

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (06/15):

BUTTER: Grade AA closed at \$1.5400. The weekly average for Grade AA is \$1.4595 (+.0510).

CHEESE: Barrels closed at \$1.5725 and 40# blocks at \$1.6150. The weekly average for barrels is \$1.5595 (+.0350) and blocks, \$1.6450 (+.0370).

BUTTER HIGHLIGHTS: The CME cash AA butter price remains firm and is the highest cash price since late January. Churning schedules across the country are active, basically absorbing cream volumes from regular and ongoing suppliers. Surplus cream volumes of earlier this spring are gone and churning activity is often keeping pace with demand, thus inventory clearances are lighter. Class II cream demand is seasonally strong as ice cream and ice cream mix needs increase. Overall butter demand is good as retail features continue to clear good volumes of print butter and restaurant and food service outlets, especially in resort and holiday areas of the country, begin the summer vacation season. Cooperative Working Together, for the week of June 4 - 8, accepted export assistance requests totaling 686 MT (1.5 million pounds) for delivery July through December. According to the Foreign Agricultural Service, exports of butter and milkfat for April 2012 totaled 13.2 million pounds, down 29% from April 2011. Cumulative exports for the first four months of the year are running 32% behind last year. Saudi Arabia, at 13.6 million pounds for the year, is the largest importer with a 15% increase above last year's amount. Butter and milkfat exports accounted for 5.9% of total butter production during January - April 2012.

CHEESE HIGHLIGHTS: Cheese prices at the CME Group had an up and down week. Since Memorial Day, prices have gained \$.1025 in barrels and \$.0450 in the block trade. Block prices at the CME Group cash trade have been especially volatile as prices were both higher and lower with few sales reported. The recent price spread between barrels and blocks is unsettling to many traders. Friday's trade did return the price spread to \$.0425. Production schedules at cheese plants are slowing as milk supplies appear to have passed the peak Spring flush. Plant managers are keeping an eye on inventories and have reduced production in some cases. Mozzarella producers are especially conscious of reduced orders. Export demand has been helpful in moving cheese out of the country. FAS reported April exports up 31% from last year and up 12% for the year. Cooperatives Working Together (CWT) continues to assist with export sales this week with 3.3 million

pounds accepted. The strong U.S. dollar is hindering some sales.

FLUID MILK: Farm milk production is stepping down gradually in most areas of the country. Most areas also report bottled milk demand is heading toward the summer doldrums. Cream supplies are contracting as less standardized milk is generated for current fluid milk demand. Contract and spot cream sales into ice cream/frozen dairy dessert production increased. Some national and regional dairy dessert brands note better than expected consumer adoption of single serve ice cream-based products, which is increasing cream needs to keep pace with consumer sales. Cream multiples are increasing, with sufficient market tightness to move spot sale prices over contract prices in most regions. Crop progress is reported to be at or ahead of expected development to date. North Central region farmers' activities center around second cuttings on alfalfa, while cool weather and intermittent rain has Utah and Idaho alfalfa harvesting temporarily on hold. Corn in Texas improved with recent precipitation.

DRY PRODUCTS: Dry product market prices moved in variable directions this week. Nonfat dry milk and buttermilk prices are rebuilding after finding some support from declining inventories and reduced current production activities. Dry whey in the Northeast, Central and West shaved some value off the top of each price series, but market participants expect lower farm milk will provide a soft landing for that market. Whey protein concentrate 34% registered a drop on the bottom of the mostly price series as spot sales into the animal feed market sector weighed on that market. Lactose is steady, with spot sale activity slowing in the weeks before Q3 contracts finalize.

ORGANIC DAIRY MARKET NEWS OVERVIEW (DMN):

The majority of surveyed ads this period are for organic milk and all ads for organic yogurt are for national brands, rather than store brands. Ad volume for organic dairy products is high – the second highest level of 2012. The national weighted average advertised price of organic milk half gallons, \$3.24, is 47 cents lower than two weeks ago. The price range is \$3.99 to \$2.29, unchanged at the top but \$1.20 lower at the bottom, which is also the lowest advertised price for organic half gallons since this data series began during the fall of 2009.

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CME GROUP CASH TRADING

COMMODITY	MONDAY JUN 11	TUESDAY JUN 12	WEDNESDAY JUN 13	THURSDAY JUN 14	FRIDAY JUN 15	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.5225 (N.C.)	\$1.5650 (+.0425)	\$1.5650 (N.C.)	\$1.5725 (+.0075)	\$1.5725 (N.C.)	:: :: (+.0500)	:: :: \$1.5595 :: (+.0350)
40# BLOCKS	\$1.6150 (N.C.)	\$1.6500 (+.0350)	\$1.7000 (+.0500)	\$1.6450 (-.0550)	\$1.6150 (-.0300)	:: :: (N.C.)	:: :: \$1.6450 :: (+.0370)
NONFAT DRY MILK							
EXTRA GRADE	\$1.1200 (N.C.)	\$1.1200 (N.C.)	\$1.1600 (+.0400)	\$1.1600 (N.C.)	\$1.1650 (+.0050)	:: :: (+.0450)	:: :: \$1.1450 :: (+.0370)
GRADE A	\$1.2100 (N.C.)	\$1.2150 (+.0050)	\$1.2200 (+.0050)	\$1.2225 (+.0025)	\$1.2225 (N.C.)	:: :: (+.0125)	:: :: \$1.2180 :: (+.0250)
BUTTER							
GRADE AA	\$1.4200 (+.0025)	\$1.4325 (+.0125)	\$1.4500 (+.0175)	\$1.4550 (+.0050)	\$1.5400 (+.0850)	:: :: (+.1225)	:: :: \$1.4595 :: (+.0510)

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.

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With the weighted average advertised price for non-organic half gallons being \$2.11, the organic-conventional half-gallon milk advertised price spread is \$1.13, down from \$1.75 two weeks ago, up from \$1.02 four weeks ago but down from \$2.46 six weeks ago. The national weighted average advertised price of 4-6 ounce organic yogurt increased 4 cents, to \$0.67. The price range spanned 43 cents, a 30 cent increase at the top and a 3 cent decrease at the bottom.

NATIONAL DAIRY RETAIL REPORT (DMN): June is Dairy Month – Retail advertisements are showcasing dairy items in all regions of the country and many ads are based on the June Dairy Month theme. Total conventional dairy ad volume is up 14.9% from two weeks ago, representing the third consecutive period of increasing ad volume. Ice cream features of 48-64 ounces are -5.5% fewer this period, yet ice cream novelties and other ice cream sizes are featured at a similar to higher rate as observed during data collection. Ice cream remains the third most advertised product, following cheese and yogurt.

Total cheese advertising numbers increased 16% and yogurt ads, 22.5%. The most advertised cheese category, 8 ounce shreds, has a weighted average advertised price of \$2.40, up 17 cents from last cycle. The average price for 8 ounce blocks, \$2.31, decreased 9 cents from the last cycle. The largest yogurt category, 4-6 ounce Greek yogurt, has a weighted average advertised price of \$1.01, up 4 cents from last period.

Conventional milk's national weighted average advertised price for half gallons this period, \$2.11, is 15 cents above two weeks ago. This period and last, ads split almost evenly between store brands and national brands.

Organic milk's national weighted average advertised price for half gallons, \$3.24, is down 47 cents from last period, after being up 33 cents from the previous period. This results in an organic-conventional half-gallon milk advertised price spread of \$1.13, down from \$1.75 two weeks ago, but up from \$1.02 four weeks ago. Stores with organic dairy ads increased by slightly over six times the number two weeks ago.

JUNE MILK SUPPLY AND DEMAND ESTIMATES (WAOB):

The milk production forecast for 2012 is raised as cow numbers are expected to decline more slowly. The production forecast for 2013 is unchanged. Export forecasts are raised for both 2012 and 2013 on expected strength in cheese and nonfat dry milk (NDM) sales. Imports on a skim-solids basis are reduced slightly on lower expected imports of several dairy products. NDM and whey prices for 2012 are forecast lower than last month on higher production and weaker demand. However, the cheese price is raised at the low end of the range on stronger demand and the butter price range is narrowed. The Class III price forecast is lowered from last month as the weaker whey price more than offsets the slightly higher forecast cheese price and the Class IV price is lowered on the weaker NDM price. The all milk price forecast for 2012 is lowered to \$16.85 to \$17.25. The all milk price for 2013 remains unchanged from last month at \$17.25 to \$18.25.

MAILBOX MILK PERICES (AMS & CDFA): In March 2012, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$17.24, down \$0.68 from the previous month's average, and down \$3.26 from March 2011. The component tests of producer milk in March 2012 were: butterfat, 3.71%; protein, 3.09%; and other solids, 5.77%. On an individual reporting area basis, mailbox prices decreased in all areas compared to the previous month. Mailbox prices in March 2012 ranged from \$19.54 in Florida to \$15.11 in New Mexico.

CME GROUP

FRIDAY, JUNE 8, 2012 - Revised Trading Activity

**Block trading activity revised after initial release. Close price was not affected.

CHEESE -- SALES: 1 CAR BARRELS @ \$1.5500; 3 CARS 40# BLOCKS: 1 @ \$1.6500, **1 @ \$1.6300**, 1 @ \$1.6150; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.5225

MONDAY, JUNE 11, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.2100; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.2150

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

TUESDAY, JUNE 12, 2012

CHEESE -- SALES: 1 CAR BARRELS @ \$1.5550; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5650; 1 CAR 40# BLOCKS @ \$1.6500; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: 3 CARS GRADE A @ \$1.2150; LAST BID UNFILLED: 2 CARS GRADE A @ \$1.2150; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.2200

BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4325; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.4900

WEDNESDAY, JUNE 13, 2012

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.6600; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5650; 1 CAR 40# BLOCKS @ \$1.7000; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.2200; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.1600; 1 CAR GRADE A @ \$1.2200; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.2250

BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4500; LAST OFFER UNCOVERED: NONE

THURSDAY, JUNE 14, 2012

CHEESE -- SALES: 1 CAR BARRELS @ \$1.6000; 3 CARS 40# BLOCKS: 2 @ \$1.7000, 1 @ \$1.6800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5725; 1 CAR 40# BLOCKS @ \$1.6450

NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$1.2225; LAST BID UNFILLED: 2 CARS GRADE A @ \$1.2225; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.2250

BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4550; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.4700

FRIDAY, JUNE 15, 2012

CHEESE -- SALES: 3 CARS BARRELS @ \$1.5725; 1 CAR 40# BLOCKS @ \$1.6175; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.6150

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.1650; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.2225

BUTTER -- SALES: 7 CARS GRADE AA: 2 @ \$1.5100, 2 @ \$1.5200, 2 @ \$1.5300, 1 @ \$1.5400; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5400; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5500

BUTTER MARKETS

NORTHEAST

The CME Group butter price increased \$0.0125 on Tuesday and closed at \$1.4325. Butter prices have increased in each of the last 4 sessions with a cumulative increase of \$0.0275. Increased demand for cream has pushed cream multiples higher, causing some plant managers to sell cream rather than channel it to the churn. Demand for butter has improved with increased orders coming from foodservice and retailers. This week's National Dairy Retail Report showed butter promotions more than doubling nationally, compared to the report two weeks ago. Advertised butter prices in the Northeast ranged from \$1.68-\$3.99 with a weighted average price of \$2.83. Inventory levels remain unclear with many market analyst awaiting the June 22 Cold Storage Report to get a better picture of butter supplies. 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

The CME cash butter price increased (+ 4 1/2 cents) over the past five consecutive trading sessions to settle at \$1.4500 at midweek. This is the highest cash price since early April of this year. Many butter producers and handlers are surprised at the continued strength, but then also indicate that this milk production season and demand trends are much different than previous seasons. An overall nonevent winter and unseasonably warm March temperatures were positive factors for a good start to the current milk production season. Good milk flow through manufacturing facilities this spring has provided plentiful milk volumes through butter/powder operations. Favorable weather patterns have also accelerated Class II product demand, especially ice cream and mix sales. Typically, ice cream production does not really kick in until after Memorial Day, but this year, operations were more active prior to the holiday than in recent years. With this trend occurring, cream demand is already more competitive. Volumes of cream remain sufficient to generally maintain near capacity levels for most butter operations, but the surplus volumes available earlier this spring are gone. Some butter producers are already considering selling some of their cream volume versus churning. Many butter producers are looking at orders and gearing their output to meet this demand with inventory enhancement not as pressing. Retail orders are good, stimulated by feature activities. Food service orders are also good as the summer vacation season gets underway. Bulk butter prices range from flat to 3 cents over various pricing bases and averages per pound.

WEST

Western butter prices are steady to firm. Churning schedules are in balance with most of the demand. Demand for print butter is good into club stores and retail outlets. Bulk demand is showing more interest as prices increase. Butter stocks are adequate to fill current needs. Cream is available and ice cream demand is good. Wednesday's close on the CME Group exchange for butter is up \$.0175 to \$1.4500. Prices at the exchange have been higher for five consecutive trading days. Although the cash price is being bid higher, no sales have occurred over that time period. Prices for bulk butter range from 2 cents under to 4 1/2 cents under the market, based on the CME with various time frames and averages used. According to the Foreign Agricultural Service, exports of butter and milkfat for April 2012 total 13.2 million pounds, down 29% from April 2011. Cumulative exports for the year are running 32% behind last year. Saudi Arabia at 13.6 million pounds for the year is the largest importer with a 15% increase above last year's amount. The butter and milkfat exports account for 5.9% of butter production in the U.S. for the year. Advertised butter prices from the National Dairy Retail Report showed a weighted average price of \$2.88 per pound compared to \$2.49 two weeks ago. Butter features were increased significantly from two weeks ago. Western advertised prices ranged from \$1.67-3.79 per pound. The weighted average for butter in the Northwest was \$3.40, while the average in the Southwest was \$3.04.

