

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (09/07):**

**BUTTER:** Grade AA closed at \$1.8650. The weekly average for Grade AA is \$1.8663 (+.0378).

**CHEESE:** Barrels closed at \$1.7750 and 40# blocks at \$1.8300. The weekly average or barrels is \$1.7763 (-.0232) and blocks, \$1.8275 (-.0230).

**BUTTER HIGHLIGHTS:** The CME cash butter price eased slightly late in the week and closed at \$1.8650. This cash price compares to \$1.8400 a week ago, \$1.7100 one month ago, and \$1.9950 a year ago. Since September 6, 2011, the cash butter price has not surpassed the \$2.00 level. Churning schedules during the past week, especially over the Labor Day weekend, have generally been stronger as holiday cream supplies were available to butter churns from coast to coast. The additional cream offerings varied in volumes, but for the most part were readily available. Butter producers were often pleased to operate their churns at a more active pace than in recent weeks. Current churning was sufficient to meet fresh butter needs, with some producers able to enhance inventories with surplus production. Most butter producers were pleased with the additional cream offerings as many feel that cream supplies will tighten this fall. Standardized cream volumes continue to build as bottling programs for school lunch needs are in full swing now that the holiday is past and most all students have returned to the classroom. Butter demand is seasonally steady. Retail orders are strongest with food service, especially in resort and vacation areas, easing now that the summer vacation season has unofficially come to a close. Export activity continues from the U.S. Within recent days, the CWT program has awarded export assistance for 352,740 pounds of butter and 44,082 pounds of anhydrous milk fat for delivery now through December. Thus far in 2012, 56.7 million pounds of butter and 123,459 pounds of anhydrous milk fat have received export assistance from the CWT program.

**CHEESE HIGHLIGHTS:** Demand remains good for cheese into retail sales with some added featuring this week. Food service demand is also showing some added interest with most schools back in session. While domestic demand is good, export interest is weaker as U.S. prices are above international prices in many cases. Export sales are being assisted by the CWT program. Manufacturers reported adequate inventories for current demand. NASS reported total cheese production in July totaled 874.4 million pounds, 2.3% more than last

year, but 2.3% less than last month. Trading at the CME Group closed the week with barrels at \$1.7750 and blocks at \$1.8300. Cheese prices were unsettled. Activity was light to begin the week, with no sales or price movement the first two days of the holiday shortened period. Buyers and sellers reacted to price movement later in the week, as four loads of barrels and eleven loads of blocks sold in the last two days of trading.

**FLUID MILK:** Class I demand is strong after the holiday weekend across much of the nation. Eastern supplies are tight with Florida importing 72 loads this week. Hurricane Isaac caused some temporary transportation problems with milk handlers in the Southeast. Eastern cream multiples were lower this week. Midwest manufacturing milk supplies were aided by the long holiday weekend as some plants took the weekend off and others worked extra shifts to increase inventories. California milk production is trending slightly higher as temperatures have moderated. Processors are handling current supplies with relative ease. New Mexico milk output is flat and tracking below year ago levels. Milk production in the Northwest is slowing following seasonal patterns. Milk handlers are balancing supplies within the region. Cream demand is increasing as Class II plants go back to full production.

**DRY PRODUCTS:** Nonfat dry milk prices are mostly higher on a firm market. Strong Class I demand has reduced supplies of milk for NDM production. Buyers are entering the market to obtain 4Q supplies and finding a tight supply situation. Manufacturers are filling contracted needs with little available product for the spot market. High heat supplies are also strained as production schedules are balanced to the low heat market. Spot loads are available through resellers at above contracted prices. Dry buttermilk prices are higher on a firm market. Increased churning schedules over the holiday weekend helped to increase buttermilk production, but inventories remain tight above contracted needs. Dry whole milk prices are higher as the traditional stronger demand season is approaching. Dry whey prices are firm to higher following various contract indices. Occasional spot loads of whey are clearing readily as buyers look to secure additional inventories. Whey production for July is running 10.2% higher compared to a year ago. Whey protein concentrate 34% prices are

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CME GROUP CASH TRADING

COMMODITY	MONDAY SEP 03	TUESDAY SEP 04	WEDNESDAY SEP 05	THURSDAY SEP 06	FRIDAY SEP 07	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	HOLIDAY	\$1.7775 (N.C.)	\$1.7775 (N.C.)	\$1.7750 (-.0025)	\$1.7750 (N.C.)	:: (-.0025)	:: \$1.7763 (-.0232)
40# BLOCKS		\$1.8200 (N.C.)	\$1.8200 (N.C.)	\$1.8400 (+.0200)	\$1.8300 (-.0100)	:: (+.0100)	:: \$1.8275 (-.0230)
NONFAT DRY MILK							
EXTRA GRADE	NO	\$1.6250 (N.C.)	\$1.6350 (+.0100)	\$1.6350 (N.C.)	\$1.6350 (N.C.)	:: (+.0100)	:: \$1.6325 (+.0075)
GRADE A		\$1.7000 (N.C.)	\$1.7000 (N.C.)	\$1.7000 (N.C.)	\$1.7000 (N.C.)	:: (N.C.)	:: \$1.7000 (+.0140)
BUTTER							
GRADE AA	TRADING	\$1.8600 (+.0200)	\$1.8700 (+.0100)	\$1.8700 (N.C.)	\$1.8650 (-.0050)	:: (+.0250)	:: \$1.8663 (+.0378)

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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firmer. Additional interest is being shown as NDM prices move higher. Lactose prices are uneven, as some spot sales were reported above and below the quoted price range. Contracting discussions for 2013 are underway with many end users. Casein markets are generally steady. European production is winding down with the Oceania production season about to resume.

**ORGANIC DAIRY MARKET NEWS (DMN):** The national weighted average advertised price of organic milk half gallons, \$3.47, is 44 cents lower than two weeks ago. The price range is \$4.99 to \$2.99, unchanged at the top and 30 cents higher at the bottom. The weighted average advertised price for non-organic half gallons is \$2.43, which results in an organic-conventional half-gallon milk advertised price spread of \$1.04, down from \$1.65 two weeks ago. This period the concentration of advertised organic half gallon brands shifted from nearly nine times as many national brands than store brands, to somewhat more for national brands than store brands. Ads for 8 ounce containers of organic milk listed a price ranging from \$0.67, the lowest recorded price for this category since data collection began during the fall of 2009, to \$1.50. The national weighted average advertised price is \$0.97, down from \$0.99 last period. The volume of ads this period is the largest since fall 2009, and 51.1% higher than two weeks ago, which set the previous the previous record. Ads for 4-6 ounce organic yogurt yielded a weighted average advertised price of 65 cents, up 5 cents, from two weeks ago. The price range was \$.79 to \$.60. Information about organic nonfat dry milk spot sales is not readily available, partly because such spot sales are infrequent and there are relatively few manufacturers of organic nonfat dry milk. This week, there were some spot sales of organic nonfat dry milk in the Northwest, at a price approximately double the prevailing prices for conventional nonfat dry milk. National organic grain and feedstuffs were mixed, with feed grade corn firm and feed grade soybeans higher. Oats were higher this period compared to a light market test two weeks ago. Offerings of grain this period were light, with moderate demand for corn and soybeans. Increased interest in barley and feed grade wheat was reported, with farmers actively seeking alternative feed grade grains for protein in rations. Farmers have reported that some new crop offers for corn and soybeans are nearing the current old crop prices, however, many are reluctant to sign any contracts until harvest begins and they have some significant insight as to what their yields will be.

**INTERNATIONAL UPDATE (DMN):** At the September 4 g/DT session #75, prices for all products traded and contracting periods were higher, ranging from 4.0% - 19.7%. Average prices for all contracting periods and individual products were 4.3% to 15.8% higher. Rennet Casein, anhydrous milk fat, and buttermilk powder were over 10% higher than the previous all contract price for the respective products. The various products price average (per MT) and percentage change from the previous average are: anhydrous milk fat, \$3,530, +11.8%; buttermilk powder, \$3,091, +15.8%; cheddar cheese, \$3,593, +5.3%; lactose, \$2,059, +5.2%; milk protein concentrate, \$6,173, +15.5%; rennet casein, \$7,825, +10.1%; skim milk powder, \$3,211, +7.5%; and whole milk powder, \$2,978, +4.3%.

**NATIONAL DAIRY RETAIL REPORT (DMN):** The dairy case showed prominently in store ads during the reporting period. Dairy products were featured in back to school ads for smaller pack milk and for cheese snacks. Tie-ins were common in ads for milk and cereal for getting kids breakfast for the school day. The start of the college football season highlighted related ads for cheese, cream cheese, and sour cream. In addition, the Labor Day weekend provided a backdrop for most ads and dairy products were showcased around -1A-

picnic and barbeque themes. The most advertised cheese category, 8 ounce shredded, has a weighted average advertised price of \$2.24, a 2.3% price increase from last cycle. The average price for 8 ounce blocks, \$2.30, is a 4.5% price increase from the last cycle. The weighted average advertised price of 4-6 ounce yogurt is \$.52, a 4.0% increase, and for 4-6 ounce Greek yogurt \$1.00, a 1.0% price decrease. The weighted average advertised price for 48-64 ounce ice cream containers is \$3.08, identical with two weeks ago. Ice cream in 48-64 ounce containers remains the single most advertised item this survey period. However, if all package sizes of cheese are totaled, cheese has more ads than 48-64 ounce ice cream, with yogurt in third place. Within the cheese category, ad numbers decreased only for 1 pound shredded, but increased for 8 ounce shredded, 8 ounce blocks, 1 pound blocks and 2 pound blocks. Conventional milk's national weighted average advertised price for half gallons this period, \$2.43, is 17 cents above two weeks ago. Organic milk's national weighted average advertised price for half gallons, \$3.47, is down 44 cents from last period. This results in an organic-conventional half-gallon milk advertised price spread of \$1.04, down from \$1.65 two weeks ago.

**AUGUST AGRICULTURAL PRICES ( NASS):** The All Milk price received by farmers was \$17.80 in August, up \$0.90 from July 2012 and down \$4.30 from August 2011. Alfalfa hay price was \$203.00 in August, up \$7.00 from August 2011. Corn price was \$7.54 in August, up \$0.66 from August 2011. Soybean price was \$15.90 in August, up \$2.50 from August 2011. The milk-feed price ratio was 1.35 in August, down 0.48 from August 2011. The index of prices received by farmers for dairy products during the month of August 2012 was up 7 points to 136. Compared with August 2011, the index was down 33 points (19.5%). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in August 2012 was up 3 points to 216. Compared with August 2011, the index was up 11 points (5.4%).

**JULY 2012 DAIRY PRODUCTS (NASS):** Butter production was 132.8 million pounds, 2.0% below July 2011 and 3.4% below June 2012. American type cheese production totaled 356.2 million pounds, 1.8% above July 2011, but 1.1% below June 2012. Total cheese output (excluding cottage cheese) was 874.4 million pounds, 2.3% above July 2011, but 2.3% below June 2012. Nonfat dry milk production, for human food, totaled 149.3 million pounds, 12.1% above July 2011, but 11.6% below June 2012. Dry whey production, for human food, was 86.4 million pounds, 10.2% above July 2011 and 9.5% above June 2012. Ice cream (hard) production totaled 73.8 million gallons, 1.4% above July 2011, but 5.3% below June.

## CME GROUP

MONDAY, SEPTEMBER 3, 2012

HOLIDAY, NO TRADING

TUESDAY, SEPTEMBER 4, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: 2 CARS 40# BLOCKS @ \$1.8200; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.8525, 1 @ \$1.8600; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8575; LAST OFFER UNCOVERED: NONE

WEDNESDAY, SEPTEMBER 5, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: 2 CARS 40# BLOCKS @ \$1.8200; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.6350; 1 CAR GRADE A @ \$1.6200; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8700; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.9000

THURSDAY, SEPTEMBER 6, 2012

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.7875, 1 @ \$1.7850, 1 @ \$1.7825, 1 @ \$1.7750; 9 CARS 40# BLOCKS: 2 @ \$1.8325, 3 @ \$1.8500, 2 @ \$1.8550, 1 @ \$1.8450, 1 @ \$1.8400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7800  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8700; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.9100

FRIDAY, SEPTEMBER 7, 2012

CHEESE -- SALES: 8 CARS BARRELS: 1 @ \$1.7975, 1 @ \$1.7900, 6 @ \$1.7775; 4 CARS 40# BLOCKS: 1 @ \$1.8500, 1 @ \$1.8450, 1 @ \$1.8400, 1 @ \$1.8350; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7775; 5 CARS 40# BLOCKS @ \$1.8200  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 2 CARS GRADE AA @ \$1.8400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.8500

## BUTTER MARKETS

## NORTHEAST

The CME Group butter price increased \$0.0200 Tuesday to close at \$1.8600. Trading on the CME Group has picked up recently with 6 loads transacted in the last 5 trading sessions. Butter futures trading has also moved higher through the end of 2012. Cream became readily available over the holiday weekend, which ultimately increased churning schedules. The increased cream supply pressured cream multiples lower to a level where some butter plants became opportunity buyers of cream. Current butter production is filling existing orders and in some cases adding to inventories. Some butter makers are looking to expand their inventories to ensure adequate supplies for the Thanksgiving and yearend holidays. Demand for butter remains steady and typical for this time of year. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 352,740 pounds (160 metric tons) of butter and 44,082 pounds (20 metric tons) of anhydrous milk fat (AMF). The products will be delivered from September through December 2012. During 2012, CWT has assisted member cooperatives in making export sales of butter totaling 56.7 million pounds and AMF totaling 123,459 pounds. According to NASS, cumulative 2012 butter production through July was 5.2% above cumulative year production for the same period for 2011. July's monthly U.S. butter production totaled 132.8 million pounds, down 3.4% from June and 2.0% less compared to July 2011. Atlantic region butter production in July totaled 9.5 million pounds, down 7.8% from June and 5.9% less than July 2011. According to ERS, commercial disappearance of butter for the Jan. - Jun. 2012 period totals 872.2 million pounds, up 4.1% compared to the same period a year ago. 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 continues to firm and settled at \$1.8700 at midweek. Churning activity over the past Labor Day holiday weekend was heavier at most Central butter operations. Butter producers were anticipating the additional cream flow, thus were ready and able to process the offerings. The enhanced churning activity generated sufficient volumes of fresh butter for immediate needs with surplus volumes clearing to inventory for future needs. Most butter producers were pleased with the additional cream offerings as many feel that cream supplies will tighten this fall. Standardized cream volumes continue to build as bottling programs for school lunch needs are in full swing now that the holiday is past and most all students have returned to the classroom. Class II cream based product production was

lighter over the holiday weekend, but resumed early in the week. Often, post holiday Class II production schedules, especially ice cream and mix production, were at lighter levels than prior to the holiday. Butter demand is seasonally steady. Retail orders are the strongest with food service, especially in resort and vacation areas, easing now that the summer vacation season has unofficially come to a close. Export activity continues from the U.S. Within recent days, the CWT program has awarded export assistance for 352,740 pounds of butter and 44,082 pounds of anhydrous milk fat. These products will be delivered from now through December. Thus far in 2012, 56.7 million pounds of butter and 123,459 pounds of anhydrous milk fat have received export assistance from the CWT program. Bulk butter prices range from flat to 3 cents over various pricing bases and averages per pound.

