

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (9/6):

BUTTER: Grade AA closed at \$1.4300. The weekly average for Grade AA is \$1.4288 (+.0073).

CHEESE: Barrels closed at \$1.8000 and 40# blocks at \$1.8100. The weekly average for barrels is \$1.7781 (+.0426) and blocks, \$1.7894 (+.0524).

BUTTER HIGHLIGHTS: Butter production is uneven this week. Over the long weekend, many churn operators enjoyed lower cream multiples and improved availability of cream spot loads. Churning was very active, according to butter production managers, from last Friday to Monday of this week. Once other plants were back on line, cream supplies tightened and multiples increased. Lighter cream availability slowed some butter operations until late in the week. Domestic print demand is strong into retail accounts rebuilding for late summer and fall promotions. The National Dairy Retail Report shows national ad numbers are up by 50% compared to two weeks ago. Some plant operators are filling this demand with fresh churned butter while others are tempering and reworking butter from storage. Price assistance helped an additional 1.8 million pounds of butter clear to international accounts. July butter and milkfat exports are 147% higher than July 2012 exports, and year to date exports are up by 26% compared to the same time span in 2012. Trading at the CME Group was slow to develop, with Tuesday and Wednesday passing without sales, but prices decreased via offers on both days. Thursday brought an additional price decrease through one sale. Activity resumed on Friday with 7 sales. Grade AA butter ended the week at \$1.4300.

CHEESE HIGHLIGHTS: Milk available for cheese making is tightening seasonally across much of the country. Limited spot milk loads for cheese production are available at premiums above Class. Cheese plants that want to run at highest efficiencies are looking for milk or additional solids to bolster production. Demand is good with fall orders increasing and plants are filling orders from stocks. Export demand is described as good and additional assistance from the CWT program is aiding sales for some cooperatives. Prices reported in the National Dairy Retail Report for advertised cheese were mostly higher from two weeks ago. CME Group prices for the holiday shortened week had barrels closing at \$1.8000, with the weekly change up \$.0300. Blocks closed Friday at \$1.8100, with the weekly change up \$.0275.

FLUID MILK: Seasonal declines in farm milk production and strong demand from bottling plant operators are the common themes across the country regarding milk availability and handling. Butter production stepped higher during the long weekend as cream was plentiful, multiples

generally declined, and retail interest in print butter is on the rise for fall distribution. After the weekend, milk supplies for manufacturing tightened once again and competition for spot loads increased, especially among cheese manufacturers. However, premiums on spot loads and transportation costs are limiting how much cheese manufacturers are willing/able to pay for spot milk. Corn for grain harvesting is underway in areas of the South Central while corn for silage is taking place in the northern tier of states.

DRY PRODUCTS: Dry products prices are mixed. Nonfat dry milk prices are unchanged in the West, but modestly higher across the range and mostly series for Central and East. Buyers are reluctant to take sizeable positions on the NDM spot market at this time. Dry buttermilk prices are steady to higher on the Central/East range and West mostly. Production moved higher over the extended weekend due to increased cream availability, but declined sharply as the workweek began and cream sales into higher Class products restarted. Dry whey prices are mixed, with the Central steady, the West mostly series lower on the top, and both ends of the Northeast range increasing. Whey protein concentrate 34% prices on the mostly series are steady, with limited F.O.B. spot sales keeping prices in check. Lactose prices on the mostly series are steady with tight supplies of higher mesh lactose limiting price advances.

