

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (07/13):**

BUTTER: Grade AA closed at \$1.5500. The weekly average for Grade AA is \$1.5430 (+.0142).

CHEESE: Barrels closed at \$1.6800 and 40# blocks at \$1.6800. The weekly average for barrels is \$1.6580 (-.0170) and blocks, \$1.6540 (+.0140).

BUTTER HIGHLIGHTS: The CME cash AA butter price remains firm and closed the week at \$1.5500. Churning schedules across the country eased this week as overall cream supplies declined. Lower churning cream supplies are being attributed to a couple of factors; declining milk volumes and butterfat levels along with enhanced Class II demand. Butter producers did indicate that they were surprised to see that holiday cream volumes were not as heavy as projected. Much of the decline is being attributed to hot temperatures across the country, reducing cow comfort and lower milk output. Lighter churning activity this week often did not keep pace with demand, thus many producers and handlers were reaching into inventoried stock to fulfill orders. Butter producers feel that for the next 4 - 6 weeks, churning cream volumes will be lighter and inventoried butter stocks will become more necessary to fill needs. Current butter demand is good in many areas of the country. Retail butter ads have prices ranging from \$1.5900 in the Midwest to \$3.4900 in Northeast and Southeast regions of the country. Some butter ads are alongside regional/seasonal sweet corn ads. Food service orders are holding steady at good levels.

CHEESE HIGHLIGHTS: Milk production and tests in all regions are declining but so far, adequate milk still seems to be available to cheesemakers for current production. However, some increase in fortification by cheese manufacturers has been noted. Domestic retail demand is still generally considered to be good, but export demand is slowing. Recent domestic cheese price levels are pricing U. S. manufactured cheese less favorably in the global marketplace compared with cheese manufactured in other parts of the world. Still, exports of cheese and curd for May totaled 61.6 million pounds, up 43% from last year. Cumulative exports for the first five months of the year totaled 258.4 million pounds, up 18% from the same period last year. Exports account for 5.7% of total cheese production for the period noted. The National Dairy Retail Report of domestic dairy retail advertising found that the most advertised cheese

category, 8 ounce shreds, has a weighted average advertised price of \$2.18, down 29 cents from last cycle. The average price for 8 ounce blocks, \$2.27, decreased 6 cents from the last cycle. Cheese ad numbers declined -2.3% from the last survey period.

FLUID MILK: Summer heat/humidity and record setting temperatures are being reported in many regions from coast to coast. These conditions are significantly impacting cow comfort and milk output. In most all areas, milk handlers are reporting noticeable declines in milk intakes and butterfat levels. Often, bottlers and manufacturing facilities are adjusting processing schedules to accommodate declining milk volumes. Some areas of the Midwest are reporting declines ranging up to 20% compared to the previous week. Lack of moisture is plaguing many regions of the country and crops are suffering. Milk producers are concerned about feed prices going forward with the announcement on Wednesday that grain yield estimates for corn and soybeans are being reduced 12.0% and 7.7% respectively. Cream markets are firm as butterfat levels on incoming milk decline. Class II operations are back in full production following the recent holiday period when operations were down varying periods of time. Resumed Class II demand and lower overall cream availability are limiting cream volumes to the churn. Many butter producers are working with regular cream suppliers for their needs and are often challenged in locating additional spot offerings. The recent holiday period did provide some additional churning cream, but these volumes were often lighter than anticipated.

DRY PRODUCTS: Nonfat dry milk markets and prices are mixed. Many manufacturers and resellers indicate interest is reemerging and the market tone is firming. The effects from the recent heat wave across the country showed up this week in lower farm milk intakes at many plants. Because of the decline in intakes, milk volumes processing through dryers fell this week. NDM demand has been light to fair. Contracted volumes are moving along as scheduled. Buttermilk powder markets and prices are steady to firm. Demand is light and along expected patterns for midsummer. Some interest is noted from buyers seeking alternatives for higher priced nonfat dry milk. Whey powder markets are generally firm, although prices did fluctuate some, with overall price trends steady to firm. Cheese production is often lighter as milk volumes decline at varying rates.

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CME GROUP CASH TRADING

COMMODITY	MONDAY JUL 09	TUESDAY JUL 10	WEDNESDAY JUL 11	THURSDAY JUL 12	FRIDAY JUL 13	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.6600 (-.0150)	\$1.6500 (-.0100)	\$1.6400 (-.0100)	\$1.6600 (+.0200)	\$1.6800 (+.0200)	:: (+.0050)	:: \$1.6580 (-.0170)
40# BLOCKS	\$1.6400 (N.C.)	\$1.6400 (N.C.)	\$1.6450 (+.0050)	\$1.6650 (+.0200)	\$1.6800 (+.0150)	:: (+.0400)	:: \$1.6540 (+.0140)
NONFAT DRY MILK							
EXTRA GRADE	\$1.1950 (N.C.)	\$1.1950 (N.C.)	\$1.1950 (N.C.)	\$1.1950 (N.C.)	\$1.1950 (N.C.)	:: (N.C.)	:: \$1.1950 (N.C.)
GRADE A	\$1.2300 (+.0025)	\$1.2375 (+.0075)	\$1.2425 (+.0050)	\$1.2600 (+.0175)	\$1.2650 (+.0050)	:: (+.0375)	:: \$1.2470 (+.0195)
BUTTER							
GRADE AA	\$1.5400 (+.0075)	\$1.5400 (N.C.)	\$1.5400 (N.C.)	\$1.5450 (+.0050)	\$1.5500 (+.0050)	:: (+.0175)	:: \$1.5430 (+.0142)

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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Recent record setting temperatures have significantly accelerated the decline in milk output, thus cheese production schedules are often feeling tightening milk supplies, thus lower whey volumes. Buyers are becoming more aggressive in looking for whey as the year progresses. Most are aware that the long run trend of less whey production every year is certainly continuing.

ORGANIC DAIRY MARKET NEWS OVERVIEW (DMN):

Advertising volume for organic half gallons declined almost 25% from two weeks ago. The national weighted average advertised price of organic milk half gallons, \$3.93, is 66 cents higher than two weeks ago. The price range is \$4.99 to \$2.99, 50 cents higher at the top and unchanged at the bottom. The highest price for this period, \$4.99, is the highest noted since fall 2009 when this data series began. Ads for organic gallons appeared for the third consecutive reporting period, the first time this has occurred during 2012. Ads listed a high price of \$5.95 and a low of \$4.98, a 97 cent price spread, the largest price spread since March, 2011. Organic yogurt ad numbers declined by 66.0% from two weeks ago. The leading organic yogurt category is 4-6 ounce organic yogurt, with about four and one half times as many ads as 4-6 ounce Greek yogurt. Ads for 4-6 ounce organic yogurt yielded a weighted average advertised price of 82 cents, up 3 cents from two weeks ago. The AMS Dairy Market News Survey which generated the current national organic half gallon milk weighted average advertised price of \$3.93, also determined the weighted average advertised price for non-organic half gallons as \$1.97, an organic-conventional half-gallon milk advertised price spread of \$1.96. This is above the average price spread for 2012, \$1.32. During 2012 the spread has ranged from \$0.78 to \$2.46.

NATIONAL DAIRY RETAIL REPORT (DMN):

July Ice Cream Month promotions were common ad themes in ads this period. While the survey picks up only 48-64 oz. containers, ads were scattered with features for pints and 4-5 quart pails of ice cream. Additionally, ice cream novelty items were common. The freezer section ads were also highlighting many types of non-dairy treats. Fluid milk ads were higher and dairy case ads were filled with alternatives - teas, lemonades, juices, and flavored drinks. Overall ad volume for conventional dairy products is slightly below two weeks ago, down -1.4%. The weighted average advertised price for 48-64 ounce ice cream containers is \$3.22, up 7.0%. Ice cream is the third most advertised category. Ice cream ad volume has set a new record high level of ads for the second consecutive survey period, being up 6.0% from two weeks ago, which was 19.0% higher than four weeks ago. The weighted average advertised price of 4-6 ounce yogurt is \$.50 and is \$1.00 for 4-6 ounce Greek yogurt. The weighted average advertised price of each is unchanged from the last survey period. Ad numbers for 4-6 ounce yogurt and 4-6 ounce Greek yogurt are nearly identical and combined, are the majority of yogurt ads. Yogurt ad numbers increased 8.9% from two weeks ago.

The most advertised cheese category, 8 ounce shreds, has a weighted average advertised price of \$2.18, down 29 cents from last cycle. The average price for 8 ounce blocks, \$2.27, decreased 6 cents from the last cycle. Cheese ad numbers declined -2.3% from the last survey period. Conventional milk's national weighted average advertised price for half gallons this period, \$1.97, is 16 cents below two weeks ago. Ads are almost evenly split between store brands and national brands. Organic milk's national weighted average advertised price for half gallons, \$3.93, is up 66 cents from last period. This results in an organic conventional half-gallon milk advertised price spread of \$1.96, the second largest spread since early March, up from \$1.14 two weeks ago. More ads for half gallons of organic milk appeared for national brands than store brands.

JULY MILK SUPPLY AND DEMAND ESTIMATES (WAOB):

The milk production forecasts for 2012 and 2013 are reduced from last month as higher forecast feed prices are expected to pressure producer returns and encourage a more rapid decline in the cow herd. Milk per cow is also reduced due to higher forecast feed prices this year and next. In addition, milk yields in the short term may be affected by recent high temperatures. Imports are raised on a fat basis, reflecting stronger imports of cheese. Exports are raised on stronger sales of cheese, whey, and nonfat dry milk (NDM). Cheese prices are forecast higher for 2012 and into early 2013 as stronger exports support prices. Butter prices are forecast higher in 2012 but weaker domestic demand is expected to offset lower production in 2013 and the price forecast is unchanged. Weaker expected domestic demand will also limit price movements for NDM and whey. The NDM price is reduced slightly from last month, but the forecast for 2013 is unchanged. The whey price forecasts for both 2012 and 2013 are unchanged from last month. The Class III price forecasts for 2012 and 2013 are raised from last month due to the higher forecast cheese price and the Class IV price for 2012 is raised on the higher butter price. The 2012 all milk price is forecast at \$17.05 to \$17.35, and the all milk price for 2013 is raised to \$17.35 to \$18.35.

APRIL FMMO OVER-ORDER CHARGES (AMS): For April 2012, the all reporting areas combined average over-order charge on producer milk used in Class I was \$2.03, up \$0.02 from the March 2012 average. Eighty-eight percent of the producer milk used in Class I carried an over-order charge. On an individual order basis, Class I over-order charges ranged from \$0.80 in the Pacific Northwest to \$2.99 in the Florida Order. For producer milk used in Class II, the all reporting areas combined average over-order charge was \$1.13, down \$0.06, from the March 2012 average. Seventy-six percent of the producer milk used in Class II carried an over-order charge.

APRIL MAILBOX MILK PRICES (AMS & CDFA): In April 2012, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.87, down \$0.37 from the previous month's average, and down \$2.79 from April 2011. The component tests of producer milk in April 2012 were: butterfat, 3.68%; 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 April 2012 ranged from \$18.71 in Florida to \$14.67 in New Mexico.

CME GROUP

<p>MONDAY, JULY 9, 2012 CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$1.6400; LAST BID UNFILLED: 2 CARS 40# BLOCKS @ \$1.6400; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6600; 1 CAR 40# BLOCKS @ \$1.6425 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.2300; LAST OFFER UNCOVERED: NONE BUTTER -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.5400; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5600</p>	
<p>TUESDAY, JULY 10, 2012 CHEESE -- SALES: 7 CARS 40# BLOCKS: 2 @ \$1.6400, 3 @ \$1.6425, 2 @ \$1.6400; LAST BID UNFILLED: 2 CARS 40# BLOCKS @ \$1.6400; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6500; 1 CAR 40# BLOCKS @ \$1.6450 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.2375; LAST OFFER UNCOVERED: NONE BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.5500</p>	
<p>WEDNESDAY, JULY 11, 2012 CHEESE -- SALES: 1 CAR BARRELS @ \$1.6400; 4 CARS 40# BLOCKS: 2 @ \$1.6400, 2 @ \$1.6450; LAST BID UNFILLED: 2 CARS 40# BLOCKS @ \$1.6400; LAST OFFER UNCOVERED: NONE NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.2425; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.2550 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5400; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5500</p>	
<p>THURSDAY, JULY 12, 2012 CHEESE -- SALES: 3 CARS 40# BLOCKS: 1 @ \$1.6550, 1 @ \$1.6600, 1 @ \$1.6650; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6600; 1 CAR 40# BLOCKS @ \$1.6625; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.6700 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$1.2550, 1 @ \$1.2600; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.2650 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5450; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5500</p>	
<p>FRIDAY, JULY 13, 2012 CHEESE -- SALES: 5 CARS 40# BLOCKS: 2 @ \$1.6700, 1 @ \$1.6725, 1 @ \$1.6750, 1 @ \$1.6800; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6800; 1 CAR 40# BLOCKS @ \$1.6650; LAST OFFER UNCOVERED: NONE NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.2650; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.2700 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.5500; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5500; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5550</p>	

BUTTER MARKETS

NORTHEAST

The CME Group butter price was unchanged Tuesday and closed at \$1.5400. CME Butter prices have not seen a price decline in the last 11 trading sessions and have increased \$0.0200 over the same period. Butter production, which usually declines this time of year, has seen some increases as a labor strike at a New York cheese plant has increased available milk and cream supplies. Some cream loads needed to find homes within a short time frame and made their way churns. Demand for butter is improving with good private label orders. The likelihood of lower milk production and butterfat levels due to the recent high heat and humidity experienced over much of the country has prompted some brokers to consider increasing their butter inventories. The National Dairy Retail Report listed the price range for 1 lb. packages of butter from \$2.50-\$3.49 in the Northeast. The weighted average price increased 38 cents, compared to the previous report, to \$2.91. 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 remains firm at \$1.5400 at midweek. The record setting hot temperatures of the past week to 10 days have greatly impacted milk production and components. Butterfat levels on incoming milk are lower, thus cream from overall lower milk volumes is more competitive. The holiday week of last week typically would have generated surplus cream volumes, but these volumes did not develop as strongly as projected. Some cream based operations reduced production schedules at midweek, but as butterfat levels eased, surplus volumes were not as plentiful. This week, Class II operations resumed regular production schedules and are absorbing significant volumes of available cream. Some cream buyers are indicating that it is very challenging for them to procure needed volumes for full needs and are often coming up short. Churning activities are lighter this week due to cream availability. Butter producers are projecting that as dry/hot conditions continue, cream volumes will only become tighter. Up to this point, many butter producers were able to maintain churning schedules that basically met current needs, but as churning declines, inventoried stocks will become more necessary to fulfill demand. Butter demand has increased from last week's holiday week as buyers assess holiday carryover volumes and return to the marketplace. Retail ads indicate that print butter prices are ranging \$1.5900 - \$2.5000 in the Midwestern part of the country. Some of this ad activity is occurring along with seasonal sweet corn availability. Food service orders are steady

this week with pre-holiday orders. Bulk butter prices range from flat to 3 cents over various pricing bases and averages per pound.

