

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (1/25):**

BUTTER: Grade AA closed at \$1.5050. The weekly average for Grade AA is \$1.5050 (+0.0165).

CHEESE: Barrels closed at \$1.5725 and 40# blocks at \$1.6450. The weekly average for barrels is \$1.5863 (-.0732) and blocks, \$1.6525 (-.0510).

BUTTER HIGHLIGHTS: Prices on the Grade AA butter markets were steady throughout the week, holding at \$1.5050. Trading activity on the exchange totaled 4 carloads for the week. Butter manufacturers indicate cream is still ample and multiples are still lower than what is needed to sell spot cream above flat market. Internally generated cream as well as cream coming from Class II operations is moving through the churns and into bulk butter inventories. Central region churning operations are especially active as spot loads from the East and the West are also clearing through the Midwest. NASS's Cold Storage report shows end of the year manufacturers' butter inventories stood at 152.9 million pounds, which is 20% higher than one month ago, and 43% higher than at the end of 2012. Retail demand is light, and retailers trimmed butter advertisements by almost 17% compared to two weeks ago.

CHEESE HIGHLIGHTS: Cheese prices continued to move lower for the third week in a row. Increased milk supplies in the Midwest and East have pushed cheese plants to raise production schedules. The December Cold Storage report showed that cheese in storage as of December 31, was nearly equal to a year ago, but 5% higher than November of 2012. Buyers are using the added inventory to justify lower bids. Prices remain above year ago levels for this time of year. The increased supplies and lower prices are attracting attention from export buyers. The CWT program was active this week with assistance for 3.8 million pounds of cheese. Cheese featuring for retail sales increased this week according to the National Dairy Retail Report. Prices for 8 oz. shred and block packages were lower amidst increased advertising. Spot cheese prices at the CME Group closed lower this week on moderate trading. Barrels on Friday settled at \$1.5725, down \$.0650 from last Friday. Blocks closed the week at \$1.6450, down \$.0425 from last week's close.

FLUID MILK: Farm milk production continues along seasonal trends in most areas, with processors noting fluid demand is mostly level except for intermittent small spikes as customers shop before snow storms. Cream is readily available across the country. Churning is active. Spot cream loads from the West and East are converging on the

Central region to find additional processing room. A few manufacturers note even intermittent churns are following strong production schedules. Dairy farmers are watching milk futures and noting the trend toward lower prices. The cost of feed inputs continues to nip at any profit margins for dairy operators using purchased feed, and the prospect of lower milk prices may push dairy farmers to reevaluate herd sizes and other possible changes in operations.

DRY PRODUCTS: A weaker market tone prevails over many of the dairy dry commodity markets. Active production of nonfat dry milk, manufacturers' building NDM inventories and light buyer demand has put some pressure on NDM prices. Buying patterns are meeting just-in-time needs. End users are monitoring the market and waiting for the next volume buying opportunity. The top end of each Dairy Market News dry buttermilk price series retreated this week. These price series are also under pressure from active production and seasonally light buyer interest. The lactose mostly series held steady, but the bottom of the range fell 9 cents in response to additional F.O.B. spot loads coming to the market. Manufacturers note, though, that some established buyers are moving up the delivery dates of February and March loads and additional interest from Asia and South America may lend some support to the market in the near term. Whey protein concentrate 34% prices are unchanged to lower. This market also shows the pressure of higher than anticipated availability of manufacturers' spot loads. Dry whey prices in the Central dropped fractionally on the mostly price series while Western dry whey prices sheared 2 cents and one-half cent off the bottom and top of the mostly series, respectively. Manufacturers' spot loads are available, as are resale dry whey loads at competitive prices. Manufacturers are finding some outlets for dry whey through the export markets. Pricing pressure exists in that market as well, and manufacturers are committing to prices that moderate inventories as needed.

ORGANIC DAIRY MARKET OVERVIEW (DMN): AMS reports Total Organic Milk Products sales for November 2012, 191 million pounds, were up 9.0% from November 2011. Organic Whole Milk sales for November 2012, 49 million pounds, were up 16.0% compared with November 2011. Organic Fat-Reduced Milk sales for November 2012, 142 million pounds, were up 6.8% compared with November 2011. This contrasts with a 1.7% November 2012 decline for

CONTINUED ON PAGE 1A

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

ORGANIC DAIRY MARKET NEWS (PAGES 8-8B)
DECEMBER COLD STORAGE (PAGES 9-10)
DECEMBER MILK PRODUCTION (PAGE 11)

GRAPHS (PAGES G1-G2)
RETAIL DAIRY MARKET NEWS (attached)

CME GROUP CASH TRADING

COMMODITY	MONDAY JAN 21	TUESDAY JAN 22	WEDNESDAY JAN 23	THURSDAY JAN 24	FRIDAY JAN 25	:: WEEKLY :: CHANGE*	:: WEEKLY :: AVERAGE#
CHEESE BARRELS	CME	\$1.6000 (-.0375)	\$1.6000 (N.C.)	\$1.5725 (-.0275)	\$1.5725 (N.C.)	:: :: (-.0650)	:: \$1.5863 :: (-.0732)
40# BLOCKS	CLOSED	\$1.6600 (-.0275)	\$1.6600 (N.C.)	\$1.6450 (-.0150)	\$1.6450 (N.C.)	:: :: (-.0425)	:: \$1.6525 :: (-.0510)
NONFAT DRY MILK EXTRA GRADE		\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	:: :: (N.C.)	:: \$1.5600 :: (N.C.)
GRADE A	HOLIDAY	\$1.5300 (N.C.)	\$1.5300 (N.C.)	\$1.5300 (N.C.)	\$1.5300 (N.C.)	:: :: (N.C.)	:: \$1.5300 :: (-.0040)
BUTTER GRADE AA		\$1.5050 (N.C.)	\$1.5050 (N.C.)	\$1.5050 (N.C.)	\$1.5050 (N.C.)	:: :: (N.C.)	:: \$1.5050 :: (+.0165)

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

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

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

Total Fluid Milk Products Adjusted (which includes organic and non-organic) compared with one year ago. Organic dairy advertising volume strengthened to a level not reached since mid-September. Organic milk ads are the greatest factor in overall ad numbers this period, supplemented by higher organic butter ad numbers than during the last several months. Organic milk ads included ads for organic flavored milk, a relatively infrequent occurrence. Some organic butter ads continued to offer prices below the highest prices of advertised conventional butter. The weighted average advertised price of organic butter is \$3.99, down from \$4.07 two weeks ago, with the lowest advertised price being \$3.79. Organic cheese in 8 ounce blocks and 8 ounce shredded had weighted average advertised prices only a few cents higher than for conventional cheese counterparts. The current national organic half gallon milk weighted average advertised price of \$3.57 compared with the weighted average advertised price for non-organic half gallons, \$2.01, yields an organic-conventional half-gallon milk advertised price spread of \$1.56, compared with \$0.99 two weeks ago and \$0.49 four weeks ago. The 2012 average spread was \$1.24. The majority of organic yogurt ads, slightly over 78%, are for 32 ounce organic yogurt with the balance for 4-6 ounce organic Greek yogurt. Ads for organic yogurt in 32 ounce containers range in price from \$2.99 to \$3.29, resulting in a national weighted average price of \$3.03. Ads for Greek Yogurt in 4-6 ounce containers range from \$1.00 to \$1.50 in price, with a national weighted average advertised price of \$1.34.

RETAIL DAIRY MARKET NEWS (DMN): Yogurt ad numbers once again outpaced all other ads this period to be the largest product category, with 29% of all conventional dairy ads. Nevertheless, total yogurt ad numbers are down 20.2% for the period, after increasing 110.7%, two weeks ago. Cheese ads are the second greatest category, 27% of ads, with ad numbers increasing 7.8%. The largest increase in ads was sour cream, up 36.7%, with 7% of all ads. Ice cream remains in the top 5 during this winter cold spell, with 13% of ads, down just over 14%. Milk rounds out the top 5 categories again with 7% of ads, up 16.1%. The most advertised product within any category, 4-6 oz. Greek yogurt, increased 2 cents to \$1.01, while regular yogurt ad prices for 4-6 oz. packs increased by 1 cent to \$0.50. Cheese pricing at \$2.44 for 8 oz. shreds, the most featured cheese item, was a 3 cent decrease over two weeks ago. Cheese in 8 oz. blocks averaged \$2.40, down 9 cents. Ice cream in 48-64oz containers averaged \$3.02, down 4 cents. The national 1 pound butter price decreased 30 cents from 2 weeks ago to \$2.63. The national weighted average advertised conventional milk price for half gallons this period, \$2.01, decreased 29 cents from two weeks ago, following a 65 cents decrease two weeks before that. Organic half gallon prices averaged \$3.57, up 28 cents from two weeks ago, following a 15 cent decline two weeks ago. The resulting organic-conventional half-gallon price spread is \$1.56, up from \$0.99 two weeks ago. The 2012 average price spread was \$1.24.

COLD STORAGE (NASS): On December 31, U.S. cold storage holdings of butter totaled 152.9 million pounds, 20% higher than a month ago and 43% higher than last year. Natural American cheese holdings total 604.9 million pounds, 4% higher than a month ago, but 1% lower than a year ago. Total natural cheese stocks totaled 987.9 million pounds, 5% higher than one month ago, and unchanged from one year ago.

DECEMBER MILK PRODUCTION (NASS): Milk production in the 23 major states during December totaled 15.7 billion pounds, up 1.7% from December 2011. November revised production, at 14.9 billion pounds, was up 1.3% from November 2011. The November revision represented an increase of 31 million pounds or 0.2% from last month's preliminary production estimate. Production per cow in the 23 States averaged 1,848 pounds for December, 30 pounds above December 2011. The number of milk cows on farms in the 23 States was 8.49 million head, 5,000 head more than December 2011, and 16,000 head more than November 2012. Milk production in the U.S. during the October-December quarter totaled 49.1 billion pounds, up 0.9 percent from the -1A-

October-December quarter last year. The average number of milk cows in the U.S. during the quarter was 9.20 million head, 17,000 head less than the same period last year.

CME GROUP

MONDAY, JANUARY 21, 2013

HOLIDAY -- NO TRADING

TUESDAY, JANUARY 22, 2013

CHEESE -- SALES: 7 CARS BARRELS: 2 @ \$1.6275, 1 @ \$1.6150, 4 @ \$1.6000; 3 CARS 40# BLOCKS: 2 @ \$1.6800, 1 @ \$1.6600; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6100
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5050; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JANUARY 23, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6300
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 3 CARS GRADE AA @ \$1.5050; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.5050; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5100

THURSDAY, JANUARY 24, 2013

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.5850, 1 @ \$1.5800, 1 @ \$1.5725; 1 CAR 40# BLOCKS @ \$1.6450; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6400; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5725
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.5200; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.5500
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.5050; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.5050; LAST OFFER UNCOVERED: NONE

FRIDAY, JANUARY 25, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6000
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.5050; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

The butter price on the CME Group was unchanged Tuesday and closed at \$1.5050. Prior to Tuesday's trading session, butter prices increased in each of the previous 6 sessions for a cumulative increase of \$0.0575. Churns remain very active as cream supplies remain readily available. All varieties of butter, 80%, 82%, salted and unsalted, are in current production. Export demand is especially strong with good volumes being transacted through export incentive programs. Domestic demand is steady for this time of year. Bulk butter purchases continue to be active supported by good export demand and also due to the fact that buyers view the butter price as being at a level that offers the opportunity to expand inventories at minimal risk. Current bulk butter prices remain strong and range from 4-14 cents over the market based on the CME Group with various time frames and averages used. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 2.423 million pounds (1,099 metric tons) of butter. The product will be delivered January through June 2013. According to the latest NASS Cold Storage report, butter in storage on December 31, totaled 152.9 million pounds, 25.6 million pounds more (+20%) than the prior month stocks and 46.0 million pounds more (+43%) than December 2011 stocks.

MIDWEST

Butter manufacturers feel like events are unfolding much as they often have at this time of the year. Cream supplies are plentiful, at times clearing regions. This year, it is noted that the East in particular is generating "lots" of cream from increased yogurt production. Midwest churning activity is strong. This leaves many production schedules elevated, resulting in production surpassing present demand, leading to increasing inventory levels. CME prices are unchanged this week through Wednesday at \$1.5050, but last week's average increased +\$.0310. Butter retail advertising volume nationally reported in the National Dairy Retail Report is down nearly 17% from two weeks ago. The weighted average advertised price nationally is also down just over 10% to \$2.63 a pound. The Midwest average price is lower, \$1.97, down from \$2.55 two weeks ago. Butter

stocks in Cold Storage December 31, 2012, 152.8 million pounds, were up 20% from November 2012 and up 43% from December 31 2011. Bulk butter prices range from 3 to 5 cents over market.

