cup, but are 6 cents higher at \$1.02 for Greek yogurt.

Conventional milk's national weighted average advertised price for half gallons this period, \$2.09, is 3 cents below two weeks ago. For gallons, this period's \$2.94 is 21 cents above last period. Organic milk's national weighted average advertised price for half gallons, \$3.56, is up 48 cents from last period. This results in an organic-conventional half-gallon milk advertised price spread which has trended higher for three periods, currently \$1.47, up from 96 cents last period and 78 cents two periods ago. The number of stores with organic dairy ads nearly doubled compared with two weeks ago.

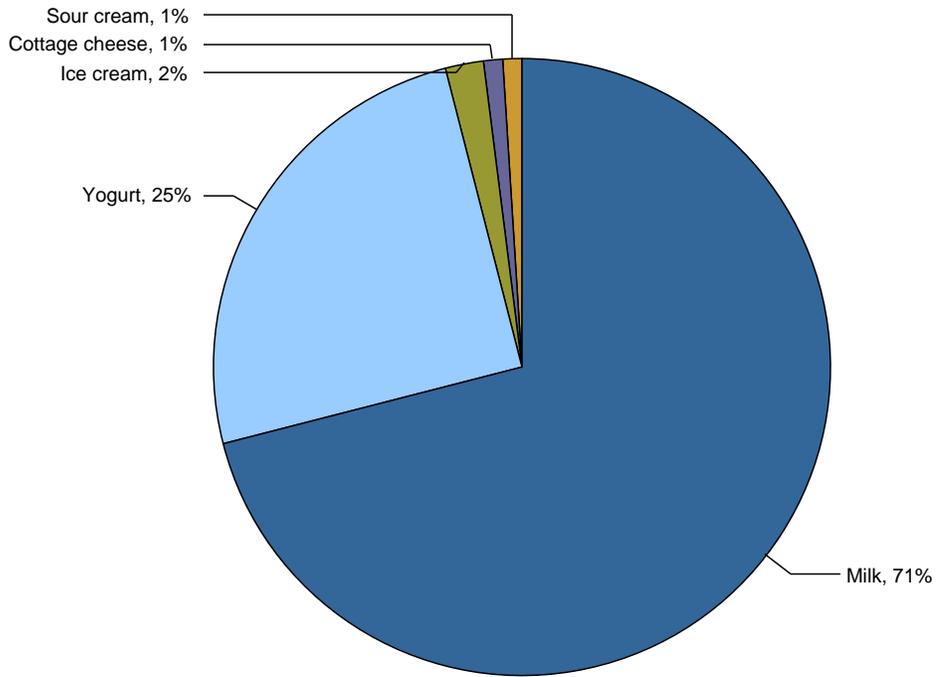


1 -- Dairy Market News surveys more than 150 retailers, comprising nearly 16,000 individual stores, with online weekly advertised features.  
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

### Top 5 Percentage of Total Conventional Ads



### Top 5 Percentage of Total Organic Ads





## NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS WEEK		TWO WEEKS AGO	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	2170	2.86	15068	2.46
Cheese	Natural Varieties	8 oz block	6142	2.34	14886	2.33
Cheese	Natural Varieties	1 # block	4324	3.97	6872	3.78
Cheese	Natural Varieties	2 # block	3719	5.42	501	5.79
Cheese	Natural Varieties	8 oz shred	8793	2.26	12644	2.16
Cheese	Natural Varieties	1 # shred	1871	3.69	1319	3.64
Cottage cheese		16 oz	1441	2.08	3207	2.15
Cream cheese		8 oz	5251	1.62	10785	1.45
Flavored milk	All fat tests	half gallon	363	1.89	1568	1.86
Flavored milk	All fat tests	gallon	873	3.60	1355	3.19
Ice cream		48-64oz	12922	3.27	13690	3.38
Milk	All fat tests	half gallon	1102	2.09	1410	2.12
Milk	All fat tests	gallon	4053	2.94	1857	2.73
Sour cream		16 oz	2663	1.57	13367	1.65
Yogurt	Greek	4-6 oz	9317	1.02	11241	.96
Yogurt	Greek	32 oz	525	4.60	585	5.30
Yogurt	Yogurt	4-6 oz	10909	.56	12101	.56
Yogurt	Yogurt	32 oz	1948	2.21	4216	2.08

## REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.88-3.99	1649	2.80	2.29-3.49	349	3.10			
Cheese	Natural Varieties	8 oz block	1.49-3.00	3086	2.39	2.00-3.00	1400	2.33	1.50-2.33	356	2.09
Cheese	Natural Varieties	1 # block	2.99-6.99	1977	4.55	2.99	398	2.99	2.99-3.99	450	3.05
Cheese	Natural Varieties	2 # block				5.00-5.98	305	5.65			
Cheese	Natural Varieties	8 oz shred	1.66-3.00	2717	2.32	2.00-3.49	2366	2.38	0.98-2.50	1060	1.82
Cheese	Natural Varieties	1 # shred	3.50-5.39	844	4.34				3.50-3.99	135	3.78
Cottage cheese		16 oz	1.66-3.00	651	2.16	1.99	53	1.99	2.00-2.50	275	2.22
Cream cheese		8 oz	1.25-2.50	2238	1.66	1.25-1.50	281	1.32	1.50-1.66	317	1.51
Flavored milk	All fat tests	half gallon				2.50	53	2.50	1.33-1.99	58	1.65
Flavored milk	All fat tests	gallon	3.99	266	3.99				2.99-3.59	378	3.27
Ice cream		48-64oz	2.50-3.99	3413	3.00	2.50-4.50	2998	3.45	1.88-4.29	2693	3.08
Milk	All fat tests	half gallon	2.99-3.29	556	3.01	1.67	34	1.67	1.33	30	1.33
Milk	All fat tests	gallon	2.88-3.99	399	3.84	2.58-3.39	1455	3.02	2.28-3.19	735	2.51
Sour cream		16 oz	1.29-1.99	1348	1.57	1.49-2.00	277	1.63	1.49-1.66	54	1.58
Yogurt	Greek	4-6 oz	0.88-1.39	2307	1.03	0.99-1.25	2717	1.02	1.00-1.50	1135	1.07
Yogurt	Greek	32 oz	3.99	213	3.99				5.79	34	5.79
Yogurt	Yogurt	4-6 oz	0.40-1.00	3839	.57	0.40-0.60	3037	.50	0.33-0.70	1590	.60

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	1.99-2.50	795	2.03	2.27	195	2.27	2.00-2.89	368	2.08

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				2.98	143	2.98	2.99	29	2.99
Cheese	Natural Varieties	8 oz block	1.66-2.99	549	2.07	2.00-2.50	469	2.24	2.00-2.99	282	2.71
Cheese	Natural Varieties	1 # block	4.29	49	4.29	2.99-4.99	1303	3.84	2.50-3.99	147	2.79
Cheese	Natural Varieties	2 # block	4.49-5.99	847	5.42	5.00-7.99	1833	5.46	4.99-6.99	734	5.21
Cheese	Natural Varieties	8 oz shred	1.66-2.99	1433	2.22	2.00-2.50	958	2.15	2.99-3.00	259	2.99
Cheese	Natural Varieties	1 # shred				1.66-4.69	774	3.15	2.50	118	2.50
Cottage cheese		16 oz	1.99-2.00	72	1.99	1.19-2.39	390	1.87			
Cream cheese		8 oz	1.50-2.00	472	1.55	1.50-2.00	1320	1.73	1.50	623	1.50
Flavored milk	All fat tests	half gallon	1.99-2.28	78	2.10	1.89	27	1.89	1.25-3.29	147	1.65
Flavored milk	All fat tests	gallon				3.68	229	3.68			
Ice cream		48-64oz	2.50-4.50	1489	3.50	3.00-3.99	1645	3.65	2.50-3.99	684	3.19
Milk	All fat tests	half gallon	1.00	336	1.00				1.25-1.99	146	1.39
Milk	All fat tests	gallon	1.97-2.88	128	2.57	2.39-2.99	1256	2.87	2.49	80	2.49
Sour cream		16 oz	1.25-1.50	469	1.45	1.25-2.79	515	1.62			
Yogurt	Greek	4-6 oz	0.99-1.25	1172	1.02	0.87-1.00	1704	.96	1.00	282	1.00
Yogurt	Greek	32 oz	4.49	43	4.49	4.99	235	4.99			
Yogurt	Yogurt	4-6 oz	0.29-0.70	1039	.60	0.58-0.68	1203	.61	0.49-0.60	201	.57
Yogurt	Yogurt	32 oz	2.29	49	2.29	2.00-2.69	541	2.52			

### NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS WEEK		TWO WEEKS AGO	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #			681	3.97
Cottage cheese		16 oz	70	3.00		
Cream cheese		8 oz			144	2.61
Ice cream		48-64oz	121	5.45	551	5.55
Milk	All fat tests	half gallon	3089	3.56	975	3.08
Milk	All fat tests	gallon			235	5.99
Milk	All fat tests	8 oz UHT	1559	1.05	105	1.00
Sour cream		16 oz	70	2.29		
Yogurt	Greek	4-6 oz	988	1.20	269	1.36
Yogurt	Yogurt	4-6 oz	263	.63	584	.58
Yogurt	Yogurt	32 oz	386	3.95		

