

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (10/19):**

**BUTTER:** Grade AA closed at \$1.8800. The weekly average for Grade AA is \$1.8880 (-.0430).

**CHEESE:** Barrels closed at \$1.9175 and 40# blocks at \$2.0000. The weekly average for barrels is \$1.9585 (-.1015) and blocks, \$2.0240 (-.0760).

**BUTTER HIGHLIGHTS:** Butter prices adjusted lower early in the week and moved slightly higher later in the week at the CME Group. The roller coaster market trends are mirroring market sentiment of unsettledness and cautiousness matched against expectations for yearend needs. Print butter demand is good to strong as upcoming seasonal needs are being staged. Butter handlers are tempering frozen butter and microfixing for upcoming 4th quarter needs. There are concerns that as higher recent prices move through the marketing chain, that consumer demand could be affected. Holiday buying patterns have some inelasticity for recipe needs and meal traditions, but price does have an impact at some point. According to the biweekly National Dairy Retail Report, the national average butter price was \$2.81, up 20 cents from two weeks ago. Churning schedules are seasonally active and churns are receiving additional cream offerings, as other cream utilizations have been slow to materialize for higher-class items. According to the FAS, quota imports of butter for January-September 2012 total 6.18 million pounds, 14.6% more than the same period in 2011. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 302,033 pounds (137 metric tons) of butter to customers in Asia, Central America and the Middle East.

**CHEESE HIGHLIGHTS:** Cheese prices broke this week from the recent trend of steady to firm. Tuesday at the CME Group, barrels and blocks closed 9 cents lower after a week of steady prices. Sales activity was very light with only one load of blocks trading for the day. As buyers and sellers reviewed the lower prices, sales activity picked up later in the week. Thursday's trade on blocks was active with 14 loads of blocks and two loads of barrels changing hands. Participants in the market were questioning if the price drop was called for with current conditions for cheese manufacturing. Inventories are tight, cheese production is at or below desired levels in many cases and Class III milk is tight. Cheese prices are currently still above the four year average for this time of year. Higher cheese prices have increased

imports of cheese which are currently 6% above a year ago. Domestic cheese prices are generally higher than export prices, so assistance from the CWT program has been helpful in continuing to move cheese offshore. Exports of cheese for 2012 are running 21% higher than year ago levels.

**FLUID MILK:** Milk production patterns in the Southwest are steady to higher, reflecting better weather conditions yet being offset by cost of production constraints. In the Northwest, milk output is mainly steady and along expected milk intake levels for processors. Midwestern milk supplies are often uneven in the northern half, while gains are noted in the southern parts. Milk production is steady to trending higher in the Northeast, mainly steady in the Southeast. There is a good call for Class I milk in the East.

**DRY PRODUCTS:** Nonfat dry milk prices are mixed, reflecting gains in state and national index prices but declines in top end spot prices as buying interest slows. Buyers are taking more of a wait and see attitude as more offerings are appearing in the market from select producers and more often in the resale market. Dry whey prices are slightly lower to slightly higher in a light test. Resale loads are being offered in the Central region to fill spot needs. Producer spot offerings are generally light. WPC 34% prices are unchanged to lower in a mixed market. Additional producer offerings are becoming available and being met by lighter demand. Lactose prices are steady to lower with a mixed market tone with additional offerings across mesh size categories becoming available.

**ORGANIC DAIRY MARKET OVERVIEW (DMN):** AMS reports Total Organic Milk Products sales for August 2012, 187 million pounds, were up 9.8% from August 2011. Organic Whole Milk sales for August 2012, 48 million pounds, were up 15.6% compared with August 2011. Organic Fat-Reduced Milk sales for August 2012, 140 million pounds, were up 8.0% compared with August 2011. The national weighted average advertised price of organic milk half gallons, \$3.60, is 29 cents higher than two weeks ago and 37 cents higher than four weeks ago. The price range is \$2.29 to \$4.99, is 20 cents lower at the bottom of the price range but unchanged at the top. This is as large as the price spread has been since this data series began but the spread has been equaled on some other occasions.

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**CME GROUP CASH TRADING**

COMMODITY	MONDAY OCT 15	TUESDAY OCT 16	WEDNESDAY OCT 17	THURSDAY OCT 18	FRIDAY OCT 19	WEEKLY CHANGE*	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$2.0600 (N.C.)	\$1.9700 (-.0900)	\$1.9275 (-.0425)	\$1.9175 (-.0100)	\$1.9175 (N.C.)	:: (-.1425)	:: \$1.9585 (-.1015)
40# BLOCKS	\$2.1000 (N.C.)	\$2.0100 (-.0900)	\$2.0100 (N.C.)	\$2.0000 (-.0100)	\$2.0000 (N.C.)	:: (-.1000)	:: \$2.0240 (-.0760)
<b>NONFAT DRY MILK</b>							
EXTRA GRADE	\$1.6350 (N.C.)	\$1.6350 (N.C.)	\$1.6350 (N.C.)	\$1.5600 (-.0750)	\$1.5600 (N.C.)	:: (-.0750)	:: \$1.6050 (-.0300)
GRADE A	\$1.6000 (N.C.)	\$1.6000 (N.C.)	\$1.5600 (-.0400)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	:: (-.0400)	:: \$1.5760 (-.0660)
<b>BUTTER</b>							
GRADE AA	\$1.9300 (N.C.)	\$1.8750 (-.0550)	\$1.8750 (N.C.)	\$1.8800 (+.0050)	\$1.8800 (N.C.)	:: (-.0500)	:: \$1.8880 (-.0430)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. \*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.

Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/DAIRYMARKETNEWS.

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CONTINUED FROM PAGE 1**

The national organic half gallon milk weighted average advertised price of \$3.60, compared with the weighted average advertised price for non-organic half gallons, \$1.53, results in an organic-conventional half-gallon milk advertised price spread of \$2.07, up \$1.03 from two weeks ago. This results from a 74 cent decline in the average price for conventional milk combined with a 29 cent increase in organic milk. Ads for 4-6 ounce organic yogurt yielded a weighted average advertised price of 74 cents, up 11 cents from two weeks ago. The price range is \$0.70 to \$1.00. The national weighted average advertised price of 1 pound organic butter is \$4.43. The lowest advertised price for organic butter, \$3.99, equals the highest price for conventional butter this period, \$3.99.

**INTERNATIONAL UPDATE (DMN):** At the October 16 g/DT session #78, average prices for all products traded and contracting periods were mixed. Average prices across all contracting periods and individual products ranged from 9.9% lower to a positive 9.2%. The various products price averages (per MT) and percent changes from the previous average are: anhydrous milk fat, \$2,879, -3.2%; buttermilk powder, \$3,289, +4.3%; cheddar cheese, \$2,990, -9.9%; lactose, not traded; milk protein concentrate, \$6,117, +4.2%; rennet casein, \$7,254, -2.2%; skim milk powder, \$3,325, +0.8%; and whole milk powder, \$3,421, +9.2%.

**NOVEMBER FEDERAL MILK ORDER ADVANCE PRICES**

**(AMS):** Under the Federal milk order pricing system, the base Class I price for November 2012 is \$20.70 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$13.77 and the advanced butterfat pricing factor of \$2.1171. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. Comparison to Previous Month: Compared to October 2012, the base Class I price increased \$1.82 per cwt. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$1.79 per cwt., \$0.154 per gallon; reduced fat milk (2%), \$1.66 per cwt., \$0.143 per gallon; fat-free (skim milk), \$1.51 per cwt., \$0.130 per gallon. Class II Price Information: The advanced Class IV skim milk pricing factor is \$11.43. Thus, the Class II skim milk price for November is \$12.13 per cwt., and the Class II nonfat solids price is \$1.3478. Product Price Averages: The two-week product price averages for November are: butter \$1.9197, nonfat dry milk \$1.4503, cheese \$2.0186, and dry whey \$0.6130.

**JULY MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA (AMS & CDFA):**

In July 2012, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.88 per cwt., up \$0.67 from the June 2012 average, and down \$4.87 from the July 2011 average. The component tests of producer milk in July 2012 were: butterfat, 3.56%; protein, 2.96%; and other solids, 5.75%. On an individual reporting area basis, mailbox prices increased in all Federal milk order reporting areas from the previous month. Mailbox prices in July 2012 ranged from \$19.60 in Florida to \$15.32 in New Mexico.

**HAY PRODUCTION AND CROP HARVEST (NASS):**

According to the October Crop Production report from NASS, hay production for 2012 totals 55.6 million tons, down 14.9% from 2011. Area harvested was down 2.1% and yield per acre was down 13.2%. Looking at the top five hay production states in the West: California 6.9 million tons, up 13.0%; Idaho 4.0 million tons, down 7.0%; Colorado 2.9 million tons, up 1.5%; Arizona 2.2 million tons, up 6.0%; and Washington 2.0 million tons, up 1.2%. Adequate irrigation water allowed the West, in general, to maintain hay production. The story was not nearly as good in the Midwest where the extreme drought impacted hay output. Looking at the top five hay production states in -1A-

the Midwest indicates: Minnesota 2.9 million tons, down 28.7%; Iowa 2.3 million tons, down 16.8%; Wisconsin 2.2 million tons, down 31.7%; Michigan 2.0 million tons, down 8.7%; and Illinois 1.0 million tons, up 2.9%. Related to the hay situation for 2012 is the grain harvest. The dry conditions have allowed an early and fast harvest of the greatly depleted grain crop. The corn harvest according to NASS as of October 14 is 79% completed compared to an average harvest of 38%. Twelve states, of the 18 surveyed states, are 80% done compared to an average rate of only four states that far along. Likewise for soybeans, the harvest is 71% complete compared to an average of 58%. Eight of the 18 surveyed states are past 70%, compared to an average year when only three states are that far along.