WEST

Western butter prices are steady this week. Price increases from last week's trading at the CME Group have buyers looking to purchase supplies. Cream supplies remain heavy across the West with most of the supply going to butter churns. Retail sales remain steady with good activity reported. Bulk butter buying interest is increasing with some manufacturers reluctant to offer additional spot loads. The CWT program announced export sales assistance for 2.4 million pounds of butter this week. Supplies of butter are increasing, but producers are content to build their inventory at current prices. According to the NASS *Cold Storage* report, stocks of butter as of December 31, 2012, total 152.9 million pounds, +43% or 46.0 million pounds more than December of last year. Stocks were 20% higher or 25.6 million pounds more than end of November 2012. Advertised U.S. butter prices from the National Dairy Retail Report showed a weighted average price of \$2.63 per pound compared to \$2.93 two weeks ago. Nationally, the number of butter ads were reduced from two weeks ago with the lower pricing. Western advertised prices ranged from \$2.50-3.29 per pound. The weighted average for butter in the Northwest was \$2.65 and the Southwest was \$3.09. According to the FAS, quota imports of butter for January-December 2012 total 11.0 million pounds, 12.3% more than the same period in 2011. Imports for 2012 account for 71.3% of the total quota. Imports of High-Tier butter (above quota and with a penalty) are 402,700 pounds, 55.4% of last year's amount in the same time period. Wednesday's close on the CME Group exchange for butter is unchanged at \$1.5050. Prices have remained steady so far in the holiday shortened week. Trading activity is light to moderate with three loads sold at the exchange by Wednesday. Prices for bulk butter range from 3 cents under to 5 cents under the market, based on the CME with various time frames and averages used.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
January 19, 2013	1.4789 4,508,942	1.7443 13,593,181	1.7277 9,614,197	0.6449 9,084,454	1.5714 19,695,531

CHEESE MARKETS

NORTHEAST

Cheese prices on the CME Group declined Tuesday with barrels decreasing \$0.0375 to close at \$1.6000, while blocks fell \$0.0275 to close at \$1.6600. Cheese prices on the CME Group have been on a downward trend over the last 4 sessions with barrels having a cumulative decrease of \$0.0725 and blocks \$0.0500. Increased milk production continues to keep Northeast cheese operations on 6-7 day production schedules. Cheese demand has improved following increased retail promotions ahead of the upcoming Super Bowl. Current cheese pricing is conducive for increased volumes of cheddar to be moved into aging programs. Exporters are becoming increasingly concerned about the unresolved labor contract with Longshorem as the strike deadline date of February 6 approaches. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 3.814 million pounds (1,730 metric tons) of Cheddar and Monterey Jack cheese. The product will be delivered January through June 2013. The latest NASS Cold Storage report shows stocks of natural cheese in cold storage as of December 31, 2012 totaled 987.9 million pounds, up 5% compared to one month ago and down slightly from one year ago. A majority of the holdings are in the form of American cheese (61.2%) totaling 604.9 million pounds, up 4% from one month ago, but 1% less than one year ago. The next highest natural cheese holdings in cold storage are in the form of Other Natural Cheese, (35.3%) totaling 348.5 million pounds, 6% more than one month ago, but 1% less from one year ago. Swiss cheese accounts for 3.5% of holdings at 34.5 million pounds, up 12% from one month ago and 25% more than one year ago.

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

Cheddar 40# Block	:	2.1025-2.3875
Process 5# Sliced	:	1.8775-2.3575
Muenster	:	2.1225-2.4825
Grade A Swiss Cuts 10 - 14#	:	3.8375-4.1600

MIDWEST

There continues to be regionally "heavier than expected" milk production. Thus, coupled with what some manufacturers characterize as recent "declines" in fluid milk consumption, regionally the result is "there still appears to be plenty of cheese around". CME trading last week and this week seems to be reflecting these market factors. Blocks through this Wednesday are down \$.0600 from last week on Monday to \$1.6600 and barrels are down \$.0725 for the period to \$1.6000. Barrels were last below \$1.6000 on June 19 last year and blocks were last below \$1.6600 last July 11. Where price trends will go is now a matter of active discussion. Some plant managers believe some price weakness remains, based solely on expectations for milk supplies. Others observe that the CME moves based on a variety of factors in addition to basic milk supplies. Nevertheless, as a point of price reference, one year ago barrels closed at \$1.4850 and blocks at \$1.5050. Aside from its prominence in cheese manufacturing volume, the Midwest also stores more cheese than any other region and generally has lower average advertised prices than the national average. Cheese retail advertising volume nationally reported in the National Dairy Retail Report is up 7.8% from two weeks ago. The largest percentage of cheese ads nationally, 51.4%, are for 8 ounce shredded cheese. The Midwest is a similar

percentage, 48.7%. Ads for 8 ounce block are at similar levels nationally, 35.9%, and in the Midwest, 33.7%. So too with 1 pound block, 9.3% nationally and 6.7% in the Midwest. Relatively few ads nationally are for 1 pound shredded, 2.5%, and 2 pound block, 0.9%. Most average advertised cheese prices in the Midwest are lower than the national average. The weighted average advertised price of 8 ounce shredded declined nationally 1.2% to \$2.44, in contrast with \$2.21 in the Midwest; 8 ounce blocks declined nationally 3.6% to \$2.40 compared with \$2.29 in the Midwest; 2 pound blocks increased 26.1% to \$6.52; 1 pound blocks increased nationally 2.0% to \$4.08, \$3.72 in the Midwest; and 1 pound shredded increased nationally 17.5% to \$3.90, \$3.97 in the Midwest. Total natural cheese stocks in refrigerated warehouses nationally on December 31, 2012, 987.8 million pounds, were up 5% from the previous month but down slightly from December 31, 2011. The composition of cold storage stocks on December 31 last year was American, 61.2%, Swiss, 3.5%, and Other, 35.3%. Nearly 74% of the stocks of cheese categorized as "Other" were stored in the East North Central States (Wisconsin, Michigan, Ohio, Illinois and Indiana) as of December 31, 2012. Nearly 42% of American cheese was stored in the region. American cheese stocks December 31, 2012, 604.9 million pounds, were up 4% from the previous month but down 1% from the previous year. Swiss stocks on December 31, 2012, 34.5 million pounds, were up 12% from the previous month and up 25% from the previous year. Finally, Other natural cheese December 31, 2012, 348.5 million pounds, were up 6% from the previous month but down 1% from the previous year. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 3.814 million pounds (1,730 metric tons) of Cheddar and Monterey Jack cheese to customers in Asia, the Middle East and North Africa. The product will be delivered January through June 2013.

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

Process American 5# Loaf	:	1.8500-2.5550
Brick And/Or Muenster 5#	:	2.0900-2.6500
Cheddar 40# Block	:	2.0900-2.9625
Monterey Jack 10#	:	2.0600-2.9625
Blue 5#	:	2.3550-3.3400
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9350-3.0625
Grade A Swiss Cuts 6 - 9#	:	3.3575-3.4750

WEST

Western cheese markets are lower as weekly average prices at the CME Group have moved lower the past two weeks. Production continues at a heavier than typical pace as milk supplies are increasing. Buyers are hesitant to purchase above contracted quantities in the softer market. Export interest is increasing. The CWT program has accepted requests for export assistance for 3.8 million pounds this week. Stocks of barrels are considered ample to long as buyers consider when to purchase. According to NASS, *Cold Storage* stocks of cheese (total) at the end of December 2012 are 987.9 million pounds, nearly equal to last year or about 3.8 million pounds less than December 2011. American stocks were 1% lower, and Other Natural stocks were also 1% lower than last year. Swiss

CONTINUED ON PAGE 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

stocks at the end of December total 34.5 million pounds, up 25% or 6.9 million pounds more than December 2011. December Swiss stocks in storage are 12% higher or 3.6 million pounds above the previous month. Advertised U.S. cheese prices as reported in the National Dairy Retail Report showed prices unevenly mixed. Featuring for cheese for the two week period showed increased numbers of ads for 8 oz. block and shred packages. Larger packages did not show this increase in featuring. The most heavily advertised category of 8 oz. shred cheese was 3 cents lower on a weighted avg. price than two weeks ago at \$2.44 per package. In the West, prices ranged from \$5.49-7.98 per package for the 2 pound block package. According to FAS, quota imports of cheese for January-December 2012 total 179.7 million pounds, up 10.4% from a year ago. The imports stand at 60.1% of the annual quota. Imports of High-Tier cheese (above quota and with a penalty) for the same period are estimated to total 27.0 million pounds, up 3.8% compared to imports for January-December of 2011. Imports of quota Swiss cheese for January-December 2012 total 42.3 million pounds, down 5.5% from last year. The two main countries for the Swiss imports are Norway and Finland, and they accounted for 25.7 million pounds or 60.8% of the year's total import of Swiss. Cheese prices at the CME Group were unchanged on Wednesday. Barrels closed at \$1.6000 and blocks were at \$1.6600. Tuesday saw sales of seven loads of barrels and three loads of blocks at lower prices after the market was closed on Monday.

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

Process 5# Loaf	:	1.7850-2.0425
Cheddar 40# Block	:	1.8225-2.1750
Cheddar 10# Cuts	:	2.0025-2.2225
Monterey Jack 10#	:	2.0125-2.1725
Grade A Swiss Cuts 6 - 9#	:	3.4150-3.8450

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

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly
Quota			
Dec. Quota Imports	30.9	+ 81.5	10.3
Jan. - Dec. High Tier	27.0	+ 27.0	N.A.
Quota Imports	179.7	+ 10.4	60.7

FOREIGN

The weekly average CME Group block price declined for the second consecutive week, lowering domestic wholesale foreign type cheese prices by \$0.0250. Some import cheese varieties saw some price changes with European prices declining due to the Euro-U.S. dollar values. Argentine cheese varieties saw prices increase. Swiss cut varieties were unchanged. Importers are becoming more and more concerned about a possible Longshoreman's strike as the strike deadline of February 6 approaches. Some importers are grouching over increased FDA testing of imported products slowing operations and complicating business operations.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.2425-3.7300*
Gorgonzola	: 3.4900-6.1900*	: 2.7450-3.2000*
Parmesan (Italy)	: -0-	: 3.6325-5.7225*
Provolone (Italy)	: 3.4400-5.4500*	: 2.2850-2.4425*
Romano (Cows Milk)	: -0-	: 3.4325-5.5825*
Sardo Romano (Argentine)	: 2.8500-3.6900*	: -0-
Reggianito (Argentine)	: 3.2900-4.3900*	: -0-
Jarlsberg-(Brand)	: 2.9500-5.2900	: -0-
Swiss Cuts Switzerland	: -0-	: 3.9350-4.2575
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

= Price change.

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

	<u>BUTTER</u> : <u>CHEESE</u>	
01/21/13	9,625	: 117,699
01/01/13	5,499	: 115,643
CHANGE	4,126	: 2,056
% CHANGE	75	: 2

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA * Updated	84	0	43*	0*	0	70
SOUTHEAST STATES	0	0	0	0	0	0

Manufacturing milk supplies are steady in the Northeast and Mid-Atlantic regions as milk production and Class I demand have leveled off. This year's mild winter seems to be coming to an end with the forecast for bitterly cold temperatures and wind chills in the upper Northeast, which may provide a surge in fluid sales as the public stocks up ahead of the adverse weather. Some heavy, lake effect, snows in New York and Pennsylvania are also adding to Class I sales. The combination of increased Class I demand and flat milk production, below year ago levels, has brought about the need to import spot loads of milk into Florida. This is the earliest imports have occurred since 2006. Milk production increases have been stymied by lower producer margins, limited feed and forage availability and warm summer like weather lowering cow comfort levels. Producers have to continue with supplemental hay feeding as pastures have been slow to regrow due to dry conditions. The US Drought Monitor currently has 60% of the state listed as abnormally dry. Spot milk shipments imported into the state this week totaled 84. Milk production in the Southeast region is improving with supplies more than adequate to cover Class I needs. The forecast for snow showers in the northern areas of the region may increase fluid milk sales later in the week. Only marginal supplies of milk are being diverted to auxiliary manufacturing facilities. Cream supplies remain readily available with a majority of the supply headed to churns. Numerous loads were moved to the Midwest at discount pricing in order to find a home. Demand for cream is weak, with numerous cream based manufacturers limiting production to contracted supplies. Multiples declined this week and ranged from 101-118. Demand for condensed skim remains weak with considerable volumes making their way to Class IV production. Class II demand remains weak as most manufacturers are matching production with contracted supplies.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. producing plants: Northeast -	1.5034-1.7564
F.O.B. producing plants: Upper Midwest -	1.7266-1.8011

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.56 - 1.63
Northeast - Class III - spot prices -	1.55 - 1.63

MIDWEST

Central milk handlers and processors indicate farm milk pickups and intakes continue to surpass expectations and show steady increases from week to week. December 2012 milk production increased compared to December 2011 in eight of the ten Central region states included in the NASS 23 Selected States Milk Production report. Central region monthly milk production increases ranged from 1.8% in Illinois to 10.0% in Kansas. On a regional basis, Central December 2012 milk production showed a 4.2% increase over one year ago. Regional cow numbers grew by 21,000 animals compared

to one year ago and the Kansas herd led the region by adding 8,000 cows. Milk marketers report spot milk loads are readily available in the Central region and pricing has not gained any traction compared to last week. Prices on spot milk loads continue to range from flat Class to \$3 under Class. Class I demand is light and various cheese plant operators indicate they are not receiving any calls for loads of milk to accommodate bottled demand. Cream multiples are slightly higher as a few Class II operations reengage production lines, but significant volumes of cream are clearing through the churns. Many Eastern spot cream loads generated by active Class II production are also clearing into Central churns as the closest option for processing room. A few milk handlers report that although milk production in the Central region started this new season with strong numbers, some dairy farmers are concerned about the milk prices in the futures market. Evaluations of individual dairy cows continue to be done for culling purposes. Feed stocks on hand at mid-winter may prompt additional culling to avoid buying additional feed for marginal dairy cows.