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

Monthly Exports	(Million Lb.)	% Change From	
		1 Year Ago	
April	13.2	-	29
Cumulative	Jan.- Apr.		
World	41.1	-	32
Saudi Arabia	13.6	+	15
Egypt	5.3	+	24
Iran	5.1	+	536
Morocco	4.6	-	12
Japan	1.3	-	60

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
June 9, 2012	1.3679 4,350,587	1.5518 10,094,245	1.5308 10,137,038	0.5032 9,428,639	1.1022 26,774,802

CHEESE MARKETS

NORTHEAST

Cheese prices on the CME Group moved significantly higher Tuesday with barrels advancing \$0.0425 to close at \$1.5650 and blocks advancing \$0.0350 to close at \$1.6500. Since the Memorial Day holiday, barrels have increased \$0.0950 and blocks \$0.0800. Cheese production remains fairly steady overall, with some plant managers unwilling to expand production until their inventories are worked lower. Demand for cheese has improved with good food-service and export orders. Shredding operations have been increasingly busy, due in part to retail promotions. The National Dairy Retail Report this week showed an increase in total shredded cheese ads. Prices for 8 ounce shredded cheese in the Northeast ranged from \$1.99-\$2.99 with a weighted average price of \$2.24.

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

Cheddar 40# Block	:	2.0075-2.2925
Process 5# Sliced	:	1.7425-1.8625
Muenster	:	2.0275-2.3875
Grade A Swiss Cuts 10 - 14#	:	3.2550-3.5775

MIDWEST

A cheese manufacturer commented that sales are "not great great, but are good". There is a developing sentiment that recent CME price strength in blocks is being driven by anticipation of future cheddar demand later in the year. Some supporting evidence of that this week is inquiries from trading companies seeking spot loads of cheddar blocks from manufacturers intended to be held until later this year. The manufacturers approached are unable to provide the spot cheese until early July due to strong ordering from regular customers. Mozzarella sales remain underwhelming. Some manufacturers have received cancellation of Mozzarella orders, which are already lower than anticipated. Cheese storage facilities report hearing increasing discussion from prospective buyers worried about the impact of dry conditions on milk production in the Upper Midwest should the conditions continue. This, coupled with recent CME cheese price fluctuation, has many cheese buyers very conflicted about when to finalize transactions. More milk is being diverted from nonfat dry milk production to cheese manufacturing as farm milk production is slowing as summer draws closer. Another seasonal change is more cheese plants switching to NDM for vat fortification because the price of NDM versus condensed skim is economically advantageous, a result of farm milk production trending lower. CME trading Wednesday moved blocks to the highest level of 2012, closing up aggressively 5 cents at \$1.7000. The previous high was Tuesday's \$1.6500, also reached on June 1 before prices declined. Barrels remain at \$1.5650, a level reached at other times of 2012. Cheese retail advertising volume reported in the National Dairy Retail Report has increased in ad numbers by 16.0% above volume two weeks ago, which was 9.7% above two weeks before that. This continues a trend of four consecutive two week survey periods with cheese retail advertising volume increasing. However, current volume remains 26.6% below the high volume reached since this survey series began earlier this year, in the report released April 4. The largest number of cheese category ads run during the current survey period are for 8 ounce shredded cheese, up 6.0% from the last period when 8 ounce shredded cheese also led all cheese categories. Next highest is 8 ounce

block, although -3.9% below the numbers two weeks ago. The remaining cheese category ads in descending volume are 1 pound block, up 220.4%; 2 pound block, up 7.5%; and 1 pound shredded, up 520.2%. The weighted average advertised price of four of the five cheese package varieties reported decreased from two weeks ago, the same situation as two weeks before that. Only the weighted average advertised price of 8 ounce shredded cheese, \$2.40, was up from two weeks ago, up 7.6%. The weighted average advertised price and percent price decline from two weeks ago for other package sized includes 1 pound block, \$3.62, down -3.7%; 2 pound block, \$5.14, down -17.1%; 8 ounce block, \$2.31, down -3.7%; and 1 pound shredded, \$3.33, down -6.2%. In contrast with the cumulative all region national increase in cheese advertising, cheese advertising in the Midwest is down -1.3% from two weeks ago. Also in contrast with the decline in the national weighted average advertised prices of three of four cheese categories of cheese advertised in the Midwest increased in price. (No Midwest ads ran for 2 pound block). The weighted average advertised price and percent price change from two weeks ago in the Midwest includes 1 pound block, \$3.31, down -0.3%; 8 ounce block, \$2.23, up 0.9%; 1 pound shredded, \$3.07, up 3.0%; and 8 ounce shredded, \$2.12, up 9.8%.

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

Process American 5# Loaf	:	1.7150-2.4200
Brick And/Or Muenster 5#	:	1.9950-2.5550
Cheddar 40# Block	:	1.9950-2.9800
Monterey Jack 10#	:	1.9650-2.9800
Blue 5#	:	2.2600-3.2450
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8400-3.0800
Grade A Swiss Cuts 6 - 9#	:	2.6650-2.9825

WEST

Western cheese prices are mostly steady with a firm undertone for block cheese. Barrel demand is mostly steady as supplies are adequate. Cheese plants are operating at normal schedules with some slowdown from Mozzarella producers. The higher prices are slowing demand from the export side of the market. Barrel trading at the CME Group on Wednesday was unchanged to close at \$1.5650. Blocks were up \$.0500 to close at \$1.7000. Both barrels and blocks are higher this week as buyers bid prices higher. Sales activity is very limited for the week with one load of barrels and one load of blocks changing hands in the first three days of the week. The large difference between blocks and barrels has traders guessing which will move to balance the market. According to FAS, exports of cheese and curd for April 2012 total 53.3 million pounds, up 31% from April 2011. The exports account for 5.9% of total cheese production in the U.S. for April. Mexico continued to easily be the largest importer of cheese with 45.2 million pounds for the year or 23% of U.S. cheese exports. Advertised cheese prices as reported in the National Dairy Retail Report showed prices for most cheese categories slightly weaker, except for 8 oz. shred cheese which was slightly higher from two weeks ago. Prices for 2 lb. block cheese in the West ranged from \$5.00-6.99 per package with the weighted average in the Southwest at \$5.22 and Northwest at \$5.00.

CHEESE MARKETS

CONTINUED FROM PAGE 3

(WEST CONTINUED)

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

Process 5# Loaf	:	1.6475-1.9050
Cheddar 40# Block	:	1.7325-2.0850
Cheddar 10# Cuts	:	1.9125-2.1325
Monterey Jack 10#	:	1.9225-2.0825
Grade A Swiss Cuts 6 - 9#	:	2.8325-3.2625

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

	<u>BUTTER</u>	:	<u>CHEESE</u>
06/11/12	11,886	:	130,571
06/01/12	11,816	:	129,965
CHANGE	70	:	606
% CHANGE	1	:	0

FOREIGN

The weekly average block cheese price on the CME Group declined, lowering domestic wholesale prices by \$0.0025. Domestic wholesale Swiss cuts and imported varieties were unchanged. The upcoming elections in Greece and the continuing financial problems in the European Union are keeping the US dollar in a stronger position, when compared to the Euro and prompting some importers to increase their orders for the next contract period.

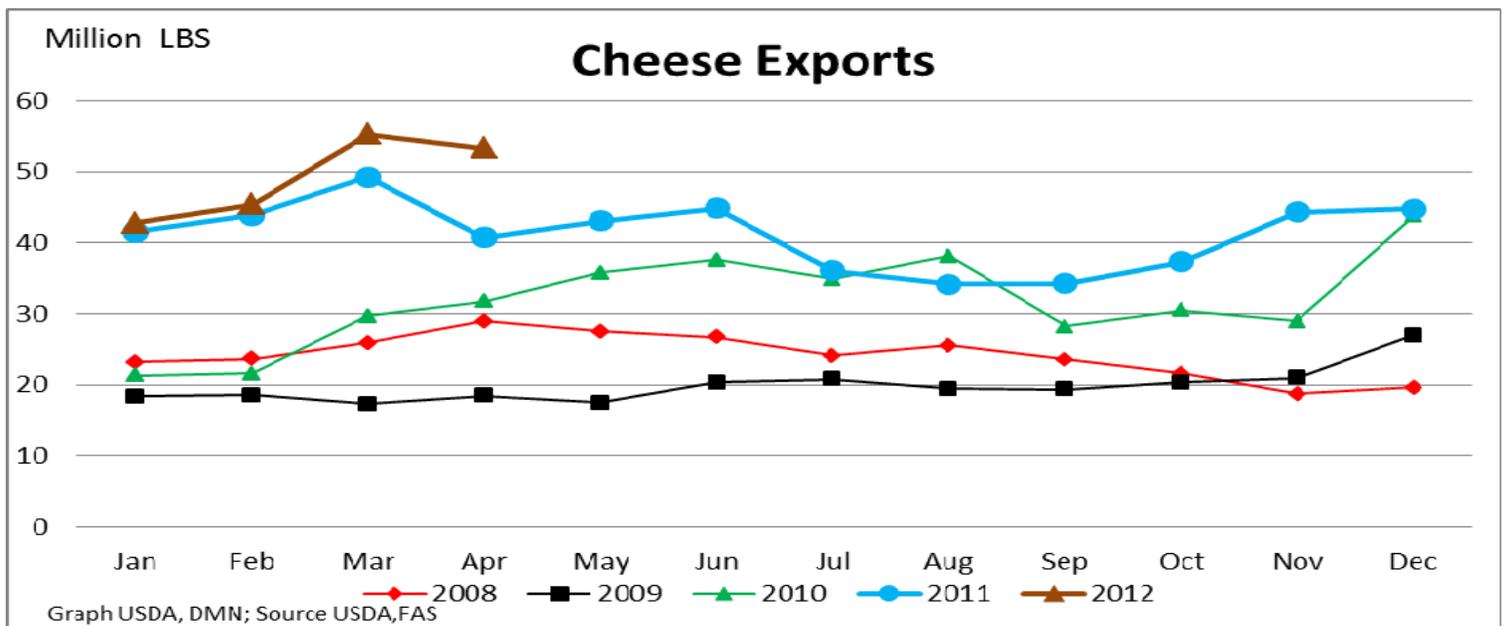
WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	:	NEW YORK	
VARIETY	:	IMPORTED	DOMESTIC
	:		
Blue	:	2.6400-5.2200	2.1475-3.6350*
Gorgonzola	:	3.6900-6.3900	2.6500-2.9100*
Parmesan (Italy)	:	-0-	3.2700-3.8250*
Provolone (Italy)	:	3.4400-6.1800	2.1900-2.3475*
Romano (Cows Milk)	:	-0-	3.3375-5.4875*
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.

U.S. Cheese and Curd Exports, (USDA-FAS)

	2012 Exports	% Change From
	(Million Lb.)	
	Monthly Exports	1 Year Ago
April	53.3	+ 31
	Jan. - Apr.	1 Year Ago
Cumulative World	196.8	+ 12
Mexico	45.2	+ 16
South Korea	29.8	- 4
Japan	20.5	+ 30
Saudi Arabia	12.4	+ 62
Canada	8.6	+ 21



FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	180	0	160	0	260
SOUTHEAST STATES	0	0	0	0	0	0

Milk production in the Northeast region continues to decline marginally with corresponding declines in manufacturing milk supplies. Forage and pasture conditions are nearly ideal for most of the region. The Mid-Atlantic region has experienced declines in production along the seasonal trend. Class I demand has fallen off with schools closing for the summer. Florida's milk production is rapidly declining as heat and humidity are lowering cow comfort levels. Because of reduced milk production, Class I plants have increased the number of sources they pull from to cover their needs. Recent rains have provided some relief from the dire drought conditions, but aquifers and lakes remain low and more rain is needed. Hay and feed supplies remain tight due to this year's drought. Producers are actively culling their herds as milk production per cow declines, taking advantage of the good cull cow prices and to conform to the newly implemented somatic cell count regulations. Spot loads of milk exported out of state this week totaled 180. Heat and humidity have also accelerated milk production declines in the Southeast with very little need for auxiliary manufacturing. Class I demand remains flat after the bulk of school closures. Declining cream availability, due to decreased standardized cream coming from bottling plants, combined with increased demand pushed multiples higher this week. The seasonal increase in ice cream production provides the base for improved cream demand, but cream cheese production has also increased, prompted by good foodservice and retail orders. Spot sales of cream are now above contract pricing. Even butter manufacturers have dipped into the spot market when supplies are most plentiful on or near the weekend. The seasonal decline in milk production has reduced the supply of condensed skim milk. The increase in ice cream production has increased demand for condensed skim milk, but there remain fairly good volumes of condensed skim going to Class IV production.

