

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (06/29):**

BUTTER: Grade AA closed at \$1.5275. The weekly average for Grade AA is \$1.5215 (-.0140).

CHEESE: Barrels closed at \$1.6750 and 40# blocks at \$1.6500. The weekly average for barrels is \$1.6720 (+.0685) and blocks, \$1.6490 (+.0295).

BUTTER HIGHLIGHTS: The CME cash AA butter price held steady for most of the week and firmed slightly at week's end to settle at \$1.5275. Churns are operating on busy schedules, although cream volumes are tightening. Class II demand continues to pull significant volumes of cream, especially for ice cream and mix needs. Some butter producers continue to consider selling a portion of their cream versus churning. Butter producers have mixed opinions on surplus cream availability during next week's midweek holiday. Some Class II operations will be running on reduced schedules, while other are scheduled to process as normal. Reports of Class II operations, especially in the Eastern part of the country, being down all of next week, potentially providing heavier volumes of surplus cream to the churn. Butter demand is steady at generally good levels from coast to coast. Retail ads indicate that butter prices range from \$1.49 in the Central part of the country to \$3.99 per pound in the Northeast and Southeast with a national average of \$2.48 per pound. The CWT program continues to assist with butter exports. Last week, the CWT program accepted requests for the export of 100 MT (220,462 pounds) of butter to be delivered during the period of July - December.

CHEESE HIGHLIGHTS: Cheese prices across the country continue to show strength. Retail sales are reported as good. Cheese production continues to hold fairly steady with some marginal declines, due to declining milk production. At the current time, there have been few concerns expressed from cheese manufacturers about available volumes of milk for cheese. Production has been geared to build inventories in case of shorter milk supplies later in the summer. Buyers are showing increased interest as they hope to build their inventories. Increasing price levels are beginning to impact export sales. The CWT program is assisting in some export sales. The latest NASS Cold Storage report indicated that stocks of natural cheese in cold storage are unchanged from last month, but 2% less than a year ago. At the CME Group cash trading of barrel cheese gained 4 cents to end the week at \$1.6750, while blocks gained 2 1/2 cents to close the week at \$1.6500.

FLUID MILK: Milk production trends across the country are

being impacted by an array of factors ranging from nearly perfect conditions, tropical storm Debbie, too much moisture, not enough moisture, and hot, record setting, temperatures. All of these factors have occurred in various areas from coast to coast at varying rates during the past week causing milk production to be irregular for all Class needs. Class I demand is picking up as bottlers prepare for typically heavier first of month needs and the upcoming midweek 4th of July holiday. With the holiday occurring at midweek, milk handlers are not quite sure as to how the milk flow will be managed. In many instances, Class I and II usage will ease at midweek, while Class III and IV usage will increase. Some manufacturing facilities are scheduled to be shuttered all week, some down the early part of the week, while others will be down the later part of the holiday week. Cream markets are steady to firm. Class II demand continues to pull heavy volumes of cream into those operations, especially for ice cream and mix production. Butter churns remain active, but are processing lighter volumes of available cream than a month ago. Some of the adverse weather patterns are causing milk volumes and butterfat levels to decline at a faster pace, thus cream volumes for full butter needs are declining.

DRY PRODUCTS: Most dry dairy product markets are steady to firm as milk production declines seasonally. Nonfat dry milk markets are firm and powder production varies from region to region. Many high heat producers are stating that demand is improving rapidly and often supplies are short of full needs. Due to good high heat demand, some drying schedules are being switched from low to high heat to address demand. Buttermilk powder markets are steady to firm. With market strength in both nonfat solids and butterfat solids values, manufacturers are often clearing dry buttermilk loads readily to spot and contract interests. Production of dry buttermilk has declined as increased demand for cream has pulled volumes away from churns. Whey powder markets and prices are steady to firm. Dry whey production is steady to lower based on declining milk supplies across the country. Whey protein concentrate prices are generally steady. The market tone is mixed as various manufacturers indicate demand is steady to tentatively higher as some interest from feed accounts reemerges.

ORGANIC DAIRY MARKET NEWS OVERVIEW (DMN): Organic dairy advertising volume is the second highest level of 2012 and higher than this point during 2011 and 2010. While ad numbers are

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*****SPECIALS THIS ISSUE*****

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CME GROUP CASH TRADING

COMMODITY	MONDAY JUN 25	TUESDAY JUN 26	WEDNESDAY JUN 27	THURSDAY JUN 28	FRIDAY JUN 29	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.6600 (+.0250)	\$1.6750 (+.0150)	\$1.6750 (N.C.)	\$1.6750 (N.C.)	\$1.6750 (N.C.)	:: (+.0400)	:: \$1.6720 (+.0685)
40# BLOCKS	\$1.6400 (+.0150)	\$1.6525 (+.0125)	\$1.6525 (N.C.)	\$1.6500 (-.0025)	\$1.6500 (N.C.)	:: (+.0250)	:: \$1.6490 (+.0295)
NONFAT DRY MILK							
EXTRA GRADE	\$1.1900 (N.C.)	\$1.1900 (N.C.)	\$1.1950 (+.0050)	\$1.1950 (N.C.)	\$1.1950 (N.C.)	:: (+.0050)	:: \$1.1930 (+.0230)
GRADE A	\$1.2275 (N.C.)	\$1.2275 (N.C.)	\$1.2275 (N.C.)	\$1.2275 (N.C.)	\$1.2275 (N.C.)	:: (N.C.)	:: \$1.2275 (+.0030)
BUTTER							
GRADE AA	\$1.5200 (N.C.)	\$1.5200 (N.C.)	\$1.5200 (N.C.)	\$1.5200 (N.C.)	\$1.5275 (+.0075)	:: (+.0075)	:: \$1.5215 (-.0140)

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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down from two weeks ago, the last cycle was the highest level of the year and this cycle is the second highest. At this half way point of 2012, cumulative organic ad numbers are 39% ahead of 2011 and 37.1% ahead of 2010 at the same point of each year. Organic milk ads continue to be the leading category of organic dairy advertising. Cumulative organic milk ads for 2012 lead 2011 to this point by 4.6% but lag 2010 by -13.7%. Yet, focusing on carton sizes reveals that the relative decline in ads for gallons since 2010 is a significant factor in the overall category totals. Focusing only on half gallon ads, generally now the most frequent, half gallon ads during 2012 so far lead 2011 by 43.2% and are nearly even with 2010, being -1.4% lower. The AMS Dairy Market News Survey which generated the current national organic half gallon milk weighted average advertised price of \$3.27, also determined the weighted average advertised price for non-organic half gallons as \$2.13, an organic-conventional half-gallon milk advertised price spread of \$1.14. This is below the average price spread for 2012, \$1.24. During 2012 the spread has ranged from \$0.96 to \$2.46. The national weighted average advertised price of organic milk half gallons, \$3.27, is 3 cents higher than two weeks ago. Ads for organic gallons appeared for the second consecutive reporting period, the first time this has occurred during 2012. Ads listed a high price of \$4.99 and a low of \$4.97, for a weighted average advertised price of \$4.98. Cumulative organic yogurt ads for all carton sizes this year, lead 2011 to this point by 46.7%, but lag 2010 by -18.6%. Ads for 4-6 ounce organic yogurt advertised a price ranging from \$0.60 to \$1.00. The weighted average advertised price, \$0.79, is 12 cents higher than the last survey period.

NATIONAL DAIRY RETAIL REPORT (DMN): An Independence Day Holiday theme ran through many dairy ads in the current survey. Ad volume for conventional dairy products is slightly below two weeks ago, down -1.4%. Record high ad volume since this series began the first week of March, occurred for both ice cream and cottage cheese. Ice cream ad volume is up 19.0% from two weeks ago and the weighted average advertised price for 48-64 ounce containers is \$3.01. Cottage cheese ad volume is up 27.0% from two weeks ago and the weighted average advertised price for 16 ounce containers is \$2.00. Cheese and yogurt ads, the largest categories, each declined in volume from two weeks ago. Total cheese advertising numbers decreased -10.5% and yogurt ads, -13.3%. The most advertised cheese category, 8 ounce shreds, has a weighted average advertised price of \$2.47, up 7 cents from last cycle. The average price for 8 ounce blocks, \$2.33, increased 2 cents from the last cycle. The largest yogurt category, 4-6 ounce yogurt, has a weighted average advertised price of \$.50, unchanged from last period. Greek yogurt in 4-6 ounce containers, the most advertised yogurt two weeks ago, has a weighted average advertised price of \$1.00, down 1 cent. Conventional milk's national weighted average advertised price for half gallons this period, \$2.13, is 2 cents above two weeks ago. Both this period and last, ads split between store brands and national brands, with national brands ahead in numbers. Organic milk's national weighted average advertised price for half gallons, \$3.27, is up 3 cents from last period. This results in an organic-conventional half-gallon milk advertised price spread of \$1.14, less than the average spread since this series began in early March, \$1.27. Ads for half gallons of organic milk appeared for 61.4% more stores than for conventional half gallons.

MAY COLD STORAGE (NASS): On May 31, 2012, U.S. cold storage holdings of butter totaled 264.3 million pounds, 4.0% more than a month ago and 55.4% heavier than May of last year. Natural American cheese holdings totaled 623.2 million pounds, 1.5% lighter than last month and basically unchanged from May 2011. Total cheese stocks were 1.0 billion pounds, very slightly less than last month and 2% less than May of last year.

JULY COOP CLASS I PRICES (FMMO): For July 2012, the all-city average announced cooperative Class I price was \$20.58 per cwt., \$2.45 higher than the Federal milk order (FMO) Class I price average for these cities. The July 2012 Cooperative Class I price was \$0.26 higher than the June 2012 revised price. The July 2012 Federal order Class I price was \$0.27 higher than the June 2012 revised price. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$0.50 in Phoenix, AZ, to \$4.21 in Miami, FL. For July 2011, the all-city average announced cooperative Class I price was \$26.19, \$2.54 higher than the Federal order Class I price average for these cities. Note: For most cities, the Announced Cooperative Class I Price now includes premiums paid for milk produced without rBST.

MAY FMMO PRICE AND POOL STATISTICS (DAIRY PROGRAMS): During May, more than 11.8 billion pounds of milk were received from producers. This volume of milk is 6.7% higher than the May 2011 volume. In May 2011 and May 2012, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. Nearly 3.6 billion pounds of producer milk were used in Class I products, 1.5% lower than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2012 as compared to 2011. The all-market average Class utilization percentages were: Class I = 30%, Class II = 13%, Class III = 45% and Class IV = 12%. The weighted average statistical uniform price was \$16.15 per cwt., \$0.47 lower than last month and \$3.29 lower than last year.

CME GROUP

MONDAY, JUNE 25, 2012

CHEESE -- SALES: 1 CAR BARRELS @ \$1.6450; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6600; 1 CAR 40# BLOCKS @ \$1.6400; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$1.5125, 1 @ \$1.5150, 1 @ \$1.5200; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5700

TUESDAY, JUNE 26, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6750; 1 CAR 40# BLOCKS @ \$1.6525; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JUNE 27, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.1950; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, JUNE 28, 2012

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.6525; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.6500
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5100; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5300

FRIDAY, JUNE 29, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.2250; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.5225, 1 @ \$1.5275; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5275; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

The CME Group butter price was unchanged Tuesday and closed at \$1.5200. Trading activity has turned light in the last 5 sessions with only 5 loads sold. The weekly average butter price released Friday was \$1.5355, \$0.1650 lower compared to the same reporting period last year. Tightening cream supplies and good demand for cream from ice cream and cream cheese manufacturers are giving butter makers the option to sell excess supplies on the spot market. Current butter inventories are significantly above year ago levels, and as a result, current production is filling existing orders with no additions to supplies. Demand for butter continues to be fairly good for this time of year with improved private label and food service orders. The National Dairy Retail Report listed the price range for 1 lb. packages of butter from \$1.79-\$3.99 in the Northeast. The weighted average price decreased 20 cents, compared to the previous report, to \$2.53. Current bulk butter prices range from 4-8 cents over the market based on the CME Group with various time frames and averages used. According to the latest NASS Cold Storage report, butter in storage on May 31, totaled 264.3 million pounds, 10.1 million pounds more (+4%) than the prior month stocks and 94.2 million pounds more (+55%) than May 2011 stocks.

