

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (7/5):**

BUTTER: Grade AA closed at \$1.5250. The weekly average for Grade AA is \$1.5069 (+.0619).

CHEESE: Barrels closed at \$1.6700 and 40# blocks at \$1.6650. The weekly average for barrels is \$1.6463 (+.0123) and blocks, \$1.6581 (-.0074).

BUTTER HIGHLIGHTS: The holiday-shortened week sent additional cream volumes into some butter/powder plants, but frozen dessert manufacturing is also active and readily clearing contract and spot cream loads. Domestic butter demand is light. Sales into international accounts, though, are steady to higher and various plants are actively churning to meet 82% contract needs. Butter production for May 2013 totaled 166.6 million pounds, topping year ago totals by 1.5%. Cumulative 2013 butter production is 1.7% ahead of 2012 for the same time span. CME Group trading is active for the week. Seventeen carloads sold Monday – Wednesday and an additional 1 load sold on Friday. Daily prices marched higher early in the week, adding 9.75 cents, to \$1.5250. Prices held steady on Friday.

CHEESE HIGHLIGHTS: Cheese manufacturers in the Central region benefited from ample internal milk supplies as well as Eastern milk supplies clearing into Midwestern cheese operations this week. Western cheese makers note the recent hot weather that settled into that region resulted in significant decreases in farm milk production and lower volumes clearing into manufacturing. While recent concerns of cheese market participants centered around cheese quantities in cold storage, the arrival of hot weather shifted concerns to how milk availability and declining components will impact cheese production throughout the summer months. Various manufacturers report cheese sales are on the rise. Natural cheese is a featured ingredient on menu items in many family oriented restaurants. Cheese production for May 2013 totaled 953.9 million pounds, 3.9% higher than year ago production. That monthly total is also the highest May cheese production since 1982. CME Group prices for 40 pound blocks and 500 pound barrels staged a recovery that started on Monday and ran through Friday for barrels and Monday through Wednesday for 40 pound blocks. Barrels posted a 7.25 cent cumulative gain and 40 pound blocks tacked on 2.75 cents throughout the week.

FLUID MILK: The holiday-interrupted week is creating limited, unplanned issues in milk handling. Class I demand is lower. Milk is being moved around, as some smaller plants are taking extra down days. The lower milk intakes are helping to alleviate many issues. Hot weather conditions are affecting milk production across the southern tier of states with intense heat recorded in the Southwest. In California and Arizona,

temperatures are over 100 degrees and staying at above normal levels at night. The effects on cow comfort are dropping milk output. Processing plants are taking in lower milk receipts. Milk output is lower over parts of the Pacific Northwest, Utah, and Idaho, due to hot, daytime temperatures. Upper Midwest milk production conditions are near ideal for summertime. In the Northeast, heat and humidity are accelerating milk production declines. For Florida and several Southeast states, milk volumes are lower. Cream multiples are lower to stimulate demand.

DRY PRODUCTS: Trading activity has been light during the holiday-shortened week. Transactions and shipping volumes are tempered by staffing and logistics. Nonfat dry milk prices moved slightly higher based on light spot trading and increases to indices. Export interest remains fair to good. Dry buttermilk pricing is slightly higher. Seasonal interest in condensed buttermilk is active. Dry whey markets are uneven. There are concerns about inventory levels. WPC 34% held steady in limited trading. Buying interest is light. More reseller offerings are noted. Lactose prices were higher on the range, yet lower on the mostly price series. New quarterly pricing came into effect. Demand is better for higher mesh product; light to moderate for unground.

INTERNATIONAL DAIRY MARKET NEWS (DMN): WESTERN AND EASTERN EUROPE - WESTERN OVERVIEW:

Milk production levels are variable across many countries in Western Europe. Weather conditions have stabilized following periods of wet and hot weather. The relative levels of the milk supply are closing the gap with volumes now closer to year ago levels. This is helping processors to reestablish product mixes. Higher milk prices are allowing for supplemental feeding at the farm level if necessary. Pasture conditions and feed crop growth are variable, but are fair to good. Processors are able to handle the current milk supplies. There is a good internal demand for milk and dairy products. Demand for fresh milk and cream is strong. Relative high export pricing levels for finished dairy products are making the execution of exporting more difficult. The fluctuating EURO values in comparison to the US Dollar continue to impact export values and volumes. Butter movements into Private Storage Assistance (PSA) are 62,750 MT through June 23, about 2/3rds of the volumes of a year ago. The PSA accepts butter through August 15. **EASTERN OVERVIEW:** Eastern European countries are seeing milk production trending slightly lower. Many locations are seeing the gap in output shrink to be closer to year ago levels. The impact of recent weather conditions, wet and heat, have been marginal overall. Seasonal declines are noticed. Higher milk

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CME GROUP CASH TRADING

COMMODITY	MONDAY JUL 01	TUESDAY JUL 02	WEDNESDAY JUL 03	THURSDAY JUL 04	FRIDAY JUL 05	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.6100 (+.0125)	\$1.6500 (+.0400)	\$1.6550 (+.0050)	HOLIDAY	\$1.6700 (+.0150)	:: (+.0725)	:: \$1.6463 (+.0123)
40# BLOCKS	\$1.6400 (+.0025)	\$1.6625 (+.0225)	\$1.6650 (+.0025)	NO TRADING	\$1.6650 (N.C.)	:: (+.0275)	:: \$1.6581 (-.0074)
NONFAT DRY MILK							
EXTRA GRADE	\$1.7000 (N.C.)	\$1.7100 (+.0100)	\$1.7100 (N.C.)		\$1.7100 (N.C.)	:: (+.0100)	:: \$1.7075 (+.0075)
GRADE A	\$1.7300 (N.C.)	\$1.7400 (+.0100)	\$1.7400 (N.C.)		\$1.7400 (N.C.)	:: (+.0100)	:: \$1.7375 (+.0075)
BUTTER							
GRADE AA	\$1.4775 (+.0500)	\$1.5000 (+.0225)	\$1.5250 (+.0250)		\$1.5250 (N.C.)	:: (+.0975)	:: \$1.5069 (+.0619)

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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prices at the farm level are being welcomed. Milk processing is being handled well. The product mix is along planned levels. Dairy product supplies are in good balance and meeting current trade needs. **OCEANIA OVERVIEW:** AUSTRALIAN milk production trends are flat at the start (July 1) of the new production season. Milk prices for the 2013/14 season continue to be announced. Farmgate prices are higher with additional step up noted because of shifts in currency values and as processors match others' pricing. There is increasing farm level confidence for the new season. According to Dairy Australia, May milk production in Australia was 7.6% lower than May 2012. Seasonal milk output from July - May is 2.7% lower (unadjusted for leap day in 2012) than during the same period a year earlier. Season through May, unadjusted regional changes are: New South Wales, -1.2%; Victoria, -2.5%; Queensland -5.6%; South Australia -5.3%; Western Australia -0.7%; and Tasmania -3.7%. In May 2013, the Victoria region produced 62.1% of the total milk. New South Wales was a distant second, producing 12.7%. **NEW ZEALAND's** milk production season is at the low point. The season is projected to start well, yet track only slightly above levels of the strong start to the last season. Cows are in good condition. Conditions have improved for the pastures. Plentiful moisture since April has helped pasture stature and regrowth. Some areas have gone from drought to high moisture conditions. The extent is too early to have any impact on milk. Overall, demand for dairy products is light to fair. Some buyers are seeking supplies to fill in nearby needs. Most product movements are for orders on the books. Market price discovery is limited as offerings and buyer interest are both light. Supplies are very light, reflective of the low point of the season. **gDT:** For the July 2 gDT session #95, the all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,645 +1.2%; butter, \$3,707 -5.7%; buttermilk powder, \$4,610 +6.0%; cheddar cheese, \$4,395 -3.7%; lactose, not traded; milk protein concentrate, not traded; rennet casein, \$10,259 +7.9%; skim milk powder, \$4,441 +3.1%; and whole milk powder, \$4,757 +0.1%.

CLASS AND COMPONENT PRICES (DAIRY PROGRAMS):

The following are the June 2013 prices under the Federal Milk Order pricing system and the changes from the previous month: Class II \$19.14 (+0.71), Class III \$18.02 (-0.50), and Class IV \$18.88 (-\$0.01). Product price averages used in computing Class prices are: butter \$1.5422, NDM \$1.6878, cheese \$1.7810, and dry whey \$0.5738. The Class II butterfat price is \$1.6669 and the Class III/IV butterfat price is \$1.6599. Further information may be found at: www.ams.usda.gov/AMSV1.0/PriceFormulas2013

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during the first four months of 2013 totals 64.2 billion pounds, 0.6% below the same period in 2012. Comparing disappearance levels with year earlier levels: butter is +2.0%; American cheese, +1.2%; other cheese, +1.9%; NDM, -9.0%; and fluid milk products, -2.0%.

CONSUMER PRICE INDEX (BLS): The May 2013 CPI for all food is 236.5, up 1.4% from May 2012. The dairy products index is 216.3, up 0.1% from a year ago. The following are the May to May changes for selected products: fresh whole milk is +0.6%; cheese, +1.2%; and butter, +4.3%.

MAY 2013 DAIRY PRODUCTS (NASS): Butter production was 166.6 million pounds, 1.5% above May 2012 but 0.2% below April 2013. American type cheese production totaled 389.4 million pounds, 5.9% above May 2012 and 3.3% above April 2013. Total cheese output (excluding cottage cheese) was 953.9 million pounds, 3.9% above May 2012 and 2.6% above April 2013. Nonfat dry milk production, for human food, totaled 167.4 million pounds, 13.4% below May 2012 but 4.6% above April 2013. Dry whey production, for human food, was 74.2 million pounds, 10.0% below May 2012 and 5.2% below April 2013. Ice cream (hard) production totaled 77.8 million gallons, 0.1% above May 2012 and 7.8% above April 2013.

CME GROUP

MONDAY, JULY 1, 2013

CHEESE -- SALES: 7 CARS BARRELS: 1 @ \$1.6150, 5 @ \$1.6200, 1 @ \$1.6100; 4 CARS 40# BLOCKS @ \$1.6425; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.6100; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.6400
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.7300; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 4 CARS GRADE AA @ \$1.4775; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.4775; LAST OFFER UNCOVERED: NONE

TUESDAY, JULY 2, 2013

CHEESE -- SALES: 6 CARS BARRELS: 2 @ \$1.6400, 4 @ \$1.6500; 8 CARS 40# BLOCKS: 1 @ \$1.6450, 1 @ \$1.6500, 1 @ \$1.6525, 2 @ \$1.6550, 1 @ \$1.6575, 1 @ \$1.6600, 1 @ \$1.6625; LAST BID UNFILLED: 3 CARS BARRELS @ \$1.6475; 1 CAR 40# BLOCKS @ \$1.6600; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6525
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.7100; 1 CAR GRADE A @ \$1.7400; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 4 CARS GRADE AA @ \$1.5000; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.4975; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5100

WEDNESDAY, JULY 3, 2013

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.6575, 1 @ \$1.6550; 1 CAR 40# BLOCKS @ \$1.6650; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6550; 3 CARS 40# BLOCKS @ \$1.6650; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.7400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.7400
 BUTTER -- SALES: 9 CARS GRADE AA: 2 @ \$1.5000, 2 @ \$1.5025, 2 @ \$1.5050, 1 @ \$1.5100, 1 @ \$1.5150, 1 @ \$1.5200; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5250; LAST OFFER UNCOVERED: NONE

THURSDAY, JULY 4, 2013

CME CLOSED

FRIDAY, JULY 5, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6700; 1 CAR 40# BLOCKS @ \$1.6600; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.7400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.5250; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.5275

BUTTER MARKETS

NORTHEAST

The CME Group butter price increased \$0.0225 Tuesday to close at \$1.5000. Butter prices have increased \$0.0725 in the last 2 trading sessions with 8 loads sold. Larger cream volumes are headed to churns as a number cream-based manufacturers are shutting down for all/or portions of the holiday week. The increases in butter production are adding to most manufacturers' bulk inventories. Declining butterfat levels in off farm milk combined with increased cream demand beyond the holiday week maybe an indication that butter production will decline in the near term. Current demand interest is focused on exports as US prices are significantly below European levels. In response to the US/European butter price differential, some manufacturers are focusing on 82% production. Domestic demand is at expected levels for this time of year. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 665,796 pounds (302 metric tons) of butter. The product will be delivered July through December 2013. During 2013, CWT has assisted member cooperatives in making export sales of butter totaling 52.393 million pounds. Current bulk butter prices for this week are 4-6 cents over the market on the CME Group with various time frames and averages used.

CENTRAL

Central butter production is steady for the week despite manufacturing milk loads flowing into the region from the East. Ice cream, cream cheese, sour cream, and dip manufacturers report their production is at seasonally high values for the week and taking much of the cream off the market. Butter demand is light into domestic sales, but a few plants are churning to meet contract quantities on 82% butter for the international market. Cooperatives Working Together (CWT) announced acceptance of export assistance bids for approximately 666,000 pounds of butter for export to Asia, the Middle East, and North Africa. Domestic bulk butter pricing in the Central region ranges from flat market to 4 cents over.

DAIRY PRODUCTS: May 2013 butter production for the nation totalled 166.6 million pounds, down 0.2% from April 2013 but 1.5% higher than one year ago. Butter production in the Central region totalled 61.5 million pounds, up 2.3% from April 2013 and 1.4% higher than one year ago.