## WEST

Western butter prices are continuing to move higher. Butter production is limited by reduced cream receipts. There was some extra cream available this week due to the Labor Day holiday and manufacturers were quick to take advantage of extra supplies. No issues were reported with the holiday milk. Retail demand is good and butter is selling well especially when featured. According to the NASS *Dairy Products* report, July butter production for the U.S. totals 132.8 million pounds, down 2.0% or 2.7 million pounds from July of last year. Cumulative output through July for the U.S. is 1,129.4 million pounds, up 5.2% or 55.6 million pounds from the same period in 2011. July output in the Western region totals 74.7 million pounds, down 0.8% or 0.6 million pounds less than July of 2011. The West produced 56.2% of the butter in the U.S. in July. Prices for bulk butter range from 2 cents under to 4 1/2 cents under the market, based on the CME with various time frames and averages used. Advertised butter prices from the National Dairy Retail Report showed a weighted average price of \$2.62 per pound compared to \$2.67 two weeks ago. Butter advertising increased significantly from two weeks ago. Western advertised prices ranged from \$1.99-3.00 per pound. The weighted average for butter in the Northwest was \$2.10, while the average in the Southwest was \$2.54. Wednesday's close on the CME Group exchange for butter is up \$.0100 to close at \$1.8700. The market has been firm to higher since August 1 with a gain of \$.2250 over the period. Sales activity this week is light to moderate with two loads sold on Tuesday. CME Group average price for August 2012 for butter is \$1.7655 compared to \$2.0882 for August 2011.

## NATIONAL DAIRY PRODUCTS SALES REPORT

## U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
September 1, 2012	1.7686 4,275,232	1.8469 11,362,818	1.8313 9,461,649	0.5597 8,130,756	1.3263 13,326,460

## CHEESE MARKETS

## NORTHEAST

Cheese prices on the CME Group were unchanged Tuesday with barrels closing at \$1.7775 and blocks closing at \$1.8200. Trading continues to be active on the CME Group with 24 loads of barrels and 9 loads of blocks transacted in the last 5 trading sessions. Cheese production continues to marginally increase. Mozzarella makers are attempting to increase production, prompted by good pizza maker and food service orders. Some areas are experiencing fairly tight milk supplies, due to strong Class I pulls, which is hampering efforts to expand mozzarella production. Domestic demand for cheese remains good, export interest has lessened as prices have increased. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 734,139 pounds (333 metric tons) of Cheddar and Monterey Jack cheese. The products will be delivered from September through December 2012. During 2012, CWT has assisted member cooperatives in making export sales of Cheddar, Monterey Jack and Gouda cheese totaling 79.1 million pounds. According to the latest NASS report, total cheese production for July in New York was 59.7 million pounds, 4.0% less than June, but 4.3% more than July, 2011. Pennsylvania produced 31.0 million pounds in July, 11.6% less than one month earlier and 6.5% less than one year ago. Vermont produced 10.4 million pounds, 1.1% less than last month, but 6.5% more than July 2011. The total of all cheese production for July in the Atlantic region was 110.2 million pounds, down 5.5% from June, but 1.4% more compared to the same period last year. Atlantic region cheese production accounted for 12.6% of total U.S. production. Total U.S. cheese production in July totaled 874.4 million pounds, 2.3% less than June, but 2.3% more than July 2011. Cumulative 2012 U.S. Cheese production through July was 2.6% greater than comparable 2011 production. According to ERS, Commercial Disappearance of American cheese for the Jan. – Jun. 2012 period totals 2,204.5 million pounds, up 0.8% compared to the same period a year ago. Disappearance of cheese in the Other category totals 3,299.9 million pounds, up 1.2% for the same period a year ago.

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

Cheddar 40# Block	:	2.2550-2.5400
Process 5# Sliced	:	2.0150-2.1350
Muenster	:	2.2750-2.6350
Grade A Swiss Cuts 10 - 14#	:	3.3650-3.6875

## MIDWEST

Grade A Swiss wholesale prices adjusted up by 12 cents for this monthly cycle, based on last week's release of Class and Component prices. The remaining weekly adjusted wholesale prices for all but Process American are up .0075 cents due to the increased CME weekly average for blocks. The wholesale price of Process American adjusted down .0050 cents, following the CME weekly average for barrels. CME price movements in recent weeks are characterized as "day-to-day choppy". Many industry veterans have struggled to find any clear signal in recent price movements. Nevertheless, CME pricing aside, this week a number of plants report that retailers seem to be increasing cheese ordering. The belief is that these retailers are attempting to stay ahead of prices they expect to trend upward as the year progresses. Pizza manufacturers are also committing to increased orders for Italian varieties

of cheese, apparently due to concluding that price increases are more likely than not. Food Service orders are also increasing. Midwest cheese manufacturers are comfortably situated for this uptick in ordering in terms of milk availability this week and at least the near future. Cheese retail advertising volume reported in the National Dairy Retail Report has increased 1.7% from the previous period, during which ad volume declined 3.2%. Over the span of the last six two week periods, cheese ad volume increased during two periods and decreased during four periods. The largest number of cheese category ads during the current survey period, 39.7% of total cheese ads, is for 8 ounce shredded cheese, up slightly from the last period. The next highest at 36.5%, is 8 ounce block, followed by 1 pound block, 12.1%.; 2 pound block, 10.8%; and 1 pound shredded, 0.8%. The weighted average advertised price of all listed package types except 1 pound blocks increased, in contrast with all types declining last period. The weighted average advertised price of 8 ounce shredded increased 2.3% to \$2.24; 8 ounce blocks increased 4.5% to \$2.30; 1 pound blocks decreased 1.7% to \$3.39; 2 pound blocks increased 20.5% to \$6.06; and 1 pound shreds increased 11.3%, to \$3.65. NASS reports that total cheese output for July (excluding cottage cheese), 874 million pounds, was 2.3% above July 2011 but 2.3% below June 2012. Italian type cheese production totaled 368 million pounds, 2.3% above July 2011 but 2.7% below June 2012. American type cheese production totaled 356 million pounds, 1.8% above July 2011 but 1.1% below June 2012. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 734,139 pounds (333 metric tons) of Cheddar and Monterey Jack cheese. The product will be delivered September through December 2012. During 2012, CWT has assisted member cooperatives in making export sales of Cheddar, Monterey Jack and Gouda cheese totaling 79.1 million pounds.

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

Process American 5# Loaf	:	1.9875-2.6925
Brick And/Or Muenster 5#	:	2.2425-2.8025
Cheddar 40# Block	:	2.2425-3.2275
Monterey Jack 10#	:	2.2125-3.2275
Blue 5#	:	2.5075-3.4925
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.0875-3.3275
Grade A Swiss Cuts 6 - 9#	:	2.8850-3.0025

## WEST

Western cheese prices are mixed as buyers and sellers are content this week to wait with extra purchases. The market is trying to find a balance between price and demand. Domestic demand is mostly steady. Cheese production is above year ago levels in the West, but manufacturers report supplies are not burdensome. Export demand is light to moderate with some sales being assisted by the Cooperatives Working Together program. According to the NASS *Dairy Products* report, total cheese production in the U.S. in July reached 874.4 million pounds, up 2.3% or 19.3 million pounds from last year. Cumulative total cheese output for the U.S. through July is 6.3 billion pounds, up 2.6% or 161.9 million pounds from 2011.

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## CHEESE MARKETS

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July total cheese production in the Western region was 379.1 million pounds, up 2.5% or 9.2 million pounds from July 2011. The West produced 43.4% of all the cheese in the U.S. in July. Swiss output for the U.S. in July is 26.9 million pounds, down 1.6% from last year. Advertised cheese prices as reported in the National Dairy Retail Report showed prices are moving higher in most cheese categories. The most heavily advertised category of 8 oz. shred cheese was 5 cents higher from two weeks ago at \$2.24 per package. Prices for 2 lb. block cheese in the West ranged from \$3.98-8.99 per package with the weighted average in the Southwest at \$6.40 and the Northwest at \$4.98. Barrel trading at the CME Group on Wednesday closed unchanged at \$1.7775. Blocks were also unchanged at \$1.8200. Activity at the exchange has been limited so far this week. There have been no sales reported as of Wednesday. The CME Group monthly average price for August 2012 for barrels is \$1.7894 compared to August 2011 at \$1.9571. Blocks averaged \$1.8265 for August 2012 compared to \$1.9725 for last year.

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

Process 5# Loaf	:	1.9200-2.1775
Cheddar 40# Block	:	1.9775-2.3300
Cheddar 10# Cuts	:	2.1575-2.3775
Monterey Jack 10#	:	2.1675-2.3275
Grade A Swiss Cuts 6 - 9#	:	2.9425-3.3725

## FOREIGN

An increase in the CME Group weekly average block price resulted in a \$0.0075 increase in domestic wholesale cheese prices. Domestic Swiss cuts moved 12 cents higher following the Class III price release on Wednesday. Imported cheese varieties were unchanged. Domestic Swiss sales remain improved with good food service orders. Sales of domestic Italian type cheeses showed improvement in the first half of 2012 as evidenced by the Commercial Disappearance report from ERS. According to ERS, Commercial Disappearance of Other cheese, which is mostly made up of Italian type cheeses, for Jan.-Jun. 2012, totaled 3,299.9 million pounds, up 1.2% for the same period last year. According to the latest NASS report, domestic Parmesan production during July totaled 20.5 million pounds, 8.7% less than June and 5.6% less than July 2011. Provolone production during July totaled 29.9 million pounds, 1.5% more than June and 5.6% more than July 2011. Romano production during June totaled 3.6 million pounds, 5.3% less than June, but 42.0% more than July 2011. Swiss production during July totaled 26.9 million pounds, 3.2% more than June, but 1.6% less than July 2011.

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

VARIETY	:	NEW YORK	
		IMPORTED	DOMESTIC
Blue	:	2.6400-5.2200	2.3950-3.8825*
Gorgonzola	:	3.6900-6.3900	2.8975-3.1575*
Parmesan (Italy)	:	-0-	3.5175-4.0725*
Provolone (Italy)	:	3.4400-6.1800	2.4375-2.5950*
Romano (Cows Milk)	:	-0-	3.5850-5.7350*
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-	3.4575-3.7800*
Swiss Cuts Finnish	:	2.5900-2.8500	-0-

\* = Price change.

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

## BUTTER : CHEESE

	:		:	
09/03/12	:	11,400	:	124,881
09/01/12	:	11,404	:	124,789
CHANGE	:	-4	:	92
% CHANGE	:	0	:	0

## FLUID MILK AND CREAM

## EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	72	0	78	0	20	0
SOUTHEAST STATES	20	0	5	0	0	0

Class I demand is very strong coming out of the holiday weekend in the Northeast and Mid-Atlantic regions, significantly limiting manufacturing milk supplies. Overall crop conditions in both regions are described as fair to good, but yields are lower than normal, due to inadequate rainfall throughout the growing season. Milk production in Florida remains at/or near the seasonal low point as day time high temperatures continue to be in the 90's. Class I demand remains strong. Forage growth is very good, but recent heavy rains have made pastures too wet for cattle in some areas. The continued good demand from Class I plants resulted in 72 spot loads imported this week. The remnants of hurricane Isaac continued to cause problems in the Southeast. Some bottling plants were shut down late last week and going into the weekend, causing milk supplies to be pushed to manufacturing plants. Those same plants reopened coming out of the holiday weekend with very strong pulls to refill the pipeline. Trucking availability was short of what was needed, causing some delivery delays. Rejections due to temperature issues also added to the general logistic problems. In order to cover Class I demand, 20 spot loads were imported into the Southeast this week. Cream was readily available through the holiday weekend and into the early part of the week as increased volumes of standardized cream, from Class I plants, came on to the market. Demand for cream is increasing as numerous cream based manufacturers return to full production schedules after the holiday. Cream cheese production is very active and some butter plants have become opportunity buyers of cream as they look to increase inventories for the Thanksgiving and yearend holidays. Ice cream mix production has slowed significantly, but hard pack production remains fairly active. Cream multiples were lower this week and ranged from 128-136. Condensed skim milk supplies have become very tight, due to the strong pulls from Class I plants. Supplies are moving through contracts with very little being offered on the spot market. Demand for condensed skim remains good with interest from ice cream, cream cheese and cheese makers. Some balancing plant managers continue to be concerned about their future milk supplies and their ability to meet their nonfat dry milk commitments. According to NASS, ice Cream production in the Atlantic region for July totaled 15.1 million gallons, 4.7% less than June and 5.1% less than July 2011. U.S. Yogurt production (plain and flavored) for July totaled 355.3 million pounds, down 2.2% from June, but 5.2% more than for the same period last year. Cumulative 2012 production through July totaled 2,611.7 million pounds, 3.3% higher than through July 2011.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. producing plants: Northeast -	2.3405-2.4868
F.O.B. producing plants: Upper Midwest -	2.3405-2.4319

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

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.29 - 1.34
Northeast - Class III - spot prices -	1.44 - 1.49

## MIDWEST

The extended holiday weekend provided extra farm milk volumes for several manufacturing plants this week as some plants shut down additional days and others ran extra hours or added a day to production schedules to clear intakes. The additional spot loads of milk that surfaced cleared readily, with rising interest from cream cheese manufacturers. Prices varied by time of need and ranged from \$1.25 - \$3.00. Cream multiples came under some pressure and backed off slightly compared to last week. This relates to ice cream plant operators drawing seasonally lower volumes while milk standardizing activities to meet rising fluid demand continues to generate increasing cream volumes. Some plants with Class I and Class II end products noted internal cream supplies sufficed for current ice cream and ice cream mix production schedules. Milk from delisted farms continues to be an issue in the Central region. Plant operators within the region are cooperating to make sure Grade A milk is delivered to customers needing it and also assuring that all farm milk is processed appropriately. Some plant operators indicate dairy farmers are requesting testing of farm milk for aflatoxin. Dairy farmers report some "new crop" corn silage being fed may have been colonized by aflatoxin producing fungi without the contamination being visually evident. Many dairy farmers with corn acreage are scouting fields, both for presence of fungi and to determine how the standing corn should be used.

## WEST

CALIFORNIA milk production is trending slightly higher. Weather conditions have moderated after recent hot conditions and producers are seeing incremental growth in milk supplies. Processing plants handled the milk supply with relative ease over the holiday weekend and the overall conditions were a nonevent. School milk needs have returned and taking additional fluid milk supplies. Cheese plant needs have been steady and pulling expected volumes. The August 4a price (butter/powder) in CALIFORNIA is \$15.40, up \$1.90 from July but \$4.83 lower than last year. This compares to the Federal Order Class IV price for August at \$15.76. The August 4b price (cheese) is \$16.57, \$1.39 higher than July but \$2.03 less than last year. This compares to the Federal Order Class III price for August at \$17.73. NEW MEXICO milk output has been generally flat at levels tracking below a year ago at this time. Processing plants are running on reduced schedules. Milk shipments out of region continue for contracted volumes. On farm conditions remain stressed with higher milk prices not able to offset higher input costs. CREAM markets are firmer following the Labor Day weekend. Buyer interest returned. Some additional interest is noted from higher class items. Butter producers remain willing to sell cream supplies and realize some good returns at current levels. Ice cream interest is mixed with the season changing from summer to fall. The CME Group, Grade AA butter prices and averages continue to move higher. The current price on Wednesday, September 5 is \$1.8700, up 3 cents from a week ago. Cream multiples are higher and range 124 to 140, and vary depending on basing points and averages. Milk production in the PACIFIC NORTHWEST continues to slow following typical seasonal patterns. Milk handlers reported no difficulties over the holiday weekend and said it was more like a typical week. Fluid milk supplies are adequate for needs with manufacturing supplies being shifted to production facilities where needed. Unusually dry weather along the coastal regions is affecting pasture conditions. Inland milksheds are being serviced by irrigation and feed supplies look good. UTAH and IDAHO milk supplies are adequate for most needs. Production levels are well off of peak production but along expected lines. Temperatures are conducive to cow comfort and helping to keep production levels near steady. Feed costs are weighing heavily on dairy farmers as they make fall plans. Expansion plans are on hold in many cases until break evens are in a better light.