**CME GROUP**

MONDAY, OCTOBER 15, 2012

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

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

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

TUESDAY, OCTOBER 16, 2012

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$2.0200; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.9700; 1 CAR 40# BLOCKS @ \$2.0100

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$1.8900, 1 @ \$1.8875, 1 @ \$1.8850; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.8750

WEDNESDAY, OCTOBER 17, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.9275

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.5600

BUTTER -- SALES: 13 CARS GRADE AA: 4 @ \$1.8700, 5 @ \$1.8675, 2 @ \$1.8650, 1 @ \$1.8675, 1 @ \$1.8750; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, OCTOBER 18, 2012

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.9200, 1 @ \$1.9175; 14 CARS 40# BLOCKS: 1 @ \$2.0000, 1 @ \$1.9750, 1 @ \$1.9575, 1 @ \$1.9525, 5 @ \$1.9500, 1 @ \$1.9600, 1 @ \$1.9700, 1 @ \$1.9800, 1 @ \$1.9900, 1 @ \$2.0000; LAST BID UNFILLED: 5 CARS 40# BLOCKS @ \$1.9500; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.5600

BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$1.8725, 1 @ \$1.8750, 1 @ \$1.8800; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.8725; LAST OFFER UNCOVERED: NONE

FRIDAY, OCTOBER 19, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$2.0100

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 1 CAR GRADE AA @ \$1.8800; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.8700; LAST OFFER UNCOVERED: NONE

**BUTTER MARKETS**

**NORTHEAST**

The butter roller coaster started moving again Tuesday and headed down five and one half cents to \$1.8750. This validated the beliefs of a number of butter brokers and manufacturers prior to Tuesday's CME close, that the previous price level warranted being "very cautious". Earlier Tuesday, some spot sellers fielding calls asking about cream, quoting multiples around 128 to prospective buyers, were generally told "we'll have to think that over and get back to you." Few expected a return call. Once the markets closed Tuesday, many thoughtful buyers who can wait until after the week ends, are expected to delay buying cream until after the expected decline in the weekly average occurs - barring any significant price increase before the weekend. Most who can wait, are deciding to wait. Manufacturers in the region will produce what they must to meet contracts or orders this week, but generally no more. There is generally about three more weeks left to manufacture butter that can be in retail stores before the Thanksgiving buying season. Thus, manufacturers can wait the week out in hopes of a lower weekly average, but the clock is ticking. A factor influencing the up and down recent nature of butter prices is the challenge of evaluating the impact of increased average butterfat tests in fluid milk during recent months, contrasted with the volume of milk production, following weather stresses, on top of herd culling. Varied people draw varied conclusions when market positions are taken which leaves room for what one broker categorized as a "herky-jerky" market. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 302,033 pounds (137 metric tons) of butter to customers in Asia, Central America and the Middle East. The product will be delivered October 2012 through March 2013. During 2012, CWT has assisted member cooperatives in making export sales of butter totaling 58.4 million pounds (adjusted for reductions) and anhydrous milk fat totaling 127,868 pounds.

**CENTRAL**

The butter market tone is unsettled as the cash price dipped two weeks ago, recovered much of the decline last week, and again declined Tuesday to settle at \$1.8750 at midweek. Many traders and handlers are wondering if the typical pre-holiday decline is occurring earlier than usual this year. Churning schedules are seasonally active, although cream supplies are tightening. Class II, cream based product production is increasing seasonally, thus absorbing more available cream. Butter producers are taking advantage of available cream volumes as best they can, especially depending on price. At this point, most churning is clearing the doors with inventoried stock filling in the gaps. Butter handlers that have frozen inventoried stock are tempering holdings and micro fixing for upcoming 4th quarter needs. Good retail orders continue to be placed for upcoming holiday needs. Retail promotions are being scheduled to run at varying times during the final two months of the year. Food service orders are also on the positive side as restaurants and food service outlets prepare for holiday shoppers and parties. Bulk butter prices range from flat to 3 cents over various pricing bases and averages per pound.

**WEST**

Western butter prices are mostly steady. Demand from retail accounts remains very good for print butter. Demand from club stores is good, with food service accounts also increasing orders. Butter manufacturers are taking advantage of weaker cream demand and prices to fill holiday orders. Butter inventories are said to be in balance for immediate needs. 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 \$2.81 per pound compared to \$2.61 two weeks ago. Butter advertising was markedly higher from two weeks ago. Western advertised prices ranged from \$1.99-3.49 per pound. The weighted average for butter in the Northwest and the Southwest was \$2.86. Wednesday's close on the CME Group exchange for butter is unchanged to close at \$1.8750. The market was \$.0550 lower on Tuesday's trade. Buyers were active on Tuesday and Wednesday as 16 loads were sold in the two days. According to the FAS, quota imports of butter for January-September 2012 total 6.18 million pounds, 14.6% more than the same period in 2011. Imports for 2012 account for 40.2% of the total quota for 2012. Imports of High-Tier butter (above quota and with a penalty) are 210,000 pounds, -67.8% of last year's amount in the same time period. According to the Foreign Agricultural Service, exports of butter and milkfat for January - August 2012 total 79.6 million pounds, down 29% from the same period a year ago. Saudi Arabia at 27.2 million pounds for the year is the largest importer with a 36% increase above last year's amount. The butter and milkfat exports account for 6.3% of butter production in the U.S. for the year.

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

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Sep Quota Imports	1.28	+ 198.0	8.3
Jan. - Sep.			
High Tier	.21	- 67.8	N.A.
Quota Imports	6.18	+ 14.6	40.2

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

	(Million Lb.)	% Change From 1 Year Ago
Aug. Total	6.4	- 50
Total, Jan - Aug.	79.6	- 29
1 Saudi Arabia	27.2	+ 36
2 Iran	11.4	+ 188
3 Morocco	7.4	- 7
4 Egypt	6.8	- 5
5 Canada	2.5	- 74

**NATIONAL DAIRY PRODUCTS SALES REPORT**

**U.S. AVERAGES AND TOTAL POUNDS**

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
October 13, 2012	1.9315 4,506,781	2.0324 11,635,837	2.0354 9,765,871	0.6152 7,985,010	1.4587 14,183,908

## CHEESE MARKETS

## NORTHEAST

After no price movement for barrels or blocks since the week before last, each moved down 9 cents Tuesday. Blocks closed at \$2.0100 and barrels at \$1.97. Some observers noted that as they saw it, there had been no evident signals pointing toward a significant immediate decline. Yes, barrels and blocks are still above the average for this time in each of the last four years, even after Tuesday's price decline. There were expectations of an adjustment over time. But as a broker noted, we are experiencing "herky-jerky" market movements. Milk available to cheesemakers in the Northeast remains a bit tight although, there are indications that production in parts of the region is showing signs of increasing. Mozzarella manufacturers would like to make more cheese, but they can fill current orders as things stand for now. Cheese retail advertising nationwide has declined 25.2% compared with two weeks ago, according to the National Dairy Retail Report. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 2.798 million pounds (1,269 metric tons) of Cheddar and Monterey Jack cheese to customers in Asia, Central America and the Middle East. The product will be delivered October 2012 through March 2013. During 2012, CWT has assisted member cooperatives in making export sales of Cheddar, Monterey Jack and Gouda cheese totaling 99.7 million pounds.

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

Cheddar 40# Block	:	2.5025-2.7875
Process 5# Sliced	:	2.2775-2.3975
Muenster	:	2.5225-2.8825
Grade A Swiss Cuts 10 - 14#	:	3.4850-3.8075

## MIDWEST

Cheese markets have been actively declining this week, beginning Tuesday, following no price movement last week. By Wednesday, over two consecutive trading days, Barrels had declined \$.1325 to \$1.9275. The decline in Blocks Tuesday of 9 cents, lowered the price to \$2.0100, which remained after Wednesday's close. After the price declines this week, both blocks and barrels remain above prices at this point of each of the last four years. Even so, prior to this week's price adjustments, there was little expectation with any genuine certainty, based on non CME supply and demand factors, that prices would adjust downward so quickly. One large Midwest cheese manufacturer expressed "surprise" at the magnitude of this week's price adjustment, noting: (1) manufacturer inventories are tight; (2) cheese production is below desired levels; and (3) milk available for Class III use is "tight". Other manufacturers in the region echo those observations about the current situation. Manufacturers plan to keep producing cheese with available milk supplies, but few anticipate seeking milk in addition to presently available volumes, by paying class premiums to increase milk supplies. Cheese retail advertising nationwide has declined 25.2% compared with two weeks ago, according to the National Dairy Retail Report. Ad volume declined for all but one of the five package sizes of natural cheese reported. Volume was down 15.9% for 8 ounce shredded, the largest category, down 48.5% for 8 ounce block, the next largest category, down 12.1% for 1 pound block, and down 28.9% for 1 pound shredded. Only the smallest category, 2 pound block, is up, +839.6%. Yet the starting number is so low compared

to the other categories, that a very small change in numbers of ads magnified the percentage increase relative to all cheese combined. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 2.798 million pounds (1,269 metric tons) of Cheddar and Monterey Jack cheese and 302,033 pounds (137 metric tons) of butter to customers in Asia, Central America and the Middle East. The product will be delivered October 2012 through March 2013. During 2012, CWT has assisted member cooperatives in making export sales of Cheddar, Monterey Jack and Gouda cheese totaling 99.7 million pounds, butter totaling 58.4 million pounds (adjusted for reductions) and anhydrous milk fat totaling 127,868 pounds.

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

Process American 5# Loaf	:	2.2500-2.9550
Brick And/Or Muenster 5#	:	2.4900-3.0500
Cheddar 40# Block	:	2.4900-3.4750
Monterey Jack 10#	:	2.4600-3.4750
Blue 5#	:	2.7550-3.7400
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.3350-3.5750
Grade A Swiss Cuts 6 - 9#	:	3.0050-3.1225

## WEST

Western cheese prices were unsettled this week as barrels and blocks showed some price resistance. Barrel prices were lower as sellers offered product lower with no takers. Buyers are cautious to commit to purchases above immediate needs. The CWT program is continuing to assist export sales this week with 3 million pounds of cheese accepted into the program. Advertised cheese prices as reported in the National Dairy Retail Report showed prices are mixed. The most heavily advertised category of 8 oz. shred cheese was 14 cents higher than two weeks ago at \$2.40 per package. Advertising for the 2 lb. block cheese in the West was higher and prices ranged from \$3.99-8.99 per package with the weighted average in the Southwest at \$7.85 and the Northwest at \$4.72. Prices at the CME Group are unchanged on Wednesday for blocks at \$2.0100. Barrel cheese was \$.0425 lower on Wednesday to close at \$1.9275. Barrels and blocks were both \$.0900 lower on Tuesday. Although the market is lower, sales have been light at the CME Group with only one load of blocks sold so far this week. According to FAS, quota imports of cheese for January-September 2012 total 121.0 million pounds, up 6.0% from a year ago. The imports stand at 40.5% of the annual quota. Imports of High-Tier cheese (above quota and with a penalty) for the same period are estimated to total 19.5 million pounds, up 7.5% compared to imports for January-September of 2011. Imports of quota Swiss cheese for January-September 2012 total 31.5 million pounds, down 4.2% from last year. The two main countries for the Swiss imports are Norway and Finland, and they accounted for 19.7 million pounds or 62.5% of the year's total import of Swiss. According to FAS, exports of cheese and curd for January - August 2012 total 403.9 million pounds, up 21% from the same period a year ago. The exports account for 5.6% of total cheese production in the U.S. for January - August 2012. Mexico continued to easily be the largest importer of cheese with 95.8 million pounds for the year or 23.7% of U.S. cheese exports.