WEST

Wholesale butter prices in the West continued to move lower as weekly average prices at the CME Group were lower to begin the week. Heavy stocks of butter in cold storage are much of the driving force for the lower prices. Price rallies at the CME Group this week have traders and manufacturers trying to determine if the market has found firmer footing. The holiday shortened week will send additional milk supplies to butter/powder plants, but hot weather in the West could signal a significant slowdown in upcoming milk production. Export sales are being aided by CWT assistance this week and U.S. prices continue to be lower than most foreign competitors. According to the NASS Dairy Products report, May butter production for the U.S. totals 166.6 million pounds, up 1.5% or 2.4 million pounds from May of 2012. Cumulative output for the year for the U.S. is 877.4 million pounds, up 1.7% or 14.9 million pounds from the same period in unadjusted 2012. May output in the Western region totals 86.0 million pounds, down 2.4% or 2.1 million pounds less than May of 2012. The West produced 51.6% of the butter in the U.S. in May. Butter prices at the CME Group exchange on Wednesday are \$.0250 higher, closing at \$1.5250. Spot butter prices at the exchange have moved higher each session in the holiday shortened week. Prices at midweek are \$.0975 higher than last Friday's close. Sales activity has been significant with 17 loads sold. Prices for bulk butter range from 3 cents under to 6 cents under the market, based on the CME with various time frames and averages used. CME Group average price for June 2013 for butter is \$1.5105 compared to \$1.4774 for June 2012.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

<u>WEEK ENDING</u>	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
June 29, 2013	1.5109 3,469,666	1.7466 11,746,162	1.7830 9,324,215	0.5712 9,252,982	1.6977 21,536,246

CHEESE MARKETS

NORTHEAST

Cheese prices on the CME Group increased Tuesday with barrels up \$0.0400 to close at \$1.6500 and blocks up \$0.0225 to close at \$1.6625. Trading activity has increased significantly with 21 loads of barrels and 19 loads of blocks sold over the last 3 trading sessions. The weekly average cheese prices on the CME Group declined last week, and as a result, wholesale prices for cheddar blocks and Muenster decreased \$0.0575, while Process 5# sliced cheese decreased \$0.1100. Wholesale prices for Swiss cuts were unchanged. Milk volumes going to cheese plants continue to be strong with most plants operating at/or near capacity levels. Current production is adding to already expanded supplies. Hot and sometimes humid conditions have moved into the region and may begin to lower milk production and milk volumes going to cheese plants in the near future. Last week's declines in the cheese market in combination with the cold storage report and declining milk production in many areas of the country, have given traders a clearer picture of the market and as a result trading activity has increased. Natural cheese is being featured on a number of new "premium burger" selections at various fast food restaurants, prompting some increases in domestic sales. Export demand remains fairly good, supported by export assistance programs. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 2.361 million pounds (1,071 metric tons) of Cheddar, Gouda and Monterey Jack cheese. The product will be delivered July through December 2013. During 2013, CWT has assisted member cooperatives in making export sales of cheese totaling 66.923 million pounds.

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

Cheddar 40# Block	: 2.0650-2.3500
Process 5# Sliced	: 1.8550-2.3350
Muenster	: 2.0850-2.4450
Grade A Swiss Cuts 10 - 14#	: 3.4675-3.7900

MIDWEST

The magnitude of this week's upward movement of CME prices Monday and Tuesday is attributed by some plant managers to trader concerns with extreme heat in the West. This was called a "weather market". One plant manager had heard that daily milk production in some areas of extreme heat had "dropped by 7 to 9 pounds a cow, maybe more". Midwestern cheese plants are not short of milk. This week regional milk was supplemented by milk from the Northeast and East, which stair stepped west, bringing more milk into Midwest cheese plants this week. Some of the milk sold for at least \$2.00 under class price. Specialty cheese sales remain strong, especially Italian varieties. International interest for Midwest cheese is at a low level, according to some manufacturers. General retail demand remains "lackluster". Cooperatives Working Together (CWT) has accepted 16 requests for export assistance to sell 2.361 million pounds (1,071 metric tons) of Cheddar, Gouda and Monterey Jack cheese. The product will be delivered July through December 2013. Year-to-date CWT has assisted member cooperatives in selling 66.923 million pounds of cheese.

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

Process American 5# Loaf	: 1.8325-2.5375
Brick And/Or Muenster 5#	: 2.0500-2.4975
Cheddar 40# Block	: 2.0500-2.9225
Monterey Jack 10#	: 2.0200-2.9275
Blue 5#	: 2.3125-3.3000
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 1.8925-3.0275
Grade A Swiss Cuts 6 - 9#	: 2.9875-3.1050

WEST

Wholesale prices for Western cheese are lower as spot trading at the CME Group last week moved sharply lower. Prices had moved to levels not seen since mid-March. Heavy cheese stocks in storage are weighing on demand, but this holiday shortened week saw increased spot activity and prices at the exchange. The higher spot prices increased interest from buyers hoping to catch the bottom of the market. Cheese production is steady this week, but recent hot weather in the West is expected to reduce milk supplies. Milk component levels are also declining. Stocks are currently thought to be adequate. According to the NASS *Dairy Products* report, total cheese production in the U.S. in May reached 953.9 million pounds, up 3.9% or 35.9 million pounds from May of 2012. Cumulative total cheese output for the U.S. for the year is 4.6 billion pounds, up 1.8% or 84.0 million pounds from unadjusted 2012. May total cheese production in the Western region was 402.9 million pounds, up 2.5% or 10.0 million pounds from May 2012. The West produced 42.2% of all the cheese in the U.S. in May. Swiss output for the U.S. in May is 27.1 million pounds, down 5.2% or 1.5 million pounds from a year ago. Cheese prices at the CME Group on Wednesday closed higher with barrels \$.0050 higher at \$1.6550. Blocks closed up \$.0025 at \$1.6650. Barrels and blocks have gone higher each trading day this week. The change in price direction after close to two weeks of lower prices brought buyers and sellers to the spot market. In the first three days of trading for the holiday shortened week, barrels sold 15 loads and blocks sold 13 loads. The CME Group monthly average price for June 2013 for barrels is \$1.7184 compared to June 2012 at \$1.5871. Blocks averaged \$1.7140 for June 2013 compared to \$1.6313 for the previous year.

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

Process 5# Loaf	: 1.7625-2.0200
Cheddar 40# Block	: 1.7850-2.1375
Cheddar 10# Cuts	: 1.9650-2.1850
Monterey Jack 10#	: 1.9750-2.1350
Grade A Swiss Cuts 6 - 9#	: 3.0450-3.4750

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CHEESE MARKETS

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FOREIGN

The CME Group weekly average block price declined again last week. The decrease, caused primarily by the record levels in cold storage, lowered domestic wholesale foreign type cheese prices by \$0.0575. The prices for domestic Swiss cuts and imported cheese were unchanged. Imported cheese sales, though not robust, remain steady for this time of 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	: 2.2050-3.6925*
Gorgonzola	: 3.4900-6.4700	: 2.7075-3.1625*
Parmesan (Italy)	: -0-	: 3.5950-5.6850*
Provolone (Italy)	: -0-	: 2.2475-2.4050*
Romano (Cows Milk)	: -0-	: 3.3950-5.5450*
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-	: 3.5650-3.8875
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

* = Price change.

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

BUTTER : CHEESE

	:	
07/01/13	18,346	: 116,805
07/01/13	18,346	: 116,805
CHANGE	0	: 0
% CHANGE	0	: 0

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	0	88	0	68	0	120
SOUTHEAST STATES	0	18	0	0	0	0

Manufacturing milk supplies have increased in the Northeast and Mid-Atlantic regions, due to declines in Class I demand and various holiday related plant closures. Balancing plants are operating at near capacity levels in order to handle the increased volumes. Frequent rains over much of the Northeast and Mid-Atlantic region limited hay and hay silage harvest activities this past week. A majority of crops, in the two regions, are in good to excellent condition going into July. Hot humid weather in Florida continues to lower cow comfort levels and milk production. Class I demand remains about steady with last week. Spot load exports increased this week, ahead of the holiday, to 88 loads. Declining Class I demand and some unplanned maintenance at a manufacturing facility have prompted the region to export loads to the Midwest. Additional auxiliary manufacturing plants were also called into production this week to handle the increase in supplies. Transportation logistics have also been complicated by numerous load rejections, due to temperature issues. Continued heat and humidity in the region are accelerating milk production declines. Demand for cream declined this week as a number of cream-based manufacturers shut down for all/or part of the holiday week. Cream supplies quickly exceeded demand and forced increased volumes to Class IV production. Some cream buyers were holding off purchases for later in the week when cream multiples are expected to decline. **Cream multiples for all Classes** moved lower this week and range 1.28-1.38. Supplies of condensed skim significantly increased this week, causing loads to be discounted under class pricing with a number of loads exported out of region. Demand and spot load sales, within region, have declined due to various plant closures for the holiday. A majority of the supplies continue 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 -	1.8785-1.9941
F.O.B. producing plants: Upper Midwest -	1.7774-1.9363

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.55 - 1.68
Northeast - Class III - spot prices -	1.40 - 1.55

MIDWEST

Central milk production in the northern tier of states is benefitting from a stretch of warm days and cool nights while West Texas dairy producers note decreases in milk production as the heat dome settled into that area. Availability of spot loads of milk is steady to higher for the week. Mechanical problems sent loads of condensed skim onto the spot market unexpectedly from

a few plants. Other plant managers with planned short production schedules for the week looked for opportunities to clear milk through the spot market. In addition, some milk loads from the East/Northeast stair-stepped into Central manufacturing facilities to alleviate continued strong milk intakes and some pushback from plants with equipment problems in that region. Milk loads from the East are clearing at some discounts, reportedly ranging to \$2 below Class while Central load prices are generally flat Class. Cream availability for butter production is light to moderate. Various Class II plant managers indicate the operational downtime for the holiday this week will be minimal, up to one day, allowing clearing of intake volumes on a timely basis when production resumes. Class II cream multiples range from 1.23 to 1.34.

WEST

The forecast for CALIFORNIA is for at least another 10 days of 100 plus temperatures. The regional high in the dairy areas seems to have been 112. Contacts expect to see a real downturn in milk supplies by midweek as the heat begins to have a cumulative effect. Also, some more humidity is noted. Some plants in the region are closing for extended periods related to the holiday. This is adding some additional milk and cream to the mix that was not anticipated. The June 4a price (butter/powder) in CALIFORNIA is \$18.39, up \$0.15 from May 2013, and \$5.22 higher than last year. This compares to the Federal Order Class IV price for June \$18.88. The June 4b price (cheese) is \$15.91, \$1.29 lower than last month, but \$1.26 more than last year. This compares to the Federal Order Class III price for June at \$18.02. Pasture and Range conditions in the West continue to deteriorate. Each week the survey is finding that the percent rated poor or very poor is increasing. For selected Western states the percentages are as follows: Arizona 86%, California 98%, Colorado 71%, Nevada 60%, and New Mexico 96%. Irrigated hay land is doing OK so far, but parts of California are expecting that lack of water will impact production at the end of the season. Conditions are bad enough in ARIZONA that some dairy producers have resorted to trying to hand spray some cows with water to attempt to make them more comfortable. The high in Phoenix was 119, but the real problem is that the low temperature is not dropping below 90. There is just no relief for the cows. Milk receipts are declining more rapidly now. Some plant issues are also causing there to be more milk and cream for processing during a holiday week. NEW MEXICO conditions are being called close to seasonal. Milk is declining as expected. Component tests are better than expected. Large square bales delivered to dairies range from \$230-285/ton. The hay market is being called "steady with trade and demand moderate". CREAM markets have been improving for the past few weeks. This trend will likely slow this week with the holiday. Ice cream plants had begun to take some more cream, but some of them are down again this week. At the CME Group, Grade AA pricing closed at \$1.5250 on Wednesday, July 3, up \$.0975 from last week. Cream multiples range from 1.12-1.29 and vary depending on class usage and basing points. Churns are taking in outside

Continued on page 4A

FLUID MILK AND CREAM

Continued from page 4

cream this week due to the holiday. Many plants continue to make more print butter now than bulk in preparation for future sales. Plants are selling additional bulk butter inventories. Daytime temperatures in the PACIFIC NORTHWEST climbed into the 90's with some places reaching 100 degrees and above this week. The high temperatures are expected to stress milk cows and lower milk production. Nighttime temperatures are in the 70's and are providing some relief. First crop harvesting of alfalfa is nearly finished with mixed results. Wet weather last week across much of the region lowered the overall quality of the first cutting. Milk processors are preparing to move milk over the long holiday weekend to powder plants as some plants will shutter for parts of the weekend. UTAH and IDAHO also experienced temperatures nearing 100 degrees. The hot weather is expected to lower milk production in the region. Processors are preparing for some increased milk supplies to move into the region as handlers balance supplies with local plant needs. First crop alfalfa harvest is nearing completion with mostly favorable reports on quality.

