

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (4/19):**

**BUTTER:** Grade AA closed at \$1.7875. The weekly average for Grade AA is \$ 1.7770 (+.0430).

**CHEESE:** Barrels closed at \$ 1.7700 and 40# blocks at \$ 1.8800. The weekly average for barrels is \$ 1.7630 (+.0245) and blocks, \$ 1.8780 (+.0690).

**BUTTER HIGHLIGHTS:** Class II cream demand is diverting increasing cream volumes away from butter churning operations across the country. Churning is still active, and different Q1 marketing strategies have manufacturers' inventories varying widely. Some butter manufacturers find their inventories are close to zero because they employed aggressive make and sell marketing strategies. Other manufacturers followed make and hold tactics, and currently have substantial butter inventories. One strategy may provide challenges for meeting mid to late summer butter commitments, while the other may lead to near to mid-term asset value risk, according to market participants. Price increases Monday through Thursday, built upon sales and unfilled bids at the CME, garnered a weekly total gain of 4.75 cents.

**CHEESE HIGHLIGHTS:** Good volumes of milk available to cheese plants are keeping production in the West seasonally heavy and in the East, on 6-7 day production schedules. Midwestern cheese manufacturers had all of the milk they wanted for cheese making last week, some at below Class III prices. That has changed. This week, extra milk is harder to obtain. Some manufacturers looking for extra milk could not obtain any. Midwestern manufacturers perceive that there is an "adequate" domestic supply of cheese. A noticeable increase in activity from foreign buyers has now resulted in what one Midwestern cheese manufacturer calls "a seller's market" for export transactions. Western cheese buyers are being a little more aggressive in taking ownership. Most indicate that they are comfortable with current inventory levels. Blocks are definitely finding more buyer interest than barrels. Some contacts note that yields are beginning to back off seasonally. Northeast manufacturers report that domestic demand for cheese is mixed with good demand coming from food service and pizza makers, but retail orders and sales have slowed. Export interest for cheese remains good. The current National Dairy Retail Report lists the two most advertised cheese categories as 8 oz. shreds and 8 oz. blocks. The average price for shreds is \$2.27, up 13 cents from last period. The price for 8 oz. blocks is \$2.21, down 4 cents from two weeks ago. FAS reports that for the first quarter of 2013, imports of high tier and quota Italian-type cheese totaled 5.4 million pounds, down 20.3% compared to last year. Imports of quota Italian-type cheese totaled 2.3 million pounds, 22.1% below last year and 7.6% of the

annual quota. Imports of high tier Italian-type cheese totaled 3.1 million pounds, down 18.9% from 2012. Imports of high tier and quota Swiss/Emmentaler varieties totaled 9.7 million pounds, 6.4% more than last year.

**FLUID MILK:** Farm milk production is in varying stages of moving through the flush across the nation. Southern tier states note the peak is over and milk intakes are receding slightly. Southwestern milk is seeing week to week gains along the coast, but Arizona milk is decreasing after cresting recently. North Central farm milk intakes are mostly steady compared to last week as cold, wet weather covers that portion of the country. Milk handlers in the Northeast and Mid-Atlantic report intakes are increasing steadily. Feed stocks are a topic of discussion ranging from green chop being available and pushing milk production higher to Northern areas waiting for the snow to disappear so that winter kill assessments can proceed. Hay prices in the Northwest range from \$185-\$220/ton. Delivered prices into the Central region reportedly topped \$300/ton this week. Cream demand is steady to higher into ice cream, whipping cream, cream cheese.

**DRY PRODUCTS:** Nonfat dry milk prices are mostly higher and the market is firm. Contract sales continue as planned, however, some market participants indicate buyers are in a cool down period this week as they try to sort through market data. Dry buttermilk prices increased across the board as both nonfat solids and butterfat pricing support higher pricing for that commodity. Dry whey mostly prices in the Central and West gained 1/2 cent each. Market participants recognize the West is a prime export location, but Central region manufacturers are exporting dry whey as opportunities arise. Producers indicate dry whey inventories are comfortable and demand is growing steadily. Whey protein concentrate 34% prices shifted higher on the bottom of the range and top of the mostly. Producers' inventories are reportedly in balance to short of fulfilling near term contracts. The lactose market is steady. A few manufacturers have spot loads of unground/standard mesh lactose available. Other producers indicate a recent push to secure new domestic and international customers puts them in oversold positions for the balance of Q2.

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CME GROUP CASH TRADING

COMMODITY	MONDAY APR 15	TUESDAY APR 16	WEDNESDAY APR 17	THURSDAY APR 18	FRIDAY APR 19	WEEKLY CHANGE*	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$1.7675 (+.0125)	\$1.7575 (-.0100)	\$1.7600 (+.0025)	\$1.7600 (N.C.)	\$1.7700 (+.0100)	:: :: (+.0150)	:: :: \$1.7630 :: (+.0245)
40# BLOCKS	\$1.8700 (+.0325)	\$1.8700 (N.C.)	\$1.8850 (+.0150)	\$1.8850 (N.C.)	\$1.8800 (-.0050)	:: :: (+.0425)	:: :: \$1.8780 :: (+.0690)
<b>NONFAT DRY MILK</b>							
EXTRA GRADE	\$1.6900 (+.0100)	\$1.7000 (+.0100)	\$1.7000 (N.C.)	\$1.7000 (N.C.)	\$1.7000 (N.C.)	:: :: (+.0200)	:: :: \$1.6980 :: (+.0600)
GRADE A	\$1.7800 (N.C.)	\$1.7850 (+.0050)	\$1.7850 (N.C.)	\$1.7850 (N.C.)	\$1.7850 (N.C.)	:: :: (+.0050)	:: :: \$1.7840 :: (+.0370)
<b>BUTTER</b>							
GRADE AA	\$1.7600 (+.0200)	\$1.7700 (+.0100)	\$1.7800 (+.0100)	\$1.7875 (+.0075)	\$1.7875 (N.C.)	:: :: (+.0475)	:: :: \$1.7770 :: (+.0430)

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

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

NATIONAL DAIRY MARKET NEWS AT A GLANCE

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**ORGANIC DAIRY MARKET NEWS (DMN):** The national weighted average advertised price of organic milk half gallons, \$3.54, is 5 cents lower than two weeks ago. The price range is \$2.99 to \$4.99. One year ago the average price was \$3.56. The average advertised cost of a half-gallon of organic milk is \$1.24 more than the cost of a conventional half gallon. This price spread, is down 31 cents from two weeks ago. One year ago the price spread was \$1.47, with conventional half gallons priced \$2.09 and organic half gallons priced \$3.56. Organic yogurt ad numbers are the second highest level of the year. About 71% of organic yogurt ads are for 32 ounce containers, with a weighted average advertised price of \$3.04. Last year the average price was \$3.95. Organic yogurt in 4-6 ounce containers accounts for 19% of ads, with an average price of 76 cents. Last year the average price was 63 cents. Finally, 4-6 ounce Greek yogurt ads are 10% of the total, with an average price of 91 cents. Last year the average price was \$1.20. Western organic milk manufactured into organic nonfat dry milk continues to be shipped to the Northeast. Some spot sales are reported at \$3.85. Organic cheese manufactured in New Zealand and sold in U.S. natural food stores is now the topic of some discussion, as to whether future supplies will be affected by the late production season drought New Zealand is experiencing.

**DAIRY MARKET NEWS RETAIL REPORT (DMN):** Cheese retail advertising volume nationally decreased 4% from two weeks ago but prices of the most popular package sizes are up. The most advertised cheese category, 8 ounce shredded (46% of national ads, up from 39% two weeks ago), has a weighted average advertised price of \$2.27, 13 cents more than two weeks ago and 1 cent more than one year ago. The second most advertised cheese category, 8 ounce blocks (24% of national ads), decreased in price 4 cents, to \$2.21, 13 cents less than the price one year ago. Greek yogurt in 4-6 ounce packs continues to be the most advertised yogurt category with a weighted average advertised price of \$1.00, unchanged from two weeks ago and down 2 cents from a year ago. Regular yogurt in 4-6 ounce packs, averaged 51 cents, down 2 cents from two weeks ago and down 5 cents from a year ago. Ice cream ads are up 25%. The national weighted average price is \$3.04 per 48-64 ounce pack, down 10 cents from 2 weeks ago and 23 cents from a year ago. Butter ad numbers for a 1 pound package declined by 60% from two weeks ago and the price increased 29 cents to \$2.75, which is 11 cents below one year ago. Prices ranged from \$1.99 to \$3.99. The national weighted average conventional milk price for half gallons, \$2.30, is up 26 cents from two weeks ago. Organic half-gallon milk, at \$3.54, is down 5 cents from two weeks ago. The organic-conventional half-gallon price spread is \$1.24, compared to \$1.55 two weeks ago and \$2.30 four weeks ago.

**INTERNATIONAL UPDATE (DMN):** At the April 16th g/DT session #90, average prices for the majority of products traded and contracting periods were higher, with skim milk powder slightly lower. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,964 +5.9%; butter, \$4,721 +6.8%; buttermilk powder, \$3,982 +1.3%; cheddar cheese, \$4,753 +3.4%; lactose, not traded; milk protein concentrate, not traded; rennet casein, \$10,060 +7.2%; skim milk powder, \$4,757 -3.2%; and whole milk powder, \$5,245 +2.4%.

**MAY FEDERAL MILK ORDER ADVANCE PRICES (FMMO):**

Under the Federal milk order pricing system, the base Class I price for May 2013 is \$17.76 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$11.89 and the advanced butterfat pricing factor of \$1.7955. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. Compared to April 2013, the base Class I price increased \$0.10. For selected consumer products, the price changes are: whole milk(3.25% milk fat), \$0.08 per cwt., \$0.007 per gallon; reduced fat milk (2%), -\$0.03 per cwt., -\$0.003 per gallon; fat-free (skim milk), -\$0.14 per cwt., -\$0.012 per gallon. The advanced Class IV skim milk pricing factor is \$11.89. Thus, the Class II skim milk price for May is \$12.59, and the Class II nonfat solids price is \$1.3989. The two-week product price averages for May are: butter \$1.6542, nonfat dry milk \$1.5021, cheese \$1.6803, and dry whey \$0.5797.

**MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, JANUARY 2013, WITH COMPARISONS (AMS & CFA):**

In January 2013, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$20.18, down \$1.32 from the December 2012 average, and up \$0.88 from the January 2012 average. The component tests of producer milk in January 2013 were: butterfat, 3.86%; protein, 3.17%; and other solids, 5.75%. On an individual reporting area basis, mailbox prices decreased in all Federal milk order reporting areas when compared to the previous month. Mailbox prices in January 2013 ranged from \$23.22 in Florida to \$18.16 in New Mexico.

**MARCH FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY (DAIRY PROGRAMS):**

During March, more than 11.7 billion pounds of milk were received from producers. This volume of milk is 1.5% lower than the March 2012 volume. In March 2012 and March 2013, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. More than 3.6 billion pounds of producer milk were used in Class I products, 4.1 percent lower than the previous year. The all-market average Class utilization percentages were: Class I = 31%, Class II = 11%, Class III = 46% and Class IV = 12%. The weighted average statistical uniform price was \$18.47 per cwt., \$0.23 lower than last month and \$1.58 higher than last year.