ORGANIC DAIRY MARKET NEWS (DMN): Cumulative organic fluid milk products sales through June this year lead the same period of 2012 by 3.1%. This outcome is derived from sales this March through June, which were sufficiently above last year's level to overcome lower sales this January and February compared with last year. In contrast, total conventional milk products sales this year through June were 2.9% below the same period last year. The weighted average advertised price of organic milk half gallons is \$3.71, up 21 cents from last period. The price range increased at the bottom and top of the price range, \$2.89 to \$4.69. One year ago the weighted average advertised price was \$3.47. The Northeast has the highest weighted average price, \$4.10, while the Southwest Region has the lowest weighted average price this period, \$2.89. The weighted average advertised organic half-gallon milk price, \$3.71, is up 21 cents from two weeks ago. Conventional milk's price for half gallons, \$1.52, is up 11 cents from two weeks ago. The organic-conventional half-gallon price spread is \$2.19, compared to \$2.09 two weeks ago.

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CME GROUP CASH TRADING

COMMODITY	MONDAY SEP 02	TUESDAY SEP 03	WEDNESDAY SEP 04	THURSDAY SEP 05	FRIDAY SEP 06	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	CME	\$1.7700 (N.C.)	\$1.7700 (N.C.)	\$1.7725 (+.0025)	\$1.8000 (+.0275)	:: :: (+.0300)	:: :: \$1.7781 :: (+.0426)
40# BLOCKS	CLOSED	\$1.7825 (N.C.)	\$1.7825 (N.C.)	\$1.7825 (N.C.)	\$1.8100 (+.0275)	:: :: (+.0275)	:: :: \$1.7894 :: (+.0524)
NONFAT DRY MILK							
EXTRA GRADE		\$1.7800 (N.C.)	\$1.7800 (N.C.)	\$1.7800 (N.C.)	\$1.7800 (N.C.)	:: :: (N.C.)	:: :: \$1.7800 :: (N.C.)
GRADE A	NO	\$1.8000 (N.C.)	\$1.8050 (+.0050)	\$1.8050 (N.C.)	\$1.8150 (+.0100)	:: :: (+.0150)	:: :: \$1.8063 :: (+.0063)
BUTTER							
GRADE AA	TRADING	\$1.4350 (-.0025)	\$1.4300 (-.0050)	\$1.4200 (-.0100)	\$1.4300 (+.0100)	:: :: (-.0075)	:: :: \$1.4288 :: (+.0073)

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

gallons, 2.4% above July 2012 but 3.3% below June 2013.

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The weighted average advertised price for 4-6 ounce organic yogurt is \$.83, up 18 cents from last year. The weighted average advertised price for 4-6 ounce organic Greek yogurt is \$1.00, down from \$1.05 last year. As for 32 ounce organic Greek yogurt, the price is \$5.00, with no ads for this category one year ago. A national organic dairy brand has begun sales of lactose free organic whole milk and organic half & half. These items now join the brand's existing lactose free reduced fat, low fat and fat free organic milk to round out the line of lactose free organic milk being sold.

NATIONAL DAIRY RETAIL REPORT (DMN): Cheese ads are the largest product category advertised this period and ads for cheese shreds in 8-ounce packs are the largest of the 5 types of cheese advertised, with 49% of cheese ads. The national price averaged \$2.28, up 20 cents from two weeks ago. 8-ounce blocks, at \$2.28, moved 9 cents higher than two weeks ago. Greek yogurt in 4-6 ounce packs, featured in 63% of yogurt ads, averaged \$1.00, up 1 cent from two weeks ago and even with a year ago. Regular yogurt in 4-6 ounce packs averaged 49 cents, down 2 cents from two weeks ago. Ice cream features are down slightly from two weeks ago and one year ago. The national average for 48-64 oz. containers is \$2.94, down 3 cents from two weeks ago and 14 cents lower than a year ago. The national weighted average butter price is \$3.09 for 1# packages, 29 cents above two weeks ago and 47 cents higher than a year ago. The national weighted average conventional milk price for half gallons, \$1.52, is 11 cents higher than two weeks ago. Organic half-gallon milk, at \$3.71, is 21 cents higher than two weeks ago. The organic-conventional half-gallon price spread is \$2.19, compared with \$2.09 two weeks ago.