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: Central nonfat dry milk prices moved higher for the week on a lightly traded market reflecting higher contract bases. Various manufacturers and resellers indicate buyers still project NDM spot loads will remain accessible for the next few weeks, with slight price increases. With ready supply and limited upside risk, buyers are not anxious to own NDM above immediate needs. Central nonfat dry milk production is very active as some plants clear internal supplies as well as milk loads migrating into the region from Eastern sources. Nonfat dry milk inventories are steady to building. Manufacturers reportedly are confident in steady to seasonally higher prices as the summer advances and milk production steps lower. Manufacturers indicate they are building inventories to cover near to mid-term contract needs. The June 2013 Dairy Market News average of the mostly price series for Central and East nonfat dry milk, low/medium heat, was \$1.7091 compared to \$1.7066 one month ago and \$1.1973 in June 2012. The June 2013 Dairy Market News average of the range price series for Central and East nonfat dry milk, high heat, was \$1.7922 compared to \$1.7560 one month ago and \$1.2676 in June 2012. According to NASS, NDM production in the Central region totaled 45.2 million pounds during May 2013, 79.3% more than one month ago, and 68.0% more than the May 2012 total. Cumulative nonfat dry milk production for 2013 in the Central region totals 149.4 million pounds, 47.0% higher compared to 2012 production during the same time span.

EAST: Prices for nonfat dry milk were unchanged to firm this week with sales based on various price indices increasing the upper end of the range for low heat. High heat prices were unchanged. Manufacturing milk supplies are very heavy this week, and as a result, condensed skim volumes going to dryers are heavy, increasing nonfat dry milk production. Most plants are operating at/ or near capacity this holiday week. Market activity is fairly light ahead of the holiday. Export interest remains very active as this week's bullish SMP g/DT auction prices maintain nonfat dry milk as a lower priced alternative. Domestic and end user demand remains sluggish with most buyers waiting until after the holiday to resume business. Export activity has given the market a firm undertone.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows production of human food NONFAT DRY MILK during May 2013 totaled 167.4 million pounds, up 4.6% from April 2013 production but 13.4% lower than the May 2012 total. Cumulative nonfat dry milk production for 2013 totals 758.3 million pounds, 15.4% lower than 2012 production during the same time span. Month ending stocks, at 226.7 million pounds, are 9.2% higher than a month ago, and 5.2% higher than one year ago. May 2013 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 54.6 million pounds, 37.5% higher than one month ago and more than three times the production of May 2012. Cumulative 2013 skim milk powder production totals 233.1 million pounds, a 120.8% increase in production compared to production during the same time span in 2012.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.7100 - 1.7750 MOSTLY: 1.7100 - 1.7500
 HIGH HEAT: 1.7800 - 1.8500

NONFAT DRY MILK - WEST

Western low/medium heat NDM prices continue to firm. Domestic sales are fair at expected levels. Export activity is good to very good with volumes sold increasing. Asking and sales prices are increasing on a weekly basis. Production of powder will be higher this week as more milk heads to manufacturing due to the holiday. That fact will be short lived due to the intense heat in the region bringing milk production lower on a daily basis. High heat prices are increasing at a faster pace. Seasonal demand is improving. Stocks are very light. According to the Dairy Products report, May NDM output for the US totals 167.4 million pounds, down 13.4% from last year. Cumulative output for the first five month of the year totals 758.3 million pounds, down 15.4% from 2012. In the West, May output was 95.1 million pounds, down 35.2% from last year. Stocks of NDM at the end of May total 226.7 million pounds, up 5.2% from 2012. SMP production for the US in May is 54.6 million pounds, better than 3 1/2 times last May. Cumulative SMP output is 233.1 million pounds, up 120.8% from the same five month in 2012.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.6900 - 1.8000 MOSTLY: 1.7100 - 1.7500
 HIGH HEAT: 1.7000 - 1.8700

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices stepped higher on the top of the range. Interest is active into snack blending and frozen desserts. Condensed buttermilk is also clearing into ice cream production as that market sector grinds through their most active part of the year. Dry buttermilk from Eastern sources continues to supplement needs within the region at competitive delivered prices. The June 2013 Dairy Market News average of the range price series for Central and East dry buttermilk was \$1.5600 compared to \$1.5584 one month ago and \$1.0411 in June 2012.

EAST: Prices for dry buttermilk increased this week as spot sales and sales based on various indices moved prices on the upper end of the range higher.

Production of dry buttermilk has increased this holiday week as the decline in cream based manufacturing is channeling increased volumes of cream to churns. Available supplies will be increased this week, but overall inventories remain fairly tight and are not expected to expand in the near term. Domestic demand continues to be good as buyers view dry buttermilk as a lower priced alternative to nonfat dry milk. The fairly tight supplies and steady to higher nonfat dry milk prices are giving the market a firm undertone.

DAIRY PRODUCTS: NASS Dairy Products reports production of dry buttermilk during May 2013 totaled 10.3 million pounds, 9.8% less than one month ago but 16.4% more than the May 2012 total. Cumulative 2012 dry buttermilk production totals 59.1 million pounds, 13.4% more than during the same time span of 2012. Month ending stocks of dry buttermilk, at 17.6 million pounds, are 0.5% higher than one month ago but 10.1% lower than one year ago.

F.O.B. CENTRAL/EAST: 1.5400 - 1.6200

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

DRY BUTTERMILK - WEST

Western buttermilk prices continue to show strength. Seasonal demand is good for buttermilk powder and the strength in NDM continues to aid buttermilk. Production is higher this week due to the holiday leading to more butter output. In the last ten days, contacts have noted increased sales of condensed buttermilk. According to the Dairy Products report, May output was 10.3 million pounds for the US, up 16.4% from last year. Stocks at the end of the month total 17.6 million pounds, down 10.1% from the same period last year.

F.O.B. WEST: 1.5600 - 1.6200 MOSTLY: 1.5800 - 1.5950

DRY WHOLE MILK - NATIONAL

National dry whole milk prices are unchanged for the week on light trading activity. Dry whole milk production is steady to lower for the week. A few plant managers indicate dry whole milk production is off the schedule until early next week as dryers this week are booked for NDM production. The June 2013 Dairy Market News average of the price series for dry whole milk was \$1.8763, compared to \$1.8900 one month ago. The average price one year ago was \$1.4400.

DAIRY PRODUCTS: NASS's Dairy Products report shows dry whole milk production during May 2013 decreased 18.4% compared to April 2013 to 5.0 million pounds and was 4.7% lower than the May 2012 total. Cumulative 2013 dry whole milk production totals 25.6 million pounds, 7.3% higher than production during the same time span in 2012. Month ending stocks, at 4.8 million pounds, are 7.1% higher than one month ago, but 39.8% lower than one year ago.

F.O.B. PRODUCING PLANT: 1.8000 - 1.9000

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
June 28	\$1.6765	9,769,804	0
June 21	\$1.6595	12,196,859	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

Central dry whey prices are unchanged on the mostly price series on a steady market. Dry whey production is modestly higher. Manufacturing milk availability from Central region sources is steady to higher. Eastern handlers cleared milk into some Central region cheese plants to ease handling of milk in that region. Dry whey inventories are in balance to above immediate contract needs at a few plants. Human food dry whey production during May 2013 in the Central region totaled 39.4 million pounds. This dry whey production is 4.7 lower than one month ago, but 1.2% higher than the May 2012 total. Cumulative 2013 human food dry whey production in the Central region totals 207.0 million pounds, 5.0% higher than 2012 production during the same time span. The June 2013 Dairy Market News average of the mostly price series for Central dry whey was \$0.5434, compared to \$0.5402 one month ago, and \$0.4769 in June 2012. ANIMAL FEED DRY WHEY prices are unchanged. Availability is reportedly steady. Interest is active into feed blending operations. The June 2013 Dairy Market News average of the range price series for ANIMAL FEED Central milk replacer dry whey was \$0.4738, unchanged from one month ago. The average price in June 2012 was \$0.4202.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows production of HUMAN FOOD dry whey in May 2013 totaled 74.2 million pounds, 5.2% lower than one month ago and 10.0% lower than the May 2012 total. Month ending stocks of HUMAN FOOD dry whey totaled 62.2 million pounds, 6.2% less than one month ago but 35.9% more than one year ago. Production of ANIMAL FEED dry whey during May 2013 totaled 3.9 million pounds, 14.6% more than one month ago but 9.7% less than the May 2012 total. ANIMAL FEED dry whey month ending stocks totaled 2.3 million pounds, 1.9% higher than one month ago but 25.8% lower than one year ago.

F.O.B. CENTRAL: .4700 - .6350 MOSTLY: .5200 - .5700
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4075 - .5400

DRY WHEY - NORTHEAST

Dry whey prices were mixed this week as sales based on price indices moved the upper end of the range higher, while spot sales lowered the low end of the range. Dry whey production continues to be very active as strong off farm milk volumes are channeling heavy volumes to cheese plants. Current production is adding to inventories. Some cheese operations may be shutting down a day or two in observance of the holiday. Domestic demand remains lackluster with most buyers and end users willing to wait until after the holiday to assess and plan their future needs. Spot sales activity was a little more active this week as some manufacturers offered discounts for multiple load purchases in an effort to better manage their inventories. Export sales remain fairly active with pricing at the low end of the range. The market undertone remains cautiously steady. The June 2013 Dairy Market News average of the price series for Northeast dry whey was \$0.5813 compared to \$0.5779 one month ago and \$0.5188 in June 2012. According to NASS's *Dairy Products* report, human food dry whey production in the Atlantic area totaled 18.4 million pounds during May 2013, 2.4% lower than in April 2013 and 17.1% lower than May 2012.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5300 - .6300

DRY WHEY - WEST

Western dry whey prices moved fractionally higher on both the full range and the mostly price series. Various contract price indices moved slightly higher while spot prices were mostly steady. Whey production levels in the West are mostly steady as cheese production continued at near steady levels. Some mozzarella manufacturers have reduced production to meet reduced demand. Hot weather across the West is expected to reduce milk supplies further. Export demand is steady, with stocks available from both manufacturers and brokers. According to the NASS *Dairy Products* report, edible U.S. whey production in May totals 74.2 million pounds, down 10.0% or 8.3 million pounds from May of last year. The Western region produced 16.3 million pounds of whey in May, down 23.3% (5.0 million pounds) from last year. The West produced 22.0% of the whey in the U.S. in May. Cumulative U.S. total dry whey production for the year is 410.6 million pounds, down 7.6% or 33.6 million pounds from the unadjusted period in 2012. Manufacturers' stocks at the end of May for edible whey are 62.2 million pounds, up 35.9% from last year's unadjusted total. The June 2013 Dairy Market News monthly average price for Western dry whey range was \$0.5888 compared to \$0.4894 for June 2012; the Western dry whey mostly series averaged \$.5881 compared to \$.4843 a year ago.

NONHYGROSCOPIC: .5650 - .6150 MOSTLY: .5750 - .6100

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% held steady for the week. Various market participants indicate the number of offers of WPC 34% of various brands from resellers eclipsed F.O.B. offers this week. Several WPC 34% manufacturers indicate their inventories are light and keeping them out of the spot market. End user interest into various dips and spreads is active as contract WPC 34% quantities are reportedly short of immediate needs. Availability of off specification WPC 34% and NDM continues to clear into the feed blending industry and deflect a certain amount of interest away from the edible WPC 34% market. Production of WPC 34% is steady to higher as manufacturing milk availability benefited from light bottling activity and one day closures of some Class II plants. The June 2013 Dairy Market News average of the mostly price series for whey protein concentrate 34% Central and West was \$1.3172 compared to \$1.2786 one month ago and \$1.1977 in June 2012.

DAIRY PRODUCTS: The NASS *Dairy Products* report shows production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during May 2013 totaled 20.9 million pounds, 4.1% higher than one month ago, and 2.7% higher than the May 2012 total. Cumulative WPC 34% HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) production for 2013 totals 92.2 million pounds, 10.2% lower than 2012 production during the same time span. Manufacturers' end-of-month stocks of HUMAN AND ANIMAL WPC (25.0 - 49.9% PROTEIN) totaled 23.1 million pounds, 7.9% lower than one month ago and 28.1% lower than one year ago.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.3000 - 1.4700 MOSTLY: 1.3250 - 1.3600

CONTINUED ON PAGE 6A

WHEY, WPC 34%, LACTOSE & CASEIN

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

CONTINUED FROM PAGE 6**LACTOSE - CENTRAL AND WEST**

July monthly and some Q3 fixed price contracts begin this week. Other contracts with basis plus adjustments begin next week, according to market participants. Manufacturers report demand for 25kg and 50lb bags is active, especially for higher mesh lactose. Interest in unground lactose in totes is light to moderate. A few manufacturers indicate they are regularly maxed out on production of bags of various finished weights and have to package in totes to keep up with production. With the start of a new quarter, though, demand is expected to be at least steady, and potentially well above Q2 sales into Asia, Oceania and South America. The June 2013 Dairy Market News average of the mostly price series for Central and West lactose was \$0.6450, compared to \$0.6450 one month ago. The average price one year ago was \$0.8783.

DAIRY PRODUCTS: NASS's Dairy Products report shows HUMAN and ANIMAL lactose production during May 2013 increased 2.4% compared to April 2013 to 91.8 million pounds, and increased 4.8% compared to the May 2012 total. Cumulative 2013 lactose production totals 441.4 million pounds, a 1.7% increase from the same time span in 2012. Month ending stocks, at 90.8 million pounds, are 0.9% higher than one month ago, and 7.0% higher than one year ago.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .5200 - 1.0200 MOSTLY: .5800 - .6750

CASEIN - NATIONAL

Acid and rennet casein prices are higher, reflecting the expiration of Q2 contracts and the inclusion of Q3 contract pricing. The effects are seen on the bottom end of both ranges. Demand is light to moderate and generally along planned volumes. Some demand areas are slower on the rennet side. Buyers are more apt to seek alternatives to analog and imitation cheeses and utilize less casein. Improved milk volumes in European casein producing countries are being noted. There are concerns that the economics favor making SMP instead of casein. Conditions are more favorable for Oceania, which is poised to start the milk production season well. The July 2 gDT auction pegged nearby September NZ rennet casein contracts at \$4.8766 per pound and October at \$4.7224.