## CME GROUP

MONDAY, APRIL 15, 2013

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.7800, 1 @ \$1.7700, 3 @ \$1.7675; 5 CARS 40# BLOCKS: 3 @ \$1.8600, 1 @ \$1.8650, 1 @ \$1.8700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.6900; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.7600; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7550; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.8000

TUESDAY, APRIL 16, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 3 CARS 40# BLOCKS @ \$1.8700; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7575  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.7000; 2 CARS GRADE A @ \$1.7850; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$1.8000  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.7700; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7700; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.8000

WEDNESDAY, APRIL 17, 2013

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.7500, 1 @ \$1.7550, 1 @ \$1.7575; 4 CARS 40# BLOCKS: 3 @ \$1.8700, 1 @ \$1.8800; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.7600; 1 CAR 40# BLOCKS @ \$1.8850; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.7800; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7800; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.8000

THURSDAY, APRIL 18, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.8850; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.8000  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.7825; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7875; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.8000

FRIDAY, APRIL 19, 2013

CHEESE -- SALES: 1 CAR BARRELS @ \$1.7700; 1 CAR 40# BLOCKS @ \$1.8800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.8000  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.8000

## BUTTER MARKETS

## NORTHEAST

The CME Group butter price increased \$0.0100 on Tuesday and closed at \$1.7700. Butter prices have not seen a decrease in the last 12 trading sessions and have registered a net increase of \$0.1400 over that period. Trading activity has been fairly light with only 5 loads sold in the last 7 sessions. Ample cream supplies are maintaining good volumes going to churns, keeping butter production steady. Domestic demand for butter has softened, which is expanding some manufacturers' inventories of bulk butter. Production of 82% unsalted butter continues at some plants as they fill export orders. Export demand remains strong. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 2.222 million pounds (1,008 metric tons) of butter. The product will be delivered April through September 2013. During 2013, CWT has assisted member cooperatives in making export sales of butter totaling 49.368 million pounds and anhydrous milk fat totaling 44,092 pounds. According to the National Dairy Retail Report, retail butter ads in the Northeast totaled 905, 26% of the total national ad count of 3,445, second highest of any region. The weighted average price for a 1 lb. package of butter in the Northeast was \$2.82, 7 cents more than the national weighted average price and 3 cent more than the previous reporting period. Current bulk butter prices have been supported by export sales and are 4-10 cents over the market on the CME Group with various time frames and averages used.

## CENTRAL

Butter is showing price strength. Last week's (+.0695) increase in the weekly average for butter is the greatest increase since mid-October last year. It also took the butter weekly average to a 2013 high. Each close this week through Wednesday has been up, 4 cents up for the week so far to \$1.7800. Manufacturers characterize the buying interest for export markets as "strong", allaying concern over the level of butter stocks. In the Midwest, there has been some increase in production of AMF to address demand from chocolate and process cheese manufacturers. Butter retail advertising volume nationally reported in the National Dairy Retail Report

decreased by 60% from two weeks ago. The national weighted average advertised price for a 1 pound package increased 29 cents to \$2.75, 11 cents below what the price was one year ago. Ad volume in the Midwest decreased by 26% from two weeks ago, following a 40% decrease from two weeks before that. The Midwest regional weighted average advertised price of \$2.46 is 15 cents lower than two weeks ago. Current advertised prices range from \$1.98 to \$3.00. Cooperatives Working Together (CWT) has accepted requests for export assistance to export 2.222 million pounds (1,008 metric tons) of butter. The product will be delivered April through September 2013. Year-to-date, CWT has assisted member cooperatives in exporting 49.368 million pounds of butter, and 44,092 pounds of anhydrous milk fat.

## WEST

Butter prices have gained 15 cents at the CME Group from the first of April through Wednesday of this week. The market closed at \$1.78 at midweek. Some contacts are a little surprised with this amount of strength just before the spring flush and with stocks of butter and cream available. They understand that overseas issues are playing into the current domestic market, but wonder how long this will last. Butter sales activity is generally reported as fair to good for this time of year. Some contacts indicate that demand for retail prints remains good enough to really limit the amount of butter being put up in the bulk form. They wonder how this may impact markets this fall. Other operations indicate that have been making normal volumes of spring bulk butter and are selling some off at a profit now as opposed to holding for the fall holiday demand season. Comments were also noted that ice cream demand for cream is slow in developing and is not a factor at this time. Looking at the National Dairy Retail Report, the average butter price for the U.S. increased 29 cents from last period to stand at \$2.75. The price is down 11 cents from last year.

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## NATIONAL DAIRY PRODUCTS SALES REPORT

## U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
April 13, 2013	1.6618 6,351,212	1.6932 10,544,614	1.6673 10,427,967	0.5721 6,379,168	1.5113 32,218,357

Further data and revisions may be found on the internet at: <http://www.ams.usda.gov/AMSV1.0/DairyProductMandatoryReporting>

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<b>2013 U.S. Butter Imports (USDA-FAS)</b>			
	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Mar Quota Imports	0.98	+ 91.8	6.3
Jan. - Mar. High Tier	.16	+ 347.3	N.A.
Quota Imports	2.53	+ 52.7	16.4

## CHEESE MARKETS

## NORTHEAST

Cheese prices on the CME Group were mixed Tuesday with barrels decreasing \$0.0100 to close at \$1.7575, while blocks closed unchanged at \$1.8700. The decline in the Barrel price halted a string of increases registered in the last eleven trading sessions, which saw barrels increase \$0.1700. Blocks also saw its run of increases registered over the last 8 sessions stopped. Increases over those 8 sessions totaled \$0.1775. Weekly average prices for barrels and blocks increased significantly last week and increased wholesale prices for cheddar blocks and Muenster by \$0.0925. Process 5# sliced cheese advanced \$0.0950. Wholesale prices for Swiss cuts were unchanged. Milk volumes flowing to cheese vats continue to be robust, keeping most cheese makers on 6-7 day production schedules. Domestic demand for cheese is mixed with good demand coming from food service and pizza makers, but retail orders and sales have slowed. Export interest for cheese remains good. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 1.984 million pounds (900 metric tons) of Cheddar cheese. The product will be delivered April through September 2013. During 2013, CWT has assisted member cooperatives in making export sales of cheese totaling 49.090 million pounds. According to the National Dairy Retail Report, retail cheese ads for 8 oz. block cheese in the Northeast totaled 2,611, 48% of the total national ad count of 5,392 and was the highest ad count for any region. Retail cheese ads for 8 oz. shredded cheese in the Northeast totaled 2,861, 27% of the total national ad count of 10,493, and was the highest ad count for any region. The weighted average price for 8 oz. cheese blocks in the Northeast was \$2.32, 11 cents higher than the national weighted average price, but 18 cents lower than the previous reporting period. The weighted average price for 8 oz. shredded cheese in the Northeast was \$2.46, 19 cents more than the national weighted average price and 11 cents higher than the previous reporting period.

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

Cheddar 40# Block	:	2.2075-2.4925
Process 5# Sliced	:	1.9600-2.4400
Muenster	:	2.2275-2.5875
Grade A Swiss Cuts 10 - 14#	:	3.4300-3.7525

## MIDWEST

Last week's increase in the weekly average for barrels (+.0950) and blocks (+.0935) is the largest increase in each since the week of September 24<sup>th</sup> last year. Some in the industry wondered whether the pace of increases was too much too fast. This week barrels declined on Tuesday and blocks closed unchanged. Cheese manufacturers had all of the milk they wanted for cheese making last week, some at below Class III prices. That has changed. This week, extra milk is harder to obtain. Some manufacturers looking for extra milk could not obtain any. Manufacturers perceive that there is an "adequate" domestic supply of cheese. As for international factors, discussion actively continues about New Zealand and drought adversely ending the production season in that country. Discussion is vague as to the expected specific reduction in New Zealand cheese output, but widespread as to the fact of drought. The fact of drought and some noticeable increase in activity from foreign buyers has now resulted in what one manufacturer calls "a seller's market" for export transactions. Both Midwest and national cheese ad volume reported in the National Dairy Retail Report

decreased from two weeks ago. National ad numbers decreased by 4% and Midwest ads decreased by 9%. Regional ads for 8 ounce shredded cheese (65% of total regional cheese ads, up from 42% two weeks ago) have a weighted average advertised price of \$1.97, 30 cent lower than the national average. For 8 ounce blocks in the Midwest (12% of total regional cheese ads, down from 34% two weeks ago), the average price is \$2.00, 21 cents lower than the national average. Cooperatives Working Together (CWT) has accepted requests for export assistance to export 1.984 million pounds (900 metric tons) of Cheddar cheese. The product will be delivered April through September 2013. Year-to-date, CWT has assisted member cooperatives in selling 49.090 million pounds of cheese.

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

Process American 5# Loaf	:	1.9325-2.6375
Brick And/Or Muenster 5#	:	2.1950-2.7550
Cheddar 40# Block	:	2.1950-3.0675
Monterey Jack 10#	:	2.1650-3.0675
Blue 5#	:	2.4575-3.4450
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.0375-3.1675
Grade A Swiss Cuts 6 - 9#	:	2.9500-3.0675

## WEST

Wholesale prices moved sharply higher this week as prices adjusted after the strong run up at the CME last week. Both natural and process cheese prices increased more than 9 cents. The increases tempered somewhat this week as prices were firm on Monday, but were generally steady to lower on Tuesday. On Wednesday, prices again strengthened. Barrels moved up \$.0025 to \$1.76 and blocks increased \$.0150 to \$1.8850. Cheese production remains seasonally heavy in the West with good volumes of milk available to cheese plants. Sales activity is fair to good. Buyers are being a little more aggressive in taking ownership. Most indicate that they are comfortable with current inventory levels. Blocks are definitely finding more buyer interest than barrels. Some contacts note that yields are beginning to back off seasonally. Looking at the National Dairy Retail Report, we see that the two most heavily advertised categories are 8 oz shreds and 8 oz blocks. The U.S. average price for shreds is \$2.27, up 13 cents from the last period. The price for 8 oz blocks is \$2.21, down 4 cents from two weeks ago.

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

Process 5# Loaf	:	1.8675-2.1250
Cheddar 40# Block	:	1.9275-2.2800
Cheddar 10# Cuts	:	2.1075-2.3275
Monterey Jack 10#	:	2.1175-2.2775
Grade A Swiss Cuts 6 - 9#	:	3.0075-3.4375

## FOREIGN

The CME Group weekly average block price made a sizeable increase last week, which resulted in a \$0.0925 increase in domestic wholesale foreign type cheese prices. Domestic Swiss cuts and import cheese prices were unchanged. The dip in consumer spending for March, as reported by the Commerce Department, bled over to retail sales of imported and foreign type cheeses with cheese importers noting sluggishness in cheese orders.

## CHEESE MARKETS

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## FOREIGN (continued)

As reported by FAS, imports of high tier and quota Italian-type cheese from January through March this year totaled 5.4 million pounds, down 20.3% compared to last year. Imports of quota Italian-type cheese January through March totaled 2.3 million pounds, 22.1% below last year and 7.6% of the annual quota. Imports of high tier Italian-type cheese January through March totaled 3.1 million pounds, down 18.9% from 2012.

Imports of high tier and quota Swiss/Emmenthaler varieties from January through March 2013 totaled 9.7 million pounds, 6.4% more than last year.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.3475-3.8350*
Gorgonzola	: 3.4900-6.4700	: 2.8500-3.3050*
Parmesan (Italy)	: -0-	: 3.7375-5.8275*
Provolone (Italy)	: 3.4400-5.4500	: 2.3900-2.5475*
Romano (Cows Milk)	: -0-	: 3.5375-5.6875*
Sardo Romano (Argentine)	: 2.8500-3.6900	: -0-
Reggianito (Argentine)	: 3.2900-4.4600	: -0-
Jarlsberg-(Brand)	: 2.9500-5.2900	: -0-
Swiss Cuts Switzerland	: -0-	: 3.5275-3.8500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

\* = Price change.