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## CHEESE MARKETS

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

Process 5# Loaf	:	2.1825-2.4400
Cheddar 40# Block	:	2.2275-2.5800
Cheddar 10# Cuts	:	2.4075-2.6275
Monterey Jack 10#	:	2.4175-2.5775
Grade A Swiss Cuts 6 - 9#	:	3.0625-3.4925

## FOREIGN

The CME weekly average block price moved domestic wholesale foreign type cheese prices higher by one half cent this week. Imported variety prices are unchanged. Importers advise that orders are good and product is moving out of warehouses at a good pace to meet retail orders for the upcoming holiday season.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.6425-4.1300*
Gorgonzola	: 3.6900-6.1900	: 3.1450-3.6000*
Parmesan (Italy)	: -0-	: 4.0325-6.1225*
Provolone (Italy)	: 3.4400-5.5800	: 2.6850-2.8425*
Romano (Cows Milk)	: -0-	: 3.8325-5.9825*
Sardo Romano (Argentine)	: 2.8500-3.9800	: -0-
Reggianito (Argentine)	: 3.2900-4.2900	: -0-
Jarlsberg-(Brand)	: 2.9500-5.2900	: -0-
Swiss Cuts Switzerland	: -0-	: 3.5825-3.9050*
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

\* = Price change.

## 2012 U.S. Cheese Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly
Quota			
Sep. Quota Imports	17.3	+ 46.3	5.8
Jan. - Sep. High Tier	19.5	+ 7.5	N.A.
Quota Imports	121.0	+ 6.0	40.5

## 2012 U.S. Cheese and Curd Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
Aug. Total	44.4	+ 30
Total Jan.-Aug.	403.9	+ 21
1 Mexico	95.8	+ 41
2 South Korea	63.1	+ 6
3 Japan	43.5	+ 34
4 Saudi Arabia	20.7	+ 34
5 Canada	19.5	+ 30

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKSBUTTER : CHEESE

	:	
10/15/12	10,825	: 118,065
10/01/12	10,968	: 119,894
CHANGE	-143	: -1,829
% CHANGE	-1	: -2

## 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	111	0	115	0	120	0
SOUTHEAST STATES	15	0	25	0	0	0

Class I demand in Florida is "real strong", with bottlers not being sure what factors are driving the demand. Even the scheduled beginning of eggnog production next week is not believed to be driving demand for milk at present levels. Farm level production dropped by the end of last week to the lowest milk volume since 2009. This is attributed to a combination of feed costs, herd thinning and warmer than normal weather for this time of year, reaching the high 80's during the day. Southeast regional milk supplies are generally steady with last week overall, but with some signs of production increases in Missouri and Arkansas. Bottling orders are "strong". Manufacturing activity is at a low level. No transportation problems are evident. Milk shipments into the Southeast as well as Florida, are at levels a bit below last week. Mid Atlantic milk supplies are adequate for bottling demand but are limiting manufacturing. Manufacturing milk volumes are called "tight". Butterfat tests in the Mid Atlantic are "about where they should be". Northeast milk production is steady to slightly higher. Class I demand is strong, leaving less than desired volumes of milk for cheese manufacturing, especially Mozzarella. Cream multiples this week have been a moving target, somewhat weaker as the week began and weaker yet following Tuesday's \$.0550 decline in butter on CME trading. By mid week, the span for the week reached 120 to 132, with the upper range of multiples having been few and early in the week. A butter manufacturer said "cream is available", citing lower ice cream production and less than anticipated demand from cream cheese manufacturers. Condensed skim supplies are very tight and most plants have reduced drying schedules. Even with reduced ice cream manufacturing schedules, condensed skim going to Class II production is bringing a premium price.

## 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 -	2.3172-2.5489
F.O.B. producing plants: Upper Midwest -	2.2979-2.5103

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

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.41 - 1.55
Northeast - Class III - spot prices -	1.52 - 1.57

## MIDWEST

Farm milk intakes are uneven through the Central region. Milk haulers indicate farm milk volumes in the North Central vary from lower to slightly higher. South Central handlers indicate milk intakes are up compared to previous weeks as dairy operations in those areas reach the turnaround point of week on week milk production increases. Availability of spot loads of condensed skim from the Southwest and Mountain regions are increasing seasonally. Cream availability is generally higher in the Central region. North Central ice cream producers indicate their need for cream is lower than in past weeks as the ice cream season winds down. With most year-end holiday related production finished, ice cream manufacturers are tending to plant maintenance and working on 2013 production schedules. Cream cheese plants are running below capacity at most locations. Increased demand for cream is expected from those plants in the next few weeks along

with steady to higher demand from sour cream and whipping cream manufacturers. The range on cream multiples shifted lower this week, ranging from 1.19 - 1.30. Spot milk sales activity is described as minimal this week by milk handlers. Most manufacturers worked within the scope of regular milk supplies. A few spot loads traded, garnering \$1.00 - \$1.75 premiums. Many drought stricken areas of the Central region benefitted from rainfall during the last week. Some areas received over 4 inches of rain, making for categorical improvements in drought classifications. Field work progress actually benefitted from the recent rains in some areas. Anecdotal reports indicate the rain moderated soil conditions sufficiently to allow for fall tillage in fields that previously were too dry.

## WEST

CALIFORNIA milk production levels are generally holding steady with recent weeks. Milk output remains below a year ago. Handlers continue to move milk around to meet milk supply contracts and internal needs. Current weather conditions are favorable for milk cows and cow comfort. Farm level costs of production remain high and continue to stress the financials. Feed costs are a major factor. Plants are running on light to moderate schedules depending on application. Class I interest is steady. ARIZONA milk production is trending higher and reflective of better weather conditions across the state. Farm level milk supplies are building upwards from the low point of the production cycle. Processing plants are able to handle the milk supplies with some facilities still working on maintenance and upgrade projects. The Class I market is pulling more milk and retail features are noted in local store advertising. Western CREAM markets are trending weaker. Butter prices and basing points are lower, as well as multiples and overages. Additional cream offerings are available within the region and buying interest has tapered off. Cream is clearing into butter production. Interest is building slowly for class products besides ice cream. At the CME Group, Grade AA butter price closed at \$1.8750 on Wednesday, October 17, down 5.5 cents from a week ago. Current week cream multiples are lower and range 118 to 128 range, and vary depending on basing points and averages. Milk production in the PACIFIC NORTHWEST followed expected volumes for the week. Class I usage was steady. Milk supplies are being serviced within the region with handlers moving milk to fulfill contract obligations. Cream is readily available and butter/powder plants are using supplies to fill holiday butter orders. Cheese plants in the region are trying to maximize production schedules. Fall harvesting of grains and forages is nearing completion. UTAH and IDAHO milk production is mostly steady. High feed costs and active culling of dairy herds have some manufacturers worrying about milk supplies into the winter and 1Q of next year. Cool weather in the region, along with some recent rains, have added to cow comfort levels. Dairy farmers are keeping a close watch on milk prices and trying to maximize production while balancing high feed costs. Milk pooled on the Pacific Northwest Order 124 totaled 424.6 million pounds in September 2012; approximately 451 producers delivered milk to the market. The average daily delivery per producer was 31,382 pounds. Class I utilization was 172.7 million pounds and accounted for 40.7 percent of producer milk. The producer price differential (PPD) for the Pacific Northwest Order was a negative \$0.83 per cwt. resulting in a statistical uniform price of \$18.17 per cwt. The statistical uniform price for the Pacific Northwest Order was \$1.04 above last month, and \$2.23 below the same month last year, a decrease of 10.9 percent.

## 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: Nonfat dry milk prices are unchanged to lower on a mixed market. Contract NDM prices based on variable indices are mostly steady as some indices recorded only modest changes in the last week. Spot load sales from some Central manufacturers noted price decreases from just one to two weeks ago as buyer interest plateaus for NDM volumes exceeding contract amounts. Several manufacturers indicate they are aiming for balanced year end inventories and current holdings are being managed by shipping contract loads on time and handling spot sale interest via price adjustments. Nonfat dry milk inventories are steady to building as sales of condensed skim into ice cream and ice cream mix facilities are seasonally lower.

EAST: Nonfat dry milk low/medium heat prices declined by 1 1/4 cents at the low end of the range and by 1 cent at the top of the mostly series, each movement dictated by spot market sales. Nevertheless, the tight regional milk supplies available for manufacturing use have resulted in a low level of drying. Generally, contractual obligations are being met, but little if any more new production is reaching spot markets. Plant managers are aware of challenges in meeting contracts in the near future, so any extra production tends to be retained by manufacturers as a buffer. Most additional sale activity is sourced from re-sellers.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: 1.4975 - 1.6300 MOSTLY: 1.5100 - 1.5900  
HIGH HEAT: 1.5600 - 1.6800

**NONFAT DRY MILK - WEST**

Western low/medium heat nonfat dry milk prices are mixed. Price increases are noted on the bottom ends of the range and mostly prices series as the national and state NDM indices move higher to reflect the respective weighted average pricing over the corresponding sales periods. Current spot sales are under pricing pressure as more offerings are appearing from the manufacturers and additional resale loads are being offered from the first buyers. Offerings are being met with a lighter demand as buyers sense the market undertone is weaker in the short term. Current production levels are trending flat to slightly higher. Several producers are making and selling SMP for export accounts. Holdings of NDM are light to moderate. Western high heat prices are slightly higher on the bottom end of the range. The market tone is unsettled, reflecting the tone and price changes of the low heat market, yet balancing the effects of limited offerings to regular account business. The impacts of low/medium heat market pricing have affected high heat pricing. Production is seasonally light with some manufacturers attempting to increase output to meet current and projected needs. Current stocks are light.

EXPORTS: FAS export data for NDM/SMP show U.S. January-August 2012 exports at 696.8 million pounds, up 9% from the same period in 2011. August 2012 exports total 93.7 million pounds, up 18% from a year ago.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: 1.4100 - 1.5500 MOSTLY: 1.4500 - 1.5200  
HIGH HEAT: 1.4800 - 1.6100

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

	2012 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	93.7	+ 18
TOTAL, JAN - AUG	696.8	+ 9
1 Mexico	291.4	+ 20
2 Philippines	69.7	- 10
3 Indonesia	54.6	- 26
4 Vietnam	41.0	- 48
5 China	28.3	+ 47

**DRY BUTTERMILK - CENTRAL AND EAST**

CENTRAL: Central dry buttermilk prices are steady. Market activity centers around manufacturers' contract fulfillment. Resale activity is reportedly light. Dry buttermilk production is steady to higher this week as churning is active at most Central locations. The draw on condensed buttermilk is sharply lower into Class II accounts as the season for ice cream and mix production ends. Manufacturers of butter and dry buttermilk anticipate the opportunity to build butter and dry buttermilk inventories will decrease in the near term as contract cream orders for the upcoming weeks increase in step with higher production of cream based holiday products.

EAST: This week, prices for dry buttermilk are unchanged. Spot transactions were very challenging to find because trading is extremely limited. Ice cream plants and pancake mix manufacturers, normal big customers, seem to be out of spot market this week. A regular seller described those regular buyers as being in "good shape". Ice cream manufacturing is seasonally lower and pancake mix manufacturers seem to have adequate inventories of dry buttermilk.

F.O.B. CENTRAL/EAST: 1.4500 - 1.6300

**DRY BUTTERMILK - WEST**

Western dry buttermilk range and mostly price series narrowed in light to moderate trading. The market undertone is unsettled. Demand is steady for regular business, lighter for spot purchases. Buyers are sensing the softness of the top end of the market, as sellers are unable to get the higher prices of past weeks. There are also some crossover effects from the lower NDM market. Production schedules are trending higher and reflect the butter output in the region. Dry buttermilk stocks are mostly light.

