

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (05/18):**

**BUTTER:** Grade AA closed at \$1.3550. The weekly average for Grade AA is \$1.3515 (+.0450).

**CHEESE:** Barrels closed at \$1.4600 and 40# blocks at \$1.5000. The weekly average for barrels is \$1.4560 (+.0020) and blocks, \$1.5000 (-.0025).

**BUTTER HIGHLIGHTS:** Late last week at the CME Group Cash trading sessions and continuing for much of the current week, the cash price firmed to close the week at \$1.3550. To the surprise of many butter producers and handlers, this strength is occurring at a time when butter production is seasonally strong and inventories are building. Cream volumes available to the churn remain seasonally heavy, although some butter producers are reporting lighter surplus cream offerings than in recent weeks. Lighter surplus offerings are being attributed to increased Class II demand, especially for ice cream and mix needs. Although lighter surplus cream offerings are occurring, many butter producers are anticipating heavier volumes within the week as the Memorial Day holiday weekend approaches which usually generates additional cream volumes for the churn. Typically, many Class II operations reduce their holiday weekend runs and divert cream volumes, which end up in churns from coast to coast. Overall butter demand is fair with some producers and handlers reporting good butter movement. Retail print ads are featuring butter promotions in many regions of the country, which typically clear good volumes of print butter. The Cooperatives Working Together (CWT) program continues to accept butter and anhydrous milk fat export assistance requests. During the week, the program announced that they recently accepted requests totaling nearly 1.5 million pounds (663 MT). Thus far in 2012, CWT has assisted with exports of 42.8 million pounds.

**CHEESE HIGHLIGHTS:** Milk supplies across the country remain above year ago levels and much of that milk is finding its way to cheese plants. Discounts are being offered to plants to encourage higher production levels for cheese. Stocks of cheese are increased from a year ago. Cheese plants are keeping a close eye on inventories as demand is described as moderate. Increased features in retail advertising are helping to move additional supplies. Export sales are being aided with the assistance of the Cooperative Working Together program. Trading at the CME Group this week has been uneventful

with light activity from both manufacturers and buyers. Barrel prices are up one cent from last Friday, closing at \$1.4600 for the week, while blocks are unchanged from last Friday at \$1.5000.

**FLUID MILK:** Milk production in most areas of the country has peaked and is holding at high levels with reports of declines in southern regions more common. In areas that are still reporting increases, milk handlers are projecting that peak levels will be attained by month's end. Milk volumes are often being processed in a manageable fashion without too many processing challenges. As elementary/secondary schools and colleges recess for the summer, surplus milk volumes may become more available, thus manufacturers and handlers indicate that they are not out of the water yet. Also, with the upcoming Memorial Day holiday coming next week, this could further enhance surplus milk volumes. Although the holiday period will generate surplus volumes, many feel that processing holiday milk will probably not be such a negative factor as has been the case in previous years. Cream markets are steady to firm. Surplus cream volumes of recent weeks have eased as Class II product production increases, especially for ice cream and mix output. Although surplus cream volumes have eased, butter production remains seasonally strong and often output is surpassing demand, thus inventories continue to build.

**DRY PRODUCTS:** For most dry dairy product markets, the market tone is unsettled to weak and prices are trending lower. Nonfat dry milk powder markets are mixed as market participants weigh the news of a possible NDM sale to the export market clearing substantial quantities of NDM. NDM production across the country varies as milk intakes maintain high levels in some regions, while declining in others. Buttermilk powder markets are generally weak as prices trend lower. Powder production is seasonally active, although condensed sales into Class II operations are reportedly increasing seasonally. Often, recent price declines have prompted potential buyers to purchase for immediate needs only, unwilling to expand their inventories with the prospect of further price declines. Buttermilk powder inventories are building seasonally. Whey powder markets are mixed, although a steadier undertone is developing. Prices unchanged to lower. Cheese production across the country is seasonally strong, but reports of declining milk volumes are becoming evident in slightly lower cheese output for some. Whey powder demand is improving,

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

ORGANIC DAIRY MARKET NEWS (PAGES 8-8C)  
MARCH FLUID MILK SALES (PAGE 9)

DAIRY GRAPHS (G1-G2)  
NATIONAL DAIRY RETAIL REPORT (attached)

CME GROUP CASH TRADING

COMMODITY	MONDAY MAY 14	TUESDAY MAY 15	WEDNESDAY MAY 16	THURSDAY MAY 17	FRIDAY MAY 18	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.4500 (N.C.)	\$1.4500 (N.C.)	\$1.4600 (+.0100)	\$1.4600 (N.C.)	\$1.4600 (N.C.)	:: (+.0100)	:: \$1.4560 (+.0020)
40# BLOCKS	\$1.5000 (N.C.)	\$1.5000 (N.C.)	\$1.5000 (N.C.)	\$1.5000 (N.C.)	\$1.5000 (N.C.)	:: (N.C.)	:: \$1.5000 (-.0025)
NONFAT DRY MILK							
EXTRA GRADE	\$1.0825 (N.C.)	\$1.0825 (N.C.)	\$1.0825 (N.C.)	\$1.0825 (N.C.)	\$1.0825 (N.C.)	:: (N.C.)	:: \$1.0825 (-.0040)
GRADE A	\$1.1225 (N.C.)	\$1.1225 (N.C.)	\$1.1225 (N.C.)	\$1.1250 (+.0025)	\$1.1250 (N.C.)	:: (+.0025)	:: \$1.1235 (-.0030)
BUTTER							
GRADE AA	\$1.3400 (+.0200)	\$1.3525 (+.0125)	\$1.3550 (+.0025)	\$1.3550 (N.C.)	\$1.3550 (N.C.)	:: (+.0350)	:: \$1.3515 (+.0450)

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

especially for Class II needs which is tightening available supplies. Lactose markets are generally steady with prices unchanged to slightly lower as spot sales activity increases. Buyers and manufacturers are working on agreements for Q3 contracts. Lactose production is generally steady with stock availability varying from manufacturer to manufacturer.

**ORGANIC DAIRY MARKET NEWS OVERVIEW (DMN):**

Advertising volume for organic half gallons is the second highest level of 2012, up 297% from two weeks ago. The national weighted average advertised price of organic milk half gallons, \$3.38, is 49 cents lower than two weeks ago. The price range, \$4.49 to \$2.39, is the widest in two and one half years of collecting data for this series. With a weighted average advertised price for non-organic half gallons of \$2.36, the organic-conventional half-gallon milk advertised price spread is \$1.02, down from \$2.46 two weeks ago, reversing an upward trend which had prevailed for four periods. The national weighted average advertised price of 4-6 ounce organic yogurt decreased 2 cents, to \$0.74. The price range spanned 40 cents, a 1 cent increase at the top but unchanged at the bottom. The emergence of the Northeast as the leading region for numbers of retail ads for fluid organic milk reflects the easing of milk supply tightness which occurred earlier this year. Pastures are now reported to be "lush" in much of the region. Increasing milk availability has prompted some retail chains which have not run organic milk ads for some time due to supply tightness, to resume advertising organic milk. Pasture conditions in the upper Midwest, a region where organic dairy farmers grow more of their own feed than some other regions, are also very good. The Southeast is also a region which faced organic milk supply tightness earlier in the year. Enough organic milk is now available so that a major supermarket chain will soon be offering a store brand of organic ice cream in the region.

**INTERNATIONAL UPDATE (DMN):** At the May 15 g/DT session #68, rennet casein average prices increased 0.7% (\$6,244 per MT) when compared to the previous all contract average, while all others traded product averages were lower by 0.2% - 11.9%. Skim milk powder, sourced from the U.S., again traded in the closest contracting period (June) and averaged \$2,395 per MT (\$1.0864 per pound). All other products and supply sources, with the exception of buttermilk powder and lactose, saw activity in contract #2 (July). Anhydrous milk fat continues to decline and realized an 11.9% decline (\$2,499 per MT) from the previous all contract average. Skim milk (\$2,573 per MT) and whole milk (\$2,546 per MT) powder averages were 5.4 and 8.9% lower respectively.

**MARCH FLUID MILK SALES (AMS):** During March, 4.3 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.9% lower than March 2011. After adjusting for calendar composition, sales in March 2012 were 3.6% lower than March 2011. Estimated sales of total conventional fluid milk products decreased 3.0% from March 2011 and estimated sales of total organic fluid milk products increased 1.4% from a year earlier.

CME GROUP

MONDAY, MAY 14, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4500; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4700  
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.1225; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.1225  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.3400; LAST OFFER UNCOVERED: NONE

TUESDAY, MAY 15, 2012

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.5000  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.1225  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.3525; LAST OFFER UNCOVERED: NONE

WEDNESDAY, MAY 16, 2012

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.5000; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4600; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.1225  
 BUTTER -- SALES: 6 CARS GRADE AA: 1 @ \$1.3600, 1 @ \$1.3575, 1 @ \$1.3525, 1 @ \$1.3350, 2 @ \$1.3550; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, MAY 17, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4500; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$1.1225, 2 @ \$1.1250; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.1250; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.1300  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.3400; LAST OFFER UNCOVERED: NONE

FRIDAY, MAY 18, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.1250  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.3550; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.3550; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

The butter price advanced \$0.0125 on the CME Group and closed Tuesday at \$1.3525. Butter prices increased \$0.0525 in the last 4 trading sessions. Cream supplies remain ample with significant volumes going to churns, but not as much as in recent weeks, due to increased cream demand. Butter production remains active with bulk butter making up most of the current supplies. Some plants are making 82% butter to fill export orders. Domestic butter demand remains generally weak, but retailers have more than doubled their features and promotions recently in an effort to spark sales. Cooperatives Working Together (CWT) has accepted 28 requests for export assistance to sell 1.461 million pounds of butter and anhydrous milk fat, also 2.617 million pounds of Cheddar and Monterey Jack cheese to customers in Asia, Central America, North Africa and the Middle East. Delivery of product will be from May through July 2012. To date in 2012, CWT has assisted with 42.8 million pounds in export butter and anhydrous milk fat sales. Current bulk butter prices range from 4-8 cents over the market based on the CME Group with various time frames and averages used.

CENTRAL

During the past 5 CME butter trading sessions, the cash butter price increased 5 1/2 cents to settle at \$1.3550 at midweek. To the surprise of many butter producers and handlers, this strength is occurring at a time when butter production is seasonally strong and inventories are building. Often, butter producers are indicating that production is outpacing demand, thus clearances to inventory continue. Many butter producers are preparing for the upcoming Memorial Day holiday weekend, but question how much additional cream that they will be able to process when they are already running at or very near capacity levels. Current butter demand is fair at best. Most orders being placed are for short term needs as many buyers anticipate that the cash price will remain at or very near current levels. The Cooperatives Working Together (CWT) program continues to assist with export activity. Early in the week, the CWT program announced export assistance for nearly 1.5 million pounds of butter and anhydrous milk fat for delivery during the balance of the month thru July. Bulk butter prices range from flat to 3 cents over various pricing bases and averages per pound.

WEST

Western butter prices firmed this week. Production schedules remain heavy as cream continues to find it's way to the butter churn. Demand for butter is good with improved print sales into retail markets. Advertising at the retail level is higher according to the National Dairy Retail Report. The added featuring is being reflected in increased orders. Butter inventories continue to build with manufacturers content to put more product into storage. Export demand is being aided by CWT assistance where available. Prices for bulk butter range from 1 cent under to 4 1/2 cents under the market, based on the CME with various time frames and averages used. Wednesday's close on the CME Group exchange for butter is up \$0.0025 to close at \$1.3550. Wednesday's trading marked five consecutive days of higher prices. The price has been bid higher with no sales made this week until Wednesday when six loads were sold.