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 -	1.9437-2.0423
F.O.B. producing plants: Upper Midwest -	1.8029-1.9719

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.14 - 1.23
Northeast - Class III - spot prices -	1.27 - 1.35

MIDWEST

Spot milk demand from Class III plants continues to outpace availability in several areas of the Central region. As farm milk intakes from patron suppliers trend lower, some cheese plant managers are turning to the spot market for milk. Spot milk prices range from \$.50 to \$1.00 over Class for the week. Some cheese producers are turning to NDM for vat fortification as availability of Central condensed skim and spot milk loads have diminished. Western condensed skim milk continues to fill supply gaps in some Central areas. As the end of June approaches, milk marketers and

cooperatives are also checking on farm milk suppliers to verify milk intakes meet the E.U.'s 2012 SCC goal of 400,000 as a mean value. Those dairy producers who miss that level of milk quality may follow other procedures to continue selling their milk as usual while working toward meeting the E.U.'s milk quality goal. Equipment problems in one or two locations sent some milk destined for powder into Class III plants, instead. Cream loads are reportedly moving well into Class II facilities, with ice cream and ice cream mix consuming increasing volumes of cream. Cream multiples are creeping higher seasonally. Various plant operators indicate butterfat content is following the expected declining seasonal trend.

WEST

Milk production in CALIFORNIA is down several percentage points compared to last week; yet output remains at levels higher than a year ago. Hotter weather conditions have prevailed over much of the Central Valley and the key production areas. Heat abatement measures are in place to make cows more comfortable. Processors are generally welcoming the lower receipts and the reprieve from the seasonally high output levels. Increases in dairy product prices have not caused any redistribution of milk between product categories. The increases do bode well for future milk prices for milk producers. Utilization in some cheese plants has been lower due to both maintenance and inventory considerations. The July 2012 Class 1 prices in CALIFORNIA range from \$17.60 in the north to \$17.87 in the south. The statewide average Class 1 price based on production is \$17.62. The average is \$0.79 higher than June 2012 but \$4.78 less than July 2011. ARIZONA milk output is trending lower. Processing plants are running on lighter schedules and making a more diverse product mix. The impact of hot temperatures is affecting both milk volumes and components. The length of the hot weather is the biggest contributing factor. Class I demand is flat. NEW MEXICO milk production is steady to slightly lower from a week ago with handlers noting the sense is that milk should be lower. Weather conditions have been hotter, yet have not impacted the milking herd to any great extent. Wildfires in the state are not affecting the milk producing areas of the state. Class I sales and shipments are sporadic. Western CREAM markets are firming. Demand for cream has improved from ice cream accounts and interest is fair to good from butter manufacturers. Declines in milkfat levels are being noticed. However, there are adequate supplies to satisfy current interest. Butter churning is steady to lower. The CME Group, Grade AA butter price closed at \$1.4500 on Wednesday, up 4.5 cents from a week ago. Multiples for Western cream are higher in the range of 114-126, and vary based on class usage and basing points. Milk production in the PACIFIC NORTHWEST is steady with the past few weeks. Production levels are comfortable in most cases with some milk being moved to fully utilize manufacturing capacities. The spring flush is past. Cooler than normal weather and frequent rains have slowed harvesting of first crop hay. In some cases, hay that has been cut has been laying in the field due to the rains. This will reduce available supplies in the region. UTAH and IDAHO milk production is past spring flush levels and is following expected volumes. Milk is being processed locally with no significant problems being reported. Cooler than normal spring weather with frequent rains have hampered harvesting of alfalfa. The cool weather has cow comfort at very satisfactory levels. Recent heifer auctions in Idaho reported weaker prices. Reported prices had the top 50 average price at \$1310.

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 on the range moved higher, while mostly prices moved both lower and higher. Spot sale NDM prices generally garnered higher prices compared to last week. Contract prices shifted lower due to movement in various price indices. Various manufacturers in the Central region indicate buyer interest in filling needs for the second half of the year is resurfacing. Purchases are generally in less-than-block quantities, but both inquiries and finalized sales numbers moved higher for the week. Also, several cheese manufacturers swapped condensed skim for NDM for vat fortification as pricing factors currently tilt in favor of NDM use. Nonfat dry milk production is steady to lower in the Central as a whole. A few equipment problems again shifted milk either to a different processing location or to a different end product, but all milk was processed. Finalized equipment repairs allowed one or two plants to restart drying operations. Low heat nonfat dry milk production is occupying most dryer schedules, with high heat NDM production scheduled intermittently. Nonfat dry milk inventories are steady at seasonal levels at most locations. A few NDM drying facility operators indicate toll drying activities continue as dryer schedules are below capacity for internal drying needs.

EAST: The nonfat dry milk market was mixed this week as prices based off indices moved lower, but spot market prices showed some strength. Milk production declines in combination with improved demand for condensed skim milk are reducing manufacturing milk supplies being channeled to dryers. The reduction in dryer schedules is allowing some plant managers to focus on production of high heat nonfat dry milk to replenish their inventories. Most manufacturers are comfortable with their low heat inventories and are cautious not to oversell on the spot market due to the seasonal downward trend in milk production, lowering their future nonfat dry milk production schedules. Demand for nonfat dry milk has improved with increases in ice cream and ice cream mix production. The market undertone is in transition and firming.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.1650 - 1.2500 MOSTLY: 1.1700 - 1.2100
 HIGH HEAT: 1.2150 - 1.3100

U.S. NDM Exports, H.S. Code 0402100000(FAS)

	2012 Exports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN - APR	346.5	+ 8
1 Mexico	143.3	+ 45
2 Philippines	34.4	- 14
3 Indonesia	31.7	- 26
4 Vietnam	24.5	- 44
5 Egypt	18.7	+ 131
April Total	86.6	+ 18

NONFAT DRY MILK - WEST

Prices continue to move higher for the Western low/medium heat market prices. The market tone is firming off the most recent market low. Several producers are increasing their spot offering prices to both test the market and not "give away the store" to buyers seeking coverage. There are buyers who missed making purchases at recent low prices who are looking for powder. Export interest is

slow for new sales. While the current market has tightened for the nearby sales, concerns remain about future sales considering all domestic and international pricing and availability circumstances. The California weekly pricing index moved slightly lower whereas the weekly AMS index moved slightly higher. The differing directions are likely due to the different time periods of the sales included for the reporting week. Buyers and sellers are both stating that contracted volumes are being shipped on schedule. The resale market is being held tight and those prices are moving higher. Transactions are now positive for those who had taken losses when the market was trending lower. Drying schedules are steady to lower, reflecting lower milk receipts and declines in solids levels. The offset is some milk is being pushed back from cheese plants into butter/powder facilities. Some producers are making more SMP and MPC. Stock levels are at moderate levels. Many holdings have been committed for nearby weeks. Western high heat prices are higher. The market tone is firmer, mainly reflecting changes in the low/medium heat market pricing structure. Drying schedules are steady to higher and can accommodate additional high heat production as the milk intakes are lower and throughput is not the main concern. Producers' holdings are light to moderate and available to accommodate buyers' needs.

FAS export data for NDM/SMP show January-April 2012 exports at 346.5 million pounds, up 8% from the same period in 2011. April 2012 exports total 86.6 million pounds, up 18% from a year ago.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.1100 - 1.2300 MOSTLY: 1.1250 - 1.2000
 HIGH HEAT: 1.1650 - 1.2700

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices, Central, are steady, drawing support from the market values of both nonfat and butterfat solids. Butter and buttermilk production are steady to somewhat lower as additional spot and contract cream volumes clear into Class II consumer products with increasing demand. Additional condensed buttermilk is clearing to Class II manufacturing facilities. Class II demand for dry buttermilk is also increasing, spurred by higher prices for nonfat dry milk and somewhat reduced offerings of spot condensed skim this week. Interest from snack and dry seasoning mix manufacturers is also seasonally stronger, according to some dry buttermilk producers. Dry buttermilk inventories are steady to declining as production slows.

EAST: Eastern dry buttermilk prices held steady this week. Increased demand for cream from ice cream and cream cheese producers has reduced cream volumes headed to the churn and resulting in lower production of dry buttermilk. Demand for dry buttermilk is improving as some frozen desert makers are transitioning to dry buttermilk due to price advantages when compared to nonfat dry milk. Some brokers are also reporting increased inquiries from export interest. The market undertone has firmed with the increase in demand and with the recent price increases for nonfat dry milk.

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

CONTINUED ON PAGE 5A

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.

CONTINUED FROM PAGE 5

DRY BUTTERMILK - WEST

Western dry buttermilk prices are trending higher. The market tone is steady to firm. Crossover demand from nonfat dry milk continues to help the dry buttermilk market. Some buyers are seeking extra coverage for future needs. Additional interest from export accounts is noted. The impact of production declines is partly due to increased ice cream user demand for condensed and less solids coming off the churns. Stocks are at levels that are more moderate and being looked at in a different light with the market tone shifting.

F.O.B. WEST: . 9800 - 1.1000 MOSTLY: 1.0000 - 1.0600

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are unchanged to higher as market values for nonfat and butterfat solids rise. Various manufacturers report as milk supplies decrease, they now plan whole milk powder production on a sale by sale basis, with production dates generally grouped around weekends or holidays when spot milk loads are available. Dry whole milk inventories are reportedly adequate to fill near term standing contract needs.

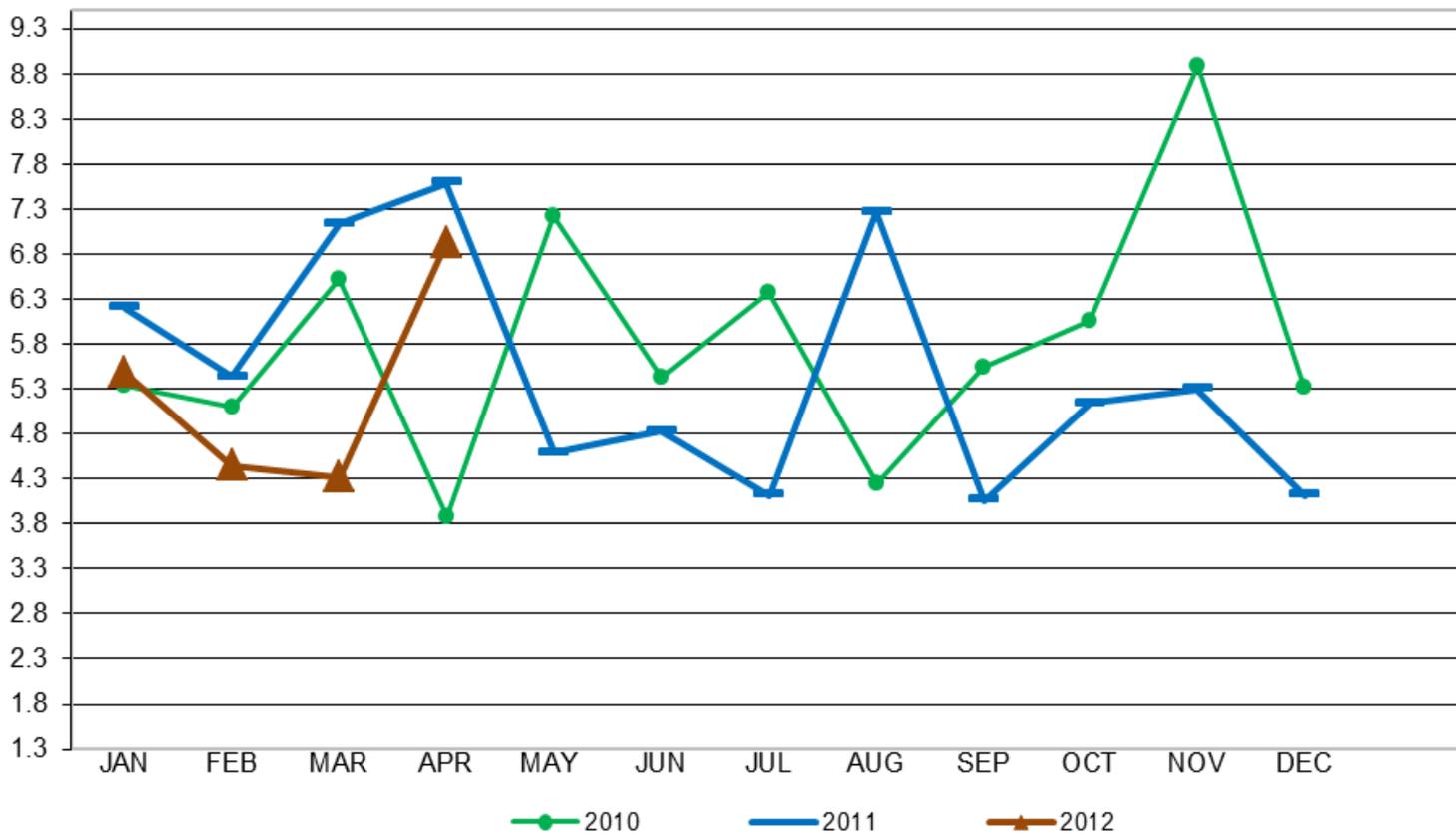
F.O.B. PRODUCING PLANT: 1.3900 - 1.5000

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
June 8	\$1.0968	16,983,822	0
June 1	\$1.1040	16,578,191	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.