F.O.B. WEST: 1.4300 - 1.5100 MOSTLY: 1.4300 - 1.4700

**DRY WHOLE MILK - NATIONAL**

Prices for dry whole milk are unchanged to higher as tight spot load availability puts pressure on prices. Demand is variable as use in holiday baking is tapering lower, but sales into some confectionary accounts are increasing. Oceania dry whole milk is filling some current spot demand, with pricing comparable to domestic prices.

F.O.B. PRODUCING PLANT: 1.6000 - 1.9500

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
October 12	\$1.4127	6,621,529	0
October 5	\$1.3974	6,705,234	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

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

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

**DRY WHEY - CENTRAL**

Prices for Central dry whey on the mostly series are unchanged. Range series prices moved both higher and lower. The market tone is mixed. Several market participants note increased availability of dry whey loads from resellers this week. These loads readily filled demand in several Central locations. Buyers indicate the resale prices met those of manufacturers or offered some savings. Also, lower market premiums on some manufacturers' spot sales are in place this week. Central buyers translate current pricing and the frequency of spot offers to mean dry whey loads are readily available and manufacturers' and brokers' inventories may be above desired levels for this time of year. ANIMAL FEED DRY WHEY prices are unchanged for the week. Interest in feed grade whey is unchanged. Offers are steadily available from animal feed plant operators and intermittently available from edible plant operators with off specification dry whey.

F.O.B. CENTRAL: .5675 - .6325 MOSTLY: .5800 - .6150  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4350 - .5850

**DRY WHEY - NORTHEAST**

Northeast dry whey prices moved higher at both ends of the price range, driven by price indices, with some spot market activity as well. Whey supplies are categorized as "very tight" in the Northeast. There were expectations stated this week that the market will "strengthen". Regional cheese manufacturing continues to bump against a lower than desired milk supply as a limiting factor. Most current production is moving through contracts. Buyers of spot loads are generally accumulating inventory on the expectation of increasing prices as well as concern about product availability on spot markets in the near future.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6375 - .6575

**DRY WHEY - WEST**

Western dry whey prices are fractionally higher on both the range and mostly price series. Spot sale activity was light with the bulk of production committed to contracted customers. Cheese production continues at a steady pace and dry whey production is in balance with current needs. Some loads of whey are available in the secondary market for those buyers not in a contracted position. Export demand is mostly steady to weak as buyers are reluctant to add significantly to inventories at current prices. According to the Foreign Agricultural Service, exports of dried whey for January - August 2012 total 332.9 million pounds, down 9% from the same period a year ago. The exports account for 47.0% of the total dry whey production in the U.S. for the year. China remains the leader in U.S. export destination for whey. The top five importing countries accounted for 192.5 million pounds or 57.8% of the exports for the year.

NONHYGROSCOPIC: .5900 - .6425 MOSTLY: .6000 - .6325

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

	2012 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	36.6	- 27
TOTAL, JAN - AUG	332.9	- 9
1 China	72.9	- 2
2 Mexico	42.1	- 12
3 Canada	32.6	- 3
4 Japan	24.4	- 10
5 Indonesia	20.5	- 32

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate 34% prices are unchanged to lower on a mixed market. Availability of spot loads from one or two manufacturers increased this week, reportedly due to some pushback on contract loads. Other manufacturers with variable end products sent multiple spot loads to the market. Pricing on spot loads varied from market plus to below the previous low end of the range series. Interest is light to moderate. Many buyers in the edible end product market indicate they are taking their contract loads and demand beyond that is light. Various end users in the animal feed sector report off specification WPC 34% is readily available at discounts to the edible market, thus, their interest in additional spot loads is limited. WPC 34% production is steady to higher as various plants adjust end products. Those plants with condensed WPC 34% sales agreements indicate there is steady demand for the condensed WPC 34%.

F.O.B.EXTRA GRADE 34% PROTEIN: 1.1500 - 1.3425 MOSTLY: 1.2000 - 1.2525

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

	2012 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	28.1	+ 28
TOTAL, JAN - AUG	174.8	+ 15
1 China	65.2	+ 7
2 Canada	21.3	- 6
3 Mexico	21.2	- 3
4 Vietnam	12.2	+ 233
5 Japan	9.2	- 22

**LACTOSE - CENTRAL AND WEST**

Prices for lactose are unchanged to lower on a mixed market. Various end users indicate spot load availability of 40, 80, 100, and 200 mesh lactose is steady to higher from a few manufacturers. Other manufacturers' inventories are in balance and those manufacturers aren't offering any lactose spot loads at this time. Interest is mixed from domestic and international buyers. A few international buyers are scouting for lactose spot loads for confectionary and food coating end uses.

Including spot sales and up to 3 month contracts.  
F.O.B. EDIBLE, NON PHARMACEUTICAL .6100 - .9000 MOSTLY: .7500 - .8200

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

	2012 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	33.4	- 8
TOTAL, JAN - AUG	243.0	- 18
1 China	51.3	+ 4
2 New Zealand	40.4	- 30
3 Mexico	35.2	+ 1
4 Japan	19.2	- 21
5 Brazil	12.3	- 14

**CASEIN - NATIONAL**

Casein prices are generally holding steady, although a mixed market tone prevails. Domestic buyers continue to report higher priced spot offerings that many are not taking advantage of. Most feel that firmer asking prices will be short lived. Most domestic buyers have secured needed volumes from regular sources and these volumes are being received as scheduled. The Oceania casein production season is now well underway and on track with projections. Milk output in New Zealand is very near or at peak levels, thus casein output is seasonally strong. Australian milk production is nearing peak levels. The European casein production season has now ended, thus casein needs are being filled from inventoried stocks.

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: 3.7000 - 4.4000  
ACID: 4.4500 - 4.7500

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

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

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

**U.S. Dairy Cow Slaughter (000 head) under Federal Inspection & Comparable Week 2011**

WEEK ENDING	WEEKLY DAIRY COWS	2012 CUMULATIVE DAIRY COWS	2011 WEEKLY DAIRY COWS	2011 CUMULATIVE DAIRY COWS
09/29/2012	64.5	2,288.1	59.0	2,151.2

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

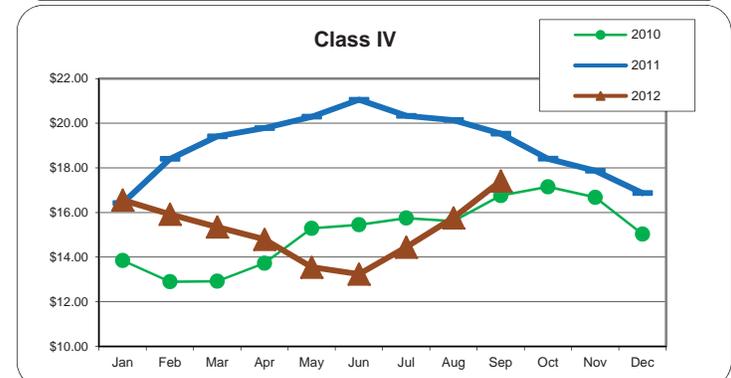
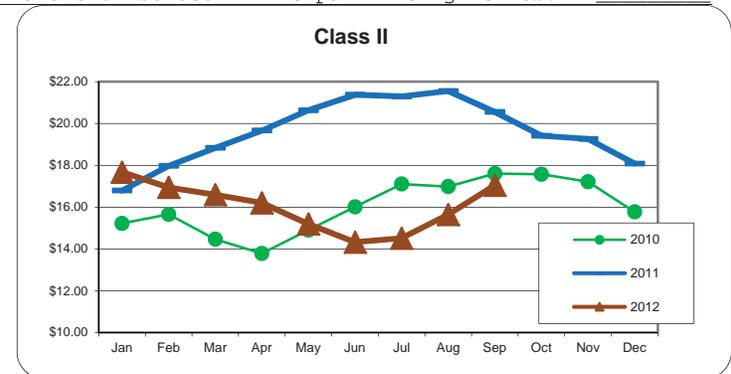
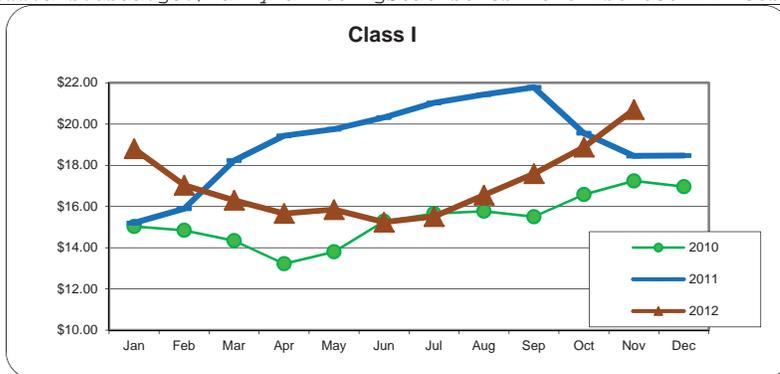
**CLASS IV MILK PRICES (3.5% BF)**

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	18.88	20.70		
II	17.67	16.94	16.59	16.20	15.19	14.32	14.51	15.64	17.04			
III	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00			
IV	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41			

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 October 8 - 19, 2012

ORGANIC DAIRY FLUID OVERVIEW

**Milk Product Sales:** AMS reports Total Organic Milk Products sales for August 2012, 187 million pounds, were up 9.8% from August 2011.

Organic Whole Milk sales for August 2012, 48 million pounds, were up 15.6% compared with August 2011.

Organic Fat-Reduced Milk sales for August 2012, 140 million pounds, were up 8.0% compared with August 2011.

This contrasts with a -0.5% August 2012 decline for Total Fluid Milk Products Adjusted (which includes organic and non-organic) compared with one year ago. This total Fluid Milk products data is adjusted for calendar year composition.

Total Conventional Milk Products, which does not include organic milk, has a 0.9% decline in sales comparing August 2012 with August, 2011.

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

Product Name	Sales		Change from: 2/	
	August Mil. Lbs.	Y-T-D	Prev Yr. Percent	Y-T-D
Whole Milk	1,165	8,942	-0.7	-1.8
Flavored Whole Milk	47	331	9.0	-4.1
Reduced Fat Milk (2%)	1,562	11,902	-0.2	-1.6
Low Fat Milk (1%)	598	4,734	0.3	2.2
Fat-Free Milk (Skim)	611	4,879	-6.9	-5.3
Flavored Fat-Reduced Milk	262	2,357	3.5	-1.1
Buttermilk	41	314	1.0	1.2
Tot. Conv. Milk Products	4,289	33,485	-0.9	-1.6
Organic Whole Milk	48	358	15.6	9.7
Organic Reduced Fat Milk	55	416	11.1	8.5
Organic Low Fat Milk	40	304	20.2	11.7
Organic Fat-Free Milk (Skim)	38	293	-3.1	-4.6
Organic Flavored Milk	7	48	-9.2	-26.0
Organic Fat-Reduced Milk 4/	140	1,066	8.0	1.4
Tot. Organic Milk Products.	187	1,424	9.8	3.4
Tot. Fluid Milk Prod. 5/	4,477	34,908	-0.5	-1.4
Tot Fluid Milk Prod Adj 5/6/	4,420	34,902	-0.5	-1.6

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

**Average Per Farm Annual Organic Milk Volume – 2011.** The results of USDA’s 2011 Certified Organic Production Survey were released two weeks ago and a complete list of organic dairy data for all states was published in Dairy Market News Volume 40. The table below makes further calculations and presents the data ranking each state in order of largest total volume of organic milk from cows sold by state for the top 15 states, providing the average per farm volume of sales for each state.