	2013 U.S. Cheese Imports (USDA-FAS)		
	(Million Lb.)	% Change From 1 Year Ago	% of Yearly
Quota			
Mar. Quota Imports	13.1	+ 6.8	4.4
Jan. - Mar.			
High Tier	6.2	- 13.7	N.A.
Quota Imports	36.0	+ 3.4	12.0

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

BUTTER : CHEESE

		:	
04/15/13	13,850	:	111,907
04/01/13	12,285	:	113,292
CHANGE	1,565	:	-1,385
% CHANGE	13	:	-1

## 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	0	89	0	105	0	190
SOUTHEAST STATES	0	0	0	0	30	0

Milk production increases in the Northeast and Mid-Atlantic regions are expanding manufacturing milk supplies. Class I demand is steady with last week. Rains and warmer temperatures, especially in the Mid-Atlantic region, are greening up pastures and promoting forage growth. Pastures in Pennsylvania are rated as 80% fair to good. Florida's weather has turned hot with day time highs in the 90's, which has lowered cow comfort levels and milk production. Class I demand has declined as many tourist and seasonal residents are making their way back home. Florida remains very dry and thunderstorms this past week brought more problems than rain as lightning strikes caused numerous wildfires. The decline in milk production lowered export loads to 89 this week. A closer look at milk exports out of Florida shows that exports declined by over half, which is a reflection of the "weak flush" this year, brought about by thin margins and limited feed stocks. Milk production is at or just past its peak in the southern tier of states in the Southeast region. Supplies are mostly in balance with demand with only a few loads going to manufacturing facilities over the weekend. Class I demand was fairly strong this week with no one factor accountable for the strong showing. Pastures in most of the region are now open for grazing. Cream demand has increased in the East with only a few loads being shipped out of region. The cream supply is receiving good pulls from ice cream, cream cheese, and whipping cream. **Cream multiples for all Classes** expanded this week as good demand in the East pushed the upper end of the range higher, while cream shipments out of region lowered the low end of the range. Cream multiples this week range from 1.16-1.30. Class II demand for condensed skim has increased with the onset of warmer spring time temperatures and increases of ice cream production. A majority of the condensed skim volume continues to be channeled to Class IV production.

## 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 -	2.1155-2.2542
F.O.B. producing plants: Upper Midwest -	2.0808-2.2195

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

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.52 - 1.60
Northeast - Class III - spot prices -	1.35 - 1.43

## MIDWEST

Farm milk intakes are steady into most North Central manufacturing plants this week. Processors have been anticipating the flush would begin in earnest in that area, but for many plants, that has not been the case. Milk marketers and plant managers indicate the plateauing of milk intakes may be related to dairy operators running low on feed stocks and reformulating rations to stretch them out. Dairy quality hay is available from the Plains, but is relatively expensive. Reports indicate some Idaho hay cleared into the Central region at \$320/ton. Fluid milk demand is light. A few bottlers report spot milk loads are readily available to move into Class I, but bottlers generally have

sufficient volumes without adding to them with spot loads. Interest for selling into Class I is active. Conversely, interest in selling spot loads of milk into Class III is light. Generally, cheese plants are bidding for spot milk at discounts to Class price, thus interest is limited. Spot milk pricing within the region ranges from \$.50 below Class to \$1.00 over. Cream multiples increased on both ends of the range this week, 1.20 - 1.28. A decrease in East cream coming into the Central region accounted for the tighter feel to the cream market. Cream volumes clearing into ice cream and ice cream mix plants are gradually increasing. Production of sour cream is reportedly flat. A few plants are keeping internal cream supplies for AMF production. Interest in AMF is steady into confectionary, sauce mixes, and process cheese.

## WEST

CALIFORNIA milk production is seeing slight week-to-week gains. Green chopping is being fed to cows and the resulting seasonal increase in milk is being noted. Milk solids and fat levels are indicated to be declining as a result of the new feed. Higher dairy product prices are being noted and producers are watchful for higher milk prices. The new feed and declines in other feed costs are welcomed by milk producers. Processing plants are working on active schedules to handle the current milk intakes. Class I markets are mostly steady with recent weeks and ordering is generally predictable. ARIZONA milk production is mostly steady to slightly down from the seasonal peak. Milk is being handled well as processing plants are working systematically to manage the current volumes. There is a good, steady Class I pull. Weather conditions are expected to heat up towards the end of the week, but current conditions are not stressing animals. CREAM markets are uneven. Demand is light to fair to higher class products and movements to butter plants are active. Ice cream interest is slow to develop and not wanting to bid much on cream. Cream prices are generally higher with butter price increasing and adjustments being made to basing points. At the CME Group, Grade AA butter pricing closed at \$1.7800 on Wednesday, April 17, up 4.5 cents from a week earlier. Cream multiples widened and range 1.00 to 1.22, down on the bottom end. Contacts are stating that the milk supply in WASHINGTON and OREGON is very manageable for this time of year. Conditions are generally on the cool side with some moisture. Grass and pastures are turning green, but it will be a bit of time before any real feed value is apparent. Producers are noting that some feed costs have backed off a bit. Early spring weather is beginning to hit the dairy areas of UTAH and IDAHO. Green up is occurring and alfalfa is coming out of dormancy. Most contacts feel that most dairy producers are in pretty good shape with hay stocks until new crop supplies become available. Early indications are of only limited expansion plans for dairies. Much of this thought seems to be related to the new large plant in Idaho. FAS reports that exports of alfalfa hay for February remained above 150,000 tons for the fifth month in a row. The February total was 150,500 tons with China being the top importer at 31% of the total, the UAE next at 30%, and Japan following at 25%. Hay prices in Idaho are currently about \$200/ton FOB for good to premium hay. Prices in Utah range from \$185-220 for supreme hay. Prices in the Columbia Basin of Oregon and Washington range from \$195 for large square bales to \$254 for small square bales of premium dairy hay. The NASS Crop Progress report indicates that U.S. corn planting as of April 14 had reached only 2% compared to 16% last year and the average of 7%. Cold, wet conditions are to blame for the delay.

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

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

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** Low/medium heat nonfat dry milk prices are higher on a firm market. High heat nonfat dry milk pricing is mixed, with some basis prices decreasing and others increasing. Manufacturers indicate they're actively filling contract orders for low/medium and high heat nonfat dry milk. Spot sale activity is slower than during the last two weeks. The initial jolt from the Oceania auction prices is past. Buyers are now trying to sort through pricing offers, evaluate NDM inventories, and determine if it is necessary to take positions on NDM in the very near future to limit upside risk. Resellers also termed buyer interest as light for the week. Nonfat dry milk production is active throughout the Central region, although additional seasonal interest in Class II condensed skim is diverting some volumes from the dryers. Low/medium heat nonfat dry milk inventories are building. High heat NDM inventories are geared toward contract fulfillment, and are mostly steady.

**EAST:** Nonfat dry milk prices were mixed as sales based on various price indices moved prices lower on the low end of the range for high heat, while low heat prices moved higher. Prices for low heat on the mostly range moved higher as higher spot sale prices dominated the fairly light market activity. Most of the market focus is on low heat as low heat spot sales are above high heat contract prices and there is little motivation for manufacturers to produce high heat nonfat dry milk, beyond their contract commitments. Production of nonfat dry milk continues to be very active as milk production increases along the seasonal trend, expanding manufacturing milk supplies. Market activity has lightened considerably as manufacturers are holding inventories with confidence, anticipating prices will move higher in the near term. Market activity has also lightened, due to the considerable disbelief and resistance among buyers that the market can move much higher in the face of the oncoming spring flush. The retraction in SMP prices on the g/DT auction this week has also given pause to many would be buyers to purchase product at this time. Most market participants continue to be unsure as to how best to position themselves in the marketplace. Domestic demand for nonfat dry milk has increased marginally this week with support coming from increased ice cream production. Export demand remains active with continued concerns of limited product availability from Oceania. The market undertone can best be described as cautiously firm.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.5725 - 1.8000 MOSTLY: 1.5725 - 1.7100  
 HIGH HEAT: 1.6125 - 1.7150

**NONFAT DRY MILK - WEST**

Western low/medium heat nonfat dry milk prices continue to move higher. The market tone is firm with stronger notes for spot market trades. Pricing is moving higher as markets react to recent higher international indications for SMP and the following trend of higher prices throughout the marketplace. While the spot market is moving higher, sales prices based on indices are tending to be steady. The indices are calculated using past sales in the past 30 - 150 days range. This is tempering the effect of the price swing, yet this is the same but opposite effect when market prices move down from a peak. Contracted volumes are being delivered on time. Some buyers are becoming more cautious about the recent market euphoria. The higher international pricing for SMP did ease for New Zealand powder during the recent auction, yet sales of U.S. MH SMP topped \$2.00 a pound. Contacts are indicating that this is

"a sale" and that other sales are occurring at pricing points below that level, at or near the top end of the current U.S. NDM quotes. At current high production levels, it is challenging to make dryer time to manufacture MH products. Domestic U.S. interest seems more subdued after some buyers sought coverage and/or took positions. End users are concerned about the pricing points making finished product prices more expensive. The realization that the U.S. is building towards the seasonal milk peak and there is not a shortage of powder in the U.S. is noted. High heat NDM prices are higher and mainly reflect higher low/medium heat NDM prices. Offerings of high heat are limited beyond contracted needs. Demand is fair to good. Some buyers are looking for coverage and others are looking for price protection. Production levels are light.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.5125 - 1.7600 MOSTLY: 1.5400 - 1.6800  
 HIGH HEAT: 1.5625 - 1.7100

**DRY BUTTERMILK - CENTRAL AND EAST**

**CENTRAL:** Dry buttermilk prices in the Central region are higher on a firm market. Condensed buttermilk sales are steady to increasing into Class II plants. One or two Central churns are diverting cream to sister plants outside the region for maintenance related plant closings. Other Central plants are churning heavily to meet commitments on bulk butter for domestic and international contracts. Dry buttermilk production is seasonally active. Some manufacturers note their dry buttermilk inventories are steady to declining seasonally as contract sales are active into both dry and condensed buttermilk outlets.

**EAST:** Dry buttermilk prices advanced for the fifth consecutive week as spot sales and sales based on various price indices moved prices higher. Though cream supplies remain ample and butter production is steady, production of dry buttermilk has declined, due to increased sales of condensed buttermilk to ice cream manufacturers. Dry buttermilk supplies have tightened considerably in recent weeks as brokers and end users made purchases and expanded inventories. Market activity is very light as manufacturers are holding inventories with confidence in anticipation that prices will move higher. Some buyers have reported that contracted shipments have been reduced to minimum volumes. Demand has improved for dry and condensed buttermilk as ice cream production is increasing along the seasonal trend. Dry buttermilk has also received market support from increases in the nonfat dry milk market. The market undertone remains firm.

F.O.B. CENTRAL/EAST: 1.4625 - 1.5025

**DRY BUTTERMILK - WEST**

Western dry buttermilk prices continue to move higher. The market tone remains firm. The recent price increases for NDM are the main market driver and have stimulated interest in other products. Producer offerings are light and being held in strong positions with the perception on further market movements and the desire to hold product. Buyer interest is fair to good with some buyers looking to hedge needs. Drying schedules are active to process solids coming off the butter churns.

F.O.B. WEST: 1.4300 - 1.5100 MOSTLY: 1.4400 - 1.4725

CONTINUED ON PAGE 5A

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

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

**CONTINUED FROM PAGE 5****DRY WHOLE MILK - NATIONAL**

With steady to firm pricing trends for butterfat and nonfat solids, dry whole milk prices are unchanged to higher. Production is steady at some plants as milk intakes are at volumes that allow scheduling of products taking comparatively longer drying times. Other plants are searching for milk intakes to complete near term orders. Inventories are light.