Million Pounds U.S. DRY WHOLE MILK PRODUCTION



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 on the mostly price series shifted lower following price decreases on index based contracts as well as spot export sales that required price incentives to cover transportation. Various market participants indicate dry whey demand is on pause once again while market information is reassessed. A few end users report the production dates for some delivered dry whey contract loads are now retreating instead of advancing in the calendar year. The dry whey, though, is still 2012 production. Recipients speculate the loads may represent delayed/cancelled loads from other contract buyers. Class III production continues to capture milk ahead of Class IV production within multiple end-product systems as cheese and whey stream returns are expected to outpace returns on butter and powder. However, overall farm milk intakes are declining seasonally and cheese plants generally have lower milk volumes to work with on a weekly basis. Dry whey inventories are reportedly steady to incrementally lower as farm milk volumes and spot milk load availability decreases. ANIMAL FEED DRY WHEY prices are steady. Interest is unchanged into some buyer accounts, markedly lower into others. Various feed manufacturers indicate they are overstocked on feed inputs at this time due to slow sales of finished feed into veal grower accounts.

F.O.B. CENTRAL: .4000 - .5675 MOSTLY: .4300 - .5200
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3625 - .4850

DRY WHEY - NORTHEAST

Whey prices continue to work lower in light market activity. Spot market buyers continue to purchase hand to mouth with the idea of lower prices in the future. Some contract buyers also think prices may move lower and are delaying their regularly scheduled deliveries. Domestic demand remains flat, but export interest has increased as brokers are receiving more price inquiries. Production of dry whey is steady at reduced levels as some cheese makers have limited their production until they're able to work their cheese inventories lower. The market undertone remains weak.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4750 - .5600

DRY WHEY - WEST

Western dry whey prices are unchanged to weaker in both price series this week. The upper end of the market is exhibiting the lower prices, while the lower end is steady. Domestic prices continue to show weakness as pricing indices tied to contracts are adjusting lower. Export markets are mostly steady this week with good demand. Whey production is slowing as less milk is going into cheese plants. Manufacture of dry whey is also competing with concentrated whey protein products for the available whey stream. Supplies of whey are reported to be adequate for current demand.

NONHYGROSCOPIC: .4400 - .5250 MOSTLY: .4500 - .5125

U.S. Dry Whey Exports, H.S. Code 0404104000(FAS)

	2012 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	40.7	N.C.
TOTAL, JAN - APR	167.7	- 6
1 China	36.0	+ 15
2 Mexico	29.0	+ 40
3 Canada	14.8	- 4
4 Japan	11.8	- 26
5 Indonesia	11.0	- 34

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Central and West whey protein concentrate 34% prices on the range series are unchanged to lower. The bottom of the mostly price series registered a sharp decrease, reflecting active spot trades clearing F.O.B. inventories to resellers and end users this week. Various market participants anticipate WPC 34% prices will rebuild quickly in the near term, though, as the firming NDM market prompts support for WPC 34%. WPC 34% production is mostly unchanged from facility to facility. Cheese production continues to be strong in both the Central and West, but is in step with the recent seasonal turndown in milk production. Various manufacturers with both NDM and WPC 34% production capacity indicate they are selectively shifting some milk volumes toward cheese/whey protein streams to maximize returns. However, WPC 34% manufacturers indicate a steady portion of condensed whey continues to bypass the WPC 34% drying channel for use in production of WPC 80% and WPI. WPC 34% inventories are steady to lower.

F.O.B. EXTRA GRADE 34% PROTEIN: .9000 - 1.3925 MOSTLY: 1.1000 - 1.2850

U.S. WPC ≤ 80% Exports, H.S. Code 0404100500(FAS)

	2012 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	20.4	+ 23
TOTAL, JAN - APR	66.1	- 10
1 China	19.4	- 27
2 Canada	8.8	- 29
3 Mexico	6.7	- 46
4 Japan	6.6	+ 3
5 South Korea	3.9	+ 267

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged for the week. Various manufacturers indicate international buyer interest is strongly price driven for the upcoming quarter versus lactose supply assurance. With competitively priced lactose offers from European producers readily available, various international customers expect lactose will be readily available throughout quarter. Because of that, the need for some lactose buyers to finalize contracts now is less compelling than in recent quarterly contracting periods. On the opposite end of the market, various domestic lactose customers continue to seek out additional lactose spot loads from their contract suppliers and these spot loads continue to command their standard market premiums. In these instances, price considerations come in second to having a constant supply of lactose with known functional properties. Lactose production is unchanged to seasonally lower. Inventories are steady to incrementally lighter.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL.7500 - 1.0350 MOSTLY:.8500 - .9200

U.S. Lactose Exports, H.S. Code 1702110000(FAS)

	2012 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	26.3	- 29
TOTAL, JAN - APR	122.5	- 18
1 China	27.9	+ 3
2 New Zealand	21.5	- 10
3 Mexico	16.0	- 8
4 Japan	8.5	- 34
5 Brazil	6.6	- 30

CONTINUED ON PAGE 6A

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.

CONTINUED FROM PAGE 6

CASEIN - NATIONAL

Casein markets and prices are generally unchanged, although a firmer undertone is developing. Domestic buyers continue to question the impact additional volumes of casein might have on the market as a major casein producing country, that was absent for over a year, returns. Buyers are indicating that offerings from this country are starting to occur, but limited sales are being acknowledged. Buyers are looking at this possible source for some of their needs and are cautious with end product quality results. Buyers and other casein suppliers indicate that these additional volumes might not have as significant of a weakening impact on the market as many anticipated, thus pricing has stabilized and in some instances firmed, especially as Q3 contracting nears. In most instances, domestic casein buyers are indicating that their needs are being filled by regular and ongoing suppliers.

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 2011

WEEK ENDING	WEEKLY DAIRY COWS	2012 CUMULATIVE DAIRY COWS	2011 WEEKLY DAIRY COWS	2011 CUMULATIVE DAIRY COWS
05/26/2012	57.1	1,259.4	52.1	1,228.3

WEBSITE: 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

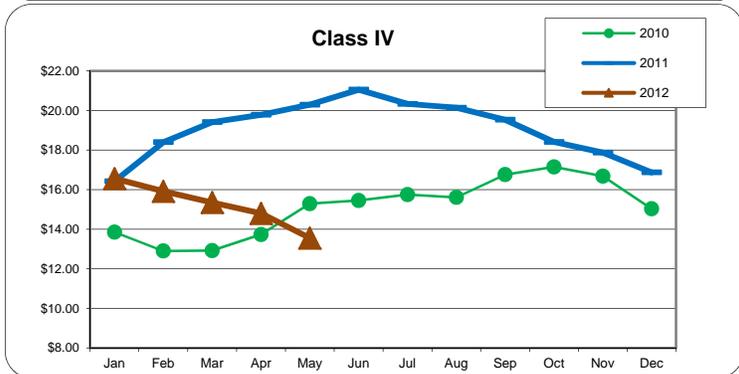
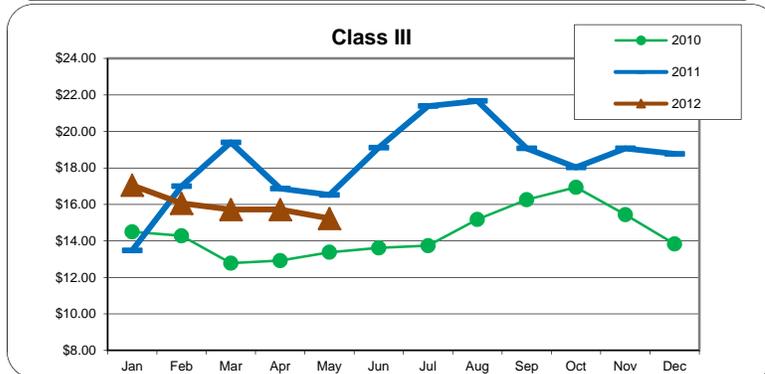
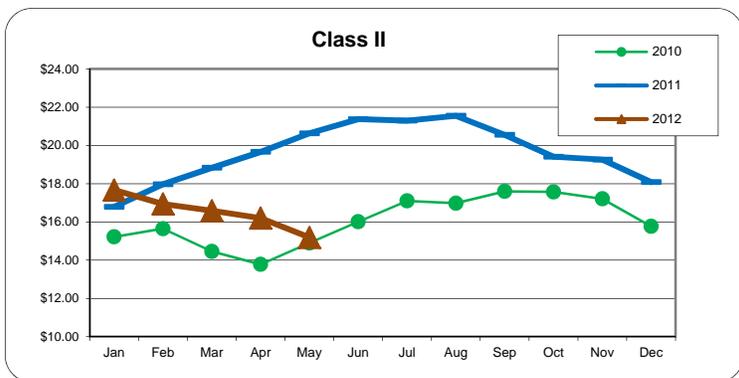
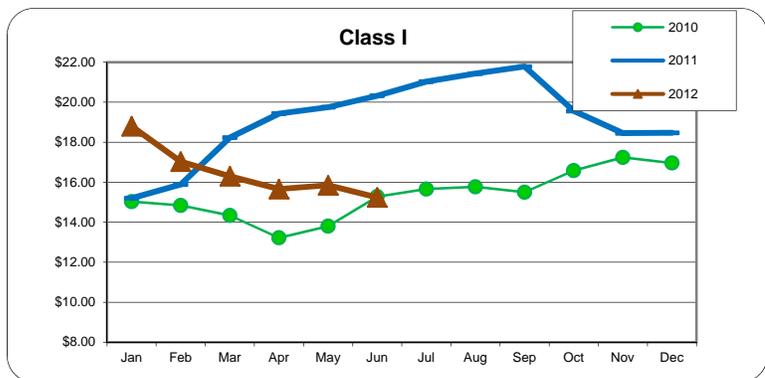
CLASS IV MILK PRICES (3.5% BF)

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	15.24						
II	17.67	16.94	16.59	16.20	15.19							
III	17.05	16.06	15.72	15.72	15.23							
IV	16.56	15.92	15.35	14.80	13.55							

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



ORGANIC DAIRY MARKET NEWS

Information gathered June 4 - 15, 2012

ORGANIC DAIRY FLUID OVERVIEW

Organic dairy farmers in the northeast have benefitted from lush pastures and pleasant temperature in recent weeks, which is believed to have boosted milk production and reduced the need to purchase feed. A loan program offered by a natural food store chain has been utilized in New England by a number of organic dairy farmers to increase their herd size and thus, milk production.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

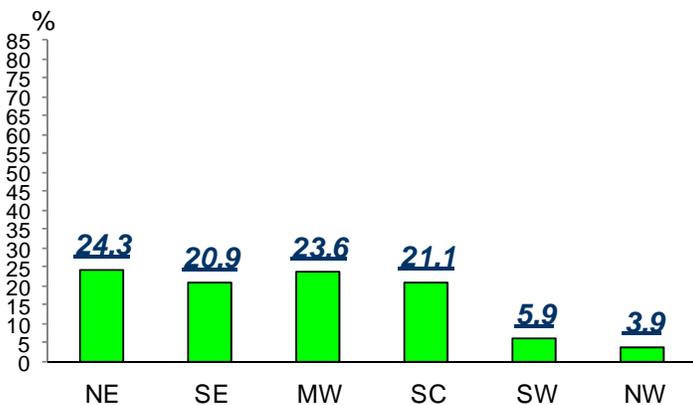
Organic Dairy Overview. The majority of ads for organic milk and all ads for organic yogurt are for national brands, rather than store brands. Ad volume for organic dairy products is high – the second highest level of 2012. Organic milk is back, replacing organic yogurt as the most advertised organic dairy product.

Organic dairy advertising volume is up 158.6% from two weeks ago, after declining -43.3% two weeks ago from the previous period. Organic milk ads comprise 61.2% of all organic dairy ads followed by organic yogurt with 31.3%. Remaining ad categories are organic butter, 4.1%; organic cheese, 2.9%; and organic ice cream, 0.5%.

Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period June 2, 2012, to June 15, 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, but very narrowly, with 24.3% of ads. The remaining regional percentages include the Midwest, 23.6%, South Central, 21.1%, Southeast, 20.9%, Southwest, 5.9%, and Northwest, 3.9%.

Organic Dairy Ads Regionally As A Percentage of Surveyed Organic Dairy Ads 2012 - Week 24, 2012

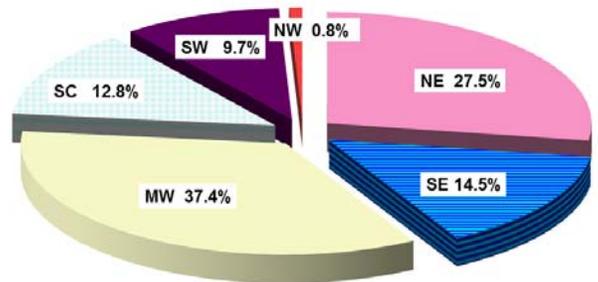


Organic Milk. Organic milk ads have returned as the leading category of organic dairy advertising. Ads for half gallons constitute 70.4% of all organic milk ads. Ads for organic gallons are 7.4% and ads for 8 ounce containers of organic milk 22.2%. Organic milk ads are at the second highest level of 2012, after being at the third lowest level two weeks ago.