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:	4.6000 - 5.0000
ACID:	4.7000 - 5.4000

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 DAIRY COWS	2013 CUMULATIVE DAIRY COWS	2012 WEEKLY DAIRY COWS	2012 CUMULATIVE DAIRY COWS
06/15/2013	55.3	1,468.4	53.4	1,418.2

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)

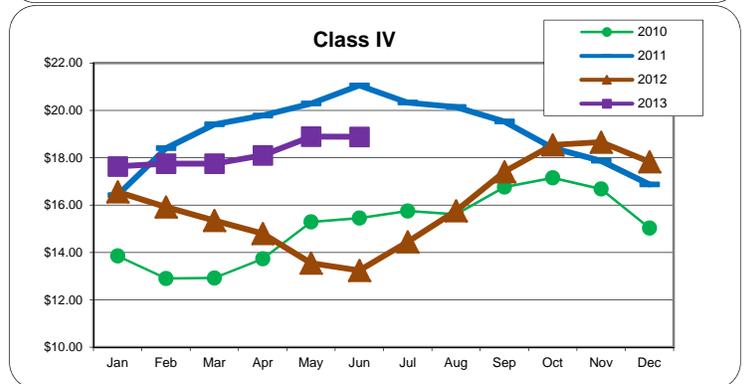
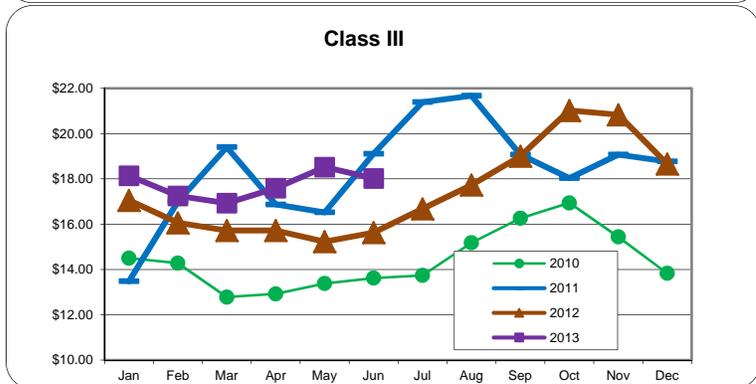
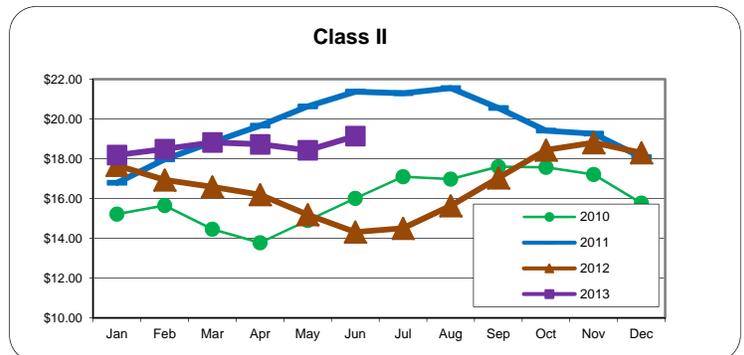
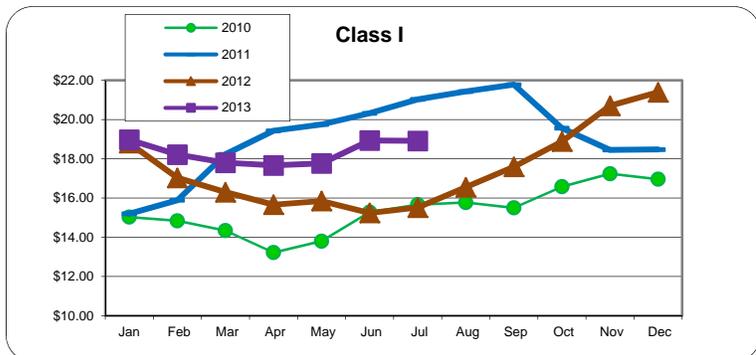
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	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	17.80	17.66	17.76	18.93	18.91					
II	18.19	18.49	18.82	18.73	18.43	19.14						
III	18.14	17.25	16.93	17.59	18.52	18.02						
IV	17.63	17.75	17.75	18.10	18.89	18.88						

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."



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered June 24 - July 5, 2013

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN OVERVIEW: Milk production levels are variable across many countries in Western Europe. Weather conditions have stabilized following periods of wet and hot weather. The relative levels of the milk supply are closing the gap and milk supplies are closer to year ago volumes. This is helping processors to reestablish product mixes. Higher milk prices are allowing for supplemental feeding at the farm level if necessary. Pasture conditions and feed crop growth are variable, but are fair to good. Processors are able to handle the current milk supplies. There is a good internal demand for milk and dairy products. Demand for fresh milk and cream is strong. Relative high export pricing levels for finished dairy products are making the execution of exporting more difficult. The fluctuating EURO values in comparison to the US Dollar continue to impact export values and volumes. Butter movements into Private Storage Assistance (PSA) are 62,750 MT through June 23, about 2/3rds of the volumes of a year ago. The PSA accepts butter through August 15.

BUTTER/BUTTEROIL: Butter pricing in Europe continues to register mainly domestic and internal demand. Export interest is limited to established accounts. At current pricing levels and with the availability of offerings from other exporting countries, export demand is light. Butter production is moderate as the milk season is just off the high point. Stocks are adequate to service accounts. There is fair to good demand for cream from other outlets. Packaged butter demand is fair to good. The PSA program continues to take in butter at a more limited pace than a year ago. Program intakes through June 23 are 62,750 MT, about 2/3rds of the amount of a year ago. The PSA will accept butter into storage until August 15. The butteroil market is limited for Europe sourced product. Market prices are nominal in light trading. Demand is often filled with AMF from other world sources.

82% BUTTERFAT: 5,200 - 5,625
99% BUTTERFAT: 6,000 - 6,600

SKIM MILK POWDER (SMP): European SMP pricing moved lower on the top of the range, and now is trading in a tight \$4,000-4,250 range. Production is trending lower, reflecting declines in milk intakes and the preference to make cheese. Market conditions are uneven across countries. Overall, output levels are just off the seasonal peak levels. Demand is uneven. Most Q3 contracts have been established. Orders are moving to established customers. Pricing points are making it harder to be competitive with other markets. The decline in the Euro value over the past two weeks has helped make E.U. sourced product more competitive. Trade sources are saying only limited SMP for an export tender was sourced from the E.U. Stock levels are adequate to fill ongoing trade needs. European offered MH, SMP at the July 2 gDT trading event traded at \$4,150 per MT for September shipment.

1.25% BUTTERFAT: 4,000 - 4,250

WHOLE MILK POWDER (WMP): European WMP prices trended lower this reporting period. Buying interest is uneven and often quiet. Changes in currency have helped with export valuations. Trade sources are indicating that a recent tender is filling with some E.U. WMP. The extent is not readily available, yet the trades are welcomed. Traders are indicating that WMP from South America is more competitive than Europe sourced. Production is trending lower, reflecting declines in milk intakes.

26% BUTTERFAT: 4,450 - 4,900

SWEET WHEY POWDER: Whey pricing is mostly steady. Traders/handlers are indicating more whey is available for deliveries. Pricing is under more pressure with competitive quotes into export markets coming from the U.S. Cheese production is active seasonally and consequently the whey solids stream is heavy. The manufacture of high proteins is down with some declines noted in interest for those products. Resistance to the high price point is noted. Whey stocks are at light to moderate levels. Demand for feed whey was noted as uneven this period.

NONHYGROSCOPIC: 1,275 - 1,500

EASTERN OVERVIEW: Eastern European countries are seeing milk production trending slightly lower. Many locations are seeing the gap in output shrink to be closer to year ago levels. The impact of recent weather condition, wet and heat, has been marginal overall. Seasonal declines are noticed. Higher milk prices at the farm level are being welcomed. Milk processing is being handled well. The product mix is along planned levels. Dairy product supplies are in good balance and meeting current trade needs.

**Exchange rates for selected foreign currencies:
July 1, 2013**

.1855 Argentina Peso	.0100 Japan Yen
.9239 Australian Dollar	.0772 Mexican Peso
.9527 Canadian Dollar	.7819 New Zealand Dollar
1.3063 Euro	.3017 Polish Zloty
.0168 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos:
(1/.0772) = 12.9534 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered June 24 - July 5, 2013

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

OCEANIA OVERVIEW: AUSTRALIAN milk production trends are flat at the start (July 1) of the new production season. Milk price announcements for the 2013/14 season continue to be announced. Farmgate prices are higher with additional step up noted because of shifts in currency values and as processors match others' pricing. There is increasing farm level confidence for the new season. According to Dairy Australia, May milk production in Australia was 7.6% lower than May 2012. Seasonal milk output from July - May is 2.7% lower (unadjusted for leap day in 2012) than during the same period a year earlier. Season through May, unadjusted regional changes are: New South Wales, -1.2%; Victoria, -2.5%; Queensland -5.6%; South Australia -5.3%; Western Australia -0.7%; and Tasmania -3.7%. In May 2013, the Victoria region produced 62.1% of the total milk. New South Wales was a distant second, producing 12.7%. **NEW ZEALAND** milk production season is at the low point. The season is projected to start well, yet track only slightly above levels of the strong start to the last season. Cows are in good condition. Conditions have improved for the pastures. Plentiful moisture since April has helped pasture stature and regrowth. Some areas have gone from drought to high moisture conditions. The extent is too early to have any impact on milk. Overall, demand for dairy products is light to fair. Some buyers are seeking supplies to fill in nearby needs. Most product movements are for orders on the books. Market price discovery is limited as offerings and buyer interest are both light. Supplies are very light, reflective of the low point of the season. **gDT:** For the July 2 gDT session #95, the all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,645 +1.2%; butter, \$3,707 -5.7%; buttermilk powder, \$4,610 +6.0%; cheddar cheese, \$4,395 -3.7%; lactose, not traded; milk protein concentrate, not traded; rennet casein, \$10,259 +7.9%; skim milk powder, \$4,441 +3.1%; and whole milk powder, \$4,757 +0.1%.

BUTTER: Oceania butter markets are mostly steady. Very few factors are affecting the market during the low point of the production season. Sales activity is light. Some odd/small lot sales were noted. Shipments of previous sales are moving on a limited basis. Terms are being negotiated for the upcoming season. Most current production is built around domestic needs. Overall output is light, matching the milk flow. At the July 2 gDT event 95, butter averaged \$3,720/MT for the September contracts, -7.3%, and \$3,707/MT for all contract periods, -5.7%. AMF prices averaged \$5,135/MT for the September contracts, -4.2% from the prior event. The AMF price average was \$4,645/MT for all contract periods, +1.2%.

82% BUTTERFAT: 3,675 - 4,500

SKIM MILK POWDER (SMP): The pricing range for Oceania SMP increased. Reports of price gains within the trading period were noted. The market tone is mostly steady. Demand is light for the limited current trade needs. Offerings are light along expectations. Many buyers are looking at other regions to fill current needs. Along most expectations, trade sources indicate that recent tenders are filling from other countries. Seasonal SMP output is at the lower point of the yearly cycle. New season sales are being negotiated for contract needs. Auction results for MH product later in 2013 represent prices at the middle to the high of the current range. Holdings are light and committed to sales. At the July 2 gDT event, SMP for all regions and contracting periods averaged \$4,441 per MT, up 3.1%. For trading in contract period 2, (September 2013), prices averaged

\$4,755 for NZ sourced medium heat product. For September sales, the price gap again widened, now at \$700/MT over U.S. MH SMP and \$625/MT over the E.U. MH SMP.

1.25% BUTTERFAT: 4,200 - 4,750

CHEDDAR CHEESE: Oceania cheddar cheese prices are lower on the top end of the range. The market is lightly tested with little activity beyond planned shipments. Buyer needs are limited at present. Offerings remain on the seasonal light side. Future needs and pricing points are being negotiated. World supply and economic conditions have pressured pricing levels lower for some Asian accounts. Internal cheese demand has been uneven and pricing sporadic, troubled by supermarket competition.

39% MAXIMUM MOISTURE: 4,000 - 4,600

WHOLE MILK POWDER (WMP): Oceania whole milk powder prices are higher in a limited market test. Offerings are seasonally light with only small parcels trading. The auction results were highest for the nearby trading month. Some buyers are willing to bid to secure coverage in the short term. Processors are often making high value products and therefore few commodity products. WMP production is light and consistent with the milk production and trade expectations. Demand is light to fair for the current offerings. Buying interest is building for future needs. Negotiations are trending higher and expected to build. Conditions look favorable for a good start to the milk production season and the new season supply of WMP. At the July 2 gDT event, the WMP pricing index, across all contracting periods averaged \$4,757 per MT, up 0.1%. For Contract period 2, September 2013, NZ regular WMP averaged \$4,770 per MT.