F.O.B. PRODUCING PLANT: 1.8000 - 1.9300

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 12	\$1.4763	18,699,013	0
April 5	\$1.4651	17,867,560	0

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

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

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

**DRY WHEY - CENTRAL**

Prices on the Central dry whey mostly series are unchanged to fractionally higher. Manufacturers indicate interest is improving from end users in various domestic market sectors and from international buyers. Sales into frozen desserts are inching seasonally higher into plants in the South Central, but North Central ice cream plants are still in locales dealing with spring snow storms and limited consumer interest. Brokers are active in the marketplace. Some end users report resellers are tapping into the slightly improved atmosphere of the dry whey markets and raising price offers as needed to keep pace. Within the last week, some producers revamped pricing, moving away from market discounts to market average and/or market plus premiums on their spot load offers. Dry whey production is steady at most operations as cheese production continues at close to capacity volumes on the strength of rising cheese prices. ANIMAL FEED DRY WHEY prices are higher. The market is gaining some strength by association with the edible dry whey markets. Dry feed blenders indicate finished feed sales into veal raising operations are mostly stagnant as calf prices are limiting barn refills. Sales into dairy beef and dairy heifer replacement operations are steady to increasing seasonally.

F.O.B. CENTRAL: .4700 - .6375 MOSTLY: .5200 - .5650  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4050 - .5400

**DRY WHEY - NORTHEAST**

Prices for dry whey moved higher for the second consecutive week as spot sales and sales based on various price indices advanced market prices. Dry whey production continues to be active as most cheese makers are on 6-7 day production schedules. Domestic demand for dry whey has improved as supplies of other dry dairy proteins tightened and as buyers sense little downside risk in expanding inventories of lower priced proteins. Export interest and activity remains good. Manufacturers are much more comfortable with their current inventory levels. The undertone remains steady to firm.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5400 - .6375

**DRY WHEY - WEST**

The Western whey price range widened out this week and the mostly series average increased fractionally. In general, there seems to be more underlying firmness in the market as dairy proteins, overall, are finding better demand both domestically and internationally. Production remains seasonally heavy as there is plenty of milk entering cheese plants. Sales activity is increasing for some seasonal products. Inventories are more balanced and held with more confidence.

NONHYGROSCOPIC: .5300 - .6200 MOSTLY: .5350 - .5950

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices for whey protein concentrate 34% are unchanged to higher on the range and the mostly price series. Several market participants expressed surprise at the speed of change in market trends. A few producers indicate that just a few weeks ago, they were offering discounts to the market to encourage sales of WPC 34% spot loads. Now, buyers are purchasing at market plus prices with the realization that price discounts are hard to come by and may be attached to brands with smaller customer bases. Overall inventories are described as comfortable to somewhat short of meeting near term demand. Production is steady to higher as some cheese plants report milk intakes are edging seasonally higher.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.1700 - 1.4000 MOSTLY: 1.2200 - 1.2550

**LACTOSE - CENTRAL AND WEST**

Lactose prices are unchanged on the range and mostly this week. Several manufacturers indicate interest from Southeast Asia, the Middle East, and South America is markedly higher. Various producers indicate they competed with other producers to gain footholds in Southeast Asia/Pacific region nations, with an eye toward long term sales partnerships. Monthly and quarterly prices vary by mesh size, marketing attributes, packaging and the desire to bring customers to various U.S. lactose brands. For some manufacturers, these new customer orders are clearing the inventories built up during Q1. Some manufacturers indicate the solid customer responses they received from Southeast Asia, South America and Oceania have put them in oversold positions for the balance of the current quarter. Several manufacturers report their pricing is well over the top of the range price series as their price formulas are based on 13 week averages or some other formula incorporating past pricing. These prices are not included in weekly/monthly/quarterly Dairy Market News lactose price gathering as the prices are not necessarily representative of current market conditions, but are notable in terms of loyalty between customers and suppliers.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .4500 - .7500 MOSTLY: .5800 - .7100

**CASEIN - NATIONAL**

Casein prices are unchanged for both the acid and rennet casein price series. The market indications are firming for both types with more transactions at the higher halves of the pricing ranges. The trade remains concerned about product availability with production currently running behind projections in EU countries. At the April 16th gDT auction, New Zealand rennet traded at \$4.56.

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: 4.3000 - 4.7000  
ACID: 4.5500 - 4.9500

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	
03/30/2013	63.0	839.5		63.3	803	

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
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)**

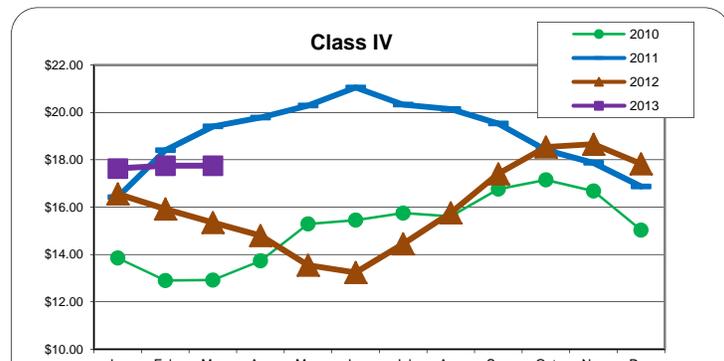
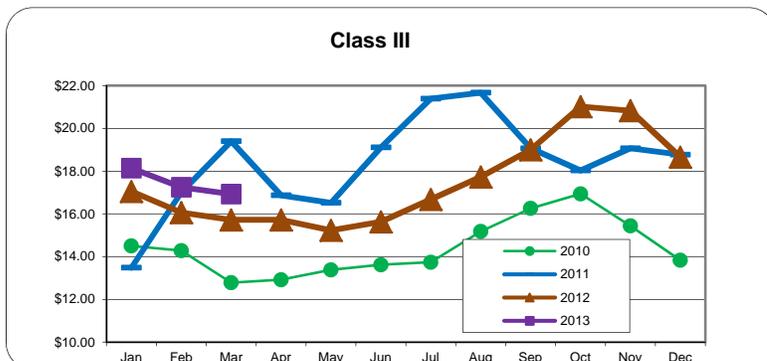
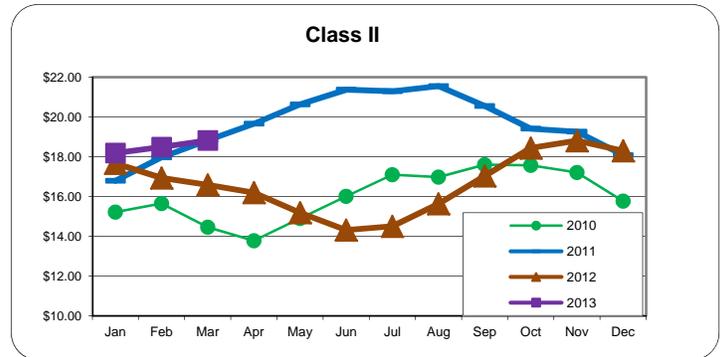
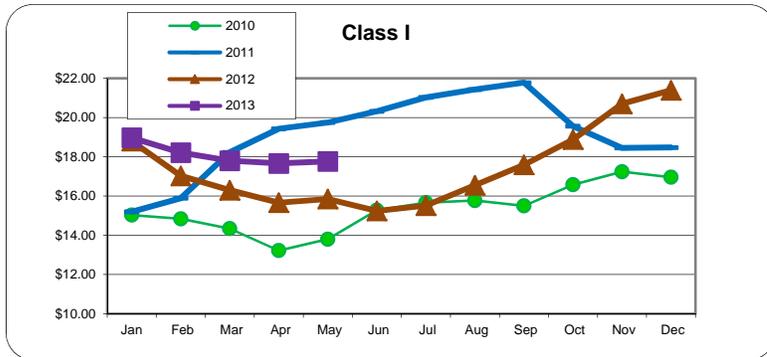
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	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	17.80	17.66	17.76							
II	18.19	18.49	18.82									
III	18.14	17.25	16.93									
IV	17.63	17.75	17.75									

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 April 8 - 19, 2013

ORGANIC DAIRY FLUID OVERVIEW

A New England organic dairy cooperative which has developed markets supplying organic cream to organic ice cream manufacturers spanning Maine to New York, has very strong recent orders which are challenging to keep filled. Western organic milk manufactured into organic nonfat dry milk continues to be shipped to the Northeast. Some spot sales are reported at \$3.85. Organic cheese manufactured in New Zealand and sold in U.S. natural food stores is now the topic of some discussion, as to whether future supplies will be affected by the late production season drought New Zealand is experiencing.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

**Organic Dairy Overview.** Organic yogurt has replaced organic milk as the most advertised organic dairy product for the first time since the beginning of March last year. Yet this period's organic yogurt ad count is only the second highest of 2013. Organic yogurt's relative predominance to organic milk is due to organic milk ad numbers being rather low, not to organic yogurt ad numbers being exceptionally high. This period's organic milk ads are lower than any period since early June 2012.

Organic yogurt ads total 51% of all organic dairy ads in contrast with 12% two weeks ago. Continuing with organic dairy ads, organic milk is second with 42% of ads versus 82% two weeks ago. Remaining ad categories include organic cheese with 5% and butter with 3%.

Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period April 8, 2013, to April 19, 2013, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

Complete results of this bi-weekly survey providing additional graphs, tables, and regional delineation, follow at the end of Dairy Market News, or can be accessed at:

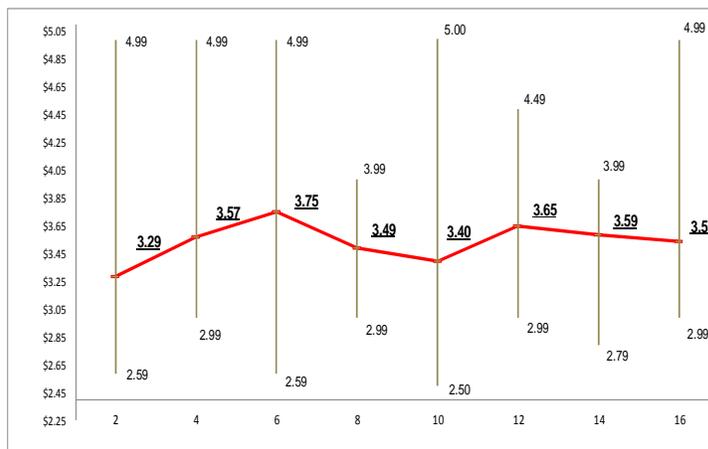
<http://www.ams.usda.gov/AMSV1.0/DairyRetailReport>

**Regional Organic Dairy Ad Trends.** Over one half of ads appeared in two of six regions, the Northeast with 32% of ads, followed by the Midwest with 24%. The percentages of ads found in the remaining regions include the Southeast, 18%; the Northwest, 14%; the Southwest, 10%; and the South Central Region, 2%.

**Organic Milk.** Organic half gallons predominate organic milk retail advertising, as is almost always the case, this period with 57% of ads, down from nearly 70% of ads last period. Organic gallons are second with 24% of ads, trailed by 8 ounce organic milk with 18% of ads.

**Organic Milk Half Gallons.** The national weighted average advertised price of organic milk half gallons, \$3.54, is 5 cents lower than two weeks ago. The price range is \$2.99 to \$4.99. One year ago the average price was \$3.56.