The highest percentage of organic milk ads appear in the Midwest, 37.4%. Other regions include the Northeast, 27.5%; Southeast, 14.5%; South Central, 12.8%; Southwest, 9.7%; and Northwest, 0.8%.

ORGANIC MILK FEATURES

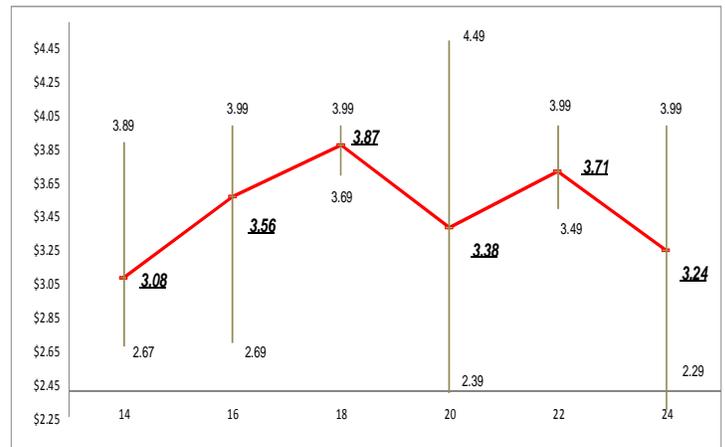
Regional % of Surveyed Supermarket Ads Report - Week 24, 2012



Organic Milk Half Gallons. Advertising volume for organic half gallons is the third highest level of 2012, a reverse of being the third lowest two weeks ago. For the first time, ads appeared for half gallons of organic chocolate milk as well as unflavored milk. However, 3.8% of total half gallon organic milk ads are for chocolate and 96.2% are for unflavored. All chocolate milk half gallons are advertised by a national brand while just over 61% of ads for non-flavored half gallons are national brands and almost 39% are for store brands.

The national weighted average advertised price of organic milk half gallons, \$3.24, is 47 cents lower than two weeks ago. The price range is \$3.99 to \$2.29, unchanged at the top but \$1.20 lower at the bottom, which is also the lowest advertised price for organic half gallons since this data series began during the fall of 2009.

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



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

REGION	%	WTD. AV. ADV. PRICE \$
NE	40.6	3.42
SE	15.5	3.24
MW	35.9	2.93
SC	01.3	3.69
SW	05.5	3.79
NW	01.2	2.99
US		3.24

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ORGANIC DAIRY MARKET NEWS

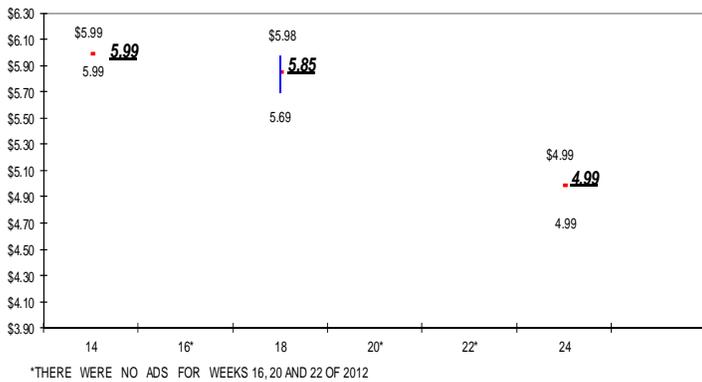
Information gathered June 4 - 15, 2012

CONTINUED FROM PAGE 8

The AMS Dairy Market News Survey which generated the current national organic half gallon milk weighted average advertised price of \$3.24, also determined the weighted average advertised price for non-organic half gallons as \$2.11, an organic-conventional half-gallon milk advertised price spread of \$1.13, down from \$1.75 two weeks ago, up from \$1.02 four weeks ago but down from \$2.46 six weeks ago.

Organic Milk Gallons. Ads for organic gallons returned following a four week absence, even if in relatively low numbers compared with other advertised organic milk. All ads listed a price of \$4.99, lower than any ads for organic gallons during 2012 but not a record low for this data series.

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



ORGANIC MILK GALLON ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	00.0	----
SE	39.7	4.99
MW	60.3	4.99
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		4.99

Organic Milk 8 Ounce. All Ads for 8 ounce containers of organic milk listed a price of \$1.00, which has become typical.

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

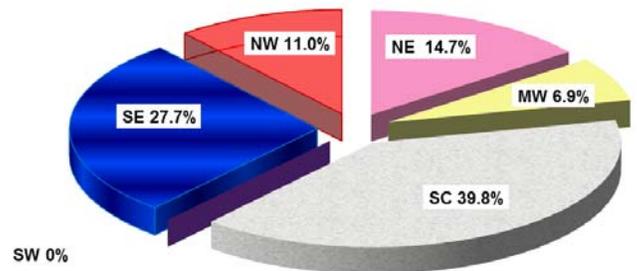
REGION	%	WTD. AV. ADV. PRICE \$
NE	00.0	----
SE	04.3	1.00
MW	15.2	1.00
SC	53.8	1.00
SW	26.7	1.00
NW	00.0	----
US		1.00

Organic Yogurt. The leading organic yogurt category is 4-6 ounce organic yogurt, with 54.4% of organic yogurt ads. Second is 4-6 ounce organic Greek yogurt, with 34.6%, followed by 32 ounce organic yogurt with 11% of organic yogurt ads.

The South Central region led the regions in organic yogurt

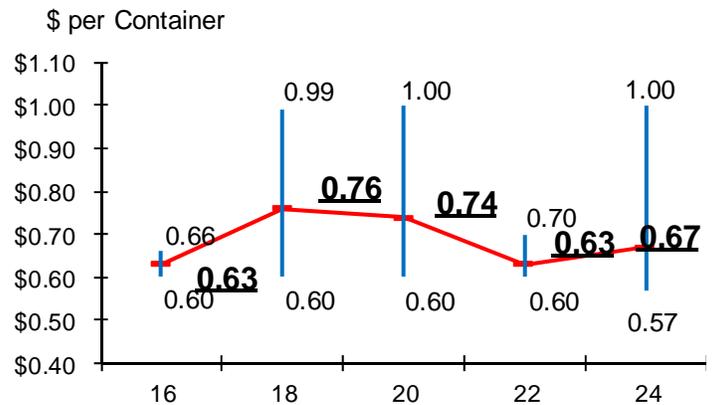
advertising, with 39.8% of all organic yogurt ads this period, after two periods of the Northeast leading. The remaining regions include the Southeast, 27.7%, Northeast, 14.7%, Northwest, 11.0% and Midwest, 6.9%.

ORGANIC YOGURT FEATURES Regional % of Surveyed Newspaper Ads Report Week 24, 2012



4-6 Ounce Organic Yogurt. The national weighted average advertised price increased 4 cents, to \$0.67. The price range spanned 43 cents, a 30 cent increase at the top and a 3 cent decrease at the bottom.

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



4-6 OUNCE ORGANIC YOGURT ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	00.0	----
SE	50.9	0.65
MW	12.6	1.00
SC	36.5	0.59
SW	00.0	----
NW	00.0	----
US		0.67

4-6 Ounce Organic Greek Yogurt. Ads for 4-6 ounce organic Greek yogurt occurred in the Northeast and South Central regions. All ads in all regions listed a price of \$1.25.

CONTINUED ON PAGE 8-B

ORGANIC DAIRY MARKET NEWS

Information gathered June 4 - 15, 2012

CONTINUED FROM PAGE 8-A

4-6 OUNCE ORGANIC GREEK YOGURT ADS
REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	42.6	1.25
SE	00.0	----
MW	00.0	----
SC	57.4	1.25
SW	00.0	----
NW	00.0	----
US		1.25

YOGURT

	LOW	HIGH	RANGE
Yogurt - 4-6 oz Yogurt	0.79	1.29	0.50

CHEESE

Cheese - 8 oz block			
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

Cheese - 6 oz string

Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	4.99	1.10

BUTTER

Butter - 1 Pound	3.79	6.19	2.40
------------------	------	------	------

* = Price change from prior reporting period.

32 Ounce Organic Yogurt. All ads for 32 ounce organic yogurt appear in the Northwest. The uniform price for all ads is \$2.00.

Organic Butter. All organic butter ads appeared in the Southeast, for a store brand, at an advertised price of \$3.99. This is the first time in four weeks that ads for organic butter have appeared. It should be noted that some conventional butter ads in the Northeast also listed the same \$3.99 price that appeared for organic butter. Ads for conventional butter also listed a price as high as \$3.79 in the Southeast, Midwest and Northwest.

Organic Cheese. All ads for organic cheese appeared the Northeast, for 8 ounce block, all priced \$4.59.

Organic Ice Cream. All ads for organic ice cream have a price of \$5.99 for 48-64 ounce containers in the Midwest.

No price range changed this period although prices for various stores shifted within ranges.

ORGANIC GRAIN AND FEEDSTUFFS MARKETS:

National organic grain and feedstuffs were mixed. While volumes of all grains traded were of no largely significant volume, feed grade corn was higher, while feed grade soybeans were lower. Oats reported were steady with a firm undertone. Offerings of grain this period were light, with moderate to good demand. The bulk of soybeans traded this period were reportedly between 26.00 and 28.00/bushel throughout the nation. Corn this period was mostly 14.25-15.25/bushel throughout the Eastern Cornbelt, while 15.00-15.75/bushel corn was reported throughout the Central United States and the Upper Midwest. Contracts for new crop corn this period remain predominantly at the price of 11.50/bushel throughout the major growing regions for purchase upon harvest. Prices for some corn contracted further out have an increase in price. Buyers have reported that many farmers have not contracted the bulk of their crop and are waiting to get a better feel for the market upon harvest time. Additional livestock and grain market news information is available at: <http://www.ams.usda.gov/mnreports/lbfnof.pdf>

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 24

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
	(in Dollars)		
FLUID MILK			
MILK - gallon			
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
MILK - half gallon			
Whole	3.27	4.49	1.22
Nonfat (Skim)	3.27	4.49	1.22
Reduced fat (2%)	3.27	4.49	1.22
Low fat (1%)	3.27	4.49	1.22
FLAVMILK - half gallon			
All fat tests	3.09	5.69	2.60

JUNE MILK SUPPLY AND DEMAND ESTIMATES

The milk production forecast for 2012 is raised as cow numbers are expected to decline more slowly. The production forecast for 2013 is unchanged. Export forecasts are raised for both 2012 and 2013 on expected strength in cheese and nonfat dry milk (NDM) sales. Imports on a skim-solids basis are reduced slightly on lower expected imports of several dairy products. NDM and whey prices for 2012 are forecast lower than last month on higher production and weaker demand. However, the cheese price is raised at the low end of the range on stronger demand and the butter price range is narrowed. The Class III price forecast is lowered from last month as the weaker whey price more than offsets the slightly higher forecast cheese price and the Class IV price is lowered on the weaker NDM price. The all milk price forecast for 2012 is lowered to \$16.85 to \$17.25 per cwt. The all milk price for 2013 remains unchanged from last month at \$17.25 to \$18.25 per cwt.

U.S. MILK SUPPLY AND USE					
Commodity	2011	2012 Projected		2013 Projected	
		May	June	May	June
BILLION POUNDS					
MILK					
PRODUCTION	196.2	201.9	202.2	202.6	202.6
FARM USE	1.0	1.0	1.0	1.0	1.0
FAT BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	10.8	10.9	10.9	12.0	11.8
MARKETINGS	195.3	200.9	201.2	201.6	201.6
IMPORTS	3.5	3.3	3.3	3.3	3.3
TOTAL COMMERCIAL SUPPLY	209.6	215.1	215.5	216.9	216.7
FAT BASIS USE					
COMMERCIAL EXPORTS	9.5	8.5	8.9	8.7	9.1
ENDING COMMERCIAL STOCKS	10.9	12.0	11.8	11.4	11.5
CCC NET REMOVALS <u>1/</u>	0.0	0.0	0.0	0.0	0.0
COMMERCIAL USE <u>2/</u>	189.2	194.6	194.8	196.7	196.1
SKIM-SOLIDS BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	12.2	11.8	11.8	12.1	12.0
MARKETINGS	195.3	200.9	201.2	201.6	201.6
IMPORTS	5.3	5.4	5.0	5.2	4.9
TOTAL COMMERCIAL SUPPLY	212.7	218.1	218.1	218.9	218.5
SKIM-SOLIDS BASIS USE					
COMMERCIAL EXPORTS	32.7	31.5	32.1	32.4	32.8
ENDING COMMERCIAL STOCKS	11.8	12.1	12.0	11.8	12.0
CCC NET REMOVALS <u>1/</u>	0.0	0.0	0.0	0.0	0.0
COMMERCIAL USE <u>2/</u>	168.2	174.5	174.0	174.7	173.8
MILLION POUNDS					
CCC PRODUCT NET REMOVALS <u>1/</u>					
BUTTER	0	0	0	0	0
CHEESE	0	0	0	0	0
NONFAT DRY MILK	0	0	0	0	0
DRY WHOLE MILK	0	0	0	0	0

NOTE: Totals may not add due to rounding. 1/ Includes products exported under the Dairy Export Incentive Program.

2/ Domestic commercial use only. The years 2009 and 2010 are adjusted for the Barter Program.