## NONFAT DRY MILK, BUTTERMILK &amp; WHOLE MILK

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

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** Central nonfat dry milk prices are mostly higher on a continuing firm market as buyers seek out Q4 needs. Some demand that is traditionally served through Eastern or Western stocks has migrated to the Central region and provided improved selling opportunities for manufacturers. Brokers and traders indicate the strength of the current NDM has become apparent to more of their clients who thought it may be a short term rally. These buyers are now reentering the market to obtain inputs for the fourth quarter and adding to the market strength. Demand for high heat NDM is steady to higher, especially into baking accounts. Some manufacturers are allocating high heat NDM on a pallet by pallet basis to buyers, or bundling pallets of high heat NDM with butter or low heat NDM truckload orders. High heat NDM production is intermittent at most locations. Milk from delisted farms is being handled outside the NDM product stream. Various milk handlers/processors in the region report they are making sure Grade A end users receive the quality milk they require while also assuring all farm milk is processed timely. According to NASS, NDM production in the Central region totaled 31.2 million pounds during July 2012, 20.2% more than one month ago and 121.6% more than one year ago. Cumulative nonfat dry milk production for 2012 in the Central region totals 158.8 million pounds, a 60.2% increase compared to 2011 production during the same time span. The August 2012 Dairy Market News average of the mostly price series for Central and East nonfat dry milk, low/medium heat, was \$1.4020 compared to \$1.2377 one month ago and \$1.5783 in August 2011. The August 2012 Dairy Market News average of the range price series for Central and East nonfat dry milk, high heat, was \$1.4655 compared to \$1.3383 one month ago and \$1.6774 in August 2011.

**DAIRY PRODUCTS:** NASS's *Dairy Products* report shows production of human food NONFAT DRY MILK during July 2012 totaled 149.3 million pounds, down 11.6% from June 2012 production but 12.1% higher than July 2011. Cumulative nonfat dry milk production for 2012 totals 1,219.8 million pounds, 31.9% higher than 2011 production during the same time span. Month ending stocks, at 129.6 million pounds, are 10.3% less than a month ago and 32.3% lower than one year ago. July 2012 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 37.2 million pounds, 46.8% more than one month ago but 6.1% less than one year ago. Cumulative 2012 skim milk powder production totals 163.2 million pounds, a 35.6% decrease in production compared to production during the same time span in 2011.

**EAST:** Spot sales and sales based on price indices pushed nonfat dry milk prices higher this week. Strong Class I demand coming out of the Labor Day holiday weekend has significantly reduced manufacturing milk supplies and the production of nonfat dry milk. The decline in production has tightened available supplies. Manufacturers are focusing on covering their contracts and reserving the bulk of their inventories to ensure their future commitments are covered. Demand for nonfat dry milk is increasing with good demand coming from cheese makers, ice cream and baking product manufacturers. The combination of good demand and limited product availability has resulted in spot prices considerably above contract pricing. Prospective buyers looking for additional loads are looking out of region and/or for resale opportunities. Low heat nonfat dry milk resale prices are significantly above the mostly range. The market undertone remains very firm.

**DAIRY PRODUCTS:** The latest NASS Dairy Products report indicates nonfat dry milk production for July in the Atlantic region totaled 14.7 million pounds, 9.8% of the nation's total. The Atlantic region production was 8.2% less than one year ago and 18.0% less than the previous month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.3525 - 1.8000 MOSTLY: 1.3900 - 1.6200  
 HIGH HEAT: 1.4150 - 1.9000

**NONFAT DRY MILK - WEST**

Western low/medium heat NDM prices are mixed, but the market tone remains firm. The lack of offerings to test/maintain the top end of the market was apparent this week as producers/sellers often are stretching loads to be able to fill contracted volumes. Pricing levels are moving higher off the bottom end of the range. Index based pricing is trending higher. There are reports of prices above the top end of the range in the resale market and for some other offering prices. Buyer interest is mixed. There are buyers looking to secure product, but they are cautious about paying top dollar. Export interest is light to fair, better to nearby countries. Production remains light with many dryers down in the region. The downtime is allowing for maintenance and cleanup. Producers' stocks are tight and held with confidence. High heat prices are mixed with a firm market tone remaining. The same scenario is evident in the high heat market as the low heat market - there are few available loads to test the top end. Some buyers are short of needs and they are not finding supplies or the loads are at prices they do not want to pay. Stocks are light. U.S. NDM production in July 2012 totaled 149.3 million pounds, 12.1% more than last year. YTD cumulative NDM output through July totals 1.22 billion pounds, up 31.9% or 295.3 million pounds from a year earlier. NDM production in the West region in July totaled 103.5 million pounds, up 0.3% from last year. The West produced 69% of the U.S. total in July. U.S. manufacturers' stocks of NDM at the end of July were 129.6 million pounds, 32.3% lower than a year earlier and 10.3% less than June 2012. U.S. skim milk powder (SMP) production in July totaled 37.2 million pounds, 6.1% less than last year, but 46.8% more than June. YTD cumulative SMP output through July totals 163.2 million pounds, down 35.6% or 90.3 million pounds from a year earlier.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.2800 - 1.7000 MOSTLY: 1.3200 - 1.6500  
 HIGH HEAT: 1.3300 - 1.6700

**DRY BUTTERMILK - CENTRAL AND EAST**

**CENTRAL:** Dry buttermilk prices in the Central region are higher on a firm market. Light spot trading activity this week is a result of tight spot load availability at Central manufacturers versus decreased buyer interest. Various resellers noted that holdings within the resale community are also tight. Sales of condensed buttermilk into Class II continued this week as butter production is steady. Also, increasing volumes of dry buttermilk are clearing

CONTINUED ON PAGE 5A

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

**CONTINUED FROM PAGE 5**

internally to cheese and other end products, lessening the availability of spot loads for outside sales. The August 2012 Dairy Market News average of the range price series for Central and East dry buttermilk was \$1.2818 compared to \$1.1279 one month ago and \$1.4700 in August 2011.

DAIRY PRODUCTS: NASS Dairy Products reports production of dry buttermilk during July 2012 totaled 7.0 million pounds, 8.0% less than one month ago but 0.4% more than production one year ago. Cumulative 2012 dry buttermilk production totals 66.8 million pounds, 11.8% more than during the same time span of 2011. Month ending stocks of dry buttermilk, at 13.9 million pounds, are 1.1% higher than one month ago but 24.4% lower than one year ago.

EAST: Dry buttermilk prices moved higher on the lower end of the range this week. Readily available cream supplies over the holiday weekend allowed butter makers to increase churning schedules, which ultimately lead to increases in dry buttermilk production. Supplies remain tight with the bulk of current production moving through contracts with very little available for the spot market. Supplies are held in firm hands as manufacturers anticipate price increases following recent price increases on the nonfat dry milk market. Buyers looking for additional loads have to look out of region or via resale opportunities. Demand continues to be good with steady pulls from ice cream and baking manufacturers. The market continues to have a firm undertone.

F.O.B. CENTRAL/EAST: 1.3000 - 1.3525

DAIRY PRODUCTS: NASS's Dairy Products report shows dry whole milk production during July 2012 totaled 4.8 million pounds, up 3.0 % from June 2012 and 16.3% higher than July 2011. Month ending stocks, at 7.0 million pounds, are 15.1% higher than one month ago and 20.9% higher than one year ago. Cumulative 2012 production totals 35.2 million pounds, a 16.2% decrease from 2011 production during the same time period.

F.O.B. PRODUCING PLANT: 1.5800 - 1.6400

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
August 31	\$1.2647	8,700,856	0
August 24	\$1.2571	8,773,562	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.

**DRY BUTTERMILK - WEST**

The Western dry buttermilk market tone remains firm. Pricing levels are higher for both the range and mostly series. Buying interest is fair to good for the current limited offerings. Buyers would like to secure additional dry buttermilk before the market trends higher. Some buyers are short of needs and looking to the resale market and having to pay higher prices. Producers are finding themselves in tighter positions as the butter output trends remain flat and there are no additional solids hitting the dryers. Stocks are mainly light and being held for future needs. Buttermilk powder production in July 2012 for the U.S. totals 7.0 million pounds, up 0.4% from last year. Buttermilk stocks at the end of July were 13.9 million pounds, 24.4% lower than a year ago but 1.1% more than a month earlier.

F.O.B. WEST: 1.2300 - 1.4500 MOSTLY: 1.2750 - 1.3350

**DRY WHOLE MILK - NATIONAL**

Dry whole milk prices are higher on a firm market. Various manufacturers indicate the traditional strong demand season is approaching for baking/pie accounts and manufacturers are focusing on meeting those upcoming contract requirements. The August 2012 Dairy Market News average of the range price series for dry whole milk was \$1.5450 compared to \$1.4550 one month ago and \$1.9922 in August 2011.

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

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

**DRY WHEY - CENTRAL**

Central dry whey prices are higher as contract prices follow indices higher. End users and resellers report deliveries of contract dry whey loads are on time. Occasional spot loads of dry whey popped up during the week and cleared readily to contract buyers, carrying contract and/or contact plus pricing. Manufacturers' supplies of dry whey in the Central region are described as comfortable this week. Cheese production has reclaimed a portion of the milk from recent upticks in farm milk pickups. Dry whey production is steady to modestly higher at some locations. The August 2012 Dairy Market News average of the mostly price series for Central dry whey was \$0.5218 compared to \$0.4896 one month ago and \$0.5505 August 2011. The August 2012 Dairy Market News average of the range price series for ANIMAL FEED Central milk replacer dry whey was \$0.4479 compared to \$0.4208 one month ago and \$0.4782 August 2011. Human food dry whey production during July 2012 in the Central region totaled 38.5 million pounds. This dry whey production is 3.5% lower than one month ago and 1.4% lower than one year ago. Cumulative 2012 human food dry whey production in the Central region totals 236.6 million pounds, unchanged from 2011 production during the same time span.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows production of HUMAN FOOD dry whey during July 2012 totaled 86.4 million pounds, 9.5% more than June 2012 and 10.2% more than production 1 year ago. The increases in July HUMAN FOOD whey production are credited to Western states, where production increased 52.6% compared to the previous month. July ending stocks of HUMAN FOOD dry whey totaled 44.5 million pounds, 8.4% less than 1 month ago but 1.2% higher than July 2011. Production of ANIMAL FEED dry whey during June 2012 totaled 3.9 million pounds, 8.9% less than one month ago but 16.0% more than the production of July 2011. ANIMAL FEED dry whey month ending stocks totaled 3.1 million pounds, 10.3% less than one month ago and 23.0% less than the stocks of one year ago.

F.O.B. CENTRAL: .5200 - .6000 MOSTLY: .5500 - .5800  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4050 - .5400

**DRY WHEY - NORTHEAST**

Dry whey transactions based on price indices moved the price range higher this week. Cheese and dry whey production have been limited this week due to the strong Class I demand reducing manufacturing milk supplies. Current production is moving through contracts with little being added to inventories or being made available to the spot market. Demand for dry whey remains good with good pulls from ice cream and baking manufacturers. Buyers have been successful securing additional loads from outside the region and through resale opportunities. Resale prices of confirmed sales are above the range. The market undertone remains very firm. The August 2012 Dairy Market News average of the price series for Northeast dry whey was \$0.5597 compared to \$0.5279 one month ago and \$0.5835 in August 2011. The latest NASS Dairy Products report shows production of dry whey for human consumption for the nation in July, totaled 86.4 million lbs. The Atlantic region totaled 21.0 million pounds, or 24.3% of the nation's total. The Atlantic area's production is 2.0% less than June, but 10.8% more than production one year ago. The national production total was 9.5% more than the previous month and 10.2% more than for the same period last year.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5775 - .5925

**DRY WHEY - WEST**

Western dry whey prices remain firm. The range series was unchanged and the upper end of the mostly series was higher on the top side. The market tone is steady to firm with most sales being contract committed. Spot loads are typically coming from resellers. Occasional spot loads from manufacturers are available, but are not readily available. Whey production in the West is mostly steady. Demand for whey is increasing as buyers look to increase their holdings of dry whey. According to the NASS *Dairy Products* report, edible U.S. whey production in July totals 86.4 million pounds, up 10.2% (+8.0 million pounds) from last year. The Western region produced 27.0 million pounds of whey in July, up 31.9% (+6.5 million pounds) from last year. The West produced 31.2% of the whey in the U.S. in July. Cumulative U.S. total dry whey production for the first seven months of the year is 619.2 million pounds, up 0.6% or 3.8 million pounds from the same period in 2011. Manufacturers' stocks at the end of July for edible whey are 44.5 million pounds, up 1.2% from last year. The August 2012 Dairy Market News monthly average price for Western dry whey range was \$0.5553 compared to \$0.5843 for August 2011; the Western dry whey mostly series averaged \$.5514 compared to \$.5921 a year ago.

NONHYGROSCOPIC: .5600 - .6200 MOSTLY: .5700 - .6000

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate 34% prices are mostly higher on a firming market. Brokers/traders report spot sale activity increased this week. Various end users indicate being able to get a few F.O.B. spot loads, but the balance of needs is being filled via the resale market. Several Central and West manufacturers indicate their inventories are in balance with contract requirement needs. Projected milk supplies for the near term are expected to be steady in the Central, and steady to lower in the West as stressed dairy operations cope with higher operating costs. The August 2012 Dairy Market News average of the mostly price series for whey protein concentrate 34% Central and West was \$1.1272 compared to \$1.1401 one month ago and \$1.5376 in August 2011.

DAIRY PRODUCTS: The NASS *Dairy Products* report shows production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during July 2012 totaled 17.6 million pounds, 12.4% less than one month ago and 8.7% lower than production of one year ago. Cumulative WPC 34% HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) production for 2012 totals 143.6 million pounds, 3.5% more than 2011 production during the same time span. Manufacturers' end-of-month stocks of HUMAN AND ANIMAL WPC (25.0 - 49.9% PROTEIN) totaled 34.7 million pounds, 3.9% less than June 2012 but 104.7% more than the stocks of July 2011.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.0700 - 1.2975 MOSTLY: 1.1400 - 1.1850

**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****LACTOSE - CENTRAL AND WEST**

Lactose prices are unchanged to lower on bottom ends of the range and mostly series this week, but the top of the range moved higher on a mixed market. Current and near term supplies of lactose appear to be adequate. A few manufacturers are intermittently clearing spot loads, single to block quantities, mostly to contract buyers. Other manufacturers indicate their inventories are in balance with Q3 contract fulfillment. Contracting discussions started in earnest this week between many buyers and sellers. Off shore lactose demand is steady to increasing. Although near term supplies seem adequate, a limited number of contracts for 2013 were recently finalized. Various lactose manufacturers relayed that some off shore buyers are concerned about the severity of the drought in the United States and are uncertain about the long lasting effects of the drought on lactose production for Q4. In some cases, sales of lactose to off shore buyers are hampered by packaged lactose in stock, as 25 kg bags are preferred. In keeping with some of the concerns of lactose buyers, a few reports indicate recent milk supplies into some lactose plants decreased compared to a few weeks ago as dairy herd operators struggle to manage cow comfort issues in 100+ degree days. The August 2012 Dairy Market News average of the mostly price series for Central and West lactose was \$0.8261 compared to \$0.8383 one month ago and \$0.5952 in August 2011. DAIRY PRODUCTS: NASS's *Dairy Products* report shows HUMAN and ANIMAL lactose production during July 2012 decreased 3.5% compared to June 2012 to 85.8 million pounds but was 0.7% higher than July 2011 production. Cumulative 2012 lactose production totals 607.2 million pounds, 3.9% more than during the same time span in 2011. Month ending stocks, at 89.4 million pounds, are 0.1% more than one month ago and 17.5% higher than one year ago.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL.6600 - .9575 MOSTLY: .7800 - .8700

**CASEIN - NATIONAL**

Casein markets and prices are generally steady with recent weeks. The casein production season in Europe is winding down while the Oceania production season is about to resume. European suppliers are indicating that casein output is lower, but especially in Ireland, not as negative as conditions were pointing to during recent weeks. Suppliers are indicating that casein volumes are in close balance with needs, with some suppliers stating that delivery logistics will be altered to accommodate availability. The milk production season in the Oceania region is getting off to a positive start, thus casein output might gear up a little earlier than typically is the case.