INTERNATIONAL DAIRY MARKET NEWS UPDATE (DMN):

At the September 3 gDT event #99, average prices were mixed from the prior event. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$5,109 +3.1%; butter, \$3,710 +2.7%; buttermilk powder, \$4,566 +0.3%; cheddar cheese, \$4,257 -3.2%; lactose, \$1,359 n.a.; milk protein concentrate, \$7,613 -3.8%; rennet casein, \$9,864 -2.1%; skim milk powder, \$4,420 -0.8%; and whole milk powder, \$5,058 -1.7%.

AUGUST CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the August 2013 prices under the Federal Milk Order pricing system and the changes from the previous month: Class II \$19.27 (+\$0.05), Class III \$17.91 (+\$0.53), and Class IV \$19.07 (+\$0.17). Product price averages used in computing Class prices are: butter \$1.4187, NDM \$1.7706, cheese \$1.7731, and dry whey \$0.5778. The Class II butterfat price is \$1.5174 and the Class III/IV butterfat price is \$1.5104. Further information may be found at: www.ams.usda.gov/AMSV1.0/PriceFormulas2013

AUGUST AGRICULTURAL PRICES HIGHLIGHTS (NASS):

The All Milk price received by farmers was \$19.30 in August, up \$0.30 from July 2013, and up \$1.10 from August 2012. Alfalfa hay price was \$200.00 in August, down \$3.00 from August 2012. Corn price was \$6.02 in August, down \$1.61 from August 2012. Soybean price was \$13.80 in August, down \$2.40 from August 2012. The milk-feed price ratio was 1.69 in August, up 0.32 from August 2012. The index of prices received by farmers for dairy products during the month of August 2013 was up 3 points to 148. Compared to August 2012, the index was up 9 points (6.5%). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in August 2013 was up 1 point to 221. Compared with August 2012, the index was up 5 points (2.3%).

JULY DAIRY PRODUCTS (NASS): BUTTER production was 134.3 million pounds, 0.5% above July 2012 but 4.6% below June 2013. AMERICAN TYPE CHEESE production totaled 360.1 million pounds, 1.0% above July 2012 but 0.9% below June 2013. TOTAL CHEESE output (excluding cottage cheese) was 909.6 million pounds, 3.0% above July 2012 but slightly below June 2013. NONFAT DRY MILK production, for human food, totaled 115.7 million pounds, 17.5% below July 2012 and 11.6% below June 2013. DRY WHEY production, for human food, was 72.0 million pounds, 5.1% below July 2012 but 0.8% above June 2013. ICE CREAM (hard) production totaled 77.0 million -1A-

CME GROUP

MONDAY, SEPTEMBER 2, 2013
CME CLOSED

TUESDAY, SEPTEMBER 3, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4200; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.4350

WEDNESDAY, SEPTEMBER 4, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.8050; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4200; LAST OFFER UNCOVERED: 6 CARS GRADE AA @ \$1.4300

THURSDAY, SEPTEMBER 5, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.7725; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.8050; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: 1 CAR GRADE AA @ \$1.4200; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.3900; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.4225

FRIDAY, SEPTEMBER 6, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.8000; 1 CAR 40# BLOCKS @ \$1.8100; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$1.8150; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.8100; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: 7 CARS GRADE AA: 1 @ \$1.4175, 2 @ \$1.4200, 2 @ \$1.4300, 1 @ \$1.4275, 1 @ \$1.4300; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.4100; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.4350