CENTRAL

The CME cash butter price remains firm, but eased slightly late last week and remains at \$1.5200 at midweek. Current churning schedules are seasonally steady with cream volumes generally coming from regular and ongoing suppliers. Spot availability is limited as Class II operations continue to absorb heavy volumes of cream. Some butter producers continue to consider selling a portion of their cream volumes. Butter producers have mixed opinions on surplus cream availability during next week's midweek holiday. Some Class II operations will be running on reduced schedules, while others are scheduled to process as normal. Reports of Class II operations, especially in the Eastern part of the country being down all of next week, could provide additional cream offerings for Midwestern use. With this being the situation, many butter producers are not anticipating a burdensome volume of

surplus cream during the upcoming 4th of July holiday period. In many instances, butter producers are gearing their production to coincide with cream availability and current demand. Often, current production is keeping pace with demand, thus clearances to inventory are lighter. Some butter manufacturers are indicating that sales activity remains good with some buyers appearing to be taking a position on fall needs and procuring a little heavier at this time. The CWT program continues to assist with butter exports. Last week, the CWT program accepted requests for the export of 100 MT (220,462 pounds) of butter to be delivered during the period of July - December. Bulk butter prices range from flat to 3 cents over various pricing bases and averages per pound.

WEST

Western butter prices are holding mostly steady this week. Retail sales are reported to be very good with good interest from food service accounts as summer holidays approach. Churns are operating on busy schedules to keep up with current demand. Export sales are being assisted with help from the Cooperatives Working Together program. Stocks of butter are adequate for current needs and manufacturers are satisfied with current inventories. 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. Advertised butter prices from the National Dairy Retail Report showed a weighted average price of \$2.48 per pound compared to \$2.88 two weeks ago. Butter advertising was significantly reduced from two weeks ago. Western advertised prices ranged from \$2.00-3.49 per pound. The weighted average for butter in the Northwest was \$2.54, while the average in the Southwest was \$2.97. Wednesday's close on the CME Group exchange for butter is unchanged at \$1.5200. Activity has been limited this week with three loads sold on Monday as the only sales at the exchange so far this week. According to the NASS Cold Storage report, stocks of butter as of May 31, 2012, total 264.3 million pounds, +55% or 94.2 million pounds more than May of last year. Stocks were 4% higher or 10.1 million pounds more than April 2012.

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 23, 2012	1.3981 5,789,109	1.6234 10,936,504	1.5811 8,851,220	0.4968 8,690,482	1.1090 32,599,624

CHEESE MARKETS

NORTHEAST

Cheese prices on the CME Group increased Tuesday with barrels up \$0.0150 to close at \$1.6750 and blocks up \$0.0125 to close at \$1.6525. Barrels have increased in each of the last 5 trading sessions with a net price gain of \$0.1025. Blocks have increased in 4 of the last 5 sessions with a net gain of \$0.0400. Cheese production continues to hold fairly steady with some marginal declines, due to declining milk production. Cheese inventories are being worked lower as sales are better than expected for this time of year. The National Dairy Retail Report quoted the price range for 8 ounce packages of cheese in the Northeast from \$1.99-\$3.99. The weighted average price increased 32 cents, compared to the previous report, to \$2.56. Cooperatives Working Together (CWT) announced June 19 the acceptance of requests for export assistance to sell a total of 1.709 million pounds (775 metric tons) of Cheddar, Monterey Jack and Gouda cheese to customers in Asia, South America, North Africa, the Middle East and the South Pacific. The product will be delivered June through November 2012. During 2012, CWT has assisted member cooperatives in making export sales of Cheddar, Monterey Jack and Gouda cheese totaling 61.7 million pounds. The latest NASS Cold Storage report shows stocks of natural cheese in cold storage as of May 31, 2012 totaled 1,028.8 million pounds, unchanged compared to one month ago, but 2% less than one year ago. A majority of the holdings are in the form of American cheese (60.6%) totaling 623.2 million pounds, 1% less than the amount one month ago and unchanged from one year ago. The next highest natural cheese holdings in cold storage are in the form of Other Natural Cheese, (36.5%) totaling 376.0 million pounds, 2% more than one month ago, but 4% less from one year ago. Swiss cheese accounts for 2.9% of holdings at 29.7 million pounds, 3% more than one month ago, but 12% less than one year ago.

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

Cheddar 40# Block	:	2.0200-2.3050
Process 5# Sliced	:	1.8225-1.9425
Muenster	:	2.0400-2.4000
Grade A Swiss Cuts 10 - 14#	:	3.2550-3.5775

MIDWEST

While milk production volume is going down in the Midwest, and late week temperatures pushing 100 degrees are expected, no concern was heard that cheese manufacturers have been, or will be, unable to obtain desired volumes of milk in the near future. Some cheese plants now running seven days a week, will maintain that schedule through next week's 4th of July holiday. The mid-week holiday is expected to keep milk flowing to cheese plants regardless of extreme temperatures between now and then. Some plants have noticed increased interest from cheese buyers in the last two weeks. This is attributed to an increasing feeling that cheese prices may be rising or at least, are not expected to decline much in the coming weeks. A number of cheese manufacturers are readily moving production out the door. A very large plant was said to "have nothing in the cooler" after filling contract commitments and selling the balance of current production as spot sales. The phrase "feeding the bulls" was heard. Looking beyond the next few weeks, weather is viewed as increasingly important. Some participants feel that cheese is following other commodities into a

"weather market", where concern over potential impacts of heat and dryness looking ahead a month or two are looming larger in expectations. Some manufacturers cite that factor as a reason driving current sales. The downside voiced by other participants is that increasing price levels are beginning to impact export sales. Prospective Asian buyers have been balking at recent cheese prices quoted by Midwest manufacturers. With the current strength of domestic sales, this has not caused great immediate concern among some manufacturers which occasionally export. Other manufacturers more regularly involved in cheese exporting are concerned that fluctuating cheese prices make it more difficult to maintain export relationships and make U.S. cheese manufacturers seem less reliable as an export source on a regular basis than manufacturers in other global regions. Midwest cheese retail advertising overall is down -6.4%, a bit less than the national decrease, according to The National Dairy Retail Report. While three of five cheese category weighted average advertised prices increased nationally, four of the four advertised in the Midwest declined. (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, \$3.11, down -6.0%; 8 ounce block, \$1.84, down -17.5%; 1 pound shredded, \$2.99, down -2.6%; and 8 ounce shredded, \$2.04, down -3.8%. NASS reported that total natural cheese stocks in refrigerated warehouses on May 31, 2012 were down slightly from the previous month and down 2% from May 31 last year. This is the first May 31 report in five years noting stocks down from the previous month. Some manufacturers believe this is further evidence of recent cheese sales being strong. Stocks of American cheese nationally, 623.2 million pounds, were even with last year but 1% below last month. In the East North Central States however, stocks of American cheese were -4% below last month but 4% above last year. Stocks of Swiss cheese nationally, 29.7 million pounds, were 88% of last year but 3% above last month. Stocks of "Other" natural cheese nationally, 376.0 million pounds, were down 4% from last year but up 2% from last month. Yet in the East North Central States, stocks of "Other" cheese were up 1% from last month while up 6% from last year. Total natural cheese nationally, 1,028.8 million pounds, was down 2% from last year but even with from last month. Barrel prices on CME Trading moved higher than blocks last Thursday and remain \$.0225 higher this Wednesday, when barrels closed at \$1.6750 and blocks at \$1.6525. No blocks have sold since last Thursday and only one load of barrels has sold since last week Wednesday. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell a total of 2.646 million pounds (1,100 metric tons) of Cheddar cheese. The product will be delivered July through December 2012.

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

Process American 5# Loaf	:	1.7950-2.5000
Brick And/Or Muenster 5#	:	2.0075-2.5675
Cheddar 40# Block	:	2.0075-2.9925
Monterey Jack 10#	:	1.9775-2.9925
Blue 5#	:	2.2725-3.2575
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8525-3.0925
Grade A Swiss Cuts 6 - 9#	:	2.6650-2.9825

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CHEESE MARKETS

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WEST

Western cheese prices are mixed this week. The market continues to show a firm undertone as prices have moved higher over the past few weeks. Manufacturers are sending milk to cheese plants to maximize efficiencies. Cheese sales are good with some production entering the export market when aided by the CWT program. Inventories of cheese are at manageable levels for current production. Advertised cheese prices as reported in the National Dairy Retail Report showed prices for most cheese categories steady to firm. The most heavily advertised category of 8 oz. shred cheese was slightly higher from two weeks ago at \$2.47 per package. Prices for 2 lb. block cheese in the West ranged from \$4.99-6.99 per package with the weighted average in the Southwest at \$5.99 and Northwest at \$5.37. Barrel trading at the CME Group on Wednesday was unchanged at \$1.6750. Blocks were also unchanged at \$1.6525. Barrel cheese is at a premium to blocks so far this week. Sales activity through Wednesday is very light as only one sale of barrels has been reported at the exchange. According to NASS, *Cold Storage* stocks of cheese (total) at the end of May 2012 are 1,028.8 million pounds, down 2% or 20.4 million pounds less than May 2011. American stocks were unchanged, and Other Natural stocks were 4% lower than last year. Swiss stocks at the end of May total 29.7 million pounds, down 12% or 4.0 million pounds less than May 2011. May Swiss stocks in storage are up 0.8 million pounds from last month.

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

Process 5# Loaf	:	1.7275-1.9850
Cheddar 40# Block	:	1.7450-2.0975
Cheddar 10# Cuts	:	1.9250-2.1450
Monterey Jack 10#	:	1.9350-2.0950
Grade A Swiss Cuts 6 - 9#	:	2.8325-3.2625

FOREIGN

The weekly average price for block cheese on the CME Group declined, lowering domestic wholesale cheese prices by \$0.0250. Domestic wholesale Swiss cuts and imported varieties were unchanged. Domestic Swiss cheese sales have improved with increases in foodservice and deli orders. According to the latest NASS cold storage report, Swiss cheese holdings are at 29.7 million pounds, 3% more than one month ago, but 12% less than one year ago. Cheese imports are in a good competitive situation as the Euro has weakened, compared to the US dollar.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.1600-3.6475*
Gorgonzola	: 3.6900-6.3900	: 2.6625-2.9225*
Parmesan (Italy)	: -0-	: 3.2825-3.8375*
Provolone (Italy)	: 3.4400-6.1800	: 2.2025-2.3600*
Romano (Cows Milk)	: -0-	: 3.3500-5.5000*
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
06/25/12	12,016	: 129,184
06/01/12	11,816	: 129,965
CHANGE	200	: -781
% CHANGE	N.C.	: -1

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	120	0	150	0	153
SOUTHEAST STATES	0	0	0	0	0	0

Milk production continues to decline in the Northeast and Mid-Atlantic regions, but milk volumes are above year ago levels. Manufacturing supplies are more than adequate to meet current demand and are augmented by declining Class I demand. A majority of the alfalfa, hay and pastures are in good to excellent condition in both regions. Florida and the southern areas of the Southeast region have received substantial amounts of rain from tropical storm Debby. The rains, though they did refill ponds, lakes and aquifers, were too much of a good thing and caused significant flooding. Milk pickup schedules were interrupted due to flooding and road closures in numerous areas. Cow comfort levels were also degraded by the storm causing accelerated declines in milk production. The storm and increased Class I demand reduced Florida's export loads to 120. Areas of the Southeast region not affected by the storm are becoming increasingly hot and dry with many producers becoming increasingly concerned about hay and water shortages. Cream multiples are increasing as cream supplies tighten and demand improves. Demand for cream is very good with strong pulls from ice cream and cream cheese manufacturers. Ultra-high temperature (UHT) manufacturers needing low DMC counts and rBST free cream have pushed multiples to as high 150 in some cases. A majority of the cream transactions are within a range of 138-145. Cream demand continues to vary depending on location and day of the week. Demand for condensed skim has improved as nonfat dry milk prices have increased. Some cheese makers are opting to fortify their operations with condensed skim rather than use nonfat dry milk. Ice cream and ice cream mix manufacturers have also increased purchases of condensed skim. Supplies of condensed skim remain more than adequate with continued volumes 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 -	2.1190-2.2265
F.O.B. producing plants: Upper Midwest -	2.0576-2.1804

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.14 - 1.18
Northeast - Class III - spot prices -	1.27 - 1.35

MIDWEST

Various Central milk handlers indicate there is a push to consolidate milk volumes now that the seasonal decline in milk production is established and ongoing. Some plants are reverting to balancing plant-type status for the near term. In short, milk production in the Central region is below the volumes needed to meet all plant capacities. While cheese remains higher on the preferred end product list at this time compared to nonfat dry milk for entities with both types of production capacity, cheese manufacturers also are choosing between the various types and sizes of commodity cheese, or specialty/flavored cheese, and directing milk accordingly. Condensed skim and cream sales into Class II stepped higher for the

week, as various plant operators report heavier contract and spot load clearance into that sector. Cream prices in the Central region are unchanged to higher, 1.34 - 1.42, but the push to higher multiples is currently tempered by surplus Western cream loads clearing into the Central at competitive prices. Fluid demand is steady at some locations, but orders into other suppliers moved higher this week. Bottlers may be purchasing milk for restocking shelves just ahead of the change in Class I July prices. Condensed skim interest is lower for Class III use. Various processors indicate the price advantage has switched to nonfat dry milk for cheese makers with NDM in stock. Another string of 90 degree plus days lingered within areas of the Central region this week. Record setting maximum daily temperatures occurred at over 500 locations nationwide, according to NOAA, during the previous week, setting the stage for increasing areas experiencing precipitation shortfalls. Drought conditions of varying intensities expanded in many areas of the Central region. A few locations received heavy rains and hail, followed by anecdotal reports of damages to an undetermined extent to corn, soybean and wheat fields in the Dakotas and Minnesota.