2012 U.S. Butter and Milkfat Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
Mar. Exports	13.1	- 30
Jan. - Mar.		
World	27.9	- 33
Saudi Arabia	10.0	+ 3
Iran	5.1	na
Morocco	2.5	- 17
Egypt	2.2	- 24
Canada	1.0	- 49

2012 U.S. Butter Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Apr. Quota Imports	0.26	- 41.3	1.7
Jan. - Apr.			
High Tier	0.08	- 82.3	N.A.
Quota Imports	2.06	- 19.5	13.4

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
May 12, 2012	1.3750 3,217,706	1.5269 12,204,502	1.4938 11,245,286	0.5304 7,133,357	1.1467 26,874,383

## CHEESE MARKETS

## NORTHEAST

Cheese prices held steady on the CME Group Tuesday with barrels closing at \$1.4500 and blocks closing at \$1.5000. Trading has turned light in the last 10 sessions with 17 loads of barrels and only 3 loads of blocks transacted. The previous 10 sessions saw 51 loads of barrels and 36 loads of blocks transacted. Milk production is past the peak in the East, which is lessening milk volumes being channeled to cheese plants and as a result cheese production has declined. Cheese inventories are continuing to expand as demand remains fairly weak. Mozzarella usage by pizza manufacturers is declining as the end of the school year approaches. Domestic demand for cheese remains fairly weak, but retailers have increased their promotional efforts and features of 8 ounce blocks and shredded packages, hoping to increase sales. Export demand continues to be good, aided by export assistance sales. Cooperatives Working Together (CWT) has accepted 28 requests for export assistance to sell 2.617 million pounds of Cheddar and Monterey Jack cheese and 1.461 million pounds of butter and anhydrous milk fat to customers in Asia, North Africa and the Middle East. Delivery of product will be from May through July 2012. To date in 2012, CWT has assisted with 50.3 million pounds in export cheese sales.

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

Cheddar 40# Block	:	1.9025-2.1875
Process 5# Sliced	:	1.6725-1.7925
Muenster	:	1.9225-2.2825
Grade A Swiss Cuts 10 - 14#	:	3.2550-3.5775

## MIDWEST

There are signs that milk production has peaked in many areas. Some plants report a "slight" decline in milk intakes. However, the fact remains that there is still a lot of milk flowing through the dairy system. Slightly lower intakes this week into some plants allows more "purposeful decisions" to be made as to how milk will be used. This has still led to cheese production in a number of instances, often cheddar, particularly as an alternative to nonfat dry milk. Some manufacturers are adding nonfat dry milk during cheese production to increase yields. While some extra loads have been manufactured to meet demand for natural cheese, lower bulk cheese interest has led to slightly reduced manufacturing schedules for that category. There remains concern with the sluggish sales and higher inventory/storage aspects of cheese. The Weekly Cold Storage Holdings Report (Dairy Market News) for cheese shows holdings up nearly 1.5% from the beginning of May and up almost 5% from levels this week last year. Dairy Market News' National Dairy Retail Report finds cheese advertising volume is up from the last cycle, but still below levels earlier in the spring. Cheese advertising volume is up 8% from two weeks ago, but nearly 16% below four weeks ago. Every size and variety of cheese increased in ad numbers this cycle from last, except 1 pound blocks and 1 pound shredded cheese. The weighted average advertised price for each declined, with 1 pound blocks being \$3.95, down 24 cents and 1 pound shreds being \$3.97, down 51 cents. National brands dominate current advertising of 1 pound blocks over store brands about 2 to 1, the opposite of two weeks earlier. The same pattern applies to 1 pound shredded cheese, where national brands dominate store brands by about 6 to 1 this week, also the opposite of two weeks ago. The most advertised cheese category, 8 ounce shreds, has a weighted average advertised price of \$2.25, up 3 cents from last cycle. National brands account for about 2 of every 3 ads in this category and the national weighted average advertised price, \$2.37, exceeds the average for store brands, \$2.01. The \$2.26 average price for the second most advertised

cheese category, 8 ounce blocks, increased 6 cents from the last cycle. The weighted average price for national brands, \$2.43, also exceeds the average store brand price, \$2.01. There are more ads for national brands than store brands. Back and forth trading continues on the CME, still a bit below prices at the beginning of last week. CME trading has edged both blocks and barrels slightly above where they closed after each fell noticeably last week Tuesday. Yet as of this Wednesday, barrels remain \$.0075 below last week Monday and blocks remain \$.0350 below. Sentiment continues to be expressed that retailers are hesitant to plan more aggressive cheese advertising campaigns while they are uncertain over the potential for near term declines in CME cash trading. More aggressive features of cheese by retailers "would help move cheese out of storage", which would be a welcome development to manufacturers. Cooperatives Working Together (CWT) has accepted 28 requests for export assistance to sell a total of 2.617 million pounds (1,187 metric tons) of Cheddar and Monterey Jack cheese. The product will be delivered May through July 2012. During 2012, CWT has assisted member cooperatives in making export sales of Cheddar, Monterey Jack and Gouda cheese totaling 50.3 million pounds.

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

Process American 5# Loaf	:	1.6450-2.3500
Brick And/Or Muenster 5#	:	1.8900-2.4500
Cheddar 40# Block	:	1.8900-2.8750
Monterey Jack 10#	:	1.8600-2.8750
Blue 5#	:	2.1550-3.1400
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7350-2.9750
Grade A Swiss Cuts 6 - 9#	:	2.6650-2.9825

## WEST

Western cheese prices continue to trade in a narrow range. Production schedules are considered heavy as milk supplies are ending up at manufacturing plants. Although higher than year ago levels, milk supplies are said to be leveling off. Retail featuring at the grocery level has helped to move some of the increased production. Inventories are large but most plants are comfortable with current stocks. Export sales are good and CWT assistance continues to aid in making sales. Barrel prices at the CME Group on Wednesday increased \$0.0100 to close at \$1.4600. Blocks were unchanged at \$1.5000. Sales activity has been slow this week as blocks sold one load on Wednesday. Barrels have had only one sale this week also.

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

Process 5# Loaf	:	1.5775-1.8350
Cheddar 40# Block	:	1.6275-1.9800
Cheddar 10# Cuts	:	1.8075-2.0275
Monterey Jack 10#	:	1.8175-1.9775
Grade A Swiss Cuts 6 - 9#	:	2.8325-3.2625

CONTINUED ON PAGE 3A

## CHEESE MARKETS

CONTINUED FROM PAGE 3

## FOREIGN

The CME Group weekly average block price decreased and as a result, domestic wholesale cheese prices declined \$0.0325. Domestic Swiss cuts and imported cheeses were unchanged. Demand and sales for imported varieties remain good. The stronger US dollar, relative to the Euro, is providing a positive financial environment for cheese importers. Domestic Swiss sales are on par with current production schedules with hopes of improved sales in the coming weeks as warmer weather prompts increased restaurant and deli sales. According to FAS, imports of high tier and quota Italian-type cheese from January through April this year totaled 8.5 million pounds, down 9.3% for the same period last year. Imports of quota Italian-type cheese January through April totaled 3.7 million pounds, 3.5% above the same period last year and 12.5% of the annual quota. Imports of high tier Italian-type cheese January through April totaled 4.8 million pounds, down 17.2% from the same period in 2011. Quota imports of Swiss/Emmenthaler varieties from January through April 2011 totaled 12.8 million pounds, 17.9% less than the same period last year. Norway and Finland, the two top sources, account for 74.0% of Swiss/Emmenthaler imports January through April 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	: 2.0425-3.5300*
Gorgonzola	: 3.6900-6.3900	: 2.5450-2.8050*
Parmesan (Italy)	: -0-	: 3.1650-3.7200*
Provolone (Italy)	: 3.4400-6.1800	: 2.0850-2.2425*
Romano (Cows Milk)	: -0-	: 3.2325-5.3825*
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-	: 3.3475-3.6700
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
05/14/12	10,621	:	132,823
05/01/12	9,902	:	130,931
CHANGE	719	:	1,892
% CHANGE	7	:	1

## 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		180	0	220*	0	280
*updated	0					
SOUTHEAST STATES	0	0	0	0	0	0

Milk production has leveled off in the Northeast and is marginally declining in the Mid-Atlantic region. Some milk loads are being shipped to the South as milk production declines in that region. The fear of there being too much milk is beginning to subside, but manufacturers are bracing for heavy volumes when schools close. A major dairy cooperative in the Northeast is imposing a temporary price cut this month in payments to producers, because of the heavy milk volumes experienced since the beginning of the year. Pastures in the Northeast are in mostly good to excellent condition with some states beginning to harvest their first cutting of hay. Class I demand in the two regions remains steady. Florida's milk production is declining at a faster pace as higher temperatures and humidity levels are combining to decrease cow comfort levels. Drought conditions remain severe in all dairy producing areas. Class I demand remains good. Spot loads of milk exported out of state this week totaled 180. Increased heat and humidity in the Southeast has also brought about declines in milk production. Only a few auxiliary manufacturing plants are being used to handle the milk supply. Class I demand remains fairly strong for this time of year. The cream market is in transition with supplies declining and demand increasing. Cream supplies are ample, but less so than in recent weeks. Demand is increasing as ice cream and ice cream mix production are expanding. Increased retail ice cream features are coinciding with warmer weather patterns, resulting in good sales activity. Some cream cheese manufacturers are also contributing to the increased cream demand by purchasing an extra load here and there. The transitioning market has brought about a wide spread in multiples with this week's range from 108 to 132. Weekend discounted loads going out of region account for the low end of the range, while bottling manufacturers accounted for the high end. Condensed skim milk demand has increased as ice cream production has expanded. Spot sales of condensed skim are in a wide range with some discounts still under flat Class price. Fairly heavy volumes of condensed skim milk continue to be channeled to Class IV production, but in lower volumes than in recent weeks. Spot sales activity has increased as some manufacturers are taking advantage of discounted loads to augment their expanded production schedules.

## 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 -	1.4110-1.7246
F.O.B. producing plants: Upper Midwest -	1.5025-1.6462

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

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.15 - 1.33
Northeast - Class III - spot prices -	1.17 - 1.28

## MIDWEST

Fluid milk demand in the Central region is steady to notching lower seasonally. Milk marketers indicate this is on track with their expectations as some colleges have just sent a new crop of graduates into the workplace, leading to decreased needs for bottled milk at campus cafeterias. K-12 schools have staggered release dates throughout the region, with a few districts drawing the regular semester to a close this week. Milk haulers in some areas also describe decreasing on-farm pickup volumes as the month advances, while other North Central haulers expect pickup volumes to peak by the end of the month. Spot milk pricing centers around flat Class, as milk tightens regionally and across regional boundaries. A few spot milk

sales garnered Class plus \$.50 - \$1.00. Class II intakes increased at several plants in the region. For some operations, though, cheese production drew more milk than nonfat milk production due to opportunities for near term enhanced returns on cheese. Cream availability decreased in the Central region, with most sellers indicating Class II buyers claimed more loads for the week compared to Class IV buyers, either via contract or spot sale. Cream generated within some plants cleared into internal butter making operations as spot pricing was deemed unattractive compared to butter inventory enhancement. First cuttings of alfalfa were completed this week in some Northern areas of the Central region and the number of soybean acres planted is increasing steadily as favorable fieldwork weather holds out. South Central short season corn is at the tassel stage, with winter wheat maturity nearing either the combining or baling stage.

