

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (11/2):**

**BUTTER:** Grade AA closed at \$1.8875. The weekly average for Grade AA is \$1.8910 (-.0015).

**CHEESE:** Barrels closed at \$2.0800 and 40# blocks at \$2.1100. The weekly average for barrels is \$2.0310 (+.0020) and blocks, \$2.1100 (+.0460).

**BUTTER HIGHLIGHTS:** The CME cash butter price held steady early in the week, firmed at midweek, and declined to \$1.8875 by week's end. Churning schedules across the country remain active, and in many instances, butter producers are not aggressively seeking additional cream volumes. Some extra cream was looking for a home in the Eastern part of the country this week as Hurricane Sandy impacted butter churns and Class II manufacturing facilities in the storm track. Much of the displaced cream occurred due to good planning by manufacturers prior to the actual storm. Power outages were the most significant factors with minimal plant damage being reported. Butter stocks and projected fresh production are in fairly good balance for the upcoming holiday period. Orders continue to develop, but for the most part, Thanksgiving orders are in the books and shipments are on schedule. Outside of the storm impacted part of the country, retail stores are prepared for the upcoming Thanksgiving period with promotional activities scheduled to occur for many. Retail buyers are indicating that promotional activities will be ongoing at various times during the balance of the calendar year.

**CHEESE HIGHLIGHTS:** Hurricane Sandy had little effect on cheese plants in the Northeast. Most plants received near normal milk intake volumes with only minor, periodic power outages. Nationwide, CME price gyrations of recent weeks, coupled with price levels, are causing some buyers to change ordering plans as well as some plants to modify production schedules. Barrels closed this week at \$2.0800 and Blocks at \$2.1100, narrowing the Block-Barrel price spread to 3 cents to end the week. According to the DMN *National Dairy Retail Report*, U.S. feature prices for the top two advertised cheese commodities, 8 ounce shred and 8 ounce block, were \$2.19 and \$2.44 respectively for the two week period ending November 2. These prices were down 21 cents and up 5 cents respectively. Cheese ad numbers this period are nearly unchanged from two weeks ago, up 0.7%, following a 25.2% decline four weeks ago.

**FLUID MILK:** Shutdowns of varying length at dairy processing facilities along the Eastern seaboard were reported this week. Some transportation problems were also noted in that region as Hurricane Sandy pounded the Atlantic coastline with rain, wind, and storm surges. Most milk handlers indicate, though, that farm milk eventually found processing room within that region. Farm milk production is moving seasonally higher in the Southeast. Loads imported into Florida dropped from 117 last week to 39 this week, as evidence of the rising milk production. Farm milk production in the Southwest is steady to moving higher, but is tempered by dairy rations built to mitigate costs rather than maximize milk production. The Pacific Northwest is experiencing late fall rain and mild temperatures, with little effect on milk production. Central milk production is mostly unchanged in the northern tier of states, but shifting higher in the southern tier. Fluid demand is steady this week, but many processors expect a shift toward higher fluid demand in the next week to restock retail outlets in the East. Cream is readily available in all regions as ice cream production shifts into holiday/winter production mode. Multiples currently are hovering within the ranges established in the last few weeks, but cream demand is expected to advance quickly in the next week as production of sour cream, dips, whipping cream and other holiday items gears up.

**DRY PRODUCTS:** Nonfat dry milk prices stepped lower in the Central/East, with light spot market interest. Western NDM prices are steady to moderately higher, with manufacturers working toward satisfying contract needs. Dry whey prices firmed slightly from the influence of higher index-based variable contracts. Interest above contract quantities is reportedly being held in check by buyers being hesitant to carry more than just-in-time quantities. The WPC 34% market is steady, with most contract loads reportedly shipping on time. Some spot loads are intermittently available at or below market. The lactose market is steady. Manufacturers report increased interest from the Far East, while a few domestic end users indicate they reduced contract load pick up schedules due to slowing interest from their customers.

**-CONTINUED ON PAGE 1A-**

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

ORGANIC DAIRY MARKET NEWS (PAGES 8 - 8B)  
OCTOBER MONTHLY AVERAGES AND SUMMARY (PAGES 9 - 11)  
OCTOBER CLASS AND COMPONENT PRICES (PAGE 12)  
OCTOBER AGRICULTURAL PRICES HIGHLIGHTS (PAGE 13)  
SEPTEMBER DAIRY PRODUCTS (PAGE 14)  
SEPTEMBER CONSUMER PRICE INDEX (PAGE 15)

AUGUST COMMERCIAL DISAPPEARANCE (PAGE 15)  
ANNOUNCED COOPERATIVE CLASS I PRICES (PAGE 16)  
AUGUST OVER-ORDER CHARGES (PAGE 17)  
SEPTEMBER FMMO MARKETING AND UTILIZATION (PAGE 18)  
DAIRY GRAPHS (G1-G2)  
NATIONAL DAIRY RETAIL REPORT (ATTACHED)

**CME GROUP CASH TRADING**

COMMODITY	MONDAY OCT 29	TUESDAY OCT 30	WEDNESDAY OCT 31	THURSDAY NOV 01	FRIDAY NOV 02	WEEKLY CHANGE*	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$2.0500 (-.0300)	\$2.0250 (-.0250)	\$2.0000 (-.0250)	\$2.0000 (N.C.)	\$2.0800 (+.0800)	(N.C.)	\$2.0310 (+.0020)
40# BLOCKS	\$2.1100 (-.0100)	\$2.1100 (N.C.)	\$2.1100 (N.C.)	\$2.1100 (N.C.)	\$2.1100 (N.C.)	(-.0100)	\$2.1100 (+.0460)
<b>NONFAT DRY MILK</b>							
EXTRA GRADE	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	(N.C.)	\$1.5600 (N.C.)
GRADE A	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5700 (+.0100)	(+.0100)	\$1.5620 (+.0020)
<b>BUTTER</b>							
GRADE AA	\$1.8900 (N.C.)	\$1.8900 (N.C.)	\$1.8975 (+.0075)	\$1.8900 (-.0075)	\$1.8875 (-.0025)	(-.0025)	\$1.8910 (-.0015)

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

**ORGANIC DAIRY MARKET NEWS (DMN):** The national weighted average advertised price of organic milk half gallons, \$3.48, is 12 cents lower than two weeks ago. The price range is \$2.99 to \$4.89, 70 cents higher at the bottom of the price range and 10 cents lower at the top. This period, the concentration of advertised organic half gallon brands was slightly less than two to one, national brands versus store brands. The highest price, \$4.89 is for a store brand and the lowest, \$2.99, is for both store brands and national brands. The weighted average advertised price for national brands is \$3.60 and for store brands, \$3.25. The national organic half gallon milk weighted average advertised price is \$3.48, compared with \$2.21 for conventional half gallons. This is a organic-conventional half-gallon milk advertised price spread of \$1.27, down 80 cents from two weeks ago. The average price spread this year has been \$1.31 and has ranged from 78 cents to \$2.46. The national weighted average advertised price of organic milk 8 ounce containers, 87 cents, 14 cents lower than two weeks ago. The price range is \$0.83 to \$1.00. Two weeks ago the price range was \$1.00 to \$1.25. All ads for 4-6 ounce organic yogurt were in the Northeast. Prices ranged from \$0.60 to \$1.00, with a weighted average advertised price of 65 cents, down from 74 cents two weeks ago. Organic butter advertising volume declined for the third consecutive period but remains only slightly lower than the 2012 average for a reporting period. All ads occurred in either the Southeast or Midwest, almost evenly split but slightly more in the Southeast. The Southeast ads were all priced \$3.99 while the Midwest ads ranged from \$4.99 to \$5.99. This resulted in a national weighted average advertised price of \$4.60, up from \$4.43 two weeks ago. Some ads are store brands and others are national brands. Once again, the lowest price for organic butter, \$3.99, equals the highest price for conventional butter this period, \$3.99. Organic dairy advertising volume is lower than during any of the last seven reporting periods and about 20 percent lower than the average bi-weekly level during 2012. Nevertheless, overall organic dairy advertising this year averages 5,065 ads per period compared with an average of 2,676 during 2011. Ads this period are slightly more than twice the number of the same period in 2011.

**OCTOBER CLASS AND COMPONENT PRICES (DAIRY PROGRAMS):** The following are the OCTOBER 2012 prices under the Federal Milk Order pricing system and the changes from the previous month: Class II \$18.44 (+\$1.40), Class III \$21.02 (+\$2.02), and Class IV \$18.54 (+\$1.13). Product price averages used in computing Class prices are: butter \$1.9168, NDM \$1.4636, cheese \$2.0479, and dry whey \$0.6205. The Class II butterfat price is \$2.1206 and the Class III/IV butterfat price is \$2.1136. Further information may be found at: [www.ams.usda.gov/AMSv1.0/PriceFormulas2012](http://www.ams.usda.gov/AMSv1.0/PriceFormulas2012)

**OCTOBER AGRICULTURAL PRICES HIGHLIGHTS (NASS):** The All Milk price received by farmers was \$21.10 in October, up \$1.50 from September 2012 and up \$1.10 from October 2011. Alfalfa hay price was \$212.00 in October, up \$8.00 from October 2011. Corn price was \$6.95 in October, up \$1.22 from October 2011. Soybean price was \$14.20 in October, up \$2.40 from October 2011. The milk-feed price ratio was 1.68 in October, down 0.14 from October 2011. The index of prices received by farmers for dairy products increased 12 points during the month of October 2012 to 162. Compared with October 2011, the index was up 9 points (5.9%). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 2012 increased 2 points to 220. Compared with October 2011, the index was up 15 points (7.3 %).

**CONSUMER PRICE INDEX (BLS):** The September CPI for all food is 234.3, up 1.6% from September 2011. The dairy products index is 215.3, down 1.9% from a year ago. The following are the September to September changes for selected products: fresh whole milk is -3.8%; cheese, -3.1%; and butter, -8.2%.

**COMMERCIAL DISAPPEARANCE (ERS, AMS):** Commercial disappearance of dairy products during the first eight months of 2012 totals 134.9 billion pounds, 2.7% above the same period in 2011. Comparing disappearance levels with year earlier levels: butter is +4.4%; American cheese, +2.2%; other cheese, +2.3%; NDM, +36.0%; and fluid milk products, -1.8%.

**NOVEMBER ANNOUNCED COOPERATIVE CLASS I PRICES (FMMO):** For November 2012, the all-city average announced cooperative Class I price was \$25.79 per cwt., \$2.47 higher than the Federal milk order (FMO) Class I price average for these cities. The November 2012 Cooperative Class I price was \$1.82 higher than the October 2012 price. The November 2012 Federal order Class I price was also \$1.82 higher than the October 2012 price. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$0.50 in Phoenix, AZ, to \$4.29 in Miami, FL. For November 2011, the all-city average announced cooperative Class I price was \$23.55, \$2.46 higher than the Federal order Class I price average for these cities.

**NATIONAL DAIRY RETAIL REPORT (DMN):** A nearly one-third decline in ice cream ads has yielded the most advertised conventional dairy product distinction to cheese, even as cheese ad numbers are almost even with the last reporting period. Butter and cream cheese ads dropped from the top five, replaced by flavored milk and sour cream. Yogurt ad numbers declined slightly but as a percentage, yogurt advanced from third to second among products advertised. Cheese 8oz. blocks, 34.9% of cheese ads, averaged \$2.44, up 5 cents from two weeks ago. Cheese 8oz. shreds, 39.2% of cheese ads, averaged \$2.19, down 21 cents. Greek yogurt in 4-6 ounce containers, 33.9% of total yogurt ads, averaged 98 cents, up 2 cents. Yogurt in 4-6 ounce containers, 51.2% of yogurt ads, averaged 50 cents, up 1 cent. Flavored milk ads were mostly for gallons, with a much smaller number of half gallon ads. All gallon ads were store brands and the weighted average price is \$3.92. Significantly more sour cream ads were store brands than national brands. The combined weighted average price is \$1.49, up 4 cents from two weeks ago. The national weighted average advertised conventional price for half gallons this period, \$2.21, is 68 cents above two weeks ago. For Organic milk, the national weighted average advertised price for half gallons is \$3.48 down 12 cents. This results in an organic-conventional half-gallon milk advertised price spread of \$1.27, compared to \$2.07 two weeks ago and \$1.04 four weeks ago. The average price spread for 2012 is \$1.33.

**AUGUST OVER-ORDER CHARGES ON PRODUCER MILK BY CLASS OF UTILIZATION (FMMO):** For August 2012, the all reporting areas combined average over-order charge on producer milk used in Class I was \$2.04, down \$0.02 from the July 2012 average. Ninety percent of the producer milk used in Class I carried an over-order charge. On an individual order basis, Class I over-order charges ranged from \$0.79 in the Pacific Northwest to \$2.83 in the Florida Order. For producer milk used in Class II, the all reporting areas combined average over-order charge was \$1.18, up \$0.05 from the July 2012 average. Eighty percent of the producer milk used in Class II carried an over-order charge.

**SEPTEMBER FMMO MARKETING AND UTILIZATION (DAIRY PROGRAMS):** During September, nearly 8.5 billion pounds of milk were received from Federally pooled producers. This volume of milk is 19.2% lower than the September 2011 volume. In September 2012 and September 2011, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. Regulated handlers pooled 3.4 billion pounds of producer milk as Class I products, 7.6% lower than the previous year, with decreases in 8 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 41%, Class II = 18%, Class III = 31%, and Class IV = 10%.

**CME GROUP**

MONDAY, OCTOBER 29, 2012

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$2.0550, 1 @ \$2.0500; 2 CARS 40# BLOCKS: 1 @ \$2.1200, 1 @ \$2.1100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$2.0550; 1 CAR 40# BLOCKS @ \$2.1200  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$1.8800, 1 @ \$1.8750, 1 @ \$1.8850, 1 @ \$1.8900; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.8900

TUESDAY, OCTOBER 30, 2012

CHEESE -- SALES: 1 CAR BARRELS @ \$2.0300; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$2.0250; 1 CAR 40# BLOCKS @ \$2.1100  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.5600; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

WEDNESDAY, OCTOBER 31, 2012

CHEESE -- SALES: 1 CAR BARRELS @ \$2.0000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$2.0100  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8975; LAST OFFER UNCOVERED: NONE

THURSDAY, NOVEMBER 1, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.0000; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$2.1100  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.5600; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.5850  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.8975; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.8900

FRIDAY, NOVEMBER 2, 2012

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.0800; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$2.1200  
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$1.5600, 1 @ \$1.5700; LAST  
 BUTTER -- SALES: 9 CARS GRADE AA: 5 @ \$1.8800, 2 @ \$1.8825, 1 @ \$1.8850, 1 @ \$1.8875; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.8900

**BUTTER MARKETS****NORTHEAST**

The CME Group butter price was unchanged Tuesday and closed at \$1.8900. In the last 5 trading sessions the butter price has remained unchanged with 11 loads transacted. Cream volumes going to churns increased this week as some cream product manufacturers were shut down due to Hurricane Sandy. Demand for butter is good as holiday orders are coming in strong, but the increased cream volumes and product delivery delays due to storm cleanup and repair activities have some butter makers increasing inventories. Current bulk butter prices range from 4-8 cents over the market based on the CME Group with various time frames and averages used. According to the National Dairy Retail Report, retail butter ads in the Northeast totaled 1,064, 31% of the total national ad count of 3,426 and the second highest number for all regions. The weighted average price for a 1 lb. package of butter in the Northeast was \$3.17, 45 cents more than the national weighted average price and 22 cents more than the previous reporting period.