WEST

Weather conditions are back to seasonal normal on temperatures in CALIFORNIA, but it has been dry for a number of weeks. Moderate storms are expected at mid-week. The snow pack has declined over that period of time from the 130's down to about 100% of last year. Contacts indicate that the state needs rain. Most all plants indicate that they are getting less milk than last year. On a down commodity market they are not complaining. Also, they do not expect much chance of a rebound with milk prices moving lower and feed/hay prices remaining firm. The California Department of Food and Agriculture (CDFA) released the PANEL RECOMMENDATION on Tuesday, January 22, 2013. "The Panel recommends a temporary increase of \$0.05/cwt. on Class 1; \$0.10/cwt. on Classes 2 and 3; and \$0.30/cwt. on Classes 4a and 4b for the four-month pricing period February 2013 through May 2013. Analyzing the 12-month period ending with October 2012, the effect of these changes would have increased monthly Pool prices, on average, by approximately \$0.251/cwt." Class 1 prices in CALIFORNIA range from \$19.83 in the north to \$20.10 in the south for February 2013. The statewide average based on production is \$19.85. This price is down 41 cents from January, but up \$1.31 from February 2012. CREAM markets remain weak in the Western region. Cream is heavy in the region, much above anticipated volumes. Some surplus loads continue to head to Minnesota and Wisconsin to find churn time available. Butter prices for Grade AA at the CME Group closed at \$1.5050 on Wednesday, January 23, up 1 1/2 cents from a week earlier. Cream multiples continue to be weak at a 90 to 120 range, and vary depending on basing points and averages used. ARIZONA contacts indicate that milk production is "flattening out" in the region. Weather conditions are moderate and not pushing anything one way or the other. The feed/milk price stress is increasing and producers don't believe that will end any time soon. NEW MEXICO producers suggest that weather conditions now are near "normal". Highs are near 60 and lows into the 30's are not causing much stress. Output is marginally above expected volumes at most locations. Milk supplies in the PACIFIC NORTHWEST are reported to be increasing slowly.

CONTINUED ON PAGE 4A

FLUID MILK AND CREAM

CONTINUED FROM PAGE 4

Higher farm milk prices over recent months have helped to maintain and in some instances build herds in the region. Milk component levels are reported higher and helping to build processing yields. Class I usage is following along expected levels. The weather has been a non-issue over most of the region, with some rains and light snow. UTAH and IDAHO milk production is also building slowly. Locally grown feed supplies are reported to be available for current needs. Alfalfa prices are lower than year ago levels, but continue to stress dairy farmers' bottom line. Increased demand in the region for milk has helped to maintain herd size and keep farm milk prices competitive. According to NASS, December *Milk Production* for the 23 surveyed states totals 15.7 billion pounds, up 0.3 billion pounds, or 1.7% from last year. December milk production changes from a year ago for selected Western states are as follows: Arizona -0.3%, California -2.3%, Colorado +6.3%; Idaho +1.0%, New Mexico -0.3%, Oregon unchanged, Utah +1.9%, and Washington +0.4%. Monthly milk production per cow for the 23 surveyed states was 1,848 pounds, +1.7% from December 2011. Compared to December 2011, the Arizona herd is down 6,000 head, California unchanged, Colorado +4,000, Idaho unchanged, New Mexico -13,000, Oregon unchanged, Utah +1,000, and Washington +1,000. These 8 states are down 13,000 cows from last year, but the 23 surveyed states are up 5,000. December cow numbers in these 8 states were 7,000 more than the previous month.

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: Prices for Central nonfat dry milk are steady to slightly lower as contract prices continue to follow various indices and manufacturers clear nonfat dry milk to manage near term inventories. Nonfat dry milk production is active throughout the region as fluid demand is light and various multiple end product operations are juggling milk intakes among plants to accommodate maintenance and other schedule adjustments. Spot sales of condensed skim are light to increasing slightly into Class II and Class III. With mostly light demand from much of the higher Class milk uses, nonfat dry milk production is very active. Many manufacturers and resellers indicate few buyers feel the need to stock up on NDM right now because production is very active. Market participants expect the current active production trend will keep NDM prices from rising dramatically in the near future. Central manufacturers' NDM inventories are building steadily.

EAST: Prices for low heat nonfat dry milk were mixed on the mostly range as the upper end moved higher and the lower end moved lower, while high heat prices declined. Market conditions remain mixed with contradicting trend factors making potential buyers uneasy about current market conditions. Current production of NDM is active in the region and, in most cases, adding to supplies. Some manufacturers have offered discounts on spot sales to better balance their inventory levels. Buyers and end users have noted the discounts with many remaining on the sidelines anticipating prices will fall. Some manufactures are taking a good hard look at milk production declines in the Western region, which produces a majority of the nation's NDM, and foresee an eventual tightening of supplies and are comfortable, for the most part, with their expanded inventory levels. As a result of the opposing market positions, trading activity has turned light. High heat inventories have also increased in recent weeks with some manufacturers having adequate supplies and limiting production schedules. Current production is moving through contracts and adding to inventories with the occasional spot sale. Demand remains weak as numerous buyers are holding off purchases for a clearer picture of the market.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.4800 - 1.6375 MOSTLY: 1.5100 - 1.6200
 HIGH HEAT: 1.6300 - 1.6875

NONFAT DRY MILK - WEST

Market activity picked up somewhat from last week, but it continues to lag behind expectations. Prices for low/medium heat powder held steady on the bottom of the range and mostly series, but declined on the upper end of both series. Production of powder is seasonally heavy, but it is less than at the beginning of the year. Plants in the region have capacity to handle the skim efficiently. Producer inventories range from generally in balance to somewhat heavier than desired. Therefore, some plants are becoming a bit more aggressive in trying to sell some additional powder. Buyers do not seem to be interested in owning additional powder above working needs. Prices for high heat powder range from steady to somewhat higher. Demand is seasonal.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.5000 - 1.5900 MOSTLY: 1.5200 - 1.5650
 HIGH HEAT: 1.6000 - 1.6775

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices are unchanged to lower as the market adjusts to variable contract prices and manufacturers' building inventories. The market tone is weakening. Dry buttermilk spot loads are reported as readily available from multiple manufacturers within the Central region. Buyers report some Central region buttermilk pricing is very competitive with Western dry buttermilk loads that regularly clear into the Central region. Production continues actively in the Central region. Central year round churns and intermittently active churns are still processing internal and spot cream loads. Eastern cream loads are also clearing into the Central region to find processing room for cream spun off from Class II operations.

EAST: Prices for dry buttermilk declined this week as prices at the upper end of the range fell. Churns remain very busy with heavy cream supplies in the region. The active churning schedules are maintaining dry buttermilk production at increased levels. Current production is moving through contracts and adding to supplies with very limited spot market activity. Demand for dry buttermilk is weak as ice cream and bakery manufacturers have adequate supplies and are operating at lower production schedules, which is typical for this time of year. Some buyers are aware of the active production schedules and increasing supplies and are withholding purchases in anticipation of lower prices. The unclear market situation in the nonfat dry milk market continues to cast a shadow on the dry buttermilk market adding to the already weak undertone.

F.O.B. CENTRAL/EAST: 1.4000 - 1.5550

DRY BUTTERMILK - WEST

Prices for buttermilk powder in the West range from steady to lower on the top of the range and mostly series. Offerings of powder remain heavy as manufacturers continue to try and work down inventories that built up over the end of the year holidays. They are having some success with this strategy, but current production remains heavier than anticipated due to an abundance of surplus cream available. The cream situation appears to be the case for the foreseeable future. The market undertone remains weak. Sales of condensed buttermilk are seasonally slow.

F.O.B. WEST: 1.4000 - 1.5000 MOSTLY: 1.4300 - 1.4850

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are steady. Interest is at seasonal levels from confectionary and bakery accounts. Production remains intermittent and contract fulfillment driven.

F.O.B. PRODUCING PLANT: 1.6900 - 1.8500

CONTINUED ON PAGE 5A

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

CONTINUED FROM PAGE 5**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
January 18	\$1.5460	9,442,188	0
January 11	\$1.5362	8,377,860	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 are mixed. Contract pricing shifted both lower and higher, based on the index in use, but market participants note much of this week's sales activity is outside of contract agreements. Spot load availability of dry whey from several Central manufacturers is steady to higher. Several manufacturers note current farm milk intakes exceed projected volumes, which is sending higher milk volumes into cheese and increasing end product availability downstream from cheese manufacturing. Resellers, too, are increasing their offers of dry whey loads outside of their own contract agreements to manage their inventories. Comments indicate production dates on some loads are from Q3 of 2012. ANIMAL FEED DRY WHEY prices are steady for the week. Some animal feed blending operators indicate they have found ample supplies of off grade whey protein concentrate as well as off grade dry whey. Those inputs will carry production for a while. Demand for finished feed is light to steady into veal raising operations, steady to higher into dairy replacement and dairy beef operations.

F.O.B. CENTRAL: .5500 - .7025 MOSTLY: .6000 - .6450
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4400 - .6325

DRY WHEY - NORTHEAST

Dry whey prices moved marginally higher this week as sales based on various price indices increased the upper end of the range, while spot sale prices increased the low end of the range. The rate of cheese production in the Northeast remains on 6-7 day production schedule, maintaining dry whey production at levels that adds to most manufacturers' inventories. The range in prices reflects, to a degree, the increasing supplies causing manufacturers to sell spot loads at a discount periodically to better balance inventory levels. The range in prices is also reflective of the price differential between the domestic and export markets. Domestic demand remains sluggish with many potential buyers taking a wait and see attitude, anticipating prices to fall in the near term. The weak demand has prompted some significant discounts in resale activity with prices reported in the mid \$0.50's. Export interests, with their capacity to purchase block loads, remain in a position to secure significant discounts for multiple load purchases. The market undertone, despite this week's price increase, remains weak.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5400 - .7050

DRY WHEY - WEST

Western dry whey prices are uneven. While the full range saw some higher prices due to contract related indices, the mostly series reflected lower prices. Increased whey production in the region, tied to higher cheese production, has inventories above expected levels. Export sales are active at the lower end of both pricing series. Manufacturers continue to fill export orders to keep inventories at manageable levels. The increased supplies and lower export prices are pressuring domestic prices to follow suit. Brokers with stored inventory are becoming more willing sellers as supplies build.

NONHYGROSCOPIC: .5200 - .6750 MOSTLY: .5400 - .6400

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for Central and West whey protein concentrate 34% are unchanged to lower as the market factors in increasing availability of spot loads from manufacturers. One or two manufacturers note WPC 34% quantities needed to fill current contracts are lower than anticipated due to formula changes by a few end users. Conversely, milk volumes being processed haven't necessarily shifted lower. The need to process farm milk intakes as well as fill contracts on other dairy commodities continues to augment the whey stream. Resellers are also offering WPC 34% loads outside of contract agreements, with pricing offering some savings compared to just a few weeks ago. Various market participants also note off grade WPC 34% is in good supply for the animal feed industry, at prices that offer discounts to the edible market, thus many feed blenders are out of the edible WPC 34% market. Production of WPC 34% is higher at some locations due to the increasing availability of farm milk to cheese making operations. Manufacturers' inventories are steady to building.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.1500 - 1.3300 MOSTLY: 1.2450 - 1.2700

LACTOSE - CENTRAL AND WEST

Prices on the lactose range are unchanged to lower while the mostly price series is steady this week. Market participants indicate the market tone is weaker. Edible lactose is now coming to the market from one or two new domestic production facilities and those lactose loads are generally clearing at prices below the mostly price range. This is not unexpected because the new lactose producers are gradually introducing their product to the marketplace and working through approval processes with end users. Packaging and current certification statuses also impact some of the pricing, but demand for these new lactose brands from domestic and international buyers is described as steady. The market tone is weaker also because of increased spot load availability from several established manufacturers. In contrast, inquiries for lactose are increasing from some off shore buyers, both from established customers and new customers. In addition, some manufacturers do not have uncommitted lactose volumes and continue to fill contracts at previously negotiated prices.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .5000 - .9200 MOSTLY: .6600 - .8000

CASEIN - NATIONAL

Acid casein prices held steady while rennet moved higher on the top of the range. Contacts indicate offerings out of Europe are less than anticipated and that situation is not expected to change until at least March when milk production starts to increase seasonally on the continent. Oceania casein output has, for all intents and purposes, come to an end for the current production season. This is about on schedule with most years. Sales and shipments are being filled from inventoried stocks. U.S. firms believe that they are in decent shape, contract wise, going into the new year.