26% BUTTERFAT: 4,400 - 5,300

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered June 24 - July 5, 2013

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US\$/MT	Global/Dairy Trading (g/DT) Event 95 Recap - July 2, 2013													
	Contract 1 Aug-13		Contract 2 Sep-13		Contract 3 Oct-13		Contract 4 Nov-13		Contract 5 Dec-13		Contract 6 Jan-14		All Contracts	
Anhydrous Milk Fat	n.a.	\$5,135	-4.2%	\$5,046	-5.2%	\$4,408	2.3%	\$4,370	3.3%	\$4,725	10.2%	\$4,645	1.2%	
Butter	\$3,660	n.a.	\$3,720	-7.3%	\$3,681	-4.1%	\$3,745	-4.1%	n.a.	n.a.	n.a.	\$3,707	-5.7%	
Buttermilk Powder	n.a.	\$4,575	6.0%	\$4,580	n.a.	\$4,710	n.a.	n.a.	n.a.	n.a.	n.a.	\$4,610	6.0%	
Cheddar	n.a.	n.a.	\$4,526	-1.7%	\$4,328	-5.0%	n.a.	n.a.	n.a.	n.a.	n.a.	\$4,395	-3.7%	
Lactose	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Milk Protein Concentrate	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Rennet Casein	n.a.	\$10,751	8.8%	\$10,411	10.3%	\$9,612	1.7%	n.a.	n.a.	n.a.	n.a.	\$10,259	7.9%	
Skim Milk Powder	\$3,875	2.3%	\$4,459	2.7%	\$4,670	3.2%	\$4,492	3.4%	\$4,513	5.1%	n.a.	\$4,441	3.1%	
Whole Milk Powder	\$5,287	4.9%	\$4,777	-4.4%	\$4,642	-1.1%	\$4,645	2.1%	\$4,731	7.1%	\$4,755	3.1%	\$4,757	0.1%

Average price US\$/MT and % change in indices from previous event.

US\$/Pound	Global/Dairy Trading (g/DT) Event 95 Recap - July 2, 2013													
	Contract 1 Aug-13		Contract 2 Sep-13		Contract 3 Oct-13		Contract 4 Nov-13		Contract 5 Dec-13		Contract 6 Jan-14		All Contracts	
Anhydrous Milk Fat	n.a.	\$2.3292	-4.2%	\$2.2889	-5.2%	\$1.9995	2.3%	\$1.9822	3.3%	\$2.1432	10.2%	\$2.1070	1.2%	
Butter	\$1.6602	n.a.	\$1.6874	-7.3%	\$1.6697	-4.1%	\$1.6987	-4.1%	n.a.	n.a.	n.a.	\$1.6815	-5.7%	
Buttermilk Powder	n.a.	\$2.0752	6.0%	\$2.0775	n.a.	\$2.1364	n.a.	n.a.	n.a.	n.a.	n.a.	\$2.0911	6.0%	
Cheddar	n.a.	n.a.	\$2.0530	-1.7%	\$1.9632	-5.0%	n.a.	n.a.	n.a.	n.a.	n.a.	\$1.9936	-3.7%	
Lactose	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Milk Protein Concentrate	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Rennet Casein	n.a.	\$4.8766	8.8%	\$4.7224	10.3%	\$4.3600	1.7%	n.a.	n.a.	n.a.	n.a.	\$4.6535	7.9%	
Skim Milk Powder	\$1.7577	2.3%	\$2.0226	2.7%	\$2.1183	3.2%	\$2.0376	3.4%	\$2.0471	5.1%	n.a.	\$2.0144	3.1%	
Whole Milk Powder	\$2.3982	4.9%	\$2.1668	-4.4%	\$2.1056	-1.1%	\$2.1070	2.1%	\$2.1460	7.1%	\$2.1569	3.1%	\$2.1578	0.1%

Average price US\$/pound and % change from previous event.

CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	06/20	06/21	06/24	06/25	06/26	06/27	06/28	07/01	07/02	07/03
CME - CLASS III MILK FUTURES (Pit-Traded)										
JUN 13	18.01 (3466) 0	18.03 (3457) 0	18.03 (3448) 0	18.03 (3435) 1	18.02 (3332) 0	18.04 (3333) 0	18.04 (3329) 0	18.04 (3330) 0	18.04 (3329) 0	18.02 (3166) 0
JUL 13	17.92 (4190) 0	17.79 (4237) 0	17.34 (4263) 0	17.13 (4279) 0	17.12 (4282) 0	16.70 (4212) 2	16.88 (4171) 10	17.37 (4102) 5	17.29 (4016) 15	17.20 (3946) 0
AUG 13	18.36 (3415) 0	18.33 (3515) 5	18.00 (3699) 17	17.77 (3697) 0	17.73 (3664) 0	17.57 (3789) 3	17.77 (3797) 11	18.33 (3830) 3	18.33 (3877) 15	18.07 (3874) 0
SEP 13	18.74 (2934) 0	18.64 (2977) 5	18.44 (3147) 7	18.30 (3150) 4	18.30 (3151) 41	18.22 (3238) 1	18.29 (3248) 5	18.74 (3286) 0	18.78 (3320) 0	18.60 (3344) 0
OCT 13	18.77 (2004) 0	18.64 (2043) 0	18.48 (2137) 5	18.35 (2154) 0	18.38 (2160) 1	18.27 (2209) 1	18.27 (2233) 4	18.59 (2270) 0	18.63 (2353) 0	18.54 (2373) 0
NOV 13	18.52 (1859) 0	18.50 (1863) 0	18.39 (1887) 5	18.25 (1933) 0	18.20 (1938) 1	18.15 (1969) 1	18.15 (1977) 5	18.20 (2001) 0	18.30 (2047) 0	18.21 (2094) 0
DEC 13	18.12 (1753) 0	18.11 (1758) 0	18.03 (1746) 0	17.95 (1760) 0	17.94 (1779) 1	17.90 (1793) 1	17.85 (1795) 4	17.99 (1831) 0	17.99 (1846) 0	17.86 (1845) 0
JAN 14	17.60 (566) 0	17.60 (566) 0	17.58 (567) 0	17.53 (574) 0	17.53 (577) 0	17.49 (583) 0	17.37 (608) 0	17.47 (624) 0	17.45 (642) 0	17.39 (645) 0
FEB 14	17.26 (458) 0	17.26 (458) 0	17.26 (457) 0	17.24 (464) 0	17.25 (465) 0	17.23 (480) 0	17.20 (495) 0	17.25 (497) 0	17.20 (503) 0	17.20 (512) 0
MAR 14	17.15 (359) 0	17.15 (359) 0	17.15 (366) 0	17.08 (364) 0	17.15 (372) 0	17.12 (385) 0	17.10 (397) 0	17.13 (407) 0	17.10 (419) 0	17.11 (420) 0
CME - CLASS IV MILK FUTURES (Pit-Traded)										
JUN 13	18.94 (299) 0	18.94 (299) 0	18.94 (299) 0	18.94 (299) 0	18.94 (299) 0	18.92 (299) 0	18.92 (299) 0	18.92 (299) 0	18.92 (299) 0	18.88 (299) 0
JUL 13	19.16 (371) 0	19.11 (371) 0	18.85 (381) 0	18.79 (381) 0	18.64 (394) 0	18.65 (420) 0	18.63 (423) 3	18.92 (423) 0	19.10 (421) 0	19.10 (421) 0
AUG 13	19.52 (446) 0	19.50 (446) 0	19.36 (447) 0	19.30 (447) 1	19.10 (447) 0	19.04 (456) 0	19.04 (459) 3	19.25 (460) 0	19.38 (460) 0	19.45 (460) 0
CME - CASH SETTLED BUTTER FUTURES (Electronic-Traded)										
JUN 13	155.55 (805) 22	155.00 (805) 5	155.00 (796) 1	155.00 (816) 0	154.35 (804) 3	154.25 (822) 4	154.25 (841) 0	154.25 (839) 2	154.25 (839) 0	154.22 (945) 0
JUL 13	156.70 (857) 15	154.00 (865) 8	150.48 (871) 14	148.00 (855) 26	145.00 (875) 30	145.00 (881) 7	146.75 (888) 2	151.00 (896) 3	153.25 (896) 15	154.00 (896) 0
AUG 13	161.00 (867) 11	158.28 (926) 65	156.03 (929) 8	152.68 (942) 24	148.00 (951) 23	150.00 (951) 22	152.48 (952) 12	156.50 (976) 27	158.50 (988) 45	159.00 (992) 0
CME - NONFAT DRY MILK FUTURES (Pit-Traded)										
JUN 13	168.50 (321) 0	168.50 (321) 0	168.50 (321) 0	168.50 (321) 0	168.50 (321) 0	168.28 (319) 0	168.28 (319) 0	168.30 (319) 0	168.30 (319) 0	168.78 (332) 0
JUL 13	171.50 (260) 0	171.45 (263) 0	171.08 (265) 0	170.75 (270) 0	170.75 (275) 0	170.13 (278) 0	171.00 (278) 0	171.25 (281) 0	171.25 (281) 0	171.25 (281) 0
AUG 13	174.00 (259) 0	174.00 (259) 0	174.00 (259) 0	173.75 (266) 0	173.75 (271) 0	172.00 (282) 0	172.00 (282) 0	172.00 (282) 0	173.25 (282) 0	173.25 (282) 0
CME - WHEY (Electronic-Traded)										
JUN 13	57.25 (249) 0	57.25 (249) 0	57.25 (251) 8	57.25 (251) 0	57.25 (251) 0	57.25 (251) 0	57.25 (251) 0	57.25 (251) 0	57.25 (251) 0	57.38 (249) 0
JUL 13	57.45 (276) 1	57.45 (276) 0	56.25 (268) 30	56.00 (276) 13	56.00 (277) 1	56.20 (283) 13	56.25 (288) 7	56.25 (295) 9	57.00 (295) 1	57.70 (291) 5
AUG 13	58.00 (246) 2	58.00 (246) 0	56.75 (244) 13	57.00 (245) 5	56.25 (245) 2	56.30 (247) 8	56.50 (253) 10	57.00 (254) 1	57.50 (253) 1	57.50 (253) 0
CME - CHEESE CSC (Electronic-Traded)										
JUN 13	1.78 (872) 0	1.78 (873) 2	1.78 (872) 4	1.78 (869) 4	1.78 (869) 1	1.78 (869) 3	1.78 (868) 2	1.78 (868) 0	1.78 (868) 0	1.78 (826) 0
JUL 13	1.77 (746) 17	1.76 (745) 26	1.72 (827) 164	1.70 (857) 64	1.69 (866) 27	1.65 (896) 48	1.67 (922) 53	1.71 (966) 74	1.70 (968) 3	1.70 (932) 58
AUG 13	1.81 (710) 59	1.81 (715) 7	1.77 (751) 75	1.75 (797) 75	1.76 (785) 58	1.74 (807) 57	1.76 (823) 24	1.81 (836) 38	1.80 (838) 14	1.78 (840) 5
SEP 13	1.85 (603) 19	1.84 (603) 14	1.83 (657) 84	1.82 (692) 39	1.82 (714) 29	1.81 (754) 49	1.81 (757) 17	1.85 (759) 32	1.85 (768) 32	1.85 (772) 4
OCT 13	1.85 (633) 12	1.85 (647) 14	1.84 (721) 80	1.82 (744) 30	1.82 (770) 28	1.82 (777) 14	1.82 (777) 0	1.84 (780) 11	1.85 (780) 0	1.84 (803) 25
NOV 13	1.82 (836) 10	1.82 (836) 5	1.82 (903) 75	1.81 (917) 14	1.81 (923) 6	1.81 (931) 13	1.81 (931) 0	1.82 (930) 15	1.82 (937) 7	1.81 (962) 25

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-278-4142.)