Wtd Avg - Simple weighted average



## REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Ice cream		48-64oz	5.99	56	5.99						
Milk	All fat tests	half gallon	3.50-3.99	633	3.62	3.89-3.99	212	3.94	3.99	185	3.99
Milk	All fat tests	8 oz UHT	0.95-1.33	379	1.22	1.00	503	1.00	1.00	424	1.00
Yogurt	Greek	4-6 oz	1.25	661	1.25	1.00-1.25	327	1.10			
Yogurt	Yogurt	4-6 oz	0.60-0.66	263	.63						
Yogurt	Yogurt	32 oz	3.59-3.99	386	3.95						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cottage cheese		16 oz				3.00	70	3.00			
Ice cream		48-64oz	4.99	65	4.99						
Milk	All fat tests	half gallon	2.69-2.79	359	2.72	2.99-3.99	1591	3.65	2.99-3.69	109	3.18
Milk	All fat tests	8 oz UHT	1.00	135	1.00				1.00	118	1.00
Sour cream		16 oz				2.29	70	2.29			

## NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

### NATIONAL BRANDS vs STORE BRANDS

Commodity	Type	Pack Size	NATIONAL BRANDS				STORE BRANDS			
			Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Butter		1 #	2.49	3.99	983	2.92	1.88	3.49	1187	2.81
Cheese	Natural Varieties	8 oz block	1.49	3.00	3332	2.41	1.50	3.00	2810	2.25
Cheese	Natural Varieties	1 # block	4.99	6.99	763	5.97	2.50	4.69	3561	3.54
Cheese	Natural Varieties	2 # block	4.99	6.99	66	6.14	4.49	7.99	3653	5.40
Cheese	Natural Varieties	8 oz shred	1.77	3.49	4585	2.41	.98	2.99	4208	2.10
Cheese	Natural Varieties	1 # shred	1.66	5.39	240	3.24	2.50	4.69	1631	3.76
Cottage cheese		16 oz	2.00	2.50	458	2.32	1.19	3.00	983	1.96
Cream cheese		8 oz	1.29	2.50	785	1.89	1.25	2.00	4466	1.57
Flavored milk	All fat tests	half gallon	2.50	3.29	82	2.78	1.25	2.28	281	1.63
Flavored milk	All fat tests	gallon	3.00	3.00	155	3.00	2.99	3.99	718	3.73
Ice cream		48-64oz	2.48	4.50	6913	3.24	1.88	4.50	6009	3.30
Milk	All fat tests	half gallon	2.99	3.29	556	3.01	1.00	1.99	546	1.16
Milk	All fat tests	gallon	2.50	2.50	70	2.50	1.97	3.99	3983	2.94
Sour cream		16 oz	1.29	2.79	936	1.70	1.25	2.50	1727	1.49
Yogurt	Greek	4-6 oz	.87	1.50	7994	1.03	.88	1.00	1323	.96
Yogurt	Greek	32 oz	3.99	5.79	525	4.60				

Wtd Avg - Simple weighted average



			NATIONAL BRANDS				STORE BRANDS			
Commodity	Type	Pack Size	Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	4-6 oz	.49	1.00	8353	.60	.29	.60	2556	.45
Yogurt	Yogurt	32 oz	1.99	2.50	421	2.17	1.99	2.89	1527	2.21

**NATIONAL -- ORGANIC DAIRY PRODUCTS**  
**NATIONAL BRANDS vs STORE BRANDS**

			NATIONAL BRANDS				STORE BRANDS			
Commodity	Type	Pack Size	Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Cottage cheese		16 oz	3.00	3.00	70	3.00				
Ice cream		48-64oz	4.99	5.99	121	5.45				
Milk	All fat tests	half gallon	2.99	2.99	80	2.99	2.69	3.99	3009	3.57
Milk	All fat tests	8 oz UHT	.95	1.33	1559	1.05				
Sour cream		16 oz	2.29	2.29	70	2.29				
Yogurt	Greek	4-6 oz	1.00	1.25	988	1.20				
Yogurt	Yogurt	4-6 oz	.60	.66	263	.63				
Yogurt	Yogurt	32 oz	3.59	3.99	386	3.95				

**REGIONAL DEFINITIONS**

As used in this report, regions include the following states:

- NORTHEAST U.S. Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New jersey, New York, Pennsylvania, Rhode Island and Vermont
- SOUTHEAST U.S. Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia
- MIDWEST U.S. Iowa, Illinois, Indiana, Kentucky, Michigan, Minnesota, North Dakota, Nebraska, Ohio, South Dakota and Wisconsin
- SOUTH CENTRAL U.S. Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas
- SOUTHWEST U.S. Arizona, California, Nevada and Utah
- NORTHWEST U.S. Idaho, Montana, Oregon, Washington, and Wyoming
- NATIONAL Continental United States