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: 3.9000 - 4.5000
ACID: 4.5000 - 4.7500

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS EFFECTIVE NOVEMBER 1, 2009

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

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

U.S. Dairy Cow Slaughter (000 head) under Federal Inspection & Comparable Week 2012

WEEK ENDING	WEEKLY	2013		2012 WEEKLY	2012	
	DAIRY COWS	CUMULATIVE	DAIRY COWS	DAIRY COWS	CUMULATIVE	DAIRY COWS
01/05/2013	51.1		51.1	58.2		58.2

WEBSITE: http://www.ams.usda.gov/mnreports/sj_ls714.txt

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

CLASS III MILK PRICES (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	19.32	17.03	18.00	16.76	18.18	20.25	18.24	17.32	16.28	17.06	15.51	15.28
2009	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66

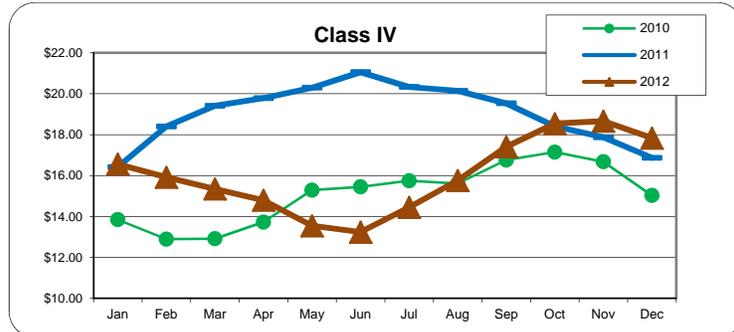
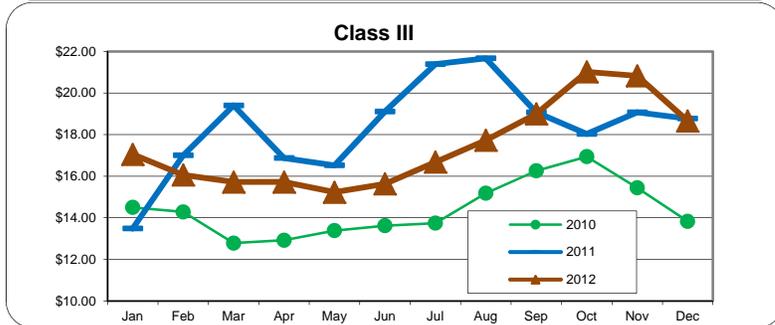
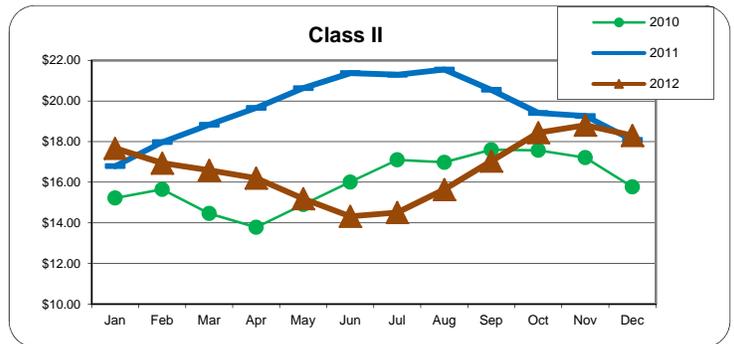
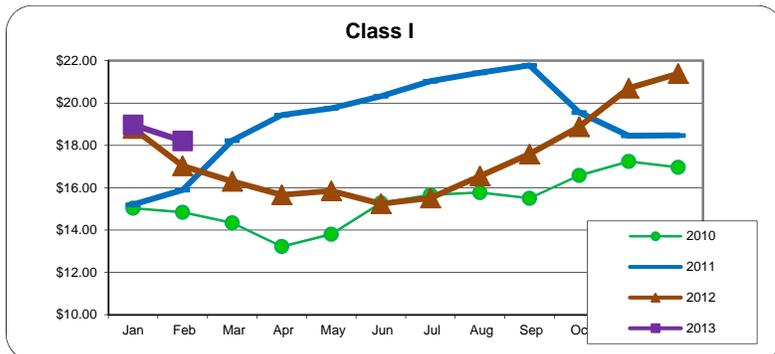
CLASS IV MILK PRICES (3.5% BF)

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
2012	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41	18.54	18.66	17.83

FEDERAL MILK ORDER CLASS PRICES FOR 2013 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.97	18.21										
II												
III												
IV												

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



ORGANIC DAIRY MARKET NEWS

Information gathered January 14 - 25, 2013

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales: AMS reports Total Organic Milk Products sales for November 2012, 191 million pounds, were up 9.0% from November 2011.

Organic Whole Milk sales for November 2012, 49 million pounds, were up 16.0% compared with November 2011.

Organic Fat-Reduced Milk sales for November 2012, 142 million pounds, were up 6.8% compared with November 2011.

This contrasts with a 1.7% November 2012 decline for Total Fluid Milk Products Adjusted (which includes organic and non-organic) compared with one year ago. This total Fluid Milk products data is adjusted for calendar year composition.

Total Conventional Milk Products, which does not include organic milk, has a 0.9% decrease in sales comparing November 2012 with November, 2011, and a -1.5% decline comparing November 2011 year to date to November 2012 year to date.

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

Product Name	Sales		Change from: 2/	
	November Mil. Lbs.	Y-T-D	Prev Yr.	Y-T-D Percent
Whole Milk	1,140	12,290	-0.1	-1.6
Flavored Whole Milk	50	477	9.4	-0.2
Reduced Fat Milk (2%)	1,513	16,387	0.2	-1.4
Low Fat Milk (1%)	605	6,585	-0.6	1.4
Fat-Free Milk (Skim)	594	6,672	-5.9	-5.7
Flavored Fat-Reduced Milk	345	3,475	-1.1	-0.5
Buttermilk	46	438	3.8	1.0
Tot. Conv. Milk Products 5/	4,342	46,427	-0.9	-1.5
Organic Whole Milk	49	502	16.0	10.6
Organic Reduced Fat Milk	55	580	4.6	7.0
Organic Low Fat Milk	41	423	9.2	9.3
Organic Fat-Free Milk (Skim)	37	403	2.0	-3.9
Organic Flavored Milk	6	66	-4.1	-22.0
Organic Fat-Reduced Milk 3/	142	1,481	6.8	1.4
Tot. Organic Milk Products.	191	1,983	9.0	3.6
Tot. Fluid Milk Prod. 4/	4,533	48,410	-0.5	-1.3
Tot Fluid Milk Prod Adj 4/5/	4,478	48,401	-1.7	-1.5

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

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

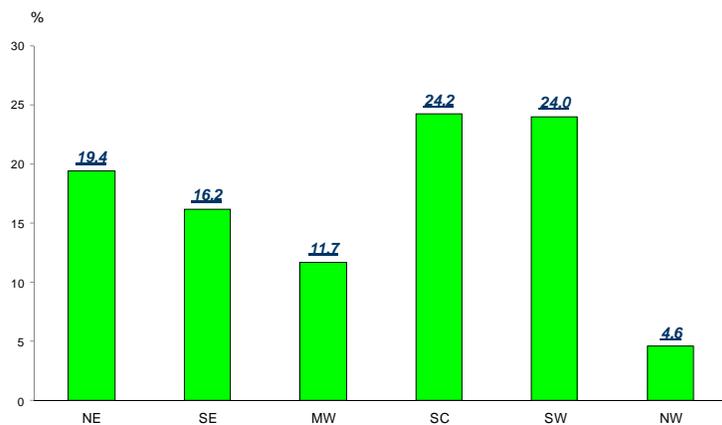
Organic Dairy Overview. Organic dairy advertising volume strengthened to a level not reached since mid-September. Organic milk ads are the greatest factor in overall ad numbers this period, supplemented by higher organic butter ad numbers than during the last several months. Organic milk ads included ads for organic flavored milk, a relatively infrequent occurrence. Organic milk ads comprised 62% of all organic ads, followed by organic butter, 18%; organic yogurt, 15%; and organic cheese, 5%. A very few ads for

organic cottage cheese and sour cream appeared, enough below 1% each so as not to affect rounded percentages. Some organic butter ads continued to offer prices below the highest prices of advertised conventional butter. Organic cheese in 8 ounce blocks and 8 ounce shredded had weighted average advertised prices only a few cents higher than for conventional cheese counterparts.

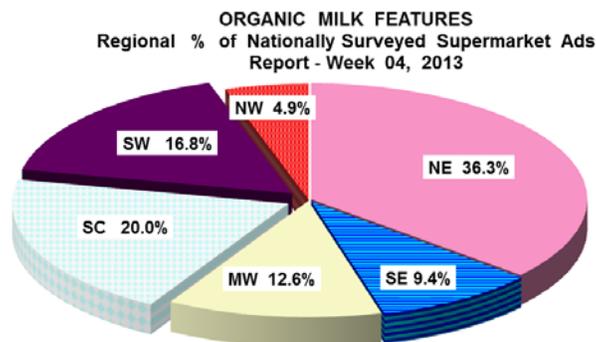
Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period January 12, 2013, to January 25, 2013, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

Regional Organic Dairy Ad Trends. The heaviest concentration of organic dairy ads occurred in the South Central Region, 24.2%, and the Southwest, 24.0%. Ads in the Northeast are 19.4% of total ads, 16.2% in the Southeast, 11.7% in the Midwest, and 4.6% in the Northwest.

Organic Dairy Ads Regionally As A Percentage of Surveyed Organic Dairy Ads Week 04, 2013



Organic Milk. The Northeast returned as the region with the most ads for organic milk, 36.3%, after ceding that position for the last two periods to the Southwest and South Central Regions. This period the South Central is number 2, with 20.0%, followed by the Southwest, 16.8%; Midwest, 12.6%; Southeast, 9.4%; and Northwest, 4.9%.



The vast majority of the organic milk ads, 62.1%, are for non-flavored half gallons, with 33.8% for 8 ounce containers and 4.1% for flavored half gallons.

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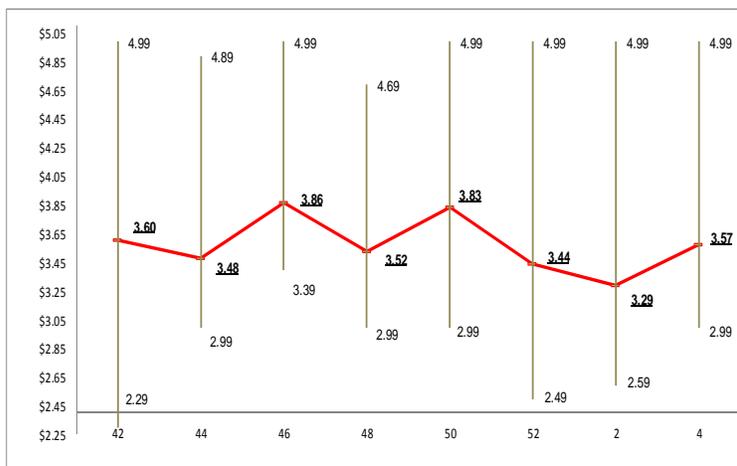
ORGANIC DAIRY MARKET NEWS

Information gathered January 14 - 25, 2013

CONTINUED FROM PAGE 8

Organic Milk Half Gallons. The national weighted average advertised price of organic milk half gallons, \$3.57, is 28 cents higher than two weeks ago. The price range is \$2.99 to \$4.99, increased 40 cents on the bottom of the price range and was unchanged on the top. This period, slightly over 60% of ads are for national brands and slightly under 40% for store brands. Both store brands and national brands had the lowest price in the price range while national brands alone had the highest. The weighted average advertised price for national brands is \$3.82 and for store brands, \$3.19.

Advertised Organic Milk Half Gallon Price Range and Weighted Average Advertised Price by 2012 - 2013 Week



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

REGION	%	WTD. AV. ADV. PRICE \$
NE	31.4	4.02
SE	10.2	3.06
MW	13.5	3.34
SC	21.6	3.29
SW	18.1	3.51
NW	05.3	3.31
US		3.57

Organic - Conventional Milk Half Gallon Price Spread. The current national organic half gallon milk weighted average advertised price of \$3.57 compared with the weighted average advertised price for non-organic half gallons, \$2.01, yields an organic-conventional half-gallon milk advertised price spread of \$1.56, compared with \$0.99 two weeks ago and \$0.49 four weeks ago. The 2012 average spread was \$1.24.

Organic Milk 8 Ounce. The national weighted average advertised price of organic milk 8 ounce containers, \$1.01, is 10 cents higher than two weeks ago. While more often than not this product size is typically advertised at a price of \$1.00, ads in the Northeast moved the national average off \$1.00 currently as well as two weeks ago.