WEST

Cream was handled very easily over the holiday week period by churns. In fact, some were expecting a bit more so that they could add to butter stocks. This week, demand from other cream users picked up again, even higher than before the holiday. The season and weather conditions are given as reasons for the increased demand. The heat is beginning to hit the West for the first time this summer. Load weights are declining and fat and protein tests are also lower. Contacts were indicating previously that they thought butter prices were probably being overstated. Most statements this week indicate that not many people believe butter prices don't stand much chance of moving lower this summer with the current conditions. Cream offerings are lighter and multiples are firming. Butter prices at the CME Group have kept increasing slowly over the last week to stand at \$1.54 at midweek. 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 May total 15.9 million pounds, up 1% from last year. Cumulative exports are 57.1 million pounds through May, down 25% from the same period in 2011. Exports account for 6.6% of butter production so far this year. According to the DMN *National Dairy Retail Report*, ads for conventional butter increased 40% from two weeks ago. The U.S. weighted average price increased 4 cents to \$2.52. In the West, prices ranged from \$1.67-2.99 for 1# prints. The weighted average in the Southwest was \$2.92 and in the Northwest was \$2.03. These prices compare to \$2.97 and \$2.54 two weeks ago.

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

	(Million Lb.)	% Change From 1 Year Ago
Monthly (May)	15.9	+ 1
Cumulative (Jan.- May)		
World	57.1	- 25
Saudi Arabia	19.8	+ 41
Iran	7.2	+ 215
Egypt	6.7	+ 7
Morocco	6.1	+ 7
Japan	2.1	- 50

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

<u>WEEK ENDING</u>	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
July 7, 2012	1.5050 2,832,595	1.6423 10,039,091	1.6793 9,107,534	0.4933 6,488,914	1.1597 11,368,920

CHEESE MARKETS

NORTHEAST

CME Group cheese prices were mixed Tuesday with barrels declining \$0.0100 to close at \$1.6500, while blocks were unchanged and closed \$1.6400. Barrels have declined \$0.0250 in the last 2 trading sessions, while blocks have held steady for the last 5 sessions. Cheese production in the Northeast has been disrupted by a labor strike at a major New York cheese plant. Other cheese plants will be expanding operations in order to handle the increased milk volumes redirected their way. The full net effect on cheese production has yet to be determined. Cheese makers are reporting lower milk components as a result of the recent spells of heat and humidity. The National Dairy Retail Report quoted the price range for 8 ounce packages of cheese in the Northeast from \$1.50-\$2.99. The weighted average price declined 31 cents, compared to the previous report, to \$2.25. Export interest continues to be fairly good. Cooperatives Working Together (CWT) announced July 2 the acceptance of requests for export assistance to sell a total of 2.191 million pounds (984 metric tons) of Cheddar and Monterey Jack cheese to customers in Asia-Pacific, North Africa, Central America and the Middle East. The product will be delivered July through October 2012. During 2012, CWT has assisted member cooperatives in making export sales of Cheddar, Monterey Jack and Gouda cheese totaling 66.3 million pounds.

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

Cheddar 40# Block	: 2.0400-2.3250
Process 5# Sliced	: 1.8925-2.0125
Muenster	: 2.0600-2.4200
Grade A Swiss Cuts 10 - 14#	: 3.2000-3.5225

MIDWEST

Stress is working through the system, beginning with the stress of hot and dry weather affecting crops and cows, which reduces milk volume and components, which stresses cheese manufacturing, which stresses people involved in the industry. Midwest consumers may also be stressed by increases in advertised cheese prices. Weighted average advertised retail prices for 3 out of 4 cheeses advertised in the Midwest and reported in the National Dairy Retail Report, increased this survey period. The weighted average advertised price and percent price change from two weeks ago in the Midwest includes 1 pound block, \$4.49, up 44.4%; 8 ounce block, \$2.36, up 28.3%; 1 pound shredded, \$4.49, up 50.2%; and 8 ounce shredded, \$2.03, down -0.5%. Midwest cheese advertising volume overall is down -45.6%, a far more significant decrease than national cheese ads which declined -2.3%. Both Midwest cheese and national cheese ad numbers have declined for two consecutive survey periods. Commenting on the decline in retail cheese advertising volume, a manufacturer noted that some retailers may be nervous that the trend of increasing CME cheese prices over recent weeks is not sustainable. This could leave retailers cautious about committing to "special" prices and building store inventory, with the lead time involved between committing to an ad cycle and when the ads appear. "White water" is how a manufacturer described milk delivered to regional cheese plants in recent days. The toll of regional heat and dryness results in cows eating less dry matter and drinking more water, which reduces solids in milk. This leads to more manufacturers fortifying milk used for cheese

manufacturing. Cheese manufacturers with other product options are dedicating more if not all milk received to cheese at the expense of other dairy products, to generate the required volume of cheese production. Some manufacturers are now scrambling to fill cheese orders booked during recent months when the concern was more focused on making cheese sales to assure an outlet for milk. A few manufacturers would now prefer somewhat lower contract obligations in terms of the current milk supply and component count. Widespread expectations are that the milk supply will be declining until about October and that expectation is driving the plans of cheese manufacturers. This is expected to reduce the days of operation per week in a number of plants as the weeks progress. Even now, some plants which were running 7 days a week have reduced to 6 days. CME activity Wednesday closed with barrels and blocks 1/2 cent apart. This occurred following blocks remaining unchanged for six trading sessions, then closing up 1/2 cent Wednesday to \$1.6450. Over the last seven trading sessions, 16 sales of blocks occurred. Barrel prices declined each day this week, with one sale Wednesday, but no other sales going back to last week Monday. Asked about the block closing price remaining unchanged for this period until Wednesday, even with the regularity of sales, an observer commented that the challenge of exporting with current price levels, especially from the Midwest, is a factor in keeping blocks selling on CME trading with prices not changing, or changing minimally.

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

Process American 5# Loaf	: 1.8650-2.5700
Brick And/Or Muenster 5#	: 2.0275-2.5875
Cheddar 40# Block	: 2.0275-3.0125
Monterey Jack 10#	: 1.9975-3.0125
Blue 5#	: 2.2925-3.2775
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 1.8725-3.1125
Grade A Swiss Cuts 6 - 9#	: 2.6100-2.9275

WEST

Western cheese prices were mixed this week after trading last week at the CME Group. Process cheese prices were fractionally higher, but natural prices were fractionally lower. Swiss prices moved sharply lower following the release of the recent Class Prices. Most contacts were not surprised to see a bit of weakness in the market as most thought that the market has been somewhat overvalued. However, they are wondering how much of an impact sharply higher grain prices over the last two weeks (record high soybean prices this week) will have on the dairy markets and when. The heat is finally taking more of a toll on Western milk production. Daytime temperatures are much higher and nights are not cooling off as much. Tests are also dropping much more rapidly. Domestic retail demand is being rated as good, but export interest is noted to be slowing. Block cheese prices at the CME Group increased 1/2 cent this week to stand at \$1.6450 at midweek. This is the first increase note for blocks in 10 trading sessions.

According to the Foreign Agricultural Service, exports of cheese and curd for May total 61.6 million pounds, up 43% from last year. Cumulative exports for the first five months of the year total 258.4 million pounds, up 18% from the same period last year. Exports

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CHEESE MARKETS

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account for 5.7% of total cheese production for the period noted. According to the DMN *National Dairy Retail Report*, ads for 8 oz shredded cheese increased 6% from two weeks ago to stand at 11,027. The U.S. weighted average price declined 29 cents to \$2.18. Prices in the West range from \$1.50-4.59 for 8 oz shreds. The weighted average price in the Southwest is \$2.12 and in the Northwest is \$2.02. These prices compare to \$2.60 and \$2.68 two weeks ago.

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

Process 5# Loaf	: 1.7975-2.0550
Cheddar 40# Block	: 1.7650-2.1175
Cheddar 10# Cuts	: 1.9450-2.1650
Monterey Jack 10#	: 1.9550-2.1150
Grade A Swiss Cuts 6 - 9#	: 2.7775-3.2075

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

	2012 Exports (Million Lb.)	% Change From 1 Year Ago
May	61.6	+ 43
Cumulative World	Jan. - May 258.4	1 Year Ago + 18
Mexico	59.6	+ 27
South Korea	40.1	+ 1
Japan	26.0	+ 32
Saudi Arabia	15.4	+ 43
Canada	11.7	+ 27

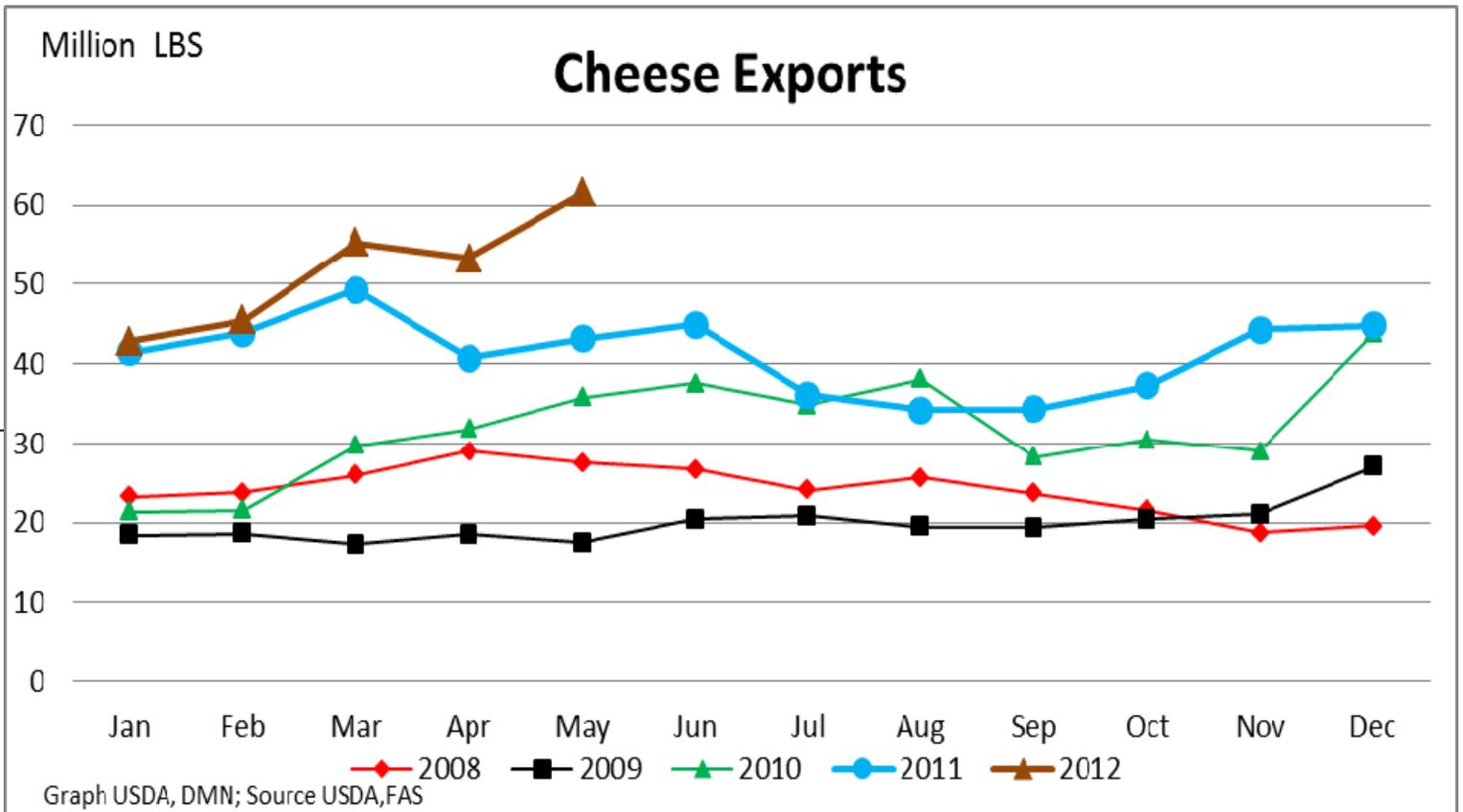
FOREIGN

The CME Group weekly average block price declined and resulted in a 1 cent decrease in domestic wholesale cheese prices. Domestic wholesale Swiss cuts saw a \$0.0550 decline as a result of the Class III price release Thursday. Imported cheese varieties were unchanged. The U.S. dollar remains strong compared to the Euro. Some brokers are reporting as much as an 8% increase in purchasing power due to the strength in the dollar. Brokers are also sensing a need for foreign cheese makers to make export sales due to European economic woes, flat domestic sales and increased cheese inventories.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.1800-3.6675*
Gorgonzola	: 3.6900-6.3900	: 2.6825-2.9425*
Parmesan (Italy)	: -0-	: 3.3025-3.8575*
Provolone (Italy)	: 3.4400-6.1800	: 2.2225-2.3800*
Romano (Cows Milk)	: -0-	: 3.3700-5.5200*
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-	: 3.2925-3.6150*
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

*= Price change.