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

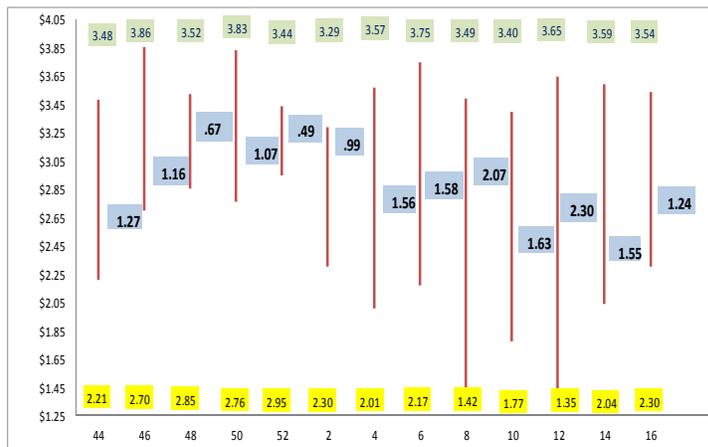


The South Central Region has the highest average price, \$4.99, in contrast with two weeks ago when it had the lowest, \$3.13. This is the first time of 2013 that the South Central Region has had the highest average price. In contrast, the Midwest has the lowest price this period, \$3.04, but two weeks ago at \$3.90 was within 1 cent of the highest price.

**Organic - Conventional Milk Half Gallon Price Spread.** This reporting period, the average advertised cost of a half-gallon of organic milk is \$1.24 more than the cost of a conventional half gallon. The current national organic half gallon milk weighted average advertised price of \$3.54, compared with conventional half gallons, \$2.30, yields this price spread, which is down 31 cents from two weeks ago. One year ago the price spread was \$1.47, with conventional half gallons priced \$2.09 and organic half gallons priced \$3.56.

The following graph shows the national organic and conventional weighted average advertised price of milk half gallons for the last five periods of 2012 and all of 2013 to date. Organic prices are in the green blocks at the top, conventional in the yellow blocks at the bottom, and the magnitude of each price spread in the blue blocks at the center of each red price line. It is visually evident that more variation tends to occur in conventional prices than organic prices.

Weighted Average Advertised Price Range of Organic - Conventional Milk Half Gallons By 2012 - 2013 Week



## ORGANIC DAIRY MARKET NEWS

Information gathered April 8 - 19, 2013

CONTINUED FROM PAGE 8

**Organic Yogurt.** Organic yogurt ad numbers are the second highest level of the year. The Northeast has 40% of ads, followed by the Midwest, 27%; Southeast, 25%; Northwest, 7%; and South Central, 2%. No organic yogurt ads ran in the Southwest.

About 71% of organic yogurt ads are for 32 ounce containers, with a weighted average advertised price of \$3.04. Last year the average price was \$3.95. Organic yogurt in 4-6 ounce containers accounts for 19% of ads, with an average price of 76 cents. Last year the average price was 63 cents. Finally, 4-6 ounce Greek yogurt ads are 10% of the total, with an average price of 91 cents. Last year the average price was \$1.20.

**8 ounce Shredded Organic Cheese.** All ads for 8 ounce organic shredded cheese were in the Southeast, with a price of \$2.50. Comparing that price with advertised prices of conventional 8 ounce shredded cheese, each of the six regions had ads for conventional cheese at prices at least \$2.50 while the Midwest, Northeast and Southwest had ads with prices up to \$3.00.

**1 Pound Organic Butter.** All organic butter ads are priced \$3.99 and all are in the Midwest.

**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.

Half gallons reached the lowest price of 2013 this period, \$2.49, down from \$2.79. These half gallons are a national brand sold in a local cooperative grocery store.

**INFORMATION GATHERED 04/08/2013 - 04/19/2013****ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE  
2013 REPORTING WEEK 16**

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
	(in Dollars)		
<b>FLUID MILK</b>			
<b>MILK - gallon</b>			
Whole	5.79	7.29	1.50
Reduced fat (2%)	5.79	7.29	1.50
Low fat (1%)	5.79	7.29	1.50
Nonfat (Skim)	5.79	7.29	1.50
<b>MILK - half gallon</b>			
Whole	3.49*	4.89	1.40*
Reduced fat (2%)	3.49*	4.89	1.40*
Low fat (1%)	3.49*	4.89	1.40*
Nonfat (Skim)	3.49*	4.89	1.40*
<b>FLAVMILK - half gallon</b>			
All fat tests	3.09	5.69	2.60

LOW HIGH RANGE

**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

4.79\* 6.09 1.30\*

\* = Price change from prior reporting period.

**ORGANIC GRAIN AND FEEDSTUFF MARKETS:**

National organic grains and feedstuffs were generally steady in all regions of organic production. Although feed corn averaged slightly higher, majority of the trade was between 13.00-13.50, which is where most of the trading has been the last several trading periods. Current weather patterns are the subject of conversation, ranging from severe thunderstorm in the Midwest and Eastern Cornbelt to snow in the Upper Midwest and Mountain States. This caused a sense of uncertainty, depending on which side of the fence you're on. However, one should remember with today's farm equipment farmers can get substantial acres planted in a short amount of time.

Additional livestock and grain market news information is available at: <http://www.ams.usda.gov/mnreports/lbfnof.pdf>

## FEDERAL MILK ORDER ADVANCE PRICES, MAY

**Base Class I Price.** Under the Federal milk order pricing system, the base Class I price for May 2013 is \$17.76 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$11.89 and the advanced butterfat pricing factor of \$1.7955. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Comparison to Previous Month.** Compared to April 2013, the base Class I price increased \$0.10 per cwt. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.08 per cwt., \$0.007 per gallon; reduced fat milk (2%), -\$0.03 per cwt., -\$0.003 per gallon; fat-free (skim milk), -\$0.14 per cwt., -\$0.012 per gallon. **Class II Price Information.** The advanced Class IV skim milk pricing factor is \$11.89. Thus, the Class II skim milk price for May is \$12.59 per cwt., and the Class II nonfat solids price is \$1.3989. **Product Price Averages.** The two-week product price averages for May are: butter \$1.6542, nonfat dry milk \$1.5021, cheese \$1.6803, and dry whey \$0.5797.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <sup>1/2/</sup>				
Federal Milk Order Marketing Area <sup>3/</sup>	Order Number	May 2013		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) <sup>4/</sup>	001	21.01	15.14	1.8280
Appalachian (Charlotte) <sup>5/ 6/</sup>	005	21.16	15.29	1.8295
Southeast (Atlanta) <sup>6/ 7/</sup>	007	21.56	15.69	1.8335
Florida (Tampa) <sup>6/ 8/</sup>	006	23.16	17.29	1.8495
Midwest (Cleveland) <sup>9/</sup>	033	19.76	13.89	1.8155
Upper Midwest (Chicago) <sup>10/</sup>	030	19.56	13.69	1.8135
Central (Kansas City) <sup>11/</sup>	032	19.76	13.89	1.8155
Southwest (Dallas) <sup>12/</sup>	126	20.76	14.89	1.8255
Arizona (Phoenix)	131	20.11	14.24	1.8190
Pacific Northwest (Seattle) <sup>13/</sup>	124	19.66	13.79	1.8145
All-Market Average		20.65	14.78	1.8244

<sup>1/</sup> To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk. <sup>2/</sup> Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. <sup>3/</sup> Names in parentheses are the major city in the principal pricing point of the markets. <sup>4/</sup> Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25.

<sup>5/</sup> Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10. <sup>6/</sup> Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted. <sup>7/</sup> Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90;

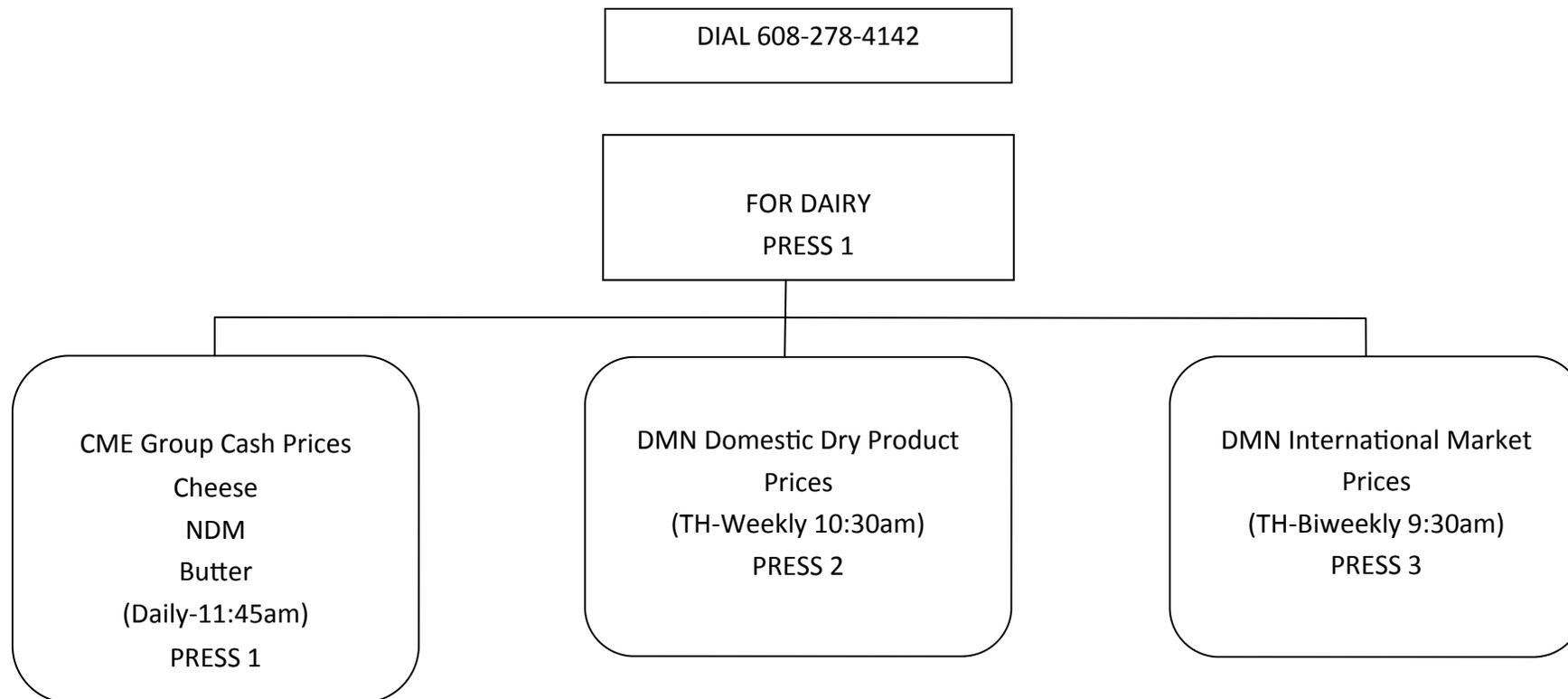
Nashville, minus \$0.90; and Springfield, MO, minus \$1.40. <sup>8/</sup> Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40. <sup>9/</sup> Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. <sup>10/</sup> Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10. <sup>11/</sup> Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

<sup>12/</sup> Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

<sup>13/</sup> Class I prices at other cities are: Portland, same; and Spokane, same.

## MARKET NEWS INFORMATION BY PHONE

Effective April 15th, 2013, the dairy market news phone information system has been scaled back. The system is accessible via a touch-tone telephone. By listening to the menu and pressing the appropriate numbers, you will have access to the latest CME Group daily pricing for cheese, NDM, and butter; weekly domestic DMN dry product prices; and biweekly DMN international dairy product prices. Release day(s) and times (Central) are in parenthesis. 1/



UNITED STATES DEPARTMENT OF  
 AGRICULTURE  
 DAIRY MARKET NEWS  
 2920 Marketplace Drive, STE 202  
 Fitchburg, WI 53719  
 608-278-4150

1/ Holidays may affect release days and times.

**MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, JANUARY 2013, WITH COMPARISONS**

In January 2013, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$20.18 per cwt., down \$1.32 from the December 2012 average, and up \$0.88 from the January 2012 average. The component tests of producer milk in January 2013 were: butterfat, 3.86%; protein, 3.17%; and other solids, 5.75%. On an individual reporting area basis, mailbox prices decreased in all Federal milk order reporting areas when compared to the previous month. Mailbox prices in January 2013 ranged from \$23.22 in Florida to \$18.16 in New Mexico.

Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	January 2012	December 2012	January 2013
	Dollars per hundredweight		
New England States <u>3/</u>	20.50	22.45	21.45
New York	19.24	21.33	20.29
Eastern Pennsylvania <u>4/</u>	19.98	21.43	20.39
Appalachian States <u>5/</u>	20.79	22.50	21.31
Southeast States <u>6/</u>	21.57	23.11	21.71
Southern Missouri <u>7/</u>	19.10	21.06	19.98
Florida	22.85	24.04	23.22
Western Pennsylvania <u>8/</u>	19.78	21.51	20.39
Ohio	19.77	21.76	20.71
Indiana	19.33	20.91	19.95
Michigan	19.04	20.74	19.81
Wisconsin	19.31	22.80	20.33
Minnesota	19.32	22.60	20.24
Iowa	19.38	21.79	20.60
Illinois	19.73	22.15	20.50
Corn Belt States <u>9/</u>	18.80	20.26	19.50
Western Texas <u>10/</u>	17.96	19.91	19.08
New Mexico	17.10	18.95	18.16
Northwest States <u>11/</u>	18.61	20.50	19.70
All Federal Order Areas <u>12/</u>	19.30	21.50	20.18
California <u>13/</u>	16.36	18.48	17.73

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

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## FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, MARCH 2013

**HIGHLIGHTS.** Handler reports of receipts and utilization under the Federal milk order system for March have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During March, more than 11.7 billion pounds of milk were received from producers. This volume of milk is 1.5 percent lower than the March 2012 volume. In March 2012 and March 2013, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. More than 3.6 billion pounds of producer milk were used in Class I products, 4.1 percent lower than the previous year. The all-market average Class utilization percentages were: Class I = 31%, Class II = 11%, Class III = 46% and Class IV = 12%. The weighted average statistical uniform price was \$18.47 per cwt., \$0.23 lower than last month and \$1.58 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF MARCH 2013										
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/ \$ PER CWT.
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			
Northeast (Boston)	001	2,243.0	3.8	809.5	-6.4	36	26	25	13	19.32
Appalachian (Charlotte)	005	523.4	1.6	317.7	-4.5	61	14	9	16	20.29
Florida (Tampa)	006	251.3	-1.1	214.1	-2.5	85	8	3	4	22.59
Southeast (Atlanta)	007	552.5	-17.1	357.1	-9.8	65	11	15	9	20.70
Upper Midwest (Chicago)	030 3/	3,009.6	2.4	312.6	-3.4	10	2	87	1	17.26
Central (Kansas City)	032 3/	1,347.3	-12.2	409.3	-3.2	30	9	41	20	17.87
Mideast (Cleveland)	033 3/	1,436.7	-7.8	547.7	2.5	38	13	33	16	18.22
Pacific Northwest (Seattle)	124	727.0	1.1	177.3	-7.9	24	6	44	26	17.82
Southwest (Dallas)	126 3/	1,220.4	6.9	356.9	-3.6	29	7	53	11	18.64
Arizona (Phoenix)	131	434.5	0.0	114.9	-5.6	27	7	27	39	18.30
<b>ALL MARKET AVERAGE OR TOTAL</b>	3/	11,745.8	-1.5	3,617.3	-4.1	31	11	46	12	18.47

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/ 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 430.2 million pounds of milk that normally would have been associated with these markets. In March 2012, the estimated not pooled volume of milk was 177.8 million pounds, occurring in order numbers 030, 032, and 033. After adjusting for non pooled milk, the year-to-year percent change is -0.6%.

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



## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Dairy Retail Report

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

Volume 80- Number 16

Issued Biweekly

Thursday, April 18, 2013

### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 04/08 to 04/19

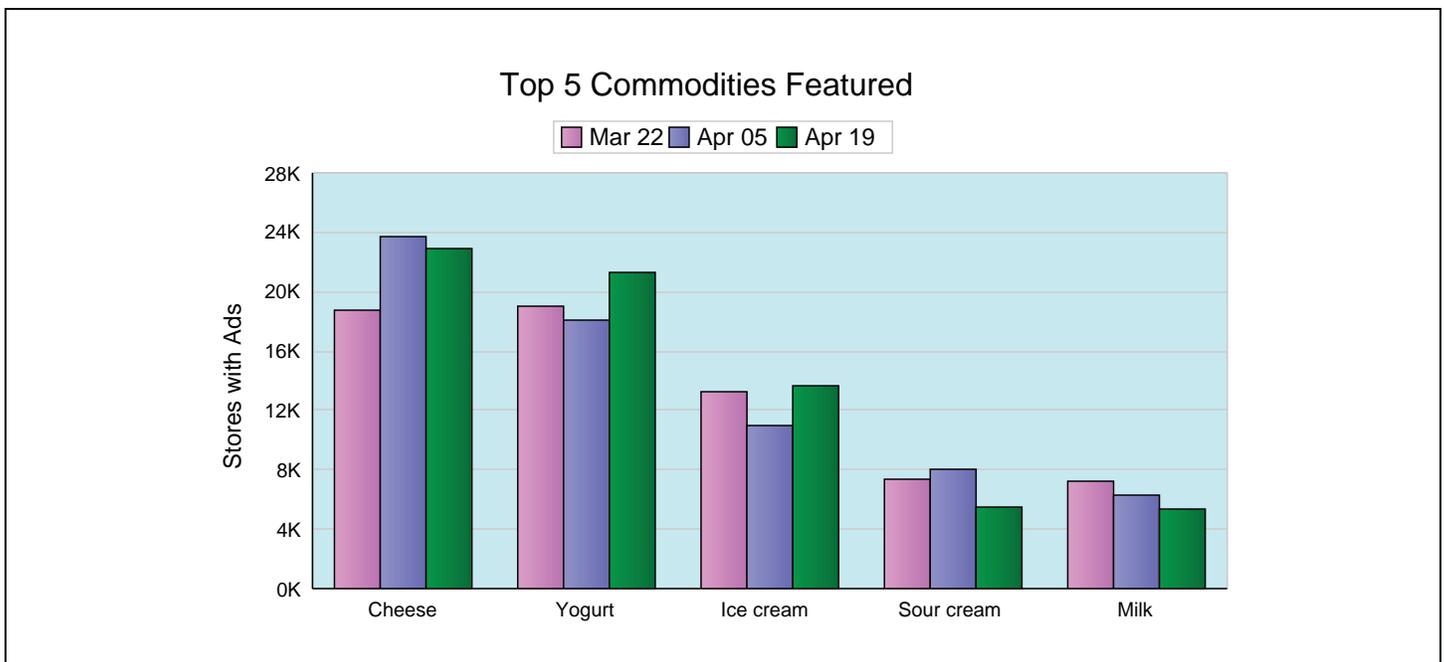
Cheese retail advertising volume nationally decreased 4% from two weeks ago but prices of the most popular package sizes are up. The most advertised cheese category, 8 ounce shredded (46% of national ads, up from 39% two weeks ago), has a weighted average advertised price of \$2.27, 13 cents more than two weeks ago and 1 cent more than one year ago. The second most advertised cheese category, 8 ounce blocks (24% of national ads), decreased in price 4 cents, to \$2.21, 13 cents less than the price one year ago.

Greek yogurt in 4-6 ounce packs continues to be the most advertised yogurt category with a weighted average advertised price of \$1.00, unchanged from two weeks ago and down 2 cents from a year ago. Regular yogurt in 4-6 ounce packs, averaged 51 cents, down 2 cents from two weeks ago and down 5 cents from a year ago.

Ice cream ads are up 25%. The national weighted average price is \$3.04 per 48-64 ounce pack, down 10 cents from 2 weeks ago and 23 cents from a year ago.

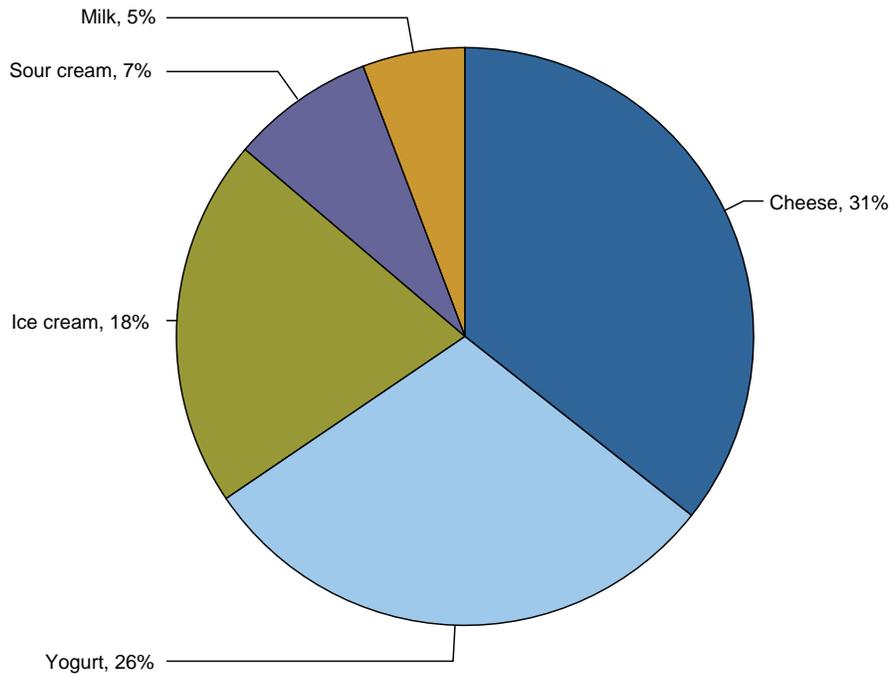
Butter ad numbers for a 1 pound package declined by 60% from two weeks ago and the price increased 29 cents to \$2.75, which is 11 cents below one year ago. Prices ranged from \$1.99 to \$3.99.

The national weighted average conventional milk price for half gallons, \$2.30, is up 26 cents from two weeks ago. Organic half-gallon milk, at \$3.54, is down 5 cents from two weeks ago. The organic-conventional half-gallon price spread is \$1.24, compared to \$1.55 two weeks ago and \$2.30 four weeks ago.