## WEST

CALIFORNIA milk production is trending steady. The general consensus is that the peak may have passed and the current high level will maintain for a while. The implementation of penalties for milk produced over milk bases and incentives to depopulate have resulted in changes that have affected milk output in the state. With lower milk prices and high feed prices, changes have also been made in rations that are affecting milk output. Weather conditions are becoming hotter, but not at levels to impact milk output. New feed and green chop are being fed. Processing plants continue to run on heavy schedule to handle the current milk supplies. Product mix is not much of an issue when processors are concerned about throughput. The June 2012 Class 1 prices in CALIFORNIA range from \$16.81 in the north to \$17.08 in the south. The statewide average Class 1 price based on production is \$16.83. The average is \$0.13 lower than May 2012 and \$4.60 less than June 2011. ARIZONA milk production is being impacted by hot weather conditions. Temperatures are topping 100 degrees. Heat abatement measures are in place to combat the conditions. Processing plants are running well. NEW MEXICO milk output is off slightly from recent levels. Heat and milk prices are thought to be two factors in the change. Plants are running well to process the milk. Spot shipments of milk to other areas are minimal; contract loads are moving at planned levels. Class I interest is flat. More schools will be recessing for the summer in coming weeks. CREAM markets are steady to firm. Trading levels at the bottom end of the market have tightened up. There is less surplus and distressed cream available. Weather conditions and time in milk are putting pressure on the fat content of milk. Slight increases in demand for cream from ice cream producers are noted. Normal production runs of other class items are occurring. Butter production remains active. At the CME Group, Grade AA butter price closed at \$1.3550 on Wednesday, up 5.5 cents from a week ago. Cream multiples are higher, range 105-122, and vary based on class usage and basing points. Milk production in the PACIFIC NORTHWEST continues to be above year ago levels. Handlers report that supplies have leveled off. Recent impositions of quotas and discounts for overproduction by some coops are having their desired effects. Some excess milk solids are being moved out of the region, but supplies are said to be more manageable. Manufacturing plants continue to run accelerated schedules to handle milk supplies. UTAH and IDAHO milk supplies are being handled locally in most cases. Production facilities are adequate to meet the needs of current supplies. First harvest of alfalfa is beginning and planting of row crops continues in the area. Construction at a new yogurt plant continues and a job fair for future employees was held recently. Milk pooled on the Pacific Northwest Order 124 totaled 637.3 million pounds in April 2012; approximately 617 producers delivered milk to the market. The average daily delivery per producer was 34,428 pounds. Class I utilization was 175.4 million pounds and accounted for 27.5% of producer milk. The producer price differential (PPD) for the Pacific Northwest Order was \$0.15, resulting in a statistical uniform price of \$15.87. The statistical uniform price for the Pacific Northwest Order was \$0.27 below last month, and \$3.08 below the same month last year, a decrease of 16.3%.

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: Central nonfat dry milk prices on the mostly price series are unchanged on the bottom, but two cents lower on the top. The tone is mixed as market participants weigh the news of a possible NDM sale to the export market clearing substantial quantities of NDM. That information along with milk production in most of the country entering the seasonal post-flush descent established some light support for the NDM market. Central region NDM production varies from location to location. A few butter/powder plant operators indicate NDM production is active as farm milk intakes have yet to decline. Other Central milk processors report milk intakes are being handled more decisively as their overall intakes decrease seasonally. For some operations, milk intakes are clearing into Class III end products to capture improved returns. Overall NDM production is steady. Sales of condensed skim into some Class III plants decreased in some area as use of NDM on hand increased. Condensed skim from various Western sources cleared into the Central region at prices lower than those offered by Central sellers. Nonfat dry milk inventories are steady to building at some locations. A few locations indicate spot loads will next be available in June.

EAST: Nonfat dry milk production and inventories continue to pressure prices lower. Milk production has begun to decline in the East, but condensed skim milk volumes channeled to dryers, though somewhat reduced, remains heavy. Milk volumes are lightening up at mid-week, allowing some plant managers to schedule high heat production runs. High heat nonfat dry milk supplies remain fairly tight in the East. The continuing downward price trend has some potential buyers purchasing for immediate needs only, unwilling to expand inventories with prospects of lower prices. Spot sales activity was fairly light and required price discounts in order to complete transactions. Some manufacturers in the East are sensing the market is at its pricing low point and were unwilling to make further price discount concessions.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.0700 - 1.2875 MOSTLY: 1.0900 - 1.2500  
 HIGH HEAT: 1.1750 - 1.3375

**NONFAT DRY MILK - WEST**

Western low/medium pricing levels are trending lower. There were sharp declines in the state and national weighted average indices this week that will affect future pricing points. The market tone is unsettled. Although there are lower prices working through the system and the indices, there are indications/hopes that for the spot market, the bottom price levels may be maintaining. A tender in the world market is being filled with at least moderate volumes of U.S. sourced NDM. Other sales have committed other producers for the short term. There are still holdings and stocks available, yet those levels are lower. Production schedules remain active and heavy to balance the milk supplies. Western high heat prices are lower in light trading. Demand is light to fair and along expected levels. There are some seasonal accounts in the market taking loads. Production runs are light and sporadic. FAS export data for NDM/SMP show January-March 2012 exports at 259.9 million pounds, up 5% from the same period in 2011. March 2012 exports total 86.9 million pounds, up 5% from a year ago.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.0000 - 1.2400 MOSTLY: 1.0300 - 1.1600  
 HIGH HEAT: 1.1600 - 1.3125

**DRY BUTTERMILK - CENTRAL AND EAST**

CENTRAL: Central dry buttermilk prices are unchanged to lower as the market edges toward a supportable price base. Condensed buttermilk sales into Class II plants are reportedly increasing seasonally. Condensed buttermilk loads also continue to clear through the dryers as spot cream multiples do not always offer sufficient incentives to empty churns of internally generated cream. Churning is active in the Central region, with some churns at capacity to meet near term domestic and international 80% and 82% contract deliveries. Contract sales of dry buttermilk into snack, dip and baking mix end uses are at the expected pace for pre-Memorial Day. Dry buttermilk inventories are building seasonally.

EAST: Dry buttermilk prices moved marginally lower as active production and building inventories pressured prices. Cream supplies remain ample in the East, though not as heavy as in recent weeks, with significant volumes still headed to churns. Condensed buttermilk sales have increased recently as ice cream and ice cream mix production have expanded. Dry buttermilk supplies are moving through contracts and adding to inventories. Spot sales activity remains light and requires price discounts to complete transactions. Recent price declines have prompted potential purchasers of dry buttermilk to purchase for immediate needs only, unwilling to expand inventories with the prospect of further declines. The market undertone remains weak.

F.O.B. CENTRAL/EAST: .9500 - 1.1000

**DRY BUTTERMILK - WEST**

The Western dry buttermilk market remains weak with pricing levels trending lower for both the range and mostly series. Trading interest is very light beyond contracted volumes. Lower priced bids are being made, but producers are reluctant to go to those levels in spite of their ample stock levels. Production runs remain heavy.

F.O.B. WEST: 1.0200 - 1.1250 MOSTLY: 1.0500 - 1.0900

**DRY WHOLE MILK - NATIONAL**

Dry whole milk prices are lower, with spot prices factoring in current nonfat solids and butterfat market values. Buyer interest is steady for contract loads. As farm milk production edges lower seasonally, the availability of milk for dry whole milk production at some balancing-type facilities is sharply lower. Post-flush milk intakes at those plants may depend on intermittent shut downs at neighboring plants, such as during the upcoming Memorial Day extended weekend. Other plant operators indicate, though, that dry whole milk production is on the rise as dryer schedules revert to having time slots available. Dry whole milk inventories are variable.

F.O.B. PRODUCING PLANT: 1.3700 - 1.4700

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
May 11	\$1.1574	20,520,221	0
May 4	\$1.2531	14,961,545	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**

Central dry whey prices are unchanged to lower. Conditions in the Central dry whey market are mixed. Contract fulfillment is steady. A few buyers indicate as the paperwork on loads arrive, pallets of late 2011/early 2012 dry whey are mixed into the loads. Loads of dry whey originally slated for export are also reportedly being offered through the spot market, with price adjustments available depending on date of manufacture. Sales into export markets reportedly require prices close to European dry whey prices, thus manufacturers with regular international customers are experiencing price adjustment pressure to complete transactions. The drop in availability in the last two weeks of milk priced below Class translated into lower volumes of milk clearing through several cheese plants in the Central region. Conversely, comparatively higher monetary returns on cheese versus NDM resulted in a few multiple end product operations channeling milk toward cheese and away from NDM plants. A few cheese plant operators reinstated use of NDM to boost vat yields now that discounted milk loads are not available. ANIMAL FEED DRY WHEY prices are steady. Interest is steady to marginally higher as various blenders report some of their customers are acquiring more calves for finishing.

F.O.B. CENTRAL: .3000 - .5900 MOSTLY: .4500 - .5350  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3775 - .4800

**DRY WHEY - NORTHEAST**

Dry whey prices moved marginally lower this week in light trading. Dry whey production has declined as milk volumes going to cheese production decreased. Current dry whey supplies are moving through contracts with only minimal amounts being added to inventories. Current inventories are in much better balance, compared to recent weeks as contracted load pickups have been more on schedule. Demand for dry whey is improving as ice cream production is significantly increasing. There is a feeling among contacts that the recent downward price trends are leveling off as milk production is beginning to decline and reducing cheese and dry whey production. Spot sales remained very light this week. The market undertone has moved from weak to steady.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5450 - .6150

**DRY WHEY - WEST**

Western dry whey prices are mostly steady with only fractional changes for the week. Prices are currently in a two tier structure with domestic and export prices. Domestic prices are exhibiting a steady to firmer undertone as supplies are said to be tightening up. Export sales are steady and typically below domestic prices to remain competitive. Whey stream supplies are increasingly being channeled into higher protein concentrated products. (Note Graph on Page G1)

NONHYGROSCOPIC: .3000 - .5900 MOSTLY: .4600 - .5350

**EVAPORATED MILK - NATIONAL**

On May 17, 2011, the Kansas City Commodity Office announced the awarding of one contract for a total of 260,253 pounds of evaporated milk for Bid Invitation Number 2000001015, Description AD-DPRO-S-12-0090. The evaporated milk, packed in 24/12 oz. cans, is scheduled for July – September 2012 deliveries at various locations throughout the country. Accepted prices ranged from \$0.5400 - \$.5880/lb. No further bids will be considered under this solicitation number.

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Central and West whey protein concentrate 34% prices stepped lower as spot sale activity increased. The market continues to seek a price at which burdensome inventories at a few locations will clear to end users. Contract sales activity is steady to many buyers, but some push back continues. Market participants report a few end users are finding a much needed balancing point in operating costs by pushing back WPC 34% contract loads and seeking out lower priced F.O.B. or resale spot market loads. WPC 34% production is active at many plants. In some cases, a few operations are shunting farm milk to cheese production instead of NDM production, as returns for cheese are expected to exceed NDM returns in the near term. Condensed WPC 34% sales are active into higher protein production facilities and snack related concerns.