**CENTRAL**

The CME cash AA butter price held steady for much of the past week, but firmed slightly at midweek to settle at \$1.8975. The current cash prices compares to \$1.8900 a week ago, \$1.9500 a month ago, and \$1.8800 a year ago. Churning schedules in the Central part of the country remain active, although many butter operations are not actively looking for additional cream volumes. Most butter operations are churning regular sourced cream volumes while some are even adjusting schedules and selling a portion of their cream to other uses. Upcoming Thanksgiving orders are reported to be strong and, for the most part, are in the final stages of delivery. Retail orders are good and buyers report that butter feature activity during the next couple of weeks will be occurring. Butter orders for post-Thanksgiving are also strong. Many butter producers and handlers feel that inventoried stocks and current

production trends will be sufficient for balance of the year butter needs. Some butter producers that are under contract to generate butter for others needs are finding that this need might not be as strong as earlier projections indicated. With this situation occurring, there may be uncommitted volumes of butter in the marketplace from some butter producers. Bulk butter prices range from flat to 3 cents over various pricing bases and averages per pound.

**WEST**

A number of Western butter producers are indicating that orders are coming in at least as well as anticipated. Both food service accounts and retail buyers are contributing to a good prelude to all of the fourth quarter holidays. Good feature plans are also noted. Little cream is moving around the region as most of it is staying where it is sourced. With butter prices this high, producers are watching inventory levels closely, but it is currently not an issue for most operations. Some contract sales are occurring on bulk that is coming out of storage. Most producers are concentrating on print output now to get it where it needs to be before the first holiday of the season, Thanksgiving. 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. Prices at the CME Group had been holding about steady for six trading sessions at the \$1.89 mark. Then, at midweek, prices increased 3/4 cent to \$1.8975. According to the *DMN National Dairy Retail Report*, U.S. butter ad features for the two week period ending November 2 average \$2.72, down 9 cents from last period and the ad numbers were down to about one third the number of the last period. The ad price ranges for the Southwest and Northwest were \$2.79-3.49. The average butter price for the period was \$3.19 in the Southwest and \$3.14 in the Northwest.

**NATIONAL DAIRY PRODUCTS SALES REPORT****U.S. AVERAGES AND TOTAL POUNDS**

<b>WEEK ENDING</b>	<b>BUTTER</b>	<b>CHEESE 40# BLOCKS</b>	<b>CHEESE BARRELS 38% MOISTURE</b>	<b>DRY WHEY</b>	<b>NDM</b>
October 27, 2012	1.8948 3,299,246	2.0715 11,417,752	2.0274 9,819,062	0.6298 7,392,744	1.4861 11,446,030

## CHEESE MARKETS

## NORTHEAST

Cheese prices on the CME Group were mixed Tuesday with barrels declining \$0.0250 to close at \$2.0250, while blocks held unchanged at \$2.1100. In the last 5 trading sessions barrel prices have gone from \$2.0250 to \$2.0800 and then returned to \$2.0250. Block prices in the last 5 sessions have gone from \$2.0550 to \$2.1200 and then declining to \$2.1100. Hurricane Sandy had little effect on cheese plants in the Northeast as most plants received near normal intake milk volumes with only minor, periodic power outages. Cheese production was mixed with some plants at steady production levels, while others are lowering production, unwilling to expand inventories at the current price levels on the CME Group. Some cheese makers continue to increase cheese going into aging programs, because of lower input costs compared to previous years. Cheese production declines have been partially attributed to slower incoming orders and reduced governmental purchases of cheese for school lunch and institutional needs, compared to earlier in the month. According to the National Dairy Retail Report, retail cheese ads for 8 oz. block cheese in the Northeast totaled 3,428, 41% of the total national ad count of 8,350 and was the highest ad count for any region. Retail cheese ads for 8 oz. shredded cheese in the Northeast totaled 3,191, 34% of the total national ad count of 9,356 and was the highest number of ads for any region. The weighted average price for 8 oz. cheese blocks in the Northeast was \$2.18, 26 cents lower than the national weighted average price and 26 cents less than the previous reporting period. The weighted average price for 8 oz. shredded cheese in the Northeast was \$2.18, 1 cent less than the national weighted average price and 50 cents less than the previous reporting period.

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

Cheddar 40# Block	:	2.4675-2.7525
Process 5# Sliced	:	2.2450-2.3650
Muenster	:	2.4875-2.8475
Grade A Swiss Cuts 10 - 14#	:	3.4850-3.8075

## MIDWEST

During October, Barrel prices have changed direction four times, ranging from \$1.9175 to \$2.08. Blocks changed direction three times, ranging from \$2.00 to \$2.12. For each, the monthly low occurred on October 19 and the high one week later on the 26<sup>th</sup>. Manufacturers do not provide explanations for much of this trading price movement, based on manufacturing stocks and sales, especially for a swing from low to high in one week. Each have declined from the high, with Barrels down 8 cents this week by Wednesday to \$2.000 and Blocks down 1 cent to \$2.1100. A manufacturer referred to these as "crazy swings", observing that during the last week into this week, his plant "received the same amount of milk, made the same amount of cheese, and pushed it out the door". Orders are being met and inventories are "comfortable". Store orders were stable during the week. Moreover, some manufacturers in the Midwest note that they expect cheese manufacturing volume to increase in coming weeks as more milk becomes available seasonally beginning after Thanksgiving. Plants expect to make more cheese as a result. This leaves the current manufacturing/sales situation as mostly stable in the present, but expected to

generate more cheese in the near future, which some manufacturers have difficulty reconciling with recent CME monthly low to high price movement. From a manufacturing perspective "the overall cheese supply/demand situation is probably fairly well in balance", according to a large cheese manufacturer. There is concern that continuation of such CME price swings will cause retailers to be more tentative in ordering, which could adversely affect sales in the longer run. Cheese retail advertising volume reported in the National Dairy Retail Report has not recovered from the decline two weeks ago. Cheese ads this period are nearly unchanged from two weeks ago, up 0.7%, following a 25.2% decline four weeks ago. The largest number of cheese category ads during the current survey period, 39.2%, are for 8 ounce shredded cheese, up slightly from 36.3% the last period. The next highest at 34.9%, is 8 ounce blocks, down slightly from 31.5% last period. The remaining varieties are 1 pound block, 9.6%; 2 pound block, 9.3%; and 1 pound shredded, 6.9%. The weighted average advertised price of 8 ounce shredded declined 8.8% to \$2.19; 8 ounce blocks increased 2.1% to \$2.44; 1 pound blocks increased 3.1% to \$3.69; 2 pound blocks decreased 19.4% to \$5.62; and 1 pound shredded decreased 8.9% to \$3.28. On November 1 the Kansas City Farm Service Agency Commodity Office will announce contract awards to purchase a maximum of 54.3 million pounds of natural American cheese for delivery between January 1, 2013 and December 31, 2013.

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

Process American 5# Loaf	:	2.2175-2.9225
Brick And/Or Muenster 5#	:	2.4550-3.0150
Cheddar 40# Block	:	2.4550-3.4400
Monterey Jack 10#	:	2.4250-3.4400
Blue 5#	:	2.7200-3.7050
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.3000-3.5400
Grade A Swiss Cuts 6 - 9#	:	3.0050-3.1225

## WEST

Western wholesale cheese prices bounced higher to sharply higher again this week based on the strength in last week's averages. CME Group prices moved higher every day last week, more than offsetting the declines noted the previous week. The price gyrations noted recently from week to week are causing some buyers to change ordering plans and for manufacturing plants to modify production schedules. None of this uncertainty is helping to sell extra cheese. Production at most operations is lighter than anticipated. As stated earlier, CME Group block and barrel prices were higher every day at the exchange last week. This week, prices have either held steady or declined. Barrels have declined 8 cents through midweek to stand at \$2.00. Barrels have been at \$2.00 or above for seven trading sessions. Blocks were down 1 cent on Monday and have held steady since then through midweek at \$2.11. Some contacts are concerned that the spread between the two commodities is wide enough again to cause production problem decisions for some plants. Blocks have been above \$2 for 30 trading sessions. According to the DMN National Dairy Retail Report, U.S. feature prices for the top two advertised commodities, 8 ounce shred and 8 ounce block, were \$2.19 and \$2.44 respectively for the two week period ending November 2. These prices were down 21 cents and

CONTINUED ON PAGE 3A

## CHEESE MARKETS

## CONTINUED FROM PAGE 3

up 5 cents respectively. The price range for 8 ounce shred was \$2.00-3.29 for the Southwest and Northwest regions of the country with the average price at \$2.61 and \$2.74 respectively. The price range for 8 ounce block was \$2.00-5.00 for these same regions with the average prices at \$4.02 and \$2.92 respectively.

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

Process 5# Loaf	:	2.1525-2.4100
Cheddar 40# Block	:	2.1900-2.5425
Cheddar 10# Cuts	:	2.3700-2.5900
Monterey Jack 10#	:	2.3800-2.5400
Grade A Swiss Cuts 6 - 9#	:	3.0625-3.4925

## FOREIGN

The CME weekly average block price increased and raised domestic wholesale foreign type cheese prices by \$0.040 this week. The increase recovered over half of last week's price decline. Swiss cuts and imported variety cheese prices were unchanged. Northeast orders for imported and domestic foreign type cheeses may experience delivery delays due to the effects of Hurricane Sandy. Many of the coastal metropolitan areas from Washington DC to Boston, especially New York City, were hit with record high tidal surges, flooding, power outages and highway closures.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.6075-4.0950*
Gorgonzola	: 3.6900-6.1900	: 3.1100-3.5650*
Parmesan (Italy)	: -0-	: 3.9975-6.0875*
Provolone (Italy)	: 3.4400-5.5800	: 2.6500-2.8075*
Romano (Cows Milk)	: -0-	: 3.7975-5.9475*
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.

## 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	39	0	117	0	144	0
SOUTHEAST STATES	0	0	0	0	0	0

Hurricane Sandy caused significant interruptions in dairy manufacturing in the Mid-Atlantic region and in the southern portions of the Northeast. Numerous plant closures, for a day or two, occurred in New Jersey, Maryland and Pennsylvania. Some plants in other areas had periodic shut downs due to power outages with one major bottling plant remaining closed through Tuesday. Class I demand is very strong as plants attempt to resupply retailers, who saw their inventories depleted prior to the storm. Most farm pickups were not delayed and volumes at balancing plants are heavy due to various manufacturing plant shut downs. Dairy product deliveries may be delayed due to trucking and transportation logistic problems caused by the storm. Repairs and cleanup will take a number of days, if not weeks, in the New York, New Jersey coastal areas. Florida milk production appears to have turned the corner and is increasing as cooler weather has significantly improved cow comfort levels. Class I demand remains good, but has leveled off. Class I demand is expected to increase next week as Egg Nog production will increase as the holidays near. The increase in milk production has limited spot imports to 39 loads this week. Milk production continues to increase in the Southeast region. Supplies are, for the most part, in balance with bottling demand. Manufacturing milk supplies continue to be held to their contract minimums. Due to the recent increase in rejected loads due to aflatoxin, bottling plants have increased testing to ensure product quality. Cream supplies are becoming more readily available as increased volumes of standardized cream are coming off Class I bottling plants. The increased cream volumes expanded butter production early in the week as many cream based manufacturers in the Mid-Atlantic region were closed, due to Hurricane Sandy. The increased cream supply combined with plant closures caused some cream loads to be shipped to the Midwest at a discount. The cream multiple range expanded this week and ranged from 115-135. Multiples for any given day varied and were dependent on location in relation to the storm. Demand for cream will increase as the storm abates and manufacturers resume their normal production schedules. Demand for condensed skim milk declined this week, due to various plant shut downs caused by the storm, resulting in increased Class IV production. Demand for condensed skim is expected to bounce back later in the week as various manufacturing facilities come back online.

## 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 - 2.1764-2.5549  
 F.O.B. producing plants: Upper Midwest - 2.3309-2.4413

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

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices - 1.41 - 1.47  
 Northeast - Class III - spot prices - 1.52 - 1.57

## MIDWEST

Weekly customary milk shipments into manufacturers seem to satisfy most needs, according milk handlers. Interest in either selling or buying extra milk loads for manufacturing is low key. Spot loads carry light premiums to the market, ranging from \$1.25 - \$2.25. Several handlers and manufacturers shared their expectation that milk loads may stairstep from East to the Central as the East region works through storm damage and power availability. However, most plant operators indicate there was little to no demand on Central region facilities to accommodate Eastern milk. Fluid milk shipments continue to tap into overall milk supplies. Central milk handlers report cull cow prices topping \$1,300 have some of their dairy producers reevaluating their dairy cows for tailenders, etc., that will fetch a decent cull price. On some pickup routes, farm milk intakes are lower because of the culling activity. Central cream demand is steady to slightly higher. Churning is active in the Central region, but still dependent on cream demand from Class II. Multiples are mostly steady. Most cream buyers and sellers anticipate cream demand will start trending higher in the next 7 - 10 days as plants have a short window of opportunity to make and transport some holiday items. Some holiday production is already starting as a few plants scheduled short runs of holiday favorites, such as eggnog, within the last 7 - 10 days. Discussions on 2013 cream contracts are starting in the Central region.

## WEST

Milk production in CALIFORNIA continues to trend mostly steady across the state. Some local areas are seeing slight gains, but the overall tone has been flat for several weeks. Conditions affecting the milking herds remain about the same. Weather trends have been seasonally favorable and would normally be a slightly positive influence on milk output for this time of year. The strong counter is the impact of feed costs and other inputs for those producers buying feed but balancing rations to mitigate expenses. Processing plants continue to run well with few issues being reported. September 2012 POOL RECEIPTS of milk in CALIFORNIA total 3.08 billion pounds, 3.0% lower than last year, according to CDFR. Year to date receipts, unadjusted for extra leap day in 2012, are running 3.2% higher than a year ago. The September blend price, at a fat test of 3.71%, is \$17.64, \$1.15 higher than August, but \$1.32 less than September 2011. The percentage of receipts used in Class 1 products is 14.8%. The September quota price is \$18.42 and the over quota price is \$16.72. These prices are \$0.94 higher than August, but \$1.45 lower than a year ago. ARIZONA milk production is moving higher. Weather conditions are seasonally mild and conducive to milk output growth. Farm level factors are constraining additional growth. Higher milk prices are being welcomed and are offsetting higher costs of production. Conditions are favorable for processors in the state and the finished product mix is being made along planned levels. Class I demand is fair to good and current retail featuring is creating additional pulls. CREAM prices are mostly steady as butter pricing and basing points are stable. In addition, multiples and overages are holding. Demand for cream has been uneven across product categories. There are increases noted for cultured dairy products in Class 2/II channels in advance of holiday needs. Demand for whips, cream cheese, sour cream, egg nog, and similar products is noted to be building as

CONTINUED ON PAGE 4A

## FLUID MILK AND CREAM

## CONTINUED FROM PAGE 4

buyers secure needs. The impact of ice cream demand is uneven with seasonal declines in ordering noted. At the CME Group, Grade AA butter price closed at \$1.8975 on Wednesday, October 31, up 0.75 cents from a week ago. Cream multiples are unchanged and range from 115 to 125, and vary depending on basing points and averages. Rain and mild conditions prevail over most of the PACIFIC NORTHWEST. Fall cropping is basically finished. Hay prices have backed off a bit for now. Winter weather conditions will dictate if that trend holds. Milk is off a bit in the region so operations are deciding where to put supplies for best returns and to fill existing contracts. The October All Milk price for Oregon is \$22.60, up \$1.40 from both last year and last month. The price for Washington is \$20.80, up \$1.30 from last month and \$.40 from last year. Weather conditions are warm this week in UTAH and IDAHO with temperatures well above normal. Snow that was on the ground last week is now just a memory. Fall harvesting is basically complete. Feed supplies within the region range from average to a bit better than anticipated. Milk supplies generally range from even with last year to just a bit above or below with no real trend noted yet. Financial stress on dairies is down somewhat as milk prices are rising and feed prices are more stable to declining from the summer peak levels. The October All Milk price for Idaho is \$21.00, up \$1.60 from last month and up \$2.70 from last year. For Utah, the October number is \$20.00, up \$1.20 from last month and \$.90 above last year. According to the NASS Agricultural Prices report, the October alfalfa hay price for the U.S. is \$212/ton, up \$8 from October 2011. Prices for selected Western states with the change from last year are as follows: Arizona \$190, down \$35; California \$209, down \$31; Colorado \$235, up \$15; Idaho \$200, down \$33; Nevada \$202, down \$14; New Mexico \$243, down \$52; Oregon \$232, down \$13; Utah \$187, down \$13; and Washington \$235, down \$5. Adequate irrigation water meant that hay output was steady to marginally higher in the West and some dairies are using less high end hay in their rations.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** The Central nonfat dry milk mostly price series is steady to lower. Contract prices followed indices higher, but market premiums on spot loads declined. Demand for NDM spot loads is light, according to manufacturers and traders. Few buyers want to hold additional inventories at this time of year. Farm milk intakes into some facilities are reportedly declining as regional dairy farmers take another look at the number of cows on hand. Milk handlers report cull cow prices topping \$1,300 are not uncommon and offer some return to dairy farmers for less productive cows. Condensed skim contract sales into cheese operations are active, decreasing drying activity at many facilities. High heat nonfat dry milk production is being scheduled from time to time to rebuild holdings. Nonfat dry milk inventories are adequate for near term contract fulfillment.