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 * Revised	0	120	0	*120	0	140
SOUTHEAST STATES	0	0	0	0	0	0

A labor strike at a major cheese plant in New York has caused many loads of milk to be rerouted and numerous logistics problems in the Northeast region. Some balancing plants have more milk than they can handle and are experiencing extended unloading delays. The rerouting and unloading delays have severely limited transportation/hauling availability. Milk production declines continued to accelerate in the Northeast and Mid-Atlantic regions as a result of the recent hot humid weather. Bottling plants in the Mid-Atlantic region have added on loads, due to decreases in load weights. Milk production in Florida is said to be "dropping like a rock", due to high temperatures and heat indices lowering cow comfort levels. Producers are continuing to dry off cows and culling their herds as milk production declines. Pastures have improved greatly since the recent tropical storm with 82% of pastures rated as good or excellent. Class I demand is good for this time of year. Milk production in the Southeast region has also declined significantly due to the recent extended bouts of hot and humid weather. Class I plants are adding on loads, because of lighter load weights. Production is nearly balanced with demand with only a few loads going to manufacturing. Some producers are culling deeper into their herds due to limited feed supplies. The labor strike at a New York cheese plant has significantly increased cream supplies. Though cream demand is very good, the sudden onset of numerous loads resulted in wide ranging cream multiples as some loads needed to find a quick home. Multiples this week ranged from 120-150. Bottling manufacturers needing specific narrow requirements accounted for the high end of the range, while loads needing to be moved immediately accounted for the low end of the range. Demand for cream is very good coming from ice cream and cream cheese makers. Condensed skim milk supplies were heavy in those areas affected by the labor strike with increased volumes going to Class IV production as plants tried to clear increased volumes as quickly as possible. Spot sales activity has increased with additional loads going to ice cream and cheese manufacturers. It should also be noted that condensed skim supplies going to Greek yogurt production remain strong. The release Thursday of the Class III price resulted in a marginal increase in the Class III nonfat solids price, raising the spot price for condensed skim spot sales.

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 -	1.8714-2.1605
F.O.B. producing plants: Upper Midwest -	2.0486-2.2168

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.10 - 1.19
Northeast - Class III - spot prices -	1.30 - 1.39

MIDWEST

The impact of recent hot weather registered this week as milk haulers and milk receiving plant operators report farm milk declines

ranging up to 20% compared to the previous week. Milk processors regard this as evidence of the toll taken on cow comfort and milk production in the Central region during the latest bout of high daytime temperatures. In addition, culling activities are expected to increase in the near term as dairy producers evaluate milking cows approaching the end of their annual milk production cycles. Current on-farm feed availability and increasing purchased feed costs will likely impact those culling decisions, especially as the conditions of corn, soybeans and alfalfa fields deteriorate in several areas of the Central region due to moisture deficits. Cropping operations report corn for grain conditions in several areas have deteriorated due to lack of moisture. In some areas, suitability of corn for silage use may also be in question. Third crop alfalfa cuttings are in progress, with yields estimated to be below historical values. Availability of spot loads of milk decreased this week as operations reevaluate use of available farm milk. Some cheese plant operators report that although their milk intake volumes from regular sources have declined, they have not sought spot milk loads because premiums to Class price are above profitability targets for commodity cheese operations. Interest for spot milk from bottlers and Class II operations increased strongly this week, but various milk marketers indicate milk supplies are well matched with contract needs, thus, some spot demand may not be filled. Cream availability is steady to lighter, but interest notched higher from Class II. Various Class II plant operators indicate steady cream availability from other regions is helping fill current needs. Butterfat content in farm milk is decreasing seasonally. Cream multiples are increasing, with steady to higher interest from Class II operations.

WEST

CALIFORNIA milk production is being impacted by hot weather conditions over the southern part of the state and into the Central Valley. Temperatures over 110 degrees are stifling the milk flow and processing plants are seeing lower milk receipts. Milk components are trending lower, but the total extent is not yet known. Cow comfort is harder to control at these temperatures. Several contacts are noting that milk levels are still above year ago levels. Class 1 needs are steady to occasionally higher following the holiday week. The August 2012 Class 1 prices in CALIFORNIA range from \$18.01 in the north to \$18.28 in the south. The statewide average Class 1 price based on production is \$18.03. The average is \$0.41 higher than July 2012 but \$5.23 less than August 2011. Hot temperatures and increased humidity levels have created "monsoon conditions" and excessive heat warnings across much of ARIZONA. Nighttime temperatures are only cooling to the upper 80's, creating more stressful conditions for cows. Milk production rates are declining because of the current conditions. Processing plants are adjusting schedules around milk intakes and some planned maintenance issues. Fluid milk needs are sporadic with some stores featuring milk. NEW MEXICO milk output is trending lower on a week-to-week basis. The impact of hot weather conditions in recent weeks has affected milk output. This week, temperatures were cooler and conditions were wetter. Additional volumes of milk were being shipped out of the region to supplement shortages elsewhere. CREAM markets are firmer as demand has improved across all classes. The impact of hotter weather is also lowering the fat content of incoming milk. On the demand side, buyers are looking for cream to offset local shortages. The hot weather is also

CONTINUED ON PAGE 4A

FLUID MILK AND CREAM

CONTINUED FROM PAGE 4

spurring on demand for ice cream and plants are working on additional schedules. Ice cream promotions have also increased in July. The Grade AA butter price at the CME Group closed at \$1.5400 on Wednesday, July 10, up 1.25 cents from midweek, last week. Cream multiples are higher and range from 118 to 139 and vary depending on basing points and averages. Warmer weather has finally begun to hit the PACIFIC NORTHWEST. The past week is really the first heat of the summer noted within the region. Coastal areas are warmer, but stress is minimal. Milk production is off the peak, but not by that much. Pasture conditions are good for those areas that rely heavily on grazing for summer forage. Plants are running well in the region. Further inland, the stress is more noticeable. Temperatures into triple digits are occurring more frequently and not cooling off as well at night. Both milk and components are coming off harder. Milk producers are concerned about feed prices going forward with the announcement on Wednesday that grain yield estimates for corn are being reduced 12% and soybean yields are reduced 7.7%. Earlier this week, soybean prices set an all-time record high price during daily trading. They have since backed off somewhat. Conditions are also heating up in UTAH and IDAHO. This is also the first noticeable heat wave in that milk production region. Temperatures are also hitting the triple digits in the major milk producing regions. Water for crop irrigation should be sufficient for full season growth with some good carry over from last year. Pasture and range conditions are very dry. Milk output is coming off at a faster pace from the seasonal peak. Much talk in the region is noted about the opening of a major new yogurt plant in the region and what impact that might have on milk and cream prices.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Central low heat nonfat dry milk prices are unchanged to lower. High heat NDM prices moved lower and higher. Various low and high heat contract prices tied to variable indices adjusted lower for the week, while spot market prices notched higher. Manufacturers and resellers indicate interest is reemerging and the market tone is firming. Effects from the recent heat wave in the Central region showed up this week in lower farm milk intakes at many plants in the region. Several plant managers reported that declines in farm milk intakes began showing up early this week, with decreases ranging up to 20% on a daily intake basis, compared to same day, previous week. Because of the decline in farm milk intakes, milk volumes processing through to dryers fell this week. Dryers in the region are running below capacity, with some operations pushing drying activity toward the weekend when other milk is likely to be available. One or two manufacturers plan to run high heat NDM in the near term as buyer interest increases seasonally. Dryer time slots for toll drying are being filled less actively. Central F.O.B. inventories of high heat NDM are light. Manufacturers' low heat nonfat dry milk inventories are steady, although the sudden drop in farm milk intakes may have manufacturers digging into inventories more quickly than projected at the beginning of the month.

EAST: Nonfat dry milk prices were mixed this week as prices based on indices moved lower, but spot sales held steady for low heat and moved significantly higher for high heat. A labor strike at a major New York cheese plant has resulted in more milk going into balancing plants and increasing condensed skim volumes going to dryers. The sudden onset of additional milk volumes, at some locations, forced plant managers to focus on low heat nonfat dry milk production to more readily clear supplies. Other plants, not affected by the strike, have limited drying schedules, because of the declines in milk production and are focused on high heat production. To what extent the labor strike and increased drying schedules are augmenting current inventories cannot be fully ascertained at this time. Available supplies of nonfat dry milk are limited and held in firm hands with few loads being offered on the spot market. Some NDM buyers purchased additional loads from outside the region, due to the limited available supply situation in the East. Demand is improving as buyers and end users are adding to their inventories in response to the declines in milk production, brought about by the recent spell of hot humid weather covering much of the country. The market undertone remains firm.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.1675 - 1.3000 MOSTLY: 1.1850 - 1.2400
 HIGH HEAT: 1.2175 - 1.4300

NONFAT DRY MILK - WEST

Pricing levels for low/medium heat nonfat dry milk in the West are mixed this week. The pricing on the range was lower on the ends. The lower end is reflecting prior declines in index based transactions and the top is reflecting a decline in the top prices able to be secured in the spot market. The top end of the mostly range moved higher and represents where more spot sales are occurring. The market tone remains unsettled. This week, both state and national index prices moved higher (15.2 and 6.9 cents, respectively), but the volumes were sharply lower for shipments over the holiday week. The general expectation is that the indexes could move lower and reestablish along their trend lines. NDM demand has been light to fair in recent weeks. Contracted volumes are moving along schedules. Domestic interest is expected to build for condensed skim and NDM from areas where milk volumes and milk solids levels are declining. Producers are working on future sales. Drying schedules are trending lower in the region. Stocks are generally in good shape to service spot and contract needs.

Western high heat NDM prices are mostly steady to slightly lower. Demand is seasonally light to fair and pulling expected volumes. There are adequate holdings to fill orders. Production runs are light, yet available as milk intakes slow.

FAS export data for NDM/SMP show January-May 2012 exports at 446.6 million pounds, up 12% from the same period in 2011. May 2012 exports total 100.1 million pounds, up 31% from a year ago.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.0575 - 1.2800 MOSTLY: 1.1400 - 1.2500
 HIGH HEAT: 1.1575 - 1.3300

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices are steady for the week. Cream availability tightened compared to last week, with milk processors pointing to notable decreases in farm milk intakes from the recent heat wave as the likely cause. Contract sales of cream bumped higher seasonally into Class II as some manufacturers ramp up production of ice cream and other frozen dessert items. Churn activity is slower because of the tighter cream supply. A few plant operators indicate cream volumes are currently just able to cover contract obligations, leaving no opportunities to churn or dry buttermilk. Dry buttermilk stocks are reportedly adequate to cover near term contract needs.

EAST: Dry buttermilk prices held steady this week in very light trading. A strike at a cheese plant in New York ultimately led to increases in butter and dry buttermilk production. Manufacturers, brokers and end users are currently reassessing the impact of various factors influencing the dry buttermilk market, including, but not exclusively to declining milk production, declining butterfat levels and the firming nonfat dry milk market. Current supplies are being held in increasingly firmer hands as milk production and butterfat levels decline. Demand is improving as numerous buyers consider purchasing dry buttermilk in lieu of higher priced nonfat dry milk. The market undertone remains firm. Current production is moving through contracts with little being added to inventories.

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

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

	2012 Exports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN - MAY	446.6	+ 12
1 Mexico	187.1	+ 47
2 Philippines	43.5	- 12
3 Indonesia	38.6	- 26
4 Vietnam	32.3	- 39
5 Egypt	20.0	+ 117
May Total	100.1	+ 31

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 for the range are steady to slightly lower. The mostly price series moved 2 cents higher on both ends. The overall market tone is firming. Demand is light and along expected patterns for mid-summer. Some interest is noted from buyers seeking alternatives for higher priced nonfat dry milk. Ice cream producers are pulling additional buttermilk solids. Production runs are trending lower for dry buttermilk, reflecting less cream moving to churns and subsequently less buttermilk solids to process. Stocks are light to moderate.

F.O.B. WEST: 1.0300 - 1.1700 MOSTLY: 1.0900 - 1.1300

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are unchanged for the week. Market participants indicate domestic spot loads of dry whole milk are scarce, but some Oceania dry whole milk loads are available. Production is variable and dependent on various conditions, including farm milk supplies, contract fulfillment needs, and spot market interest.