MONTHLY SUMMARY AND AVERAGES FOR JUNE 2013 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 23 ::REPORT NUMBER 24 ::REPORT NUMBER 25 ::REPORT NUMBER 26 ::				2013	2012
	::-----::-----::-----::-----::				Average	Average
	JUN 03 - 07	JUN 10 - 14	JUN 17 - 21	JUN 24 - 28	or Total	or Total
CHEESE						
WISCONSIN (WSP, Delivered, LTL)						
-- Process American 5# Loaf	:: 1.9050 - 2.6100	:: 1.9200 - 2.6250	:: 1.9650 - 2.6700	:: 1.9425 - 2.6475	:: 2.2856	: 2.0921
-- Brick And/Or Muenster 5#	:: 2.1300 - 2.5775	:: 2.1150 - 2.5625	:: 2.1200 - 2.5675	:: 2.1075 - 2.5550	:: 2.3419	: 2.2831
-- Cheddar 40# Block	:: 2.1300 - 3.0025	:: 2.1150 - 2.9875	:: 2.1200 - 2.9925	:: 2.1075 - 2.9800	:: 2.5544	: 2.4956
-- Monterey Jack 10#	:: 2.1000 - 3.0025	:: 2.0850 - 2.9875	:: 2.0900 - 2.9925	:: 2.0775 - 2.9800	:: 2.5394	: 2.4806
-- Blue 5#	:: 2.3925 - 3.3800	:: 2.3775 - 3.3650	:: 2.3825 - 3.3700	:: 2.3700 - 3.3575	:: 2.8744	: 2.7606
-- Mozzarella 5 - 6#	:: 1.9725 - 3.1025	:: 1.9575 - 3.0875	:: 1.9625 - 3.0925	:: 1.9500 - 3.0800	:: 2.5256	: 2.4681
-- Grade A Swiss Cuts 6 - 9#	:: 2.9125 - 3.0300	:: 2.9875 - 3.1050	:: 2.9875 - 3.1050	:: 2.9875 - 3.1050	:: 3.0275	: 2.8238
NORTHEAST (WSP, Delivered, LTL)						
-- Cheddar 40# Block	:: 2.1425 - 2.4275	:: 2.1300 - 2.4150	:: 2.1350 - 2.4200	:: 2.1225 - 2.4075	:: 2.2750	: 2.1581
-- Process 5# Sliced	:: 1.9325 - 2.4125	:: 1.9450 - 2.4250	:: 1.9900 - 2.4700	:: 1.9650 - 2.4450	:: 2.1981	: 1.8271
-- Muenster	:: 2.1625 - 2.5225	:: 2.1500 - 2.5100	:: 2.1550 - 2.5150	:: 2.1425 - 2.5025	:: 2.3325	: 2.2156
-- Grade A Swiss Cuts 10 - 14#	:: 3.3925 - 3.7150	:: 3.4675 - 3.7900	:: 3.4675 - 3.7900	:: 3.4675 - 3.7900	:: 3.6100	: 3.4163
WEST COAST (WSP, Delivered, LTL)						
-- Process 5# Loaf	:: 1.8400 - 2.0975	:: 1.8525 - 2.1100	:: 1.8975 - 2.1550	:: 1.8725 - 2.1300	:: 1.9944	: 1.8009
-- Cheddar 40# Block	:: 1.8625 - 2.2150	:: 1.8500 - 2.2025	:: 1.8550 - 2.2075	:: 1.8425 - 2.1950	:: 2.0288	: 1.9168
-- Cheddar 10# Cuts	:: 2.0425 - 2.2625	:: 2.0300 - 2.2500	:: 2.0350 - 2.2550	:: 2.0225 - 2.2425	:: 2.1425	: 2.0306
-- Monterey Jack 10#	:: 2.0525 - 2.2125	:: 2.0400 - 2.2000	:: 2.0450 - 2.2050	:: 2.0325 - 2.1925	:: 2.1225	: 2.0106
-- Grade A Swiss Cuts 6 - 9#	:: 2.9700 - 3.4000	:: 3.0450 - 3.4750	:: 3.0450 - 3.4750	:: 3.0450 - 3.4750	:: 3.2413	: 3.0475
FLUID PRODUCTS						
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)						
-- Northeast - f.o.b	:: 1.9420 - 2.0499	:: 2.0033 - 2.1266	:: 2.0482 - 2.2176	:: 2.0466 - 2.1527	:: 2.0734	: 2.0078
-- Upper Midwest - f.o.b	:: 1.8803 - 2.0191	:: 1.9417 - 2.0341	:: 1.9866 - 2.0790	:: 1.9106 - 2.0466	:: 1.9873	: 1.9402
PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.						
-- Class II	:: 1.53 - 1.68	:: 1.50 - 1.63	:: 1.53 - 1.63	:: 1.58 - 1.68	:: 1.5950	: 1.1955
-- Class III	:: 1.39 - 1.49	:: 1.51 - 1.59	:: 1.46 - 1.56	:: 1.41 - 1.56	:: 1.4963	: 1.3171

MONTHLY SUMMARY AND AVERAGES FOR JUNE 2013 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 23 ::REPORT NUMBER 24 ::REPORT NUMBER 25 ::REPORT NUMBER 26 ::				2013	2012
	::-----::-----::-----::-----::				Average	Average
	JUN 03 - 07	JUN 10 - 14	JUN 17 - 21	JUN 24 - 28	or Total	or Total
DRY PRODUCTS						
NONFAT DRY MILK						
-- Central And East (f.o.b.)						
-- Low/Medium Heat	:: 1.6600 - 1.7450	:: 1.6600 - 1.7575	:: 1.6800 - 1.7725	:: 1.7000 - 1.7725	:: 1.7184	: 1.2039
-- Mostly	:: 1.6800 - 1.7225	:: 1.6800 - 1.7300	:: 1.6900 - 1.7300	:: 1.7000 - 1.7400	:: 1.7091	: 1.1973
-- High Heat	:: 1.7500 - 1.8000	:: 1.7500 - 1.8075	:: 1.7500 - 1.8500	:: 1.7800 - 1.8500	:: 1.7922	: 1.2676
-- West (f.o.b.)						
-- Low/Medium Heat	:: 1.6100 - 1.7400	:: 1.6100 - 1.7600	:: 1.6500 - 1.7600	:: 1.6500 - 1.7800	:: 1.6950	: 1.1733
-- Mostly	:: 1.6650 - 1.7200	:: 1.6800 - 1.7250	:: 1.6900 - 1.7300	:: 1.7000 - 1.7350	:: 1.7056	: 1.1552
-- High Heat	:: 1.6600 - 1.8000	:: 1.6600 - 1.8000	:: 1.6600 - 1.8200	:: 1.6600 - 1.8500	:: 1.7388	: 1.2149
WHEY POWDER (Nonhygroscopic)						
-- Central (f.o.b.)	:: 0.5075 - 0.6300	:: 0.4700 - 0.6300	:: 0.4700 - 0.6200	:: 0.4700 - 0.6250	:: 0.5528	: 0.4814
-- Mostly	:: 0.5175 - 0.5700	:: 0.5150 - 0.5700	:: 0.5150 - 0.5700	:: 0.5200 - 0.5700	:: 0.5434	: 0.4769
-- West (f.o.b.)	:: 0.5575 - 0.6200	:: 0.5575 - 0.6200	:: 0.5700 - 0.6100	:: 0.5625 - 0.6125	:: 0.5888	: 0.4894
-- Mostly	:: 0.5600 - 0.6100	:: 0.5600 - 0.6100	:: 0.5725 - 0.6100	:: 0.5725 - 0.6100	:: 0.5881	: 0.4843
-- Northeast (f.o.b.)	:: 0.5450 - 0.6150	:: 0.5450 - 0.6200	:: 0.5425 - 0.6175	:: 0.5450 - 0.6200	:: 0.5813	: 0.5188
WHEY PROTEIN CONCENTRATE						
-- Central And West (f.o.b.)						
-- Extra Grade 34% Protein	:: 1.2675 - 1.4800	:: 1.2600 - 1.4800	:: 1.2800 - 1.4600	:: 1.3000 - 1.4700	:: 1.3747	: 1.1389
-- Mostly	:: 1.2775 - 1.3225	:: 1.2800 - 1.3225	:: 1.3000 - 1.3500	:: 1.3250 - 1.3600	:: 1.3172	: 1.1977
ANIMAL FEED - WHEY						
-- Central (f.o.b.)						
-- Milk Replacer	:: 0.4075 - 0.5400	:: 0.4075 - 0.5400	:: 0.4075 - 0.5400	:: 0.4075 - 0.5400	:: 0.4738	: 0.4202
BUTTERMILK (Min. 30% protein)						
-- Central And East (f.o.b.)	:: 1.5200 - 1.6000	:: 1.5100 - 1.6000	:: 1.5100 - 1.6000	:: 1.5400 - 1.6000	:: 1.5600	: 1.0411
-- West (f.o.b.)	:: 1.5200 - 1.5650	:: 1.5300 - 1.5700	:: 1.5500 - 1.5825	:: 1.5600 - 1.6000	:: 1.5597	: 1.0552
-- Mostly	:: 1.5400 - 1.5500	:: 1.5500 - 1.5650	:: 1.5600 - 1.5750	:: 1.5700 - 1.5875	:: 1.5622	: 1.0443
WHOLE MILK POWDER						
-- National (f.o.b.)	:: 1.7800 - 1.9800	:: 1.8500 - 1.9500	:: 1.8000 - 1.9500	:: 1.8000 - 1.9000	:: 1.8763	: 1.4400
LACTOSE						
-- Central And West (f.o.b.)	:: 0.5200 - 0.7500	:: 0.4800 - 0.7500	:: 0.5200 - 0.7500	:: 0.5600 - 0.7500	:: 0.6350	: 0.8882
-- Mostly	:: 0.5800 - 0.7100	:: 0.5800 - 0.7100	:: 0.5800 - 0.7100	:: 0.5800 - 0.7100	:: 0.6450	: 0.8783
CASEIN - Edible - National (f.o.b.)						
-- Nonrestricted - Rennet	:: 4.3500 - 5.0000	:: 4.3500 - 5.0000	:: 4.3500 - 5.0000	:: 4.3500 - 5.0000	:: 4.6750	: 4.3250
-- Nonrestricted - Acid	:: 4.6000 - 5.4000	:: 4.6000 - 5.4000	:: 4.6000 - 5.4000	:: 4.6000 - 5.4000	:: 5.0000	: 4.6000

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

CME GROUP AVERAGES FOR JUNE 2013

COMMODITY	:REPORT NUMBER 23:REPORT NUMBER 24:REPORT NUMBER 25:REPORT NUMBER 26::				: 2013 * : 2012 *						
	:-----:-----:-----:-----:-----:-----:				: Monthly : Monthly						
	: JUN 3 - 7 :		: JUN 10 - 14 :		: JUN 17 - 21 :		: JUN 24 - 28 :		: Average : Average		

BUTTER*											
-- GRADE AA											
--Monday	::	1.5400	::	1.5450	::	1.5350	::	1.4750	::	:	:
--Tuesday	::	1.5400	::	1.5400	::	1.5300	::	1.4675	::	:	:
--Wednesday	::	1.5400	::	1.5400	::	1.5075	::	1.4275	::	:	:
--Thursday	::	1.5400	::	1.5400	::	1.5075	::	1.4275	::	:	:
--Friday	::	1.5450	::	1.5350	::	1.5000	::	1.4275	::	::	1.5105 : 1.4774
--Weekly Average**	::	1.5410	::	1.5400	::	1.5160	::	1.4450	::	:	:
CHEESE*											
-- BARRELS											
--Monday	::	1.7075	::	1.7600	::	1.7725	::	1.6775	::	:	:
--Tuesday	::	1.6850	::	1.7725	::	1.7600	::	1.6575	::	:	:
--Wednesday	::	1.7300	::	1.7725	::	1.7500	::	1.6400	::	:	:
--Thursday	::	1.7425	::	1.7725	::	1.7225	::	1.5975	::	:	:
--Friday	::	1.7600	::	1.7725	::	1.7175	::	1.5975	::	::	1.7184 : 1.5871
--Weekly Average**	::	1.7250	::	1.7700	::	1.7445	::	1.6340	::	:	:
-- 40# BLOCKS											
--Monday	::	1.7275	::	1.7525	::	1.7150	::	1.6875	::	:	:
--Tuesday	::	1.7075	::	1.7500	::	1.7250	::	1.6875	::	:	:
--Wednesday	::	1.7350	::	1.7325	::	1.7250	::	1.6775	::	:	:
--Thursday	::	1.7400	::	1.7225	::	1.7250	::	1.6375	::	:	:
--Friday	::	1.7475	::	1.7225	::	1.7250	::	1.6375	::	::	1.7140 : 1.6313
--Weekly Average**	::	1.7315	::	1.7360	::	1.7230	::	1.6655	::	:	:
NONFAT DRY MILK*											
-- EXTRA GRADE											
--Monday	::	1.7000	::	1.7000	::	1.7000	::	1.7000	::	:	:
--Tuesday	::	1.7000	::	1.7000	::	1.7000	::	1.7000	::	:	:
--Wednesday	::	1.7000	::	1.7000	::	1.7000	::	1.7000	::	:	:
--Thursday	::	1.7000	::	1.7000	::	1.7000	::	1.7000	::	:	:
--Friday	::	1.7000	::	1.7000	::	1.7000	::	1.7000	::	::	1.7000 : 1.1510
--Weekly Average**	::	1.7000	::	1.7000	::	1.7000	::	1.7000	::	:	:
-- GRADE A											
--Monday	::	1.6800	::	1.6925	::	1.7025	::	1.7300	::	:	:
--Tuesday	::	1.6850	::	1.6925	::	1.7025	::	1.7300	::	:	:
--Wednesday	::	1.6900	::	1.6950	::	1.7025	::	1.7300	::	:	:
--Thursday	::	1.6900	::	1.7000	::	1.7250	::	1.7300	::	:	:
--Friday	::	1.6925	::	1.7025	::	1.7300	::	1.7300	::	::	1.7066 : 1.2143
--Weekly Average**	::	1.6875	::	1.6965	::	1.7125	::	1.7300	::	:	:

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

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

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE ^{1/}

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}
MAR 2013	236.3	1.5	218.1	-0.5	214.5	1.9	222.9	-1.3	197.1	1.0	233.3	1.2
APR 2013	236.8	1.5	218.1	0.6	214.4	2.4	222.4	0.4	197.0	3.2	234.3	1.5
MAY 2013	236.5	1.4	216.3	0.1	210.8	0.6	222.8	1.2	202.6	4.3	233.7	1.9
U.S. City Average Retail Prices												
Month	Whole Milk ^{4/}		Butter ^{5/}		Process Cheese ^{6/}		Natural Cheese ^{7/}		Ice Cream ^{8/}			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Dollars											
MAR	3.431	3.499	N/A	3.359	4.207	4.316	5.736	5.659	5.089	5.090		
APR	3.428	3.474	N/A	3.180	4.131	4.252	5.635	5.628	5.093	5.206		
MAY	3.441	3.427	N/A	N/A	4.065	4.218	5.559	5.568	4.831	5.048		