RANK	STATE	# OF FARMS	SALES VOLUME MILLION POUNDS	AVERAGE PER FARM SALES MILLION POUNDS
1	CA	72	469.1	6.5
2	TX	8	423.6	53.0
3	WI	397	314.0	0.8
4	OR	43	259.2	6.0
5	NY	235	218.6	0.9
6	VT	180	149.6	0.8
7	PA	236	148.7	0.6
8	MN	114	124.9	1.1
9	ID	17	93.9	5.5
10	WA	35	90.8	2.6
11	OH	135	83.0	0.6
12	IN	81	46.3	0.6
13	IA	78	42.1	0.5
14	ME	50	39.8	0.8
15	KY	13	8.5	0.7

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

**Organic Dairy Overview.** Organic dairy advertising volume declined to a level where the last lower reporting period was early July. Organic milk ads this period and the last reporting period, both echo total ad numbers in also being below totals since early July. Organic yogurt ad numbers are a bit stronger, but still lower than the last three reporting periods.

Organic milk still dominates total organic dairy advertising, with 74% of total ads. This is followed by organic yogurt with 17%, organic butter with 9% and organic cream cheese with 1%.

Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period October 6, 2012, to October 19, 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.** Unlike last period when four regions were nearly even, this period the Northeast stands ahead of all regions, with 31.8% of retail organic ads. The percentages of the other regions include the Southwest with 22.6%, the Southeast with 17.4%, the South Central with 15.0%, the Midwest with 11.9%, and the Northwest with 1.3%.

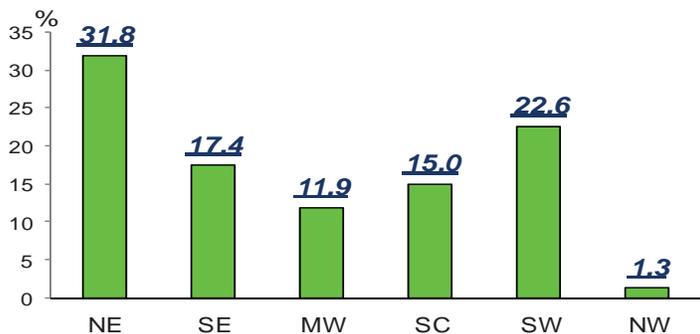
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ORGANIC DAIRY MARKET NEWS

Information gathered October 8 - 19, 2012

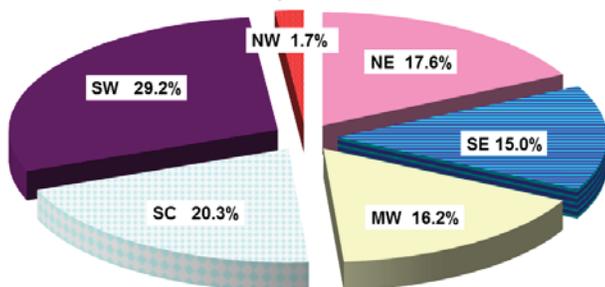
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**ORGANIC MILK FEATURES**  
Regional % of Surveyed Supermarket Ads



**Organic Milk.** As has been the case since the end of July, the Southwest leads the regions in total organic milk ads, with 29.2%. This is followed by the South Central Region having 20.3%, the Northeast with 17.6%, the Midwest with 16.2%, the Southeast with 15.0%, and the Northwest with 1.7%. Half gallon ads predominate the organic milk category, with 66.7% of ads, followed by 8 ounce container size with 31.0%, then gallons, 2.3%.

**ORGANIC MILK FEATURES**  
Regional % of Nationally Surveyed Supermarket Ads  
Report - Week 42, 2012

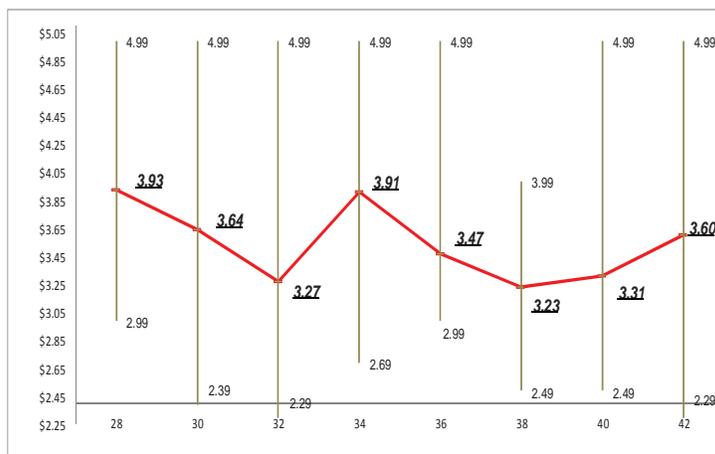


**Organic Milk Half Gallons.** The national weighted average advertised price of organic milk half gallons, \$3.60, is 29 cents higher than two weeks ago and 37 cents higher than four weeks ago. The price range is \$2.29 to \$4.99, is 20 cents lower at the bottom of the price range but unchanged at the top. This is as large as the price spread has been since this data series began but the spread has been equaled on some other occasions. This period, the concentration of advertised organic half gallon brands was roughly two to one, national brands versus store brands. The highest price, \$4.99 is for national brands and the lowest, \$2.29, is for store brands. The weighted average advertised price for national brands is \$3.80 and for store brands, \$3.17.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	23.3	3.61
SE	18.0	3.70
MW	03.8	3.32
SC	26.1	3.32
SW	26.3	3.81
NW	02.6	3.79
US		3.60

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



The AMS Dairy Market News Survey which generated the current national organic half gallon weighted average advertised price of \$3.60, also determined the weighted average advertised price for non-organic half gallons as \$1.53, an organic-conventional half-gallon milk advertised price spread of \$2.07, up \$1.03 from two weeks ago. During 2012, the price spread has ranged from \$0.78 to \$2.46. The weighted average advertised price of conventional milk is at the second lowest level of the year and the organic price is relatively high, which each contributed to the magnitude of the price spread.

**Organic Milk 8 Ounce.** All ads for 8 ounce containers of organic milk generated a national weighted average advertised price of \$1.01. Ads in all regions except the Northeast were uniformly \$1.00. The fact of some Northeast ads priced at \$1.25 brought the average up.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	06.6	1.08
SE	02.4	1.00
MW	44.0	1.00
SC	09.4	1.00
SW	37.6	1.00
NW	00.0	----
US		1.01

**Organic Milk Gallons.** Ads for organic milk gallons appeared following an absence for two reporting periods. All ads were in the Southeast and all priced \$4.99.

**Organic Yogurt.** Organic yogurt ads are closely divided between 4-6 ounce organic yogurt and 4-6 ounce organic Greek yogurt, with the lead going to Greek yogurt. All ads are for national brands. The Northeast has 61.9% of total organic yogurt advertising, with the remaining 38.1% in the Southeast.

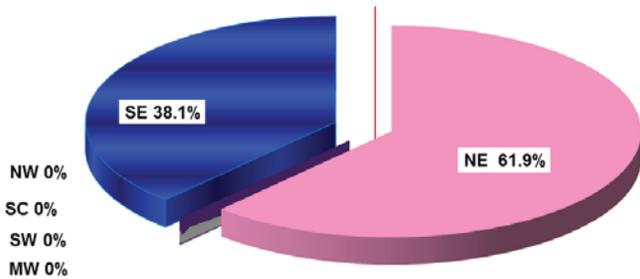
CONTINUED ON PAGE 8-B

ORGANIC DAIRY MARKET NEWS

Information gathered October 8 - 19, 2012

CONTINUED FROM PAGE 8-A

**ORGANIC YOGURT FEATURES**  
Regional % of Surveyed National Newspaper Ads  
Report Week 42, 2012

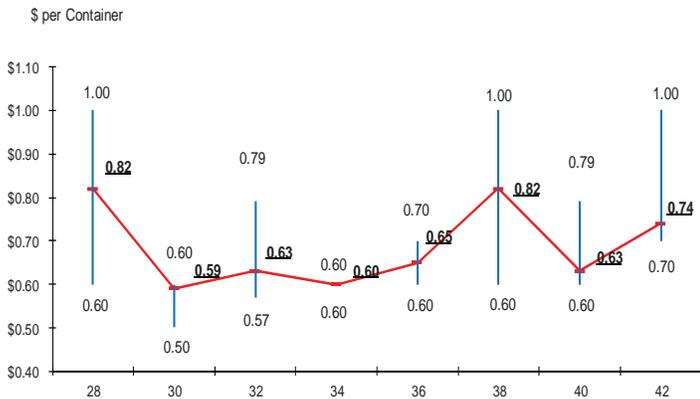


**4-6 Ounce Organic Yogurt.** Ads for 4-6 ounce organic yogurt yielded a weighted average advertised price of 74 cents, up 11 cents from two weeks ago. The price range is \$0.70 to \$1.00.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	59.0	0.76
SE	41.0	0.70
MW	00.0	----
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		0.74

**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 yogurt yielded a weighted average advertised price of \$1.11. There were no ads for this category two weeks ago. The price range is \$1.00 to \$1.50.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	64.5	1.17
SE	35.5	1.00
MW	00.0	----
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		1.11

**1 Pound Organic Butter.** Organic butter advertising declined for the second consecutive period although, the last two periods had the highest and second highest levels of organic butter ads since the fall of 2009. Most of the ads were in the Northeast, at a price of \$4.49, with relatively fewer ads in the Southwest, all priced \$3.99. The national weighted average advertised price is \$4.43.

The lowest price for organic butter, \$3.99, equals the highest price for conventional butter this period, \$3.99.

**8 Ounce Organic Cream Cheese.** All ads for organic cream cheese are in the Northeast, for a national brand, priced \$2.59.