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

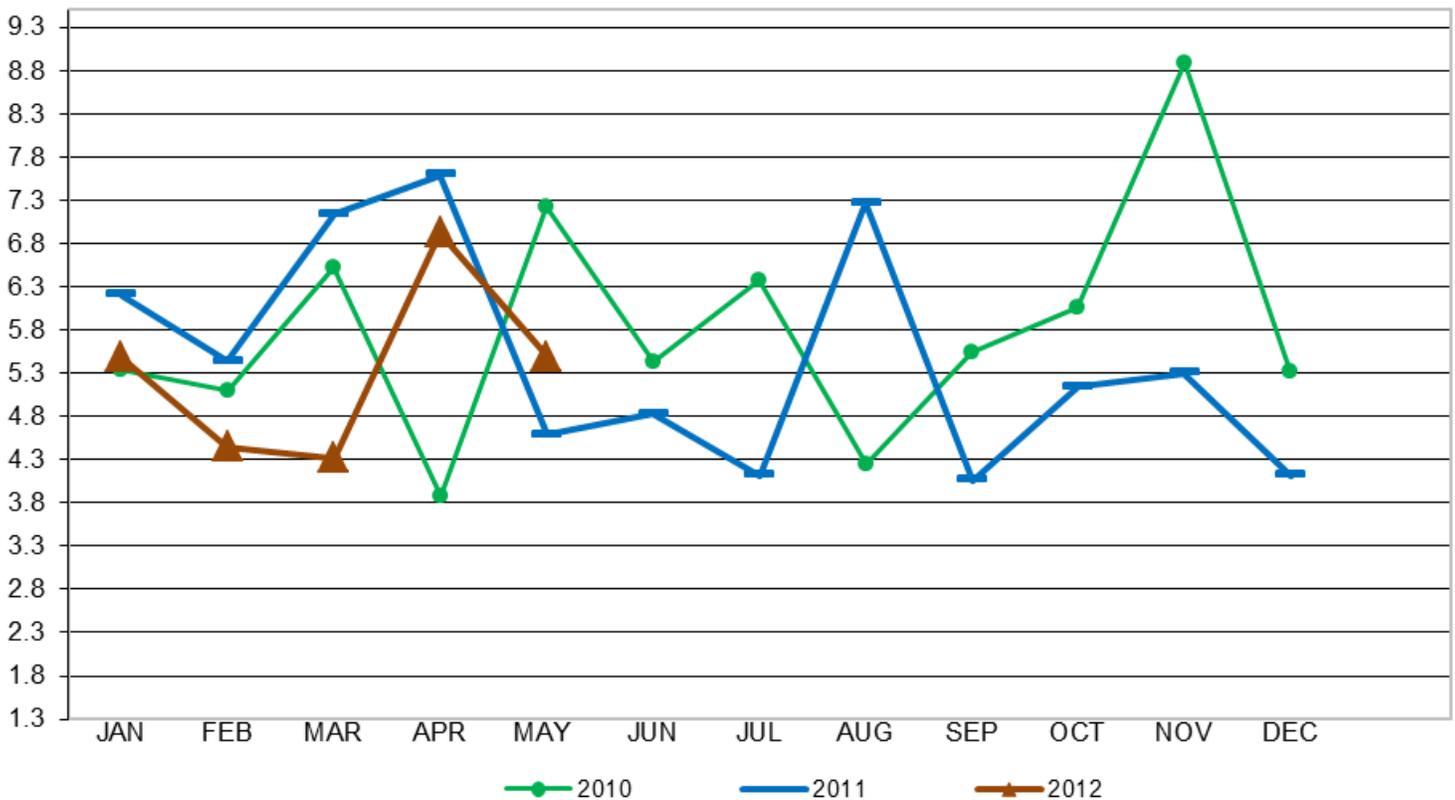
CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
July 6	\$1.1801	5,176,557	0
June 29	\$1.0282	40,078,216	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



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

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Dry whey prices in the Central region are higher and lower. The market undertone is firming. Some contract pricing decreases were noted, as contract price indices declined. Conversely, discounts to the market from F.O.B. sellers on spot loads this week were less and dry whey prices struck for late July – early August delivery incorporate gains compared to last week's prices as producers and buyers factor in current milk availability and cheese production. Recent decreases in farm milk production prompted reduced cheese production at several Central region plants. Spot prices of milk are on the rise, due to the seasonal decline in overall farm milk production, placing those spot loads outside the affordable zone for many commodity-type cheese makers. Specialty cheese makers continue to shop the spot milk market as needed. Dry whey production is steady to lower throughout most of the region, especially at those cheese operations dependent on dwindling patron milk supplies. In some situations, orders for cheese loads were canceled by sellers as cheese manufacturers do not expect much of a rebound in farm milk intakes through the balance of the summer. Other operations continue to manufacture cheese and dry whey with steady milk supplies from milk marketing providers. Central dry whey inventories are steady to lower as many plants are shipping contract loads steadily, but refilling inventories at a slower pace. ANIMAL FEED DRY WHEY prices are unchanged to fractionally lower for the week. Buyers are finding ample animal feed dry whey for immediate production needs, but are hesitant to build holdings. Various animal feed blenders indicate interest from dairy replacement and dairy beef operations is steady. Some veal operations are ordering pre-starter mixes, indicating some barn repopulation is taking place.

F.O.B. CENTRAL: .4000 - .5375 MOSTLY: .4550 - .5250
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3550 - .4775

DRY WHEY - NORTHEAST

Prices narrowed this week for dry whey with the upper end of the range declining as prices based on indices declined, but the lack of spot sales activity resulted in an increase on the low end of the range. Dry whey production has declined in the region as a labor strike at a major cheese plant in New York limited production. The full effects of the work stoppage on the dry whey market are undetermined at this time. The lack of spot sales activity is a result of numerous buyers attending a conference in New York, but may also be partially attributed to the strike. Demand for whey is very good as ice cream production is very active and also due to increased purchases by baking manufacturers. Resale activity this week saw purchase prices above the high end of the range. The decline in milk production in combination with the strike, relatively flat cheese production and good demand gives the dry whey market a firm undertone.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5150 - .5350

DRY WHEY - WEST

Prices are steady to firm for Western whey powder this week. Domestic sales are leading prices higher. Exports continue to occur within the range. Offerings of whey powder are on the decline seasonally following milk production lower. Stocks are generally in balance and held with confidence. Buyers are becoming more

aggressive in looking for whey as the year progresses. Most are aware that the long run trend of less whey production every year is certainly continuing. Buyers would just as soon have something in the warehouse as not going forward.

NONHYGROSCOPIC: .4650 - .5300 MOSTLY: .4750 - .5200

U.S. Dry Whey Exports, H.S. Code 0404104000(FAS)		
	2012 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	48.3	+ 10
TOTAL, JAN - MAY	216.0	- 3
1 China	48.2	+ 15
2 Mexico	32.9	+ 23
3 Canada	19.0	N.C.
4 Japan	16.8	- 10
5 Indonesia	15.1	- 26

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

In the Central and West regions, whey protein concentrate 34% F.O.B. prices are mostly lower. Various market participants indicate buyer interest is increasing, though, indicating WPC 34% prices are nearing a comfortable level for near term purchasing. While varying in quantity from manufacturer to manufacturer, some F.O.B. based spot offer prices have regained some strength and discounts to the market are decreasing. Pricing continues to relate strongly to brand and packaging. Contract based sales are shipping on schedule, with contract pricing intact. WPC 34% inventories are mostly steady, although declining farm milk production is expected to put pressure on inventories seasonally. Some plant operators with patron-based milk supply systems indicate weekly cheese making is dropping steadily in volume as farm milk supplies decline.

F.O.B. EXTRA GRADE 34% PROTEIN: .9000 - 1.3200 MOSTLY: 1.0900 - 1.2150

U.S. WPC ≤ 80% Exports, H.S. Code 0404100500(FAS)		
	2012 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	22.8	+ 17
TOTAL, JAN - MAY	88.9	- 5
1 China	29.9	- 12
2 Canada	11.6	- 21
3 Mexico	8.0	- 49
4 Japan	7.2	- 6
5 South Korea	4.5	+ 258

LACTOSE - CENTRAL AND WEST

Prices for lactose are unchanged to lower as Q3 pricing takes effect. Pushback from overseas buyers, who may have received competitive offers from European lactose manufacturers, led fixed price contracts lower. Manufacturers who also use basis plus contracts indicate the premiums for Q3 decreased compared to Q2. Various manufacturers indicate their willingness to consider the pricing requests of long standing customers strengthened those business relationships during this market transition. Demand is steady to

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

slightly higher. Some manufacturers report a few off shore buyers returned after the start of the quarter to establish agreements on additional volumes at reduced pricing, but light uncommitted Q3 volumes at that time supported offers of basis plus pricing. Lactose production is variable. Central region cheese/lactose plants with patron-based milk supply models note farm milk intakes decreased this week from week ago volumes, with some decreases ranging to 20%. Other plants in the Central and West regions indicate their marketer-based milk supplies are unchanged, as are cheese/lactose production. Lactose inventories are mostly unchanged for the week.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL.7500 - 1.0000 MOSTLY: .7900- 8900

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

	2012 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	27.4	- 23
TOTAL, JAN - MAY	149.9	- 19
1 China	34.0	+ 4
2 New Zealand	24.1	- 22
3 Mexico	20.8	- 3
4 Japan	10.8	- 30
5 Brazil	7.3	- 27

CASEIN - NATIONAL

Casein markets and prices are generally holding steady as the third quarter of the year begins. Prices did ease some last week as new quarterly contracts were enacted. Domestic buyers were speculating that prices would ease further than they did. Suppliers are stating that prices did ease, but also indicate that the reintroduction of casein into the market place from a sourcing country absent from the market for over a year did not weaken the market as much as projected. Some domestic buyers are questioning supply availability from potential suppliers, especially European suppliers. Concerns of declining milk production at a faster pace than previously reported are spurring the concern. Oceania inventoried supplies are basically in balance with commitments as this is the low point of their production season.

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: 3.7500 - 4.4000
ACID: 4.1500 - 4.7000

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
06/23/2012	52.5	1,470.6	50.1	1,419.8

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

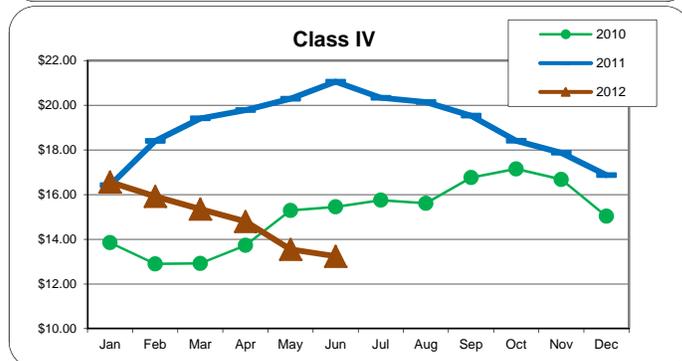
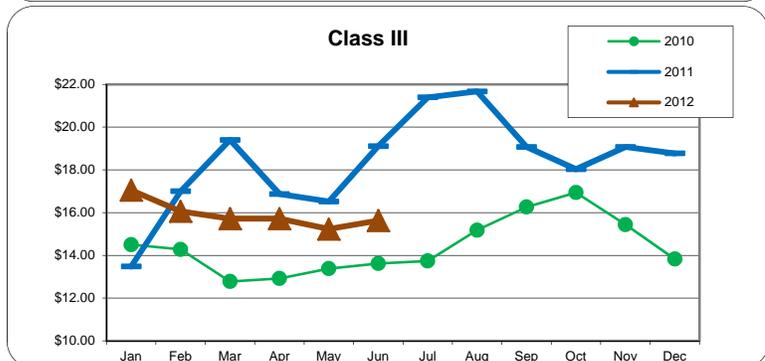
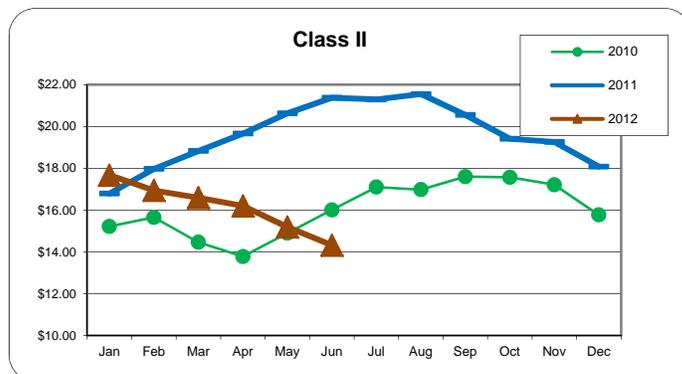
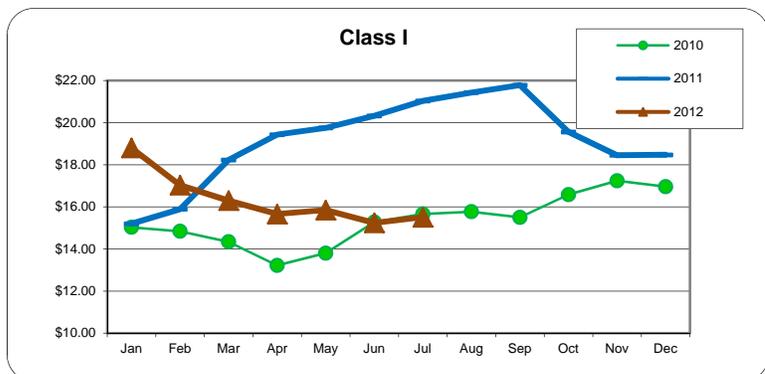
CLASS IV MILK PRICES (3.5% BF)

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	14.32						
III	17.05	16.06	15.72	15.72	15.23	15.63						
IV	16.56	15.92	15.35	14.80	13.55	13.24						

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 July 2 - 13, 2012

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

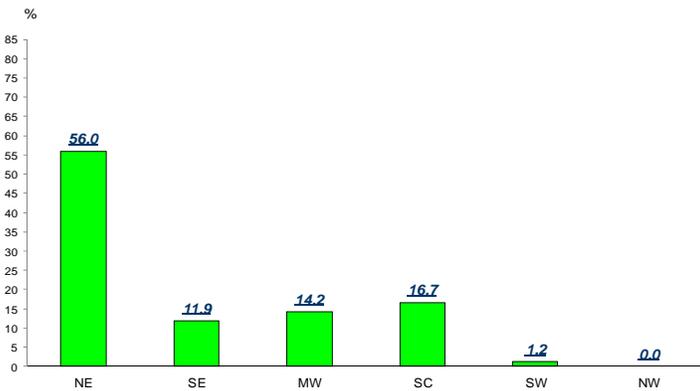
Organic Dairy Overview. Organic dairy advertising volume has declined by about 1/3 from two weeks ago, which was the second highest level of the year. This represents the second consecutive two week cycle of declining ad volume.