WEST

Conditions for milk production in most of CALIFORNIA are ideal. The warm spell of a few weeks ago is past and nighttime temperatures are not stressful. Some milk is moving around in the state due to some summer maintenance schedules, but that is not disruptive. May 2012 POOL RECEIPTS of milk in CALIFORNIA total 3.63 billion pounds, 3.0% higher than last year, according to CDFA. Year to date, unadjusted for leap year in 2012, is running 6.9% higher than a year earlier. The May blend price, at a fat test of 3.61%, is \$14.27, \$0.60 lower than April and \$3.83 less than May 2011. The percentage of receipts used in Class 1 products is 12.8%. The May quota price is \$15.35 and the over quota price is \$13.65. These prices are \$0.45 lower than April and \$3.62 lower than a year ago. ARIZONA and NEW MEXICO are beginning to experience more heat related issues. Most areas of the Southwest are noting triple digit day time temperatures in milk producing areas. Also, nighttime temperatures are not cooling off as much. Highs in New Mexico are now running about 7-8 degrees above normal and low temperatures in Arizona are 5-10 degrees above normal. Milk volumes are coming off and tests are lower. Dairy producers in New Mexico are resisting current hay offering prices and some price weakness, about \$25, is noted and therefore, more is going into the stack. About half of the third cutting is done. According to the NASS *Milk Production* report for May, milk per cow for the 23 surveyed states was 1924 pounds up 22 pounds or 1.2% from last year. This rate has slowed sharply from last winter because of the financial stress noted at the farm level and because of some feed quality issues. With feed prices high and moving up this week, hay prices also higher than long term trends, milk prices steady to weaker, all mean less money to optimize rations. Milk per cow changes from last year for selected Western states are as follows: Arizona +0.7%, California +1.0%, Colorado +3.2%, Idaho +2.5%, New Mexico -1.6%, Oregon +0.8%, Utah +3.0%, and Washington +1.0%. Note that the lowest rates are recorded in the Southwest. Some folks in the West are seeing CREAM multiples back off a bit with what the prices are doing at the CME. Demand for cream remains good with less available for churning. Butter prices at the

CONTINUED ON PAGE 4A

FLUID MILK AND CREAM

CONTINUED FROM PAGE 4

CME Group declined \$.0250 from last week to stand at \$1.52 at midweek. All of the decline took place last Friday. Multiples for Western cream are in the range of 113-131, and vary based on class usage and basing points. Weather conditions in the PACIFIC NORTHWEST are ideal for milk cow comfort and production. Peak supplies for the year are thought to be past, but milk production continues to be above last year. Fresh forages are also helping to keep production numbers up. Milk is being handled within the region in most cases with some interruptions due to plant maintenance schedules. Supply management measures appear to have better balanced production with needs in the area. UTAH and IDAHO are also experiencing the favorable weather conditions. Milk is being handled by local processors in most cases. Some cream sales away from churns are being reported as ice cream manufacturers ramp up production. Dry weather and high heat conditions elsewhere in the country have dairy farmers looking at the possibility of increased feed costs into the last half of the year.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Nonfat dry milk prices in the Central region moved higher based on steady to higher spot market demand and steady contract sales. Various plant managers report as farm milk volumes decline, some plants located at the rim of a group of plants expect fewer loads of milk from week to week as the farm milk production season proceeds. Nonfat dry milk production is variable from location to location, such as at the "rim" plants, as well as at operations where cheese production is anticipated to enhance returns compared to NDM production. For some operations, internal condensed skim is clearing into cheese production, but some NDM plant operators who sell condensed skim indicate buyer interest is lower for spot sales, especially into Class III plants that have switched to using NDM for vat fortification. Some cheese plants built inventories of NDM during the last few weeks when prices were lower, in anticipation of there being economic benefit to NDM use instead of condensed skim. Manufacturers' low heat NDM inventories are mostly steady, with shipments out closely matching fresh production additions. High heat NDM inventories are variable, with production facilities intermittently rebuilding inventories.

EAST: The nonfat dry milk market continued to firm this week as low heat prices saw marginal increases in the mostly range and high heat prices advanced. Milk production continues to decline along the seasonal trend limiting drying schedules. Some plant managers are increasing their production of high heat nonfat dry milk and reducing their low heat production schedules. Demand is steady to improving, especially for high heat, as baking manufacturers are looking for additional loads. Supplies are held in firm hands in the East as most manufacturers are of the opinion that the market is on an upward trend. Spot market activity had transactions above contract pricing giving the market a firm undertone.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.1600 - 1.2600 MOSTLY: 1.1850 - 1.2300
 HIGH HEAT: 1.2200 - 1.3600

NONFAT DRY MILK - WEST

Both range and mostly prices moved higher for Western low/medium heat powder. Producer offerings of NDM are lighter. Some buyers indicate that they believe that there is more powder in producers' hands than is evident and they believe that may cause a slowdown in the market in the not too distant future. Time will tell how this scenario plays out. Resale offerings are finding good buyer interest. Production of powder is declining seasonally as milk supplies from the farm decline and tests are moving lower. High heat powder prices increased slightly this week, but the undertone is firmer than that small change indicates. Many high heat producers state that demand is improving rapidly from most of their buyers and they do not have current supplies of powder to meet these extra needs. The producers indicate that they plan to increase production for at least the next few weeks to catch up and to build a little cushion. This strategy should work in that some dryer time is becoming available as milk supplies decline seasonally.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.1200 - 1.3000 MOSTLY: 1.1400 - 1.2200
 HIGH HEAT: 1.1650 - 1.3000

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central region dry buttermilk prices are unchanged to higher on a firming market. With market strength in both nonfat solids and butterfat solids values, manufacturers are clearing dry buttermilk loads readily to spot and contract interest. Buyer demand is increasing from Class II accounts for condensed and dry buttermilk for frozen dessert production. Various manufacturers indicate churns are active. Butter production for near term and mid to late summer contract fulfillment is at the top of priorities for manufacturers. Condensed and dry buttermilk production is correspondingly active, with dry buttermilk inventories steady to building incrementally.

EAST: Dry buttermilk prices moved higher on the upper end of the range this week. Demand for dry buttermilk continues to increase as end users consider substituting dry buttermilk for nonfat dry milk, because of price advantages. Production of dry buttermilk has declined as increased demand for cream has pulled volumes away from churns. Inventories of dry buttermilk are being worked lower. Export interest continues to be good and the market undertone remains firm.

F.O.B. CENTRAL/EAST: .9900 - 1.1500

DRY BUTTERMILK - WEST

Prices for Western buttermilk powder are moving higher at a faster rate. Demand is strong and offerings of powder are lighter. Butter production is slowing at some operations meaning there is less buttermilk available. Also, more buttermilk is being sold seasonally in the condensed form into ice cream and other products. Stocks of powder are declining at most production operations. The market is firm.

F.O.B. WEST: 1.0100 - 1.1700 MOSTLY: 1.0700 - 1.1100

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are unchanged to lower as market indices in some regions shift lower and other regions held steady. Farm milk availability at some dry whole milk production locations is seasonally tighter. Production of dry whole milk is now linked to intermittent increases in milk intakes that relate to plant maintenance or holiday shutdowns in other locations that divert farm milk from the usual destinations. Dry whole milk inventories are reportedly steady to light due to seasonally increasing interest from confectionary accounts.

F.O.B. PRODUCING PLANT: 1.3700 - 1.5000

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
June 22	\$1.0755	18,977,806	0
June 15	\$1.0890	23,581,190	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

Market conditions for Central dry whey are variable. Dry whey prices are unchanged to fractionally higher on both the range and mostly price series. While some manufacturers indicate inventories are somewhat above desired levels, general buyer interest is reportedly improving compared to one – two weeks ago. Other manufacturers have reestablished customary premiums to the market for their spot loads, and inventories are light to steady. Various resellers also indicate buyer interest for resale dry whey in full truck loads and LTL's is gaining strength. While some resellers' inventories are still somewhat above desired levels, the age of the inventories has decreased throughout the month of June. Dry whey production is steady to lower, based on seasonally tighter milk supplies in the Central region. Some manufacturers also indicate as farm milk supplies trend lower, some cheese/whey plants may be idled to help support cheese production in related operations.

F.O.B. CENTRAL: .4000 - .5575 MOSTLY: .4200 - .5300
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3575 - .4775

DRY WHEY - NORTHEAST

Prices for dry whey increased this week as prices based on indices and spot market activity moved higher. Cheese production remains steady at reduced levels keeping dry whey production flat. Demand for dry whey is good with strong pulls from ice cream manufacturers. Increased spot sales activity is working inventories lower as current production is moving through contracts. Resale activity is also fairly active with transactions near and in some instances above the upper end of the price range. The market undertone is steady to firm.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4850 - .5575

DRY WHEY - WEST

Western dry whey prices are fractionally higher. Domestic and export sales were slightly higher with the top of the mostly series showing some weakness. The overall market tone appears to be steady to firm. Production of whey continues to be fairly heavy as cheese plants are also working busy production schedules. The increased whey stream supplies are finding their way into various concentrated whey products as well as sweet whey. Whey demand is good as ice cream plants and other end users are running expanded schedules.

NONHYGROSCOPIC: .4600 - .5275 MOSTLY: .4600 - .5150

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are unchanged on the range, but unchanged to slightly lower on the mostly price series. The market tone is mixed as various manufacturers indicate demand is steady to tentatively higher as some interest from feed accounts reemerges. The renewed feed sector interest represents blenders catering to dairy replacement and dairy beef markets. Interest from the veal sector is flat as veal repopulation is being delayed for the near term. The most recent NASS Cold Storage report showed May month ending veal stocks were 8% higher than one month ago and 5% higher than one year ago. Whey protein concentrate 34% sales into human nutrition accounts are largely unchanged as that market has reportedly retained steady customer interest. Whey protein concentrate 34% production is higher for the week as some cheese plants reactivate after maintenance shutdowns. Also, a few plants indicate they are retaining more loads of concentrated WPC 34%. Those loads are now clearing the dryers and settling into inventory for near term contract fulfillment.

F.O.B. EXTRA GRADE 34% PROTEIN: .9000 - 1.3450 MOSTLY: 1.1000 - 1.2375

LACTOSE - CENTRAL AND WEST

Lactose prices are steady for the week on light spot trading activity in the final week of Q2 for many manufacturers. Various manufacturers indicate Q3 negotiations finalized during the last 7 – 10 days, with shipping of the first contract loads scheduled for early July. Lactose production is reportedly at seasonal volumes, having received a small boost in some locations because of decreased demand from fluid milk sales following the end of school lunch programs for the term. Lactose inventories are reported as steady for producers.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL: .7500 - 1.0150 MOSTLY: .8200 - .9200

CASEIN - NATIONAL

Casein markets and prices continue to hold steady as the Q2 contracting period comes to a close. Buyers are indicating that prices will ease for Q3, especially at the top end of the reported price ranges, but will not be easing as much as previously anticipated. The casein production season in Europe is on the down side of seasonal milk output, but remains at sufficient levels to fulfill customer needs. As has been the situation thus far this season, European casein production has generally been geared to known needs, with minimal uncommitted stocks available. Oceania suppliers are filling commitments from inventoried stock generated earlier this year. Volumes of casein on the market are generally available, especially now that a major casein producing country has returned to the market place. Domestic buyer are indicating that these new supplies are being offered to U.S. buyers, but buyer acceptance appears to be limited.