**SUPERMARKET PRICE COMPARISON:**

**Madison, Wisconsin Prices.**  
**ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE**  
**2012 REPORTING WEEK 42**

**MADISON, WISCONSIN**  
LOW HIGH RANGE  
(in Dollars)

Product	Low	High	Range
<b>FLUID MILK</b>			
MILK - gallon			
Whole	5.79	6.79	1.00
Reduced fat (2%)	5.79	6.79	1.00
Low fat (1%)	5.79	6.79	1.00
Nonfat (Skim)	5.79	6.79	1.00

Product	Low	High	Range
<b>MILK - half gallon</b>			
Whole	3.39*	4.89	1.50*
Reduced fat (2%)	3.39*	4.89	1.50*
Low fat (1%)	3.39*	4.89	1.50*
Nonfat (Skim)	3.39*	4.89	1.50*

Product	Low	High	Range
<b>FLAVMILK - half gallon</b>			
All fat tests	3.09	5.69	2.60

Product	Low	High	Range
<b>YOGURT</b>			
Yogurt - 4-6 oz			
Yogurt	0.79	1.29	0.50

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

Product	Low	High	Range
<b>Cheese - 6 oz string</b>			
Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	4.99	1.10

Product	Low	High	Range
<b>BUTTER</b>			
Butter - 1 Pound	3.99*	6.19	2.20*

\* = Price change from prior reporting period.

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**ORGANIC DAIRY MARKET NEWS**Information gathered October 8 - 19, 2012

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CONTINUED FROM PAGE 8-B

**ORGANIC GRAIN AND FEEDSTUFF MARKETS:**

National organic grain and feedstuffs were lower this period. Feed grade corn and soybeans were in moderate demand due to new crop harvest in full progression for most farmers throughout major growing regions. Feed grade wheat was mostly steady with a higher undertone due to very good demand directly linked to the corn market. Although feed corn prices have weakened with new crop harvest, many producers are utilizing wheat as a main source of protein in rations and plan on continuing such in light of the current corn market. While feed beans were lower this period, the bulk of the trades reported were between 26.50-28.50, with a lower undertone. Soybean meal was lower this period due to utilization of new crop soybeans at lower prices. Much of the grain movement during the past two weeks has been previously contracted new crop grain, which is allowing some to breathe a sigh of relief in light of the shortage and record-high prices from this past year. It is unknown if the downward trend will continue on these commodities. Grain buyers have reported that some farmers are much more comfortable discussing the marketing of their grain now than they were four to eight weeks ago. Organic alfalfa pellets with 17% protein in Nebraska were \$430.00/ton this period, while small bales of good/premium alfalfa were \$250.00/ton in Lake County, Oregon. Additional livestock and grain market news information is available at: <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3023272>

## FEDERAL MILK ORDER ADVANCE PRICES, NOVEMBER

**Base Class I Price.** Under the Federal milk order pricing system, the base Class I price for November 2012 is \$20.70 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$13.77 and the advanced butterfat pricing factor of \$2.1171. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Comparison to Previous Month.** Compared to October 2012, the base Class I price increased \$1.82 per cwt. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$1.79 per cwt., \$0.154 per gallon; reduced fat milk (2%), \$1.66 per cwt., \$0.143 per gallon; fat-free (skim milk), \$1.51 per cwt., \$0.130 per gallon. **Class II Price Information.** The advanced Class IV skim milk pricing factor is \$11.43. Thus, the Class II skim milk price for November is \$12.13 per cwt., and the Class II nonfat solids price is \$1.3478. **Product Price Averages.** The two-week product price averages for November are: butter \$1.9197, nonfat dry milk \$1.4503, cheese \$2.0186, and dry whey \$0.6130.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <sup>1/ 2/</sup>				
November 2012				
Federal Milk Order Marketing Area <sup>3/</sup>	Order Number	Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) <sup>4/</sup>	001	23.95	17.02	2.1496
Appalachian (Charlotte) <sup>5/ 6/</sup>	005	24.10	17.17	2.1511
Southeast (Atlanta) <sup>6/ 7/</sup>	007	24.50	17.57	2.1551
Florida (Tampa) <sup>6/ 8/</sup>	006	26.10	19.17	2.1711
Midwest (Cleveland) <sup>9/</sup>	033	22.70	15.77	2.1371
Upper Midwest (Chicago) <sup>10/</sup>	030	22.50	15.57	2.1351
Central (Kansas City) <sup>11/</sup>	032	22.70	15.77	2.1371
Southwest (Dallas) <sup>12/</sup>	126	23.70	16.77	2.1471
Arizona (Phoenix)	131	23.05	16.12	2.1406
Pacific Northwest (Seattle) <sup>13/</sup>	124	22.60	15.67	2.1361
All-Market Average		23.59	16.66	2.1460

<sup>1/</sup> To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk. <sup>2/</sup> Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. <sup>3/</sup> Names in parentheses are the major city in the principal pricing point of the markets. <sup>4/</sup> Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25. <sup>5/</sup> Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10. <sup>6/</sup> Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted. <sup>7/</sup> Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40. <sup>8/</sup> Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40. <sup>9/</sup> Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. <sup>10/</sup> Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10. <sup>11/</sup> Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55. <sup>12/</sup> Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. <sup>13/</sup> Class I prices at other cities are: Portland, same; and Spokane, same.

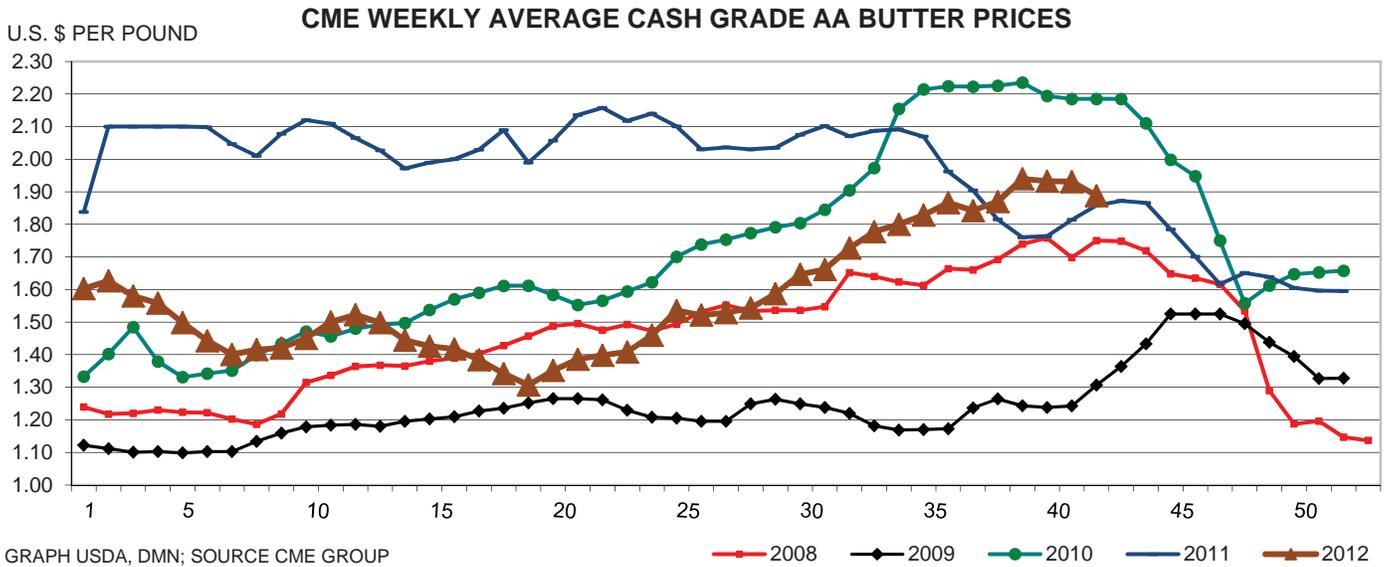
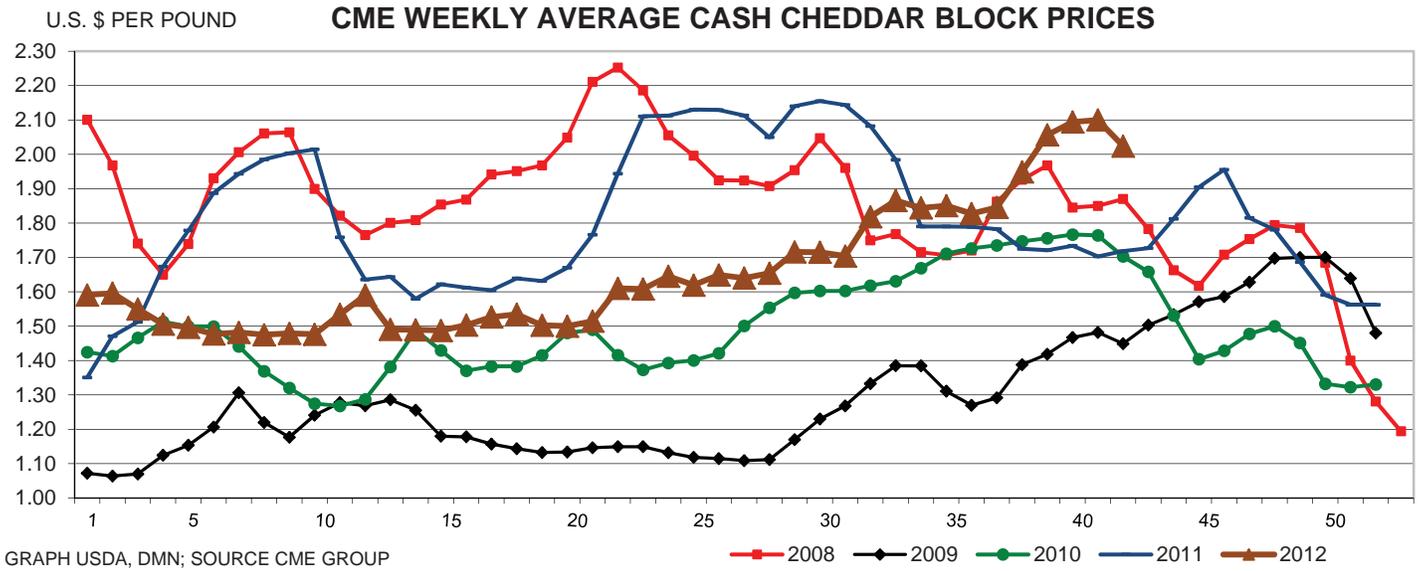
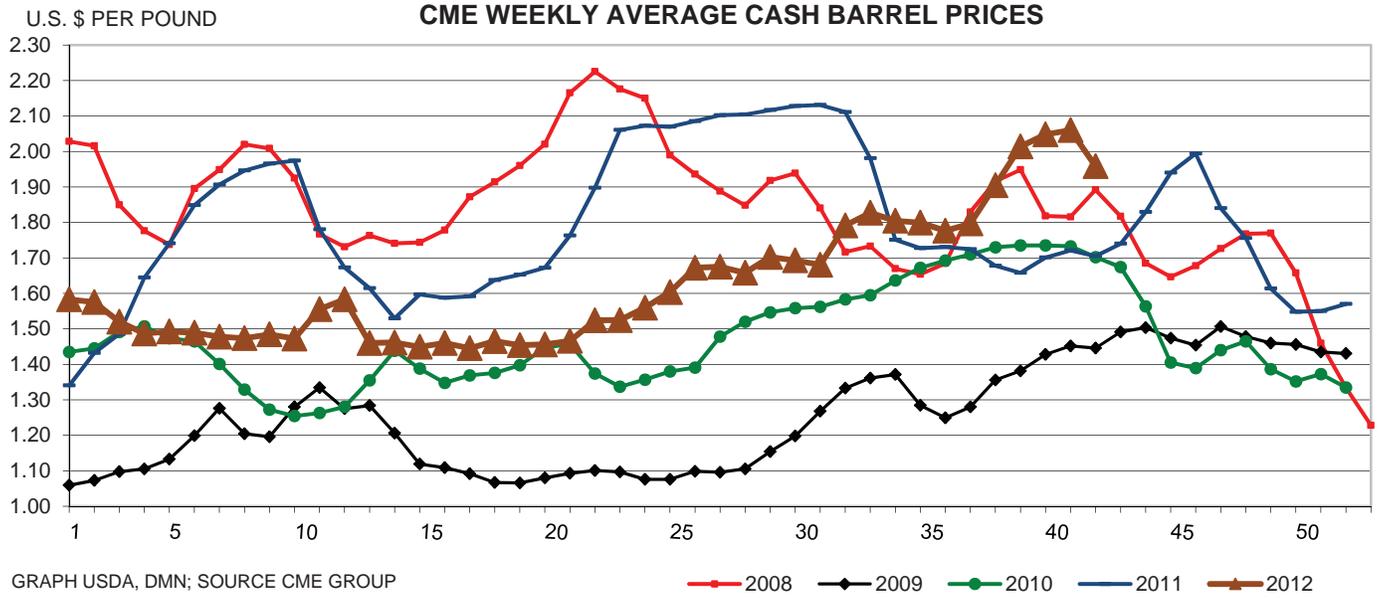
**MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA,  
JULY 2012, WITH COMPARISONS**