BUTTER MARKETS

NORTHEAST

Cream supplies going into the weekend were readily available and offered butter makers the opportunity to purchase loads at lower prices with the end result being, an increase in butter production. Domestic butter demand continues to improve with the arrival of fall orders. Export demand shows continued strength with some butter makers focusing exclusively on 82% production to fill overseas orders. According to the National Dairy Retail Report, retail butter ads in the Northeast totaled 1,671, 27% of the total national ad count of 6,108, the highest of any region. The weighted average price for a 1 lb. package of butter in the Northeast was \$3.18, 9 cents higher than the national weighted average price and 40 cents higher than the previous reporting period. Current bulk butter prices for domestic sales are reported 2-4 cents over the market on the CME Group with various time frames and averages used. Bulk butter prices for export are considerably above the domestic market. The CME Group butter price declined \$0.0025 on Tuesday and closed at \$1.4350. Trading activity was very active last week with 35 loads sold as the market gained \$0.0425 going into the holiday weekend. The August CME butter average was \$1.4013, significantly lower than the previous year's average of \$1.7687.

CENTRAL

Butter churning in the Central Region is varied, with some plants continuing active churning while others have reduced churning schedules. Print butter demand is considered "very good" this week. Some plants are meeting that demand with busy churning schedules. Other plants are actively moving butter stocks out of cold storage. The seasonal impact of cream cheese manufacturing demand for cream is unsettled, with some butter manufacturers

citing increased cream demand for cream cheese while some traders call this an "urban legend". Recent CME factors have some people viewing current market signals as mixed. Last week's uptick in butter prices with strong sales, following prices at the low end of recent historic norms, has caused some questioning whether the apparent rally is consistent with what had recently been viewed as weak fundamentals in some quarters. Bulk butter prices range from mostly flat market, to slightly higher on occasion, depending on brand and other quality/quantity factors. Midwest butter ad numbers in the National Dairy Retail Report increased by 368% from two weeks ago, while national ad numbers are up 50%. The current Midwest weighted average advertised price, \$2.15, is 22 cents above two weeks ago. The \$2.15 Midwest price is 94 cents below the national price. Both Midwest and national butter ad numbers this year are above levels one year ago and the price is also higher for both this year compared with last year. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 1.764 million pounds (800 metric tons) of butter. The product will be delivered August 2013 through February 2014.

WEST

Western butter prices are higher this week as the CME Group weekly average price moved higher last week. The market tone is stable for mostly steady prices. Ample supplies of butter are available and being balanced with stronger demand for Q4 needs. Export demand for 82% butter is helping to offset the heavy inventories. Advertised U.S. butter prices from the National Dairy Retail Report were higher (29 cents) compared to two weeks ago. Nationally, butter showed a weighted average price of \$3.09 per pound compared to \$2.80 two weeks ago and \$2.62 a year ago.

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NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
August 31, 2013	1.3730 4,513,811	1.7742 9,139,990	1.7438 8,198,196	0.5740 7,675,120	1.7839 17,425,627

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Featuring of butter ads this week were 50% higher than the same period two weeks ago. Western advertised prices ranged from \$2.50-3.50 per pound. The weighted average for butter in the Northwest was \$2.63 and the Southwest was \$2.84. Butter prices at the CME Group exchange on Wednesday were \$.0050 lower, closing at \$1.4300. The market has traded lower both trading days this shortened week with the net result that the market is the same as the previous Wednesday. No butter sales have occurred at the exchange by midweek. Prices for bulk butter range from 3 cents under to 5 cents under the market, based on the CME with various time frames and averages used. CME Group average price for August 2013 for butter is \$1.4013 compared to \$1.7687 for August 2012. According to the Foreign Agricultural Service, exports of butter and milkfat for January-July 2013 total 92.2 million pounds, up 26% or 18.9 million pounds from the same period a year ago. Saudi Arabia, at 30.6 million pounds for the year, is the largest importer with a 19% increase above 2012. Exports for July amounted to 19.3 million pounds, up 147% from July of 2012.