**EAST:** Prices for low heat nonfat dry milk marginally declined on the upper end of the mostly range, while high heat prices narrowed. Hurricane Sandy closed numerous dairy manufacturing plants in the Mid-Atlantic region, which resulted in increased milk volumes going to dryers. Most drying operations were comfortable with the increased production schedules, since inventories had been worked lower over the past several weeks. Demand for nonfat dry milk has declined as various dairy manufactures have had to shut down for various periods due to power outages caused by the storm. Resuming full production schedules may take days depending on how long post-hurricane clean up and repairs take in the region. Damage to the Eastern transportation grid may also affect future product deliveries. Resale activity has been interrupted due to the storm with many brokers not having a clear picture of the market.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.4500 - 1.5600 MOSTLY: 1.5100 - 1.5550  
 HIGH HEAT: 1.5900 - 1.6300

**NONFAT DRY MILK - WEST**

Western low/medium heat nonfat dry milk prices are marginally higher for the range and mostly price series. The market tone is fully steady. Offerings and buying interest are in balance. Producers' offerings remain limited as some are catching up on orders. Demand has been generally light with buyers holding needs or able to secure needs through other channels. Interest from cheese makers is uneven. They are often just taking contracted volumes, but they are cautious about making and having stocks of cheese should the current high cheese market prices turn. Export sales of SMP continue to occur. Production of NDM is mostly steady and generally trending with the milk flow. Stocks are indicated to be in balance. Both sides of the trade are working on 2013 contract volumes and pricing formulations. High heat prices are unchanged to slightly higher in light trading. The market tone is steady. Buying interest is seasonally building along projected levels and mainly is being filled through contractual obligations. Production has been limited, yet some producers are making added volumes to meet orders. Stocks are light.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.4600 - 1.5500 MOSTLY: 1.4800 - 1.5200  
 HIGH HEAT: 1.5000 - 1.6100

**DRY BUTTERMILK - CENTRAL AND EAST**

**CENTRAL:** Dry buttermilk prices are unchanged to higher. Demand is described as steady into established accounts. Spot demand is steady to moderately higher. Condensed buttermilk sales into Class II accounts are seasonally lower as ice cream facilities have shifted to cold weather production schedules. A few butter/powder plants indicate interest in near term churning is lower as butter stocks surpass desired levels at this time. Cream demand is expected to increase, though, during the next few weeks into sour cream, dips, and cream cheese, offering some relief to butter production, but squeezing dry buttermilk production.

**EAST:** Prices for dry buttermilk increased again this week as spot sales and sales based on various price indices moved the low end of the range higher. Hurricane Sandy shut down numerous cream based product manufacturing plants, expanding volumes going to churns and increasing butter and dry buttermilk production. Current production of dry buttermilk is moving through contracts and adding to inventories. Demand has declined in the East as some manufacturers are slow to return to full production, due to repairs and cleanup projects brought about by the storm. Damage to the Eastern transportation grid may affect future product deliveries.

F.O.B. CENTRAL/EAST: 1.5600 - 1.6300

**DRY BUTTERMILK - WEST**

Western dry buttermilk pricing levels are mostly steady this week with only some slight adjustments made within the range. Trading is limited outside of contracted volumes as many producers are catching up with past orders. There is little extra dry buttermilk to fill extra needs. The demand side is light beyond contracted needs. Buying interest is unaggressive. Production levels have been steady and matching the butter output schedules. Processing plants have drying times available. Current stocks remain light.

F.O.B. WEST: 1.4400 - 1.5100 MOSTLY: 1.4400 - 1.4700

**DRY WHOLE MILK - NATIONAL**

Dry whole milk prices are both lower and higher on mixed market. Sales into domestic accounts on contract are steady to lower as some confectionary facilities in the East region decreased production days due to the effects of Hurricane Sandy. Dry whole milk production is contract based and scheduled according to those needs.

F.O.B. PRODUCING PLANT: 1.7000 - 1.8500

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
October 26	\$1.4610	4,913,965	0
October 19	\$1.4397	6,288,447	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**

Dry whey prices in the Central region inched higher as index based prices entered the marketplace. Despite the increase in index prices, market participants are in agreement this week on dry whey market conditions, describing it as "boring". Dry whey spot loads are readily available from several Central manufacturers and the trade. Spot offers from some manufacturers and most resellers yield some price discounts to the market. All market participants, though, seem hesitant to take on multiple spot loads at this point. Contracting discussions for 2013 dry whey are ongoing. Various brokers/traders indicate, though, that some of their customers are hesitant to commit at this time. This is problematic for the trade as their opportunities to lock in contract dry whey quantities with manufacturers will diminish as the start of 2013 approaches. Dry whey production is at seasonal levels based on manufacturing milk supplies. ANIMAL FEED DRY WHEY prices shifted fractionally higher as manufacturers priced loads based on higher trending indices. Various feed blending operations indicate they are working off contracts only, and are not seeking additional spot loads.

F.O.B. CENTRAL: .5900 - .6350 MOSTLY: .5900 - .6200  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4400 - .5900

**DRY WHEY - NORTHEAST**

Dry whey prices increased in the Northeast as contract pricing based on various price indices continued to move higher. Dry whey production declined this week as some cheese plant managers reduced production, because of not wanting to add to inventories while CME Group cheese prices are at their current levels. The resulting decline in dry whey production has some manufacturers delaying contract deliveries. Damage to the Eastern transportation grid by Hurricane Sandy may also affect future product deliveries. Spot sales are very light with current production moving through contracts. Resale activity has been interrupted, due to the storm with many brokers not having a clear picture of the market. Export demand remains good. Whey supplies are tight in the region, providing for a firm undertone.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6400 - .6700

**DRY WHEY - WEST**

Prices for Western whey range from steady to fractionally higher. Offerings of whey are almost at expected levels. Producer stocks of whey are generally in balance with needs to tight. Some buyers indicate that they have to make additional calls to cover current needs. Whey production this past summer was above trend lines as plants shifted whey solids around, but output this fall is again below trend.

NONHYGROSCOPIC: .5900 - .6475 MOSTLY: .6000 - .6375

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate 34% prices are unchanged to lower. Various manufacturers indicate they are managing days of cheese and WPC 34% production, in part, based on the volatility of the current cheese market. The price spread between barrels and 40#

blocks, ranging up to 11 cents so far this week, is not expected to last. This has delayed cheese ordering by some customers, and manufacturers would prefer to not make uncommitted cheese volumes while prices are staged for an adjustment. WPC 34% buyers indicate spot loads are available from a few manufacturers as well as from the trade. Manufacturers' inventories are variable, ranging from tight to above contract needs.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.1250 - 1.3425 MOSTLY: 1.2000 - 1.2525

**LACTOSE - CENTRAL AND WEST**

Prices for lactose are higher on the bottom of the range, unchanged on the mostly. Spot load availability is variable, with some manufacturers out of the market completely and others feeding the spot market from week to week. Most spot load availability is for unground to 100 mesh lactose. Fresh demand is emerging from the Far East in addition to some contract buyers also requesting earlier shipping on numerous loads. Manufacturers indicate they will be able to accommodate the change in shipping dates only by juggling shipping dates to other locations. Lactose production is at expected seasonal levels, based on manufacturing milk supplies.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .7300 - .9300 MOSTLY: .7500 - .8200

**CASEIN - NATIONAL**

Casein markets and prices are generally steady. Most domestic buyers are indicating that stocks for their needs are being delivered as scheduled. European sourced stocks are arriving from inventoried stock generated during the past production season. European suppliers are stating that their supply situation is in pretty good balance with commitments. Much of the recent production season was geared to known needs, although some producers appear to have some uncommitted volumes. Some of these volumes are being offered to the U.S. market, but potential buyers are often steering away from the offerings due to price. The Oceania casein production season is well underway as milk volumes in the region are at or very near peak levels. Casein producers are hopeful that milk volumes maintain a high level for an extended period of time as this is the time of the season that casein output occurs.

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

**EVAPORATED MILK - NATIONAL**

The Kansas City Commodity Office issued Bid Invitation Number 2000001445 on October 30, 2012 for evaporated milk packaged in 24/12 fluid ounce cans totaling 1,003,833 pounds. Deliveries are due between December 2012 and March 2013. Offers are due November 6, 2012. Award notifications are scheduled to be announced on November 8, 2012, with public release currently scheduled for November 9, 2012. More information on offer specifications may be obtained at: <http://www.fsa.usda.gov/FSA/>

**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
10/13/2012	63.0	2,414.5	55.7	2,263.6

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

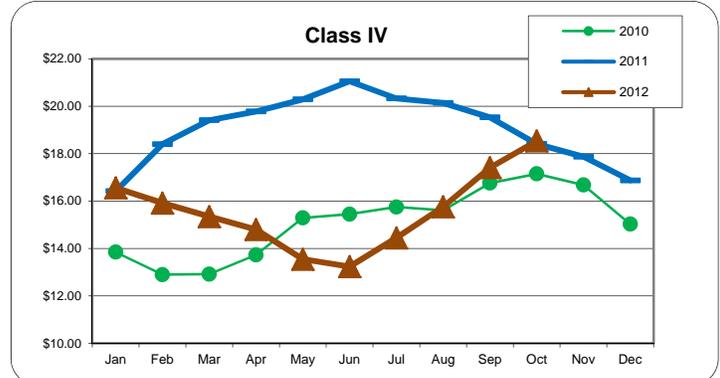
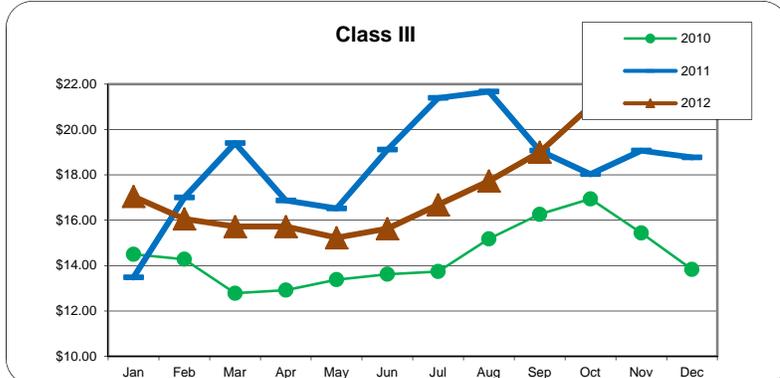
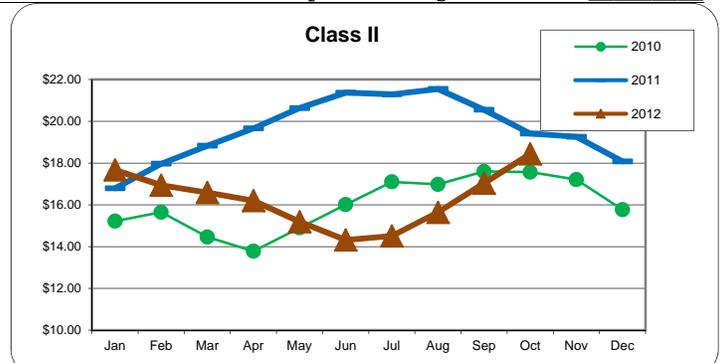
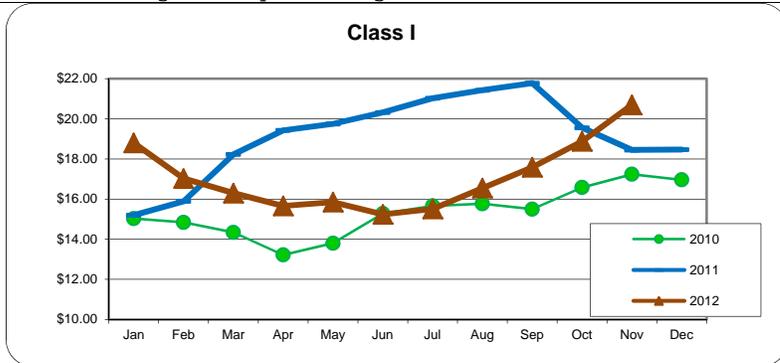
**CLASS IV MILK PRICES (3.5% BF)**

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	18.44		
III	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02		
IV	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41	18.54		

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 22 - November 2, 2012

ORGANIC DAIRY FLUID OVERVIEW

Because the most intense impact of Tropical Storm Sandy was outside the primary organic dairy farming areas of the Northeast, there was little impact on organic milk production. Few transportation issues were reported for milk going from farm to processing plant, or processing plant to store. There have been recent conversions of some conventional dairy farms to organic in the Upper Northeast.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

**Organic Dairy Overview.** Organic dairy advertising volume is lower than during any of the last seven reporting periods and about 20 percent lower than the average bi-weekly level during 2012.

Nevertheless, overall organic dairy advertising this year averages 5,065 ads per period compared with an average of 2,676 during 2011. Ads this period are slightly more than twice the number of the same period in 2011.

Organic milk ad numbers have declined from recent periods but ad numbers remain much stronger than both this period last year, as well as the 2011 reporting period average. The average number of organic milk ads each two weeks this year are 3,005, compared with 1,821 last year. Total milk ads this period numbered 2,718, slightly below the average for this year, compared with 351 for the same period last year.

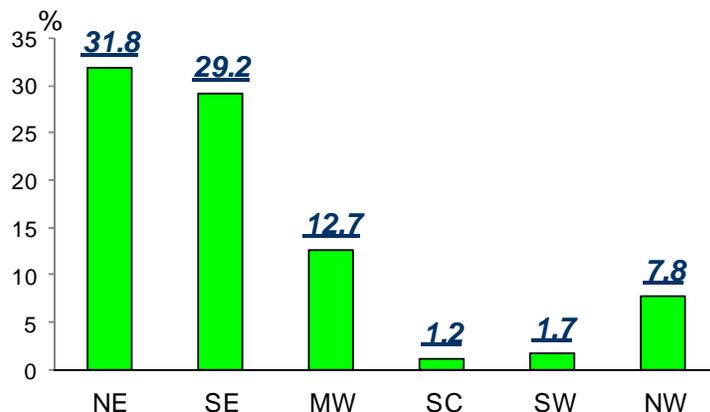
Organic yogurt ads are weaker than the last seven reporting periods of 2012, as well as weaker than this period of 2011. This period's 646 organic yogurt ads are about one half of the 2012 average of 1,285. Yet this period's 646 ads are well below 2,602 for the same period last year.

Organic milk still dominates total organic dairy advertising, with 67% of total ads. This is followed by organic yogurt with 16%, organic butter with 9%, organic cheese with 5% and organic ice cream 3%.