F.O.B. EXTRA GRADE 34% PROTEIN: .9500 - 1.4800 MOSTLY: 1.2000 - 1.3825

**LACTOSE - CENTRAL AND WEST**

Central and West lactose prices are unchanged on the range while the bottom of the mostly price series decreased by one cent as spot sale activity increased. Buyers and manufacturers are working on agreements for Q3 contracts. Some contracts were finalized this week, well ahead of the 2012 calendar year end of Q2, but a few manufacturers use unique start/end months for their quarterly contracts. Various market participants indicate buyers are looking for a shift in price direction for the next quarter as current prices are pinching returns on end products. Lactose availability is variable from manufacturer to manufacturer. Lactose production is steady at most locations.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL: 8500 - 1.0050 MOSTLY: .8800 - .9400

**CASEIN - NATIONAL**

Casein prices are generally holding steady, although the market tone is unsettled, with a weak undertone. Domestic buyers and international casein suppliers continue to monitor the potential impact of a major casein producing country returning to the marketplace. It is still too early to realize what impact this move might/will have on supply availability and prices. Internationally, casein volumes appear to be in good balance with domestic needs. Oceania commitments are being filled from inventoried stock from the milk production season which is coming to a close. European stocks are readily available as the casein and milk production season are at or either side of peak levels. European casein producers are indicating that the current production season is running at very good levels and often is surpassing projections.

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: 3.9500 - 4.7000  
ACID: 4.3000 - 4.9000

**SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS EFFECTIVE NOVEMBER 1, 2009**

**BUTTER** Bulk \$1.05 per pound; **CHEESE** 40# Blocks \$1.13 per pound; 500# Barrels \$1.10; **NONFAT DRY MILK** \$.80 per pound

The CCC Purchase table will no longer be shown unless purchases occur. Last CCC purchase: October 2009.

**U.S. Dairy Cow Slaughter (000 head) under Federal Inspection & Comparable Week 2010**

WEEK ENDING	WEEKLY DAIRY COWS	2012 CUMULATIVE DAIRY COWS	2011 WEEKLY DAIRY COWS	2011 CUMULATIVE DAIRY COWS
04/28/2012	52.7	1,034.8	52.8	1,018.5

WEBSITE: [http://www.ams.usda.gov/mnreports/sj\\_ls714.txt](http://www.ams.usda.gov/mnreports/sj_ls714.txt)

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

**CLASS III MILK PRICES (3.5% BF)**

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	19.32	17.03	18.00	16.76	18.18	20.25	18.24	17.32	16.28	17.06	15.51	15.28
2009	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77

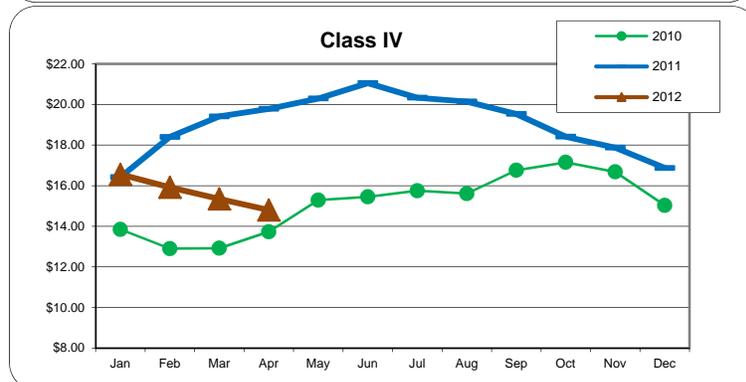
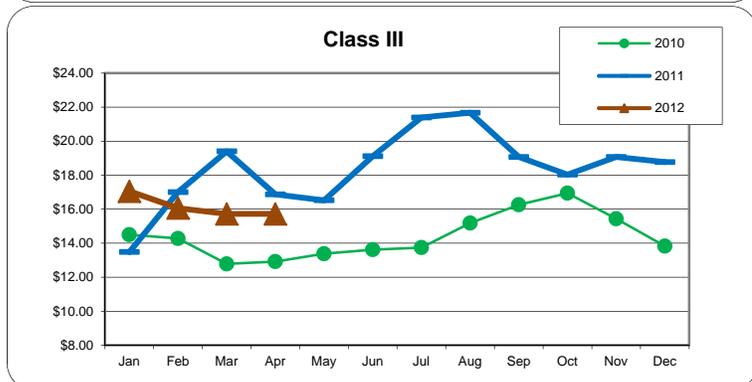
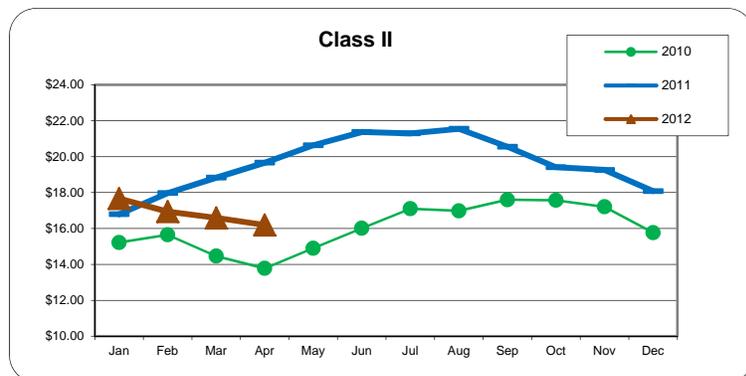
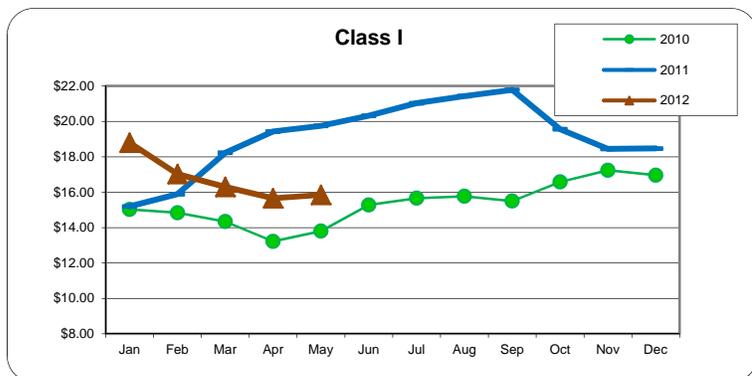
**CLASS IV MILK PRICES (3.5% BF)**

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87

**FEDERAL MILK ORDER CLASS PRICES FOR 2012 (3.5%)**

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.80	17.03	16.30	15.66	15.85							
II	17.67	16.94	16.59	16.20								
III	17.05	16.06	15.72	15.72								
IV	16.56	15.92	15.35	14.80								

1/ Specific order differentials to be added to this base price can be found by going to: [www.ams.usda.gov/DairyMarketingStatistics](http://www.ams.usda.gov/DairyMarketingStatistics); then select "Prices"; and then select "Principal Pricing Points."



ORGANIC DAIRY MARKET NEWS

Information gathered May 7 - 18, 2012

ORGANIC DAIRY FLUID OVERVIEW

The emergence of the Northeast as the leading region for numbers of retail ads for fluid organic milk reflects the easing of milk supply tightness which occurred earlier this year. Pastures are now reported to be “lush” in much of the region. Increasing milk availability has prompted some retail chains which have not run organic milk ads for some time due to supply tightness, to resume advertising organic milk. Pasture conditions in the upper Midwest, a region where organic dairy farmers grow more of their own feed than some other regions, are also very good. The Southeast is also a region which faced organic milk supply tightness earlier in the year. Enough organic milk is now available so that a major supermarket chain will soon be offering a store brand of organic ice cream in the region.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

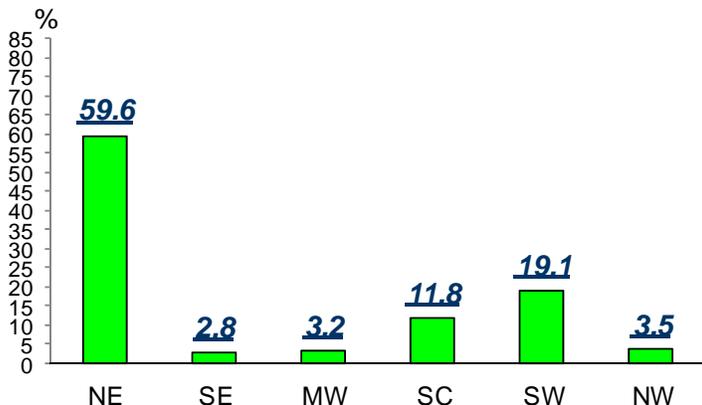
**Organic Dairy Overview.** Organic dairy advertising volume is up almost 33% from two weeks ago, but almost 40% below four weeks ago, the highest level of the year. This report’s organic advertising volume exceeds seven of ten reporting periods of 2012.

Organic milk ads comprised just over 78% of total ads, up from 72% two weeks ago and 71% four weeks ago. Organic yogurt ads comprised 19.5%, up from 15% two weeks ago but down from 25% four weeks ago. Remaining ad categories are organic cream cheese, 1.4% and organic cottage cheese, 0.7%.

Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period May 5, 2012, to May 18, 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 continue to be led by the Northeast with 59.6% of ads, the highest regional percentage of any region during all survey periods of 2012. This period’s percentage for the Northeast is up from 31.4% two weeks ago. The remaining regional percentages include the Southwest, 19.1%, South Central, 11.8%, Northwest, 3.5%, Midwest, 3.2% and Southeast, 2.8%.

Organic Dairy Newspaper Ads Regionally As A Percentage of Surveyed Organic Dairy Ads 2012 - Week 20, 2012

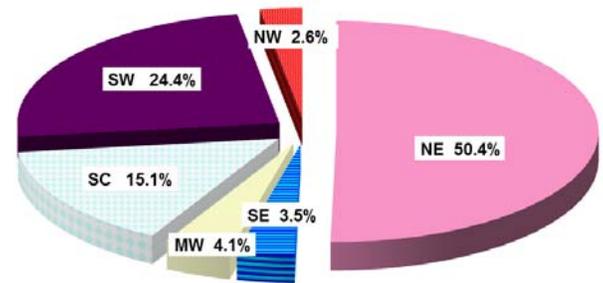


**Organic Milk.** Organic milk ads are the leading category of organic dairy advertising. Ads for half gallons constitute nearly all organic milk ads. Ads for 8 ounce containers of organic milk are about 1.5% of organic milk ads. There are no ads for organic gallons.

The highest percentage of organic milk ads appeared in the Northeast, 50.4%. This represents the first time during 2012 that the Northeast has led in organic milk advertising. The previous high percentage this year for the Northeast was 28.8% and there were no organic milk ads in the region for a number of reporting periods. Other regions include the Southwest, 24.4%; South Central 15.1%; Midwest, 4.1%; Southeast, 3.5%; and Northwest, 2.6%.