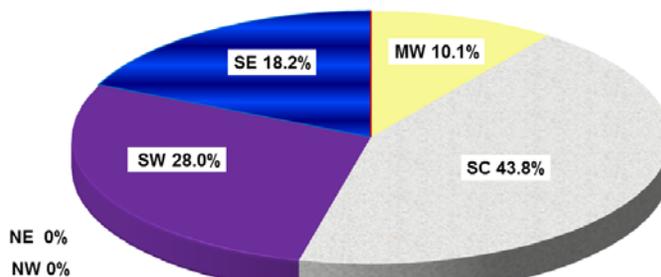
ORGANIC MILK 8 OUNCE ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	09.3	1.08
SE	07.3	1.00
MW	18.6	1.00
SC	21.8	1.00
SW	38.9	1.00
NW	04.1	1.00
US		1.01

Organic Milk Gallons. There are no ads for organic gallons this period.

Organic Yogurt. Organic yogurt ads appeared only for 32 ounce organic yogurt as well as 4-6 ounce Greek yogurt. There are no ads for 4-6 ounce organic yogurt. The South Central Region has the greatest percentage of ads, 43.8%, followed by the Southwest, 28.0%; Southeast, 18.2%; and Midwest, 10.1%. The majority of ads, slightly over 78%, are for 32 ounce organic yogurt with the balance for 4-6 ounce organic Greek yogurt.

ORGANIC YOGURT FEATURES Regional % of Surveyed National Newspaper Ads Report Week 04, 2013



32 Ounce Organic Yogurt. Ads for organic yogurt in 32 ounce containers range in price from \$2.99 to \$3.29, resulting in a national weighted average price of \$3.03. The majority of ads, over 84%, are for store brands with the remaining ads for national brands.

32 OUNCE ORGANIC YOGURT ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	00.0	----
SE	23.2	3.00
MW	12.9	3.00
SC	42.7	3.00
SW	21.2	3.17
NW	00.0	----
US		3.03

4-6 Ounce Organic Greek Yogurt. Ads for Greek Yogurt in 4-6 ounce containers range from \$1.00 to \$1.50 in price, with a national weighted average advertised price of \$1.34. All ads represent national brands.

ORGANIC DAIRY MARKET NEWS

Information gathered January 14 - 25, 2013

CONTINUED FROM PAGE 8-A

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	00.0	----
SE	00.0	----
MW	00.0	----
SC	47.6	1.17
SW	52.4	1.50
NW	00.0	----
US		1.34

1 Pound Organic Butter. Organic butter ads occurred in four of the six regions. The weighted average advertised price is \$3.99, down from \$4.07 two weeks ago. Prices ranged from \$3.79 to \$3.99, with so few ads priced \$3.79 that the overwhelming numbers of stores priced \$3.99 kept the weighted average advertised price \$3.99, notwithstanding a relatively few ads priced \$3.79.

1 POUND ORGANIC BUTTER ADS
REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	00.0	----
SE	15.0	3.96
MW	10.3	3.99
SC	25.4	3.99
SW	49.3	3.99
NW	00.0	----
US		3.99

The lowest price for organic butter, \$3.79, is 20 cents below the highest price for conventional butter this period.

Organic Cheese. Ads for organic cheese, both 8 ounce shredded and 8 ounce blocks, appeared only in the Southeast. All prices are \$2.50, only slightly higher than the weighted average price for conventional shredded 8 ounce cheese, \$2.44, or conventional 8 ounce blocks, \$2.40.

Organic Cottage Cheese. All ads for organic cottage cheese in 16 ounce containers appeared in the Northwest, with a price of \$3.99. All ads are for a national brand.

Organic Cottage Cheese. All ads for organic sour cream in 16 ounce containers appeared in the Northwest, with a price of \$2.99. All ads are for a national brand.

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 near-by creamery brands, one featuring non-homogenized milk. Cheese available included 2 national brands, 2 store brands, and cheese from 5 other cheese makers.

INFORMATION GATHERED 01/14/2013 - 01/25/2013

ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE
2013 REPORTING WEEK 04

		MADISON, WISCONSIN		
		LOW	HIGH	RANGE
		(in Dollars)		
FLUID MILK				
MILK - gallon				
Whole		5.59	6.79	1.20
Reduced fat (2%)		5.59	6.79	1.20
Low fat (1%)		5.59	6.79	1.20
Nonfat (Skim)		5.59	6.79	1.20
MILK - half gallon				
Whole		3.79	4.89	1.10
Reduced fat (2%)		3.79	4.89	1.10
Low fat (1%)		3.79	4.89	1.10
Nonfat (Skim)		3.79	4.89	1.10
FLAVMILK - half gallon				
All fat tests		3.09	5.69	2.60
YOGURT				
Yogurt - 4-6 oz				
Yogurt		0.79	1.29	0.50
CHEESE				
Cheese - 8 oz block				
Mozzarella		3.40	5.75	2.35
Mild Cheddar		3.79	5.99	2.20
Monterey Jack		3.79	5.99	2.20
Pepper Jack		3.89	5.99	2.10
Cheese - 6 oz string				
Mozzarella		3.99	5.09	1.10
Colby Jack		3.89	4.99	1.10
BUTTER				
Butter - 1 Pound		3.99	6.19	2.20

* = Price change from prior reporting period.

ORGANIC GRAIN AND FEEDSTUFF MARKETS:

Market activity was moderate to active on feed grade corn and food grade wheat items. Majority of the movement consisted of farmers delivering and end-users accepting delivery of previously contracted inventories. Buyers were reluctant to purchase spot delivery supplies until they work through their current inventory. End-users continued to keep a close eye on competing countries and their projected supplies. Price levels this period were mostly weak to lower, with some steadiness in areas. Farmers turned their attention to moisture levels or lack of moisture, so they can manage their planting intentions. This has caused farmers to consider moving away from crops that require ample amount of moisture and consider drier climate crops. Note: Spelt moved this traded trading period at \$20 cents/lb and White corn at 24.00 per bushel. Oregon Alfalfa/Orchard Grass large square Good \$265.00; Mixed grass Large Squares Good \$245.00. Additional livestock and grain market news information is available at: www.ams.usda.gov/LSMarketNews

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

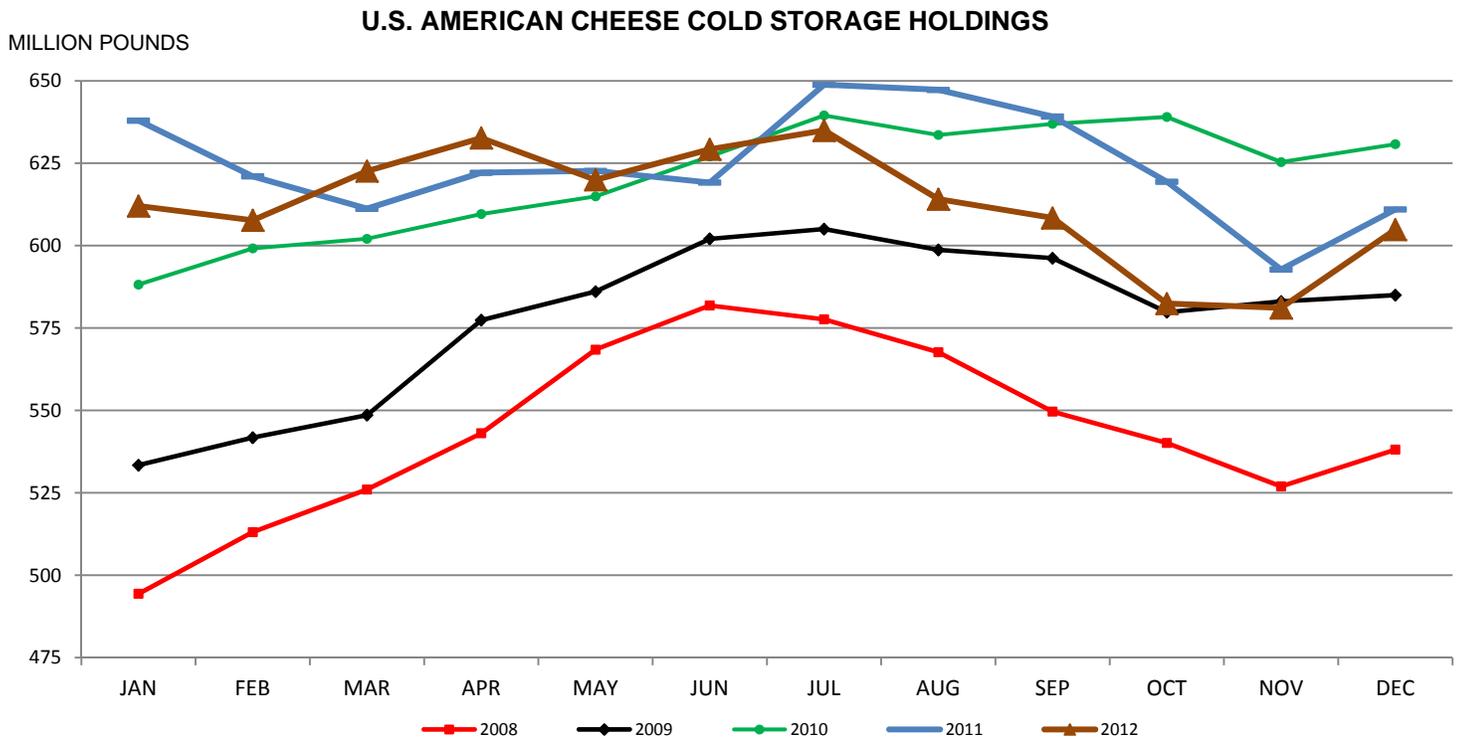
NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under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

All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	NOV 30, 2010	NOV 30, 2011	REVISED NOV 30, 2012	DEC 31, 2010	DEC 31, 2011	DEC 31, 2012
Butter	69,932	93,523	127,282	81,695	106,856	152,853
Cheese, Natural American	625,348	592,773	581,091	630,789	610,998	604,877
Cheese, Swiss	28,877	30,073	30,906	31,492	27,637	34,489
Cheese, Other Natural	371,892	354,919	330,008	385,645	352,981	348,486
Total Cheese	1,026,117	977,765	942,005	1,047,926	991,616	987,852

DECEMBER STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
New England	39,124	42,697	37,131	---	---	---	602	937	857
Middle Atlantic	50,564	47,021	39,743	---	---	---	15,625	17,382	18,283
East North Central	252,683	251,982	252,085	---	---	---	264,439	263,094	256,849
West North Central	101,196	114,370	111,649	---	---	---	65,626	35,003	35,049
South Atlantic	2,124	61	433	---	---	---	6,903	6,157	5,247
East South Central	3,424	1,459	2,681	---	---	---	213	307	778
West South Central	2,637	819	2,888	---	---	---	1,443	1,150	482
Mountain	79,399	46,627	57,594	---	---	---	5,764	4,727	6,593
Pacific	99,638	105,962	100,673	---	---	---	25,030	24,224	24,348
TOTAL	630,789	610,998	604,877	81,695	106,856	152,853	385,645	352,981	348,486

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



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

COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2011 TO DATE

Month	Butter		Natural American Cheese		Nonfat Dry Milk					
	Commercial		Commercial		Total ^{1/}		Commercial		Government	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Million Pounds		Million Pounds		Million Pounds					
January	170	119	612	638	159	128	159	128	0	0
February	205	139	608	621	193	122	193	122	0	0
March	208	144	623	611	210	119	210	119	0	0
April	254	142	633	622	226	147	226	147	0	0
May	262	170	620	623	215	163	215	163	0	0
June	243	190	629	619	144	186	144	186	0	0
July	234	188	635	649	129	192	129	192	0	0
August	201	166	614	647	106	168	106	168	0	0
September	196	151	608	639	118	151	118	151	0	0
October	145	131	582	619	104	143	104	143	0	0
November	127	94	581	593	127	146	127	146	0	0
December	153	107	605	611		165		165		0

^{1/} Includes instant nonfat dry milk.