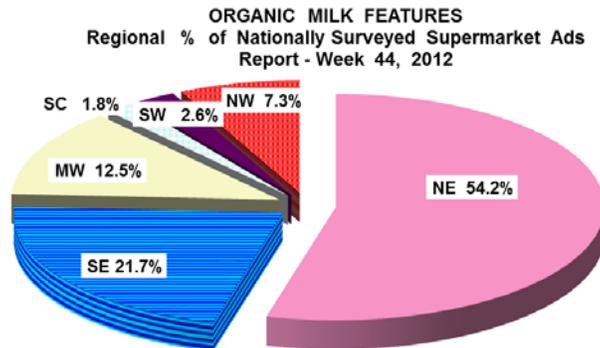
Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period October 20, 2012, to November 2, 2012, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

**Regional Organic Dairy Ad Trends – Current Period.** The Northeast and Southeast stand ahead of all regions, with 31.8% of retail organic ads in the Northeast and 29.2% in the Southeast. The percentages of the other regions include the Midwest with 12.7%, the Northwest with 7.8%, the Southwest with 1.7% and the South Central with 1.2%. Striking is the low share held by the Southwest, in contrast to being the leading region two weeks ago, tied with the South Central as the top region four weeks ago and the leading region six weeks ago.

ORGANIC YOGURT FEATURES  
Regional % of Surveyed Newspaper Ads  
Report Week 44, 2012



**Organic Milk.** The Northeast leads the regions in organic milk ads, with 54.2% of ads. This achievement ends the reign of the Southeast as the leading region for organic milk ads, which stretches back to the end of July. The share of other regions includes the Southeast with 21.7%, the Midwest with 12.5%, the Northwest with 7.3%, the Southwest with 2.6%, and the South Central with 1.8%. Ads for organic milk in 8 ounce containers comprise 62.6% of milk ads, with half gallon ads representing 37.4%.



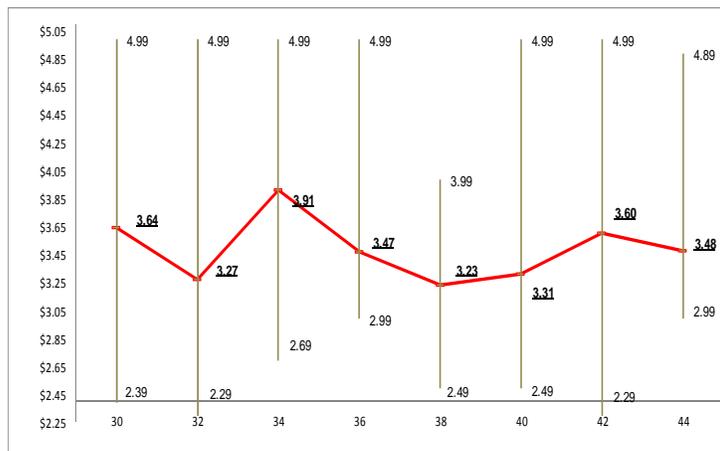
**Organic Milk Half Gallons.** The national weighted average advertised price of organic milk half gallons, \$3.48, is 12 cents lower than two weeks ago. The price range is \$2.99 to \$4.89, 70 cents higher at the bottom of the price range and 10 cents lower at the top. This period, the concentration of advertised organic half gallon brands was slightly less than two to one, national brands versus store brands. The highest price, \$4.89 is for a store brand and the lowest, \$2.99, is for both store brands and national brands. The weighted average advertised price for national brands is \$3.60 and for store brands, \$3.25.

ORGANIC DAIRY MARKET NEWS

Information gathered October 22 - November 2, 2012

CONTINUED FROM PAGE 8

**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	49.6	3.74
SE	27.3	3.08
MW	09.2	3.41
SC	02.9	4.89
SW	04.1	2.99
NW	06.9	2.99
US		3.48

**Organic - Conventional Milk Half Gallon Price Spread.** The AMS Dairy Market News Survey which generated the current national organic half gallon milk weighted average advertised price of \$3.48, also determined the weighted average advertised price for non-organic half gallons as \$2.21, an organic-conventional half-gallon milk advertised price spread of \$1.27, down 80 cents from two weeks ago. The average price spread this year has been \$1.31 and has ranged from 78 cents to \$2.46.

**Organic Milk 8 Ounce.** The national weighted average advertised price of organic milk 8 ounce containers, 87 cents, 14 cents lower than two weeks ago. The price range is \$0.83 to \$1.00. Two weeks ago the price range was \$1.00 to \$1.25. This period, all ads were for national brands.

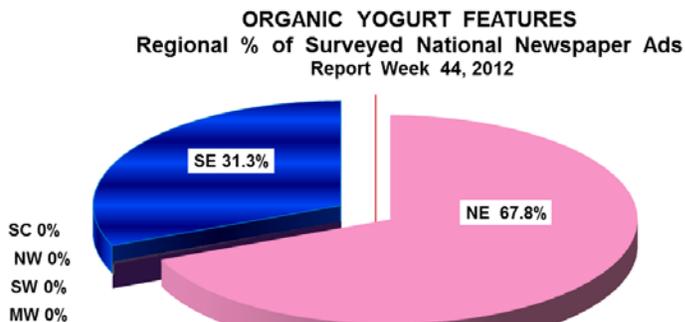
**ORGANIC MILK 8 OUNCE ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE**

REGION	%	WTD. AV. ADV. PRICE \$
NE	61.8	0.83
SE	12.3	0.83
MW	18.0	0.99
SC	00.0	----
SW	00.0	----
NW	07.9	1.00
US		0.87

**Organic Milk Gallons.** There are no ads for organic gallons this period. Two weeks ago all organic gallon ads stated a price of \$4.99.

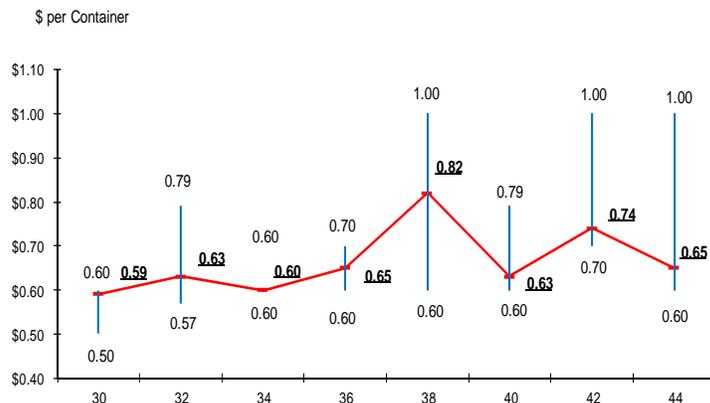
**Organic Yogurt.** There are 646 organic yogurt ads in this period's survey, less than the average of 1,285 during 2012. Slightly more than twice as many ads for 4-6 ounce organic yogurt appeared than for 4-6 ounce organic Greek yogurt, the only two categories of organic yogurt advertised this period. Total organic yogurt ads declined by 38% from two weeks ago. All ads are for national brands.

The Northeast has 67.8% of total organic yogurt advertising, with the remaining 31.3% in the Southeast.



**4-6 Ounce Organic Yogurt.** All ads for 4-6 ounce organic yogurt were in the Northeast. Prices ranged from \$0.60 to \$1.00, with a weighted average advertised price of 65 cents, down from 74 cents two weeks ago.

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



**4-6 Ounce Organic Greek Yogurt.** All ads for 4-6 ounce organic Greek were in the Southeast, all priced \$1.25. Two weeks ago the weighted average advertised price was \$1.11.

**1 Pound Organic Butter.** Organic butter advertising volume declined for the third consecutive period but remains only slightly lower than the 2012 average for a reporting period. All ads occurred in either the Southeast or Midwest, almost evenly split but slightly more in the Southeast. The Southeast ads were all priced \$3.99 while the Midwest ads ranged from \$4.99 to \$5.99. This resulted in a national weighted average advertised price of \$4.60, up from \$4.43 two weeks ago. Some ads are store brands and others are national brands.

## ORGANIC DAIRY MARKET NEWS

Information gathered October 22 - November 2, 2012

CONTINUED FROM PAGE 8-A

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

**8 Ounce Organic Shredded Cheese.** All ads for shredded organic cheese are in the Southeast, for a store brand, priced \$2.50.

**48-64 Ounce Organic Ice Cream.** All ads for organic ice cream occurred in the Northwest, all priced \$4.99. The advertised ice cream was a national brand. In the upper range of conventional ice cream ad prices, ice cream was advertised for as much as \$4.99, equaling the organic ice cream price.

**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. 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 included 2 national brands, 4 private label store brands, and 3 small local or nearby creamery brands, one featuring non-homogenized milk. Cheese available included 2 national brands, 2 store brands, and cheese from 5 other cheese makers.

**INFORMATION GATHERED 10/22/2012 - 11/02/2012****ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE  
2012 REPORTING WEEK 44**

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
	(in Dollars)		
<b>FLUID MILK</b>			
<b>MILK - gallon</b>			
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
<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
<b>FLAVMILK - half gallon</b>			
All fat tests	3.09	5.69	2.60
<b>YOGURT</b>			
<b>Yogurt - 4-6 oz</b>			
Yogurt	0.79	1.29	0.50
<b>CHEESE</b>			
<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
<b>Cheese - 6 oz string</b>			
Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	4.99	1.10
<b>BUTTER</b>			
<b>Butter - 1 Pound</b>			
	3.99	6.19	2.20

**ORGANIC GRAIN AND FEEDSTUFF MARKETS:**

Compared to two weeks ago, feed grade corn and soybeans were in moderate demand due to new crop harvest in full progression for most farmers throughout major growing regions. Prices were mostly steady this trading period as market participants take a wait and see approach until total harvested production levels are known. Additional livestock and grain market news information is available at: <http://www.ams.usda.gov/mnreports/lbfnof.pdf>

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

COMMODITY	:REPORT NUMBER 40		:REPORT NUMBER 41		:REPORT NUMBER 42		:REPORT NUMBER 43		:REPORT NUMBER 44		2012	2011
	:-----:		:-----:		:-----:		:-----:		:-----:		Average	Average
	OCT 01 - 05		OCT 08 - 12		OCT 15 - 19		OCT 22 - 26		OCT 29 - 31	or Total	or Total	
CHEESE												
WISCONSIN (WSP, Delivered, LTL)												
-- Process American 5# Loaf	:: 2.2025 - 2.9075	::	2.2375 - 2.9425	::	2.2500 - 2.9550	::	2.1475 - 2.8525	::	2.2175 - 2.9225	::	2.5617	: 2.2658
-- Brick And/Or Muenster 5#	:: 2.4475 - 3.0075	::	2.4850 - 3.0450	::	2.4900 - 3.0500	::	2.4150 - 2.9750	::	2.4550 - 3.0150	::	2.7376	: 2.4109
-- Cheddar 40# Block	:: 2.4475 - 3.4325	::	2.4850 - 3.4700	::	2.4900 - 3.4750	::	2.4150 - 3.4000	::	2.4550 - 3.4400	::	2.9501	: 2.5464
-- Monterey Jack 10#	:: 2.4175 - 3.4325	::	2.4550 - 3.4700	::	2.4600 - 3.4750	::	2.3850 - 3.4000	::	2.4250 - 3.4400	::	2.9351	: 2.5276
-- Blue 5#	:: 2.7125 - 3.6975	::	2.7500 - 3.7350	::	2.7550 - 3.7400	::	2.6800 - 3.6650	::	2.7200 - 3.7050	::	3.2151	: 2.8734
-- Mozzarella 5 - 6#	:: 2.2925 - 3.5325	::	2.3300 - 3.5700	::	2.3350 - 3.5750	::	2.2600 - 3.5000	::	2.3000 - 3.5400	::	2.9226	: 2.5139
-- Grade A Swiss Cuts 6 - 9#	:: 2.8850 - 3.0025	::	3.0050 - 3.1225	::	3.0050 - 3.1225	::	3.0050 - 3.1225	::	3.0050 - 3.1225	::	3.0365	: 3.2600
NORTHEAST (WSP, Delivered, LTL)												
-- Cheddar 40# Block	:: 2.4600 - 2.7450	::	2.4975 - 2.7825	::	2.5025 - 2.7875	::	2.4275 - 2.7125	::	2.4675 - 2.7525	::	2.6126	: 2.1728
-- Process 5# Sliced	:: 2.2300 - 2.3500	::	2.2650 - 2.3850	::	2.2775 - 2.3975	::	2.1750 - 2.2950	::	2.2450 - 2.3650	::	2.2967	: 1.9626
-- Muenster	:: 2.4800 - 2.8400	::	2.5175 - 2.8775	::	2.5225 - 2.8825	::	2.4475 - 2.8075	::	2.4875 - 2.8475	::	2.6701	: 2.1578
-- Grade A Swiss Cuts 10 - 14#	:: 3.3650 - 3.6875	::	3.4850 - 3.8075	::	3.4850 - 3.8075	::	3.4850 - 3.8075	::	3.4850 - 3.8075	::	3.6190	: 4.0938
WEST COAST (WSP, Delivered, LTL)												
-- Process 5# Loaf	:: 2.1350 - 2.3925	::	2.1700 - 2.4275	::	2.1825 - 2.4400	::	2.0825 - 2.3400	::	2.1525 - 2.4100	::	2.2714	: 1.9514
-- Cheddar 40# Block	:: 2.1850 - 2.5375	::	2.2225 - 2.5750	::	2.2275 - 2.5800	::	2.1500 - 2.5025	::	2.1900 - 2.5425	::	2.3705	: 2.0240
-- Cheddar 10# Cuts	:: 2.3650 - 2.5850	::	2.4025 - 2.6225	::	2.4075 - 2.6275	::	2.3300 - 2.5500	::	2.3700 - 2.5900	::	2.4842	: 2.1378
-- Monterey Jack 10#	:: 2.3750 - 2.5350	::	2.4125 - 2.5725	::	2.4175 - 2.5775	::	2.3400 - 2.5000	::	2.3800 - 2.5400	::	2.4642	: 2.1178
-- Grade A Swiss Cuts 6 - 9#	:: 2.9425 - 3.3725	::	3.0625 - 3.4925	::	3.0625 - 3.4925	::	3.0625 - 3.4925	::	3.0625 - 3.4925	::	3.2502	: 3.7250
FLUID PRODUCTS												
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)												
-- Northeast - f.o.b	:: 2.4832 - 2.5802	::	2.4736 - 2.5509	::	2.3172 - 2.5489	::	2.2656 - 2.4544	::	2.1764 - 2.5549	::	2.4441	: 2.3276
-- Upper Midwest - f.o.b	:: 2.4056 - 2.6190	::	2.3770 - 2.5509	::	2.2979 - 2.5103	::	2.2656 - 2.3789	::	2.3309 - 2.4413	::	2.4185	: 2.2322
PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.												
-- Class II	:: 1.41 - 1.52	::	1.41 - 1.55	::	1.41 - 1.55	::	1.41 - 1.47	::	1.41 - 1.47	::	1.4620	: 1.6073
-- Class III	:: 1.44 - 1.49	::	1.52 - 1.57	::	1.52 - 1.57	::	1.52 - 1.57	::	1.52 - 1.57	::	1.5268	: 1.4720