ORGANIC MILK FEATURES

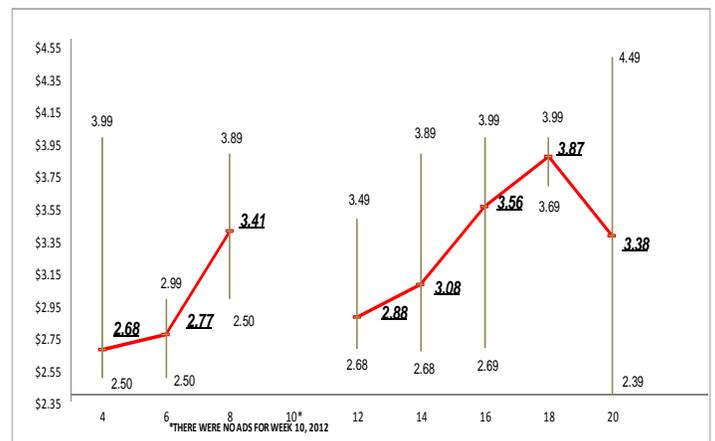
Regional % of Nationally Surveyed Supermarket Ads Report - Week 20, 2012



**Organic Milk Half Gallons.** Advertising volume for organic half gallons is the second highest level of 2012, up 297% from two weeks ago. Just over 35% of organic half gallon ads are for a national brand and almost 65% for store brands.

The national weighted average advertised price of organic milk half gallons, \$3.38, is 49 cents lower than two weeks ago. The price range, \$4.49 to \$2.39, is the widest in two and one half years of collecting data for this series. The highest price is for a national brand and the lowest price is for a store brand.

Advertised Organic Milk Half Gallon Price Range and Weighted Average Advertised Price by 2012 Week



CONTINUED ON PAGE 8-A

ORGANIC DAIRY MARKET NEWS

Information gathered May 7 - 18, 2012

CONTINUED FROM PAGE 8

The AMS Dairy Market News Survey which generated the current national organic half gallon milk weighted average advertised price of \$3.38, also determined the weighted average advertised price for non-organic half gallons as \$2.36, an organic-conventional half-gallon milk advertised price spread of \$1.02, down from \$2.46 two weeks ago, reversing an upward trend which had prevailed for four periods. The narrowing of the price spread occurred due to the weighted average advertised price of organic half gallons decreasing 49 cents from \$3.87 and conventional half gallons increasing 95 cents from \$1.41.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	51.1	3.91
SE	03.6	3.89
MW	04.1	3.16
SC	13.9	2.56
SW	24.7	2.80
NW	02.6	2.89
US		3.38

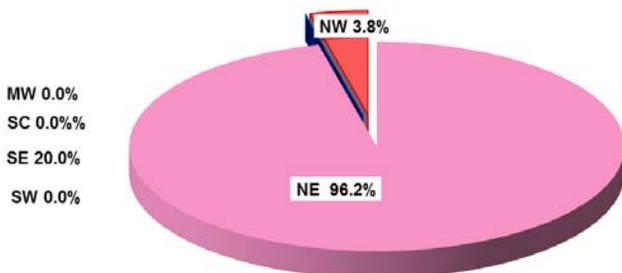
**Organic Milk 8 Ounce.** Ads for 8 ounce containers of organic milk only ran in the South Central Region. Every ad listed a price of \$1.00, which has become typical.

**Organic Yogurt.** Relative emphasis of the various organic yogurt categories and container sizes is a variable situation report to report. The leading organic yogurt category is 4-6 ounce organic yogurt, with 66% of organic yogurt ads, up from 16.6% two weeks ago. Greek 4-6 ounce organic yogurt is second, with 30.2%, compared with no ads two weeks ago. Finally, 3.8% of the category is ads for 32 ounce organic yogurt, compared with 72% two weeks ago.

The Northeast led the regions in advertising, with 96.2 of all organic yogurt ads this period, up from 85.4% two weeks ago. The Northwest, has 3.8% of organic yogurt ads.

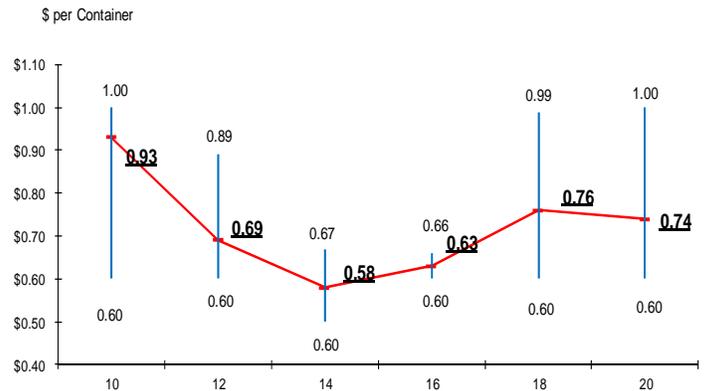
**ORGANIC YOGURT FEATURES**

**Regional % of Surveyed National Newspaper Ads  
Report Week 20, 2012**



**4-6 Ounce Organic Yogurt.** The national weighted average advertised price decreased 2 cents, to \$0.74. The price range spanned 40 cents, a 1 cent increase at the top but unchanged at the bottom. All ads are in the Northeast. The ads are all for a national brand, with no store brand ads.

**Advertised 4-6 Oz. Organic Yogurt Price Range and  
Weighted Average Advertised Price by 2012 Week**



**4-6 Ounce Organic Greek Yogurt.** All ads for this organic yogurt category and package size occurred in the Northeast, with all ads listing a price of \$1.00. The ads are all for a national brand, with no store brand ads.

**32 Ounce Organic Yogurt.** This is the only organic yogurt category with ads appearing in a region other than the Northeast, all being in the Northwest. The uniform price for all ads is \$2.79, all for a national brand.

**Organic Cream Cheese.** All ads for organic cream cheese appeared the Northeast, for 8 ounce containers, all priced \$2.49.

**Organic Cottage Cheese.** All ads for organic cottage cheese appeared in the Northeast, for 16 ounce containers, all priced \$3.99.

**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 20**

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
	(in Dollars)		
<b>FLUID MILK</b>			
<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

CONTINUED ON PAGE 8-B

## ORGANIC DAIRY MARKET NEWS

Information gathered May 7 - 18, 2012

## CONTINUED FROM PAGE 8-A

	LOW	HIGH	RANGE	Product Name	Sales	Change from: 2/		
					<u>March</u> Mil. Lbs.	<u>Y-T-D</u>	<u>Prev Yr.</u>	<u>Y-T-D</u> Percent
<b>MILK - half gallon</b>				<b>Organic Whole Milk</b>	<b>45</b>	<b>136</b>	<b>5.4</b>	<b>10.7</b>
Whole	3.27*	4.49	1.22*	<b>Organic Reduced Fat Milk</b>	<b>56</b>	<b>164</b>	<b>12.0</b>	<b>13.9</b>
Nonfat (Skim)	3.27*	4.49	1.22*	<b>Organic Low Fat Milk</b>	<b>39</b>	<b>119</b>	<b>12.1</b>	<b>18.3</b>
Reduced fat (2%)	3.27*	4.49	1.22*	<b>Organic Fat-Free Milk</b>	<b>39</b>	<b>113</b>	<b>-5.0</b>	<b>-1.6</b>
Low fat (1%)	3.27*	4.49	1.22*	<b>Organic Flavored Milk</b>	<b>6</b>	<b>19</b>	<b>-57.0</b>	<b>-35.4</b>
				<b>Organic Fat-Reduced 4/</b>	<b>140</b>	<b>418</b>	<b>0.3</b>	<b>7.3</b>
				<b>Tot. Organic Milk Products.</b>	<b>185</b>	<b>554</b>	<b>1.4</b>	<b>8.2</b>
<b>FLAVMILK - half gallon</b>				<b>Tot. Fluid Milk Prod. 5/</b>	<b>4,585</b>	<b>13,538</b>	<b>-2.9</b>	<b>-1.9</b>
All fat tests	3.09	5.69	2.60	<b>Tot Fluid Milk Prod Adj 5/6/</b>	<b>4,340</b>	<b>13,391</b>	<b>-3.6</b>	<b>-3.2</b>
<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.

The price range for organic half gallon milk increased at the range bottom 10 cents to \$3.27 this period for a store brand.

**Milk Product Sales:** AMS reports Total Organic Milk Products sales for March 2012, 185 million pounds, were up 1.4% from March 2011.

Organic Whole Milk sales for March 2012, 45 million pounds, were up 5.4% compared with March 2011.

Organic Fat-Reduced Milk sales for March 2012, 140 million pounds, were up 0.3% compared with March 2011.

This contrasts with a 3.6% March 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 3.0% decline in sales comparing March 2012 with March, 2011.

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

Product Name	Sales	Change from: 2/	
	<u>March</u> Mil. Lbs.	<u>Y-T-D</u>	<u>Prev Yr. Y-T-D</u> Percent
Whole Milk	1,142	3,359	-2.0 -2.7
Flavored Whole Milk	43	123	-11.3 -7.7
Reduced Fat Milk (2%)	1,525	4,495	-2.2 -2.1
Low Fat Milk (1%)	634	1,868	2.1 3.6
Fat-Free Milk (Skim)	644	1,904	-4.7 -3.9
Flavored Fat-Reduced Milk	367	1,104	-8.2 -1.5
Buttermilk	41	120	-4.1 -0.3
<b>Tot. Conv. Milk Products</b>	<b>4,400</b>	<b>12,894</b>	<b>-3.0 -2.2</b>

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 eggnog. 5/ Sales volumes and percent changes have been adjusted for calendar composition; see <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3023272>

**ORGANIC GRAIN AND FEEDSTUFFS MARKETS:**

National organic grain and feedstuffs were mostly higher. Very good demand was reported for corn and soybeans this period, while offerings of both grains were light to very light in most areas. Feed grade corn was mostly 14.00-15.00 in the Upper Midwest, with few trades occurring for less than 14.00. Corn in the Eastern Cornbelt was mostly 13.75-14.50 depending on the locality to the plant or mill. Corn reported in the Central United States was mostly 14.75-15.25, as well as in the far Northeast. The lowest prices on corn this period were mostly partial loads. Soybeans were mostly 26.50-28.50 in the Upper Midwest and Eastern Cornbelt, with the higher end of the price range occurring throughout the Central United States. Soybean trades under 26.50 were extremely limited. Corn and beans are reportedly in very tight supply, however, some farmers with grain continue to hold out for higher prices, while others are waiting until planting is finished to market the remainder of their old crop grain. Some farmers in the Upper Midwest are reporting corn planting at or near completion, with many others still in the beginning stages of the planting process. Reports of drought conditions have been mentioned in some areas of the Upper Midwest and West, causing much concern for potential hay cuttings this year. Additional livestock and grain market news information is available at: <http://www.ams.usda.gov/mnreports/lbfnof.pdf>

## MARCH FLUID MILK SALES

During March, 4.3 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.9 percent lower than March 2011. After adjusting for calendar composition, sales in March 2012 were 3.6 percent lower than March 2011. Estimated sales of total conventional fluid milk products decreased 3.0 percent from March 2011 and estimated sales of total organic fluid milk products increased 1.4 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,  
MARCH 2012, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	March	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Whole Milk	1,142	3,359	-2.0	-2.7
Flavored Whole Milk	43	123	-11.3	-7.7
Reduced Fat Milk (2%)	1,525	4,495	-2.2	-2.1
Low Fat Milk (1%)	634	1,868	2.1	3.6
Fat-Free Milk (Skim)	644	1,904	-4.7	-3.9
Flavored Fat-Reduced Milk	367	1,104	-8.2	-1.5
Buttermilk	41	120	-4.1	-0.3
Total Conventional Milk Products 5/	4,400	12,984	-3.0	-2.2
Organic Whole Milk	45	136	5.4	10.7
Organic Reduced Fat Milk	56	164	12.0	13.9
Organic Low Fat Milk	39	119	12.1	18.3
Organic Fat-Free Milk (Skim)	39	113	-5.0	-1.6
Organic Flavored Milk	6	19	-57.0	-35.4
Organic Fat-Reduced Milk 3/	140	418	0.3	7.3
Total Organic Milk Products	185	554	1.4	8.2
Total Fluid Milk Products 4/	4,585	13,538	-2.9	-1.9
Total Fluid Milk Products Adjusted 4/ 5/	4,340	13,391	-3.6	-3.2