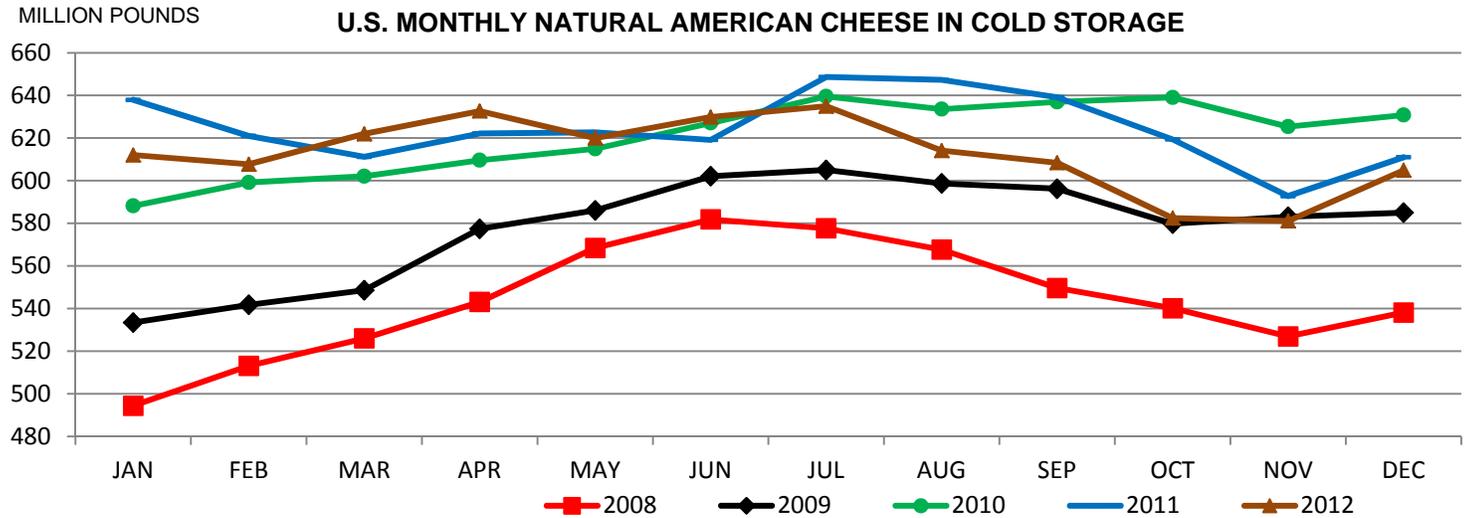
Source: U.S. Department of Agriculture. Farm Service Agency. *Summary of Processed Commodities, September 2012*. National Agricultural Statistics Service. *Cold Storage and Dairy Products, January 2013*.

DECEMBER MILK PRODUCTION

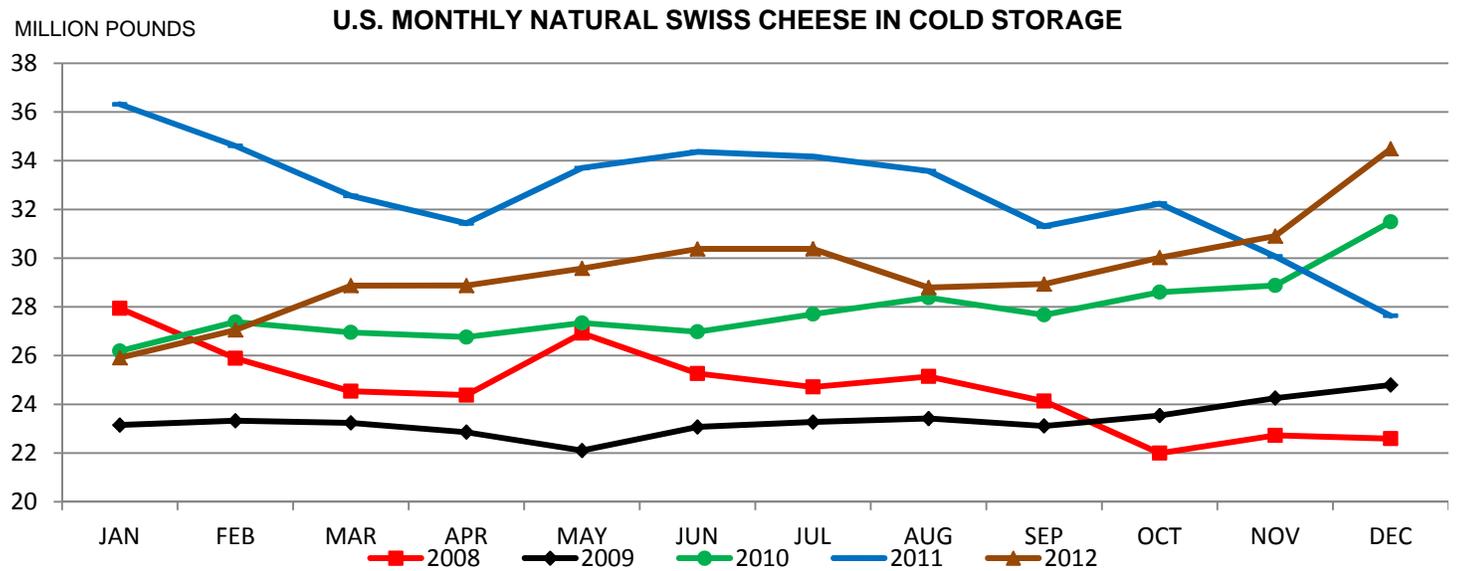
Milk production in the 23 major states during December totaled 15.7 billion pounds, up 1.7 percent from December 2011. November revised production at 14.9 billion pounds, was up 1.3 percent from November 2011. The November revision represented an increase of 31 million pounds or 0.2 percent from last month's preliminary production estimate. Production per cow in the 23 States averaged 1,848 pounds for December, 30 pounds above December 2011. The number of milk cows on farms in the 23 States was 8.49 million head, 5,000 head more than December 2011, and 16,000 head more than November 2012. Milk production in the U.S. during the October-December quarter totaled 49.1 billion pounds, up 0.9 percent from the October-December quarter last year. The average number of milk cows in the U.S. during the quarter was 9.20 million head, 17,000 head less than the same period last year.

STATE	MILK COWS ^{1/2/}				MILK PRODUCTION ^{1/3/}			
	DECEMBER		OCTOBER-DECEMBER		DECEMBER		OCTOBER-DECEMBER	
	2011	2012	2011	2012	2012	% CHANGE FROM 2011	2012	% CHANGE FROM 2011
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	--	--	10.0	9.0	--	--	29.0	-9.4
AK	--	--	0.5	0.4	--	--	1.2	-29.4
AZ	191	185	192.0	182.0	375	-0.3	1,066.0	-2.2
AR	--	--	11.0	9.5	--	--	29.0	-12.1
CA	1,779	1,779	1,778.0	1,779.0	3,416	-2.3	9,989.0	-2.7
CO	131	135	131.0	135.0	272	6.3	804.0	6.2
CT	--	--	18.5	18.0	--	--	86.0	-2.3
DE	--	--	5.0	4.7	--	--	22.0	--
FL	120	122	120.0	122.0	196	-	534.0	0.2
GA	--	--	78.0	80.0	--	--	355.0	-0.8
HI	--	--	1.9	2.1	--	--	6.6	3.1
ID	580	580	580.0	578.0	1,119	1.0	3,348.0	1.6
IL	99	100	98.0	100.0	169	1.8	485.0	1.5
IN	174	174	173.0	173.0	317	4.6	919.0	3.3
IA	203	205	201.0	204.0	387	2.9	1,118.0	2.8
KS	123	131	123.0	128.0	241	10.0	696.0	7.4
KY	--	--	75.0	73.0	--	--	268.0	2.7
LA	--	--	18.0	16.0	--	--	49.0	-9.3
ME	--	--	32.0	32.0	--	--	150.0	0.7
MD	--	--	52.0	51.0	--	--	238.0	0.8
MA	--	--	12.0	12.5	--	--	55.0	5.8
MI	370	377	369.0	375.0	762	5.5	2,209.0	4.2
MN	465	465	465.0	465.0	786	4.4	2,271.0	3.9
MS	--	--	14.0	14.0	--	--	46.0	-2.1
MO	93	93	94.0	93.0	114	-0.9	334.0	-1.5
MT	--	--	14.0	14.0	--	--	74.0	1.4
NE	--	--	57.0	55.0	--	--	296.0	0.7
NV	--	--	29.0	29.0	--	--	160.0	-1.8
NH	--	--	14.0	13.5	--	--	65.0	-4.4
NJ	--	--	7.5	7.0	--	--	31.0	-3.1
NM	334	321	333.0	323.0	674	-0.3	1,976.0	-3.4
NY	610	610	610.0	610.0	1,116	4.2	3,257.0	3.5
NC	--	--	45.0	46.0	--	--	226.0	0.4
ND	--	--	18.0	18.0	--	--	86.0	3.6
OH	270	270	269.0	270.0	456	3.9	1,341.0	4.1
OK	--	--	52.0	46.0	--	--	201.0	-11.5
OR	123	123	122.0	123.0	204	-	608.0	-0.2
PA	539	534	538.0	533.0	900	1.2	2,622.0	0.4
RI	--	--	1.1	0.9	--	--	4.1	-14.6
SC	--	--	16.0	15.5	--	--	65.0	-5.8
SD	--	--	90.0	92.0	--	--	501.0	6.8
TN	--	--	50.0	49.0	--	--	191.0	-4.5
TX	435	433	435.0	431.0	803	-0.7	2,336.0	-3.2
UT	89	90	88.0	89.0	163	1.9	478.0	1.7
VT	133	134	134.0	134.0	218	2.8	637.0	2.2
VA	96	95	96.0	95.0	147	-	423.0	-0.2
WA	263	264	264.0	262.0	515	0.4	1,520.0	-0.7
WV	--	--	10.0	10.0	--	--	38.0	--
WI	1,265	1,270	1,265.0	1,271.0	2,343	5.5	6,817.0	5.1
WY	--	--	6.0	6.0	--	--	32.0	6.7
23 STATE TOTAL	8,485	8,490	--	--	15,693	1.7	--	--
U.S. ^{4/5/}			9,216.0	9,199.0			49,093.0	0.9

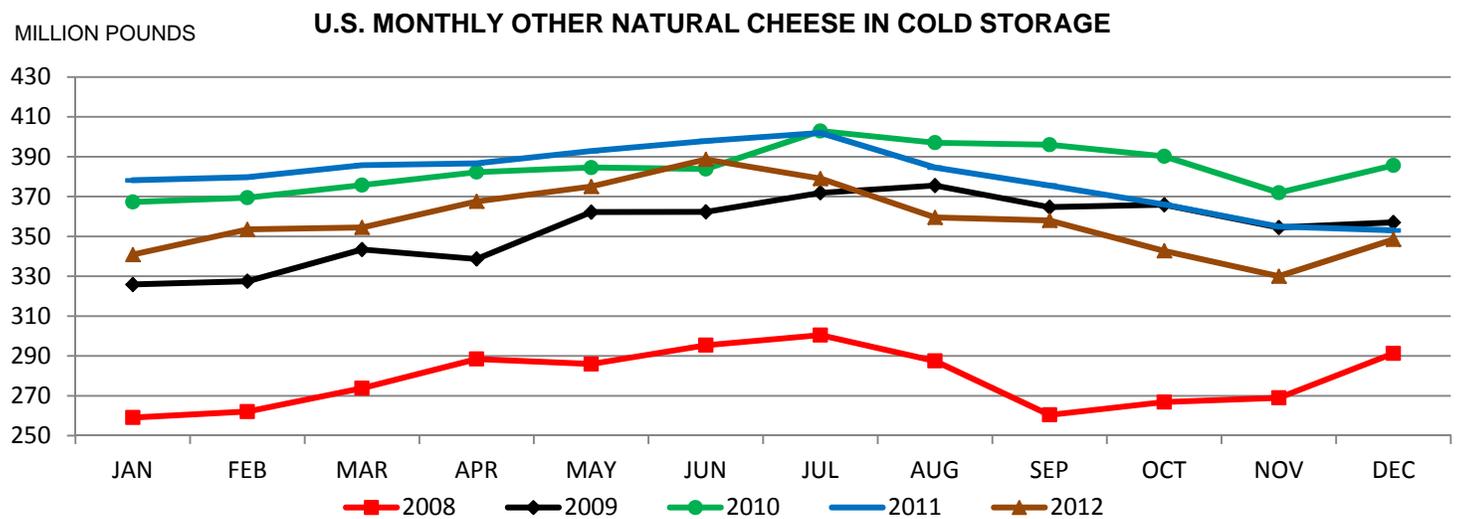
^{1/} Preliminary. ^{2/} Includes dry cows, excludes heifers not yet fresh. ^{3/} Excludes milk sucked by calves. ^{4/} Includes states for which individual monthly estimates are not available. ^{5/} Milk cows will not add due to rounding. **Source:** U.S. Department of Agriculture, National Agricultural Statistics Service, *Milk Production, January 2013*.