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	2012	2011 WEEKLY	2011
	DAIRY COWS	CUMULATIVE DAIRY COWS	DAIRY COWS	CUMULATIVE DAIRY COWS
08/18/2012	61.0	1,918.6	54.2	1,815.3

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

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

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

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

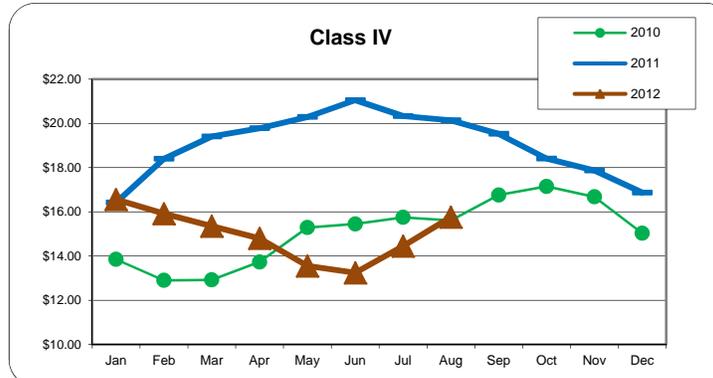
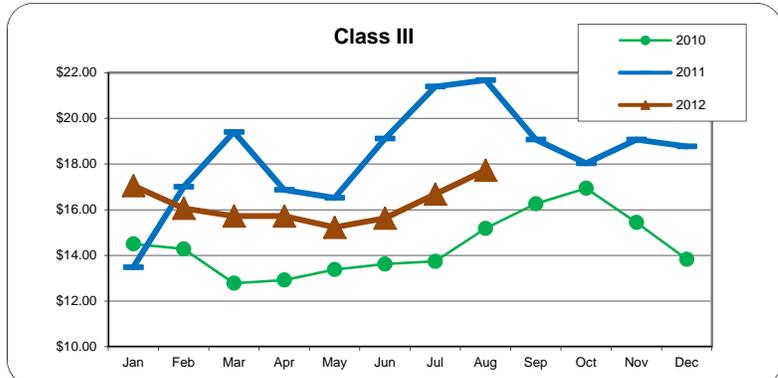
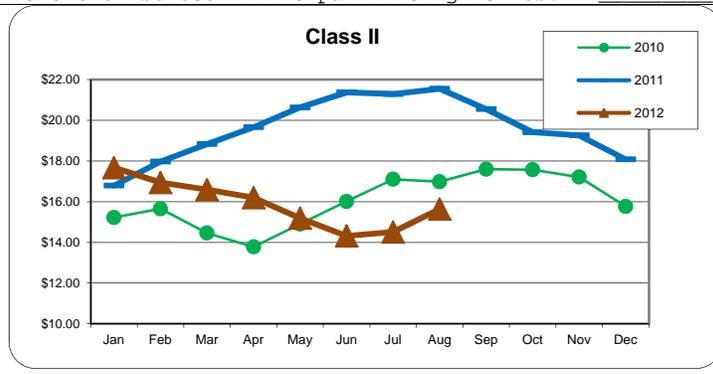
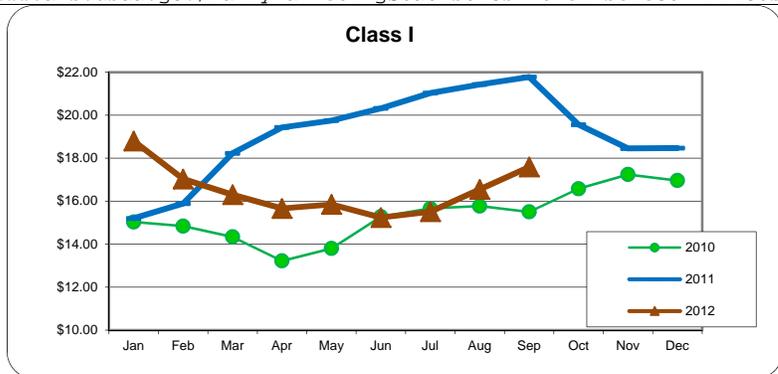
**CLASS IV MILK PRICES (3.5% BF)**

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

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

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.80	17.03	16.30	15.66	15.85	15.24	15.51	16.55				
II	17.67	16.94	16.59	16.20	15.19	14.32	14.51	15.64				
III	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73				
IV	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76				

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



**ORGANIC DAIRY MARKET NEWS**

Information gathered August 27 - September 7, 2012

**ORGANIC DAIRY FLUID OVERVIEW**

An organic dairy cooperative in the Northeast organized several years ago, is adding producer members to supply its growing sales volume. Net sales are up in the seasonal transition from sales to summer tourists and resorts supplementing regular sales, to the fall uptick in sales through natural foods stores due to resumption of schools. Information about organic nonfat dry milk spot sales is not readily available, partly because such spot sales are infrequent and there are relatively few manufacturers of organic nonfat dry milk. This week, there were some spot sales of organic nonfat dry milk in the Northwest, at a price approximately double the prevailing prices for conventional nonfat dry milk.

**ORGANIC DAIRY RETAIL OVERVIEW**

**NATIONALLY ADVERTISED PRICE COMPARISON**

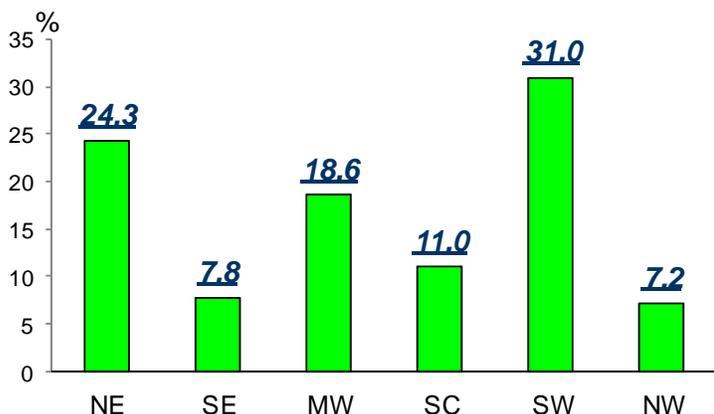
**Organic Dairy Overview.** This is the latest in a series of record-setting retail organic dairy advertising periods occurring during 2012. This period’s survey found the record largest number of ads for 8 ounce milk, since the data series began during the fall of 2009. This record follows a similar record set for the same product and container size two weeks.

Organic milk ads comprise 74% of all organic dairy ads this period, down from 88% two weeks ago, followed by organic yogurt with 23%, up from 10% two weeks ago, and organic ice cream, 2.0%.

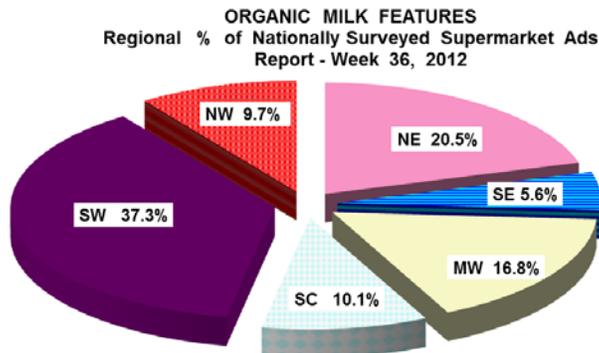
Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period August 25, 2012, to September 7, 2012, identifying weekly “specials” and containing organic dairy content. Surveyed ads reflect advertised “specials” and not the range of non-advertised supermarket cooler prices.

**Regional Organic Dairy Ad Trends – Current Period.** The Southwest continued the late Summer trend of leading all regions in organic dairy advertising, with 31.0% of all organic ads. The other regions include the Northeast, 24.3%; the Midwest, 18.6%; South Central, 11.0%; the Southeast, 7.8%; and the Northwest, 7.2%.

**Organic Dairy Ads Regionally As A Percentage of Surveyed Organic Dairy Ads Week 36, 2012**

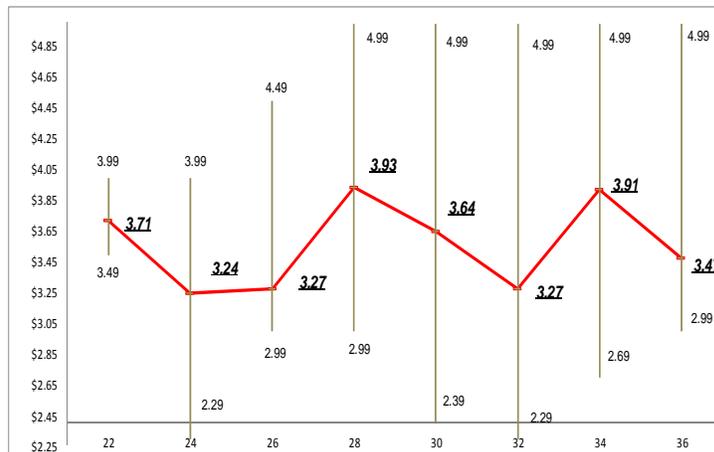


**Organic Milk.** Organic milk ads comprise nearly three of every four organic dairy ads. The highest percentage of organic milk ads appear in the Southwest, 37.3%. Other regions include the Northeast, 20.5%; Midwest, 16.8%; South Central, 10.1%; Northwest, 9.7%; and Southeast, 5.6%.



**Organic Milk Half Gallons.** The national weighted average advertised price of organic milk half gallons, \$3.47, is 44 cents lower than two weeks ago. The price range is \$4.99 to \$2.99, unchanged at the top and 30 cents higher at the bottom. This period the concentration of advertised organic half gallon brands shifted from nearly nine times as many national brands than store brands, to somewhat more for national brands than store brands.

**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	13.1	3.99
SE	04.6	3.59
MW	48.4	3.08
SC	19.7	4.02
SW	14.2	3.52
NW	00.0	----
US		3.47

ORGANIC DAIRY MARKET NEWS

Information gathered August 27 - September 7, 2012

CONTINUED FROM PAGE 8

The AMS Dairy Market News Survey which generated the current national organic half gallon milk weighted average advertised price of \$3.47, also determined the weighted average advertised price for non-organic half gallons as \$2.43, an organic-conventional half-gallon milk advertised price spread of \$1.04, down from \$1.65 two weeks ago. During 2012, the price spread has ranged from \$0.78 to \$2.46.

Advertising volume for organic half gallon containers of milk is higher than during five periods of the year, but lower than ten.

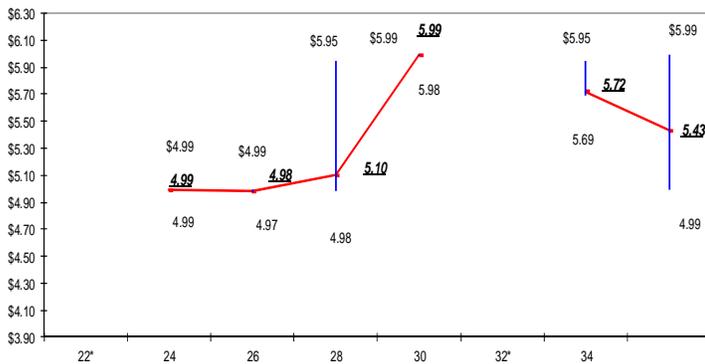
**Organic Milk 8 Ounce.** Ads for 8 ounce containers of organic milk listed a price ranging from \$0.67, the lowest recorded price for this category since data collection began during the fall of 2009, to \$1.50. The national weighted average advertised price is \$0.97, down from \$0.99 last period. The volume of ads this period is the largest since fall 2009, and 51.1% higher than two weeks ago, which set the previous the previous record.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	19.2	0.88
SE	03.9	0.93
MW	07.8	1.00
SC	08.2	1.00
SW	47.5	0.99
NW	13.5	1.00
US		0.97

**Organic Milk Gallons.** Ads for organic milk gallons are at the highest level of 2012. Slightly over half of the organic gallon ads were in the Northeast for a store brand, all priced \$5.49. The remaining ads ran in the Southeast and Midwest. The national weighted average advertised price is \$5.43, with a price spread of \$5.99 to \$4.99.

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

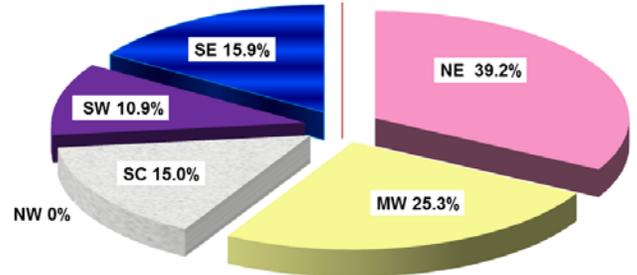


\*THERE WERE NO ADS FOR WEEKS 22 AND 32

**Organic Yogurt.** Total organic yogurt ad numbers increased by 113.6% from two weeks ago, following a decrease of nearly as much from the last period compared with four weeks ago. The narrowly leading organic yogurt category is 4-6 ounce organic Greek yogurt, closely followed by 4-6 ounce organic yogurt, trailed by ads for 32 ounce organic yogurt.

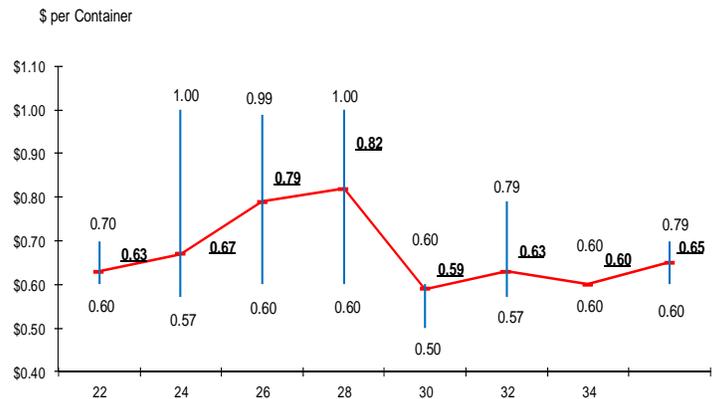
The Northeast led all regions in total organic yogurt advertising, which has been the case during all but two of eighteen periods of 2012. Regional percentages of organic yogurt ads this period include the Northeast, 39.2%; Midwest, 25.3%; Southeast, 15.9%; South Central, 15.0%; and Southwest, 10.9%. No organic yogurt ads appeared in the Northwest.

**ORGANIC YOGURT FEATURES Regional % of Surveyed National Newspaper Ads Report Week 36, 2012**



**4-6 Ounce Organic Yogurt.** Ads for 4-6 ounce organic yogurt yielded a weighted average advertised price of 65 cents, up 5 cents, from two weeks ago. The price range was \$.79 to \$.60. Last period all ads were priced \$.60. All ads are for national brands. The ads were split between the Northeast and Southeast, with a slight advantage to the Northeast.

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



**4-6 Ounce Organic Greek Yogurt.** Ads for 4-6 ounce organic Greek yogurt appeared in four of six regions. The current weighted average advertised price, \$1.05, is 41 cents below two weeks ago. Prices range from \$1.50 to \$.69, with national brands at each end of the price range. Over twice as many ads were for national brands and the ads for store brands all had a price of \$1.00.