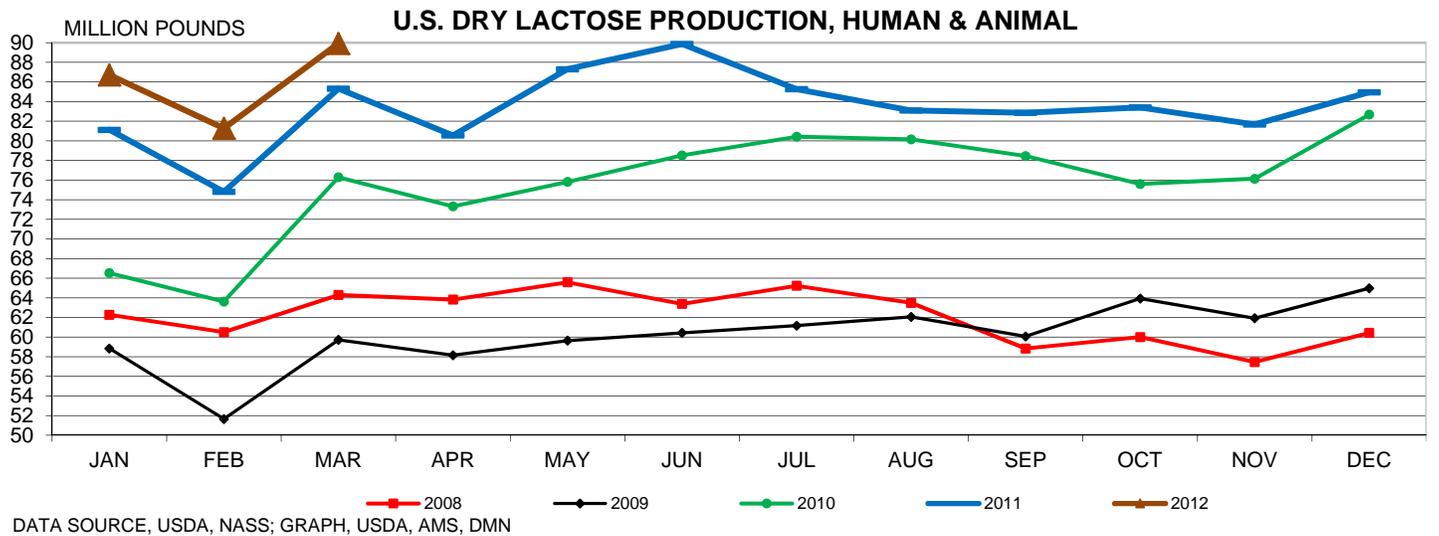
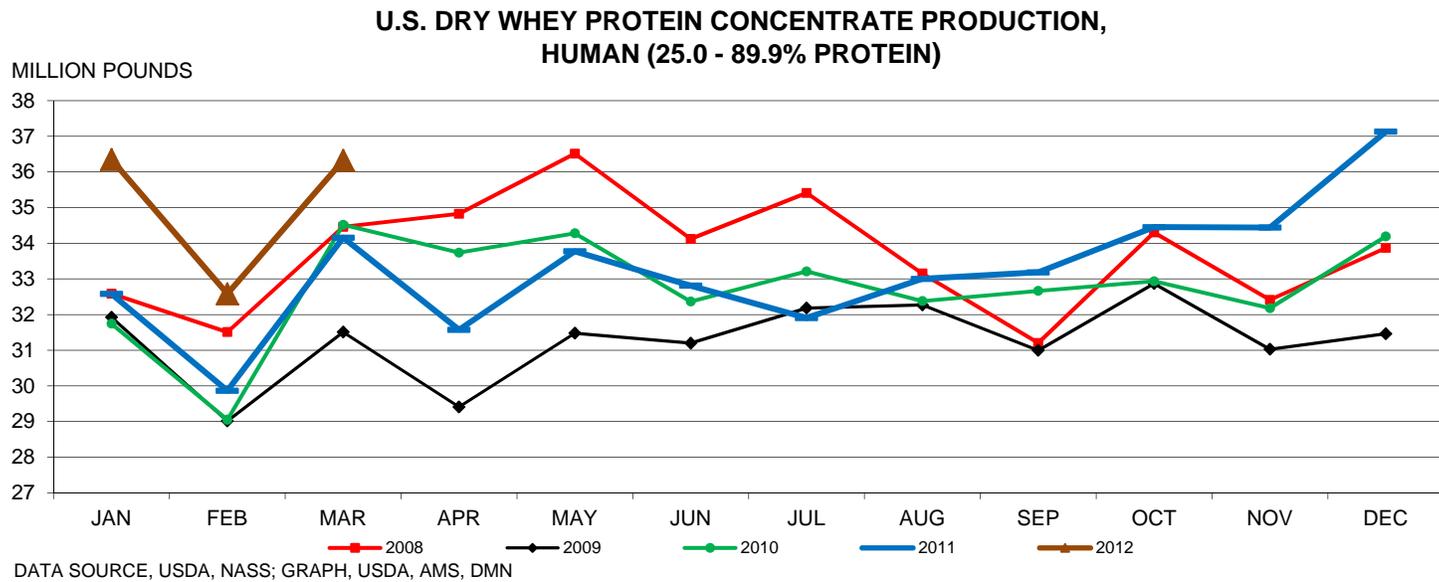
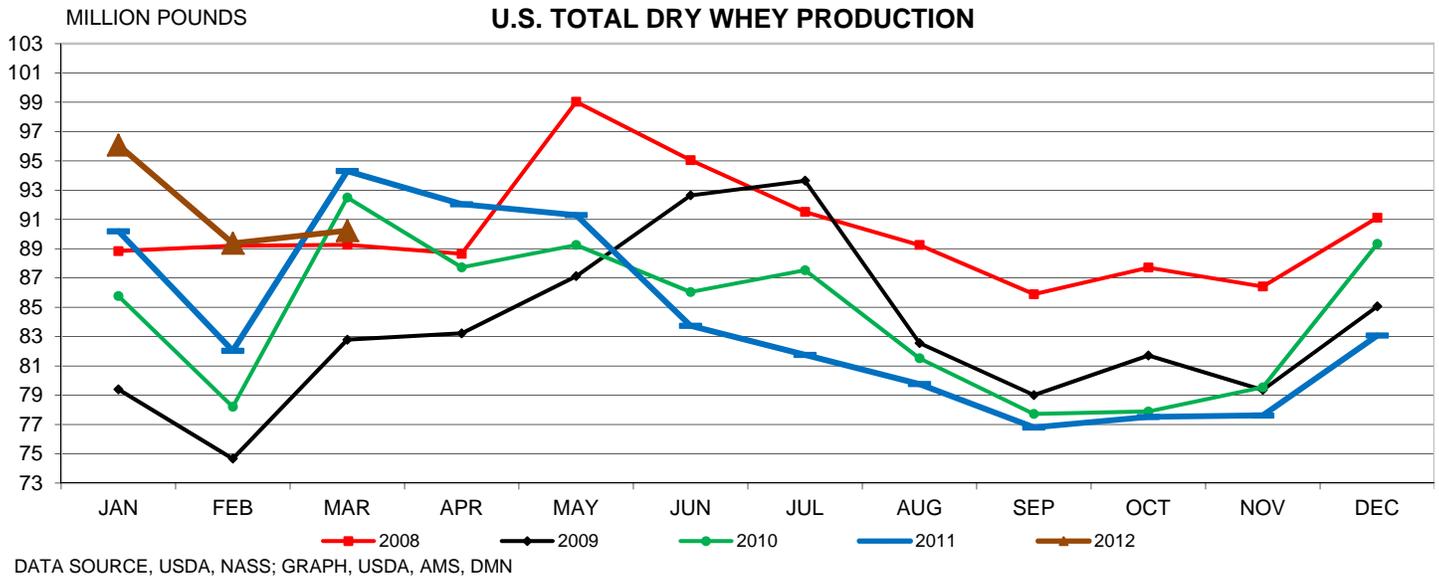
1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 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, MARCH 2012, WITH COMPARISONS 1/

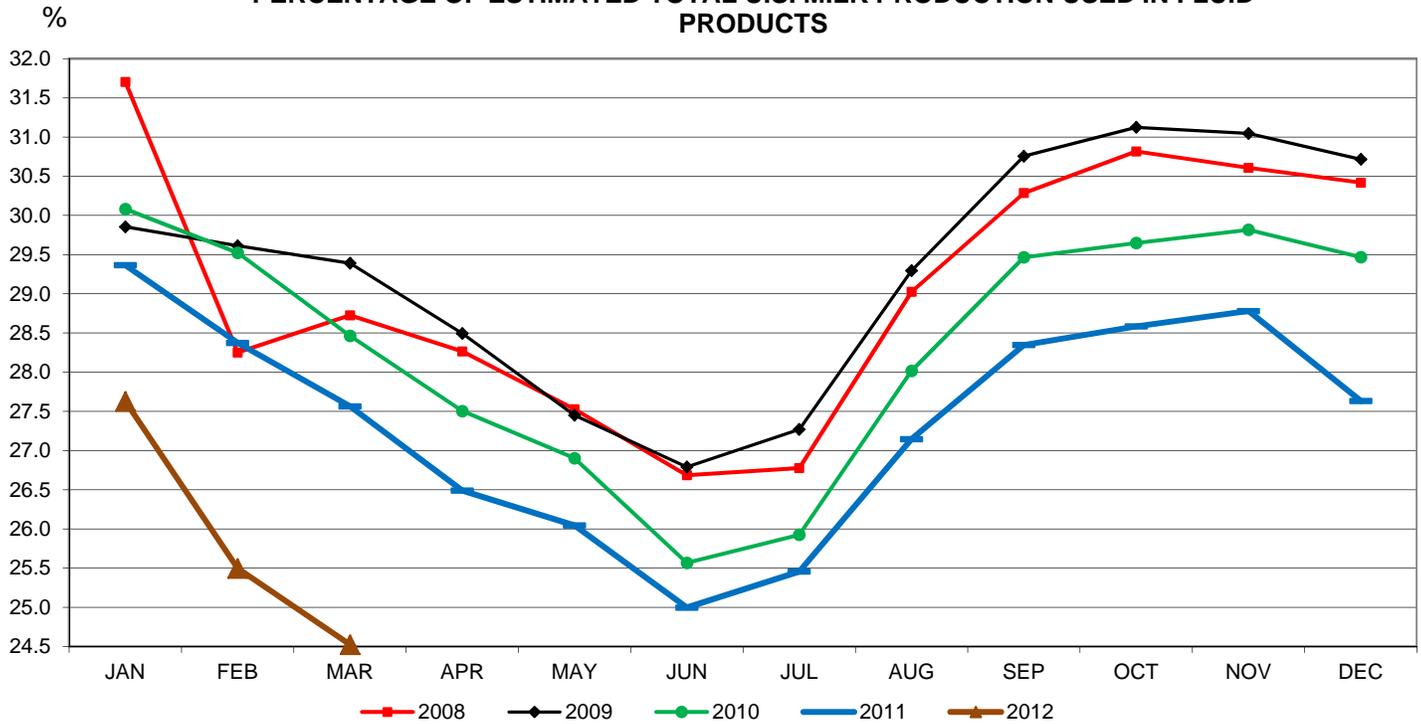
Area (Order Number)	Sales		Change from: 2/	
	March	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Northeast (001)	784	2,292	-1.6	-0.7
Appalachian (005)	304	895	-3.7	-1.6
Southeast (007)	411	1,228	-3.9	-2.7
Florida (006)	257	753	-0.5	-0.5
Mideast (033)	506	1,506	-2.9	-1.5
Upper Midwest (030)	353	1,058	-4.5	-2.7
Central (032)	389	1,159	-0.4	0.3
Southwest (126)	380	1,139	-1.4	-0.5
Arizona (131)	102	299	0.4	-1.5
Pacific Northwest (124)	190	556	-2.0	-0.6
California (---)	534	1,569	-6.9	-6.3

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*, March 2012.