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

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS – FEBRUARY-APRIL 2012-2013 AND YEAR-TO-DATE 2012-2013 ^{1/}

Item	Feb.-Apr. 2012	Percent change ^{2/}	Feb.-Apr. 2013	Percent change ^{2/}	Jan.-Apr. 2012	Percent change ^{2/}	Jan.-Apr. 2013	Percent change ^{2/}
	Million Pounds							
MILK								
Production	51,246	4.2	50,614	-0.1	68,267	4.1	67,709	0.0
Marketings	51,003	4.2	50,373	-0.1	67,940	4.1	67,384	0.0
Beginning Commercial Stocks ^{3/}	12,500	6.0	13,456	7.6	10,983	0.5	12,194	11.0
Imports ^{3/}	774	3.1	752	-1.7	1,018	5.6	1,066	5.6
Total Supply ^{4/}	64,277	3.8	64,581	2.1	79,941	3.1	80,643	2.1
Ending Commercial Stocks ^{3/}	14,826	21.6	16,441	10.9	14,826	21.6	16,441	10.9
Net Removals ^{3/}	0	0.0	0	0.0	0	0.0	0	0.0
Commercial Disappearance ^{4/}	49,451	0.3	48,140	-1.6	65,115	0.2	64,202	-0.6
SELECTED PRODUCTS ^{5/}								
Butter	439.7	-4.2	429.3	-1.3	558.4	-5.3	564.7	2.0
American Cheese	1,066.7	-1.4	1,051.2	-0.3	1,418.4	-0.1	1,422.9	1.2
Other Cheese	1,658.7	1.3	1,669.7	1.8	2,222.5	1.8	2,246.5	1.9
Nonfat Dry Milk	482.9	47.5	453.8	-5.1	641.8	31.1	579.6	-9.0
Fluid Milk Products ^{6/}	13,190.2	-0.7	13,038.5	-2.2	17,832.3	-1.1	17,615.4	-2.0

^{1/} Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports.

^{2/} From year earlier on a daily average basis. ^{3/} Milk-equivalent, milkfat basis. ^{4/} Totals may not add because of rounding. ^{5/} Commercial disappearance in product pounds. ^{6/} Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition.

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

MAY 2013 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 166.6 million pounds, 1.5 percent above May 2012 but 0.2 percent below April 2013. **AMERICAN TYPE CHEESE** production totaled 389.4 million pounds, 5.9 percent above May 2012 and 3.3 percent above April 2013. **TOTAL CHEESE** output (excluding cottage cheese) was 953.9 million pounds, 3.9 percent above May 2012 and 2.6 percent above April 2013. **NONFAT DRY MILK** production, for human food, totaled 167.4 million pounds, 13.4 percent below May 2012 but 1.6 percent above April 2013. **DRY WHEY** production, for human food, was 74.2 million pounds, 10.0 percent below May 2012 and 5.2 percent below April 2013. **ICE CREAM (hard)** production totaled 77.8 million gallons, 0.1 percent above May 2012 and 7.8 percent above April 2013.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	MAY 2013	PERCENT CHANGE FROM:			PRODUCT	MAY 2013	PERCENT CHANGE FROM:		
	1,000 LBS.	MAY 2012	APR 2013	YEAR TO DATE 1/		1,000 LBS.	MAY 2012	APR 2013	YEAR TO DATE 1/
BUTTER	166,561	1.5	-0.2	1.7	YOGURT (PLAIN AND FLAVORED)	391,288	6.4	3.5	4.0
CHEESE					DRY WHEY, HUMAN FOOD	74,166	-10.0	-5.2	---
AMERICAN TYPES ^{2/}	389,350	5.9	3.3	2.9	DRY WHEY, ANIMAL FEED	3,882	-9.7	14.6	---
CHEDDAR	283,755	5.7	1.6	3.5	DRY WHEY, TOTAL ^{3/}	78,048	-10.0	-4.4	-7.6
OTHER AMERICAN	105,595	6.5	8.2	---	REDUCED LACTOSE AND MINERALS				
BRICK & MUENSTER	15,385	6.4	11.2	---	HUMAN FOOD	2,687	-12.2	29.7	---
CREAM & NEUFCHATEL	66,453	6.9	6.1	---	ANIMAL FEED	5,485	12.7	-3.5	---
HISPANIC	19,866	3.7	1.8	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	91,761	4.8	2.4	1.7
TOTAL ITALIAN TYPES	402,165	2.7	1.1	0.7	WHEY PROTEIN CONCENTRATE				
MOZZARELLA	315,360	3.1	2.7	0.4	HUMAN FOOD ^{4/}	41,826	22.3	5.3	---
OTHER ITALIAN	86,805	1.5	-4.3	---	ANIMAL FEED ^{5/}	981	-59.5	19.1	---
SWISS	27,128	-5.2	7.9	---	TOTAL ^{6/}	42,807	16.9	5.6	3.7
ALL OTHER TYPES	13,179	7.5	-3.3	---	25.0-49.9 PERCENT ^{10/}	20,850	2.7	4.1	---
TOTAL	953,907	3.9	2.6	1.8	50.0-89.9 PERCENT ^{10/}	21,957	34.4	7.0	---
COTTAGE CHEESE, CURD ^{3/}	34,249	-9.7	2.1	---	WHEY PROTEIN ISOLATES ^{11/}	6,643	22.5	8.9	---
COTTAGE CHEESE, CREAM ^{4/}	27,380	-4.4	8.6	-2.0					
COTTAGE CHEESE, LOWFAT ^{5/}	32,883	-6.4	0.1	-1.5	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
DRY BUTTERMILK	10,299	16.4	-9.8	---	ICE CREAM (HARD)	77,813	0.1	7.8	-0.9
DRY WHOLE MILK	5,032	-4.7	-18.4	---	ICE CREAM, LOWFAT (HARD)	20,687	2.6	5.8	---
MILK PROTEIN CONC. (MPC), TOTAL ^{6/}	12,275	10.8	16.3	---	ICE CREAM, LOWFAT (SOFT)	21,552	-21.2	13.4	---
NONFAT DRY MILK (NDM), HUMAN	167,421	-13.4	4.6	-15.4	ICE CREAM, LOWFAT (TOTAL)	42,239	-11.1	9.6	-13.1
SKIM MILK POWDERS (SMP) ^{7/}	54,641	272.3	37.5	120.8	SHERBET, HARD	4,556	18.0	4.1	5.1
SOUR CREAM	109,889	0.1	12.1	-0.1	FROZEN YOGURT (TOTAL)	7,552	5.7	5.6	-6.2

MANUFACTURERS' STOCKS, END OF MONTH 12/

PRODUCT	MAY 2013	PERCENT OF:		PRODUCT	MAY 2013	PERCENT OF:	
	1,000 LBS.	MAY 2012	APR 2013		1,000 LBS.	MAY 2012	APR 2013
DRY WHEY, HUMAN FOOD	62,153	35.9	-6.2	WHEY PROTEIN CONCENTRATE			
DRY WHEY, ANIMAL FEED	2,254	-25.8	1.9	HUMAN FOOD ^{9/}	56,078	13.6	2.5
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL ^{13/}	7,352	-16.1	10.7	ANIMAL FEED ^{9/}	1,715	-31.5	8.5
LACTOSE, HUMAN FOOD & ANIMAL FEED	90,775	7.0	0.9	TOTAL ^{9/}	57,793	11.4	2.6
DRY BUTTERMILK	17,557	-10.1	0.5	25.0-49.9 PERCENT ^{10/}	23,098	-28.1	-7.9
NONFAT DRY MILK (NDM), HUMAN FOOD	226,718	5.2	9.2	50.0-89.9 PERCENT ^{10/}	34,695	75.7	11.1
				WHEY PROTEIN ISOLATES ^{11/}	9,828	35.6	-8.2

^{1/} 2013 cumulative as percent change of 2012 cumulative. ^{2/} Includes Cheddar, Colby, Monterey and Jack. ^{3/} Mostly used for processing into cream or lowfat cottage cheese. ^{4/} Fat content 4 percent or more. ^{5/} Fat content less than 4 percent. ^{6/} Dry milk protein concentrate, 40-89.9 percent. ^{7/} Includes protein standardized and blends. ^{8/} Excludes all modified dry whey products. ^{9/} Whey protein concentrate, 25.0 to 89.9 percent. ^{10/} Whey protein concentrate, human and animal. ^{11/} Whey protein isolates, 90.0 percent or greater. ^{12/} Stocks held by manufacturers at all points and in transit. ^{13/} Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

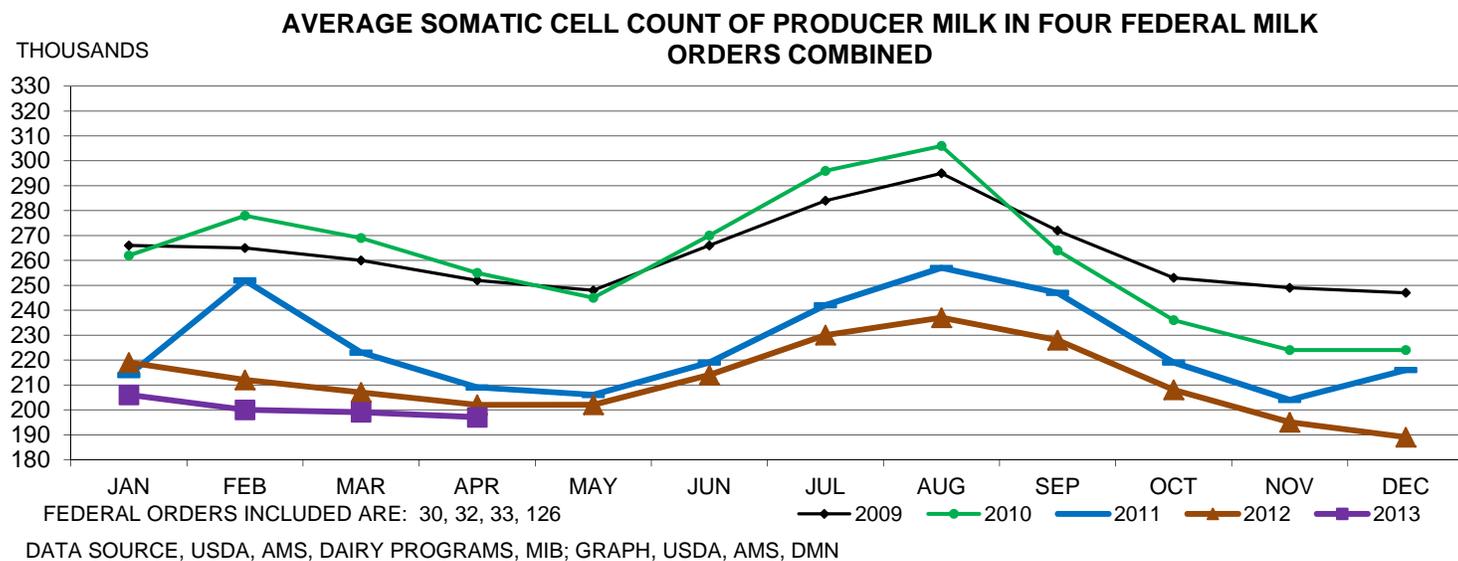
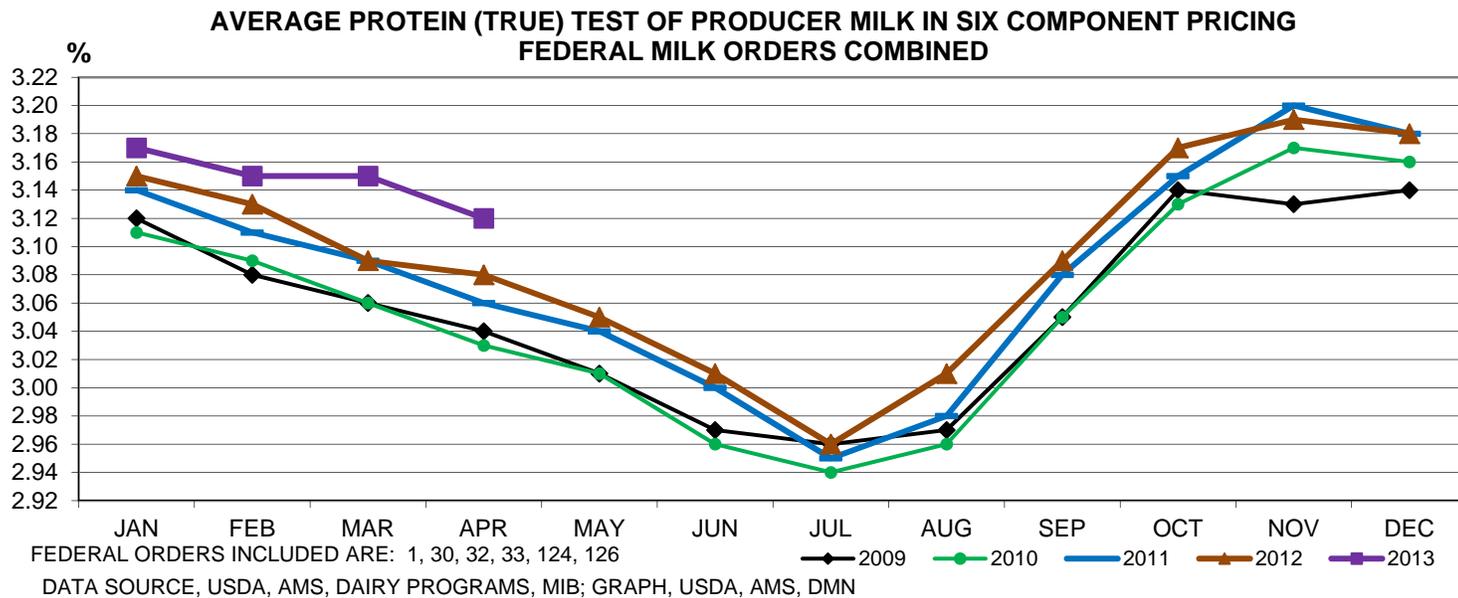
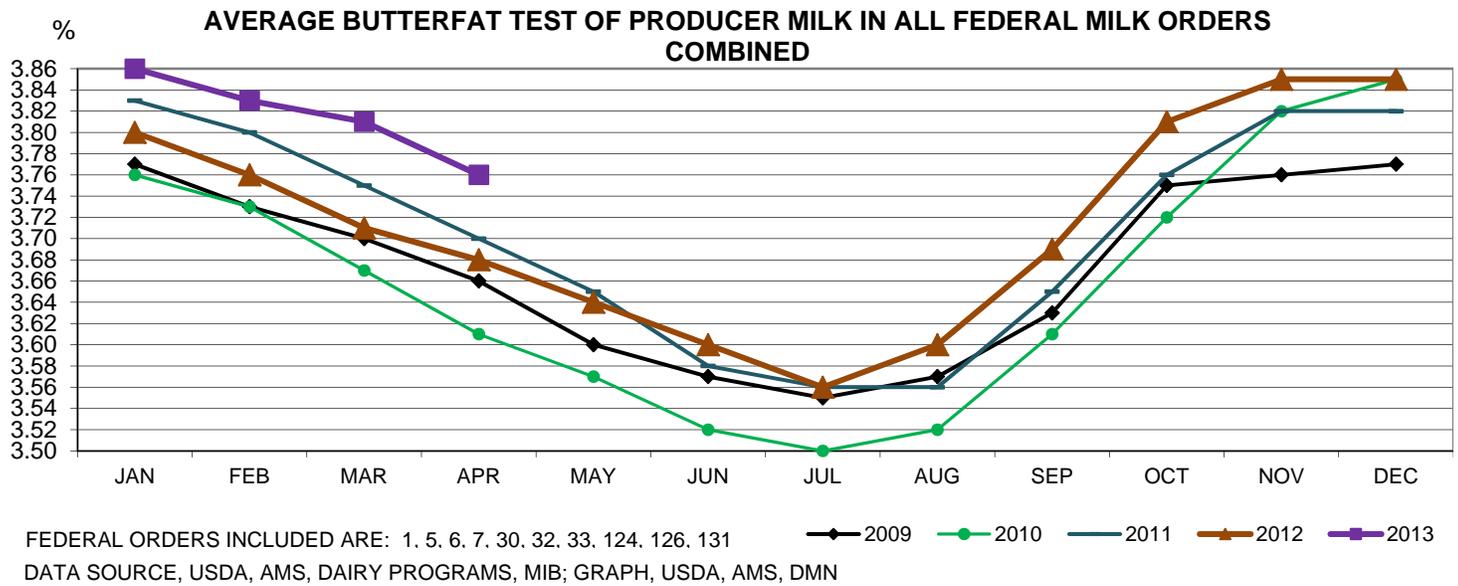
Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. Dairy Products, July 2013.