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

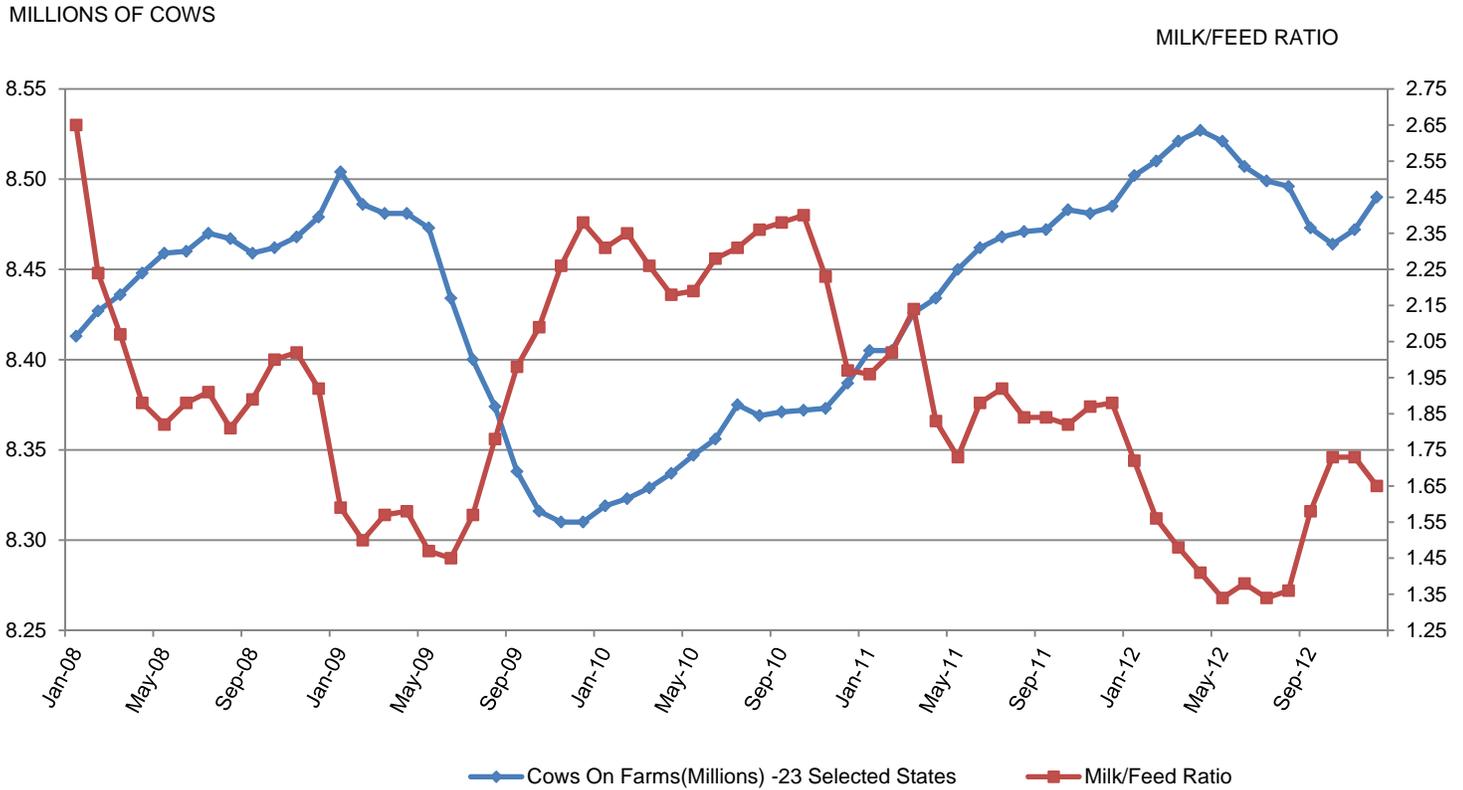


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN



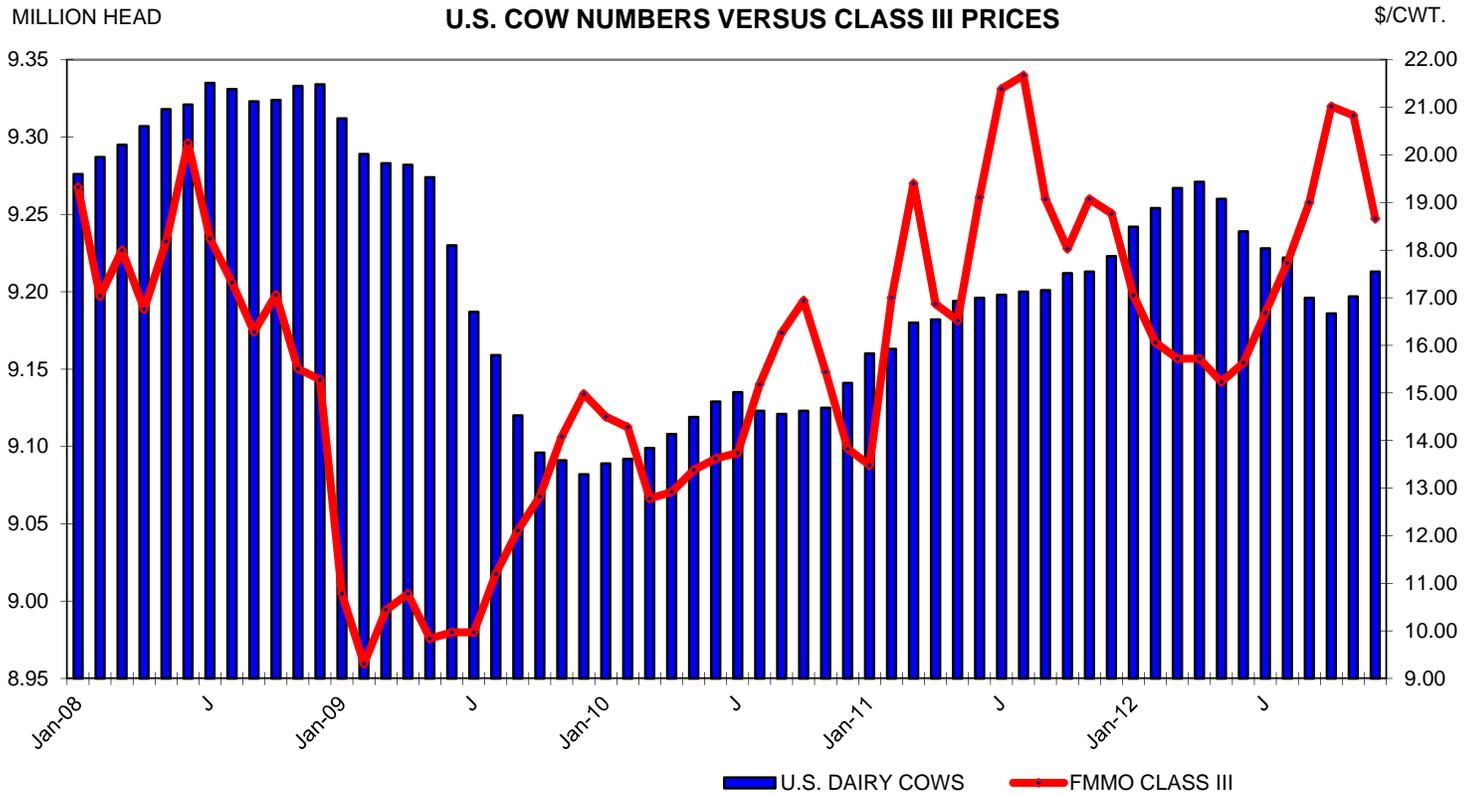
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

MILK/FEED RATIO VS COWS ON FARMS IN 23 SELECTED STATES



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

U.S. COW NUMBERS VERSUS CLASS III PRICES



DATA SOURCE, USDA, NASS & USDA, DAIRY PROGRAMS, MIB; GRAPH, USDA, AMS, DMN

DAIRY MARKET NEWS

GENERAL NUMBER
(608) 278-4200

VOLUME: 80

REPORT: 04

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Volume 80- Number 4

Issued Biweekly

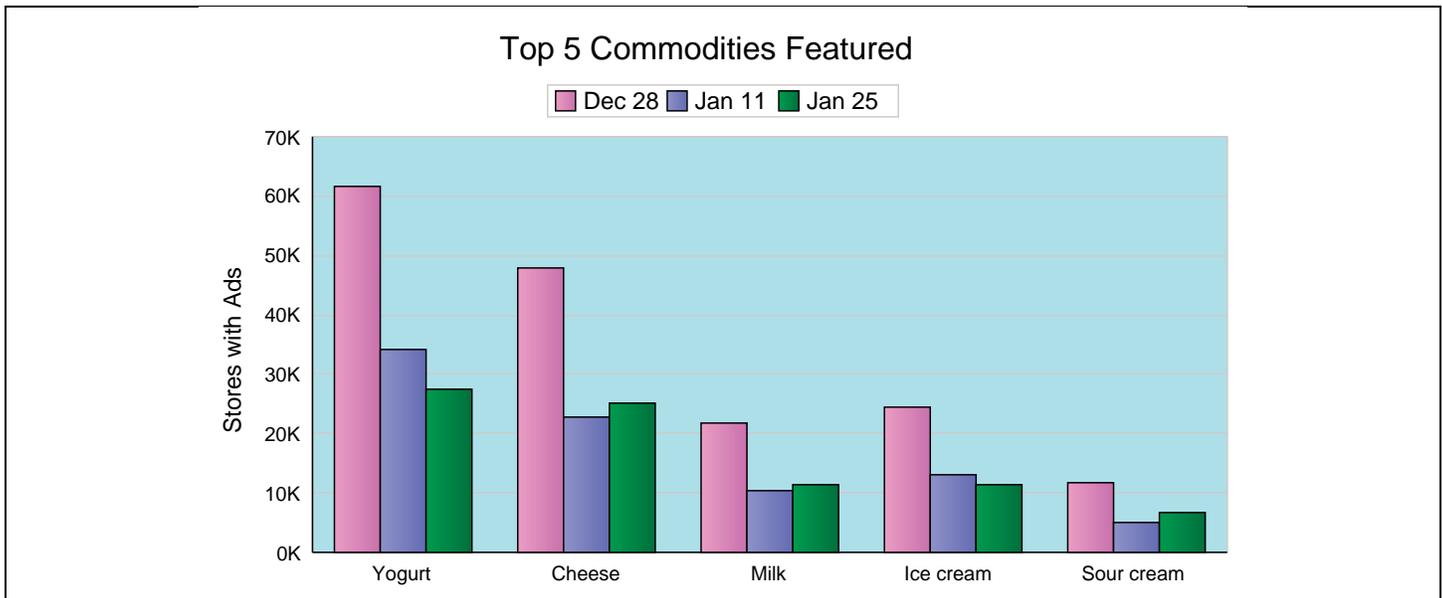
Thursday, January 24, 2013

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 01/14 to 01/25

Yogurt ad numbers once again outpaced all other ads this period to be the largest product category, with 29% of all conventional dairy ads. Nevertheless, total yogurt ad numbers are down 20.2% for the period, after increasing 110.7%, two weeks ago. Cheese ads are the second greatest category, 27% of ads, with ad numbers increasing 7.8%. The largest increase in ads was sour cream, up 36.7%, with 7% of all ads. Ice cream remains in the top 5 during this winter cold spell, with 13% of ads, down just over 14%. Milk rounds out the top 5 categories again with 7% of ads, up 16.1%.

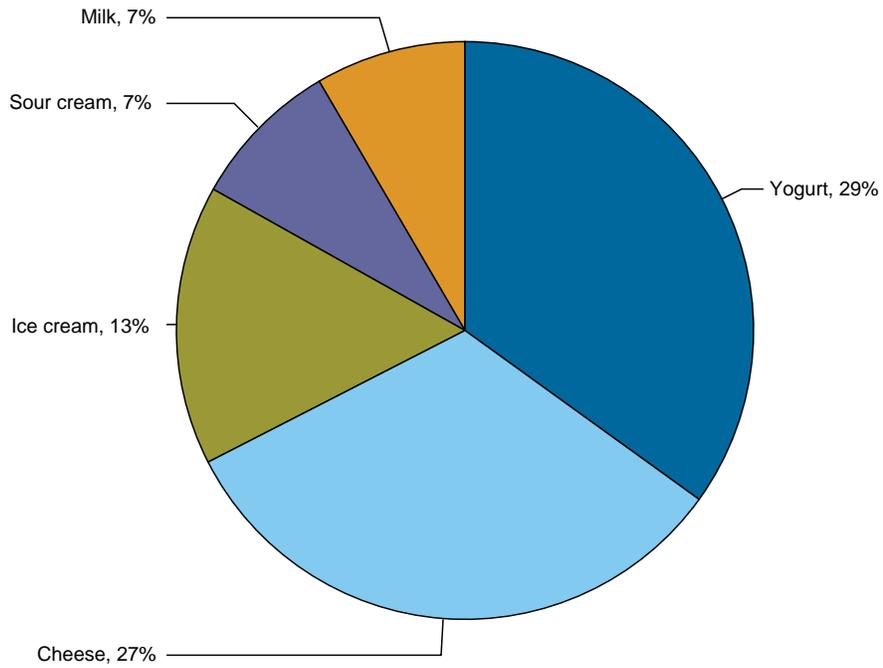
The most advertised product within any category, 4-6 oz. Greek yogurt, increased 2 cents to \$1.01, while regular yogurt ad prices for 4-6 oz. packs increased by 1 cent to \$0.50. Cheese pricing at \$2.44 for 8 oz. shreds, the most featured cheese item, was a 3 cent decrease over two weeks ago. Cheese in 8 oz. blocks averaged \$2.40, down 9 cents. Ice cream in 48-64oz containers averaged \$3.02, down 4 cents. The national 1 pound butter price decreased 30 cents from 2 weeks ago to \$2.63.

The national weighted average advertised conventional milk price for half gallons this period, \$2.01, decreased 29 cents from two weeks ago, following a 65 cents decrease two weeks before that. Organic half gallon prices averaged \$3.57, up 28 cents from two weeks ago, following a 15 cent decline two weeks ago. The resulting organic-conventional half-gallon price spread is \$1.56, up from \$0.99 two weeks ago. The 2012 average price spread was \$1.24.