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

COMMODITY	:::REPORT NUMBER 40	:::REPORT NUMBER 41	:::REPORT NUMBER 42	:::REPORT NUMBER 43	:::REPORT NUMBER 44	::: 2012	::: 2011
	:-----:-----:-----:-----:-----:					Average	Average
	OCT 01 - 05	OCT 08 - 12	OCT 15 - 19	OCT 22 - 26	OCT 29 - 31	or Total	or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	:: 1.4625 - 1.6900	:: 1.5100 - 1.6300	:: 1.4975 - 1.6300	:: 1.4900 - 1.6000	:: 1.4500 - 1.5600	:: 1.5555	:: 1.5023
-- Mostly	:: 1.4650 - 1.6000	:: 1.5100 - 1.6000	:: 1.5100 - 1.5900	:: 1.5100 - 1.5600	:: 1.5100 - 1.5550	:: 1.5411	:: 1.4893
-- High Heat	:: 1.5125 - 1.7900	:: 1.5600 - 1.7900	:: 1.5600 - 1.6800	:: 1.5775 - 1.6600	:: 1.5900 - 1.6300	:: 1.6355	:: 1.5960
-- West (f.o.b.)							
-- Low/Medium Heat	:: 1.3800 - 1.6500	:: 1.4000 - 1.6000	:: 1.4100 - 1.5500	:: 1.4300 - 1.5500	:: 1.4600 - 1.5500	:: 1.4973	:: 1.4641
-- Mostly	:: 1.4200 - 1.6000	:: 1.4400 - 1.5500	:: 1.4500 - 1.5200	:: 1.4600 - 1.5200	:: 1.4800 - 1.5200	:: 1.4957	:: 1.4505
-- High Heat	:: 1.4200 - 1.7000	:: 1.4400 - 1.6400	:: 1.4800 - 1.6100	:: 1.4900 - 1.6100	:: 1.5000 - 1.6100	:: 1.5500	:: 1.5641
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	:: 0.5550 - 0.6250	:: 0.5650 - 0.6350	:: 0.5675 - 0.6325	:: 0.5750 - 0.6325	:: 0.5900 - 0.6350	:: 0.6003	:: 0.6069
-- Mostly	:: 0.5700 - 0.6000	:: 0.5800 - 0.6150	:: 0.5800 - 0.6150	:: 0.5800 - 0.6200	:: 0.5900 - 0.6200	:: 0.5963	:: 0.6054
-- West (f.o.b.)	:: 0.5800 - 0.6300	:: 0.5900 - 0.6350	:: 0.5900 - 0.6425	:: 0.5900 - 0.6425	:: 0.5900 - 0.6475	:: 0.6134	:: 0.6019
-- Mostly	:: 0.5900 - 0.6225	:: 0.6000 - 0.6250	:: 0.6000 - 0.6325	:: 0.6000 - 0.6350	:: 0.6000 - 0.6375	:: 0.6139	:: 0.6327
-- Northeast (f.o.b.)	:: 0.6250 - 0.6375	:: 0.6250 - 0.6500	:: 0.6375 - 0.6575	:: 0.6375 - 0.6625	:: 0.6400 - 0.6700	:: 0.6436	:: 0.6295
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 1.2000 - 1.3425	:: 1.2000 - 1.3425	:: 1.1500 - 1.3425	:: 1.1600 - 1.3425	:: 1.1250 - 1.3425	:: 1.2559	:: 1.4629
-- Mostly	:: 1.2100 - 1.2525	:: 1.2100 - 1.2525	:: 1.2000 - 1.2525	:: 1.2000 - 1.2525	:: 1.2000 - 1.2525	:: 1.2283	:: 1.4363
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.4350 - 0.5850	:: 0.4350 - 0.5850	:: 0.4350 - 0.5850	:: 0.4350 - 0.5850	:: 0.4400 - 0.5900	:: 0.5107	:: 0.5224
BUTTERMILK (Min. 30% protein)							
-- Central And East (f.o.b.)	:: 1.4500 - 1.6300	:: 1.4500 - 1.6300	:: 1.4500 - 1.6300	:: 1.5000 - 1.6300	:: 1.5600 - 1.6300	:: 1.5532	:: 1.3848
-- West (f.o.b.)	:: 1.3200 - 1.6000	:: 1.4000 - 1.5400	:: 1.4300 - 1.5100	:: 1.4400 - 1.5100	:: 1.4400 - 1.5100	:: 1.4695	:: 1.2866
-- Mostly	:: 1.4000 - 1.4800	:: 1.4200 - 1.4800	:: 1.4300 - 1.4700	:: 1.4400 - 1.4700	:: 1.4400 - 1.4700	:: 1.4495	:: 1.2839
WHOLE MILK POWDER							
-- National (f.o.b.)	:: 1.6000 - 1.7300	:: 1.6000 - 1.7550	:: 1.6000 - 1.9500	:: 1.6000 - 1.9500	:: 1.7000 - 1.8500	:: 1.7323	:: 1.9384
LACTOSE							
-- Central And West (f.o.b.)	:: 0.6800 - 0.9000	:: 0.6800 - 0.9000	:: 0.6100 - 0.9000	:: 0.5900 - 0.9300	:: 0.7300 - 0.9300	:: 0.7807	:: 0.6929
-- Mostly	:: 0.7500 - 0.8200	:: 0.7500 - 0.8200	:: 0.7500 - 0.8200	:: 0.7500 - 0.8200	:: 0.7500 - 0.8200	:: 0.7850	:: 0.7503
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 3.7000 - 4.4000	:: 3.7000 - 4.4000	:: 3.7000 - 4.4000	:: 3.7000 - 4.4000	:: 3.7000 - 4.4000	:: 4.0500	:: 4.8250
-- Nonrestricted - Acid	:: 4.3500 - 4.7500	:: 4.4500 - 4.7500	:: 4.4500 - 4.7500	:: 4.4500 - 4.7500	:: 4.4500 - 4.7500	:: 4.5886	:: 5.0750

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 OCTOBER 2012

COMMODITY	REPORT NUMBER 40	REPORT NUMBER 41	REPORT NUMBER 42	REPORT NUMBER 43	REPORT NUMBER 44	2012 * Monthly Average	2011 * Monthly Average
	OCT 1 - 5	OCT 8 - 12	OCT 15 - 19	OCT 22 - 26	OCT 29 - 31		
<b>BUTTER*</b>							
-- GRADE AA							
--Monday	1.9500	1.9250	1.9300	1.9025	1.8900		
--Tuesday	1.9500	1.9400	1.8750	1.8900	1.8900		
--Wednesday	1.9500	1.9300	1.8750	1.8900	1.8975		
--Thursday	1.9525	1.9300	1.8800	1.8900			
--Friday	1.8600	1.9300	1.8800	1.8900		1.9086	1.8295
--Weekly Average**	1.9325	1.9310	1.8880	1.8925			
<b>CHEESE*</b>							
-- BARRELS							
--Monday	2.0350	2.0600	2.0600	1.9700	2.0500		
--Tuesday	2.0350	2.0600	1.9700	2.0100	2.0250		
--Wednesday	2.0500	2.0600	1.9275	2.0250	2.0000		
--Thursday	2.0600	2.0600	1.9175	2.0600			
--Friday	2.0600	2.0600	1.9175	2.0800		2.0240	1.7192
--Weekly Average**	2.0480	2.0600	1.9585	2.0290			
-- 40# BLOCKS							
--Monday	2.0850	2.1000	2.1000	2.0100	2.1100		
--Tuesday	2.0850	2.1000	2.0100	2.0450	2.1100		
--Wednesday	2.1000	2.1000	2.0100	2.0550	2.1100		
--Thursday	2.1000	2.1000	2.0000	2.0900			
--Friday	2.1000	2.1000	2.0000	2.1200		2.0757	1.7231
--Weekly Average**	2.0940	2.1000	2.0240	2.0640			
<b>NONFAT DRY MILK*</b>							
-- EXTRA GRADE							
--Monday	1.6350	1.6350	1.6350	1.5600	1.5600		
--Tuesday	1.6350	1.6350	1.6350	1.5600	1.5600		
--Wednesday	1.6350	1.6350	1.6350	1.5600	1.5600		
--Thursday	1.6350	1.6350	1.5600	1.5600			
--Friday	1.6350	1.6350	1.5600	1.5600		1.6024	1.5800
--Weekly Average**	1.6350	1.6350	1.6050	1.5600			
-- GRADE A							
--Monday	1.6600	1.6600	1.6000	1.5600	1.5600		
--Tuesday	1.6600	1.6600	1.6000	1.5600	1.5600		
--Wednesday	1.6600	1.6600	1.5600	1.5600	1.5600		
--Thursday	1.6600	1.6300	1.5600	1.5600			
--Friday	1.6600	1.6000	1.5600	1.5600		1.6030	1.4786
--Weekly Average**	1.6600	1.6420	1.5760	1.5600			

\* 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.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, OCTOBER

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for October 2012 is \$2.1136 per pound. Thus, the Class II butterfat price is \$2.1206. The protein and other solids prices for October are \$3.7278 and \$0.4340 per pound, respectively. These component prices set the Class III skim milk price at \$14.12 per cwt. The October Class IV skim milk price is \$11.55, which is derived from the nonfat solids price of \$1.2828 per pound. **Product Price Averages:** The product price averages for October are: butter \$1.9168, nonfat dry milk \$1.4636, cheese \$2.0479, and dry whey \$0.6205.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <sup>1/2/</sup>						
FEDERAL MILK ORDER MARKETING AREAS <sup>3/</sup>	ORDER NUMBER	OCTOBER 2012				NOVEMBER 2012
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) <sup>4/</sup>	001	22.13	18.44	21.02	18.54	23.95
Appalachian (Charlotte) <sup>5/ 6/</sup>	005	22.28	18.44	21.02	18.54	24.10
Southeast (Atlanta) <sup>6/ 7/</sup>	007	22.68	18.44	21.02	18.54	24.50
Florida (Tampa) <sup>6/ 8/</sup>	006	24.28	18.44	21.02	18.54	26.10
Mideast (Cleveland) <sup>9/</sup>	033	20.88	18.44	21.02	18.54	22.70
Upper Midwest (Chicago) <sup>10/</sup>	030	20.68	18.44	21.02	18.54	22.50
Central (Kansas City) <sup>11/</sup>	032	20.88	18.44	21.02	18.54	22.70
Southwest (Dallas) <sup>12/</sup>	126	21.88	18.44	21.02	18.54	23.70
Arizona (Phoenix)	131	21.23	18.44	21.02	18.54	23.05
Pacific Northwest (Seattle) <sup>13/</sup>	124	20.78	18.44	21.02	18.54	22.60
All-Market Average	---	21.77	18.44	21.02	18.54	23.59

<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 market.  
<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.

## OCTOBER AGRICULTURAL PRICES HIGHLIGHTS

The All Milk price received by farmers was \$21.10 in October, up \$1.50 from September 2012 and up \$1.10 from October 2011. Milk Cows price was \$1,390 in October, down \$90 from October 2011. Alfalfa hay price was \$212.00 in October, up \$8.00 from October 2011. Corn price was \$6.95 in October, up \$1.22 from October 2011. Soybean price was \$14.20 in October, up \$2.40 from October 2011. The milk-feed price ratio was 1.68 in October, down 0.14 from October 2011.

The index of prices received by farmers for dairy products increased 12 points during the month of October 2012 to 162. Compared with October 2011, the index was up 9 points (5.9 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 2012 increased 2 points to 220. Compared with October 2011, the index was up 15 points (7.3 percent).

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

State	All-Milk price <sup>1/2/</sup>				Milk cows <sup>3/</sup>		Alfalfa hay, baled		Corn for Grain		Soybeans	
	Dollars per cwt.				Dollars per head		Dollars per ton		Dollars per bushel		Dollars per bushel	
	September		October		October		October		October		October	
	2011	2012	2011	2012 <sup>4/</sup>	2011	2012 <sup>4/</sup>	2011	2012 <sup>4/</sup>	2011	2012 <sup>4/</sup>	2011	2012 <sup>4/</sup>
AZ	21.00	19.00	19.70	20.30	1,550	1,450	225.00	190.00	---	---	---	---
CA	18.99	17.62	18.19	19.20	1,400	1,300	240.00	209.00	---	---	---	---
CO	21.30	19.50	19.70	20.50	1,550	1,430	220.00	235.00	5.78	6.79	---	---
ID	18.90	19.40	18.30	21.00	1,450	1,400	233.00	200.00	---	---	---	---
IN	22.90	19.60	21.10	21.30	1,550	1,350	---	---	5.89	7.25	11.80	14.50
IA	21.60	20.60	20.60	21.90	1,450	1,410	140.00	211.00	5.65	7.00	11.80	14.40
MI	22.60	19.70	21.10	21.20	1,600	1,500	120.00	200.00	5.80	7.05	11.60	14.00
MN	21.10	21.30	20.60	22.90	1,440	1,350	130.00	200.00	5.42	6.62	11.50	14.30
NM	20.30	18.70	18.30	20.20	1,480	1,400	295.00	243.00	---	---	---	---
NY	23.00	20.00	21.70	21.40	1,450	1,410	127.00	191.00	---	---	---	---
OH	22.90	20.20	21.50	21.70	1,510	1,380	181.00	256.00	6.03	7.05	11.90	14.00
PA	23.70	20.80	22.20	22.30	1,550	1,430	187.00	180.00	6.91	7.57	---	---
TX	22.00	20.20	19.90	21.50	1,400	1,370	260.00	246.00	6.39	7.40	---	---
WA	21.60	19.50	20.40	20.80	1,450	1,300	240.00	235.00	---	---	---	---
WI	21.20	20.80	20.40	22.40	1,560	1,460	120.00	165.00	5.56	6.95	11.70	13.70
U.S.	21.10	19.60	20.00	21.10	1,480	1,390	204.00	212.00	5.73	6.95	11.80	14.20

<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> Animals sold for dairy herd replacement only. Prices estimated in January, April, July, and October. <sup>4/</sup> Preliminary.

## MILK-FEED PRICE RATIO, SELECTED STATES AND U.S., OCTOBER 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>	October 2011	September 2012	October 2012 <sup>3/</sup>
IA	2.15	1.64	1.74
MI	2.27	1.69	1.71
MN	2.26	1.92	1.90
OH	1.99	1.53	1.60
WI	2.25	1.89	1.94
U.S.	1.82	1.58	1.68

<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., OCTOBER 2012 WITH COMPARISONS

Item	October 2011	September 2012	October 2012 <sup>1/</sup>
<b>INDEX NUMBERS (1990-92=100):</b>			
Prices received by farmers for dairy products	153	150	162
Prices paid by farmers for commodities and services, interest taxes, and wage rates	205	218	220

<sup>1/</sup> Preliminary.