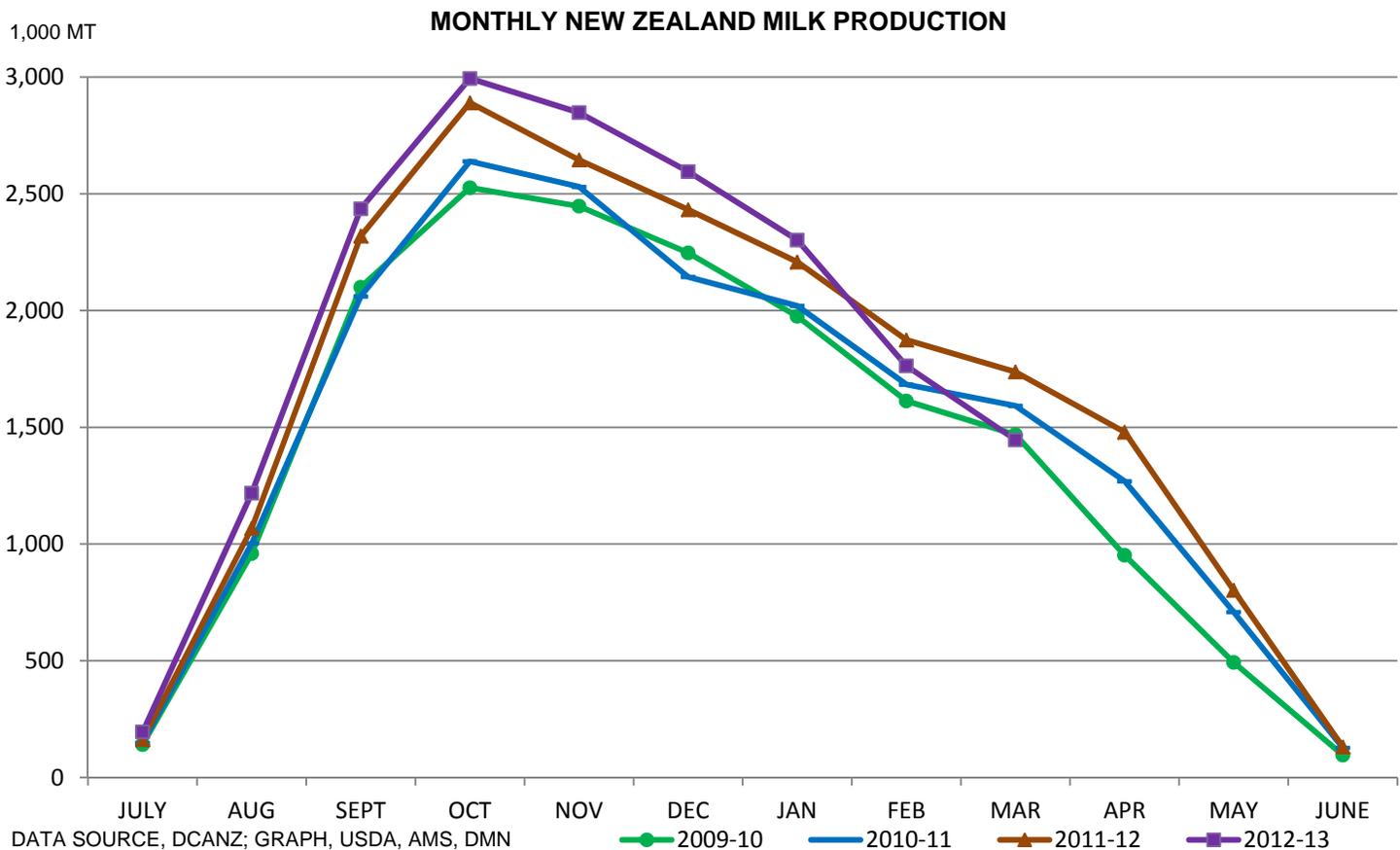
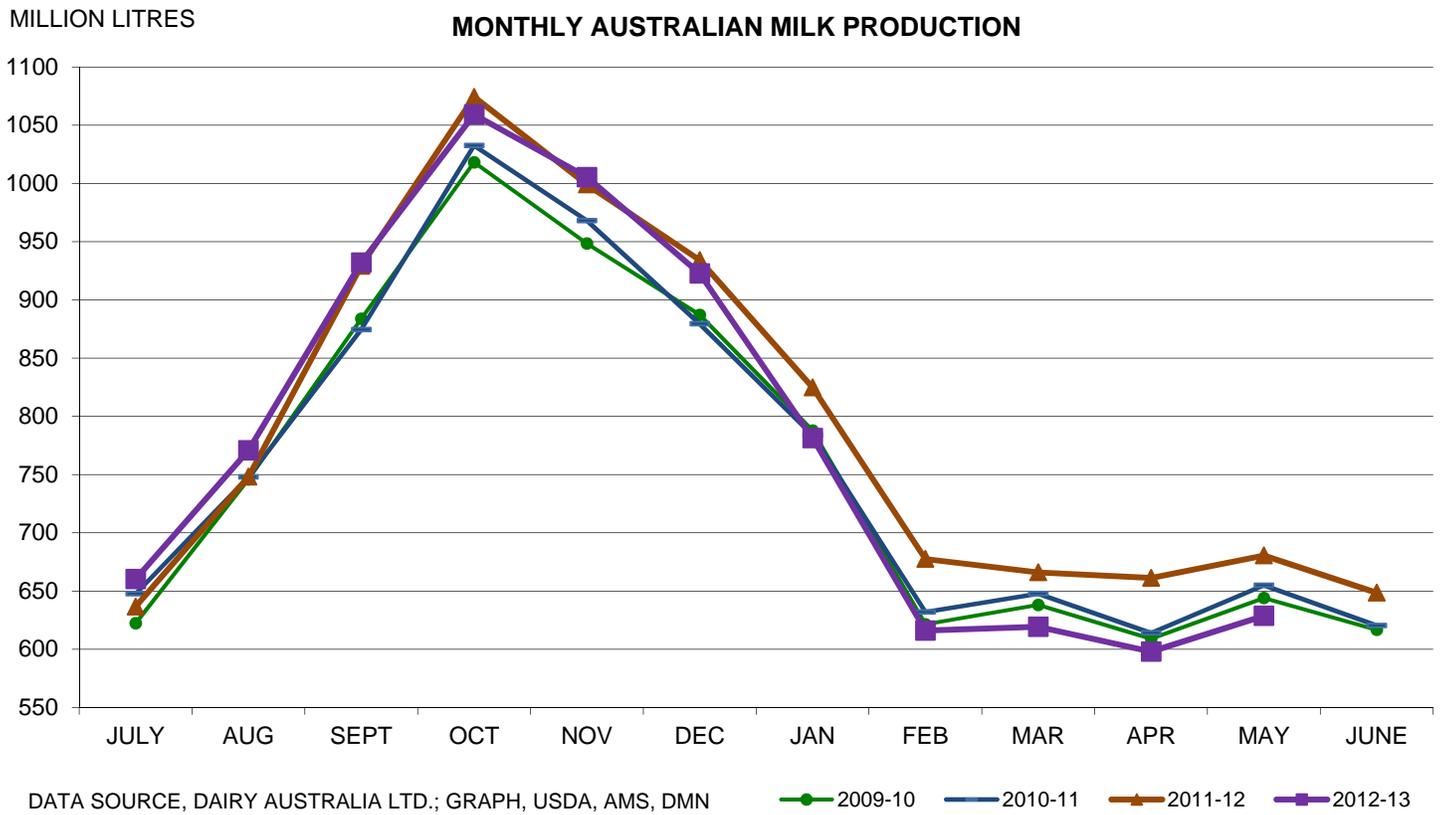
FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, JUNE

Component Price Information: Under the Federal milk order pricing system, the butterfat price for June 2013 is \$1.6599 per pound. Thus, the Class II butterfat price is \$1.6669. The protein and other solids prices for June are \$3.3455 and \$0.3859 per pound, respectively. These component prices set the Class III skim milk price at \$12.65 per cwt. The June Class IV skim milk price is \$13.54, which is derived from the nonfat solids price of \$1.5048 per pound.
Product Price Averages: The product price averages for June are: butter \$1.5422, nonfat dry milk \$1.6878, cheese \$1.7810, and dry whey \$0.5738.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT ^{1/2/}						
FEDERAL MILK ORDER MARKETING AREAS ^{3/}	ORDER NUMBER	JUNE 2013				JULY 2013
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) ^{4/}	001	22.18	19.14	18.02	18.88	22.16
Appalachian (Charlotte) ^{5/ 6/}	005	22.33	19.14	18.02	18.88	22.31
Southeast (Atlanta) ^{6/ 7/}	007	22.73	19.14	18.02	18.88	22.71
Florida (Tampa) ^{6/ 8/}	006	24.33	19.14	18.02	18.88	24.31
Mideast (Cleveland) ^{9/}	033	20.93	19.14	18.02	18.88	20.91
Upper Midwest (Chicago) ^{10/}	030	20.73	19.14	18.02	18.88	20.71
Central (Kansas City) ^{11/}	032	20.93	19.14	18.02	18.88	20.91
Southwest (Dallas) ^{12/}	126	21.93	19.14	18.02	18.88	21.91
Arizona (Phoenix)	131	21.28	19.14	18.02	18.88	21.26
Pacific Northwest (Seattle) ^{13/}	124	20.83	19.14	18.02	18.88	20.81
All-Market Average	---	21.82	19.14	18.02	18.88	21.80

^{1/} 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.
^{2/} 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.
^{3/} Names in parentheses are the major city in the principal pricing point of the market.
^{4/} 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.
^{5/} Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10.
^{6/} Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted.
^{7/} Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40.
^{8/} Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40.
^{9/} Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.
^{10/} Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.
^{11/} 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.
^{12/} 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.
^{13/} Class I prices at other cities are: Portland, same; and Spokane, same.





DAIRY MARKET NEWS

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