CONTINUED ON PAGE 8-B

ORGANIC DAIRY MARKET NEWS

Information gathered August 27 - September 7, 2012

CONTINUED FROM PAGE 8-A

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	31.0	1.25
SE	00.0	----
MW	45.9	0.69
SC	08.3	1.50
SW	14.9	1.59
NW	00.0	----
US		1.05

**32 Ounce Organic Yogurt.** All ads for 32 ounce organic yogurt ran in the Midwest, South Central and Southwest. All ads were for store brand and all were priced \$2.99 or \$3.00.

**Organic Ice Cream.** All ads for organic ice cream are for national brands and all priced \$3.99 in the Southwest and \$4.99 in the Northeast.

**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 36

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
(in Dollars)			
<b>FLUID MILK</b>			
<b>MILK - gallon</b>			
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
<b>MILK - half gallon</b>			
Whole	3.00	4.49	1.49
Nonfat (Skim)	3.00	4.49	1.49
Reduced fat (2%)	3.00	4.49	1.49
Low fat (1%)	3.00	4.49	1.49
<b>FLAVMILK - half gallon</b>			
All fat tests	3.09	5.69	2.60
<b>YOGURT</b>			
Yogurt - 4-6 oz			
Yogurt	0.79	1.29	0.50

LOW HIGH RANGE

**CHEESE**

<b>Cheese - 8 oz block</b>			
Mozzarella	3.40	5.75	2.35
Mild Cheddar	3.79	5.99	2.20
Monterey Jack	3.79	5.99	2.20
Pepper Jack	3.89	5.99	2.10

**Cheese - 6 oz string**

Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	4.99	1.10

**BUTTER**

<b>Butter - 1 Pound</b>	3.99	6.19	2.20
-------------------------	------	------	------

**ORGANIC GRAIN AND FEEDSTUFFS MARKETS:**

National organic grain and feedstuffs were mixed, with feed grade corn firm and feed grade soybeans higher. Oats were higher this period compared to a light market test two weeks ago. Offerings of grain this period were light, with moderate demand for corn and soybeans. Increased interest in barley and feed grade wheat was reported, with farmers actively seeking alternative feed grade grains for protein in rations. Farmers have reported that some new crop offers for corn and soybeans are nearing the current old crop prices, however, many are reluctant to sign any contracts until harvest begins and they have some significant insight as to what their yields will be. Pricing for old and new crop grains is beginning to show a state-by-state price difference, with some in hard-hit areas of drought receiving higher priced offers than those in areas that received considerably more moisture this growing period. That being said, some organic operations are reportedly experiencing a decrease in financial support from financial institutions, as well as a lack of continued interest in their operations, due to rising costs of feed. This does not mean that funding will cease, rather, it simply states that the level of risk associated with the current costs of organic commodities is becoming much more of a concern given that profit margins have not improved for many operations. Organic triticale was reportedly traded from \$.14-\$.15/lb FOB the farm gate this period. Organic field peas were offered at or near current feed corn prices, however, no purchases were reported during this period. Additional information is available at:

<http://www.ams.usda.gov/mnreports/lbfnof.pdf>

MONTHLY SUMMARY AND AVERAGES FOR **AUGUST 2012** 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 31	::REPORT NUMBER 32	::REPORT NUMBER 33	::REPORT NUMBER 34	::REPORT NUMBER 35::	2012	2011
	:-----:-----:-----:-----:-----:					Average	Average
	:: AUG 01 - 03	:: AUG 06 - 10	:: AUG 13 - 17	:: AUG 20 - 24	:: AUG 27 - 31	:: or Total	:: or Total

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.8825 - 2.5875	:: 1.8700 - 2.5750	:: 1.9800 - 2.6850	:: 2.0150 - 2.7200	:: 1.9925 - 2.6975	:: 2.3062	: 2.5355
-- Brick And/Or Muenster 5#	:: 2.1050 - 2.6650	:: 2.0950 - 2.6550	:: 2.2100 - 2.7700	:: 2.2575 - 2.8175	:: 2.2350 - 2.7950	:: 2.4671	: 2.6707
-- Cheddar 40# Block	:: 2.1050 - 3.0900	:: 2.0950 - 3.0800	:: 2.2100 - 3.1950	:: 2.2575 - 3.2425	:: 2.2350 - 3.2200	:: 2.6796	: 2.6983
-- Monterey Jack 10#	:: 2.0750 - 3.0900	:: 2.0650 - 3.0800	:: 2.1800 - 3.1950	:: 2.2275 - 3.2425	:: 2.2050 - 3.2200	:: 2.6646	: 2.6953
-- Blue 5#	:: 2.3700 - 3.3550	:: 2.3600 - 3.3450	:: 2.4750 - 3.4600	:: 2.5225 - 3.5075	:: 2.5000 - 3.4850	:: 2.9446	: 3.1440
-- Mozzarella 5 - 6#	:: 1.9500 - 3.1900	:: 1.9400 - 3.1800	:: 2.0550 - 3.2950	:: 2.1025 - 3.3425	:: 2.0800 - 3.3200	:: 2.6521	: 2.6804
-- Grade A Swiss Cuts 6 - 9#	:: 2.8100 - 2.9275	:: 2.7650 - 2.8825	:: 2.7650 - 2.8825	:: 2.7650 - 2.8825	:: 2.7650 - 2.8825	:: 2.8296	: 3.1495

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 40# Block	:: 2.1175 - 2.4025	:: 2.1075 - 2.3925	:: 2.2225 - 2.5075	:: 2.2700 - 2.5550	:: 2.2475 - 2.5325	:: 2.3421	: 2.5080
-- Process 5# Sliced	:: 1.9100 - 2.0300	:: 1.8975 - 2.0175	:: 2.0075 - 2.1275	:: 2.0425 - 2.1625	:: 2.0200 - 2.1400	:: 2.0412	: 2.3079
-- Muenster	:: 2.1375 - 2.4975	:: 2.1275 - 2.4875	:: 2.2425 - 2.6025	:: 2.2900 - 2.6500	:: 2.2675 - 2.6275	:: 2.3996	: 2.4930
-- Grade A Swiss Cuts 10 - 14#	:: 3.2000 - 3.5225	:: 3.2450 - 3.5675	:: 3.2450 - 3.5675	:: 3.2450 - 3.5675	:: 3.2450 - 3.5675	:: 3.4004	: 3.7396

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.8150 - 2.0725	:: 1.8025 - 2.0600	:: 1.9125 - 2.1700	:: 1.9475 - 2.2050	:: 1.9250 - 2.1825	:: 2.0149	: 2.2992
-- Cheddar 40# Block	:: 1.8425 - 2.1950	:: 1.8325 - 2.1850	:: 1.9475 - 2.3000	:: 1.9950 - 2.3475	:: 1.9725 - 2.3250	:: 2.1008	: 2.3582
-- Cheddar 10# Cuts	:: 2.0225 - 2.2425	:: 2.0125 - 2.2325	:: 2.1275 - 2.3475	:: 2.1750 - 2.3950	:: 2.1525 - 2.3725	:: 2.2146	: 2.4720
-- Monterey Jack 10#	:: 2.0325 - 2.1925	:: 2.0225 - 2.1825	:: 2.1375 - 2.2975	:: 2.1850 - 2.3450	:: 2.1625 - 2.3225	:: 2.1946	: 2.4520
-- Grade A Swiss Cuts 6 - 9#	:: 2.7775 - 3.2075	:: 2.8225 - 3.2525	:: 2.8225 - 3.2525	:: 2.8225 - 3.2525	:: 2.8225 - 3.2525	:: 3.0316	: 3.3709

FLUID PRODUCTS

SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)

-- Northeast - f.o.b	:: 2.3874 - 2.5027	:: 2.4923 - 2.6916	:: 2.6077 - 2.7632	:: 2.4885 - 2.6630	:: 2.4480 - 2.5560	:: 2.5700	: 2.8976
-- Upper Midwest - f.o.b	:: 2.0581 - 2.3051	:: 2.3261 - 2.4923	:: 2.2969 - 2.4178	:: 2.2930 - 2.4530	:: 2.3040 - 2.4840	:: 2.3571	: 2.8244

PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.

-- Class II	:: 1.20 - 1.25	:: 1.16 - 1.25	:: 1.16 - 1.25	:: 1.19 - 1.25	:: 1.29 - 1.34	:: 1.2348	: 1.7039
-- Class III	:: 1.34 - 1.39	:: 1.35 - 1.44	:: 1.35 - 1.44	:: 1.35 - 1.44	:: 1.35 - 1.44	:: 1.3911	: 1.6609

MONTHLY SUMMARY AND AVERAGES FOR AUGUST 2012 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	:REPORT NUMBER 31	:REPORT NUMBER 32	:REPORT NUMBER 33	:REPORT NUMBER 34	:REPORT NUMBER 35	2012	2011
	:-----:-----:-----:-----:-----					Average	Average
	AUG 01 - 03	AUG 06 - 10	AUG 13 - 17	AUG 20 - 24	AUG 27 - 31	or Total	or Total
<b>DRY PRODUCTS</b>							
<b>NONFAT DRY MILK</b>							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	:: 1.2000 - 1.4200	:: 1.2700 - 1.5000	:: 1.2850 - 1.5100	:: 1.3175 - 1.6650	:: 1.3275 - 1.7200	:: 1.4312	: 1.5632
-- Mostly	:: 1.2450 - 1.2850	:: 1.3150 - 1.4200	:: 1.3350 - 1.4400	:: 1.3700 - 1.5100	:: 1.3700 - 1.6200	:: 1.4020	: 1.5783
-- High Heat	:: 1.3250 - 1.4800	:: 1.3200 - 1.6000	:: 1.3350 - 1.6000	:: 1.3675 - 1.6000	:: 1.3775 - 1.6000	:: 1.4655	: 1.6774
-- West (f.o.b.)							
-- Low/Medium Heat	:: 1.1450 - 1.3600	:: 1.1700 - 1.4200	:: 1.2000 - 1.5500	:: 1.2300 - 1.6150	:: 1.2300 - 1.7500	:: 1.3770	: 1.5185
-- Mostly	:: 1.2000 - 1.3200	:: 1.2300 - 1.3500	:: 1.2500 - 1.4500	:: 1.2700 - 1.5000	:: 1.2900 - 1.6500	:: 1.3589	: 1.5080
-- High Heat	:: 1.2100 - 1.3600	:: 1.2100 - 1.3800	:: 1.2200 - 1.4000	:: 1.2500 - 1.4300	:: 1.3000 - 1.7500	:: 1.3567	: 1.6541
<b>WHEY POWDER (Nonhygroscopic)</b>							
-- Central (f.o.b.)	:: 0.4500 - 0.5550	:: 0.4700 - 0.5600	:: 0.4700 - 0.5700	:: 0.4700 - 0.5775	:: 0.5050 - 0.5775	:: 0.5221	: 0.5543
-- Mostly	:: 0.4650 - 0.5400	:: 0.4800 - 0.5450	:: 0.4900 - 0.5450	:: 0.5000 - 0.5575	:: 0.5200 - 0.5600	:: 0.5218	: 0.5505
-- West (f.o.b.)	:: 0.4900 - 0.5450	:: 0.5125 - 0.5600	:: 0.5225 - 0.5750	:: 0.5475 - 0.5900	:: 0.5600 - 0.6200	:: 0.5553	: 0.5843
-- Mostly	:: 0.5050 - 0.5325	:: 0.5200 - 0.5500	:: 0.5400 - 0.5600	:: 0.5500 - 0.5700	:: 0.5700 - 0.5900	:: 0.5514	: 0.5921
-- Northeast (f.o.b.)	:: 0.5350 - 0.5550	:: 0.5400 - 0.5600	:: 0.5450 - 0.5650	:: 0.5575 - 0.5750	:: 0.5675 - 0.5850	:: 0.5597	: 0.5835
<b>WHEY PROTEIN CONCENTRATE</b>							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.9500 - 1.2850	:: 1.0700 - 1.2750	:: 1.0700 - 1.2750	:: 1.0700 - 1.2750	:: 1.0700 - 1.2750	:: 1.1653	: 1.5392
-- Mostly	:: 1.0900 - 1.1525	:: 1.0900 - 1.1525	:: 1.0900 - 1.1525	:: 1.0900 - 1.1650	:: 1.1200 - 1.1650	:: 1.1272	: 1.5376
<b>ANIMAL FEED - WHEY</b>							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.3675 - 0.4925	:: 0.3700 - 0.5050	:: 0.3825 - 0.5150	:: 0.3825 - 0.5200	:: 0.3975 - 0.5325	:: 0.4479	: 0.4782
<b>BUTTERMILK (Min. 30% protein)</b>							
-- Central And East (f.o.b.)	:: 1.1375 - 1.3000	:: 1.2425 - 1.3000	:: 1.2425 - 1.3200	:: 1.2700 - 1.3325	:: 1.2700 - 1.3525	:: 1.2818	: 1.4700
-- West (f.o.b.)	:: 1.1000 - 1.2200	:: 1.1300 - 1.2500	:: 1.1300 - 1.3500	:: 1.1700 - 1.3500	:: 1.2200 - 1.3900	:: 1.2372	: 1.3512
-- Mostly	:: 1.1300 - 1.1600	:: 1.1600 - 1.1900	:: 1.1750 - 1.2250	:: 1.2000 - 1.2700	:: 1.2550 - 1.2950	:: 1.2113	: 1.3598
<b>WHOLE MILK POWDER</b>							
-- National (f.o.b.)	:: 1.4400 - 1.5000	:: 1.4700 - 1.5500	:: 1.5000 - 1.6300	:: 1.5000 - 1.6300	:: 1.5400 - 1.6300	:: 1.5450	: 1.9922
<b>LACTOSE</b>							
-- Central And West (f.o.b.)	:: 0.7500 - 0.9500	:: 0.7500 - 0.9500	:: 0.6800 - 0.9500	:: 0.6800 - 0.9500	:: 0.6800 - 0.9300	:: 0.8250	: 0.5909
-- Mostly	:: 0.7800 - 0.8700	:: 0.7800 - 0.8700	:: 0.7800 - 0.8700	:: 0.7800 - 0.8750	:: 0.7800 - 0.8750	:: 0.8261	: 0.5952
<b>CASEIN - Edible - National (f.o.b.)</b>							
-- Nonrestricted - Rennet	:: 3.7500 - 4.4000	:: 3.7500 - 4.4000	:: 3.7500 - 4.4000	:: 3.7500 - 4.4000	:: 3.7500 - 4.4000	:: 4.0750	: 4.9750
-- Nonrestricted - Acid	:: 4.1500 - 4.7000	:: 4.1500 - 4.7000	:: 4.1500 - 4.7000	:: 4.1500 - 4.7000	:: 4.1500 - 4.7000	:: 4.4250	: 5.1800

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CME GROUP AVERAGES FOR AUGUST 2012