2013 U.S. Butter and Milkfat Exports, (USDA-FAS)
(Million Lb.) % Change From
1 Year Ago

July Total	19.3	+ 147
Total, Jan - July	92.2	+ 26
1 Saudi Arabia	30.6	+ 19
2 Iran	15.1	+ 61
3 Egypt	7.8	+ 16
4 Morocco	5.8	- 23
5 South Korea	4.5	+ 371

CHEESE MARKETS

NORTHEAST

Fall orders for cheese are increasing with numerous cheese operations moving inventories through cut and wrap operations in order to fill orders. Cheese production continues to be on 6-7 day schedules with some plants seeking additional loads of nonfat solids to increase yields. Cheese going into aging programs remains strong. Demand for cheese is good with especially good sales going to pizza manufacturers. Export interest remains good. According to the National Dairy Retail Report, retail cheese ads for 8 oz. block cheese in the Northeast totaled 2,506, 37% of the total national ad count of 6,724 and was the highest ad count for any region. Retail cheese ads for 8 oz. shredded cheese in the Northeast totaled 1,671, 19% of the total national ad count of 8,832. The weighted average price for 8 oz. cheese blocks in the Northeast was \$2.36, 8 cents more than the national weighted average price and 7 cents higher than the previous reporting period. The weighted average price for 8 oz. shredded cheese in the Northeast was \$2.55, 27 cents more than the national weighted average price and 28 cents more than the previous reporting period. Weekly average cheese prices on the CME Group increased last week, raising wholesale prices for cheddar 40# blocks and Muenster by \$0.0475 and process cheese by \$0.0625. Cheese prices on the CME Group were unchanged Tuesday coming out of the holiday weekend with barrels closing at \$1.7700 and blocks at \$1.7825. Last week's pre-holiday trading pushed cheese prices higher with barrels increasing \$0.1275 and blocks \$0.1125. August monthly average prices on the CME Group had barrels at \$1.7425, compared to \$1.7889 the previous year and blocks at \$1.7493, compared to \$1.8262 the previous year.

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

Cheddar 40# Block	: 2.1350-2.4200
Process 5# Sliced	: 1.9575-2.4375
Muenster	: 2.1550-2.5150
Grade A Swiss Cuts 10 - 14#	: 3.5150-3.8375

MIDWEST

Milk available to cheese plants is tightening and spot milk is getting more costly. Early week spot milk is up to \$2.25 over class in parts of the Midwest - when it can be readily obtained. This has led to some plants reducing production schedules, rather than pay to supplement milk supplies. Because cheese inventories remain comfortable for anticipated demand, the impact of current milk supply tightness causes more concern as to production efficiencies, than cheese supplies. Sentiment heard from varied sources by a manufacturer is that "long-term tone of the cheese market is positive". The National Dairy Retail Report found that for this period, Midwest ads for 8 ounce shredded cheese (55% of total Midwest cheese ads), have a weighted average advertised price of \$1.85, 43 cents lower than the national average, \$2.28. For 8 ounce blocks in the Midwest (42% of total Midwest cheese ads), the average price is \$1.84, 44 cents lower than the national average, \$2.28. National ad numbers for all cheese categories this period declined by 30% from one year ago but increased 3% from two weeks ago. Midwest ad numbers for all cheese categories this period declined by 29% from one year ago and declined 11% from two weeks ago. CME trading through Wednesday has not resulted in any sales or price movement. Some manufacturers believe that the magnitude of CME activity last week has led to some waiting to better assess the current situation. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 1.261 million pounds (572 metric tons) of Cheddar, Gouda and Monterey Jack cheese. The product will be delivered August 2013 through February 2014.