Continued on page 10

JUNE MILK SUPPLY AND DEMAND ESTIMATES-cont'd

U.S. DAIRY PRICES					
Commodity	2011	2012 Projected		2013 Projected	
		May	June	May	June
DOLLARS PER POUND					
PRODUCT PRICES <u>1/</u>					
CHEESE	1.8246	1.555-1.605	1.565-1.605	1.600-1.700	1.600-1.700
BUTTER	1.9498	1.425-1.505	1.430-1.500	1.465-1.595	1.465-1.595
NONFAT DRY MILK	1.5058	1.235-1.275	1.210-1.250	1.320-1.390	1.320-1.390
DRY WHEY	0.5325	0.560-0.590	0.540-0.560	0.555-0.585	0.555-0.585
DOLLARS PER CWT					
MILK PRICES <u>2/</u>					
CLASS III	18.37	15.80-16.30	15.75-16.15	16.20-17.20	16.20-17.20
CLASS IV	19.04	14.50-15.10	14.35-14.85	15.40-16.50	15.40-16.50
ALL MILK <u>3/</u>	20.14	16.90-17.40	16.85-17.25	17.25-18.25	17.25-18.25
QUARTERLY					
	2012 I	2012 II <u>4/</u>	2012 III <u>4/</u>	2012 IV <u>4/</u>	2013 I <u>4/</u>
BILLION POUNDS					
MILK PRODUCTION	51.0	51.9	49.9	49.4	50.3
DOLLARS PER CWT.					
ALL MILK PRICE <u>2/</u> <u>3/</u>	17.97	16.30-16.50	16.20-16.70	17.00-17.80	16.50-17.50
CLASS III PRICE <u>2/</u>	16.28	15.30-15.50	15.75-16.25	15.70-16.50	15.05-16.05
CLASS IV PRICE <u>2/</u>	15.94	13.70-14.00	13.50-14.10	14.30-15.20	14.65-15.75

1/ Simple average of monthly prices calculated from AMS (formerly NASS) weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/DairyMarketStatistics>; then select "Prices;" then select "Description." 2/ Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. 3/ Does not reflect any deductions from producers as authorized by legislation. 4/ Projection.

Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-507, June 12, 2012.* Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Jerry Cessna, AMS; Paul Kiendl, FAS; Roger Hoskin, ERS; and Milton Madison, FSA].

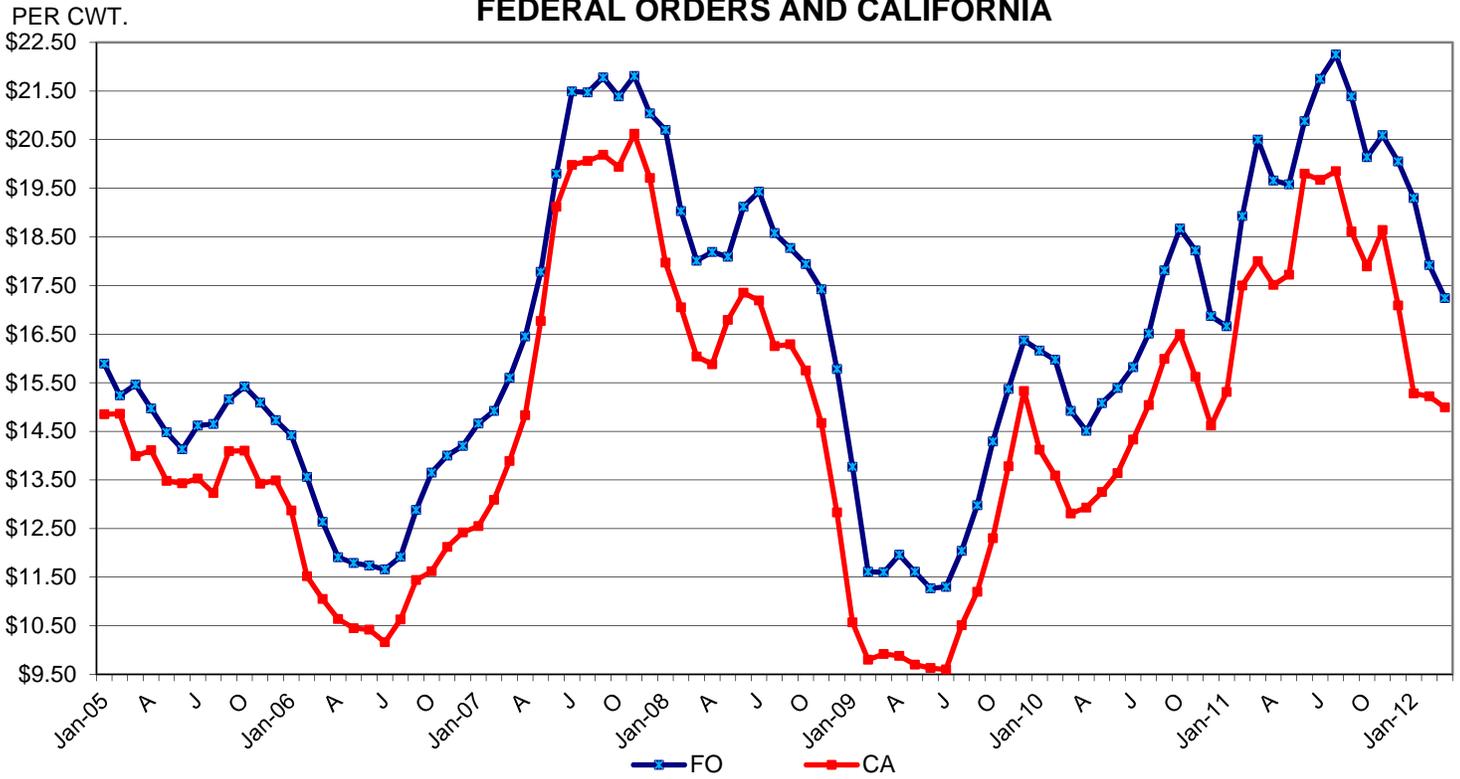
MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, MARCH 2012, WITH COMPARISONS

In March 2012, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$17.24 per cwt., down \$0.68 from the previous month's average, and down \$3.26 from March 2011. The component tests of producer milk in March 2012 were: butterfat, 3.71%; protein, 3.09%; and other solids, 5.77%. On an individual reporting area basis, mailbox prices decreased in all areas compared to the previous month. Mailbox prices in March 2012 ranged from \$19.54 in Florida to \$15.11 in New Mexico.

Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	March 2011	February 2012	March 2012
	Dollars per hundredweight		
New England States <u>3/</u>	21.33	19.06	18.46
New York	20.01	17.87	17.33
Eastern Pennsylvania <u>4/</u>	20.80	18.60	17.92
Appalachian States <u>5/</u>	21.13	19.12	17.62
Southeast States <u>6/</u>	21.07	19.29	18.47
Southern Missouri <u>7/</u>	19.85	17.05	15.64
Florida	21.58	20.23	19.54
Western Pennsylvania <u>8/</u>	21.28	18.34	17.83
Ohio	20.97	18.34	17.82
Indiana	20.44	17.78	16.91
Michigan	20.14	17.60	16.73
Wisconsin	20.78	18.16	17.57
Minnesota	20.36	18.18	17.61
Iowa	20.76	18.02	17.40
Illinois	21.20	18.27	17.55
Corn Belt States <u>9/</u>	20.47	17.49	16.65
Western Texas <u>10/</u>	20.10	16.57	15.92
New Mexico	19.07	15.73	15.11
Northwest States <u>11/</u>	20.37	17.26	16.76
All Reported Areas <u>12/</u>	20.50	17.92	17.24
California <u>13/</u>	18.00	15.22	14.99

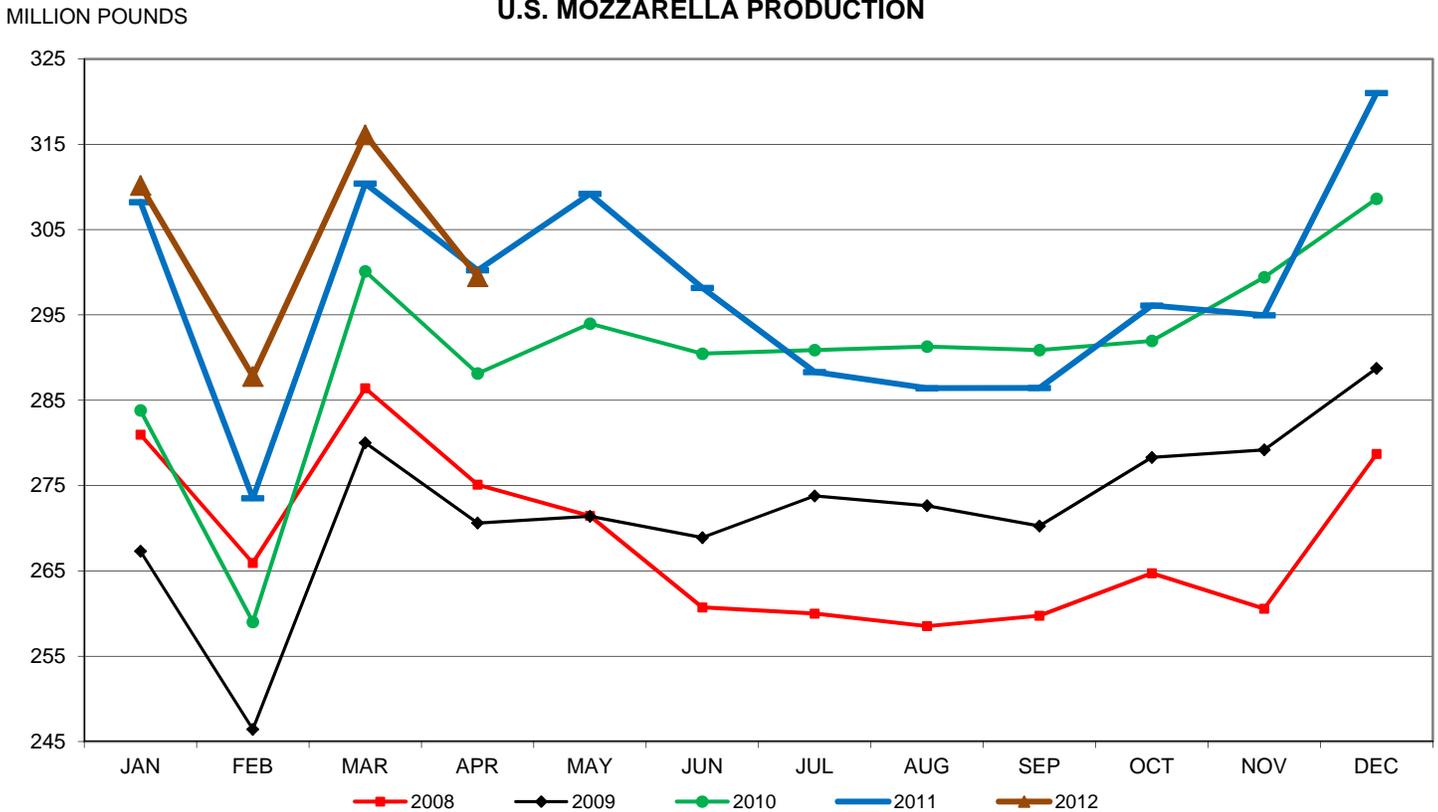
1/ Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices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