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
06/09/2012	55.2	1,364.5	46.5	1,319

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

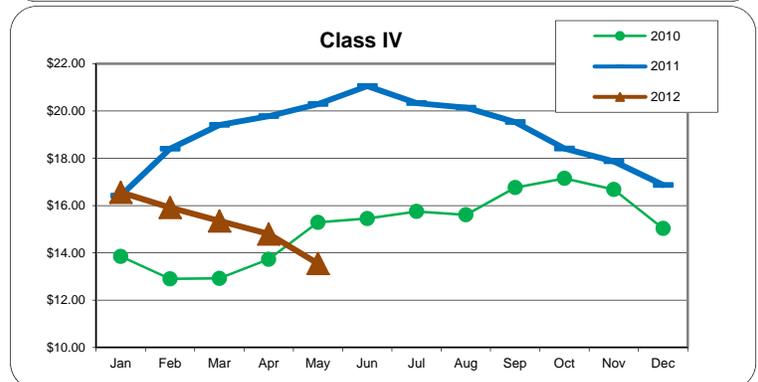
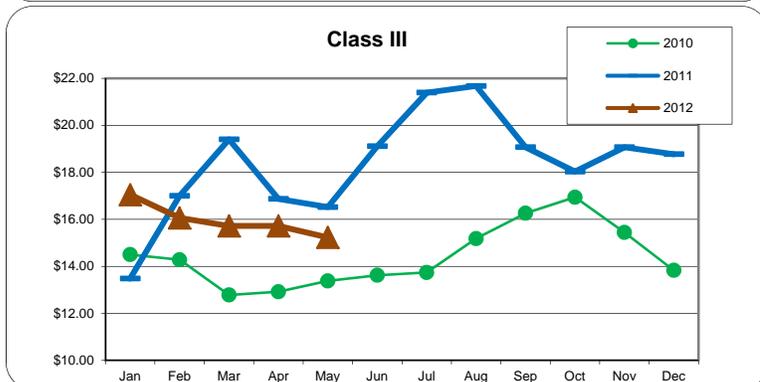
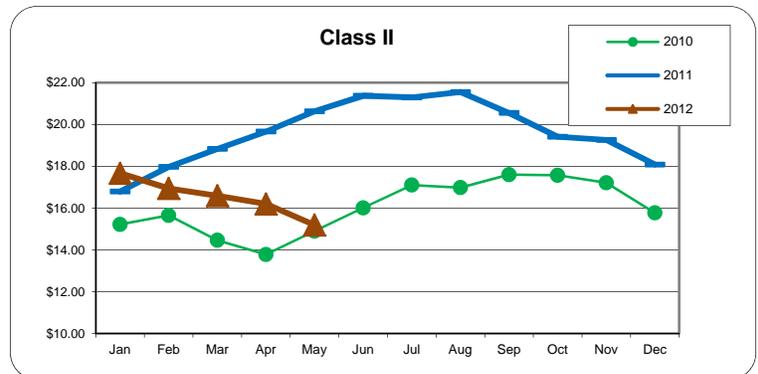
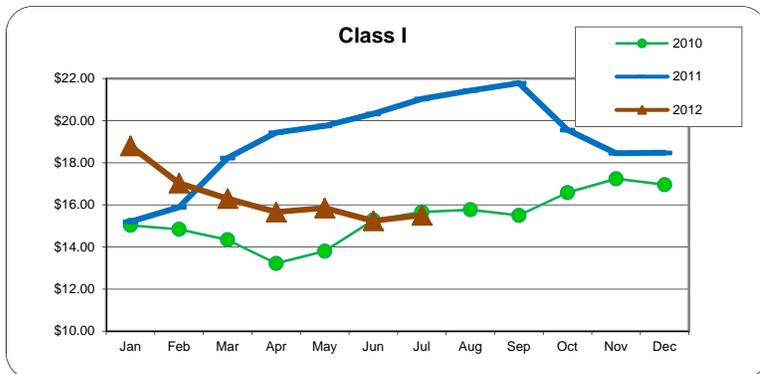
CLASS IV MILK PRICES (3.5% BF)

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	15.51					
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 18 - 29, 2012

ORGANIC DAIRY FLUID OVERVIEW

Organic milk producers face extremely varied weather circumstances in different regions, which affects organic milk production. With pasture dry matter intake standards applicable to organic dairy production, this is always of concern. In the Northeast, alfalfa, hay and pastures are in good to excellent condition. This helps with feed production as well as grazing. Conditions for milk production in most of California are ideal. The warm spell of a few weeks ago is past and nighttime temperatures are good for organic cow comfort. Most areas of the Southwest are noting triple digit day time temperatures in milk producing areas. Also, nighttime temperatures are not cooling off as much. This is of increasing concern. Weather conditions in the Pacific Northwest are ideal for organic milk cow comfort and production. The Midwest is more challenging, facing record heat and prolonged dryness in many areas. This is affecting the ability of organic cows to graze and consume as much dry matter intake as is desired. The conditions also are reducing availability and increasing the price of organic feed.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy advertising volume is the second highest level of 2012 and higher than this point during 2011 and 2010.

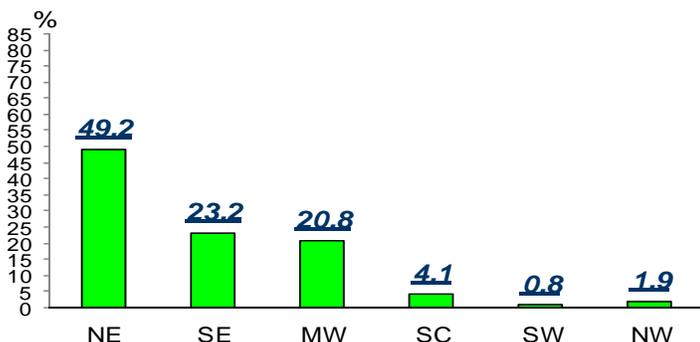
While ad numbers are down from two weeks ago, the last cycle was the highest level of the year and this cycle is the second highest. At this half way point of 2012, cumulative organic ad numbers are 39% ahead of 2011 and 37.1% ahead of 2010 at the same point of each year.

Organic milk ads comprise 54% of all organic dairy ads, followed by organic yogurt with 33%. Remaining ad categories are organic cheese, 7%; organic butter, 4%; and organic cream cheese, 1%.

Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period June 16, 2012, to June 29, 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. The Northeast is back from a narrow lead two weeks ago, as clearly the dominant region for organic dairy advertising, with over twice as many ads as any other region. Regional percentages include the Northeast, 49.2%; the Southeast, 23.2%; the Midwest, 20.8%, South Central, 4.1%, Northwest, 1.9%, and Southwest, 0.8%.

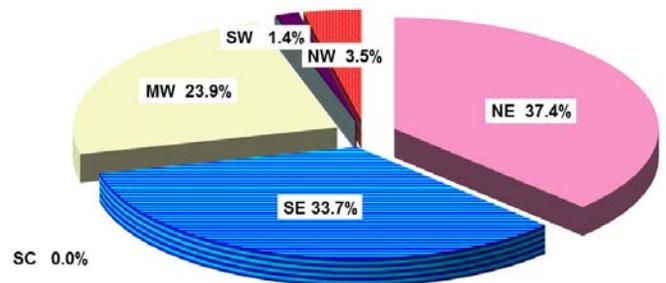
Organic Dairy Ads Regionally As A Percentage of Surveyed Organic Dairy Ads Week 26, 2012



Organic Milk. Organic milk ads continue to be the leading category of organic dairy advertising. Cumulative organic milk ads for 2012 lead 2011 to this point by 4.6% but lag 2010 by -13.7%. Yet, focusing on carton sizes reveals that the relative decline in ads for gallons since 2010 is a significant factor in the overall category totals. Focusing only on half gallon ads, generally now the most frequent, half gallon ads during 2012 so far lead 2011 by 43.2% and are nearly even with 2010, being -1.4% lower.

The highest percentage of organic milk ads appear in the Northeast, 37.4%. Other regions include the Southeast, 33.7%; Midwest, 23.9%; Northwest, 3.5%; and Southwest, 1.4%. No organic milk ads appeared in the South Central Region.

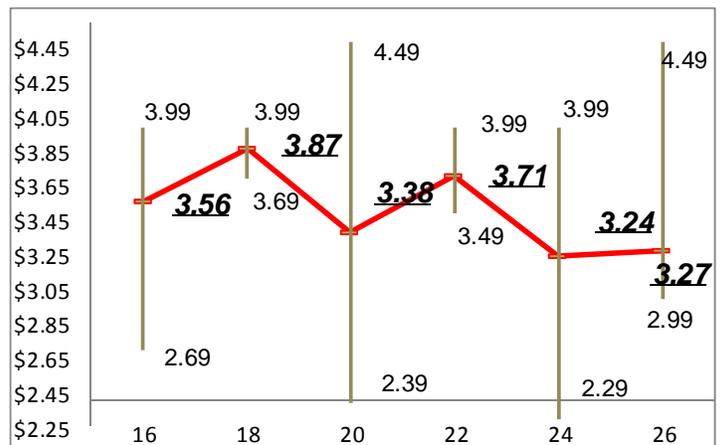
ORGANIC MILK FEATURES
Regional % of Surveyed Supermarket Ads
Week 26, 2012



Organic Milk Half Gallons. Advertising volume for organic half gallons fell back from last period, with approximately half of the periods this year being higher and half lower.

The national weighted average advertised price of organic milk half gallons, \$3.27, is 3 cents higher than two weeks ago. The price range is \$4.49 to \$2.99, 50 cents higher at the top and \$.70 higher at the bottom.

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 June 18 - 29, 2012

CONTINUED FROM PAGE 8

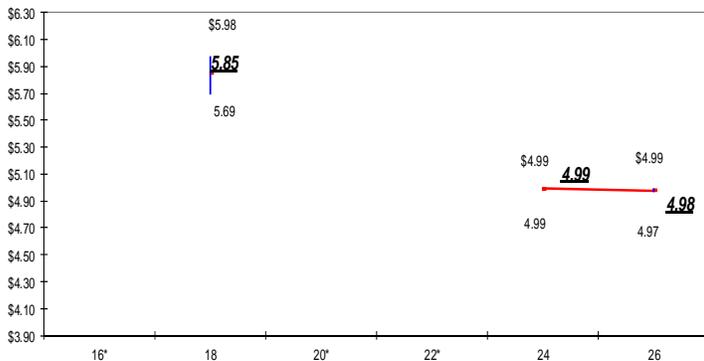
ORGANIC MILK HALF GALLON ADS
REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	48.0	3.53
SE	26.2	3.08
MW	24.0	2.99
SC	00.0	----
SW	01.8	3.00
NW	00.0	----
US		3.27

The AMS Dairy Market News Survey which generated the current national organic half gallon milk weighted average advertised price of \$3.27, also determined the weighted average advertised price for non-organic half gallons as \$2.13, an organic-conventional half-gallon milk advertised price spread of \$1.14. This is below the average price spread for 2012, \$1.24. During 2012 the spread has ranged from \$0.96 to \$2.46.

Organic Milk Gallons. Ads for organic gallons appeared for the second consecutive reporting period, the first time this has occurred during 2012. Ads listed a high price of \$4.99 and a low of \$4.97, for a weighted average advertised price of \$4.98.

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



*THERE WERE NO ADS FOR WEEKS 16, 20 AND 22 OF 2012

ORGANIC MILK GALLON ADS
REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	00.0	----
SE	100.0	4.98
MW	00.0	----
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		4.98

Ad numbers for organic gallons have generally declined relative to other carton sizes. Through this point of 2012, organic gallon ads are -39.7% lower than the same point of 2011, and -75.7% lower than 2010. The advertising focus has turned to half gallon organic milk, partly because the relatively higher price of organic milk than conventional milk seems less significant to consumers for a half gallon than a gallon.

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

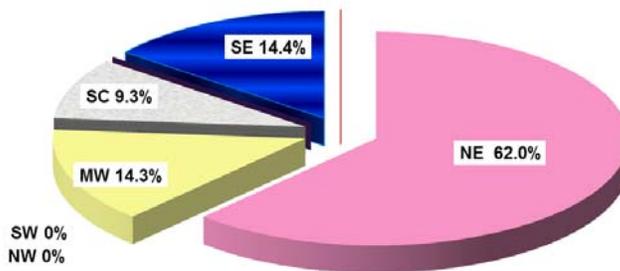
ORGANIC MILK 8 OUNCE ADS
REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	00.0	----
SE	00.0	----
MW	59.8	1.00
SC	00.0	----
SW	00.0	----
NW	40.2	1.00
US		1.00

Organic Yogurt. The leading organic yogurt category is 4-6 ounce organic Greek yogurt, with about twice as many ads as 4-6 ounce yogurt (non-Greek). Cumulative organic yogurt ads for all carton sizes this year, lead 2011 to this point by 46.7%, but lag 2010 by -18.6%.