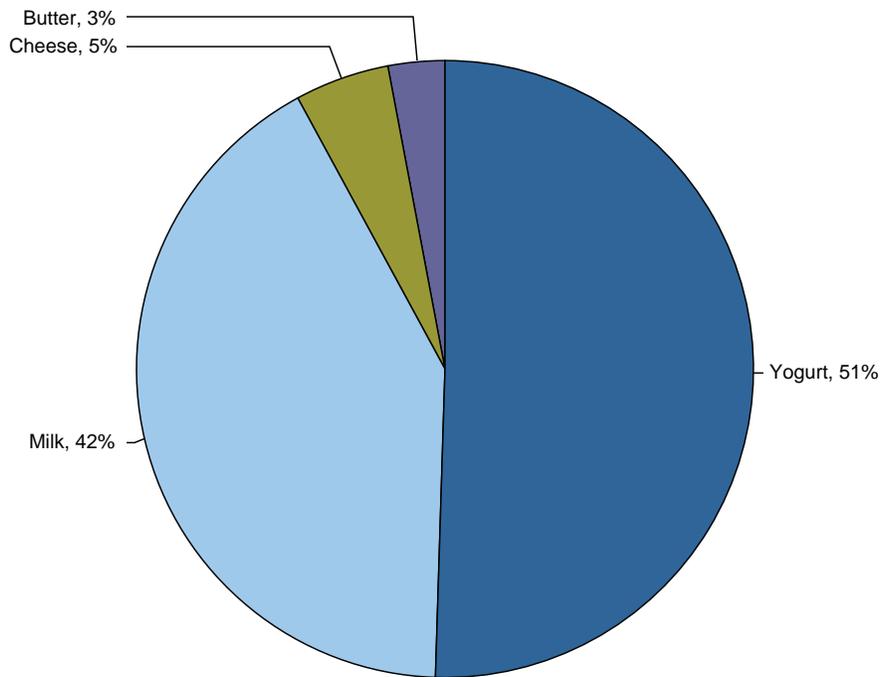


1 -- Dairy Market News surveys more than 150 retailers, comprising nearly 16,000 individual stores, with online weekly advertised features.  
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

### Top 5 Percentage of Total Conventional Ads



### Top 5 Percentage of Total Organic Ads





## NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	3445	2.75	8522	2.46	2170	2.86
Cheese	Natural Varieties	8 oz block	5392	2.21	8987	2.25	6142	2.34
Cheese	Natural Varieties	1 # block	3663	4.20	2812	3.79	4324	3.97
Cheese	Natural Varieties	2 # block	647	7.41	1467	6.56	3719	5.42
Cheese	Natural Varieties	8 oz shred	10493	2.27	9487	2.14	8793	2.26
Cheese	Natural Varieties	1 # shred	2512	4.16	987	3.18	1871	3.69
Cottage cheese		16 oz	1731	2.14	2366	1.75	1441	2.08
Cream cheese		8 oz	2725	1.68	9404	1.38	5251	1.62
Flavored milk	All fat tests	half gallon	652	2.35	272	2.25	363	1.89
Flavored milk	All fat tests	gallon	343	3.10	478	2.93	873	3.60
Ice cream		48-64oz	13646	3.04	10947	3.14	12922	3.27
Milk	All fat tests	half gallon	320	2.30	516	2.04	1102	2.09
Milk	All fat tests	gallon	3365	3.05	1025	2.62	4053	2.94
Sour cream		16 oz	5468	1.56	8010	1.69	2663	1.57
Yogurt	Greek	4-6 oz	11556	1.00	8207	1.00	9317	1.02
Yogurt	Greek	32 oz	338	4.63	1315	3.35	525	4.60
Yogurt	Yogurt	4-6 oz	5762	.51	5998	.53	10909	.56
Yogurt	Yogurt	32 oz	1561	2.33	1862	2.46	1948	2.21

## 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	905	2.82	2.50-3.00	1911	2.80	1.98-3.00	480	2.46
Cheese	Natural Varieties	8 oz block	1.49-2.99	2611	2.32	1.67-2.50	1380	2.21	1.88-2.50	394	2.00
Cheese	Natural Varieties	1 # block	3.49-4.39	585	4.05	3.99-4.88	565	4.71	2.99-4.99	477	4.19
Cheese	Natural Varieties	2 # block				7.97	195	7.97			
Cheese	Natural Varieties	8 oz shred	1.99-3.00	2861	2.46	1.67-2.50	2174	2.14	1.66-2.99	2079	1.97
Cheese	Natural Varieties	1 # shred	3.00-4.50	326	4.10	3.99-4.88	494	4.82	2.99-4.98	236	3.70
Cottage cheese		16 oz	1.59-2.99	842	2.34	1.99	90	1.99	1.99-2.00	543	1.99
Cream cheese		8 oz	0.99-2.50	1182	1.68	0.91-2.00	813	1.60	1.28-2.50	515	1.78
Flavored milk	All fat tests	half gallon				2.69	195	2.69	1.49-1.66	88	1.61
Flavored milk	All fat tests	gallon	3.99	112	3.99	2.48	37	2.48	2.19-3.00	194	2.71
Ice cream		48-64oz	2.27-3.99	2663	2.83	1.99-5.99	3631	3.11	1.98-4.29	2642	2.81
Milk	All fat tests	half gallon				2.50-2.99	232	2.56	1.49-1.66	88	1.61
Milk	All fat tests	gallon	3.97	108	3.97	2.48-4.99	1618	3.21	2.19-2.88	665	2.44
Sour cream		16 oz	1.49-2.00	1990	1.66	0.99-2.00	2215	1.38	1.33-2.00	482	1.87
Yogurt	Greek	4-6 oz	0.80-1.25	3001	1.03	0.95-1.00	3646	.98	0.88-1.00	1704	.98
Yogurt	Greek	32 oz				4.28-5.49	307	4.69	3.99	31	3.99
Yogurt	Yogurt	4-6 oz	0.39-0.65	2665	.52	0.34-0.60	1058	.47	0.40-0.65	840	.50

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	216	1.99				1.99-2.99	468	2.33

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-3.00	85	2.81	2.49	64	2.49			
Cheese	Natural Varieties	8 oz block	1.67-2.00	699	1.93	1.67-2.50	308	2.11			
Cheese	Natural Varieties	1 # block	3.99-4.88	454	4.10	3.49-3.99	1047	3.97	3.59-4.99	535	4.34
Cheese	Natural Varieties	2 # block				6.29-7.99	322	7.45	4.99-7.99	130	6.46
Cheese	Natural Varieties	8 oz shred	1.50-2.50	707	2.01	1.48-3.00	2176	2.53	1.67-2.50	496	2.17
Cheese	Natural Varieties	1 # shred	3.99-4.88	287	4.15	3.99	871	3.99	3.99	298	3.99
Cottage cheese		16 oz	1.99-2.00	102	2.00	1.50-1.88	154	1.72			
Cream cheese		8 oz	1.00-1.25	61	1.12	1.67-2.00	97	1.89	2.19	57	2.19
Flavored milk	All fat tests	half gallon	1.67-2.29	250	1.79	3.49	119	3.49			
Ice cream		48-64oz	2.49-4.89	1960	3.62	2.48-4.99	1953	3.04	1.99-3.99	797	2.76
Milk	All fat tests	gallon	2.50	43	2.50	1.79-4.59	729	3.37	2.29	202	2.29
Sour cream		16 oz	1.50-2.00	402	1.57	1.25-1.99	234	1.79	1.50-1.69	145	1.60
Yogurt	Greek	4-6 oz	0.80-1.00	1129	.96	1.00	1576	1.00	1.00	500	1.00
Yogurt	Yogurt	4-6 oz	0.50	118	.50	0.33-0.69	501	.52	0.40-0.60	580	.49
Yogurt	Yogurt	32 oz	1.49-2.50	274	2.00	1.50-3.29	321	2.93	1.49-2.49	282	2.21

### NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	119	3.99	359	4.15		
Cheese	Natural Varieties	8 oz shred	195	2.50				
Cottage cheese		16 oz					70	3.00
Ice cream		48-64oz					121	5.45
Milk	All fat tests	half gallon	960	3.54	3242	3.59	3089	3.56
Milk	All fat tests	gallon	407	5.91	427	5.37		
Milk	All fat tests	8 oz UHT	308	1.01	1032	1.02	1559	1.05
Sour cream		16 oz					70	2.29
Yogurt	Greek	4-6 oz	209	.91	54	1.00	988	1.20
Yogurt	Yogurt	4-6 oz	379	.76	586	.92	263	.63
Yogurt	Yogurt	32 oz	1451	3.04	60	3.43	386	3.95

Wtd Avg - Simple weighted average



**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	119	3.99
Cheese	Natural Varieties	8 oz shred				2.50	195	2.50			
Milk	All fat tests	half gallon	3.99	62	3.99	3.29	34	3.29	2.99-3.50	272	3.04
Milk	All fat tests	gallon	5.98-5.99	376	5.99				4.99	31	4.99
Milk	All fat tests	8 oz UHT	1.05	32	1.05						
Yogurt	Greek	4-6 oz	1.00	54	1.00				0.88	155	.88
Yogurt	Yogurt	4-6 oz	0.60-0.99	315	.71				1.00	26	1.00
Yogurt	Yogurt	32 oz	2.98-3.69	438	3.09	2.89-3.50	505	3.05	2.99	361	2.99

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
Milk	All fat tests	half gallon	4.99	49	4.99	3.49	143	3.49	2.99-3.99	400	3.68
Milk	All fat tests	8 oz UHT				1.00	276	1.00			
Yogurt	Yogurt	4-6 oz	1.00	38	1.00						
Yogurt	Yogurt	32 oz							2.99	147	2.99

Notice: Effective with Report 12, 2013, the tables breaking out information by national and store brands are no longer available.