MONTHLY MAILBOX PRICE AVERAGE FOR FEDERAL ORDERS AND CALIFORNIA

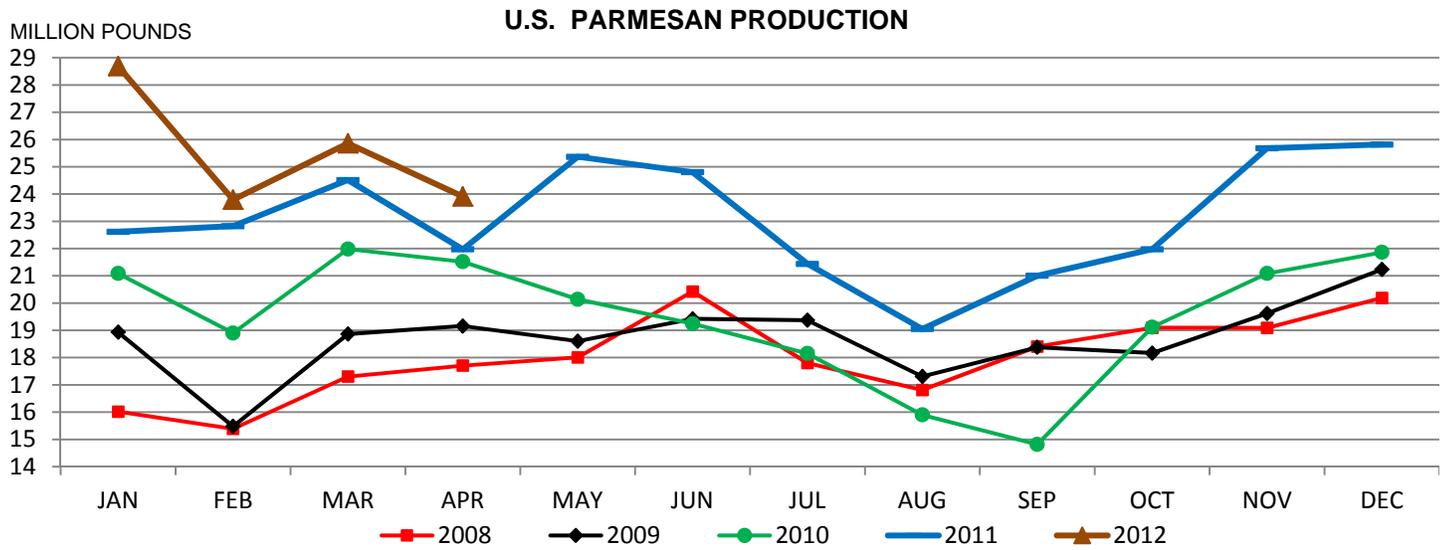


DATA SOURCE, USDA, DAIRY PROGRAMS & STATE OF CALIFORNIA, CDFA; GRAPH, USDA, AMS, DMN

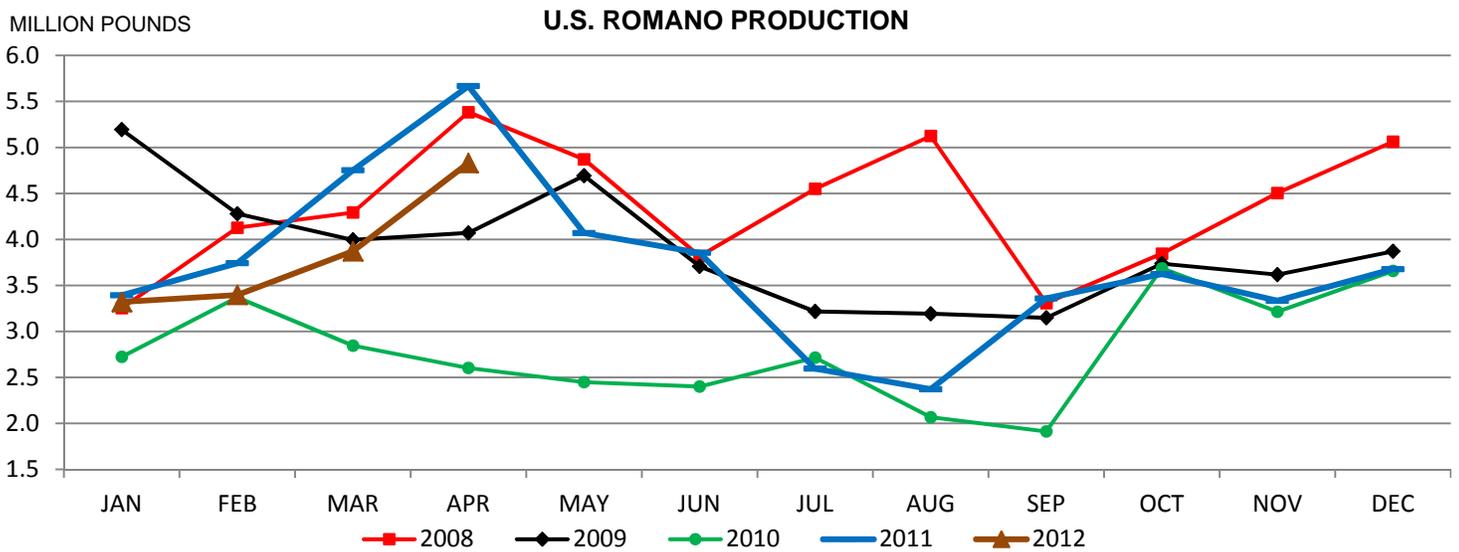
U.S. MOZZARELLA PRODUCTION



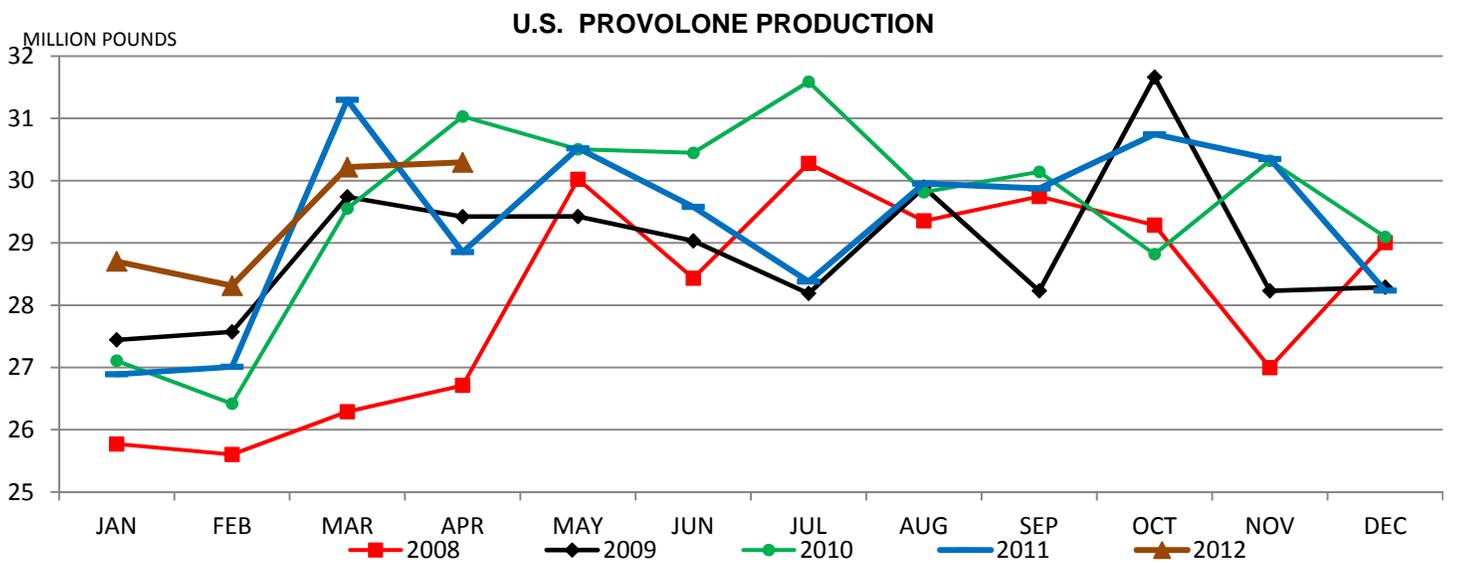
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN



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



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



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



Dairy Market News Branch

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

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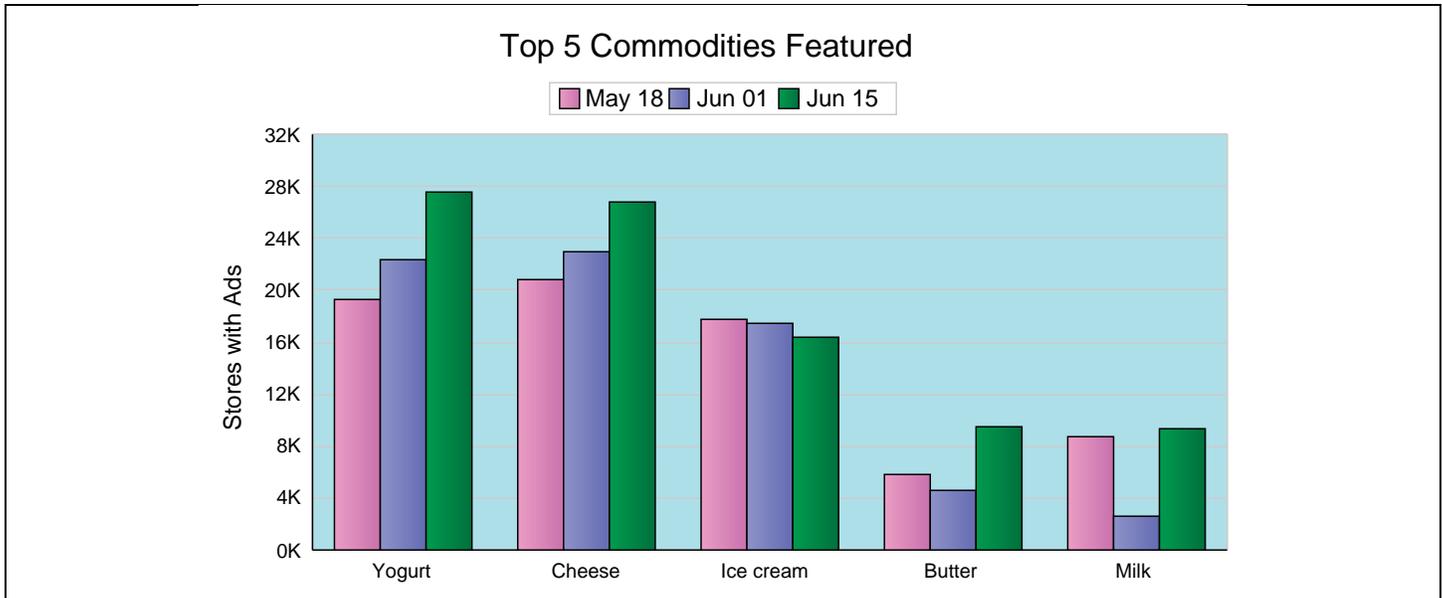
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 06/04 to 06/15

June is Dairy Month – Retail advertisements are showcasing dairy items in all regions of the country and many ads are based on the June Dairy Month theme. Total conventional dairy ad volume is up 14.9% from two weeks ago, representing the third consecutive period of increasing ad volume. Ice cream features of 48-64 ounces are -5.5% fewer this period, yet ice cream novelties and other ice cream sizes are featured at a similar to higher rate as observed during data collection. Ice cream remains the third most advertised product, following cheese and yogurt.

Total cheese advertising numbers increased 16% and yogurt ads, 22.5%. The most advertised cheese category, 8 ounce shreds, has a weighted average advertised price of \$2.40, up 17 cents from last cycle. The average price for 8 ounce blocks, \$2.31, decreased 9 cents from the last cycle. The largest yogurt category, 4-6 ounce Greek yogurt, has a weighted average advertised price of \$1.01, up 4 cents from last period.

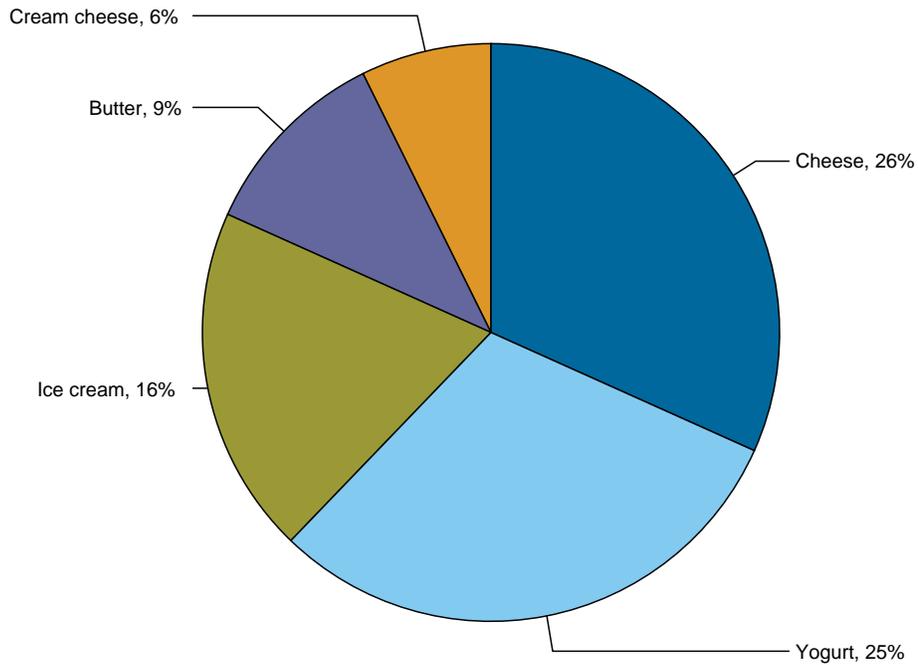
Conventional milk's national weighted average advertised price for half gallons this period, \$2.11, is 15 cents above two weeks ago. This period and last, ads split almost evenly between store brands and national brands.

Organic milk's national weighted average advertised price for half gallons, \$3.24, is down 47 cents from last period, after being up 33 cents from the previous period. This results in an organic-conventional half-gallon milk advertised price spread of \$1.13, down from \$1.75 two weeks ago, but up from \$1.02 four weeks ago. Stores with organic dairy ads increased by slightly over six times the number two weeks ago.