The Northeast led all regions in organic yogurt advertising, with 62.0% of all organic yogurt ads this period. For three of the last four reporting periods the Northeast has led in organic yogurt advertising. The remaining regions include the Southeast, 14.4%, Midwest, 14.3%, and South Central region, 9.3%. No organic yogurt ads appeared in either the Southwest or Northwest.

ORGANIC YOGURT FEATURES
Regional % of Surveyed Newspaper Ads
Report Week 26, 2012



4-6 Ounce Organic Yogurt. All ads for 4-6 ounce organic yogurt appeared in the Northeast, advertising a price ranging from \$0.60 to \$1.00. The price range is unchanged at the top from last period and 3 cents higher at the bottom. The weighted average advertised price, \$0.79, is 12 cents higher than the last survey period. The current weighted average price is 29 cents higher than for conventional 4-6 ounce yogurt.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	100.0	0.79
SE	00.0	----
MW	00.0	----
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		0.79

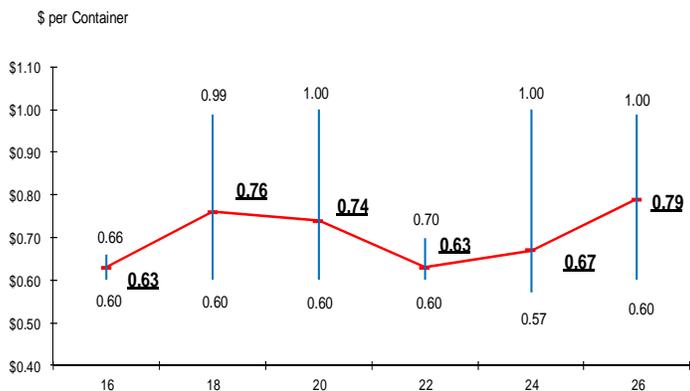
CONTINUED ON PAGE 8-B

ORGANIC DAIRY MARKET NEWS

Information gathered June 18 - 29, 2012

CONTINUED FROM PAGE 8-A

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



4-6 Ounce Organic Greek Yogurt. Ads for 4-6 ounce organic Greek yogurt generated a national weighted average advertised price of \$1.31, up 6 cents from the last survey. The weighted average advertised price is 31 cents higher than the average for 4-6 ounce conventional Greek yogurt. The advertised price range for organic Greek yogurt is \$1.25 to \$1.50.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	42.9	1.33
SE	21.6	1.25
MW	21.5	1.25
SC	13.9	1.42
SW	00.0	----
NW	00.0	----
US		1.31

Organic Cheese. All ads for organic cheese appeared in the Northeast. Ads for for 8 ounce blocks, listed a price range of \$2.50 to \$3.99, with a weighted average advertised price of \$3.49. The remaining ads are for 8 ounce shredded organic cheese, with a price range of \$2.50 to \$2.99 and a weighted average advertised price of \$2.75.

Organic Butter. Organic butter ads appeared in the Midwest and South Central regions, with about three times as many in the Midwest. All ads in each region listed a price of \$3.99 for a 1 pound package. It should be noted that some conventional butter ads in the Northeast and Southeast also listed the same \$3.99 price that appeared for organic butter.

Organic Cream Cheese. A few ads for organic cream cheese appeared in the Northeast, all listing a price of \$3.00 for 8 ounces.

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 26

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
(in Dollars)			
FLUID MILK			
MILK - gallon			
Whole	5.49	6.79*	1.70*
Nonfat (Skim)	5.49	6.79*	1.70*
Low fat (1%)	5.49	6.79*	1.70*
Reduced fat (2%)	5.49	6.79*	1.70*
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
YOGURT			
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	3.99*	6.19	2.20*

* = Price change from prior reporting period.

The low price for organic butter shifted up 20 cents. The top price for gallons moved down 20 cents.

ORGANIC GRAIN AND FEEDSTUFFS MARKETS :

National organic grain and feedstuffs were slightly higher with a firm undertone, with oats steady to firm. Volumes of grain trades were reportedly limited, with light to moderate offerings reported in the Eastern Cornbelt and Upper Midwest. Demand was moderate, due in part to wheat harvest approaching in the Northern Plains and Upper Midwest, as well as farmers busy in hay fields and awaiting the outcome of the current growing conditions this summer. The bulk of soybeans traded this period were reportedly between 28.00 and 29.00/ bushel throughout the nation, with supplies remaining very limited. Buyers remain cautious about paying high prices for grains, and farmers are reportedly considering higher new crop prices due to the severe growing conditions in the Midwest. Some farmers have stated their worry of "pricing themselves out of the market", which is a

CONTINUED ON PAGE 8-C

ORGANIC DAIRY MARKET NEWSInformation gathered June 18 - 29, 2012

CONTINUED FROM PAGE 8-B

strong concern for buyers as well. Supreme organic alfalfa hay in the North Inter-Mountain region of California was 280.00/ton this period. Supreme and good alfalfa in the Northern San Joaquin Valley of California ranged from 265.00-295.00/ton this period, while premium organic oat hay was 160.00/ton. Additional livestock and grain market news information is available at: <http://www.ams.usda.gov/mnreports/lbnof.pdf>

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

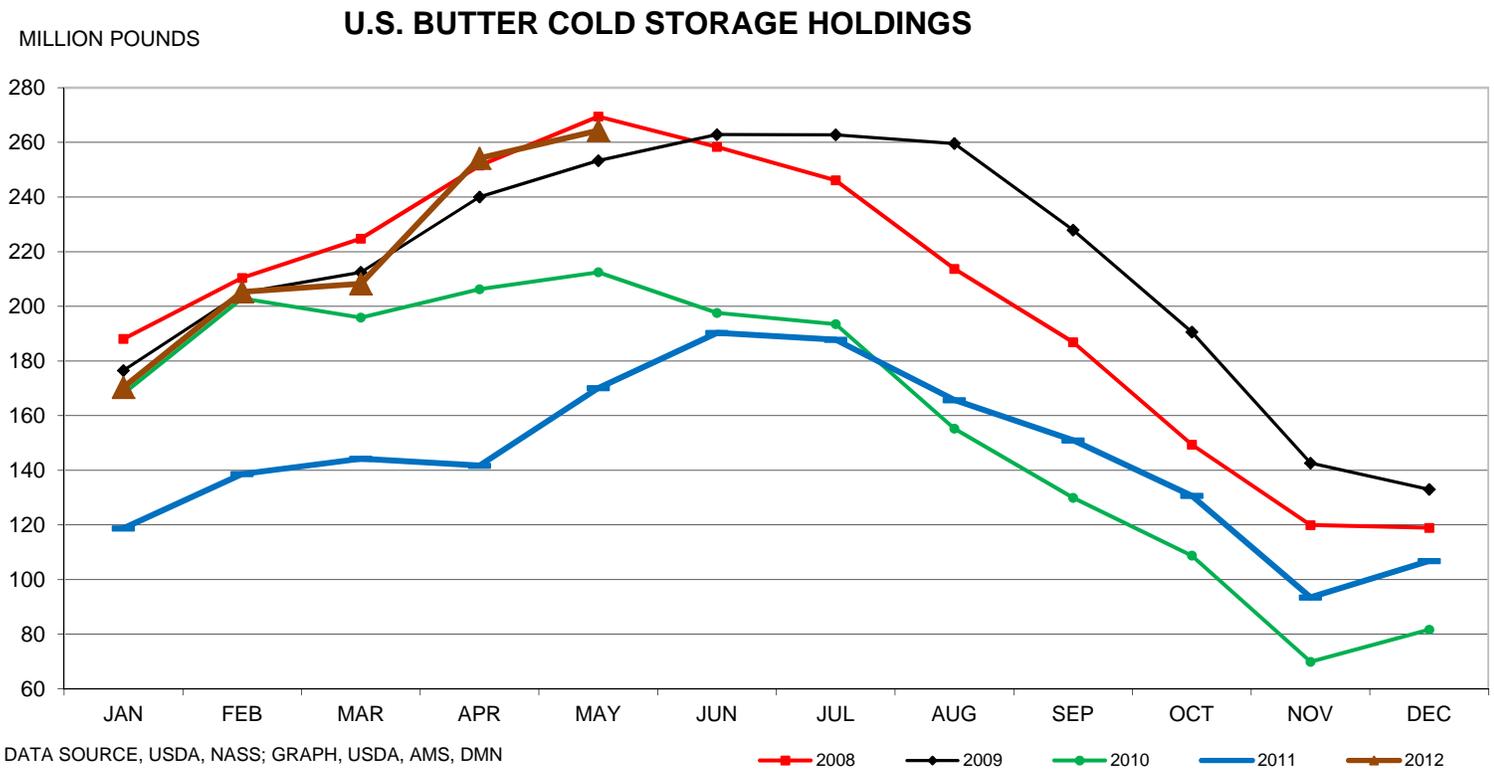
NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	APR 30, 2010	APR 30, 2011	REVISED APR 30, 2012	MAY 31, 2010	MAY 31, 2011	MAY 31, 2012
Butter	206,291	141,728	254,184	212,488	170,095	264,326
Cheese, Natural American	609,588	622,121	632,653	614,935	622,672	623,176
Cheese, Swiss	26,760	31,427	28,845	27,339	33,702	29,672
Cheese, Other Natural	382,266	386,597	367,690	384,533	392,811	375,952
Total Cheese	1,018,614	1,040,145	1,029,188	1,026,807	1,049,185	1,028,800

MAY STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
New England	38,139	38,472	38,655	---	---	---	491	846	866
Middle Atlantic	44,105	56,285	52,141	---	---	---	19,829	21,537	16,101
East North Central	261,081	263,537	273,619	---	---	---	257,500	268,650	284,388
West North Central	95,943	107,117	96,000	---	---	---	71,971	63,130	37,220
South Atlantic	4,448	41	32	---	---	---	193	6,377	6,077
East South Central	1,758	1,559	1,528	---	---	---	151	155	257
West South Central	5,044	3,463	4,513	---	---	---	1,412	1,195	1,036
Mountain	52,832	53,177	56,586	---	---	---	7,216	6,564	6,510
Pacific	111,585	99,021	100,102	---	---	---	25,770	24,357	23,497
TOTAL	614,935	622,672	623,176	212,488	170,095	264,326	384,533	392,811	375,952

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2011 TO DATE

Month	Butter		Natural American Cheese		Nonfat Dry Milk					
	Commercial		Commercial		Total ^{1/}		Commercial		Government	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Million Pounds		Million Pounds		Million Pounds					
January	170	119	612	638	159	128	159	128	0	0
February	205	139	608	621	193	122	193	122	0	0
March	208	144	623	611	210	119	210	119	0	0
April	254	142	633	622	227	147	227	147	0	0
May	264	170	623	623		163		163		0
June		190		619		186		186		0
July		188		649		192		192		0
August		166		647		168		168		0
September		151		639		151		151		0
October		131		619		143		143		0
November		94		593		146		146		0
December		107		611		165		165		0

^{1/} Includes instant nonfat dry milk.

Source: U.S. Department of Agriculture. Farm Service Agency. *Summary of Processed Commodities, April 2012*. National Agricultural Statistics Service. *Cold Storage and Dairy Products, June 2012*.

**ANNOUNCED COOPERATIVE CLASS I PRICES FOR SELECTED CITIES IN FEDERAL MILK ORDERS,
JULY 2012, WITH COMPARISONS 1/**

For July 2012, the all-city average announced cooperative Class I price was \$20.58 per cwt., \$2.45 higher than the Federal milk order (FMO) Class I price average for these cities. The July 2012 Cooperative Class I price was \$0.26 higher than the June 2012 revised price. The July 2012 Federal order Class I price was \$0.27 higher than the June 2012 revised price. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$0.50 in Phoenix, AZ, to \$4.21 in Miami, FL. For July 2011, the all-city average announced cooperative Class I price was \$26.19, \$2.54 higher than the Federal order Class I price average for these cities. Note: For most cities, the Announced Cooperative Class I Price now includes premiums paid for milk produced without rBST.