Organic milk ads comprise 77% of all organic dairy ads, followed by organic yogurt with 17%. Remaining ad categories are organic ice cream, 3%; organic sour cream, 2%; and organic cream cheese, 1%.

Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period June 30, 2012, to July 13, 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 leads all regions in organic dairy advertising for the third consecutive two week period. Regional percentages include the Northeast, 56.0%; the South Central, 16.7%; the Midwest, 14.2%, Southeast, 11.9%, and Southwest, 1.2%. No organic dairy ads appeared in the Northwest.

ORGANIC YOGURT FEATURES
Regional % of Surveyed Newspaper Ads
Report Week 28, 2012



Organic Milk. Organic milk ads comprise over three of every four organic dairy ads. The highest percentage of organic milk ads appear in the Northeast, 58.0%. Other regions include the Southeast, 15.5%; South Central, 13.7%; Midwest, 11.2%; and Southwest, 1.6%. No organic milk ads appeared in the Northwest.

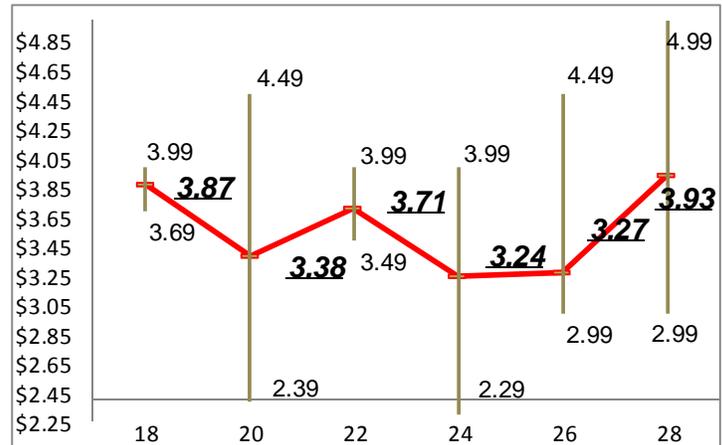
ORGANIC MILK FEATURES
Regional % of Surveyed Supermarket Ads
Week 28, 2012



Organic Milk Half Gallons. Advertising volume for organic half gallons declined almost 25% from two weeks ago.

The national weighted average advertised price of organic milk half gallons, \$3.93, is 66 cents higher than two weeks ago. The price range is \$4.99 to \$2.99, 50 cents higher at the top and unchanged at the bottom. The highest price for this period, \$4.99, is the highest noted since fall 2009 when this data series began. Nevertheless, because the high price was noted in a minority of retail outlets, all in the South Central region, the national weighted average advertised price remains comfortably within norms.

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	56.8	4.15
SE	02.6	2.99
MW	16.0	3.25
SC	22.1	4.09
SW	02.6	2.99
NW	00.0	----
US		3.93

The AMS Dairy Market News Survey which generated the current national organic half gallon milk weighted average advertised price of \$3.93, also determined the weighted average advertised price for non-organic half gallons as \$1.97, an organic-conventional half-gallon milk advertised price spread of \$1.96. This is above the average price spread for 2012, \$1.32. During 2012 the spread has ranged from \$0.78 to \$2.46.

Organic Milk Gallons. Ads for organic gallons appeared for the third consecutive reporting period, the first time this has occurred during 2012. Ads listed a high price of \$5.95 and a low of \$4.98, a 97 cent price spread, the largest price spread since March, 2011. The weighted average advertised price is \$5.10.

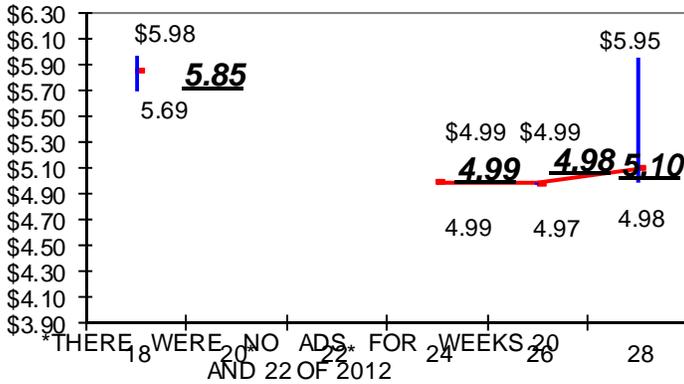
CONTINUED ON PAGE 8-A

ORGANIC DAIRY MARKET NEWS

Information gathered July 2 - 13, 2012

CONTINUED FROM PAGE 8

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	87.8	4.98
MW	12.2	5.95
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		5.10

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

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	83.5	1.00
SE	16.5	1.00
MW	00.0	----
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		1.00

Organic Yogurt. Organic yogurt ad numbers declined by 66.0% from two weeks ago. The leading organic yogurt category is 4-6 ounce organic yogurt, with about four and one half times as many ads as 4-6 ounce Greek yogurt.

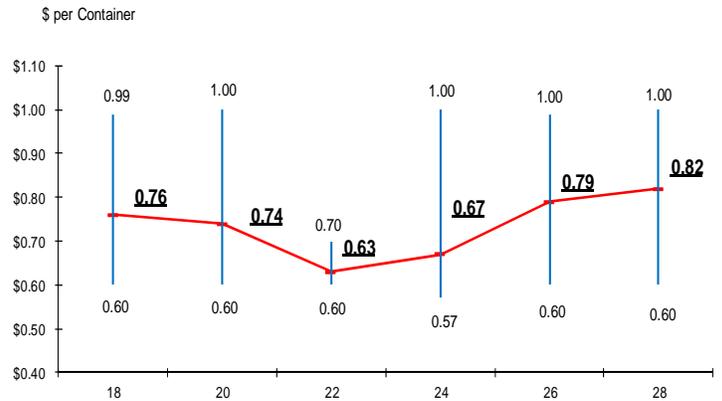
The Northeast led all regions in organic yogurt advertising, with 49.3% of all organic yogurt ads this period. During four of the last five reporting periods the Northeast has led in organic yogurt advertising. The remaining regions include the Midwest, 35.2%, and South Central region, 18.2%. No organic yogurt ads appeared in the Southwest, Northwest, or Southeast.

ORGANIC YOGURT FEATURES Regional % of Surveyed Newspaper Ads Report Week 28, 2012



4-6 Ounce Organic Yogurt. Ads for 4-6 ounce organic yogurt yielded a weighted average advertised price of 82 cents, up 3 cents from two weeks ago. The price range is unchanged, spanning 60 cents to \$1.00.

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	60.3	0.70
SE	00.0	----
MW	39.7	1.00
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		0.82

4-6 Ounce Organic Greek Yogurt. All ads for 4-6 ounce organic Greek yogurt ran in the South Central region at a price of \$1.25. This is 6 cents below the weighted average advertised price two weeks ago.

Organic Ice Cream. All ads for organic ice cream ran in the South Central region at a price of \$4.49 for a 48-64 ounce container. This compares with an average advertised retail price of \$5.99 two weeks ago.

Organic Sour Cream. All ads for organic sour cream in 16 ounce containers ran in the Northeast at a price of \$4.49. No organic sour

ORGANIC DAIRY MARKET NEWS

Information gathered July 2 - 13, 2012

CONTINUED FROM PAGE 8-A

cream ads ran two weeks ago.

Organic Cream Cheese. All ads for 8 ounce organic cream cheese appeared in the Northeast, all listing a price of \$3.00 for 8 ounces. This price is unchanged from two weeks ago.

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 28**

	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	3.47*	4.49	1.02*
Nonfat (Skim)	3.47*	4.49	1.02*
Reduced fat (2%)	3.47*	4.49	1.02*
Low fat (1%)	3.47*	4.49	1.02*
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 the range of organic half gallon milk prices shifted up 20 cents this survey period. All other price ranges

remained unchanged.

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales: AMS reports Total Organic Milk Products sales for April 2012, 185 million pounds, were down -1.7% from April 2011. However year-to-date sales for January through April 2012 are 5.7% ahead of the same period last year.

Organic Whole Milk sales for April 2012, 43 million pounds, were up 3.4% compared with April 2011.

Organic Fat-Reduced Milk sales for April 2012, 126 million pounds, were down -3.4% compared with April 2011, but still 4.7% ahead of 2011 comparing January through April sales of each year.

This contrasts with a 2.7% April 2012 decline for Total Fluid Milk Products Adjusted (which includes organic and non-organic) compared with one year ago. This total Fluid Milk products data is adjusted for calendar year composition.

Total Conventional Milk Products, which does not include organic milk, has a -4.6% decline in sales comparing April 2012 with April 2011.

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

Product Name	Sales		Change from: 2/	
	April Mil. Lbs.	Y-T-D	Prev Yr. Percent	Y-T-D
Whole Milk	1,074	4,433	-4.1	-3.1
Flavored Whole Milk	40	162	-9.4	-8.1
Reduced Fat Milk (2%)	1,429	5,924	-4.8	-2.7
Low Fat Milk (1%)	593	2,461	0.8	2.9
Fat-Free Milk (Skim)	601	2,506	-7.3	-4.7
Flavored Fat-Reduced Milk	350	1,454	-3.0	-1.9
Buttermilk	38	157	0.9	0.0
Tot. Conv. Milk Products	4,127	17,111	-4.6	-2.8
Organic Whole Milk	43	178	3.4	8.9
Organic Reduced Fat Milk	49	213	-1.0	10.1
Organic Low Fat Milk	36	155	10.4	16.4
Organic Fat-Free Milk (Skim)	35	148	-8.8	-3.4
Organic Flavored Milk	6	25	-42.8	-37.2
Organic Fat-Reduced Milk 4/	126	544	-3.4	4.7
Tot. Organic Milk Products.	169	722	-1.7	5.7
Tot. Fluid Milk Prod. 5/	4,296	17,834	-4.5	-2.5
Tot Fluid Milk Prod Adj 5/6/	4,340	17,731	-2.7	-3.1

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

CONTINUED ON PAGE 8-C

ORGANIC DAIRY MARKET NEWSInformation gathered July 2 - 13, 2012

CONTINUED FROM PAGE 8-B

Although organic milk continues to dominate retail advertising numbers, this summer there has been more advertising of organic ice cream than the prior two summers since this survey began. A large supermarket chain in the Southeast has introduced a store brand of organic ice cream which has generated “very good” sales, satisfying expectations for introduction of this product.

ORGANIC GRAIN AND FEEDSTUFFS MARKETS:

National organic grain and feedstuffs were mixed with feed grade corn sharply higher and feed grade soybeans averaging lower. While feed grade hard red winter wheat averaged a lower price, old crop wheat was reported between 9.75-10.25/bushel, while new crop wheat was at the higher end of the price range. Offerings of grains this period were light, with supplies of corn and soybeans remaining extremely tight in many areas, and non-existent in others. Interest in contracting new crop corn is weakening due to higher prices and increasing concerns about drought damage and yield loss from farmers, while buyers are also concerned for the interests of end users of organic grain given these high prices. Wheat harvest has begun for some in the Upper Midwest, but at this time there are no reports of yield or quality available. Additional livestock and grain market news information is available at: <http://www.ams.usda.gov/mnreports/lbnof.pdf>

JULY MILK SUPPLY AND DEMAND ESTIMATES

The milk production forecasts for 2012 and 2013 are reduced from last month as higher forecast feed prices are expected to pressure producer returns and encourage a more rapid decline in the cow herd. Milk per cow is also reduced due to higher forecast feed prices this year and next. In addition, milk yields in the short term may be affected by recent high temperatures. Imports are raised on a fat basis, reflecting stronger imports of cheese. Exports are raised on stronger sales of cheese, whey, and nonfat dry milk (NDM). Cheese prices are forecast higher for 2012 and into early 2013 as stronger exports support prices. Butter prices are forecast higher in 2012 but weaker domestic demand is expected to offset lower production in 2013 and the price forecast is unchanged. Weaker expected domestic demand will also limit price movements for NDM and whey. The NDM price is reduced slightly from last month, but the forecast for 2013 is unchanged. The whey price forecasts for both 2012 and 2013 are unchanged from last month. The Class III price forecasts for 2012 and 2013 are raised from last month due to the higher forecast cheese price and the Class IV price for 2012 is raised on the higher butter price. The 2012 all milk price is forecast at \$17.05 to \$17.35 per cwt and the all milk price for 2013 is raised to \$17.35 to \$18.35 per cwt.