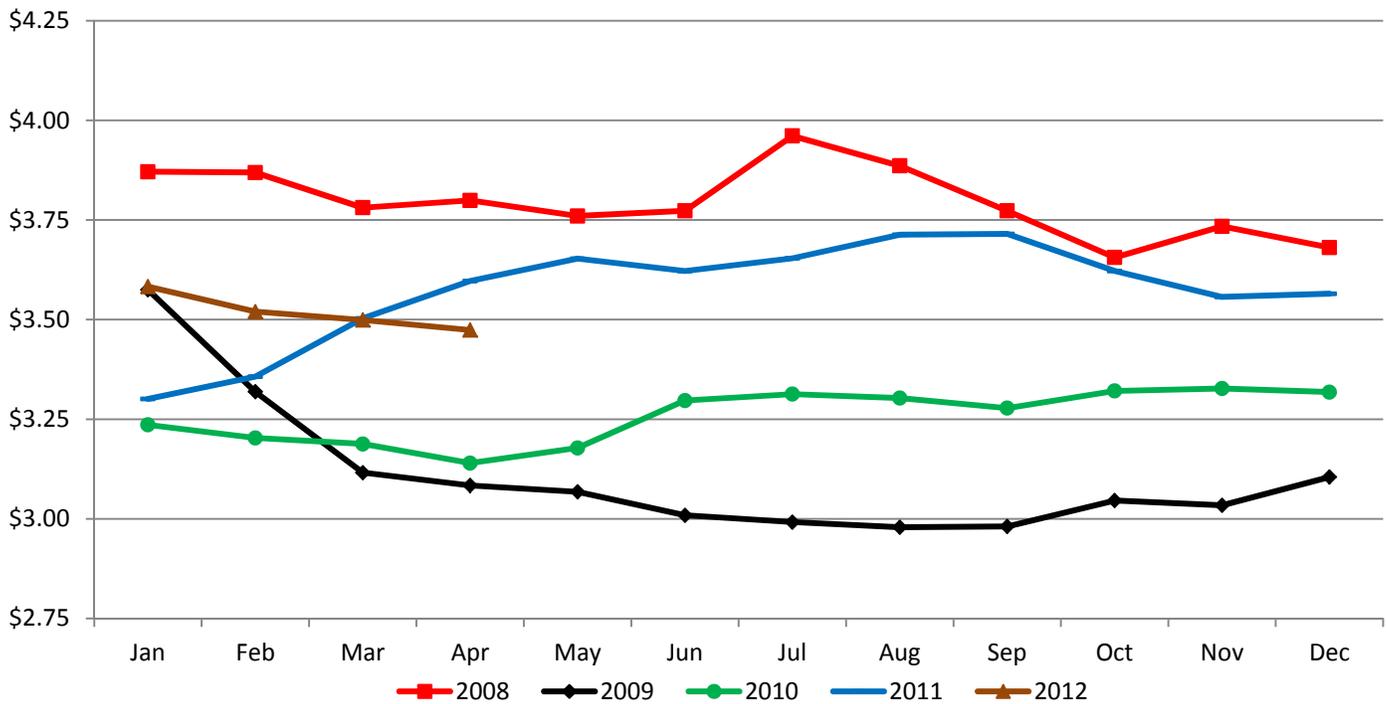


**PERCENTAGE OF ESTIMATED TOTAL U.S. MILK PRODUCTION USED IN FLUID PRODUCTS**



DATA SOURCE, USDA, NASS, USDA, AMS, DAIRY PROGRAMS AND CDFA FLUID SALES DATA; GRAPH, USDA, AMS, DMN

**AVERAGE U.S. MONTHLY PRICE OF WHOLE FORTIFIED MILK PER GALLON**



DATA SOURCE, BLS; GRAPH, USDA, AMS, DMN



## 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>

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Thursday, May 17, 2012

### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 05/07 to 05/18

Advertising volume for conventional dairy products is higher than the last two surveyed periods. There are about 19.5% more advertised features of conventional dairy products for the current ad cycle than the prior cycle, and just over 4% more than two cycles ago.

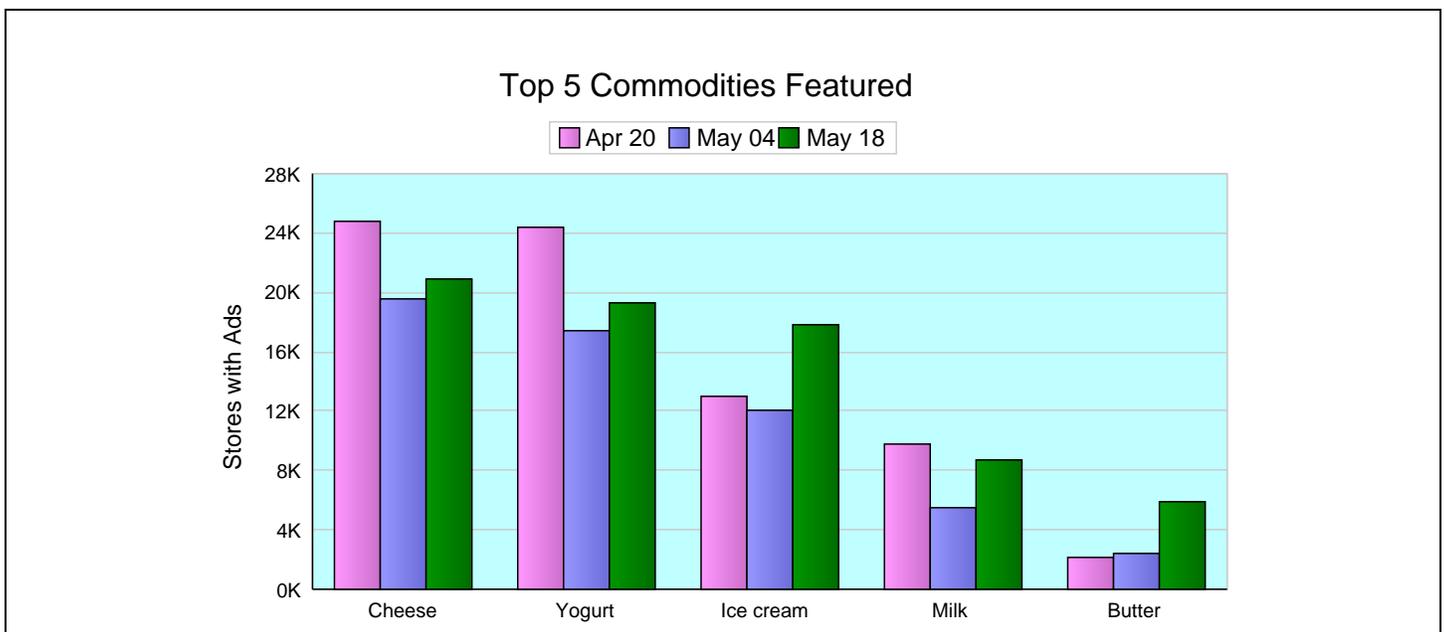
Ads for ice cream and butter had high percentages of increase over last period compared with other products. Ice cream ads are up just over 47% from last period, to the highest level since this data series began. Butter ads are up almost 165% from last period.

Milk continues not to be among the top five most advertised conventional dairy products this cycle. Ads for yogurt and cheese, the top two advertised products by percentage, each increased in number from the last cycle. Every size and variety of cheese and yogurt listed increased in number this cycle from last except 1 pound blocks, 1 pound shredded cheese, and 4-6 ounce yogurt.

Total cheese advertising numbers increased just over 8% and yogurt ads, just over 9%. The most advertised cheese category, 8 ounce shreds, has a weighted average advertised price of \$2.25, up 3 cents from last cycle. The average price for 8 ounce blocks, \$2.26, increased 6 cents from the last cycle. The largest yogurt category, 4-6 ounce Greek yogurt, has a weighted average advertised price of 99 cents, up 2 cents. The second largest yogurt category, 4-6 ounce yogurt, has a weighted average advertised price of 55 cents, up 3 cents from last period.

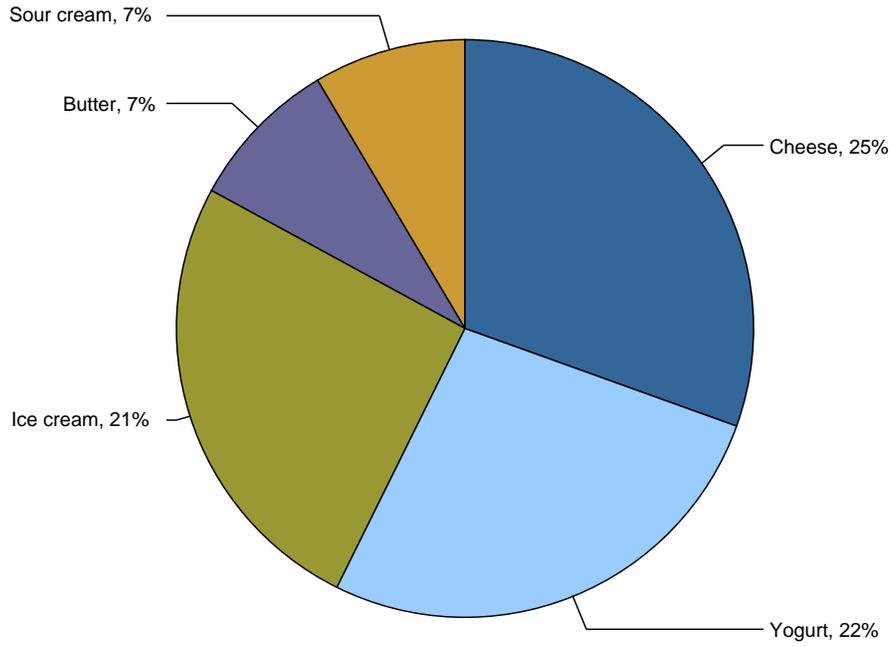
Conventional milk's national weighted average advertised price for half gallons this period, \$2.36, is 95 cents above two weeks ago, which was 68 cents below four weeks ago.

Organic milk's national weighted average advertised price for half gallons, \$3.38, is down 49 cents from last period, which was up 21 cents from two periods ago. This results in an organic-conventional half-gallon milk advertised price spread of \$1.02, down from \$2.46 two weeks ago and reversing an upward trend which had prevailed for four periods.