COMMODITY	REPORT NUMBER 31 AUG 1 - 3	REPORT NUMBER 32 AUG 6 - 10	REPORT NUMBER 33 AUG 13 - 17	REPORT NUMBER 34 AUG 20 - 24	REPORT NUMBER 35 AUG 27 - 31	2012 * Average	2011 * Average
<b>BUTTER*</b>							
-- GRADE AA							
--Monday		1.6900	1.7525	1.8000	1.8025		
--Tuesday		1.7100	1.7750	1.8000	1.8200		
--Wednesday	1.6450	1.7350	1.7775	1.8000	1.8400		
--Thursday	1.6800	1.7500	1.7900	1.8000	1.8400		
--Friday	1.6900	1.7500	1.7925	1.8000	1.8400	1.7687	2.0882
--Weekly Average**	1.6615	1.7270	1.7775	1.8000	1.8285		
<b>CHEESE*</b>							
-- BARRELS							
--Monday		1.7125	1.8200	1.8050	1.8025		
--Tuesday		1.7725	1.8125	1.8050	1.8000		
--Wednesday	1.6750	1.8250	1.8125	1.8050	1.8100		
--Thursday	1.6750	1.8250	1.8550	1.8050	1.8075		
--Friday	1.6850	1.8200	1.8350	1.8025	1.7775	1.7889	1.9571
--Weekly Average**	1.6805	1.7910	1.8270	1.8045	1.7995		
-- 40# BLOCKS							
--Monday		1.7375	1.8525	1.8400	1.8525		
--Tuesday		1.8000	1.8525	1.8375	1.8525		
--Wednesday	1.7000	1.8500	1.8525	1.8375	1.8700		
--Thursday	1.7000	1.8500	1.9000	1.8525	1.8575		
--Friday	1.7100	1.8550	1.8700	1.8525	1.8200	1.8262	1.9725
--Weekly Average**	1.7040	1.8185	1.8655	1.8440	1.8505		
<b>NONFAT DRY MILK*</b>							
-- EXTRA GRADE							
--Monday		1.4000	1.4600	1.6250	1.6250		
--Tuesday		1.4000	1.4900	1.6250	1.6250		
--Wednesday	1.3000	1.4000	1.5200	1.6250	1.6250		
--Thursday	1.3500	1.4100	1.5750	1.6250	1.6250		
--Friday	1.4000	1.4400	1.6250	1.6250	1.6250	1.5226	1.6100
--Weekly Average**	1.3300	1.4100	1.5340	1.6250	1.6250		
-- GRADE A							
--Monday		1.4000	1.5000	1.6500	1.6650		
--Tuesday		1.4000	1.5500	1.6600	1.6650		
--Wednesday	1.3800	1.4050	1.6000	1.6650	1.7000		
--Thursday	1.4000	1.4300	1.6000	1.6650	1.7000		
--Friday	1.4000	1.4800	1.6500	1.6650	1.7000	1.5622	1.5100
--Weekly Average**	1.3860	1.4230	1.5800	1.6610	1.6860		

\* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

\*\* Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

## AUGUST AGRICULTURAL PRICES HIGHLIGHTS

The All Milk price received by farmers was \$17.80 in August, up \$0.90 from July 2012 and down \$4.30 from August 2011. Alfalfa hay price was \$203.00 in August, up \$7.00 from August 2011. Corn price was \$7.54 in August, up \$0.66 from August 2011. Soybean price was \$15.90 in August, up \$2.50 from August 2011. The milk-feed price ratio was 1.35 in August, down 0.48 from August 2011.

The index of prices received by farmers for dairy products during the month of August 2012 was up 7 points to 136. Compared with August 2011, the index was down 33 points (19.5 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in August 2012 was up 3 points to 216. Compared with August 2011, the index was up 11 points (5.4 percent).

## SELECTED MILK PRICES, MILK COWS, AND FEED PRICES, SELECTED STATES AND U.S., AUGUST 2012 WITH COMPARISONS

State	All-Milk price <sup>1/</sup> <sup>2/</sup>				Alfalfa hay, baled		Corn for Grain		Soybeans	
	Dollars per cwt.				Dollars per ton		Dollars per bushel		Dollars per bushel	
	July		August		August		August		August	
	2011	2012	2011	2012 <sup>3/</sup>	2011	2012 <sup>3/</sup>	2011	2012 <sup>3/</sup>	2011	2012 <sup>3/</sup>
AZ	21.60	16.20	22.00	17.10	220.00	210.00	---	---	---	---
CA	20.22	15.32	20.31	16.50	235.00	207.00	---	---	---	---
CO	21.60	16.80	22.00	17.50	190.00	235.00	7.06	7.75	---	---
ID	19.90	16.60	19.70	17.20	230.00	190.00	---	---	---	---
IN	22.80	16.70	23.30	17.70	---	---	7.18	7.77	13.70	16.30
IA	22.10	17.40	22.60	18.30	128.00	208.00	6.84	7.60	13.50	16.00
MI	22.70	17.10	23.20	18.20	120.00	175.00	7.22	7.95	13.30	15.90
MN	22.50	18.00	22.70	18.80	115.00	155.00	6.49	7.12	13.00	15.60
NM	21.00	16.00	21.30	17.00	275.00	233.00	---	---	---	---
NY	23.00	17.40	23.50	18.30	135.00	175.00	---	---	---	---
OH	23.10	17.20	23.40	18.10	188.00	245.00	7.40	7.57	13.60	15.80
PA	23.50	18.00	24.10	19.10	177.00	198.00	8.52	8.40	---	---
TX	22.50	17.20	23.00	17.70	246.00	239.00	7.00	7.46	---	---
WA	22.30	16.70	22.60	17.80	200.00	225.00	---	---	---	---
WI	22.20	17.80	22.60	18.80	105.00	140.00	7.09	7.00	13.40	15.30
U.S.	21.80	16.90	22.10	17.80	196.00	203.00	6.88	7.54	13.40	15.90

<sup>1/</sup> Prices are shown at reported butterfat test. <sup>2/</sup> Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.

<sup>3/</sup> Preliminary.

## MILK-FEED PRICE RATIO, SELECTED STATES AND U.S., AUGUST 2012 WITH COMPARISONS

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk <sup>1/</sup>			
State <sup>2/</sup>	August 2011	July 2012	August 2012 <sup>3/</sup>
IA	2.12	1.47	1.37
MI	2.15	1.44	1.41
MN	2.27	1.59	1.60
OH	1.89	1.29	1.29
WI	2.17	1.65	1.67
U.S.	1.83	1.34	1.35

<sup>1/</sup> The price of commercial prepared dairy feed is based on current United States prices received for corn, soybeans, and alfalfa. The modeled feed uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa hay. <sup>2/</sup> Available states that provided all necessary data to compute milk feed price ratios.

<sup>3/</sup> Preliminary.

## GENERAL PRICE MEASURES, U.S., AUGUST 2012 WITH COMPARISONS

Item	August 2011	July 2012	August 2012 <sup>1/</sup>
<b>INDEX NUMBERS (1990-92=100):</b>			
Prices received by farmers for dairy products	169	129	136
Prices paid by farmers for commodities and services, interest taxes, and wage rates	205	213	216

<sup>1/</sup> Preliminary.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, August 2012*.

**JULY 2012 DAIRY PRODUCTS HIGHLIGHTS**

**BUTTER** production was 132.8 million pounds, 2.0 percent below July 2011 and 3.4 percent below June 2012. **AMERICAN TYPE CHEESE** production totaled 356.2 million pounds, 1.8 percent above July 2011 but 1.1 percent below June 2012. **TOTAL CHEESE** output (excluding cottage cheese) was 874.4 million pounds, 2.3 percent above July 2011 but 2.3 percent below June 2012. **NONFAT DRY MILK** production, for human food, totaled 149.3 million pounds, 12.1 percent above July 2011 but 11.6 percent below June 2012. **DRY WHEY** production, for human food, was 86.4 million pounds, 10.2 percent above July 2011 and 9.5 percent above June 2012. **ICE CREAM (hard)** production totaled 73.8 million gallons, 1.4 percent above July 2011 but 5.3 percent below June 2012.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	JUL 2012	PERCENT CHANGE FROM:			PRODUCT	JUL 2012	PERCENT CHANGE FROM:		
	1,000 LBS.	JUL 2011	JUN 2012	YEAR TO DATE 1/		1,000 LBS.	JUL 2011	JUN 2012	YEAR TO DATE 1/
BUTTER	132,776	-2.0	-3.4	5.2	SOUR CREAM	100,169	1.8	-3.8	2.4
CHEESE					YOGURT (PLAIN AND FLAVORED)	355,290	5.2	-2.2	3.3
AMERICAN TYPES 2/	356,233	1.8	-1.1	1.8	DRY WHEY, HUMAN FOOD	86,410	10.2	9.5	---
CHEDDAR	258,636	0.8	-0.6	0.8	DRY WHEY, ANIMAL FEED	3,867	16.0	-8.9	---
OTHER AMERICAN	97,597	4.6	-2.5	---	DRY WHEY, TOTAL 8/	90,277	10.4	8.5	0.6
BRICK & MUENSTER	13,540	6.0	4.7	---	REDUCED LACTOSE AND MINERALS				
CREAM & NEUFCHATEL	61,722	6.7	-9.9	---	HUMAN FOOD	1,659	-27.4	-12.3	---
HISPANIC	18,164	6.8	0.3	---	ANIMAL FEED	4,782	6.4	-1.4	---
TOTAL ITALIAN TYPES	368,399	2.3	-2.7	0.8	LACTOSE, HUMAN FOOD & ANIMAL FEED	85,831	0.7	-3.5	3.9
MOZZARELLA	291,130	1.6	-2.8	2.0	WHEY PROTEIN CONCENTRATE				
OTHER ITALIAN	77,269	4.7	-2.6	---	HUMAN FOOD 9/	31,878	-0.1	-10.5	---
SWISS	26,891	-1.6	3.2	---	ANIMAL FEED 9/	2,201	-20.8	-27.5	---
ALL OTHER TYPES	13,219	-10.8	-0.8	---	TOTAL 9/	34,079	-1.7	-11.9	5.3
TOTAL	874,429	2.3	-2.3	1.1	25.0-49.9 PERCENT 10/	17,617	-8.7	-12.4	---
COTTAGE CHEESE, CURD 3/	35,182	-0.9	4.1	---	50.0-89.9 PERCENT 10/	16,462	7.0	-11.2	---
COTTAGE CHEESE, CREAM 4/	27,790	1.2	6.8	-3.1	WHEY PROTEIN ISOLATES 11/	4,836	-7.1	-6.9	---
COTTAGE CHEESE, LOWFAT 5/	32,322	2.2	2.1	0.2	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
CANNED EVAP & CONDSO WHOLE MILK	(D)	(X)	(X)	---	ICE CREAM (HARD)	73,802	1.4	-5.3	-0.3
DRY BUTTERMILK	6,988	0.4	-8.0	---	ICE CREAM, LOWFAT (HARD)	16,579	0.9	-6.4	---
DRY WHOLE MILK	4,788	16.3	3.0	---	ICE CREAM, LOWFAT (SOFT)	23,345	-13.4	-8.0	---
MILK PROTEIN CONC. (MPC), TOTAL 6/	4,816	-23.8	-49.2	---	ICE CREAM, LOWFAT (TOTAL)	39,924	-8.0	-7.4	-1.5
NONFAT DRY MILK (NDM), HUMAN	149,338	12.1	-11.6	31.9	SHERBET, HARD	3,925	3.6	-3.2	-4.4
SKIM MILK POWDERS (SMP) 7/	37,238	-6.1	46.8	-35.6	FROZEN YOGURT (TOTAL)	5,891	6.6	-9.5	5.5

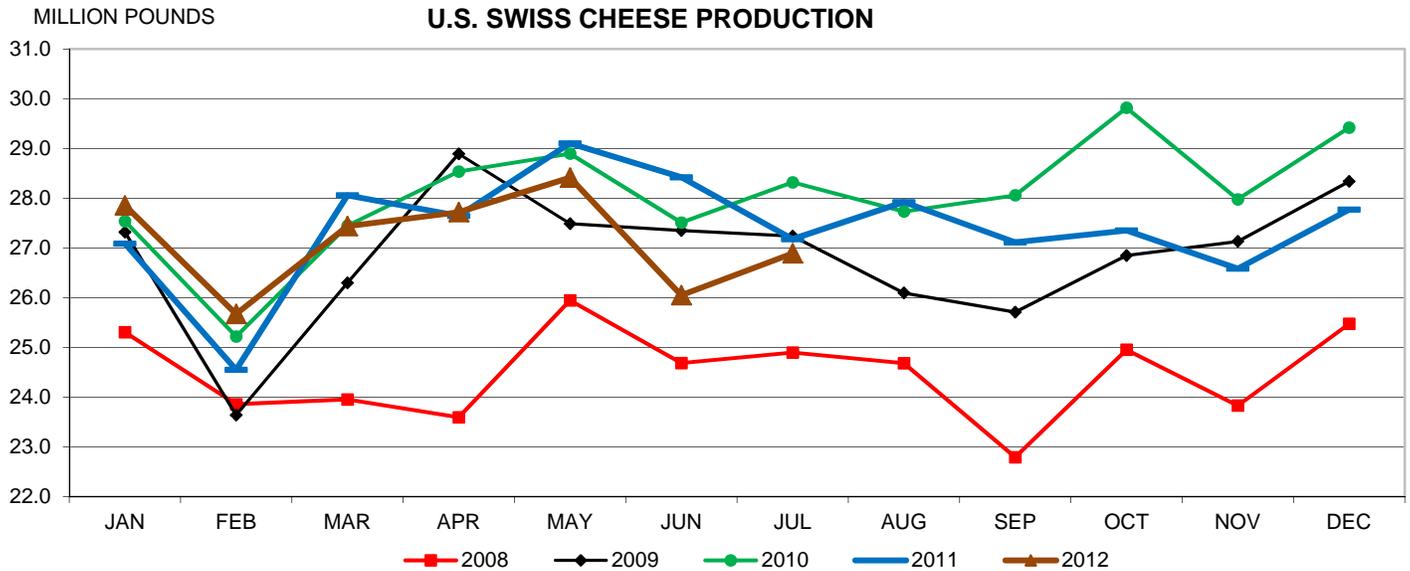
MANUFACTURERS' STOCKS, END OF MONTH 12/							
PRODUCT	JUL 2012	PERCENT OF:		PRODUCT	JUL 2012	PERCENT OF:	
	1,000 LBS.	JUL 2011	JUN 2012		1,000 LBS.	JUL 2011	JUN 2012
DRY WHEY, HUMAN FOOD	44,488	1.2	-8.4	WHEY PROTEIN CONCENTRATE			
DRY WHEY, ANIMAL FEED	3,051	-23.0	-10.3	HUMAN FOOD 9/	53,749	57.2	1.7
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 13/	7,247	77.3	-9.1	ANIMAL FEED 9/	2,418	95.2	-10.8
LACTOSE, HUMAN FOOD & ANIMAL FEED	89,429	17.5	0.1	TOTAL 9/	56,167	58.5	1.1
CANNED EVAP & CONDSO WHOLE MILK	(D)	(X)	(X)	25.0-49.9 PERCENT 10/	34,713	104.7	-3.9
DRY BUTTERMILK	13,940	-24.4	1.1	50.0-89.9 PERCENT 10/	21,454	16.2	10.6
NONFAT DRY MILK (NDM), HUMAN FOOD	129,600	-32.3	-10.3	WHEY PROTEIN ISOLATES 11/	8,023	65.5	9.3

(D) = Withheld to avoid disclosing data for individual operations.