U.S. MILK SUPPLY AND USE					
Commodity	2011	2012 Projected		2013 Projected	
		June	July	June	July
BILLION POUNDS					
MILK					
PRODUCTION	196.2	202.2	201.6	202.6	201.7
FARM USE	1.0	1.0	1.0	1.0	1.0
FAT BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	10.8	10.9	10.9	11.8	11.7
MARKETINGS	195.3	201.2	200.6	201.6	200.7
IMPORTS	3.5	3.3	3.5	3.3	3.4
TOTAL COMMERCIAL SUPPLY	209.6	215.5	215.0	216.7	215.8
FAT BASIS USE					
COMMERCIAL EXPORTS	9.5	8.9	9.3	9.1	9.2
ENDING COMMERCIAL STOCKS	10.9	11.8	11.7	11.5	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	194.8	194.0	196.1	195.1
SKIM-SOLIDS BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	12.2	11.8	11.8	12.0	12.0
MARKETINGS	195.3	201.2	200.6	201.6	200.7
IMPORTS	5.3	5.0	4.9	4.9	4.7
TOTAL COMMERCIAL SUPPLY	212.7	218.1	217.3	218.5	217.4
SKIM-SOLIDS BASIS USE					
COMMERCIAL EXPORTS	32.7	32.1	32.4	32.8	32.9
ENDING COMMERCIAL STOCKS	11.8	12.0	12.0	12.0	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	174.0	172.9	173.8	172.4
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

JULY MILK SUPPLY AND DEMAND ESTIMATES-cont'd

U.S. DAIRY PRICES					
Commodity	2011	2012 Projected		2013 Projected	
		June	July	June	July
DOLLARS PER POUND					
PRODUCT PRICES <u>1/</u>					
CHEESE	1.8246	1.565-1.605	1.590-1.620	1.600-1.700	1.605-1.705
BUTTER	1.9498	1.430-1.500	1.470-1.530	1.465-1.595	1.465-1.595
NONFAT DRY MILK	1.5058	1.210-1.250	1.210-1.240	1.320-1.390	1.320-1.390
DRY WHEY	0.5325	0.540-0.560	0.540-0.560	0.555-0.585	0.555-0.585
DOLLARS PER CWT					
MILK PRICES <u>2/</u>					
CLASS III	18.37	15.75-16.15	16.00-16.30	16.20-17.20	16.25-17.25
CLASS IV	19.04	14.35-14.85	14.55-14.95	15.40-16.50	15.40-16.50
ALL MILK <u>3/</u>	20.14	16.85-17.25	17.05-17.35	17.25-18.25	17.35-18.35
QUARTERLY					
	2012 II	2012 III <u>4/</u>	2012 IV <u>4/</u>	2013 I <u>4/</u>	2013 II <u>4/</u>
BILLION POUNDS					
MILK PRODUCTION	51.7	49.6	49.3	50.2	51.8
DOLLARS PER CWT.					
ALL MILK PRICE <u>2/</u> <u>3/</u>	16.37	16.70-17.10	17.25-17.95	16.65-17.65	16.55-17.55
CLASS III PRICE <u>2/</u>	15.53	16.35-16.75	15.90-16.60	15.25-16.25	15.55-16.55
CLASS IV PRICE <u>2/</u>	13.86	13.90-14.40	14.60-15.40	14.65-15.75	15.10-16.20

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-508, July 11, 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].

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

For April 2012, the all reporting areas combined average over-order charge on producer milk used in Class I was \$2.06 per cwt., up \$0.02 from the March 2012 average. Eighty-eight percent of the producer milk used in Class I carried an over-order charge. On an individual order basis, Class I over-order charges ranged from \$0.80 in the Pacific Northwest to \$2.99 in the Florida Order. For producer milk used in Class II, the all reporting areas combined average over-order charge was \$1.13 per cwt., down \$0.06 per cwt. from the March 2012 average. Seventy-six percent of the producer milk used in Class II carried an over-order charge.

Federal Milk Order Marketing Area 2/	Order Number	Weighted Average of Over-Order Charges Spread Over Total Class I Milk 1/	Weighted Average of Over-Order Charges Spread Over Total Class II Milk 1/
		\$/cwt	
Appalachian	005	2.74	1.02
Southeast	007	2.83	1.99
Florida	006	2.99	0.44
Mideast	033	1.74	1.39
Upper Midwest	030	1.88	0.90
Central	032	1.98	0.83
Pacific Northwest	124	0.80	0.66
All Reporting Areas Combined 3/		2.06	1.13

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

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

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

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

CORRECTED MARCH FLUID MILK SALES

During March, 4.6 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.9 percent lower than March 2011. After adjusting for calendar composition, sales in March 2012 were 3.6 percent lower than March 2011. Estimated sales of total conventional fluid milk products decreased 3.0 percent from March 2011 and estimated sales of total organic fluid milk products increased 1.4 percent from a year earlier.

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

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

Product Name	Sales		Change from: 2/	
	March	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Whole Milk	1,142	3,359	-2.0	-2.7
Flavored Whole Milk	43	123	-11.3	-7.7
Reduced Fat Milk (2%)	1,525	4,495	-2.2	-2.1
Low Fat Milk (1%)	634	1,868	2.1	3.6
Fat-Free Milk (Skim)	644	1,904	-4.7	-3.9
Flavored Fat-Reduced Milk	367	1,104	-8.2	-1.5
Buttermilk	41	120	-4.1	-0.3
Total Conventional Milk Products 5/	4,400	12,984	-3.0	-2.2
Organic Whole Milk	45	136	5.4	10.7
Organic Reduced Fat Milk	56	164	12.0	13.9
Organic Low Fat Milk	39	119	12.1	18.3
Organic Fat-Free Milk (Skim)	39	113	-5.0	-1.6
Organic Flavored Milk	6	19	-57.0	-35.4
Organic Fat-Reduced Milk 3/	140	418	0.3	7.3
Total Organic Milk Products	185	554	1.4	8.2
Total Fluid Milk Products 4/	4,585	13,538	-2.9	-1.9
Total Fluid Milk Products Adjusted 4/ 5/	4,540	13,391	-3.6	-3.2

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

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

Area (Order Number)	Sales		Change from: 2/	
	March	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Northeast (001)	784	2,292	-1.6	-0.7
Appalachian (005)	304	895	-3.7	-1.6
Southeast (007)	411	1,228	-3.9	-2.7
Florida (006)	257	753	-0.5	-0.5
Mideast (033)	506	1,506	-2.9	-1.5
Upper Midwest (030)	353	1,058	-4.5	-2.7
Central (032)	389	1,159	-0.4	0.3
Southwest (126)	380	1,139	-1.4	-0.5
Arizona (131)	102	299	0.4	-1.5
Pacific Northwest (124)	190	556	-2.0	-0.6
California (---)	543	1,569	-6.9	-6.3

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

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

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

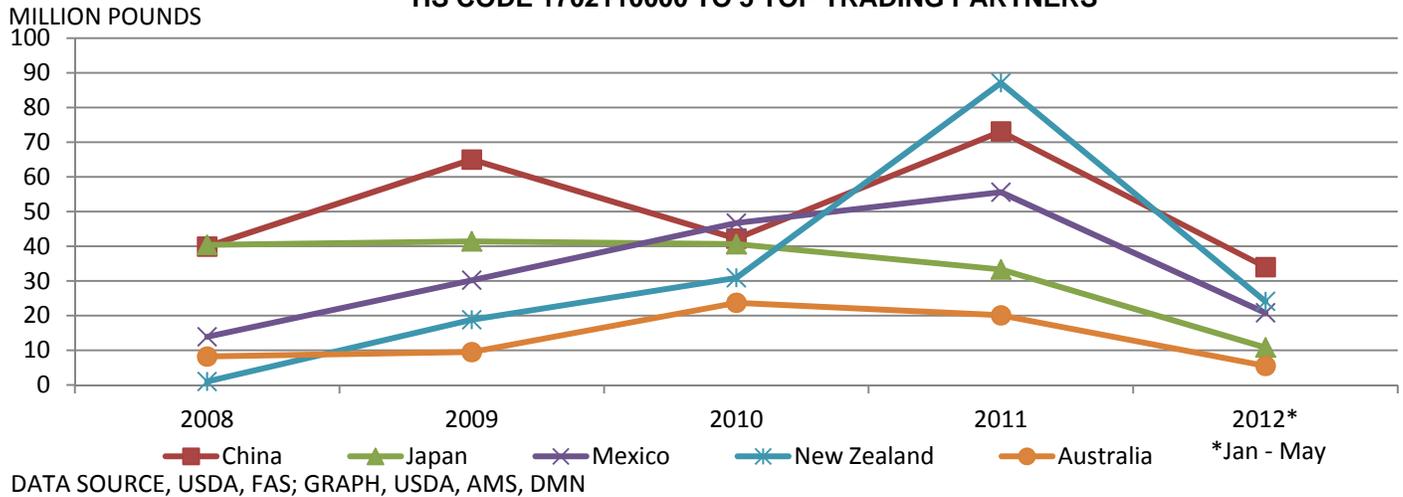
In April 2012, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.87 per cwt., down \$0.37 from the previous month's average, and down \$2.79 from April 2011. The component tests of producer milk in April 2012 were: butterfat, 3.68%; protein, 3.09%; and other solids, 5.77%. On an individual reporting area basis, mailbox prices decreased in all areas compared to the previous month. Mailbox prices in April 2012 ranged from \$18.71 in Florida to \$14.67 in New Mexico.

Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	April 2011	March 2012	April 2012
	Dollars per hundredweight		
New England States <u>3/</u>	21.10	18.46	18.03
New York	19.91	17.33	16.90
Eastern Pennsylvania <u>4/</u>	20.66	17.92	17.48
Appalachian States <u>5/</u>	21.41	17.62	17.12
Southeast States <u>6/</u>	21.29	18.47	17.57
Southern Missouri <u>7/</u>	19.38	15.64	15.37
Florida	22.06	19.54	18.71
Western Pennsylvania <u>8/</u>	20.69	17.83	17.33
Ohio	20.73	17.82	17.33
Indiana	20.25	16.91	16.19
Michigan	19.90	16.73	16.25
Wisconsin	18.99	17.57	17.46
Minnesota	18.66	17.61	17.35
Iowa	19.75	17.40	17.19
Illinois	20.10	17.55	17.23
Corn Belt States <u>9/</u>	19.46	16.65	16.22
Western Texas <u>10/</u>	19.08	15.92	15.51
New Mexico	18.08	15.11	14.67
Northwest States <u>11/</u>	19.29	16.76	16.43
All Reported Areas <u>12/</u>	19.66	17.24	16.87
California <u>13/</u>	17.51	14.99	14.59

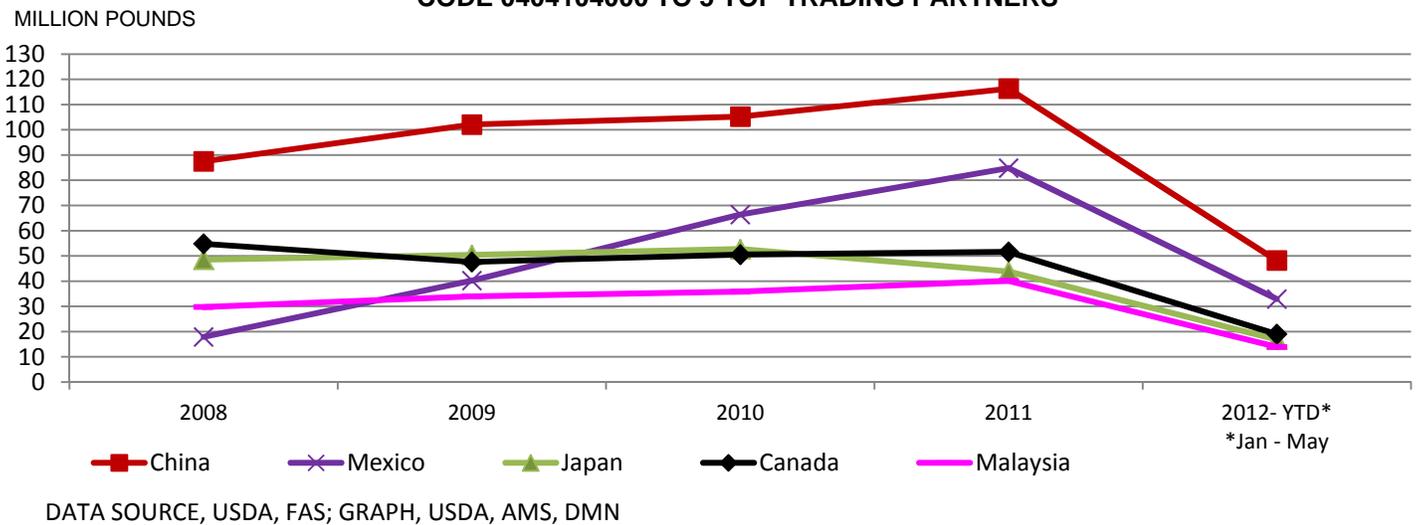
1/ Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices 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

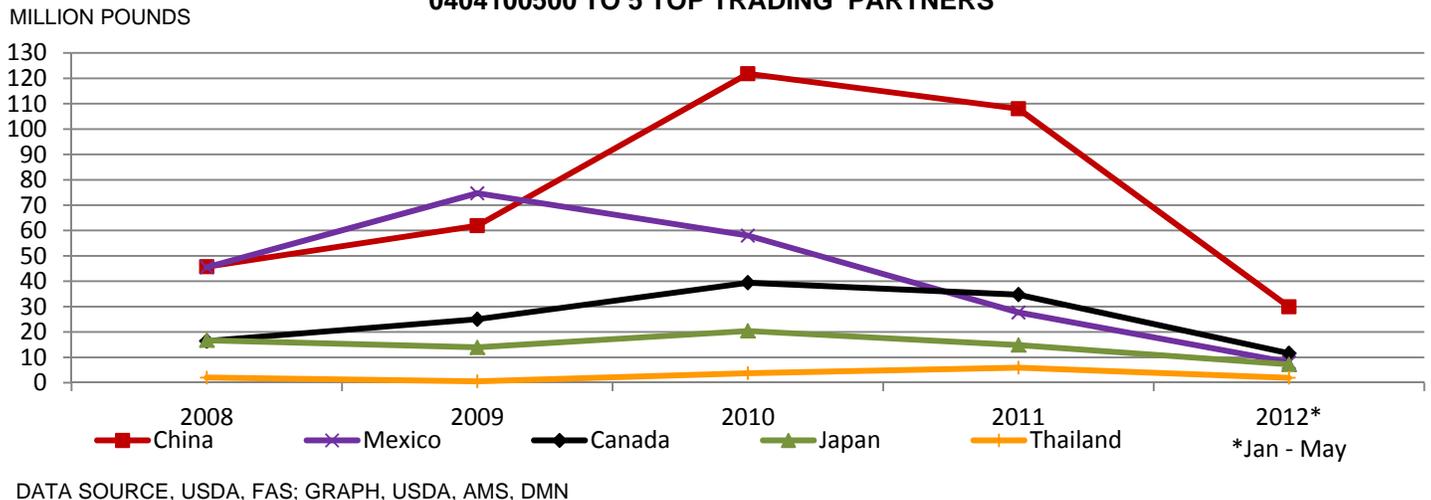
2008 - 2011 ANNUAL AND 2012 YEAR-TO-DATE U.S. LACTOSE EXPORT QUANTITIES OF HS CODE 1702110000 TO 5 TOP TRADING PARTNERS