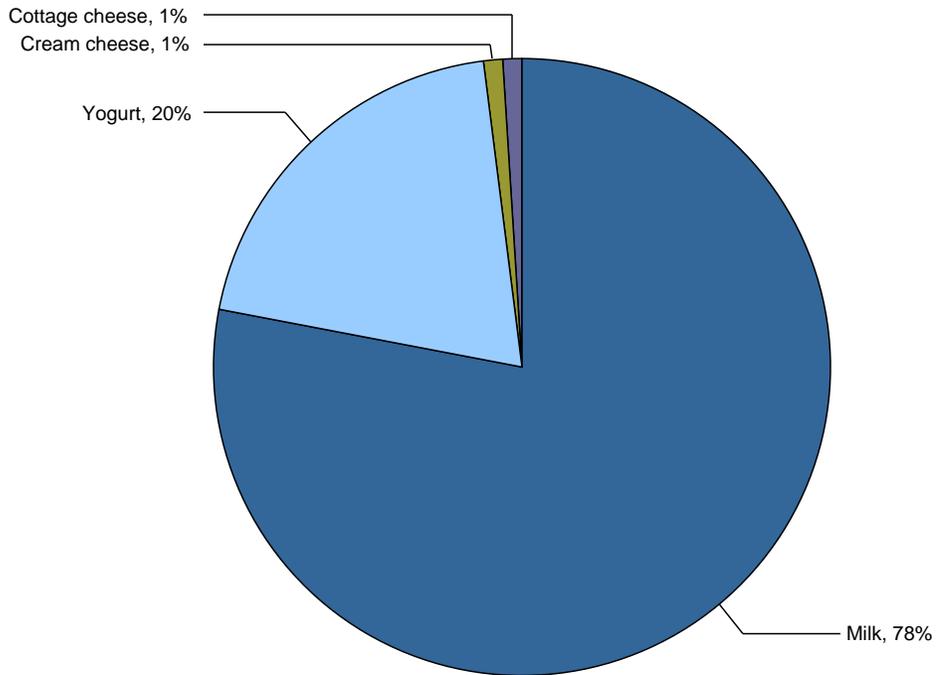


1 -- Dairy Market News surveys more than 150 retailers, comprising nearly 16,000 individual stores, with online weekly advertised features.  
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

### 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 #	5887	2.57	2226	2.44
Cheese	Natural Varieties	8 oz block	6404	2.26	5769	2.20
Cheese	Natural Varieties	1 # block	1653	3.95	2266	4.19
Cheese	Natural Varieties	2 # block	3299	6.51	2481	5.68
Cheese	Natural Varieties	8 oz shred	8668	2.25	7224	2.22
Cheese	Natural Varieties	1 # shred	863	3.97	1729	4.48
Cottage cheese		16 oz	1482	2.03	2315	1.69
Cream cheese		8 oz	5003	1.55	4226	1.63
Flavored milk	All fat tests	half gallon	498	1.62	377	1.89
Flavored milk	All fat tests	gallon	207	3.12	1205	4.00
Ice cream		48-64oz	17784	3.22	12091	3.05
Milk	All fat tests	half gallon	1964	2.36	448	1.41
Milk	All fat tests	gallon	3680	2.88	3132	2.87
Sour cream		16 oz	5680	1.59	6174	1.52
Yogurt	Greek	4-6 oz	9965	.99	5214	.97
Yogurt	Greek	32 oz	1331	4.61	425	5.01
Yogurt	Yogurt	4-6 oz	6426	.55	10711	.52
Yogurt	Yogurt	32 oz	764	2.30	663	2.41

## 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 #	1.99-3.99	1628	2.90	2.50-3.00	2499	2.54	1.66-2.50	527	2.01
Cheese	Natural Varieties	8 oz block	1.50-3.49	3876	2.34	1.50-3.00	570	1.96	1.25-3.79	1323	2.27
Cheese	Natural Varieties	1 # block	2.99-5.99	476	4.35	3.34-3.99	869	3.84	3.77	70	3.77
Cheese	Natural Varieties	2 # block	11.39	345	11.39	5.99	103	5.99			
Cheese	Natural Varieties	8 oz shred	1.66-3.49	3348	2.45	1.50-3.79	2477	2.17	1.19-2.50	1087	2.07
Cheese	Natural Varieties	1 # shred	3.50-4.99	712	3.80				4.00-4.99	151	4.79
Cottage cheese		16 oz	1.64-2.39	814	1.92	1.67-1.99	211	1.82	1.98-3.19	258	2.92
Cream cheese		8 oz	0.99-2.50	1233	1.54	1.25-1.67	900	1.51	1.33-2.00	1071	1.65
Flavored milk	All fat tests	half gallon	1.99	128	1.99	1.50-1.67	71	1.58	1.00-1.99	152	1.49
Flavored milk	All fat tests	gallon							2.99-3.99	207	3.12
Ice cream		48-64oz	1.99-3.99	4268	2.92	2.00-4.00	3013	3.20	1.66-4.99	2689	3.27
Milk	All fat tests	half gallon	1.99-2.99	1453	2.69	1.50-1.89	173	1.76	1.33-1.66	56	1.48
Milk	All fat tests	gallon	2.99-3.99	507	3.86	2.77-3.99	700	3.14	2.39-2.99	1110	2.59
Sour cream		16 oz	0.99-1.99	2458	1.53	1.50-2.00	1697	1.63	0.99-2.00	612	1.51
Yogurt	Greek	4-6 oz	0.75-1.50	2760	1.03	0.80-1.00	2032	.96	0.80-1.59	1235	1.02
Yogurt	Greek	32 oz	3.99-4.99	1166	4.55				4.99	165	4.99
Yogurt	Yogurt	4-6 oz	0.40-0.79	2405	.57	0.49-0.60	1588	.58	0.29-0.60	1157	.47

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	2.50	136	2.50	1.89	126	1.89	1.67-2.99	418	2.33

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 #	1.88-2.99	171	2.76	1.99-2.99	797	2.44	1.67-2.99	265	2.11
Cheese	Natural Varieties	8 oz block	1.48-2.00	294	1.84	1.67-2.50	341	2.21			
Cheese	Natural Varieties	1 # block	3.99	53	3.99	2.97-3.99	150	3.41	3.99	35	3.99
Cheese	Natural Varieties	2 # block	4.99-5.99	359	5.68	5.99-6.99	1555	6.14	3.99-10.99	937	5.70
Cheese	Natural Varieties	8 oz shred	1.49-2.50	776	2.04	1.79-2.50	887	2.12	1.50-3.99	93	2.59
Cottage cheese		16 oz	2.00	29	2.00	1.25-1.69	132	1.48	1.50	38	1.50
Cream cheese		8 oz	1.29-2.00	330	1.51	1.19-1.49	728	1.39	0.99-1.79	741	1.65
Flavored milk	All fat tests	half gallon	2.28	29	2.28				1.25	118	1.25
Ice cream		48-64oz	1.99-4.50	2086	3.47	1.99-3.99	3705	3.33	2.00-4.99	2023	3.37
Milk	All fat tests	half gallon	1.00-1.25	135	1.06				1.25-1.67	147	1.33
Milk	All fat tests	gallon	1.97-3.50	314	2.57	2.50-2.90	381	2.83	2.49-2.59	668	2.53
Sour cream		16 oz	1.29-3.00	444	1.90	1.25-2.50	351	1.61	1.50	118	1.50
Yogurt	Greek	4-6 oz	0.80-1.00	931	.95	0.80-1.00	2108	.95	0.80-1.00	899	.98
Yogurt	Yogurt	4-6 oz	0.29-0.60	437	.53	0.50-0.60	548	.56	0.40-0.79	291	.52
Yogurt	Yogurt	32 oz				2.29-2.50	84	2.44			

### 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 #			176	4.35
Cheese	Natural Varieties	8 oz shred			122	3.99
Cottage cheese		16 oz	29	3.99		
Cream cheese		8 oz	56	2.49	56	2.49
Milk	All fat tests	half gallon	3037	3.38	765	3.87
Milk	All fat tests	gallon			299	5.85
Milk	All fat tests	8 oz UHT	43	1.00	863	1.00
Yogurt	Greek	4-6 oz	232	1.00		
Yogurt	Greek	32 oz			46	3.50
Yogurt	Yogurt	4-6 oz	507	.74	67	.76
Yogurt	Yogurt	32 oz	29	2.79	290	3.69

### 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
Cream cheese		8 oz	2.49	56	2.49						
Milk	All fat tests	half gallon	3.50-4.59	1551	3.91	3.89	109	3.89	2.29-3.59	126	3.16
Yogurt	Greek	4-6 oz	1.00	232	1.00						
Yogurt	Yogurt	4-6 oz	0.60-1.25	507	.74						

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							3.99	29	3.99
Milk	All fat tests	half gallon	2.39-2.99	421	2.56	2.69-2.99	750	2.80	2.49	80	2.49
Milk	All fat tests	8 oz UHT	1.00	43	1.00						
Yogurt	Yogurt	32 oz							2.79	29	2.79

**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 #	1.66	3.99	2100	2.84	1.79	3.00	3787	2.41
Cheese	Natural Varieties	8 oz block	1.66	3.79	3870	2.43	1.25	3.00	2534	2.01
Cheese	Natural Varieties	1 # block	2.97	5.99	1055	4.09	2.99	3.99	598	3.71
Cheese	Natural Varieties	2 # block	3.99	11.39	492	9.59	4.99	7.99	2807	5.97
Cheese	Natural Varieties	8 oz shred	1.19	3.99	5799	2.37	1.25	2.99	2869	2.01
Cheese	Natural Varieties	1 # shred	3.50	4.99	735	3.97	3.99	3.99	128	3.99
Cottage cheese		16 oz	1.64	2.39	817	1.92	1.25	3.19	665	2.17
Cream cheese		8 oz	.99	2.50	1249	1.48	.99	2.00	3754	1.57
Flavored milk	All fat tests	half gallon	1.99	1.99	28	1.99	1.00	2.28	470	1.60
Flavored milk	All fat tests	gallon	2.99	3.99	178	3.14	2.99	2.99	29	2.99
Ice cream		48-64oz	1.99	4.99	8696	3.13	1.66	4.99	9088	3.30
Milk	All fat tests	half gallon	1.66	2.99	1508	2.65	1.00	1.89	456	1.40
Milk	All fat tests	gallon	2.50	3.99	466	3.70	1.97	3.99	3214	2.76
Sour cream		16 oz	.99	3.00	2585	1.72	.99	1.79	3095	1.48
Yogurt	Greek	4-6 oz	.75	1.59	7800	1.02	.80	1.25	2165	.85
Yogurt	Greek	32 oz	3.99	4.99	1331	4.61				
Yogurt	Yogurt	4-6 oz	.40	.79	5315	.58	.29	.79	1111	.42
Yogurt	Yogurt	32 oz	1.67	2.68	607	2.32	1.99	2.99	157	2.23

**NATIONAL -- ORGANIC DAIRY PRODUCTS**

Wtd Avg - Simple weighted average

## 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	3.99	3.99	29	3.99				
Cream cheese		8 oz	2.49	2.49	56	2.49				
Milk	All fat tests	half gallon	3.00	4.59	1093	4.07	2.29	3.89	1944	2.99
Milk	All fat tests	8 oz UHT	1.00	1.00	43	1.00				
Yogurt	Greek	4-6 oz	1.00	1.00	232	1.00				
Yogurt	Yogurt	4-6 oz	.60	1.25	507	.74				
Yogurt	Yogurt	32 oz	2.79	2.79	29	2.79				

### 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

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