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

## SEPTEMBER 2012 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 136.4 million pounds, 1.1 percent below September 2011 but 5.3 percent above August 2012. **AMERICAN TYPE CHEESE** production totaled 346.1 million pounds, 2.3 percent above September 2011 but 2.1 percent below August 2012. **TOTAL CHEESE** output (excluding cottage cheese) was 870.6 million pounds, 0.3 percent above September 2011 but 1.9 percent below August 2012. **NONFAT DRY MILK** production, for human food, totaled 84.4 million pounds, 18.7 percent below September 2011 and 20.5 percent below August 2012. **DRY WHEY** production, for human food, was 69.8 million pounds, 0.8 percent above September 2011 but 5.6 percent below August 2012. **ICE CREAM** (hard) production totaled 58.8 million gallons, 14.8 percent below September 2011 and 21.0 percent below August 2012.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	SEP 2012	PERCENT CHANGE FROM:			PRODUCT	SEP 2012	PERCENT CHANGE FROM:		
	1,000 LBS.	SEP 2011	AUG 2012	YEAR TO DATE 1/		1,000 LBS.	SEP 2011	AUG 2012	YEAR TO DATE 1/
BUTTER	136,427	-1.1	5.3	3.7	SOUR CREAM	98,827	1.3	-10.3	2.2
CHEESE					YOGURT (PLAIN AND FLAVORED)	399,110	4.4	2.3	3.7
AMERICAN TYPES 2/	346,082	2.3	-2.1	2.1	DRY WHEY, HUMAN FOOD	69,839	0.8	-5.6	---
CHEDDAR	240,499	-2.7	-4.1	0.7	DRY WHEY, ANIMAL FEED	4,160	-44.7	3.0	---
OTHER AMERICAN	105,583	15.8	2.7	---	DRY WHEY, TOTAL 8/	73,999	-3.6	-5.2	-0.1
BRICK & MUENSTER	13,294	-0.4	-1.6	---	REDUCED LACTOSE AND MINERALS				
CREAM & NEUFCHATEL	68,689	2.3	-8.8	---	HUMAN FOOD	2,133	-18.6	-11.8	---
HISPANIC	17,889	-12.2	-9.9	---	ANIMAL FEED	4,990	2.2	-6.3	---
TOTAL ITALIAN TYPES	370,312	0.3	---	1.6	LACTOSE, HUMAN FOOD & ANIMAL FEED	86,684	4.6	1.3	3.9
MOZZARELLA	288,196	1.0	1.1	1.6	WHEY PROTEIN CONCENTRATE				
OTHER ITALIAN	82,116	-1.9	-4.0	---	HUMAN FOOD 9/	31,581	-4.8	-4.2	---
SWISS	25,387	-7.3	-1.4	---	ANIMAL FEED 9/	2,428	1.7	25.7	---
ALL OTHER TYPES	11,375	-33.0	-9.5	---	TOTAL 9/	34,009	-4.4	-2.6	3.5
TOTAL	870,564	0.3	-1.9	2.5	25.0-49.9 PERCENT 10/	18,225	-8.2	-5.9	---
COTTAGE CHEESE, CURD 3/	34,096	-4.1	-12.5	---	50.0-89.9 PERCENT 10/	15,784	0.4	1.6	---
COTTAGE CHEESE, CREAM 4/	25,804	-8.2	-12.2	-3.7	WHEY PROTEIN ISOLATES 11/	4,845	-2.4	-8.1	---
COTTAGE CHEESE, LOWFAT 5/	31,916	0.9	-12.1	1.0	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
CANNED EVAP & CONDSO WHOLE MILK	(D)	(X)	(X)	---	ICE CREAM (HARD)	58,819	-14.8	-21.0	-2.5
DRY BUTTERMILK	6,727	-7.6	-0.9	---	ICE CREAM, LOWFAT (HARD)	14,001	-7.1	-19.3	---
DRY WHOLE MILK	4,252	4.7	-26.7	---	ICE CREAM, LOWFAT (SOFT)	19,447	-12.5	-16.8	---
MILK PROTEIN CONC. (MPC), TOTAL 6/	5,242	-15.4	-4.1	---	ICE CREAM, LOWFAT (TOTAL)	33,448	-10.3	-17.9	-2.5
NONFAT DRY MILK (NDM), HUMAN	84,382	-18.7	-20.5	23.5	SHERBET, HARD	3,168	-1.5	-13.6	-5.6
SKIM MILK POWDERS (SMP) 7/	43,638	22.6	8.2	-24.6	FROZEN YOGURT (TOTAL)	4,971	-6.7	-24.8	3.4

## MANUFACTURERS' STOCKS, END OF MONTH 12/

PRODUCT	SEP 2012	PERCENT OF:		PRODUCT	SEP 2012	PERCENT OF:	
	1,000 LBS.	SEP 2011	AUG 2012		1,000 LBS.	SEP 2011	AUG 2012
DRY WHEY, HUMAN FOOD	39,844	1.0	5.8	WHEY PROTEIN CONCENTRATE			
DRY WHEY, ANIMAL FEED	2,978	-33.1	26.0	HUMAN FOOD 9/	51,242	42.3	0.5
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 13/	7,379	78.8	-5.8	ANIMAL FEED 9/	3,009	32.4	11.1
LACTOSE, HUMAN FOOD & ANIMAL FEED	82,736	18.9	-2.3	TOTAL 9/	54,251	41.7	1.0
CANNED EVAP & CONDSO WHOLE MILK	(D)	(X)	(X)	25.0-49.9 PERCENT 10/	32,386	68.2	-1.3
DRY BUTTERMILK	7,406	-42.3	-6.6	50.0-89.9 PERCENT 10/	21,865	14.9	4.7
NONFAT DRY MILK (NDM), HUMAN FOOD	118,334	-21.5	12.1	WHEY PROTEIN ISOLATES 11/	7,739	60.5	-3.3

(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, November 2012.*

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE <sup>1/</sup>

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>
JUL 2012	233.6	2.3	214.4	-0.2	206.9	-3.1	218.0	-1.3	192.8	-11.7	231.3	3.1
AUG 2012	234.2	2.0	214.5	-1.0	209.6	-3.1	219.3	-1.6	192.2	-11.9	232.5	3.0
SEP 2012	234.3	1.6	215.3	-1.9	208.3	-3.8	220.1	-3.1	197.9	-8.2	231.6	1.9
U.S. City Average Retail Prices												
Month	Whole Milk <sup>4/</sup>		Butter <sup>5/</sup>		Process Cheese <sup>6/</sup>		Natural Cheese <sup>7/</sup>		Ice Cream <sup>8/</sup>			
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Dollars											
JUL	3.396	3.622	NA	3.605	4.030	3.922	5.475	5.443	4.896	4.854		
JUL	3.428	3.654	NA	3.694	4.052	4.093	5.457	5.596	4.929	4.862		
SEP	3.469	3.715	NA	3.656	4.127	4.281	5.575	5.707	4.893	4.805		

NA = Not available. <sup>1/</sup> "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. <sup>2/</sup> The standard reference base period for these indexes is 1982-1984 = 100. <sup>3/</sup> Percent change over previous year. <sup>4/</sup> Per gallon. <sup>5/</sup> Per pound. Grade AA, salted, stick butter. <sup>6/</sup> Per pound, any size and type of package. <sup>7/</sup> Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). <sup>8/</sup> Per 1/2 gallon prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS – JUNE 2011-SEPTEMBER 2012 AND YEAR-TO-DATE 2011-2012 <sup>1/</sup>

Item	Jun.-Aug. 2011	Percent change <sup>2/</sup>	Jun.-Aug. 2012	Percent change <sup>2/</sup>	Jan.-Aug. 2011	Percent change <sup>2/</sup>	Jan.-Aug. 2012	Percent change <sup>2/</sup>
	Million Pounds							
<b>MILK</b>								
Production	49,461	1.1	49,708	0.5	131,779	1.6	135,522	2.4
Marketings	49,212	1.1	49,459	0.5	131,121	1.6	134,865	2.4
Beginning Commercial Stocks <sup>3/</sup>	12,892	-6.0	14,560	12.9	10,927	-3.6	10,983	0.5
Imports <sup>3/</sup>	654	-22.5	762	16.5	1,809	-10.5	2,054	13.0
Total Supply <sup>4/</sup>	62,758	-0.7	64,781	3.2	143,857	1.0	147,902	2.1
Ending Commercial Stocks <sup>3/</sup>	13,001	1.8	13,034	0.3	13,001	1.8	13,034	0.3
Net Removals <sup>3/</sup>	0	-99.0	0	0.0	0	-100.0	0	0.0
Commercial Disappearance <sup>4/</sup>	49,757	-1.4	51,747	4.0	130,856	1.0	134,868	2.7
<b>SELECTED PRODUCTS <sup>5/</sup></b>								
Butter	416.9	6.4	467.6	12.2	1,128.1	10.0	1,182.4	4.4
American Cheese	1,028.3	-4.8	1,079.0	4.9	2,821.1	-0.3	2,896.2	2.2
Other Cheese	1,627.7	1.5	1,669.5	2.6	4,345.5	4.8	4,461.5	2.3
Nonfat Dry Milk	393.5	5.6	535.9	36.2	1,016.7	-3.3	1,387.6	36.0
Fluid Milk Products <sup>6/</sup>	12,766.7	-1.0	12,673.3	-0.7	35,399.3	-1.6	34,908.3	-1.8

<sup>1/</sup> Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. <sup>2/</sup> From year earlier on a daily average basis. <sup>3/</sup> Milk-equivalent, milkfat basis. <sup>4/</sup> Totals may not add because of rounding. <sup>5/</sup> Commercial disappearance in product pounds. <sup>6/</sup> Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition.

Source: U.S. Department of Agriculture. Economic Research Service. Agricultural Marketing Service. *Fluid Milk Products*.

**ANNOUNCED COOPERATIVE CLASS I PRICES FOR SELECTED CITIES IN FEDERAL MILK ORDERS,  
NOVEMBER 2012, WITH COMPARISONS <sup>1/</sup>**

For November 2012, the all-city average announced cooperative Class I price was \$25.79 per cwt., \$2.47 higher than the Federal milk order (FMO) Class I price average for these cities. The November 2012 Cooperative Class I price was \$1.82 higher than the October 2012 price. The November 2012 Federal order Class I price was also \$1.82 higher than the October 2012 price. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$0.50 in Phoenix, AZ, to \$4.29 in Miami, FL. For November 2011, the all-city average announced cooperative Class I price was \$23.55, \$2.46 higher than the Federal order Class I price average for these cities. Note: For most cities, the Announced Cooperative Class I Price now includes premiums paid for milk produced without rBST.

City	NOVEMBER 2012		
	Announced Cooperative Class I Price	Federal Milk Order Class I Price	Difference
	Dollars per hundredweight, 3.5% butterfat		
Atlanta, GA	27.87	24.50	3.37
Baltimore, MD	25.37	23.70	1.67
Boston, MA	25.75	23.95	1.80
Charlotte, NC	27.55	24.10	3.45
Chicago, IL	26.14	22.50	3.64
Cincinnati, OH	25.82	22.90	2.92
Cleveland, OH	25.62	22.70	2.92
Dallas, TX	24.52	23.70	0.82
Denver, CO	24.53	23.25	1.28
Des Moines, IA	25.26	22.50	2.76
Detroit, MI	25.39	22.50	2.89
Hartford, CT	25.65	23.85	1.80
Houston, TX	25.77	24.30	1.47
Indianapolis, IN	25.62	22.70	2.92
Kansas City, MO	24.95	22.70	2.25
Louisville, KY	26.25	23.00	3.25
Memphis, TN	26.85	23.60	3.25
Miami, FL	30.99	26.70	4.29
Milwaukee, WI	26.09	22.45	3.64
Minneapolis, MN	25.00	22.40	2.60
New Orleans, LA	26.75	24.50	2.25
Oklahoma City, OK	25.50	23.30	2.20
Omaha, NE	25.01	22.55	2.46
Philadelphia, PA	26.73	23.75	2.98
Phoenix, AZ	23.55	23.05	0.50
Pittsburgh, PA	26.38	22.80	3.58
St. Louis, MO	25.10	22.70	2.40
Seattle, WA	23.41	22.60	0.81
Springfield, MO	25.80	23.10	2.70
Washington, DC	25.37	23.70	1.67
Wichita, KS	24.88	22.90	1.98
Simple Average	25.79	23.32	2.47

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

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

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

For August 2012, the all reporting areas combined average over-order charge on producer milk used in Class I was \$2.04 per cwt., down \$0.02 from the July 2012 average. Ninety percent of the producer milk used in Class I carried an over-order charge. On an individual order basis, Class I over-order charges ranged from \$0.79 in the Pacific Northwest to \$2.83 in the Florida Order. For producer milk used in Class II, the all reporting areas combined average over-order charge was \$1.18 per cwt., up \$0.05 per cwt. from the July 2012 average. Eighty percent of the producer milk used in Class II carried an over-order charge.

Federal Milk Order Marketing Area 2/	Order Number	Weighted Average of Over-Order Charges Spread Over Total Class I Milk 1/	Weighted Average of Over-Order Charges Spread Over Total Class II Milk 1/
		\$/cwt	
Appalachian	5	2.75	1.29
Florida	6	2.83	0.28
Southeast	7	2.53	1.88
Upper Midwest	30	2.11	0.92
Central	32	1.93	0.96
Mideast	33	1.77	1.51
Pacific Northwest	124	0.79	0.59
All Reporting Areas Combined 3/		2.04	1.18

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

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

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

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

## FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, SEPTEMBER 2012

**HIGHLIGHTS.** Handler reports of receipts and utilization under the Federal milk order system for September have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During September, nearly 8.5 billion pounds of milk were received from Federally pooled producers. This volume of milk is 19.2 percent lower than the September 2011 volume. In September 2012 and September 2011, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. Regulated handlers pooled 3.4 billion pounds of producer milk as Class I products, 7.6 percent lower than the previous year, with decreases in 8 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 41%, Class II = 18%, Class III = 31%, and Class IV = 10%. The weighted average statistical uniform price was \$19.20 per cwt., \$1.06 higher than last month and \$2.08 lower than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF SEPTEMBER 2012										
FEDERAL MILK ORDER MARKETING AREA 1/	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE 2/
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	1,953.0	-0.7	795.0	-6.6	41	29	24	6	19.45
Appalachian (Charlotte)	005	450.7	-10.1	312.9	-14.7	69	19	7	5	20.32
Florida (Tampa)	006	223.9	-3.2	190.5	-5.9	85	11	0 3/	4	22.40
Southeast (Atlanta)	007	513.1	-6.0	358.5	-8.1	70	12	13	5	20.87
Upper Midwest (Chicago)	030 4/	2,072.4	-22.4	312.1	-13.9	15	9	72	4	18.86
Central (Kansas City)	032 4/	821.2	-37.1	391.6	2.0	48	17	16	19	18.37
Mideast (Cleveland)	033 4/	1,189.8	-9.0	481.1	-11.4	41	24	23	12	18.53
Pacific Northwest (Seattle)	124 4/	424.6	-38.6	172.7	-8.5	41	11	11	37	18.17
Southwest (Dallas)	126 4/	524.9	-44.7	354.1	-4.2	67	20	7	6	19.38
Arizona (Phoenix)	131 4/	314.8	-8.0	117.0	3.8	37	11	30	22	18.94
<b>ALL MARKET AVERAGE OR TOTAL</b>	4/	8,488.4	-19.2	3,485.5	-7.6	41	18	31	10	19.20