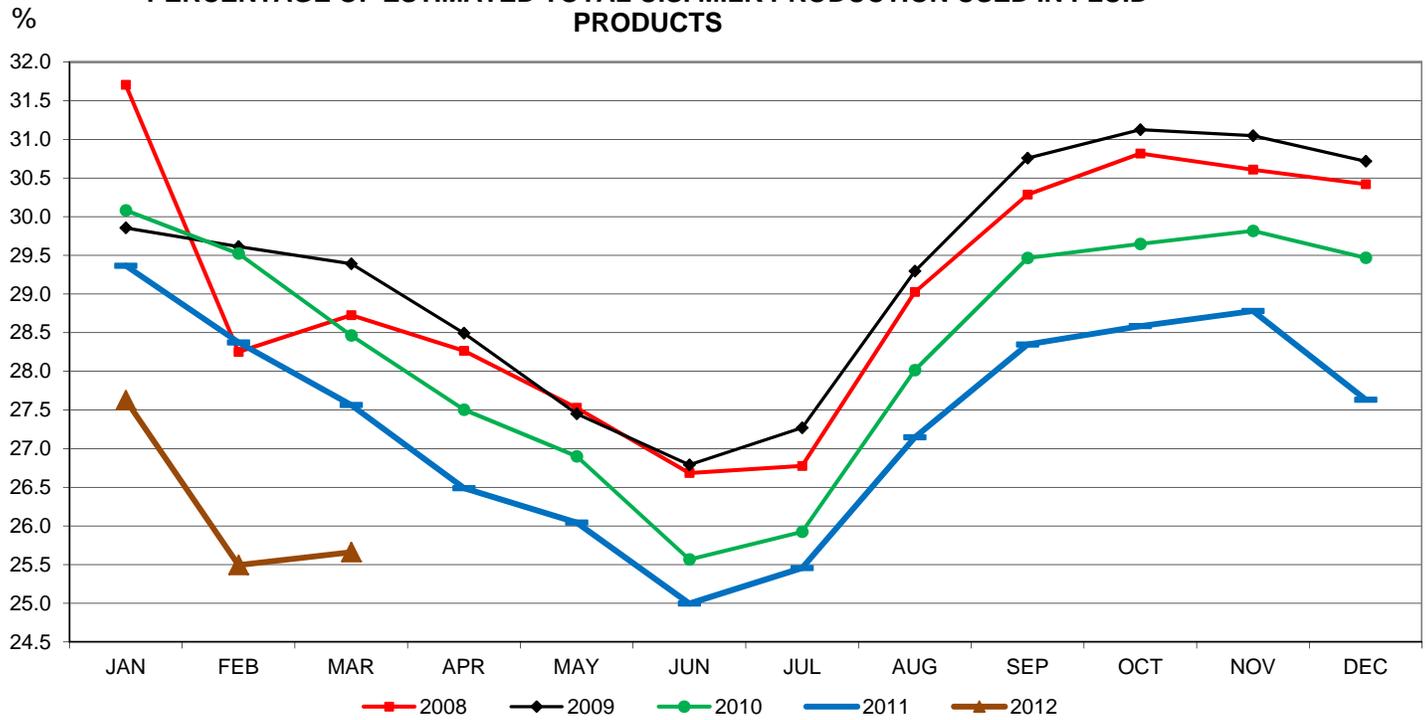
2008 - 2011 ANNUAL & 2012 YEAR-TO-DATE DRY WHEY EXPORT QUANTITIES OF HS CODE 0404104000 TO 5 TOP TRADING PARTNERS



2008 - 2011 ANNUAL & 2012 YEAR-TO-DATE WPC EXPORT QUANTITIES OF HS CODE 0404100500 TO 5 TOP TRADING PARTNERS

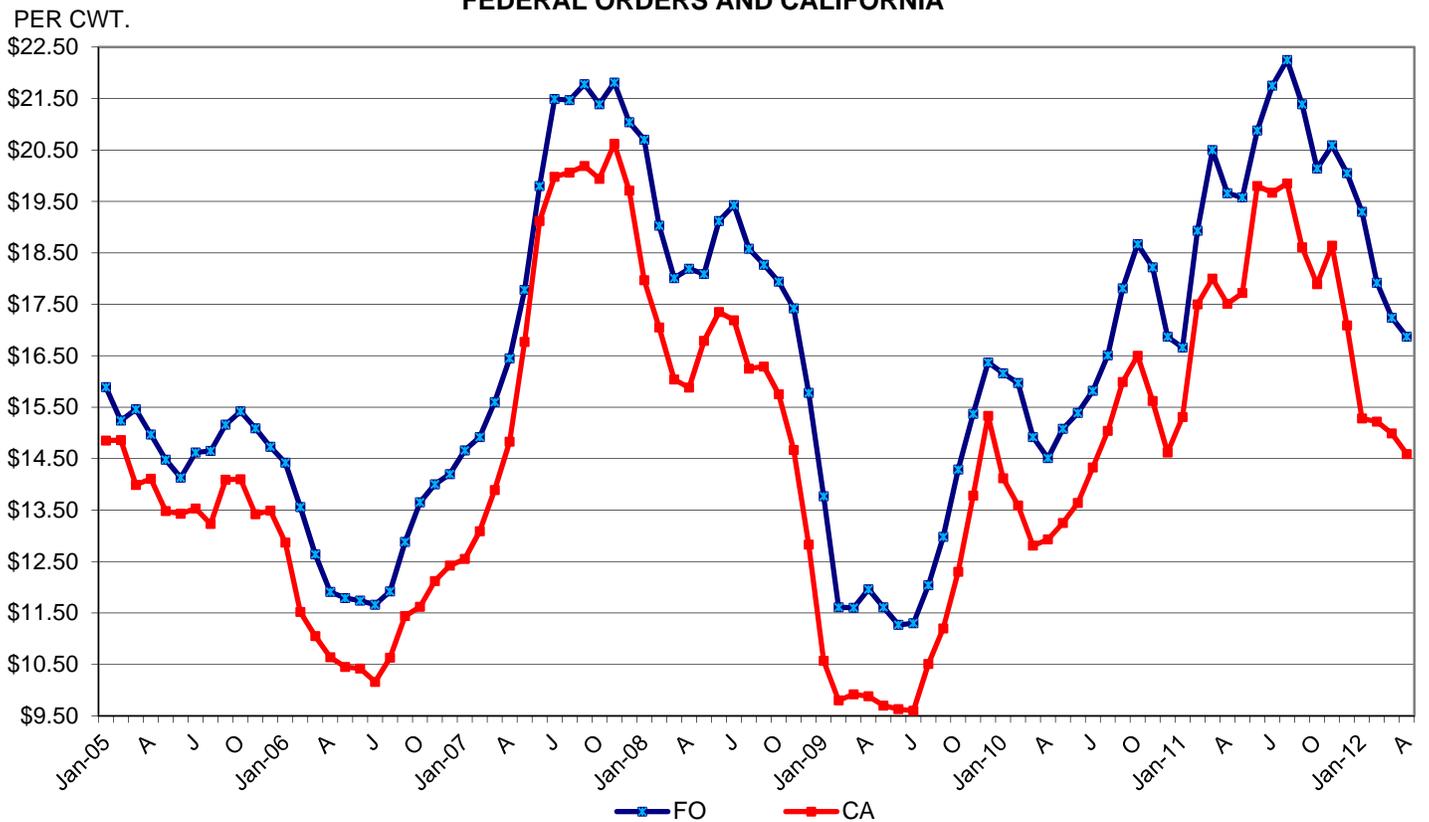


PERCENTAGE OF ESTIMATED TOTAL U.S. MILK PRODUCTION USED IN FLUID PRODUCTS



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

MONTHLY MAILBOX PRICE AVERAGE FOR FEDERAL ORDERS AND CALIFORNIA



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

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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



National Dairy Retail Report

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

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 07/02 to 07/13

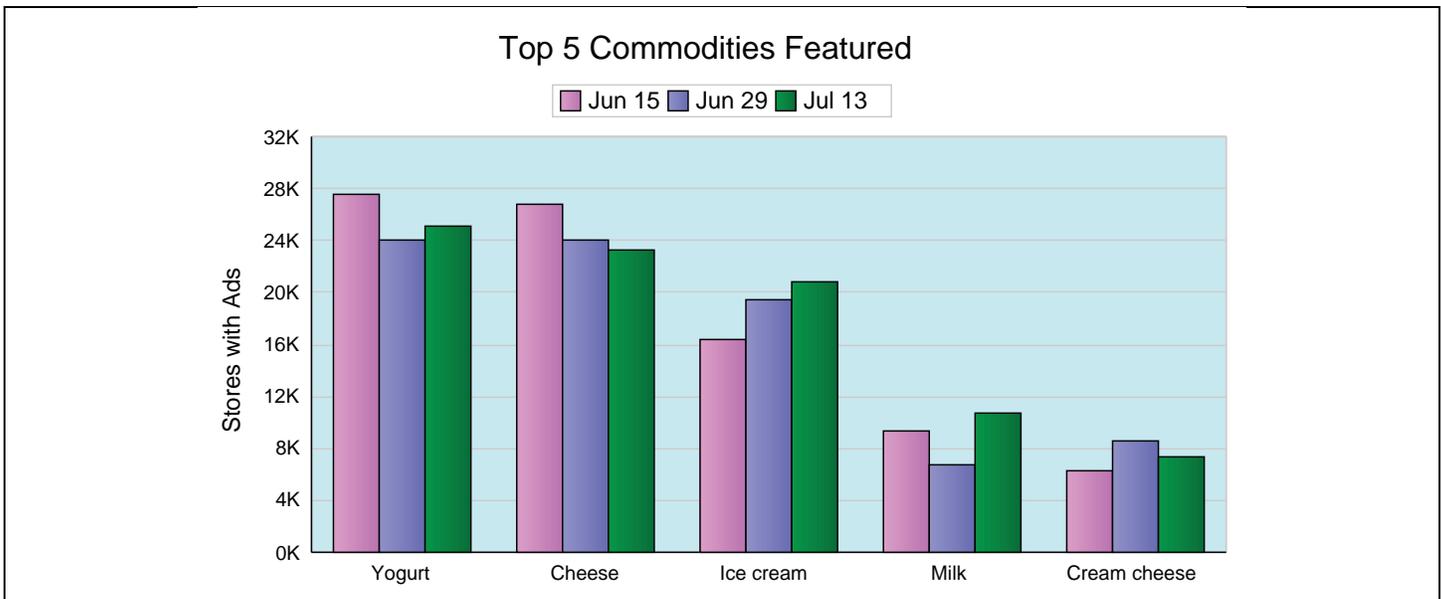
July Ice Cream Month promotions were common ad themes in ads this period. While the survey picks up only 48-64 oz. containers, ads were scattered with features for pints and 4-5 quart pails of ice cream. Additionally, ice cream novelty items were common. The freezer section ads were also highlighting many types of non-dairy treats. Fluid milk ads were higher and dairy case ads were filled with alternatives - teas, lemonades, juices, and flavored drinks. Overall ad volume for conventional dairy products is slightly below two weeks ago, down -1.4%.

The weighted average advertised price for 48-64 ounce ice cream containers is \$3.22, up 7.0%. Ice cream is the third most advertised category. Ice cream ad volume has set a new record high level of ads for the second consecutive survey period, being up 6.0% from two weeks ago, which was 19.0% higher than four weeks ago.

The weighted average advertised price of 4-6 ounce yogurt is \$.50 and is \$1.00 for 4-6 ounce Greek yogurt. The weighted average advertised price of each is unchanged from the last survey period. Ad numbers for 4-6 ounce yogurt and 4-6 ounce Greek yogurt are nearly identical and combined, are the majority of yogurt ads. Yogurt ad numbers increased 8.9% from two weeks ago.