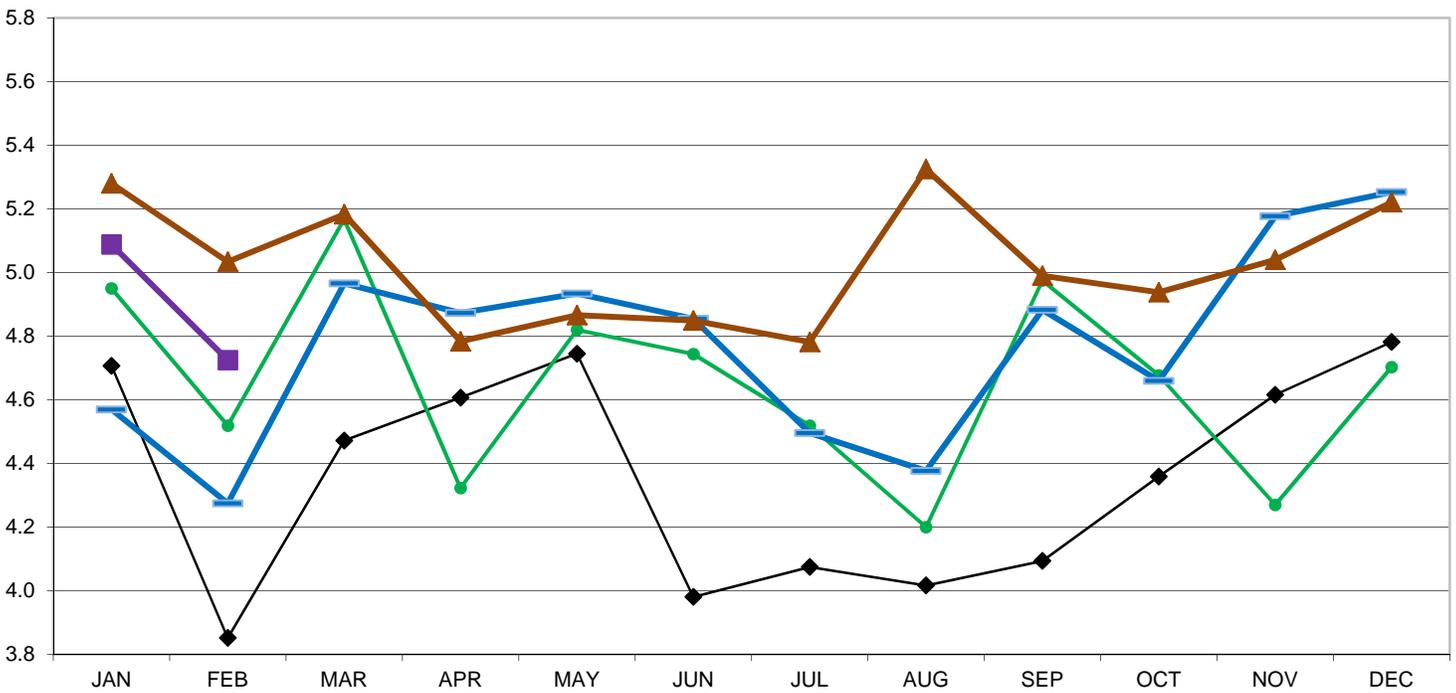
**REGIONAL DEFINITIONS**

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

**DRY REDUCED LACTOSE AND MINERALS PRODUCTION, ANIMAL FEED**

MILLION POUNDS

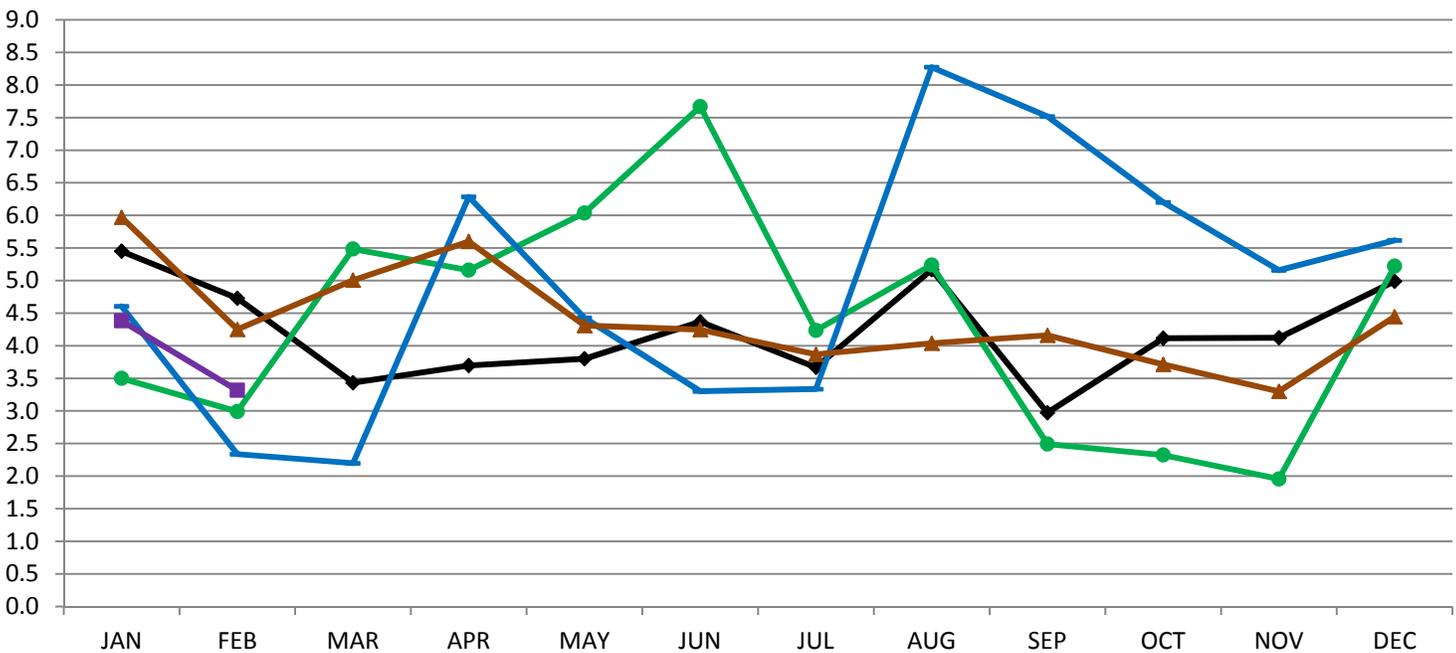


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DN

2009 2010 2011 2012 2013

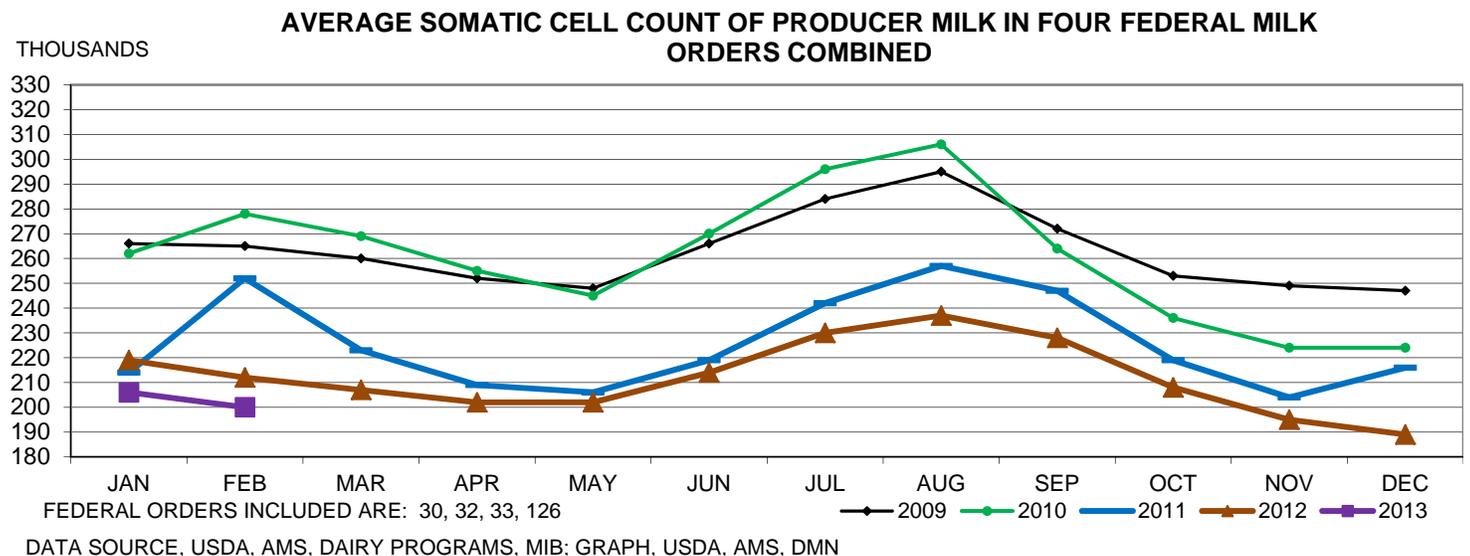
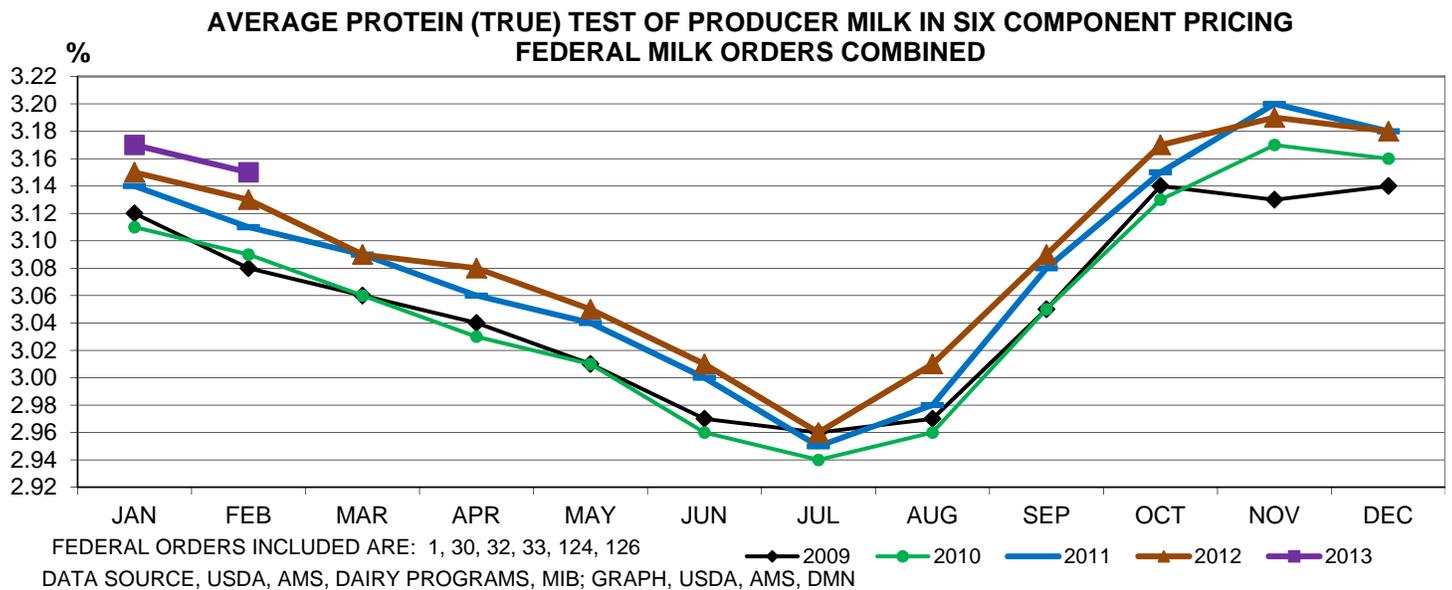
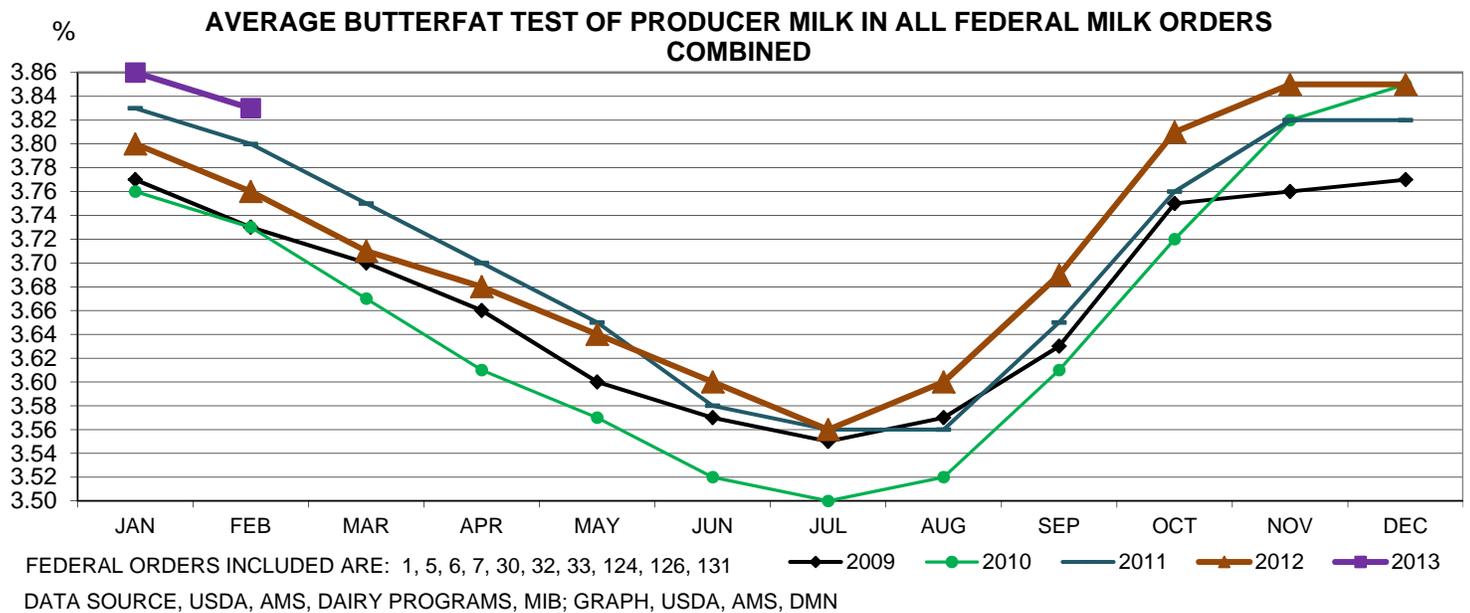
**U.S. ANIMAL FEED DRY WHEY PRODUCTION**

MILLION POUNDS



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

2009 2010 2011



# DAIRY MARKET NEWS

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