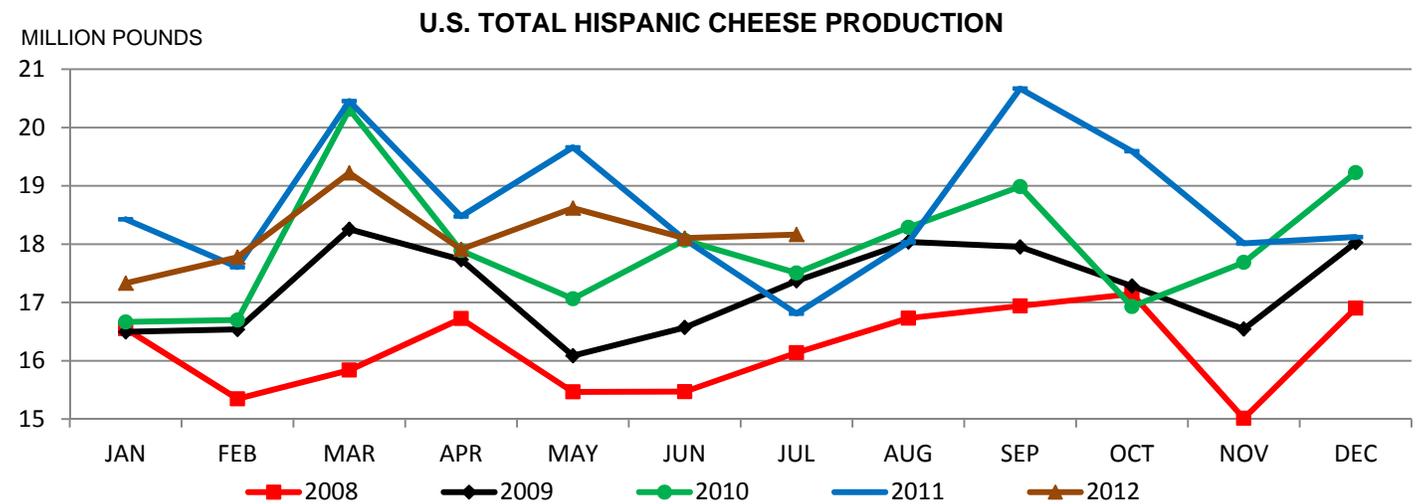
(X) = Not applicable.

1/ 2012 cumulative as percent change of 2011 cumulative. 2/ Includes Cheddar, Colby, Monterey and Jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Dry milk protein concentrate, 40-89.9 percent. 7/ Includes protein standardized and blends. 8/ Excludes all modified dry whey products. 9/ Whey protein concentrate, 25.0 to 89.9 percent. 10/ Whey protein concentrate, human and animal. 11/ Whey protein isolates, 90.0 percent or greater. 12/ Stocks held by manufacturers at all points and in transit. 13/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

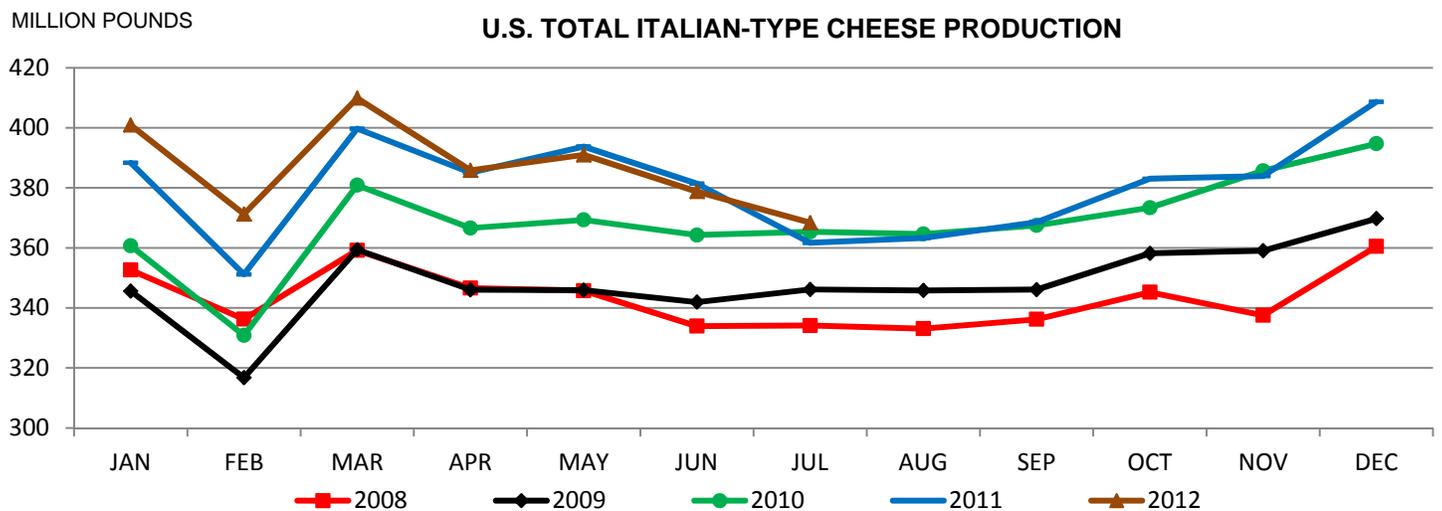
Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. Dairy Products, September 2012.



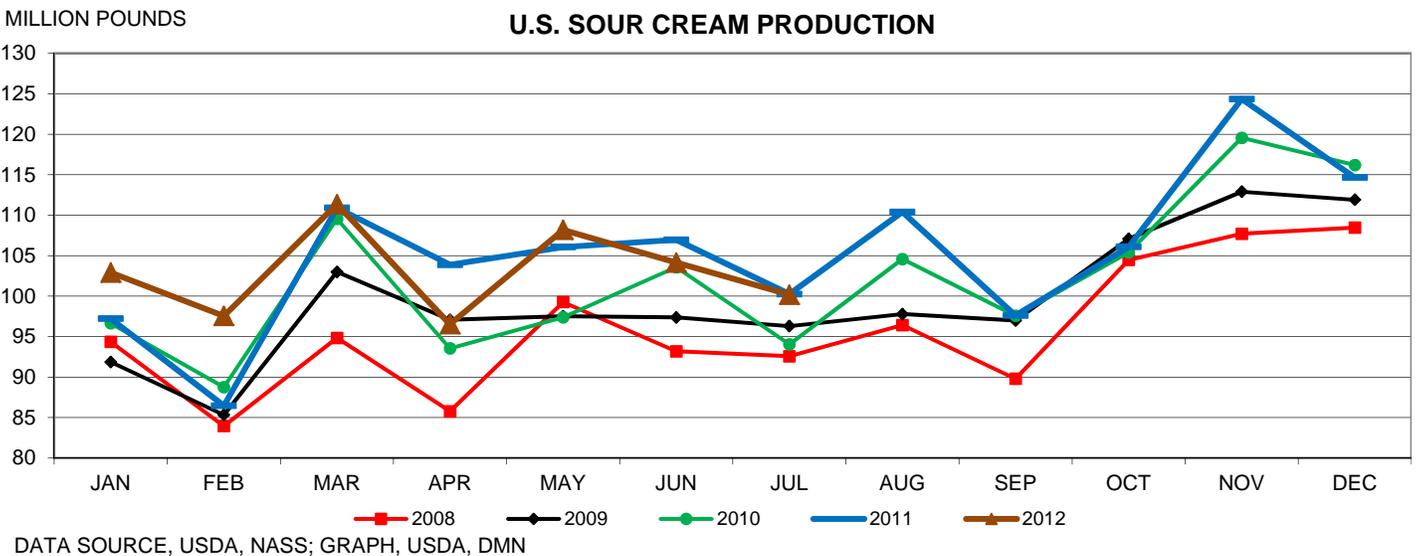
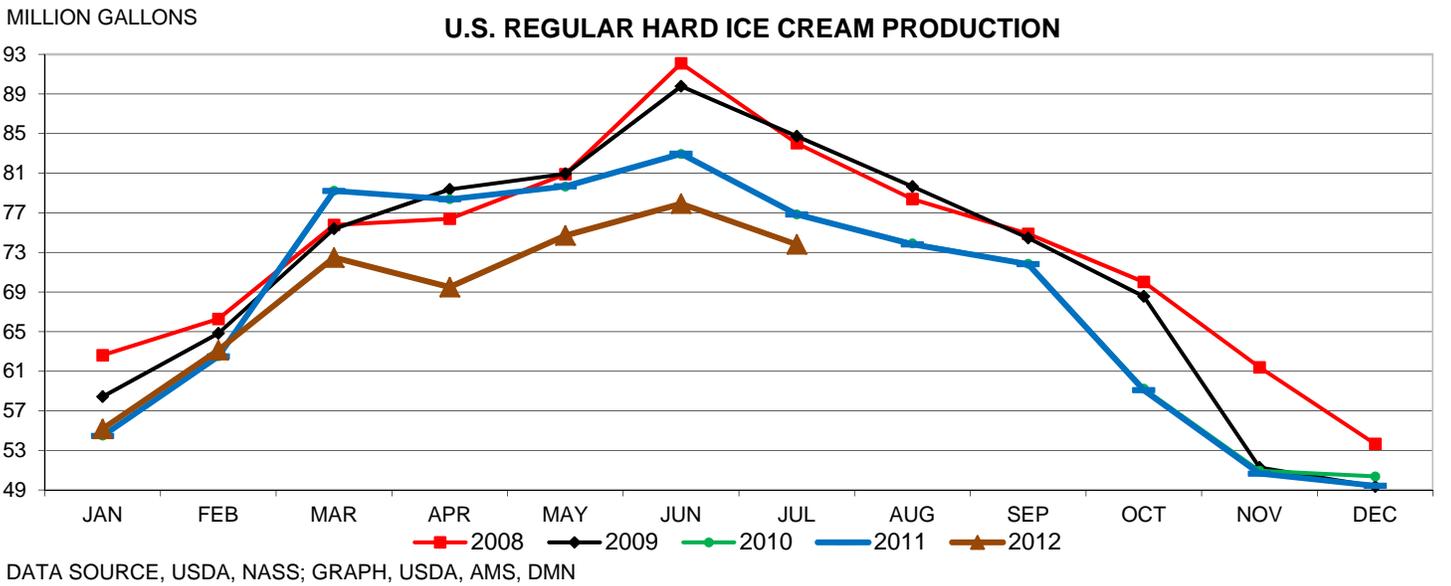
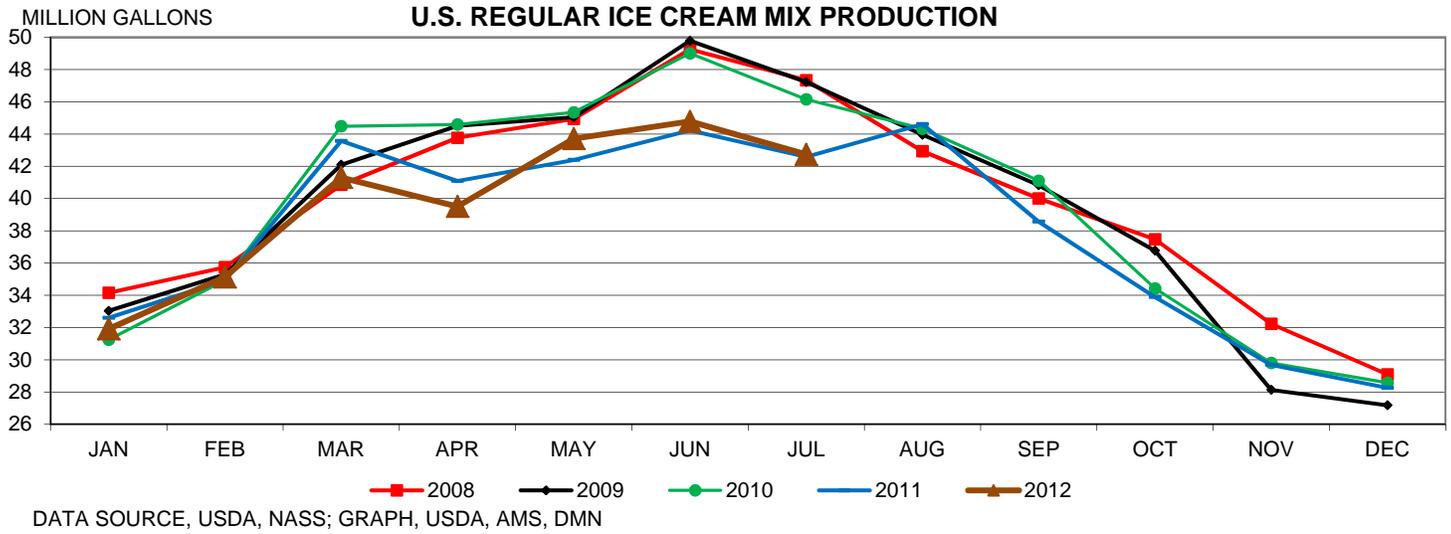
DATA SOURCE, USDA, NASS; GRAPH, USDA, DMN



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## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Dairy Retail Report

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

Volume 79- Number 36

Issued Biweekly

Thursday, September 6, 2012

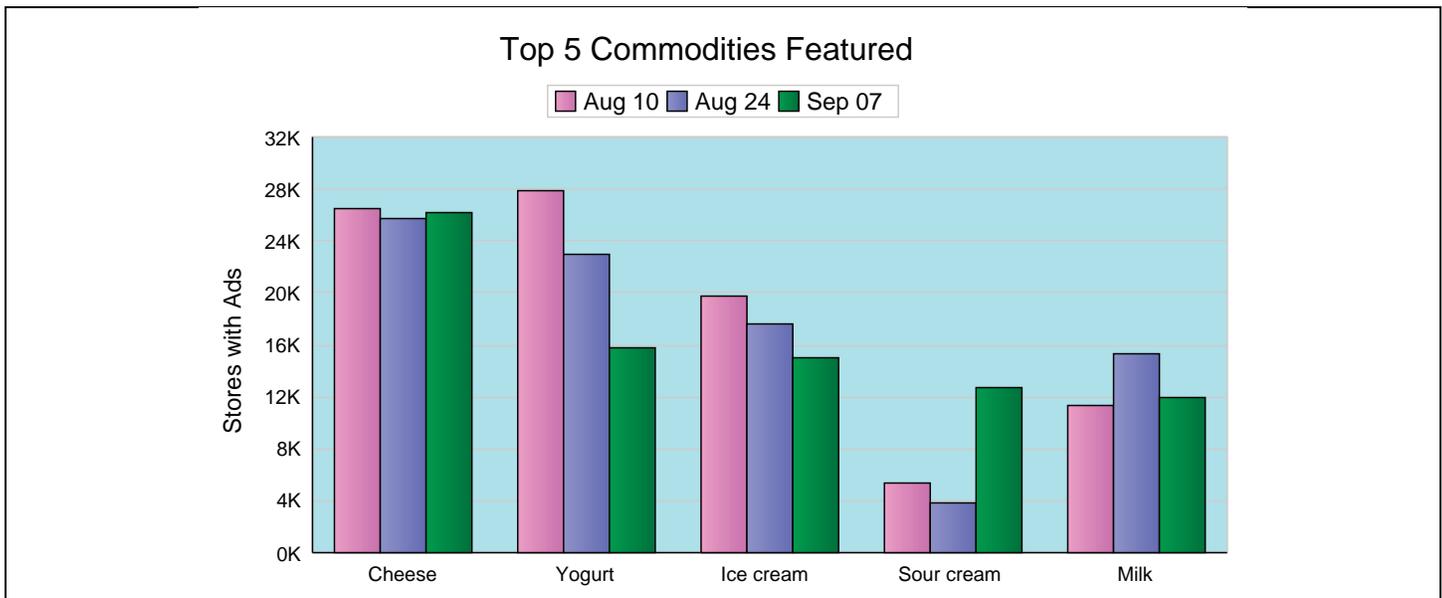
### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 08/27 to 09/07

The dairy case showed prominently in store ads during the reporting period. Dairy products were featured in back to school ads for smaller pack milk and for cheese snacks. Tie-ins were common in ads for milk and cereal for getting kids breakfast for the school day. The start of the college football season highlighted related ads for cheese, cream cheese, and sour cream. In addition, the Labor Day weekend provided a backdrop for most ads and dairy products were showcased around picnic and barbeque themes.