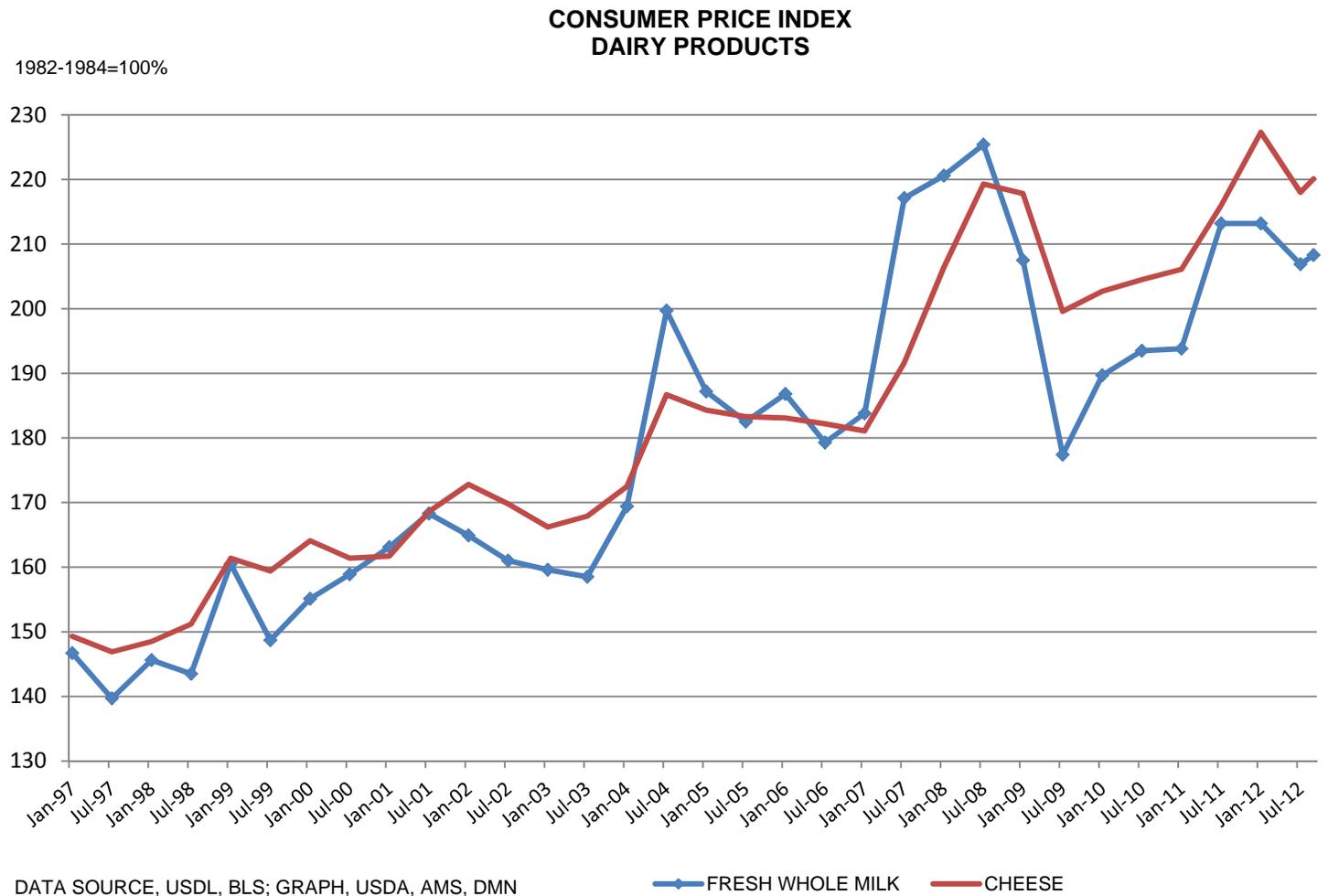
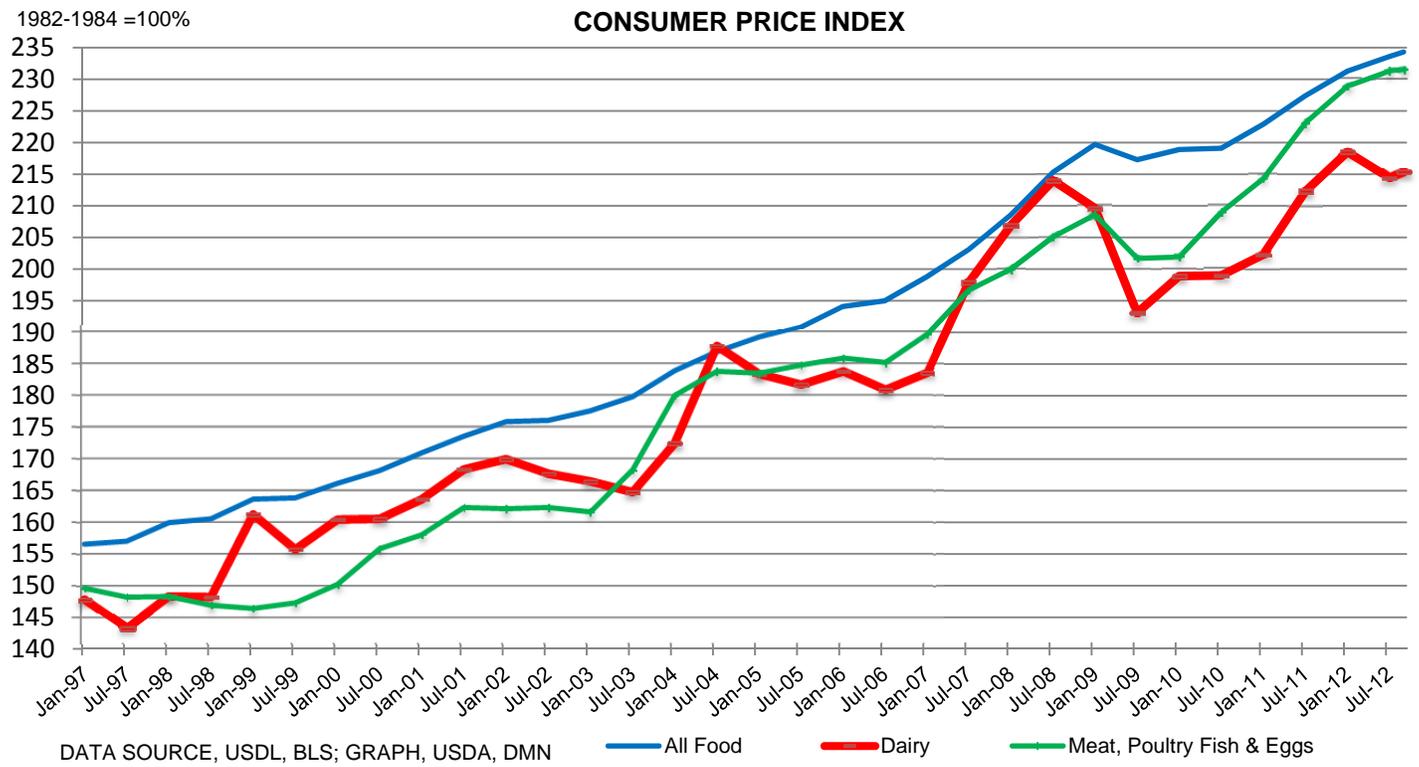
1/ Names in parentheses are the major city in the principal pricing point of the market.

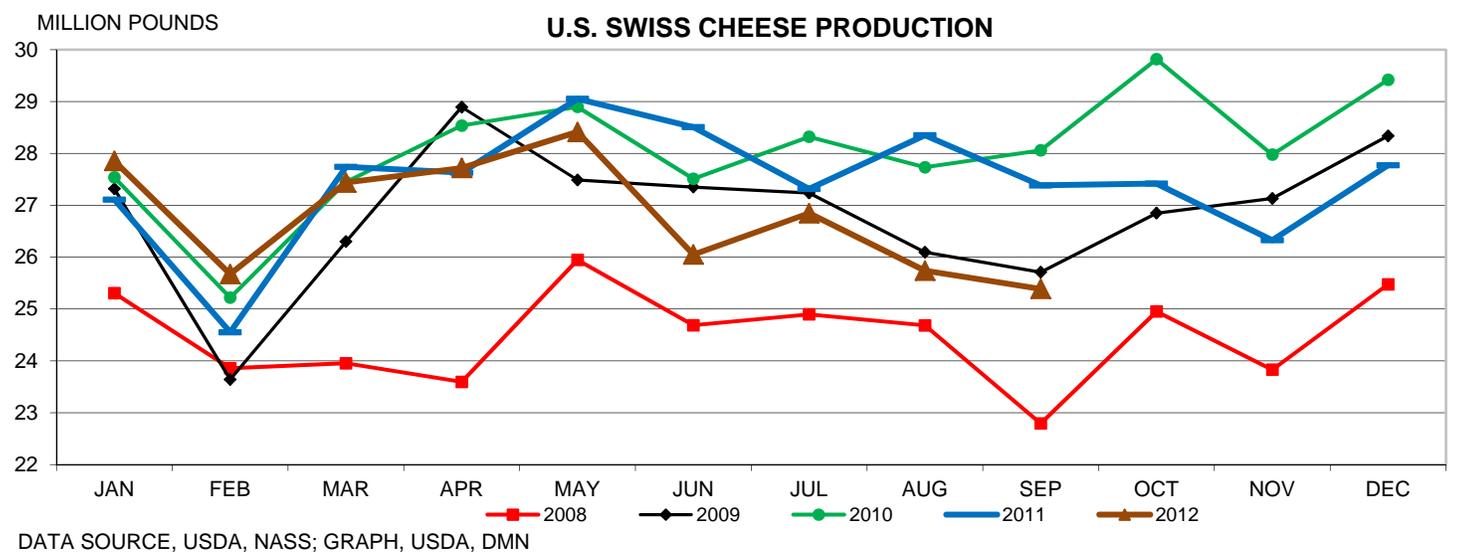
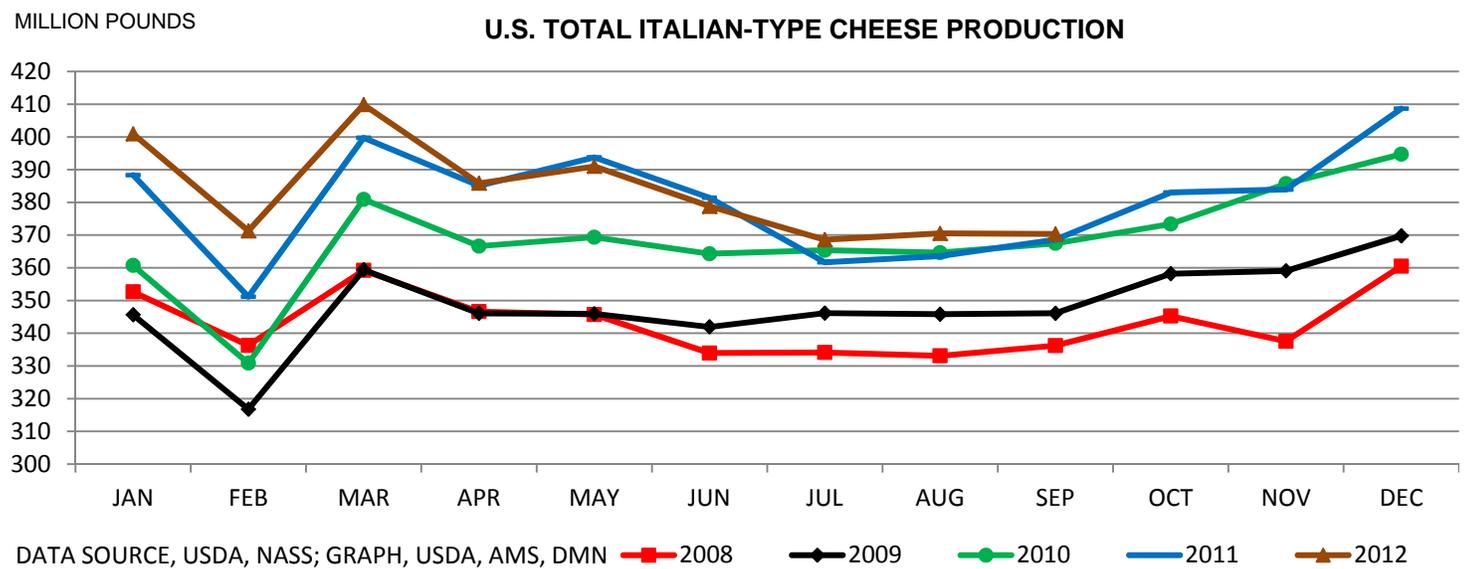
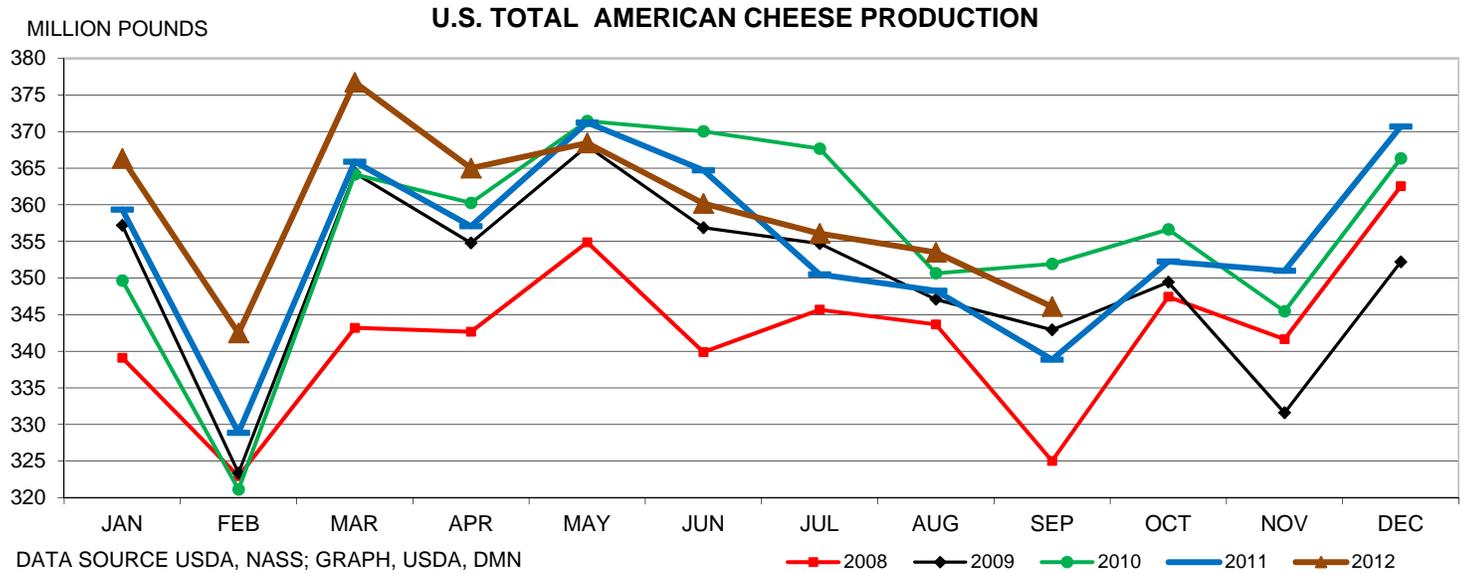
2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

3/ Although this percentage amount rounds to zero, the actual percentage is greater than zero.

4/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform price in these markets, handlers elected not to pool an estimated 1.982 billion pounds of milk that normally would have been associated with these markets. In September 2011, the estimated not pooled volume of milk was 129 million pounds, occurring in order numbers 030 and 032. After adjusting for non pooled milk, the year-to-year percent change is +1.6%.

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





# DAIRY MARKET NEWS

---

**GENERAL NUMBER**  
(608) 278-4200

**VOLUME:** 79

**REPORT:** 44

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

**DATE:** 11/02/2012

**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



## 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 44

Issued Biweekly

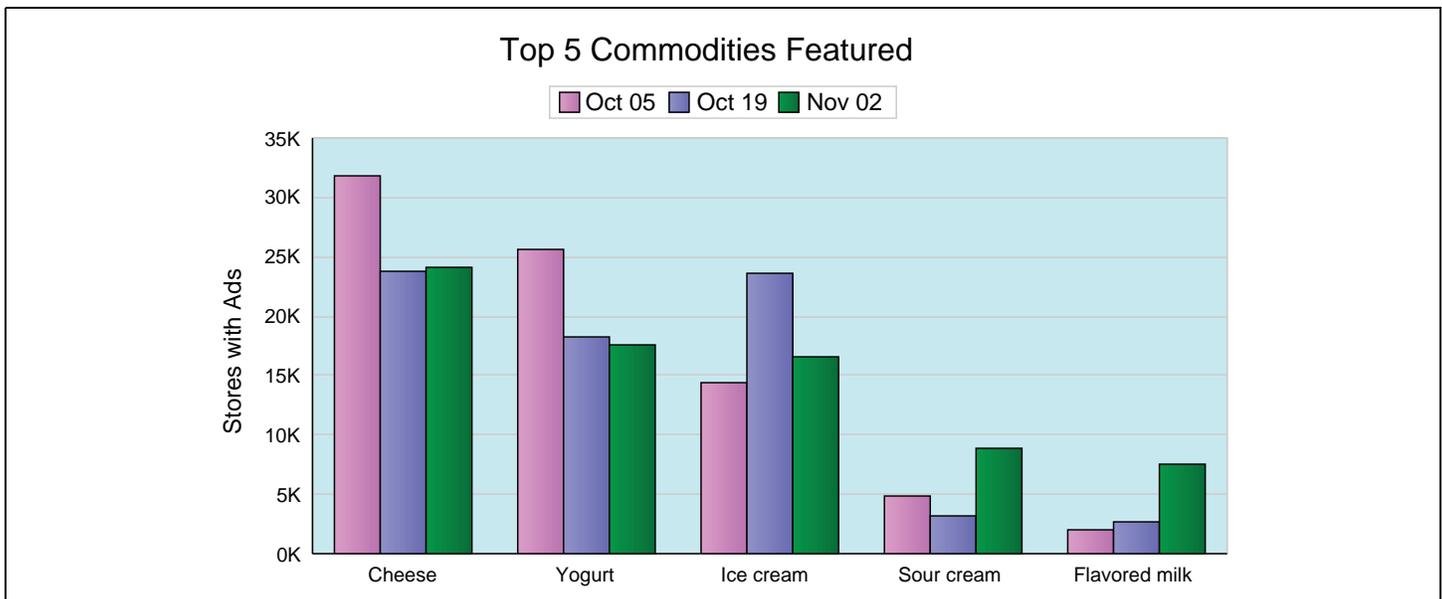
Thursday, November 1, 2012

### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 10/22 to 11/02

A nearly one-third decline in ice cream ads has yielded the most advertised conventional dairy product distinction to cheese, even as cheese ad numbers are almost even with the last reporting period. Butter and cream cheese ads dropped from the top five, replaced by flavored milk and sour cream. Yogurt ad numbers declined slightly but as a percentage, yogurt advanced from third to second among products advertised.