City	JULY 2012		
	Announced Cooperative Class I Price	Federal Milk Order Class I Price	Difference
	Dollars per hundredweight, 3.5% butterfat		
Atlanta, GA	22.61	19.31	3.30
Baltimore, MD	20.18	18.51	1.67
Boston, MA	20.56	18.76	1.80
Charlotte, NC	22.28	18.91	3.37
Chicago, IL	20.95	17.31	3.64
Cincinnati, OH	20.60	17.71	2.89
Cleveland, OH	20.40	17.51	2.89
Dallas, TX	19.19	18.51	0.68
Denver, CO	19.48	18.06	1.42
Des Moines, IA	20.05	17.31	2.74
Detroit, MI	20.17	17.31	2.86
Hartford, CT	20.46	18.66	1.80
Houston, TX	20.44	19.11	1.33
Indianapolis, IN	20.40	17.51	2.89
Kansas City, MO	19.74	17.51	2.23
Louisville, KY	20.98	17.81	3.17
Memphis, TN	21.58	18.41	3.17
Miami, FL	25.72	21.51	4.21
Milwaukee, WI	20.90	17.26	3.64
Minneapolis, MN	19.81	17.21	2.60
New Orleans, LA	21.48	19.31	2.17
Oklahoma City, OK	20.19	18.11	2.08
Omaha, NE	19.80	17.36	2.44
Philadelphia, PA	21.74	18.56	3.18
Phoenix, AZ	18.36	17.86	0.50
Pittsburgh, PA	21.39	17.61	3.78
St. Louis, MO	19.89	17.51	2.38
Seattle, WA	18.23	17.41	0.82
Springfield, MO	20.49	17.91	2.58
Washington, DC	20.18	18.51	1.67
Wichita, KS	19.61	17.71	1.90
Simple Average	20.58	18.13	2.45

1/ This table contains information from the Class I price announcements sent by the major cooperatives in each city market to all handlers who buy milk from them. These over-order prices include charges for various services performed by the cooperative. In some instances, these over-order prices may not include all credits that may be allowed. These prices have not been verified as having been actually paid by handlers.

Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932.

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, MAY 2012

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for May have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During May, more than 11.8 billion pounds of milk were received from producers. This volume of milk is 6.7 percent higher than the May 2011 volume. In May 2011 and May 2012, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. Nearly 3.6 billion pounds of producer milk were used in Class I products, 1.5 percent lower than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2012 as compared to 2011. The all-market average Class utilization percentages were: Class I = 30%, Class II =13%, Class III = 45% and Class IV = 12%. The weighted average statistical uniform price was \$16.15 per cwt., \$0.47 lower than last month and \$3.29 lower than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF MAY 2012										
FEDERAL MILK ORDER MARKETING AREA 1/	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE 2/
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,142.6	-3.1	825.2	-1.3	39	26	23	12	16.79
Appalachian (Charlotte)	005	508.9	-7.2	321.0	-10.7	63	14	9	14	17.69
Florida (Tampa)	006	243.4	-2.2	199.0	0.0	82	9	1	8	19.98
Southeast (Atlanta)	007	602.2	-3.1	368.8	-0.9	61	10	19	10	18.07
Upper Midwest (Chicago)	030 3/	3,045.4	5.2	319.2	-7.1	11	6	81	2	15.45
Central (Kansas City)	032 3/	1,408.9	14.1	394.7	9.1	28	12	46	14	15.51
Mideast (Cleveland)	033	1,594.1	29.3	511.6	-1.4	32	19	35	14	15.74
Pacific Northwest (Seattle)	124	737.1	16.9	186.9	-0.6	25	6	42	27	15.31
Southwest (Dallas)	126	1,114.2	6.2	359.8	-0.3	32	9	45	14	16.50
Arizona (Phoenix)	131	424.2	3.8	112.1	-2.2	27	7	25	41	15.27
ALL MARKET AVERAGE OR TOTAL	3/	11,820.9	6.7	3,598.3	-1.5	30	13	45	12	16.15

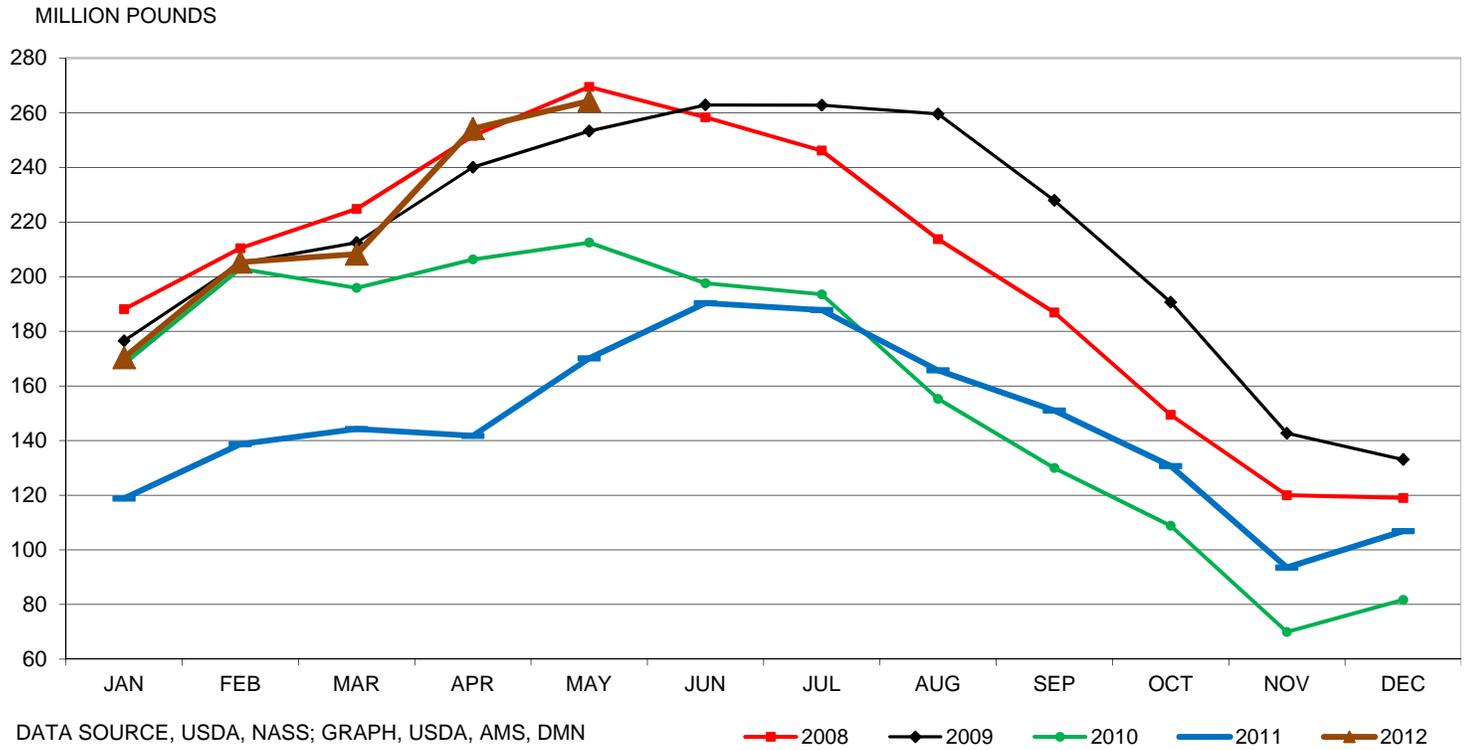
1/ Names in parentheses are the major city in the principal pricing point of the market.

2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

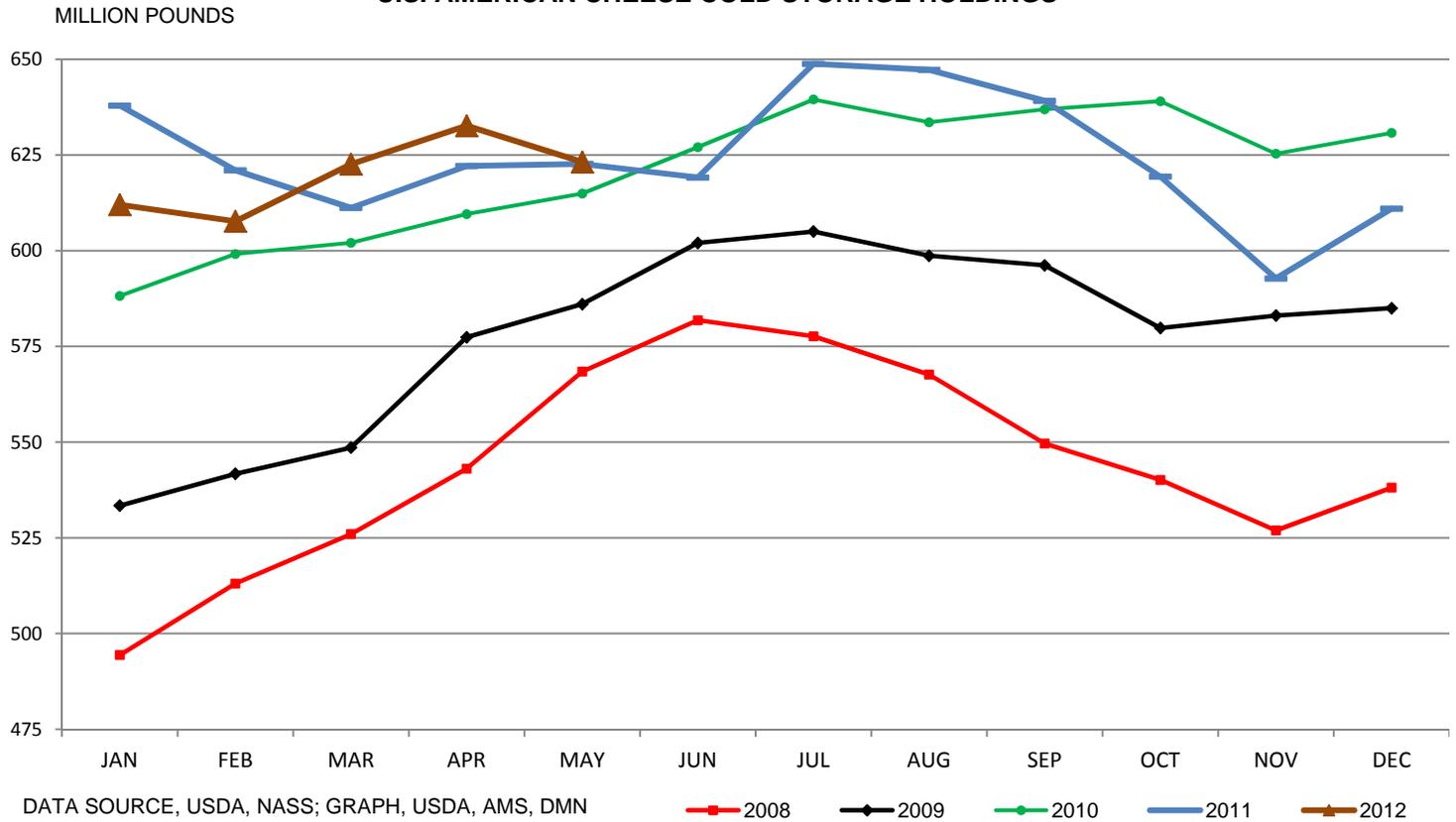
3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform price in these markets, handlers elected not to pool an estimated 127.1 million pounds of milk that normally would have been associated with these markets. In May 2011, the estimated not pooled volume of milk was 590.7 million pounds, occurring in order numbers 030, 032, 033, and 126. After adjusting for non pooled milk, the year-to-year percent change is +2.3%.