In July 2012, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.88 per cwt., up \$0.67 from the June 2012 average, and down \$4.87 from the July 2011 average. The component tests of producer milk in July 2012 were: butterfat, 3.56%; protein, 2.96%; and other solids, 5.75%. On an individual reporting area basis, mailbox prices increased in all Federal milk order reporting areas from the previous month. Mailbox prices in July 2012 ranged from \$19.60 in Florida to \$15.32 in New Mexico.

Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	July 2011	June 2012	July 2012
	Dollars per hundredweight		
New England States <u>3/</u>	22.77	17.06	17.55
New York	21.41	15.91	16.79
Eastern Pennsylvania <u>4/</u>	22.16	16.50	16.88
Appalachian States <u>5/</u>	22.83	17.07	17.93
Southeast States <u>6/</u>	23.70	17.60	18.49
Southern Missouri <u>7/</u>	21.27	15.83	16.73
Florida	25.10	18.61	19.60
Western Pennsylvania <u>8/</u>	22.26	16.06	16.76
Ohio	22.13	15.79	16.59
Indiana	21.63	15.34	16.02
Michigan	21.30	15.06	15.98
Wisconsin	21.86	16.94	17.55
Minnesota	21.83	17.01	17.59
Iowa	21.70	16.57	17.12
Illinois	22.14	16.57	17.15
Corn Belt States <u>9/</u>	21.24	15.68	16.36
Western Texas <u>10/</u>	21.09	15.49	16.18
New Mexico	19.97	14.62	15.32
Northwest States <u>11/</u>	21.69	15.43	16.27
All Federal Order Areas <u>12/</u>	21.75	16.21	16.88
California <u>13/</u>	19.67	14.38	14.77

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

Report Contact: Randal Stoker, [randal.stoker@usda.gov](mailto:randal.stoker@usda.gov) or 202-690-1932





## 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 42

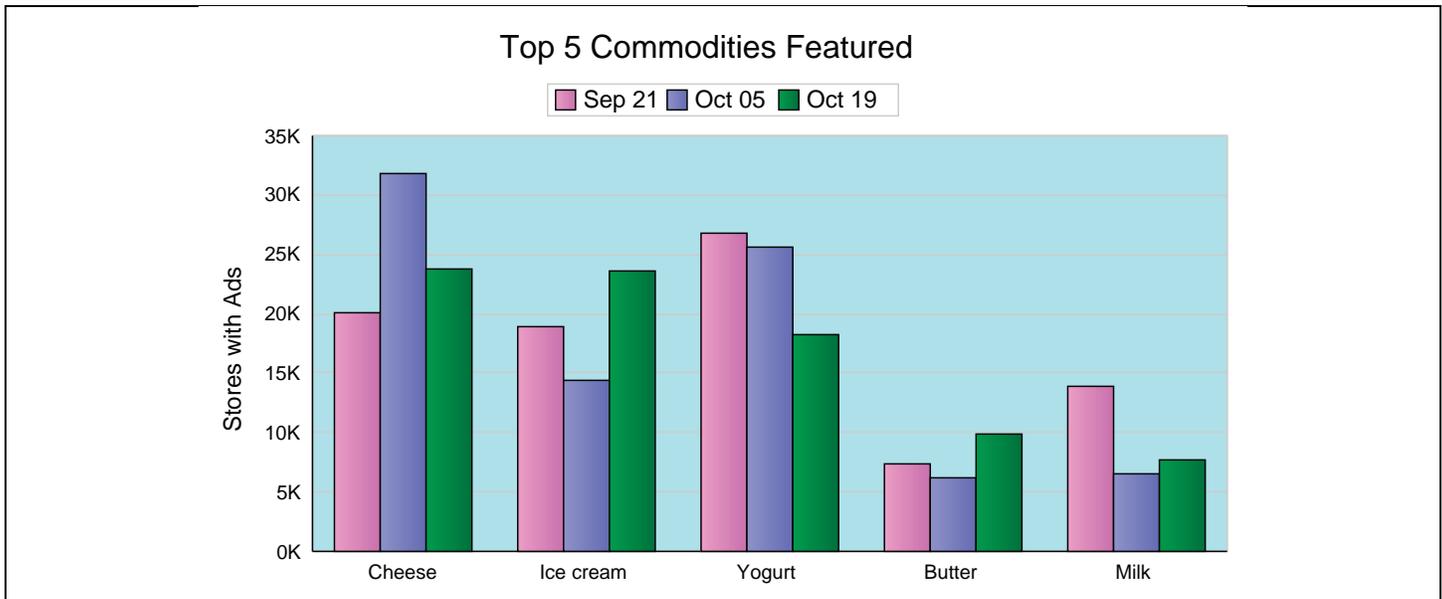
Issued Biweekly

Thursday, October 18, 2012

### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 10/08 to 10/19

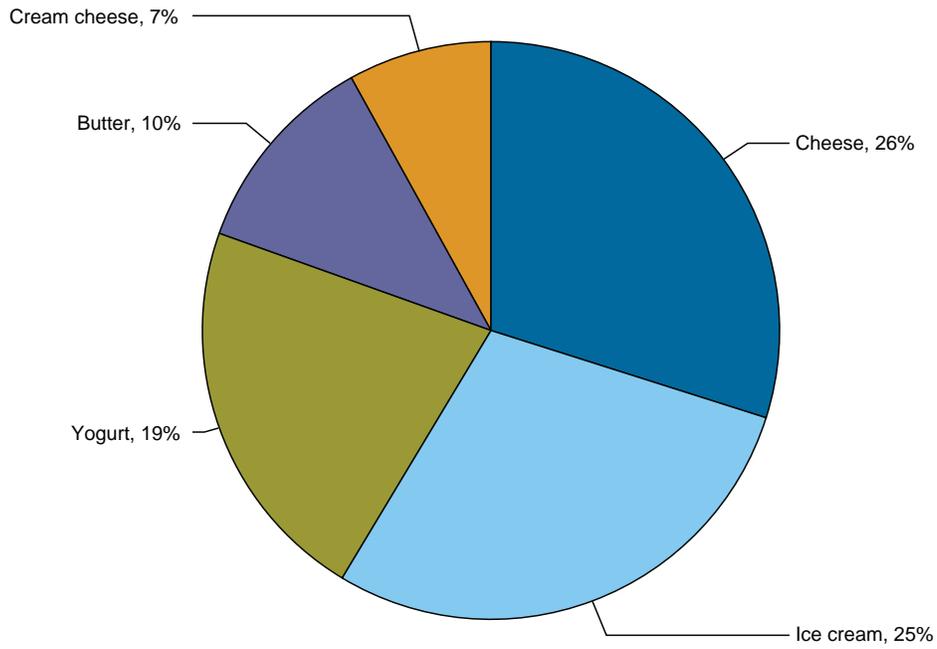
Recent increases in wholesale market prices now appear to be affecting conventional product ad feature prices in the retail market for butter and the most heavily advertised cheese types - 8oz blocks and shreds. The national weighted average price for butter was \$2.81, up 20 cents from two weeks ago with over 9,000 store ads, more than double two weeks ago. Cheese 8oz. blocks averaged \$2.39, up 18 cents from two weeks ago and appearing in half the ads. Cheese 8oz. shreds averaged \$2.40, up 14 cents. Ice cream ads totaled over 23,000, up 9,000 from two weeks prior. The national price averaged for 48-64 oz. containers was \$3.13, down 3 cents. The Greek yogurt price averaged \$0.96 per 4-6 oz. container, down 3 cents from two weeks ago. Ads showed nearly 2,607 stores with store branded offerings with an average of \$0.90; compared to 3,219 stores with national brand offerings averaging \$1.02.

The national weighted average advertised conventional price for half gallons this period, \$1.53, is 74 cents below two weeks ago and appeared in limited ads and likely as a loss leader. For Organic milk, the national weighted average advertised price for half gallons is \$3.60 up 29 cents. This results in an organic-conventional half-gallon milk advertised price spread of \$2.07, compared to \$1.04 two weeks ago and \$0.82 four weeks ago. This is the second largest price spread of the year.