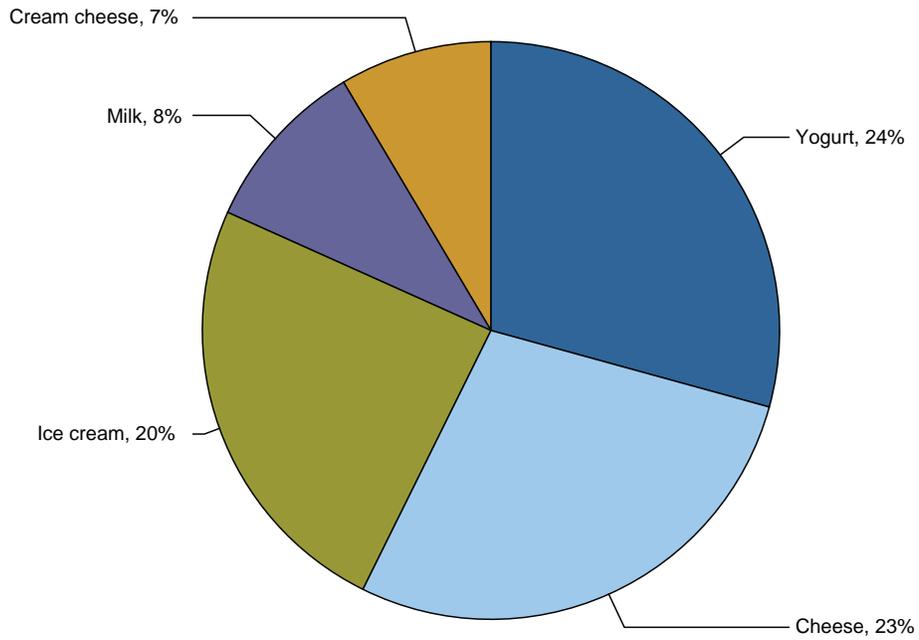
The most advertised cheese category, 8 ounce shreds, has a weighted average advertised price of \$2.18, down 29 cents from last cycle. The average price for 8 ounce blocks, \$2.27, decreased 6 cents from the last cycle. Cheese ad numbers declined -2.3% from the last survey period.

Conventional milk's national weighted average advertised price for half gallons this period, \$1.97, is 16 cents below two weeks ago. Ads are almost evenly split between store brands and national brands. Organic milk's national weighted average advertised price for half gallons, \$3.93, is up 66 cents from last period. This results in an organic-conventional half-gallon milk advertised price spread of \$1.96, the second largest spread since early March, up from \$1.14 two weeks ago. More ads for half gallons of organic milk appeared for national brands than store brands.

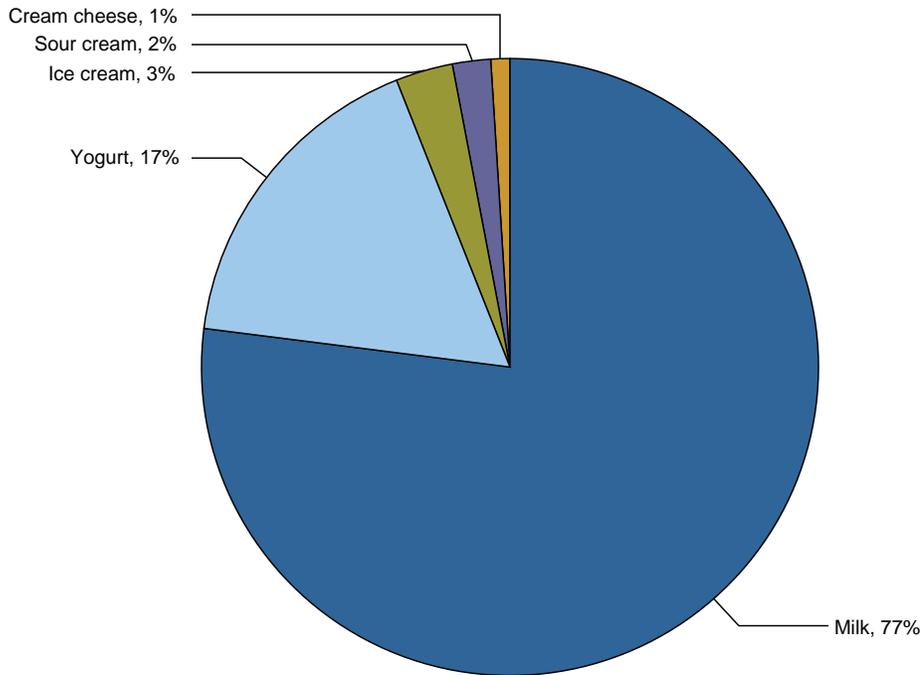


1 -- Dairy Market News surveys more than 150 retailers, comprising nearly 16,000 individual stores, with online weekly advertised features.
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

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 #	5245	2.52	3866	2.48
Cheese	Natural Varieties	8 oz block	8739	2.27	8201	2.33
Cheese	Natural Varieties	1 # block	1475	4.28	1460	3.36
Cheese	Natural Varieties	2 # block	1113	5.93	3013	5.74
Cheese	Natural Varieties	8 oz shred	11027	2.18	10393	2.47
Cheese	Natural Varieties	1 # shred	881	4.60	725	3.06
Cottage cheese		16 oz	2948	1.97	6669	2.00
Cream cheese		8 oz	7285	1.46	8528	1.48
Flavored milk	All fat tests	half gallon	797	2.23	315	2.18
Flavored milk	All fat tests	gallon	1030	3.82	912	3.67
Ice cream		48-64oz	20663	3.22	19485	3.01
Milk	All fat tests	half gallon	3028	1.97	1096	2.13
Milk	All fat tests	gallon	5536	2.67	3423	2.94
Sour cream		16 oz	6162	1.50	11344	1.62
Yogurt	Greek	4-6 oz	11483	1.00	6580	1.00
Yogurt	Greek	32 oz	546	3.34	244	4.59
Yogurt	Yogurt	4-6 oz	11840	.50	14381	.50
Yogurt	Yogurt	32 oz	722	2.44	1372	2.33

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 #	2.50-3.49	1664	2.91	1.99-3.49	1322	2.44	1.59-2.50	862	1.96
Cheese	Natural Varieties	8 oz block	1.50-2.99	3855	2.25	1.67-4.99	1158	2.34	1.79-3.14	611	2.36
Cheese	Natural Varieties	1 # block	3.99-4.49	231	4.26	3.33-3.99	175	3.73	4.49	201	4.49
Cheese	Natural Varieties	8 oz shred	1.88-3.49	2500	2.39	1.67-3.29	2891	2.03	1.79-2.50	781	2.03
Cheese	Natural Varieties	1 # shred	3.99-4.49	186	4.32	3.33	70	3.33	4.49	201	4.49
Cottage cheese		16 oz	1.66-2.99	1509	2.18	2.00	195	2.00	1.49-2.19	945	1.75
Cream cheese		8 oz	0.99-2.50	1556	1.79	0.99-2.29	2400	1.69	0.99-1.50	1131	1.19
Flavored milk	All fat tests	half gallon	2.99	266	2.99				1.50-2.50	413	2.09
Flavored milk	All fat tests	gallon	4.00-4.49	473	4.36				2.99-3.00	153	3.00
Ice cream		48-64oz	1.50-3.99	3553	2.76	1.99-4.99	4018	3.82	1.99-4.59	2982	3.21
Milk	All fat tests	half gallon	2.50-3.00	1202	2.84	1.28-1.49	139	1.43	1.00-2.40	779	1.47
Milk	All fat tests	gallon	3.79	494	3.79	1.97-2.99	501	2.51	1.99-2.50	937	2.37
Sour cream		16 oz	0.99-1.99	1721	1.54	1.00-2.15	1102	1.72	1.00-1.99	1051	1.43
Yogurt	Greek	4-6 oz	0.89-1.50	2871	1.01	0.88-1.25	2660	1.00	0.80-1.25	1353	1.00
Yogurt	Greek	32 oz	3.29-3.69	546	3.34						
Yogurt	Yogurt	4-6 oz	0.39-0.75	3697	.52	0.40-0.50	1984	.49	0.33-0.60	1519	.49
Yogurt	Yogurt	32 oz	1.98-2.99	483	2.51				2.33	29	2.33

Wtd Avg - Simple weighted average



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 #	1.99-2.50	464	2.14	2.29-2.99	643	2.92	1.67-2.50	290	2.03
Cheese	Natural Varieties	8 oz block	1.67-4.99	999	2.80	2.00	1410	2.00	1.50-2.00	706	1.92
Cheese	Natural Varieties	1 # block				2.97-4.99	666	4.16	4.99	202	4.99
Cheese	Natural Varieties	2 # block	4.99-6.99	142	5.41	4.49-7.99	870	6.21	3.98-4.99	101	4.26
Cheese	Natural Varieties	8 oz shred	1.49-3.29	1449	2.40	1.78-2.50	2563	2.12	1.50-4.59	843	2.02
Cheese	Natural Varieties	1 # shred				4.99	222	4.99	4.99	202	4.99
Cottage cheese		16 oz	1.69-1.88	231	1.71	0.99	68	.99			
Cream cheese		8 oz	1.00-2.00	455	1.15	1.00-2.00	1429	1.10	1.00-1.25	314	1.06
Flavored milk	All fat tests	half gallon							1.00	118	1.00
Flavored milk	All fat tests	gallon	2.99	202	2.99				3.99	202	3.99
Ice cream		48-64oz	1.50-4.50	1497	2.99	1.88-3.99	6217	3.07	2.29-4.99	2396	3.43
Milk	All fat tests	half gallon	1.00-1.25	220	1.14	1.49	541	1.49	1.00-1.67	147	1.13
Milk	All fat tests	gallon	1.97-2.99	805	2.41	1.57-2.99	1929	2.70	2.49-2.99	870	2.63
Sour cream		16 oz	1.00-1.98	788	1.23	1.00-1.99	1155	1.51	1.00-1.88	345	1.44
Yogurt	Greek	4-6 oz	0.80-1.00	1406	.96	1.00	2490	1.00	0.99-1.00	703	1.00
Yogurt	Yogurt	4-6 oz	0.40-0.59	1263	.47	0.40-0.60	2461	.49	0.50-0.59	916	.51
Yogurt	Yogurt	32 oz	2.18	29	2.18	1.99-2.49	124	2.13	2.50-2.99	57	2.75

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
Cheese	Natural Varieties	8 oz block			185	3.49
Cheese	Natural Varieties	8 oz shred			124	2.75
Cream cheese		8 oz	32	3.00	32	3.00
Ice cream		48-64oz	87	4.49	26	5.99
Milk	All fat tests	half gallon	1331	3.93	1769	3.27
Milk	All fat tests	gallon	230	5.10	302	4.98
Milk	All fat tests	8 oz UHT	583	1.00	199	1.00
Sour cream		16 oz	56	4.49		
Yogurt	Greek	4-6 oz	87	1.25	934	1.31
Yogurt	Yogurt	4-6 oz	390	.82	467	.79

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cream cheese		8 oz	3.00	32	3.00						

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
Milk	All fat tests	half gallon	3.50-4.49	756	4.15	2.99	34	2.99	2.99-3.59	213	3.25
Milk	All fat tests	gallon				4.98	202	4.98	5.95	28	5.95
Milk	All fat tests	8 oz UHT	1.00	487	1.00	1.00	96	1.00			
Sour cream		16 oz	4.49	56	4.49						
Yogurt	Yogurt	4-6 oz	0.60-0.80	235	.70				1.00	155	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
Ice cream		48-64oz	4.49	87	4.49						
Milk	All fat tests	half gallon	3.50-4.99	294	4.09	2.99	34	2.99			
Yogurt	Greek	4-6 oz	1.25	87	1.25						

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 #	1.78	3.49	2004	2.86	1.59	2.99	3241	2.31
Cheese	Natural Varieties	8 oz block	1.67	4.99	4286	2.57	1.50	2.50	4453	1.97
Cheese	Natural Varieties	1 # block	2.97	4.49	265	3.94	2.99	4.99	1210	4.36
Cheese	Natural Varieties	2 # block	4.99	7.99	96	7.12	3.98	7.98	1017	5.82
Cheese	Natural Varieties	8 oz shred	1.49	4.59	6731	2.31	1.50	2.50	4296	1.98
Cheese	Natural Varieties	1 # shred					3.33	4.99	881	4.60
Cottage cheese		16 oz	1.49	2.99	1074	1.89	.99	2.50	1874	2.01
Cream cheese		8 oz	.99	2.50	3405	1.75	.99	2.00	3880	1.20
Flavored milk	All fat tests	half gallon	1.50	2.50	384	2.06	1.00	2.99	413	2.39
Flavored milk	All fat tests	gallon	2.99	4.49	873	3.82	2.99	4.00	157	3.81
Ice cream		48-64oz	1.88	4.99	9967	3.32	1.50	4.00	10696	3.13
Milk	All fat tests	half gallon	1.50	3.00	1445	2.68	1.00	2.99	1583	1.33
Milk	All fat tests	gallon	1.99	3.79	495	3.37	1.57	3.79	5041	2.60
Sour cream		16 oz	1.00	2.15	2825	1.69	.99	1.99	3337	1.34
Yogurt	Greek	4-6 oz	.89	1.50	9787	1.01	.80	1.25	1696	.94
Yogurt	Greek	32 oz	3.29	3.69	546	3.34				
Yogurt	Yogurt	4-6 oz	.44	.75	8563	.52	.33	.50	3277	.45
Yogurt	Yogurt	32 oz	1.99	2.99	526	2.60	1.98	2.18	196	2.01

NATIONAL -- ORGANIC DAIRY PRODUCTS

Wtd Avg - Simple weighted average

NATIONAL BRANDS vs STORE BRANDS

			NATIONAL BRANDS				STORE BRANDS			
Commodity	Type	Pack Size	Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Cream cheese		8 oz	3.00	3.00	32	3.00				
Ice cream		48-64oz	4.49	4.49	87	4.49				
Milk	All fat tests	half gallon	3.50	4.99	805	4.20	2.99	3.99	526	3.52
Milk	All fat tests	gallon	5.95	5.95	28	5.95	4.98	4.98	202	4.98
Milk	All fat tests	8 oz UHT	1.00	1.00	583	1.00				
Sour cream		16 oz					4.49	4.49	56	4.49
Yogurt	Greek	4-6 oz	1.25	1.25	87	1.25				
Yogurt	Yogurt	4-6 oz	1.00	1.00	155	1.00	.60	.80	235	.70

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