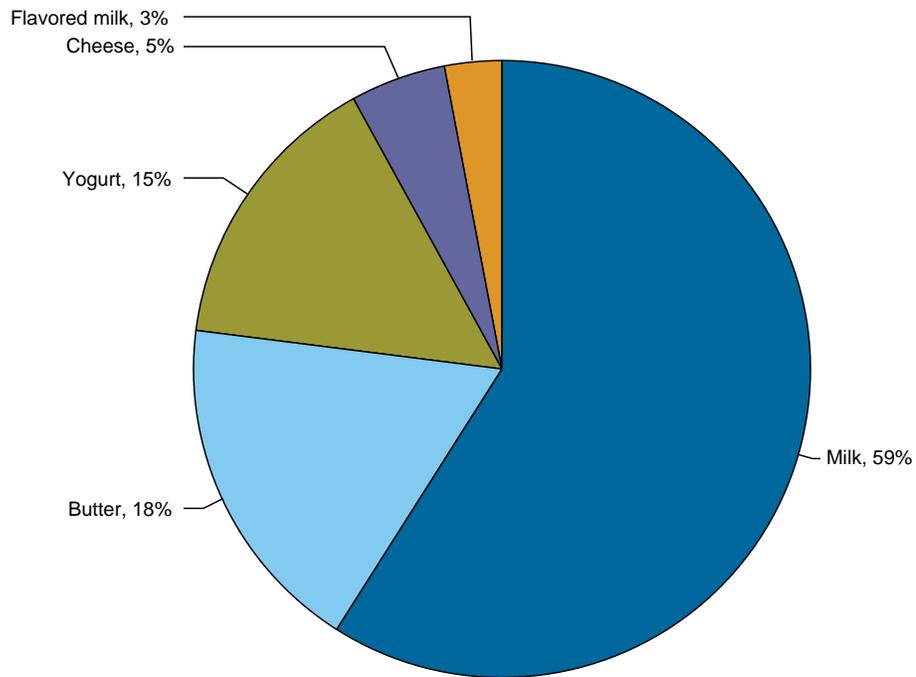


1 -- Dairy Market News surveys more than 150 retailers, comprising nearly 16,000 individual stores, with online weekly advertised features.
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

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 #	3249	2.63	3900	2.93
Cheese	Natural Varieties	8 oz block	8863	2.40	6372	2.49
Cheese	Natural Varieties	1 # block	2299	4.08	3139	4.00
Cheese	Natural Varieties	2 # block	210	6.52	3165	5.17
Cheese	Natural Varieties	8 oz shred	12694	2.44	7869	2.47
Cheese	Natural Varieties	1 # shred	614	3.90	2352	3.32
Cottage cheese		16 oz	3909	1.75	3417	1.96
Cream cheese		8 oz	4800	1.39	4252	1.80
Flavored milk	All fat tests	half gallon	862	1.90	712	2.25
Flavored milk	All fat tests	gallon	379	3.43	542	3.88
Ice cream		48-64oz	11233	3.02	13090	3.06
Milk	All fat tests	half gallon	2115	2.01	1787	2.30
Milk	All fat tests	gallon	4356	2.90	3789	3.02
Sour cream		16 oz	6658	1.53	4870	1.55
Yogurt	Greek	4-6 oz	14827	1.01	17819	.99
Yogurt	Greek	32 oz	2992	3.16	202	3.99
Yogurt	Yogurt	4-6 oz	5930	.50	12801	.49
Yogurt	Yogurt	32 oz	2206	2.37	1908	2.52

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-3.99	2097	2.83	1.89-2.99	497	1.97	1.49-2.66	340	1.97
Cheese	Natural Varieties	8 oz block	1.25-3.49	3860	2.40	2.00-2.79	798	2.38	1.49-2.99	1252	2.29
Cheese	Natural Varieties	1 # block	3.99-4.99	1217	4.13	3.34-3.99	228	3.67	3.29-3.98	249	3.72
Cheese	Natural Varieties	8 oz shred	1.25-3.69	3826	2.54	1.67-3.99	2613	2.41	1.49-2.79	1807	2.21
Cheese	Natural Varieties	1 # shred	3.99	141	3.99	3.34	70	3.34	3.29-4.49	403	3.97
Cottage cheese		16 oz	1.74-2.29	1851	1.97	1.25-2.00	661	1.60	1.25-1.99	576	1.39
Cream cheese		8 oz	0.88-2.25	2251	1.56	0.99-1.50	646	1.16	0.99-2.00	1069	1.29
Flavored milk	All fat tests	half gallon	1.99	266	1.99				1.49-2.50	447	2.01
Flavored milk	All fat tests	gallon							2.69-4.49	379	3.43
Ice cream		48-64oz	2.50-3.78	3566	2.92	2.49-5.49	2797	3.12	1.98-3.99	1596	2.93
Milk	All fat tests	half gallon	2.99	176	2.99	2.50	1023	2.50	0.96-1.66	604	1.30
Milk	All fat tests	gallon	2.48-3.99	331	3.55	2.99-3.99	849	3.12	2.38-3.19	518	2.60
Sour cream		16 oz	0.99-2.00	1796	1.58	1.00-2.00	1233	1.56	1.00-2.78	1117	1.63
Yogurt	Greek	4-6 oz	0.79-1.25	2879	1.06	0.50-1.25	3300	.99	0.88-1.25	2237	1.00
Yogurt	Greek	32 oz	2.99-4.99	351	3.90	2.99-3.59	210	3.30	2.99-3.00	219	2.99
Yogurt	Yogurt	4-6 oz	0.33-0.60	2277	.51	0.34-0.60	1540	.48	0.40-0.60	897	.52
Yogurt	Yogurt	32 oz	1.99-2.99	632	2.66	2.49	158	2.49	1.49-3.00	809	2.04

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99	35	3.99	2.99-3.29	185	3.09	2.50-2.98	95	2.65
Cheese	Natural Varieties	8 oz block	1.99-3.00	965	2.50	2.29-2.79	1320	2.47	2.29-2.49	668	2.31
Cheese	Natural Varieties	1 # block				3.29-4.99	548	4.23	4.79	57	4.79
Cheese	Natural Varieties	2 # block				5.49-7.77	182	6.29	7.98	28	7.98
Cheese	Natural Varieties	8 oz shred	1.99-3.00	1263	2.53	1.99-2.79	2366	2.45	2.29-3.99	819	2.40
Cottage cheese		16 oz	1.69-1.88	78	1.76	1.50-1.99	708	1.62	1.99	35	1.99
Cream cheese		8 oz	1.00-2.00	474	1.38	0.99-1.50	242	1.06	1.25	118	1.25
Flavored milk	All fat tests	half gallon	2.99	31	2.99				0.99	118	.99
Ice cream		48-64oz	1.98-4.99	1030	3.15	1.99-3.79	1752	2.93	2.50-4.99	492	3.63
Milk	All fat tests	half gallon	1.50	85	1.50				0.99-1.99	227	1.12
Milk	All fat tests	gallon	2.19-3.00	542	2.48	1.67-3.45	1528	3.01	2.49-2.59	588	2.55
Sour cream		16 oz	1.00-2.00	875	1.32	0.99-2.00	1173	1.50	1.00-1.88	464	1.53
Yogurt	Greek	4-6 oz	0.99-1.00	1740	1.00	0.99-1.00	2958	1.00	0.80-1.00	1713	.99
Yogurt	Greek	32 oz	2.99	247	2.99	2.99	1320	2.99	2.99-4.99	645	3.17
Yogurt	Yogurt	4-6 oz	0.33-0.60	435	.47	0.50-0.60	561	.50	0.40-0.50	220	.42
Yogurt	Yogurt	32 oz	2.25-2.99	283	2.56	2.49-2.68	177	2.64	2.00-2.50	147	2.10

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 #	1522	3.99	1100	4.07
Cheese	Natural Varieties	8 oz block	195	2.50		
Cheese	Natural Varieties	8 oz shred	195	2.50		
Cottage cheese		16 oz	57	3.99		
Flavored milk	All fat tests	half gallon	232	3.99		
Ice cream		48-64oz			100	6.89
Milk	All fat tests	half gallon	3132	3.57	3417	3.29
Milk	All fat tests	gallon			342	5.68
Milk	All fat tests	8 oz UHT	1929	1.01	881	.91
Sour cream		16 oz	57	2.99		
Yogurt	Greek	4-6 oz	273	1.34	1180	1.09
Yogurt	Yogurt	32 oz	986	3.03	235	2.99

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				3.79-3.99	229	3.96	3.99	157	3.99

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
Cheese	Natural Varieties	8 oz block				2.50	195	2.50			
Cheese	Natural Varieties	8 oz shred				2.50	195	2.50			
Flavored milk	All fat tests	half gallon	3.99	232	3.99						
Milk	All fat tests	half gallon	3.50-4.99	1249	4.02	2.99-3.79	397	3.06	2.99-3.79	358	3.34
Milk	All fat tests	8 oz UHT	1.00-1.25	179	1.08	1.00	141	1.00	1.00	358	1.00
Yogurt	Yogurt	32 oz				3.00	229	3.00	3.00	127	3.00

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99	386	3.99	3.99	750	3.99			
Cottage cheese		16 oz							3.99	57	3.99
Milk	All fat tests	half gallon	2.99-4.99	721	3.29	3.29-3.79	209	3.51	2.99-3.79	198	3.31
Milk	All fat tests	8 oz UHT	1.00	421	1.00	1.00	750	1.00	1.00	80	1.00
Sour cream		16 oz							2.99	57	2.99
Yogurt	Greek	4-6 oz	1.00-1.25	130	1.17	1.50	143	1.50			
Yogurt	Yogurt	32 oz	2.99-3.00	421	3.00	3.00-3.29	209	3.17			

NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

NATIONAL BRANDS vs STORE BRANDS

Commodity	Type	Pack Size	NATIONAL BRANDS				STORE BRANDS			
			Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50	3.99	1196	3.24	1.49	3.99	2053	2.28
Cheese	Natural Varieties	8 oz block	1.50	3.49	5424	2.41	1.25	2.79	3439	2.38
Cheese	Natural Varieties	1 # block	3.98	4.99	1459	4.25	3.29	3.99	840	3.78
Cheese	Natural Varieties	2 # block	7.98	7.98	28	7.98	5.49	7.77	182	6.29
Cheese	Natural Varieties	8 oz shred	1.50	3.99	8109	2.52	1.25	3.50	4585	2.29
Cheese	Natural Varieties	1 # shred	3.98	3.98	155	3.98	3.29	4.49	459	3.88
Cottage cheese		16 oz	1.50	2.29	1141	1.93	1.25	2.00	2768	1.68
Cream cheese		8 oz	.88	2.25	2523	1.45	.99	1.79	2277	1.34
Flavored milk	All fat tests	half gallon	1.49	2.99	277	1.77	.99	2.50	585	1.96
Flavored milk	All fat tests	gallon	3.00	4.49	275	3.65	2.69	3.19	104	2.85
Ice cream		48-64oz	2.49	5.49	6644	3.14	1.98	4.50	4589	2.85
Milk	All fat tests	half gallon	.96	2.99	262	2.44	.99	2.50	1853	1.95
Milk	All fat tests	gallon	2.38	3.99	393	3.37	1.67	3.99	3963	2.85
Sour cream		16 oz	1.49	2.78	1903	1.86	.99	2.00	4755	1.40
Yogurt	Greek	4-6 oz	.50	1.25	13336	1.01	.79	1.25	1491	1.00
Yogurt	Greek	32 oz	2.99	4.99	549	3.90	2.99	2.99	2443	2.99

Wtd Avg - Simple weighted average



			NATIONAL BRANDS				STORE BRANDS			
Commodity	Type	Pack Size	Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	4-6 oz	.33	.60	4068	.52	.33	.60	1862	.46
Yogurt	Yogurt	32 oz	1.49	2.99	1399	2.26	2.25	3.00	807	2.56

NATIONAL -- ORGANIC DAIRY PRODUCTS
NATIONAL BRANDS vs STORE BRANDS

			NATIONAL BRANDS				STORE BRANDS			
Commodity	Type	Pack Size	Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99	3.99	157	3.99	3.79	3.99	1365	3.99
Cheese	Natural Varieties	8 oz shred					2.50	2.50	195	2.50
Cheese	Natural Varieties	8 oz block					2.50	2.50	195	2.50
Cottage cheese		16 oz	3.99	3.99	57	3.99				
Flavored milk	All fat tests	half gallon	3.99	3.99	232	3.99				
Milk	All fat tests	half gallon	2.99	4.99	1907	3.82	2.99	3.50	1225	3.19
Milk	All fat tests	8 oz UHT	1.00	1.25	1929	1.01				
Sour cream		16 oz	2.99	2.99	57	2.99				
Yogurt	Greek	4-6 oz	1.00	1.50	273	1.34				
Yogurt	Yogurt	32 oz	3.00	3.29	157	3.22	2.99	3.00	829	3.00

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