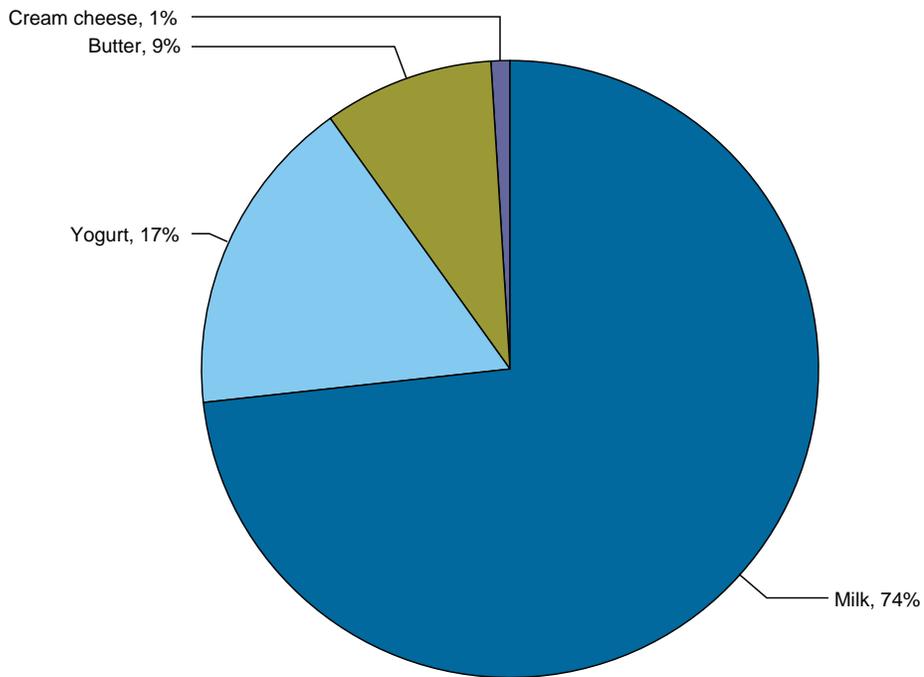


1 -- Dairy Market News surveys more than 150 retailers, comprising nearly 16,000 individual stores, with online weekly advertised features.  
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

### 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 #	9264	2.81	4419	2.61
Cheese	Natural Varieties	8 oz block	5145	2.39	9991	2.21
Cheese	Natural Varieties	1 # block	4020	3.58	4574	3.66
Cheese	Natural Varieties	2 # block	949	6.97	101	4.75
Cheese	Natural Varieties	8 oz shred	9675	2.40	11508	2.26
Cheese	Natural Varieties	1 # shred	3945	3.60	5546	4.29
Cottage cheese		16 oz	2970	1.81	6189	1.70
Cream cheese		8 oz	6332	1.64	6010	1.51
Flavored milk	All fat tests	half gallon	229	1.76	1173	2.42
Flavored milk	All fat tests	gallon	2524	3.92	875	3.44
Ice cream		48-64oz	23590	3.13	14480	3.16
Milk	All fat tests	half gallon	402	1.53	1274	2.27
Milk	All fat tests	gallon	2734	2.81	1712	2.64
Sour cream		16 oz	3211	1.49	4866	1.45
Yogurt	Greek	4-6 oz	5826	.96	9596	.99
Yogurt	Greek	32 oz	586	3.19	857	3.58
Yogurt	Yogurt	4-6 oz	8804	.49	12002	.50
Yogurt	Yogurt	32 oz	1968	2.14	914	2.05

## REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-3.99	2678	2.95	2.29-3.00	697	2.60	1.98-3.49	1235	2.53
Cheese	Natural Varieties	8 oz block	1.99-2.99	2610	2.44	1.67-2.79	1067	2.48	1.66-2.79	959	2.21
Cheese	Natural Varieties	1 # block	2.77-3.99	618	3.54	3.49	317	3.49	3.49	185	3.49
Cheese	Natural Varieties	2 # block				5.98	202	5.98			
Cheese	Natural Varieties	8 oz shred	1.50-3.49	2562	2.68	1.67-3.00	3337	2.47	1.66-2.79	1862	2.11
Cheese	Natural Varieties	1 # shred	3.49-3.99	384	3.80	3.49-3.99	366	3.56	3.49-4.99	387	4.21
Cottage cheese		16 oz	1.77-2.50	2017	1.97	2.19	30	2.19	1.00-1.50	550	1.17
Cream cheese		8 oz	0.77-2.69	2308	1.73	1.50-2.00	1251	1.55	1.00-2.00	617	1.58
Flavored milk	All fat tests	half gallon	2.50	46	2.50				1.50-1.99	183	1.57
Flavored milk	All fat tests	gallon	3.99-4.00	538	3.99	3.99	208	3.99	2.99-3.79	99	3.56
Ice cream		48-64oz	1.50-3.99	5507	2.90	1.99-4.00	4451	3.24	1.88-4.99	2990	3.07
Milk	All fat tests	half gallon	2.99	46	2.99	1.50	37	1.50	1.49	28	1.49
Milk	All fat tests	gallon	2.99	54	2.99	2.69-2.99	1188	2.96	1.99-3.19	993	2.58
Sour cream		16 oz	1.47-2.00	1674	1.65	1.50-1.99	195	1.81	1.00-2.00	1000	1.23
Yogurt	Greek	4-6 oz	0.85-1.24	2215	1.01	0.69-1.00	1897	.93	0.88-1.00	648	.94
Yogurt	Greek	32 oz	3.00-4.19	586	3.19						
Yogurt	Yogurt	4-6 oz	0.38-0.75	2282	.54	0.34-0.60	2989	.54	0.33-0.50	1301	.43

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	1.99-2.50	1049	2.19	1.88	202	1.88	1.88-2.50	265	2.17

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 #	2.38-3.34	881	2.74	1.99-3.49	2719	2.86	2.00-2.99	1054	2.86
Cheese	Natural Varieties	8 oz block	1.79-3.50	361	2.36	1.88	119	1.88	2.50	29	2.50
Cheese	Natural Varieties	1 # block	3.49	408	3.49	2.99-3.50	1610	3.48	2.99-4.99	882	3.87
Cheese	Natural Varieties	2 # block	7.99	202	7.99	6.99-8.99	389	7.85	3.99-6.99	156	4.72
Cheese	Natural Varieties	8 oz shred	1.25-2.50	869	1.97	1.79-2.79	706	2.33	1.99-2.50	339	2.34
Cheese	Natural Varieties	1 # shred	3.49	359	3.49	3.49	1861	3.49	3.49	588	3.49
Cottage cheese		16 oz	1.99	49	1.99	1.25-3.50	258	1.96	0.99-1.79	66	1.45
Cream cheese		8 oz	1.50-2.00	589	1.60	1.50-1.99	1458	1.54	2.39-2.50	109	2.42
Flavored milk	All fat tests	gallon	3.49-3.99	359	3.83	3.69-3.99	1320	3.94			
Ice cream		48-64oz	2.50-4.99	2817	3.39	2.50-4.44	6150	3.22	2.50-3.99	1675	2.96
Milk	All fat tests	half gallon				0.79	64	.79	1.25-1.67	227	1.45
Milk	All fat tests	gallon	2.63-3.57	409	2.87	2.99	90	2.99			
Sour cream		16 oz	1.49-1.50	61	1.49	1.00-1.89	253	1.28	1.50	28	1.50
Yogurt	Greek	4-6 oz	0.80-1.50	360	1.01	0.70-1.00	504	.89	1.00	202	1.00
Yogurt	Yogurt	4-6 oz	0.33-0.50	992	.39	0.33-0.60	985	.43	0.33-0.50	255	.39
Yogurt	Yogurt	32 oz	2.18	30	2.18	1.99	329	1.99	2.50-2.79	93	2.59

### 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 #	554	4.43	1737	3.99
Cheese	Natural Varieties	8 oz shred			26	3.59
Cream cheese		8 oz	56	2.59	56	2.59
Milk	All fat tests	half gallon	3097	3.60	2705	3.31
Milk	All fat tests	gallon	107	4.99		
Milk	All fat tests	8 oz UHT	1438	1.01	805	1.00
Yogurt	Greek	4-6 oz	549	1.11		
Yogurt	Yogurt	4-6 oz	493	.74	560	.63
Yogurt	Yogurt	32 oz			1658	3.23

### REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.	SOUTHEAST U.S.	MIDWEST U.S.
			Wtd Avg - Simple weighted average		



			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.49	484	4.49						
Cream cheese		8 oz	2.59	56	2.59						
Milk	All fat tests	half gallon	3.49-3.99	721	3.61	2.99-3.99	556	3.70	2.29-3.79	119	3.32
Milk	All fat tests	gallon				4.99	107	4.99			
Milk	All fat tests	8 oz UHT	1.00-1.25	95	1.08	1.00	34	1.00	1.00	633	1.00
Yogurt	Greek	4-6 oz	1.00-1.50	354	1.17	1.00	195	1.00			
Yogurt	Yogurt	4-6 oz	0.70-1.00	291	.76	0.70	202	.70			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				3.99	70	3.99			
Milk	All fat tests	half gallon	2.59-4.99	807	3.32	2.99-3.99	814	3.81	3.79	80	3.79
Milk	All fat tests	8 oz UHT	1.00	135	1.00	1.00	541	1.00			

## NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

### NATIONAL BRANDS vs STORE BRANDS

Commodity	Type	Pack Size	NATIONAL BRANDS				STORE BRANDS			
			Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99	3.99	2516	3.07	1.98	3.49	6748	2.71
Cheese	Natural Varieties	8 oz block	1.66	3.50	3583	2.46	1.66	2.79	1562	2.22
Cheese	Natural Varieties	1 # block	2.99	4.79	298	3.62	2.77	4.99	3722	3.57
Cheese	Natural Varieties	2 # block	3.99	8.99	545	6.95	5.98	7.99	404	6.99
Cheese	Natural Varieties	8 oz shred	1.66	3.49	7021	2.55	1.25	3.00	2654	1.99
Cheese	Natural Varieties	1 # shred	3.49	4.99	465	4.14	3.49	3.99	3480	3.52
Cottage cheese		16 oz	1.50	3.50	366	2.06	.99	2.00	2604	1.77
Cream cheese		8 oz	1.50	2.69	1807	1.99	.77	2.00	4525	1.50
Flavored milk	All fat tests	half gallon	1.50	2.50	229	1.76				
Flavored milk	All fat tests	gallon					2.99	4.00	2524	3.92
Ice cream		48-64oz	1.88	4.99	10840	3.20	1.50	3.99	12750	3.08
Milk	All fat tests	half gallon	1.49	1.49	28	1.49	.79	2.99	374	1.53
Milk	All fat tests	gallon	1.99	1.99	26	1.99	2.48	3.57	2708	2.82
Sour cream		16 oz	1.00	2.00	981	1.76	1.00	1.99	2230	1.38
Yogurt	Greek	4-6 oz	.88	1.50	3219	1.02	.69	1.00	2607	.90
Yogurt	Greek	32 oz	3.00	4.19	586	3.19				
Yogurt	Yogurt	4-6 oz	.39	.75	5236	.54	.33	.50	3568	.41
Yogurt	Yogurt	32 oz	1.88	2.79	212	2.19	1.88	2.50	1756	2.13

## NATIONAL -- ORGANIC DAIRY PRODUCTS

### NATIONAL BRANDS vs STORE BRANDS

			NATIONAL BRANDS				STORE BRANDS			
Commodity	Type	Pack Size	Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99	3.99	32	3.99	3.99	4.49	522	4.45
Cream cheese		8 oz	2.59	2.59	56	2.59				
Milk	All fat tests	half gallon	2.99	4.99	2122	3.80	2.29	3.50	975	3.17
Milk	All fat tests	8 oz UHT	1.00	1.25	1438	1.01				
Milk	All fat tests	gallon					4.99	4.99	107	4.99
Yogurt	Greek	4-6 oz	1.00	1.50	549	1.11				
Yogurt	Yogurt	4-6 oz	.70	1.00	493	.74				

#### 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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