The most advertised cheese category, 8 ounce shredded, has a weighted average advertised price of \$2.24, a 2.3% price increase from last cycle. The average price for 8 ounce blocks, \$2.30, is a 4.5% price increase from the last cycle. The weighted average advertised price of 4-6 ounce yogurt is \$.52, a 4.0% increase, and for 4-6 ounce Greek yogurt \$1.00, a 1.0% price decrease. The weighted average advertised price for 48-64 ounce ice cream containers is \$3.08, identical with two weeks ago.

Ice cream in 48-64 ounce containers remains the single most advertised item this survey period. However, if all package sizes of cheese are totaled, cheese has more ads than 48-64 ounce ice cream, with yogurt in third place. Within the cheese category, ad numbers decreased only for 1 pound shredded, but increased for 8 ounce shredded, 8 ounce blocks, 1 pound blocks and 2 pound blocks.

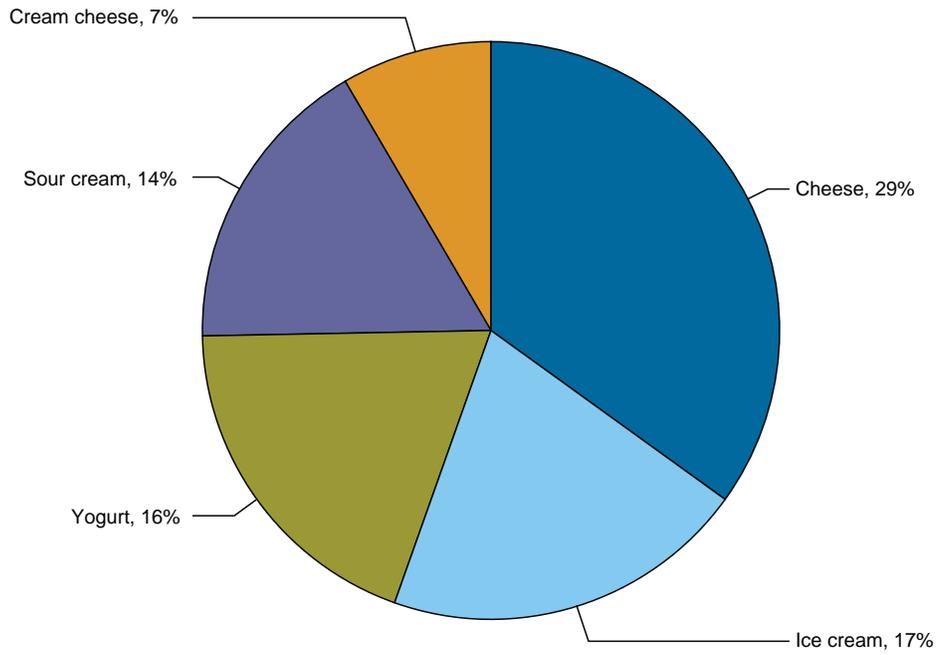
Conventional milk's national weighted average advertised price for half gallons this period, \$2.43, is 17 cents above two weeks ago. Organic milk's national weighted average advertised price for half gallons, \$3.47, is down 44 cents from last period. This results in an organic-conventional half-gallon milk advertised price spread of \$1.04, down from \$1.65 two weeks ago.



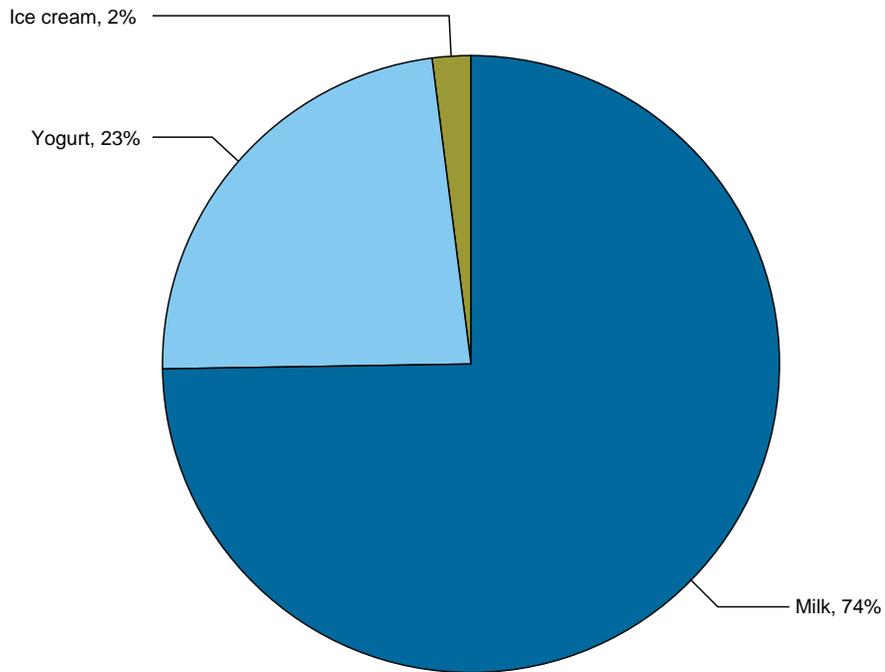
1 -- Dairy Market News surveys more than 150 retailers, comprising nearly 16,000 individual stores, with online weekly advertised features.

2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

### Top 5 Percentage of Total Conventional Ads



### Top 5 Percentage of Total Organic Ads





## NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	3915	2.62	2281	2.67
Cheese	Natural Varieties	8 oz block	9528	2.30	7851	2.20
Cheese	Natural Varieties	1 # block	3169	3.39	2718	3.45
Cheese	Natural Varieties	2 # block	2834	6.06	2599	5.03
Cheese	Natural Varieties	8 oz shred	10375	2.24	9829	2.19
Cheese	Natural Varieties	1 # shred	214	3.65	2698	3.28
Cottage cheese		16 oz	3283	1.58	3033	2.10
Cream cheese		8 oz	6668	1.57	4283	1.63
Flavored milk	All fat tests	half gallon	1113	2.15	1263	1.90
Flavored milk	All fat tests	gallon	408	3.19	659	2.74
Flavored milk		half gallon				
Ice cream		48-64oz	14838	3.08	17645	3.08
Milk	All fat tests	half gallon	2700	2.43	1858	2.26
Milk	All fat tests	gallon	3208	2.82	5760	2.74
Sour cream		16 oz	12688	1.75	3891	1.63
Yogurt	Greek	4-6 oz	6599	1.00	10024	1.01
Yogurt	Greek	32 oz			199	4.49
Yogurt	Yogurt	4-6 oz	6086	.52	9236	.50
Yogurt	Yogurt	32 oz	1201	2.37	2555	2.22

## REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-3.29	1881	2.93	2.28-3.00	594	2.41	1.48-3.00	558	2.11
Cheese	Natural Varieties	8 oz block	1.25-3.99	3692	2.35	1.67-2.99	3641	2.37	0.99-2.98	1120	1.96
Cheese	Natural Varieties	1 # block	2.99-4.99	1164	3.64	2.99-4.99	332	3.77	2.99-4.49	713	3.17
Cheese	Natural Varieties	2 # block	9.49	123	9.49						
Cheese	Natural Varieties	8 oz shred	1.50-3.99	4240	2.50	1.67-2.54	2300	1.94	0.99-2.49	1379	1.90
Cheese	Natural Varieties	1 # shred	3.00	28	3.00				2.99-4.49	186	3.75
Cottage cheese		16 oz	1.99-2.99	560	2.26	1.00-2.39	805	1.44	1.00-1.77	197	1.50
Cream cheese		8 oz	0.99-2.29	2806	1.65	1.00-2.00	1650	1.59	0.99-2.00	1121	1.37
Flavored milk	All fat tests	half gallon	3.00	123	3.00	1.99-2.49	212	2.24	1.49-3.00	341	2.41
Flavored milk	All fat tests	gallon	3.99	46	3.99				3.00	124	3.00
Ice cream		48-64oz	2.50-3.99	3663	2.96	2.50-4.00	2562	3.16	1.99-4.50	2128	3.06
Milk	All fat tests	half gallon	1.50-3.49	2198	2.54	1.28	37	1.28	1.19-3.00	347	2.32
Milk	All fat tests	gallon	4.29	46	4.29	2.88-4.49	336	3.11	2.28-2.57	485	2.36
Sour cream		16 oz	1.29-2.00	3107	1.67	1.00-3.00	3425	1.86	0.99-2.00	1147	1.59
Yogurt	Greek	4-6 oz	0.88-1.33	3179	1.01	0.88-1.00	1513	.99	1.00	1110	1.00
Yogurt	Yogurt	4-6 oz	0.40-0.67	2642	.53	0.40-0.60	1083	.56	0.39-0.60	1128	.50
Yogurt	Yogurt	32 oz	1.99-2.50	472	2.22				1.66-2.50	277	2.07

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 #	2.29-2.50	251	2.43	1.99-3.00	475	2.54	2.00-2.39	156	2.10
Cheese	Natural Varieties	8 oz block	1.67-2.50	231	2.14	1.79-2.50	607	2.25	2.49-2.50	237	2.49
Cheese	Natural Varieties	1 # block	3.49-3.50	234	3.50	2.97-3.49	608	3.02	3.00	118	3.00
Cheese	Natural Varieties	2 # block	4.99-5.99	359	5.68	5.99-8.99	1582	6.40	3.98-5.98	770	4.98
Cheese	Natural Varieties	8 oz shred	1.67-2.79	788	2.12	1.49-2.50	1031	2.16	1.99-3.29	637	2.62
Cottage cheese		16 oz	1.00-1.99	502	1.15	1.00-2.00	1139	1.58	1.00	80	1.00
Cream cheese		8 oz	1.00-2.00	408	1.63	1.00-2.49	536	1.56	1.00-2.00	147	1.27
Flavored milk	All fat tests	half gallon	1.50-2.59	319	1.90				1.00	118	1.00
Flavored milk	All fat tests	gallon	3.99	36	3.99				2.99	202	2.99
Ice cream		48-64oz	2.50-4.44	1658	3.48	1.88-3.99	3680	2.91	2.50-4.49	1147	3.23
Milk	All fat tests	half gallon							1.00	118	1.00
Milk	All fat tests	gallon				1.77-3.19	1320	2.90	2.50-2.99	1021	2.77
Sour cream		16 oz	1.00-2.00	1334	1.61	0.99-2.00	2675	1.86	0.99-1.99	1000	1.70
Yogurt	Greek	4-6 oz	1.00-1.20	344	1.04	1.00	222	1.00	1.00	231	1.00
Yogurt	Yogurt	4-6 oz	0.30-0.60	430	.53	0.40-0.69	659	.50	0.33-0.40	144	.38
Yogurt	Yogurt	32 oz	2.50	118	2.50	2.49-2.50	104	2.50	2.50-2.99	230	2.93

### 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 #			195	4.15
Cheese	Natural Varieties	8 oz shred	26	3.59		
Ice cream		48-64oz	192	4.63		
Milk	All fat tests	half gallon	1274	3.47	4554	3.91
Milk	All fat tests	gallon	396	5.43	260	5.72
Milk	All fat tests	8 oz UHT	4362	.97	2886	.99
Yogurt	Greek	4-6 oz	787	1.05	320	1.46
Yogurt	Yogurt	4-6 oz	683	.65	334	.60
Yogurt	Yogurt	32 oz	429	2.99	235	2.99

### 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
Cheese	Natural Varieties	8 oz shred							3.59	26	3.59
Ice cream		48-64oz	4.99	122	4.99						
Milk	All fat tests	half gallon	3.99	167	3.99	3.59	59	3.59	2.99-3.59	616	3.08

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	gallon	5.49	232	5.49	4.99	107	4.99	5.99	57	5.99
Milk	All fat tests	8 oz UHT	0.67-1.50	836	.88	0.83-1.00	169	.93	1.00	340	1.00
Yogurt	Greek	4-6 oz	1.00-1.50	244	1.25				0.69	361	.69
Yogurt	Yogurt	4-6 oz	0.60-0.70	381	.63	0.60-0.70	302	.66			
Yogurt	Yogurt	32 oz							3.00	119	3.00

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				3.99	70	3.99			
Milk	All fat tests	half gallon	3.79-4.99	251	4.02	3.39-3.99	181	3.52			
Milk	All fat tests	8 oz UHT	1.00	359	1.00	0.79-1.00	2070	.99	1.00	588	1.00
Yogurt	Greek	4-6 oz	1.50	65	1.50	1.50	117	1.50			
Yogurt	Yogurt	32 oz	2.99-3.00	220	2.99	2.99	90	2.99			

## NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

### NATIONAL BRANDS vs STORE BRANDS

Commodity	Type	Pack Size	NATIONAL BRANDS				STORE BRANDS			
			Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Butter		1 #	2.00	3.29	1434	2.90	1.48	3.00	2481	2.46
Cheese	Natural Varieties	8 oz block	.99	3.99	6685	2.50	1.25	2.99	2843	1.84
Cheese	Natural Varieties	1 # block	2.99	4.99	771	3.78	2.97	4.99	2398	3.27
Cheese	Natural Varieties	2 # block	5.98	8.99	264	8.40	3.98	9.49	2570	5.82
Cheese	Natural Varieties	8 oz shred	.99	3.99	5891	2.45	1.49	3.00	4484	1.96
Cheese	Natural Varieties	1 # shred	3.50	4.49	123	4.14	2.99	3.00	91	2.99
Cottage cheese		16 oz	1.49	2.99	771	2.06	1.00	2.50	2512	1.43
Cream cheese		8 oz	.99	2.49	3574	1.74	.99	2.00	3094	1.38
Flavored milk	All fat tests	half gallon	1.49	1.88	111	1.59	1.00	3.00	1002	2.21
Flavored milk	All fat tests	gallon	2.99	3.00	326	2.99	3.99	3.99	82	3.99
Ice cream		48-64oz	1.88	4.49	11018	3.18	1.99	4.50	3789	2.77
Milk	All fat tests	half gallon	1.50	3.00	2142	2.52	1.00	3.49	558	2.09
Milk	All fat tests	gallon	2.99	4.49	278	3.37	1.77	3.19	2930	2.77
Sour cream		16 oz	.99	2.00	8563	1.90	.99	3.00	4125	1.44
Yogurt	Greek	4-6 oz	.88	1.33	5925	1.01	.88	1.00	674	.96
Yogurt	Yogurt	4-6 oz	.40	.67	3779	.54	.30	.69	2307	.50
Yogurt	Yogurt	32 oz	1.66	2.50	509	2.21	1.69	2.99	692	2.49

Wtd Avg - Simple weighted average



## NATIONAL -- ORGANIC 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
Cheese	Natural Varieties	8 oz shred					3.59	3.59	26	3.59
Ice cream		48-64oz	4.99	4.99	122	4.99	3.99	3.99	70	3.99
Milk	All fat tests	half gallon	3.39	4.99	658	3.84	2.99	3.59	499	3.10
Milk	All fat tests	gallon	5.99	5.99	57	5.99	4.99	5.49	339	5.33
Milk	All fat tests	8 oz UHT	.67	1.50	4362	.97				
Yogurt	Greek	4-6 oz	.69	1.50	665	1.06	1.00	1.00	122	1.00
Yogurt	Yogurt	4-6 oz	.60	.70	488	.63	.70	.70	195	.70
Yogurt	Yogurt	32 oz					2.99	3.00	429	2.99

#### REGIONAL DEFINITIONS

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

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

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

**DATE:** 09/07/2012

**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](http://www.ams.usda.gov/DairyMarketNews)

**NORTHWEST/MOUNTAIN**

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

**MARKET NEWS PORTAL**

[www.marketnews.usda.gov](http://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