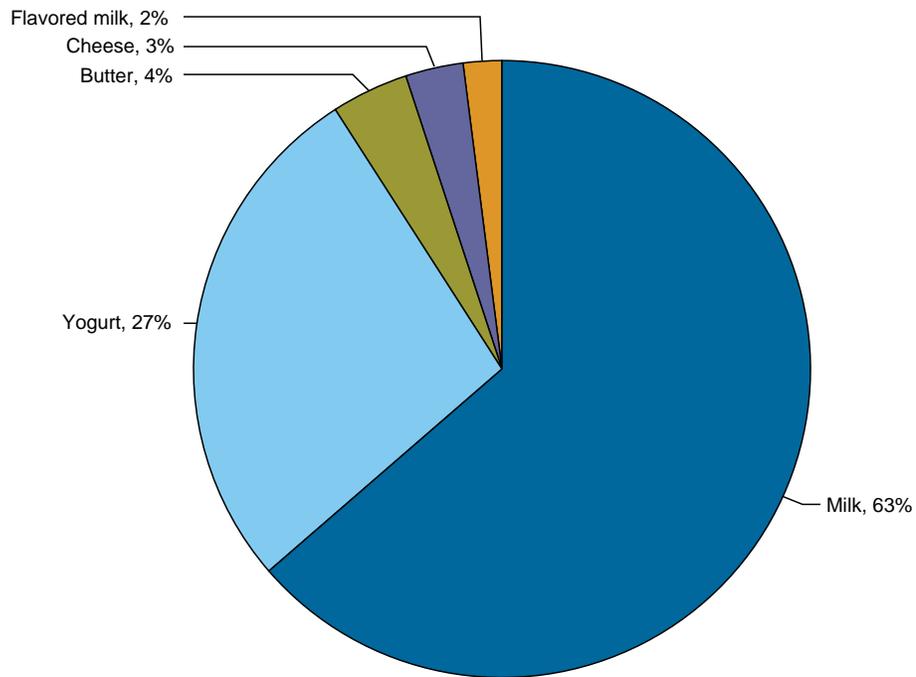


1 -- Dairy Market News surveys more than 150 retailers, comprising nearly 16,000 individual stores, with online weekly advertised features.
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

Top 5 Percentage of Total Conventional Ads



Top 5 Percentage of Total Organic Ads





NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	9272	2.88	4606	2.49
Cheese	Natural Varieties	8 oz block	8427	2.31	8770	2.40
Cheese	Natural Varieties	1 # block	2733	3.62	853	3.76
Cheese	Natural Varieties	2 # block	2567	5.14	2389	6.20
Cheese	Natural Varieties	8 oz shred	11294	2.40	10651	2.23
Cheese	Natural Varieties	1 # shred	1563	3.33	252	3.55
Cottage cheese		16 oz	5252	2.20	1953	1.71
Cream cheese		8 oz	6298	1.73	8287	1.62
Flavored milk	All fat tests	half gallon	1490	2.21	1303	2.15
Flavored milk	All fat tests	gallon	943	3.73	368	3.39
Ice cream		48-64oz	16379	3.05	17324	2.85
Milk	All fat tests	half gallon	2751	2.11	415	1.96
Milk	All fat tests	gallon	3094	2.80	1235	3.00
Sour cream		16 oz	5373	1.69	10383	1.64
Yogurt	Greek	4-6 oz	12335	1.01	10085	.97
Yogurt	Greek	32 oz	1665	4.05	724	3.97
Yogurt	Yogurt	4-6 oz	10335	.50	8448	.56
Yogurt	Yogurt	32 oz	1710	2.10	2000	2.06

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 #	1.68-3.99	2402	2.83	1.99-3.79	1968	2.92	1.79-3.79	1219	2.62
Cheese	Natural Varieties	8 oz block	1.49-2.99	3518	2.22	1.67-2.79	2000	2.40	1.69-3.39	1177	2.23
Cheese	Natural Varieties	1 # block	2.99-4.99	972	3.93	2.99-4.99	365	4.30	2.98-3.99	250	3.31
Cheese	Natural Varieties	2 # block				5.00	103	5.00			
Cheese	Natural Varieties	8 oz shred	1.99-2.99	3387	2.24	1.67-3.00	2590	2.41	0.99-3.79	1527	2.12
Cheese	Natural Varieties	1 # shred				4.99	214	4.99	2.98-3.99	299	3.07
Cottage cheese		16 oz	1.99-2.50	1607	2.14	1.99-2.00	331	1.99	1.48-2.69	730	2.07
Cream cheese		8 oz	0.88-2.00	2248	1.55	0.88-1.99	973	1.51	0.98-2.00	480	1.71
Flavored milk	All fat tests	half gallon	3.29	345	3.29	2.99	105	2.99	0.99-2.00	595	1.56
Flavored milk	All fat tests	gallon	3.99	484	3.99				2.99-3.99	359	3.55
Ice cream		48-64oz	2.49-4.48	4023	3.08	2.50-5.50	3056	3.24	0.98-4.29	2529	2.82
Milk	All fat tests	half gallon	2.00-3.29	1156	2.69	1.67	34	1.67	1.00-1.33	510	1.24
Milk	All fat tests	gallon	2.49	54	2.49	2.69-3.79	631	3.11	1.99-3.49	796	2.80
Sour cream		16 oz	1.50-1.99	1558	1.59	0.99-2.00	1417	1.69	1.00-1.99	759	1.61
Yogurt	Greek	4-6 oz	0.89-1.50	3180	1.05	0.90-1.00	3934	.99	0.89-1.00	942	1.00
Yogurt	Greek	32 oz	3.00-4.99	1311	4.00	3.00	125	3.00			
Yogurt	Yogurt	4-6 oz	0.40-0.75	2927	.51	0.34-1.00	2003	.53	0.33-0.60	1360	.45

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	869	2.12				1.48-2.50	595	2.00

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	711	2.25	2.00-3.49	2180	3.04	1.67-3.79	792	3.40
Cheese	Natural Varieties	8 oz block	1.59-3.29	1061	2.57	1.49-2.49	117	1.94	1.50-2.99	554	2.31
Cheese	Natural Varieties	1 # block	2.99-4.99	381	3.54	2.99-3.29	685	3.04	2.99	80	2.99
Cheese	Natural Varieties	2 # block	5.00-5.99	389	5.08	5.00-6.99	1487	5.22	5.00	588	5.00
Cheese	Natural Varieties	8 oz shred	1.59-4.39	1132	2.60	1.49-2.99	1928	2.73	1.50-3.00	730	2.45
Cheese	Natural Varieties	1 # shred	2.99-3.34	220	3.20	2.99-3.29	750	3.04	2.99	80	2.99
Cottage cheese		16 oz	1.49-2.69	463	2.31	0.99-2.99	1447	2.46	1.50-2.00	674	1.96
Cream cheese		8 oz	0.99-2.49	655	1.94	1.99-2.00	1354	1.99	1.99	588	1.99
Flavored milk	All fat tests	half gallon	1.98-2.50	184	2.23	2.49	143	2.49	1.25	118	1.25
Flavored milk	All fat tests	gallon	4.49	32	4.49	2.49	68	2.49			
Ice cream		48-64oz	1.98-4.50	2108	3.29	2.49-3.50	3516	2.97	2.48-3.99	1147	2.76
Milk	All fat tests	half gallon	1.34-2.99	197	2.28	1.50	119	1.50	1.25-2.00	735	1.87
Milk	All fat tests	gallon	1.97-2.49	198	2.38	2.89	798	2.89	2.49-2.89	617	2.55
Sour cream		16 oz	1.00-2.00	725	1.71	0.99-1.99	269	1.74	1.50-1.99	645	1.96
Yogurt	Greek	4-6 oz	1.00-1.25	1246	1.01	0.88-1.00	2243	.97	1.00	790	1.00
Yogurt	Greek	32 oz	4.49-4.99	86	4.74	4.99	143	4.99			
Yogurt	Yogurt	4-6 oz	0.45-0.79	1164	.52	0.50-0.60	2016	.51	0.33-0.60	865	.48
Yogurt	Yogurt	32 oz	2.18-2.50	183	2.34	2.00	34	2.00	1.99	29	1.99

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	238	4.12		
Cheese	Natural Varieties	8 oz block	167	4.59		
Cream cheese		8 oz			32	3.00
Flavored milk	All fat tests	half gallon	94	3.49		
Ice cream		48-64oz	26	5.99	169	5.99
Milk	All fat tests	half gallon	2389	3.24	379	3.71
Milk	All fat tests	gallon	262	4.99		
Milk	All fat tests	8 oz UHT	783	1.00	516	1.00
Yogurt	Greek	4-6 oz	309	1.25	761	1.18
Yogurt	Yogurt	4-6 oz	983	.67	292	.63
Yogurt	Yogurt	32 oz	198	2.00	80	2.00

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
Butter		1 #				4.15	195	4.15			
Cheese	Natural Varieties	8 oz block	4.59	167	4.59						
Flavored milk	All fat tests	half gallon							3.49	94	3.49
Ice cream		48-64oz							5.99	26	5.99
Milk	All fat tests	half gallon	2.99-3.99	969	3.42	2.50-3.99	371	3.24	2.29-3.99	857	2.93
Milk	All fat tests	gallon				4.99	107	4.99	4.99	155	4.99
Milk	All fat tests	8 oz UHT				1.00	34	1.00	1.00	119	1.00
Yogurt	Greek	4-6 oz	1.25	266	1.25						
Yogurt	Yogurt	4-6 oz				0.60-0.70	500	.65	1.00	124	1.00

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 #	3.99	43	3.99						
Milk	All fat tests	half gallon	3.69	32	3.69	3.69-3.89	132	3.79	2.99	28	2.99
Milk	All fat tests	8 oz UHT	1.00	421	1.00	1.00	209	1.00			
Yogurt	Greek	4-6 oz	1.25	43	1.25						
Yogurt	Yogurt	4-6 oz	0.57-0.63	359	.59						
Yogurt	Yogurt	32 oz							2.00	198	2.00

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 #	1.99	3.99	5527	3.24	1.67	2.99	3745	2.34
Cheese	Natural Varieties	8 oz block	1.49	3.39	5048	2.39	1.49	2.99	3379	2.20
Cheese	Natural Varieties	1 # block	2.98	4.99	1240	4.10	2.99	4.79	1493	3.21
Cheese	Natural Varieties	8 oz shred	1.59	4.39	8816	2.52	.99	2.54	2478	1.97
Cheese	Natural Varieties	1 # shred	2.98	4.99	338	4.25	2.99	3.99	1225	3.08
Cheese	Natural Varieties	2 # block					5.00	6.99	2567	5.14
Cottage cheese		16 oz	1.48	2.50	2634	2.09	.99	2.99	2618	2.31
Cream cheese		8 oz	.99	2.49	3528	1.93	.88	2.00	2770	1.48
Flavored milk	All fat tests	half gallon	.99	3.29	633	2.72	1.00	2.50	857	1.83
Flavored milk	All fat tests	gallon	2.99	4.49	156	3.30	2.49	3.99	787	3.82
Ice cream		48-64oz	1.99	5.50	10899	3.12	.98	4.29	5480	2.90
Milk	All fat tests	half gallon	1.67	3.29	1417	2.59	1.00	2.50	1334	1.59

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
Milk	All fat tests	gallon	3.49	3.49	201	3.49	1.97	3.79	2893	2.75
Sour cream		16 oz	1.50	2.00	2484	1.82	.99	2.00	2889	1.57
Yogurt	Greek	4-6 oz	.88	1.50	11300	1.01	.89	1.00	1035	.96
Yogurt	Greek	32 oz	3.00	4.99	1665	4.05				
Yogurt	Yogurt	4-6 oz	.40	1.00	8084	.53	.33	.79	2251	.42
Yogurt	Yogurt	32 oz	2.00	2.50	569	2.33	1.48	2.29	1141	1.98

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
Butter		1 #					3.99	4.15	238	4.12
Cheese	Natural Varieties	8 oz block	4.59	4.59	167	4.59				
Flavored milk	All fat tests	half gallon	3.49	3.49	94	3.49				
Ice cream		48-64oz					5.99	5.99	26	5.99
Milk	All fat tests	half gallon	2.99	3.99	1459	3.55	2.29	3.69	930	2.75
Milk	All fat tests	8 oz UHT	1.00	1.00	783	1.00				
Milk	All fat tests	gallon					4.99	4.99	262	4.99
Yogurt	Greek	4-6 oz	1.25	1.25	309	1.25				
Yogurt	Yogurt	4-6 oz	.57	1.00	983	.67				
Yogurt	Yogurt	32 oz	2.00	2.00	198	2.00				

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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Elizabeth Frederick
(608) 278-4150
Elizabeth.Frederick@AMS.USDA.GOV

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EAST

Rick Whipp
(608) 278-4151
Rick.Whipp@AMS.USDA.GOV

INTERNATIONAL

Steven Schneeberger
(608) 278-4154
Steven.Schneeberger@AMS.USDA.GOV

CENTRAL/WEST

Janet Linder
(608) 278-4157
Janet.Linder@AMS.USDA.GOV

ORGANIC

Eric Graf
(608) 278-4153
Eric.Graf@AMS.USDA.GOV

SOUTHWEST

Butch Speth
(608) 278-4152
Butch.Speth@AMS.USDA.GOV

INTERNET ADDRESS

www.ams.usda.gov/DairyMarketNews

NORTHWEST/MOUNTAIN

Bob Hunter
(608) 278-4158
Robert.Hunter@AMS.USDA.GOV

MARKET NEWS PORTAL

www.marketnews.usda.gov

NATIONAL SUPERVISOR

Donald Nelson
(608) 278-4156
DonaldO.Nelson@AMS.USDA.GOV

RECORDED INFORMATION SYSTEM

(608) 278-4142

FAX

(608) 278-4141

USDA, Dairy Market News
2920 Marketplace Drive, STE 202
Fitchburg, WI 53719-5337