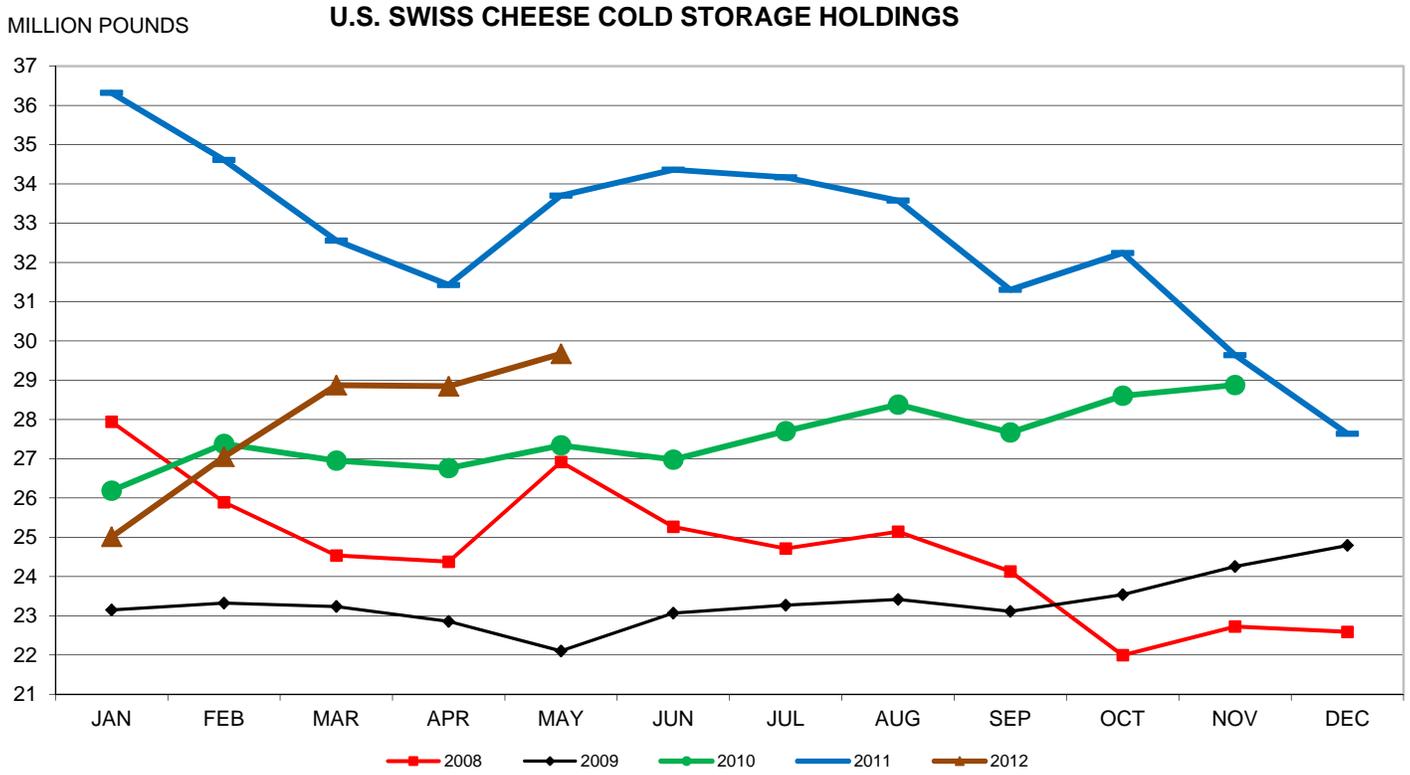
Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932.

U.S. BUTTER COLD STORAGE HOLDINGS

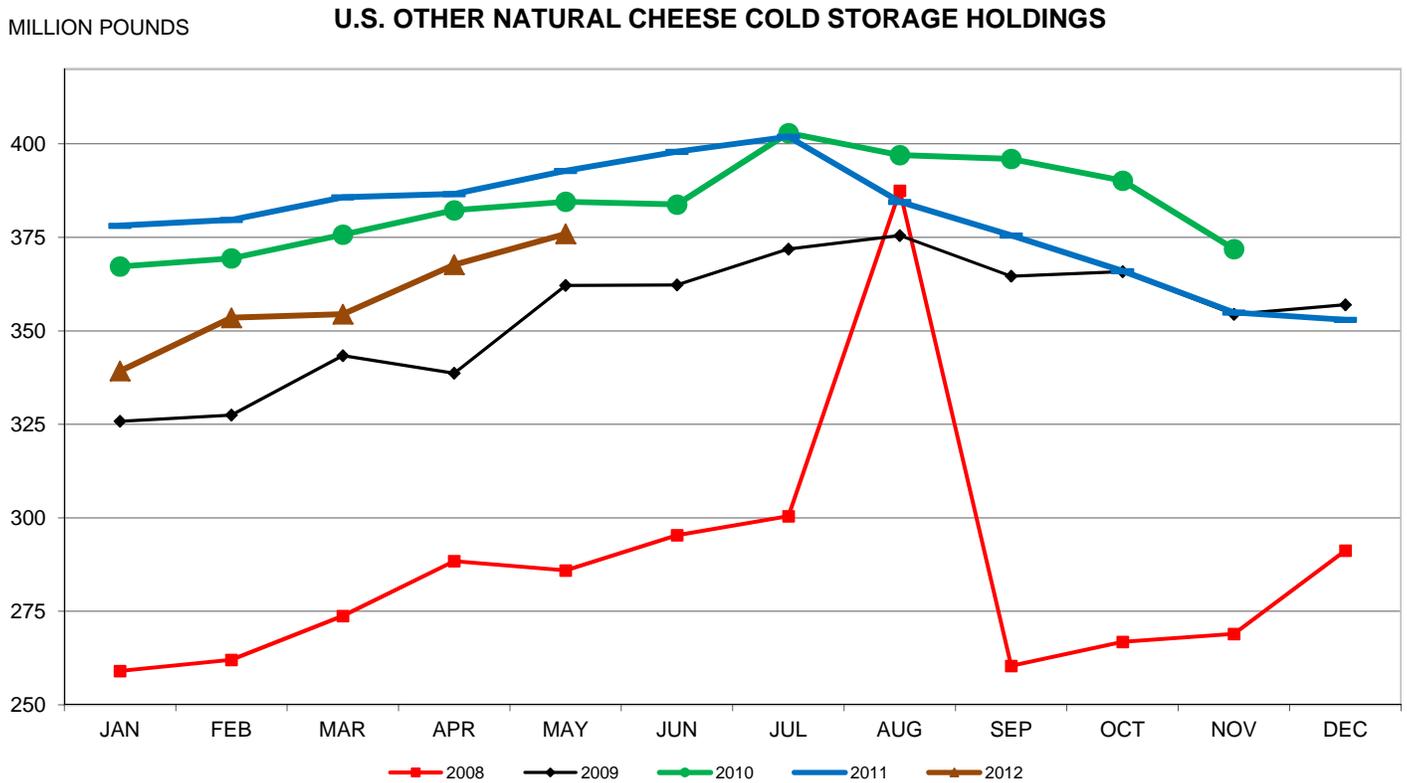


U.S. AMERICAN CHEESE COLD STORAGE HOLDINGS





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



DATA SOURCE, NASS; 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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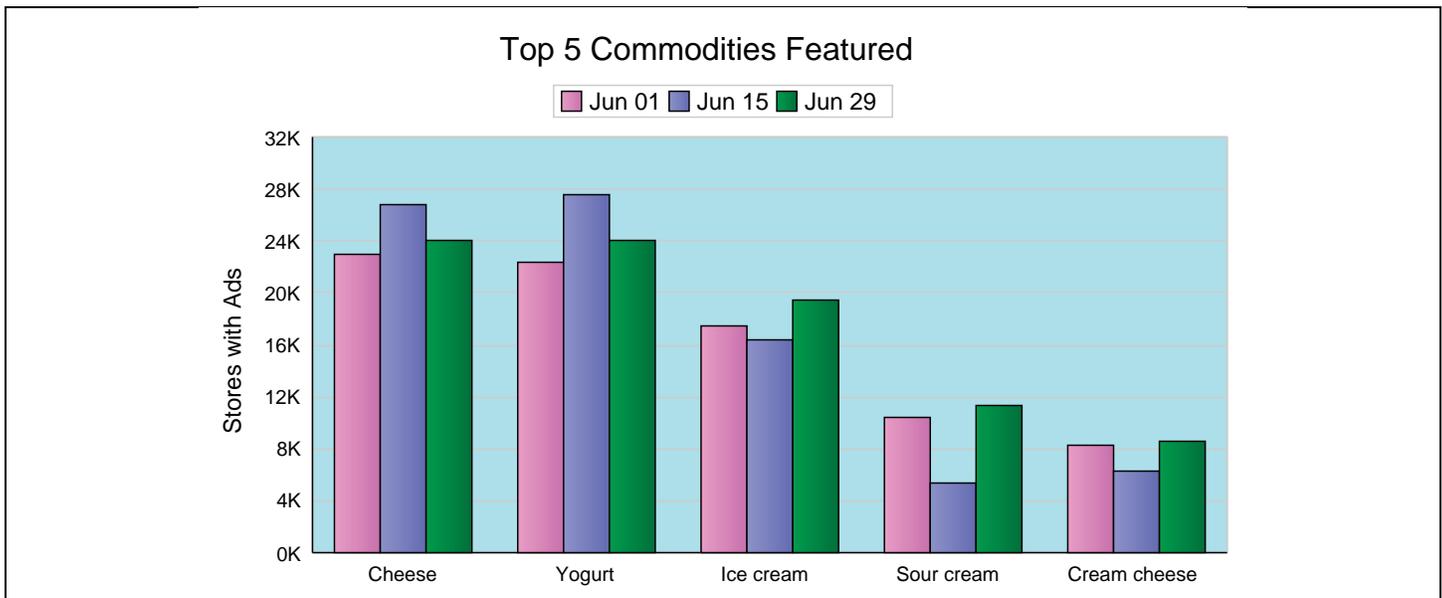
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 06/18 to 06/29

An Independence Day Holiday theme ran through many dairy ads in the current survey. Ad volume for conventional dairy products is slightly below two weeks ago, down -1.4%. Record high ad volume since this series began the first week of March, occurred for both ice cream and cottage cheese. Ice cream ad volume is up 19.0% from two weeks ago and the weighted average advertised price for 48-64 ounce containers is \$3.01. Cottage cheese ad volume is up 27.0% from two weeks ago and the weighted average advertised price for 16 ounce containers is \$2.00.

Cheese and yogurt ads, the largest categories, each declined in volume from two weeks ago. Total cheese advertising numbers decreased -10.5% and yogurt ads, -13.3%. The most advertised cheese category, 8 ounce shreds, has a weighted average advertised price of \$2.47, up 7 cents from last cycle. The average price for 8 ounce blocks, \$2.33, increased 2 cents from the last cycle. The largest yogurt category, 4-6 ounce yogurt, has a weighted average advertised price of \$.50, unchanged from last period. Greek yogurt in 4-6 ounce containers, the most advertised yogurt two weeks ago, has a weighted average advertised price of \$1.00, down 1 cent.

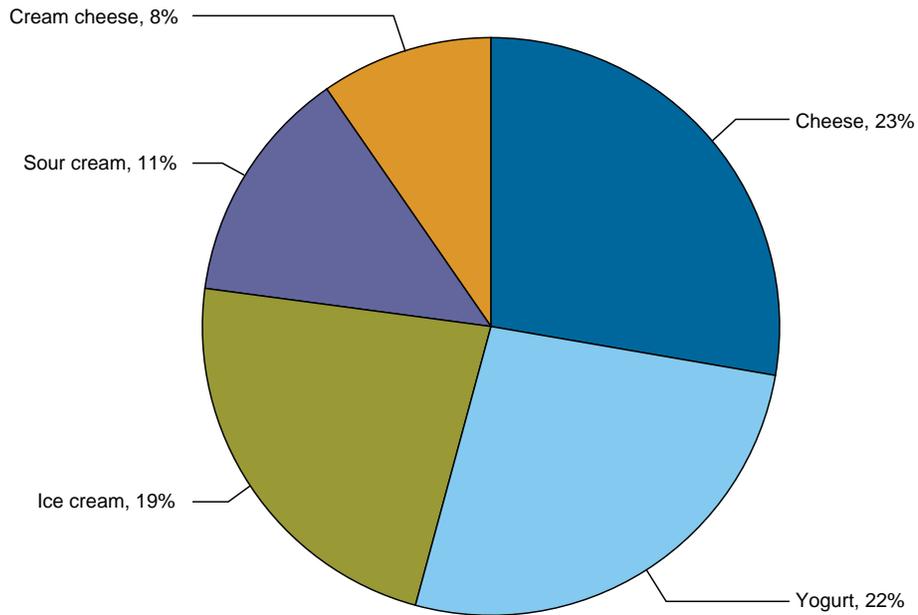
Conventional milk's national weighted average advertised price for half gallons this period, \$2.13, is 2 cents above two weeks ago. Both this period and last, ads split between store brands and national brands, with national brands ahead in numbers.