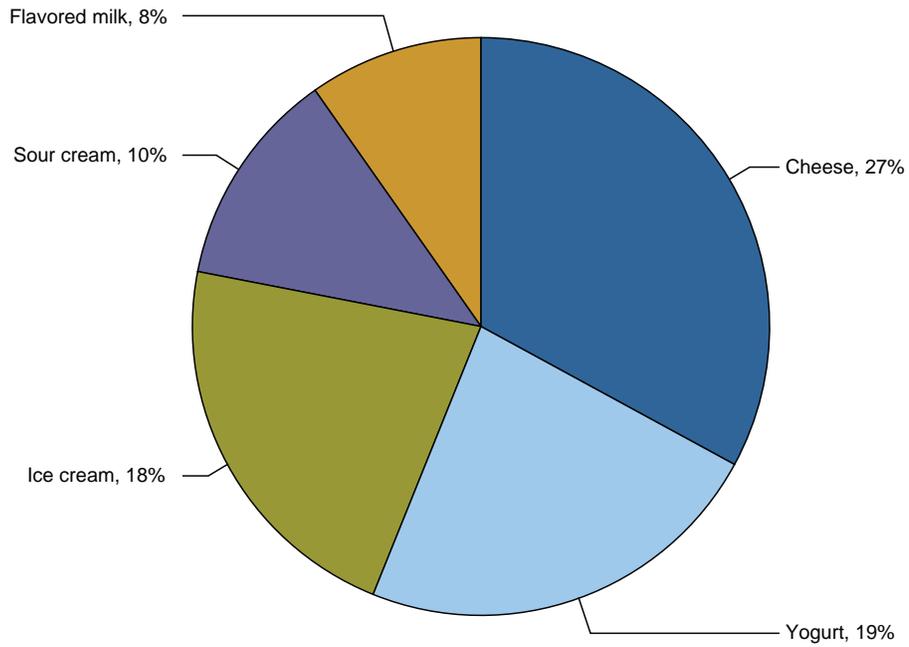
Cheese 8oz. blocks, 34.9% of cheese ads, averaged \$2.44, up 5 cents from two weeks ago. Cheese 8oz. shreds, 39.2% of cheese ads, averaged \$2.19, down 21 cents. Greek yogurt in 4-6 ounce containers, 33.9% of total yogurt ads, averaged 98 cents, up 2 cents. Yogurt in 4-6 ounce containers, 51.2% of yogurt ads, averaged 50 cents, up 1 cent. Flavored milk ads were mostly for gallons, with a much smaller number of half gallon ads. All gallon ads were store brands and the weighted average price is \$3.92. Significantly more sour cream ads were store brands than national brands. The combined weighted average price is \$1.49, up 4 cents from two weeks ago.

The national weighted average advertised conventional price for half gallons this period, \$2.21, is 68 cents above two weeks ago. For Organic milk, the national weighted average advertised price for half gallons is \$3.48 down 12 cents. This results in an organic-conventional half-gallon milk advertised price spread of \$1.27, compared to \$2.07 two weeks ago and \$1.04 four weeks ago. The average price spread for 2012 is \$1.33.

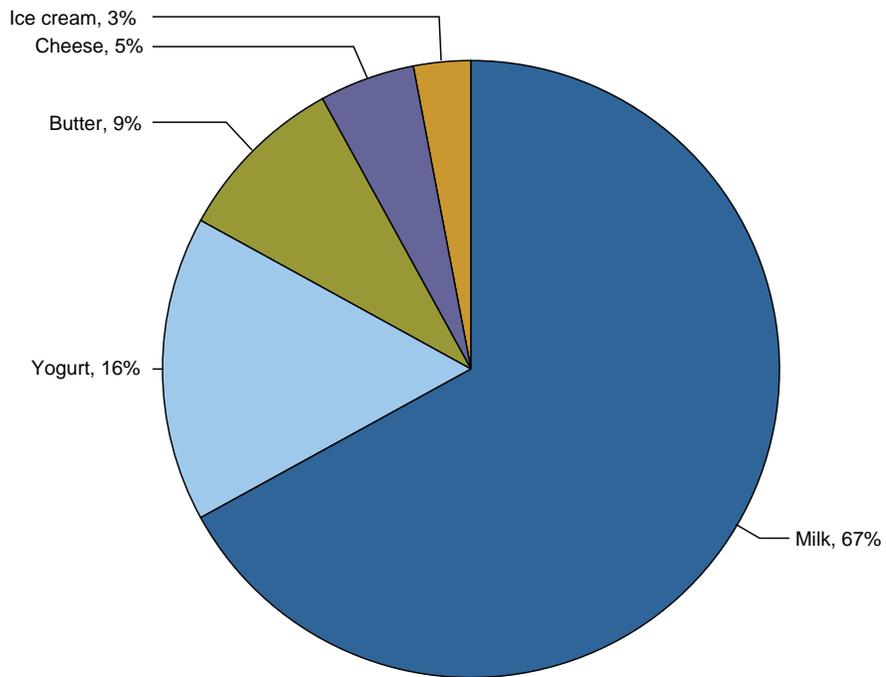


1 -- Dairy Market News surveys more than 150 retailers, comprising nearly 16,000 individual stores, with online weekly advertised features.  
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

### 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 #	3426	2.72	9264	2.81
Cheese	Natural Varieties	8 oz block	8350	2.44	5145	2.39
Cheese	Natural Varieties	1 # block	2302	3.69	4020	3.58
Cheese	Natural Varieties	2 # block	2231	5.62	949	6.97
Cheese	Natural Varieties	8 oz shred	9356	2.19	9675	2.40
Cheese	Natural Varieties	1 # shred	1658	3.28	3945	3.60
Cottage cheese		16 oz	3872	2.08	2970	1.81
Cream cheese		8 oz	5361	1.76	6332	1.64
Flavored milk	All fat tests	half gallon	3534	2.29	229	1.76
Flavored milk	All fat tests	gallon	3947	3.74	2524	3.92
Ice cream		48-64oz	16465	3.17	23590	3.13
Milk	All fat tests	half gallon	1490	2.21	402	1.53
Milk	All fat tests	gallon	1549	3.01	2734	2.81
Sour cream		16 oz	8853	1.61	3211	1.49
Yogurt	Greek	4-6 oz	11447	.98	5826	.96
Yogurt	Greek	32 oz	296	4.16	586	3.19
Yogurt	Yogurt	4-6 oz	4486	.50	8804	.49
Yogurt	Yogurt	32 oz	763	2.35	1968	2.14

## REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.79-3.99	1064	3.17	1.99-3.00	1446	2.57	1.98-2.99	737	2.25
Cheese	Natural Varieties	8 oz block	1.49-3.99	3428	2.18	1.67-3.59	2721	2.08	1.66-3.14	558	2.37
Cheese	Natural Varieties	1 # block	1.99-4.99	607	2.62	2.50-3.99	540	3.23	4.99	201	4.99
Cheese	Natural Varieties	2 # block	5.00-8.99	494	7.79	4.99-5.00	156	5.00			
Cheese	Natural Varieties	8 oz shred	1.49-3.29	3191	2.18	1.67-2.50	2468	1.96	1.49-2.50	1089	2.15
Cheese	Natural Varieties	1 # shred				2.50-3.49	851	3.02	2.99-4.99	625	3.63
Cottage cheese		16 oz	1.99-2.59	1090	2.25	1.25-2.50	801	1.61	1.00-2.50	805	1.87
Cream cheese		8 oz	0.99-2.50	2332	1.80	0.99-2.00	759	1.74	0.90-2.00	568	1.42
Flavored milk	All fat tests	half gallon	1.99-3.29	2361	2.35	2.49-3.29	208	2.82	1.00-2.22	306	1.76
Flavored milk	All fat tests	gallon	3.99	149	3.99	2.98-4.49	517	3.49	1.98-3.99	522	3.24
Ice cream		48-64oz	1.99-4.59	4194	3.06	2.49-4.99	3474	3.23	2.49-4.00	1763	3.14
Milk	All fat tests	half gallon	1.50-2.99	874	2.50	2.50	214	2.50	1.49-1.66	171	1.61
Milk	All fat tests	gallon				2.68-3.23	274	3.16	1.97-2.69	631	2.50
Sour cream		16 oz	0.99-2.00	1371	1.48	1.00-2.50	2216	1.47	0.99-2.50	1155	1.50
Yogurt	Greek	4-6 oz	0.80-1.25	2851	1.01	0.70-1.00	2568	.97	0.70-1.00	1823	.93
Yogurt	Greek	32 oz	3.69-4.99	94	4.13	4.18	202	4.18			
Yogurt	Yogurt	4-6 oz	0.40-0.75	2240	.50	0.44-0.60	584	.51	0.50-0.60	231	.54

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	1.99-2.00	163	2.00				2.28-2.50	235	2.35

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 #	3.00	53	3.00	3.19	68	3.19	2.79-3.49	58	3.14
Cheese	Natural Varieties	8 oz block	2.00-4.00	322	2.85	2.00-5.00	1084	4.02	2.50-2.99	237	2.92
Cheese	Natural Varieties	1 # block	3.99	202	3.99	2.99-5.49	634	4.74	3.00	118	3.00
Cheese	Natural Varieties	2 # block	5.00	359	5.00	5.00	605	5.00	5.00-5.49	617	5.02
Cheese	Natural Varieties	8 oz shred	1.50-2.50	1113	2.14	2.29-3.29	1184	2.61	2.00-2.99	311	2.74
Cheese	Natural Varieties	1 # shred				3.88	64	3.88	3.00	118	3.00
Cottage cheese		16 oz	1.00	85	1.00	2.50	1091	2.50			
Cream cheese		8 oz	1.00-2.00	219	1.38	1.00-1.99	1420	1.89	1.50-2.50	63	2.06
Flavored milk	All fat tests	half gallon	1.67-3.00	540	2.18	1.67	90	1.67	2.99	29	2.99
Flavored milk	All fat tests	gallon	3.49-3.99	359	3.83	2.99-4.59	1610	3.99	3.49-3.99	790	3.62
Ice cream		48-64oz	1.50-4.99	1785	3.51	1.66-4.49	4304	3.10	2.50-4.99	945	3.14
Milk	All fat tests	half gallon	1.79	49	1.79	0.99	64	.99	1.25	118	1.25
Milk	All fat tests	gallon	1.97	43	1.97	2.78-4.59	601	3.55			
Sour cream		16 oz	1.00-1.79	959	1.37	0.99-2.50	2427	1.97	1.00-1.69	725	1.53
Yogurt	Greek	4-6 oz	0.80-1.00	1328	.96	1.00	2100	1.00	1.00-1.50	777	1.06
Yogurt	Yogurt	4-6 oz	0.25-0.69	421	.49	0.40-0.60	975	.49	0.60	35	.60
Yogurt	Yogurt	32 oz	2.28	36	2.28	1.67-2.00	127	1.78	3.00	202	3.00

**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 #	371	4.60	554	4.43
Cheese	Natural Varieties	8 oz shred	195	2.50		
Cream cheese		8 oz			56	2.59
Ice cream		48-64oz	118	4.99		
Milk	All fat tests	half gallon	1701	3.48	3097	3.60
Milk	All fat tests	gallon			107	4.99
Milk	All fat tests	8 oz UHT	1017	.87	1438	1.01
Yogurt	Greek	4-6 oz	202	1.25	549	1.11
Yogurt	Yogurt	4-6 oz	444	.65	493	.74

**REGIONAL -- ORGANIC DAIRY PRODUCTS**



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				3.99	195	3.99	4.99-5.99	176	5.29
Cheese	Natural Varieties	8 oz shred				2.50	195	2.50			
Milk	All fat tests	half gallon	3.29-3.99	843	3.74	2.99-3.59	464	3.08	2.99-3.69	157	3.41
Milk	All fat tests	8 oz UHT	0.83	629	.83	0.83	125	.83	0.99-1.00	183	.99
Yogurt	Greek	4-6 oz				1.25	202	1.25			
Yogurt	Yogurt	4-6 oz	0.60-1.00	444	.65						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Ice cream		48-64oz							4.99	118	4.99
Milk	All fat tests	half gallon	4.89	49	4.89	2.99	70	2.99	2.99	118	2.99
Milk	All fat tests	8 oz UHT							1.00	80	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	1651	2.63	1.98	3.00	1775	2.80
Cheese	Natural Varieties	8 oz block	1.66	4.00	3347	2.54	1.49	5.00	5003	2.38
Cheese	Natural Varieties	1 # block	1.99	5.49	632	3.54	2.49	5.00	1670	3.75
Cheese	Natural Varieties	2 # block	5.49	5.49	29	5.49	4.99	8.99	2202	5.62
Cheese	Natural Varieties	8 oz shred	1.66	3.29	3994	2.42	1.49	3.00	5362	2.01
Cheese	Natural Varieties	1 # shred	2.99	3.00	355	2.99	2.50	4.99	1303	3.36
Cottage cheese		16 oz	1.99	2.50	1450	2.37	1.00	2.59	2422	1.91
Cream cheese		8 oz	1.49	2.50	3129	2.00	.90	1.99	2232	1.42
Flavored milk	All fat tests	half gallon	1.49	3.29	1989	2.56	1.00	2.50	1545	1.94
Flavored milk	All fat tests	gallon	3.99	4.59	371	4.35	1.98	4.49	3576	3.67
Ice cream		48-64oz	1.99	4.99	11618	3.26	1.50	4.00	4847	2.95
Milk	All fat tests	half gallon	1.49	2.99	926	2.44	.99	2.50	564	1.83
Milk	All fat tests	gallon	3.49	4.59	255	4.45	1.97	3.23	1294	2.72
Sour cream		16 oz	1.29	2.50	1286	2.25	.99	2.50	7567	1.50
Yogurt	Greek	4-6 oz	.80	1.25	9221	1.00	.70	1.50	2226	.92
Yogurt	Greek	32 oz	3.69	4.99	94	4.13	4.18	4.18	202	4.18
Yogurt	Yogurt	4-6 oz	.40	.69	2898	.52	.25	.75	1588	.46
Yogurt	Yogurt	32 oz	1.99	2.50	165	2.21	1.67	3.00	598	2.38

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
Butter		1 #	4.99	5.99	176	5.29	3.99	3.99	195	3.99
Cheese	Natural Varieties	8 oz shred					2.50	2.50	195	2.50
Ice cream		48-64oz	4.99	4.99	118	4.99				
Milk	All fat tests	half gallon	2.99	3.99	1097	3.60	2.99	4.89	604	3.25
Milk	All fat tests	8 oz UHT	.83	1.00	1017	.87				
Yogurt	Greek	4-6 oz	1.25	1.25	202	1.25				
Yogurt	Yogurt	4-6 oz	.60	1.00	444	.65				

**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