Organic milk's national weighted average advertised price for half gallons, \$3.27, is up 3 cents from last period. This results in an organic-conventional half-gallon milk advertised price spread of \$1.14, less than the average spread since this series began in early March, \$1.27. Ads for half gallons of organic milk appeared for 61.4% more stores than for conventional half gallons.

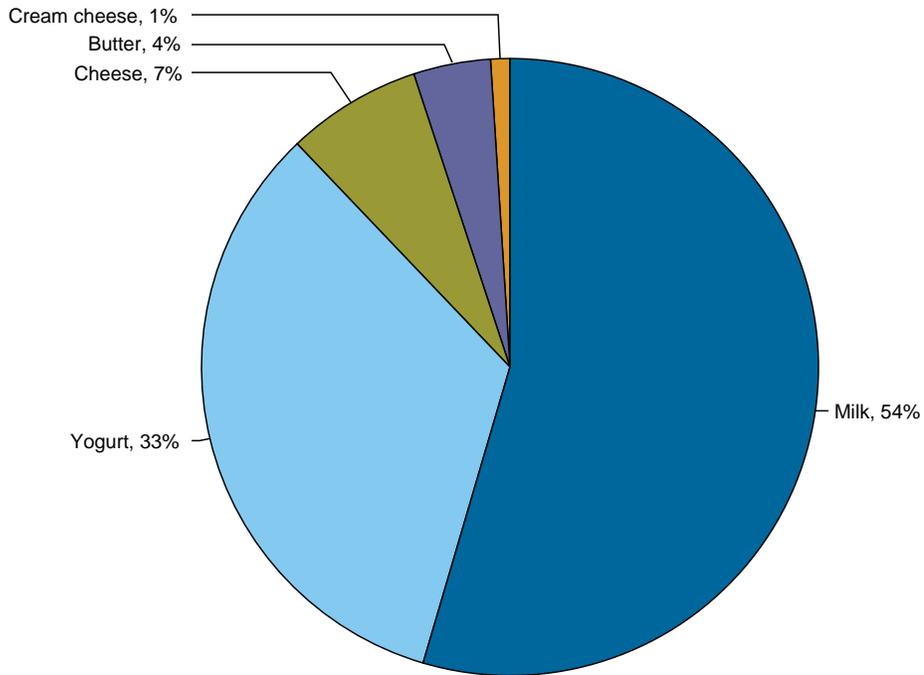


1 -- Dairy Market News surveys more than 150 retailers, comprising nearly 16,000 individual stores, with online weekly advertised features.
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

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 #	3866	2.48	9272	2.88
Cheese	Natural Varieties	8 oz block	8201	2.33	8427	2.31
Cheese	Natural Varieties	1 # block	1460	3.36	2733	3.62
Cheese	Natural Varieties	2 # block	3013	5.74	2567	5.14
Cheese	Natural Varieties	8 oz shred	10393	2.47	11294	2.40
Cheese	Natural Varieties	1 # shred	725	3.06	1563	3.33
Cottage cheese		16 oz	6669	2.00	5252	2.20
Cream cheese		8 oz	8528	1.48	6298	1.73
Flavored milk	All fat tests	half gallon	315	2.18	1490	2.21
Flavored milk	All fat tests	gallon	912	3.67	943	3.73
Ice cream		48-64oz	19485	3.01	16379	3.05
Milk	All fat tests	half gallon	1096	2.13	2751	2.11
Milk	All fat tests	gallon	3423	2.94	3094	2.80
Sour cream		16 oz	11344	1.62	5373	1.69
Yogurt	Greek	4-6 oz	6580	1.00	12335	1.01
Yogurt	Greek	32 oz	244	4.59	1665	4.05
Yogurt	Yogurt	4-6 oz	14381	.50	10335	.50
Yogurt	Yogurt	32 oz	1372	2.33	1710	2.10

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 #	1.79-3.99	1611	2.53	1.99-3.99	733	2.42	1.49-2.50	564	1.97
Cheese	Natural Varieties	8 oz block	1.99-3.99	2863	2.56	1.67-3.00	2494	2.45	1.29-2.50	888	1.84
Cheese	Natural Varieties	1 # block	2.99-3.99	685	3.61	2.99-3.49	233	3.22	2.99-3.77	456	3.11
Cheese	Natural Varieties	2 # block	5.99	149	5.99	5.99	103	5.99			
Cheese	Natural Varieties	8 oz shred	1.49-3.29	3188	2.57	1.25-3.00	1379	2.30	1.66-3.00	1568	2.04
Cheese	Natural Varieties	1 # shred				2.99-3.99	339	3.13	2.99	386	2.99
Cottage cheese		16 oz	1.64-2.99	1526	2.20	1.50-2.00	630	1.84	1.00-2.00	640	1.71
Cream cheese		8 oz	0.99-2.50	2832	1.55	1.00-1.99	1303	1.23	0.98-1.69	1337	1.32
Flavored milk	All fat tests	half gallon	1.99-2.35	182	2.10	2.49	107	2.49	1.49	26	1.49
Flavored milk	All fat tests	gallon	2.99-4.99	251	3.97	4.49	105	4.49	2.99-4.49	354	3.85
Ice cream		48-64oz	1.97-3.99	3578	2.95	2.49-3.99	2106	3.12	0.99-4.59	2619	2.81
Milk	All fat tests	half gallon	2.50-2.99	647	2.79	1.50	37	1.50	1.00-1.33	60	1.17
Milk	All fat tests	gallon	2.39-4.19	1016	3.55	2.78-2.99	485	2.98	1.99-3.49	797	2.68
Sour cream		16 oz	0.99-2.00	3560	1.56	1.00-2.00	2716	1.47	0.99-2.69	1726	1.45
Yogurt	Greek	4-6 oz	0.80-1.25	1781	1.01	0.80-1.25	1166	.96	0.99-1.25	1294	1.00
Yogurt	Greek	32 oz	2.50-4.99	201	4.51						
Yogurt	Yogurt	4-6 oz	0.39-0.60	3506	.49	0.40-0.60	4535	.45	0.25-0.60	1663	.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	1.99-2.99	321	2.38	2.00-2.49	267	2.10	1.89-2.89	298	2.16

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-2.99	288	2.78	2.00-3.49	321	2.97	2.50-3.00	349	2.54
Cheese	Natural Varieties	8 oz block	1.67-2.99	313	2.03	1.67-2.88	1179	2.09	1.79-2.50	464	1.94
Cheese	Natural Varieties	1 # block				2.87-3.49	86	3.09			
Cheese	Natural Varieties	2 # block	4.99-5.99	402	5.71	5.99	1320	5.99	4.99-6.99	1039	5.37
Cheese	Natural Varieties	8 oz shred	1.67-3.00	762	2.49	1.67-3.00	2533	2.60	1.79-4.59	963	2.68
Cottage cheese		16 oz	0.88-1.99	402	1.87	1.25-2.50	2462	2.04	1.50-1.99	1009	1.97
Cream cheese		8 oz	1.25-2.00	255	1.69	1.50-3.00	1760	1.62	1.29-1.67	1041	1.49
Flavored milk	All fat tests	gallon	2.58	202	2.58						
Ice cream		48-64oz	2.50-4.99	2349	2.96	2.49-3.99	7047	3.06	2.50-4.99	1786	3.23
Milk	All fat tests	half gallon	1.25-1.79	169	1.41	0.88	183	.88			
Milk	All fat tests	gallon	1.97-2.50	326	2.17	2.39-2.89	690	2.76	2.49-2.99	109	2.62
Sour cream		16 oz	0.88-2.00	734	1.69	1.00-1.99	1703	1.92	1.69-2.50	905	1.97
Yogurt	Greek	4-6 oz	1.00	1084	1.00	0.88-1.34	939	1.03	1.00	316	1.00
Yogurt	Greek	32 oz	4.99	43	4.99						
Yogurt	Yogurt	4-6 oz	0.30-0.60	1321	.51	0.33-0.68	2499	.60	0.50-0.60	857	.57
Yogurt	Yogurt	32 oz	2.29	43	2.29	2.49-2.68	177	2.64	2.29-2.99	266	2.52

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 #	167	3.99	238	4.12
Cheese	Natural Varieties	8 oz block	185	3.49	167	4.59
Cheese	Natural Varieties	8 oz shred	124	2.75		
Cream cheese		8 oz	32	3.00		
Flavored milk	All fat tests	half gallon			94	3.49
Ice cream		48-64oz	26	5.99	26	5.99
Milk	All fat tests	half gallon	1769	3.27	2389	3.24
Milk	All fat tests	gallon	302	4.98	262	4.99
Milk	All fat tests	8 oz UHT	199	1.00	783	1.00
Yogurt	Greek	4-6 oz	934	1.31	309	1.25
Yogurt	Yogurt	4-6 oz	467	.79	983	.67
Yogurt	Yogurt	32 oz			198	2.00

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 #							3.99	124	3.99
Cheese	Natural Varieties	8 oz block	2.50-3.99	185	3.49						
Cheese	Natural Varieties	8 oz shred	2.50-2.99	124	2.75						
Cream cheese		8 oz	3.00	32	3.00						
Ice cream		48-64oz							5.99	26	5.99
Milk	All fat tests	half gallon	2.99-4.49	849	3.53	2.99-3.59	464	3.08	2.99	424	2.99
Milk	All fat tests	gallon				4.97-4.99	302	4.98			
Milk	All fat tests	8 oz UHT							1.00	119	1.00
Yogurt	Greek	4-6 oz	1.25-1.50	401	1.33	1.25	202	1.25	1.25	201	1.25
Yogurt	Yogurt	4-6 oz	0.60-0.99	467	.79						

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				3.00	32	3.00			
Milk	All fat tests	8 oz UHT							1.00	80	1.00
Yogurt	Greek	4-6 oz	1.25-1.50	130	1.42						

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 #	1.98	3.99	1178	2.93	1.49	2.99	2688	2.29
Cheese	Natural Varieties	8 oz block	1.29	3.99	4999	2.49	1.66	2.50	3202	2.07
Cheese	Natural Varieties	1 # block	3.49	3.99	185	3.82	2.87	3.99	1275	3.29
Cheese	Natural Varieties	2 # block	4.99	6.99	416	5.87	4.99	5.99	2597	5.72
Cheese	Natural Varieties	8 oz shred	1.66	4.59	6828	2.69	1.25	2.99	3565	2.05
Cheese	Natural Varieties	1 # shred	3.99	3.99	49	3.99	2.99	2.99	676	2.99
Cottage cheese		16 oz	1.48	2.99	3802	2.06	.88	2.50	2867	1.93
Cream cheese		8 oz	.99	3.00	2467	1.72	.98	1.99	6061	1.38
Flavored milk	All fat tests	half gallon	1.49	1.49	26	1.49	1.99	2.49	289	2.24
Flavored milk	All fat tests	gallon	3.00	4.49	430	4.06	2.58	4.99	482	3.33
Ice cream		48-64oz	1.97	4.99	10614	3.05	.99	4.59	8871	2.97
Milk	All fat tests	half gallon	2.50	2.99	647	2.79	.88	1.79	449	1.17
Milk	All fat tests	gallon	2.50	3.49	539	3.06	1.97	4.19	2884	2.92
Sour cream		16 oz	.99	2.69	7106	1.83	.88	1.99	4238	1.26
Yogurt	Greek	4-6 oz	.88	1.34	5685	1.02	.80	1.25	895	.89

Wtd Avg - Simple weighted average



			NATIONAL BRANDS				STORE BRANDS			
Commodity	Type	Pack Size	Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Yogurt	Greek	32 oz	2.50	4.99	244	4.59				
Yogurt	Yogurt	4-6 oz	.39	.68	9024	.55	.25	.60	5357	.42
Yogurt	Yogurt	32 oz	1.89	2.99	569	2.25	2.00	2.99	803	2.39

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	3.99	167	3.99
Cheese	Natural Varieties	8 oz block	2.50	2.50	62	2.50	3.99	3.99	123	3.99
Cheese	Natural Varieties	8 oz shred	2.50	2.99	124	2.75				
Cream cheese		8 oz	3.00	3.00	32	3.00				
Ice cream		48-64oz					5.99	5.99	26	5.99
Milk	All fat tests	half gallon	2.99	4.49	780	3.52	2.99	3.49	989	3.07
Milk	All fat tests	8 oz UHT	1.00	1.00	199	1.00				
Milk	All fat tests	gallon					4.97	4.99	302	4.98
Yogurt	Greek	4-6 oz	1.25	1.50	934	1.31				
Yogurt	Yogurt	4-6 oz	.60	.99	467	.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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