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

Process American 5# Loaf	: 1.9350-2.6400
Brick And/Or Muenster 5#	: 2.1200-2.5675
Cheddar 40# Block	: 2.1200-2.9925
Monterey Jack 10#	: 2.0900-2.9975
Blue 5#	: 2.3825-3.3700
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 1.9625-3.0975
Grade A Swiss Cuts 6 - 9#	: 3.0350-3.1525

WEST

Western wholesale cheese prices based off of the CME Group weekly average moved higher this week recovering some of the previous week's losses. Cheese sales are moving well for contracted volumes, but the higher prices have slowed spot sales activity. Tighter milk supplies are slowing cheese production, but some plants are willing to take any surplus milk offered. Export demand remains good and with added assistance from the CWT program, sales are clearing extra inventory. Advertised U.S. cheese prices as reported in the National Dairy Retail Report showed prices were higher compared to two weeks ago, except in the 2 lb. block category. The most heavily featured category for the two week period was the 8 ounce shred package. The weighted average price for the 8 oz. shred package (\$2.28 per package), was 20 cents higher compared to two weeks ago, and 4 cents higher than last year's price of \$2.24. In the West, the weighted average price ranged from \$4.88-8.99 per package for the 2 pound block package. Cheese prices at the CME Group on Wednesday are unchanged. Barrels on Wednesday closed at \$1.7700 and blocks at \$1.7825. Prices are unchanged for both trading days in the holiday shortened week. At mid-week, there have been no sales reported for cheese at the CME Group. The CME Group monthly average price for August 2013 for barrels is \$1.7425 compared to August 2012 at \$1.7889. Blocks averaged \$1.7493 for August 2013 compared to \$1.8262 for the previous year. According to FAS, exports of cheese and curd for January-July 2013 total 388.1 million pounds, up 8% from the same period a year ago. Exports for July 2013 totaled 60.2 million pounds and are 22% higher than a year ago. The three largest importers of U.S. cheese are Mexico at 98.2 million pounds (+18%), South Korea 62.9 million pounds (+9%) and Japan at 43.0 million pounds (+9%). These three customers make up 52.6% of U.S. cheese exports.

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

Process 5# Loaf	: 1.8650-2.1225
Cheddar 40# Block	: 1.8550-2.2075
Cheddar 10# Cuts	: 2.0350-2.2550
Monterey Jack 10#	: 2.0450-2.2050
Grade A Swiss Cuts 6 - 9#	: 3.0925-3.5225

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CHEESE MARKETS

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2013 U.S. Cheese and Curd Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
July Total	60.2	+ 22
Total Jan.-July	388.1	+ 8
1 Mexico	98.2	+ 18
2 South Korea	62.9	+ 9
3 Japan	43.0	+ 9
4 Canada	17.3	+ 6
5 Australia	16.0	- 10

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

	BUTTER	CHEESE
	:	:
09/02/13	15,823	109,462
09/01/13	15,916	109,397
CHANGE	-93	65
% CHANGE	-1	0

FOREIGN

Domestic Swiss cheese sales have been good leading up to the Labor Day holiday with good demand coming from deli businesses. The CME Group weekly average block price rebounded last week after the previous week's decline and raised domestic wholesale foreign type cheese prices by \$0.0475. Imported cheese varieties and Swiss prices were unchanged.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.2750-3.7625*
Gorgonzola	: 3.4900-6.4700	: 2.7775-3.2325*
Parmesan (Italy)	: -0-	: 3.6650-5.7550*
Provolone (Italy)	: -0-	: 2.3175-2.4750*
Romano (Cows Milk)	: -0-	: 3.4650-5.6150*
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-	: 3.6125-3.9350
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

* = Price change.

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	180	0	190	0	72	0
SOUTHEAST STATES	0	0	0	0	20	0

Manufacturing milk supplies in the Northeast and Mid-Atlantic regions are fairly tight coming out of the holiday weekend, due to strong pulls from Class I, along with increased demand from Class II and III manufacturers. Milk production in both regions continues along the typical downward seasonal trend. Heat and humidity continue to lower cow comfort levels and milk production in Florida with daytime highs in the 90's and overnight lows in the 70's. Class I demand leveled off quickly this week with bottlers actually pulling less than the pre-holiday week. The decline in Class I demand lowered import spot loads to 180 this week. Milk supplies are meeting increased Class I demand in the Southeast region. Manufacturing supplies are being held to contract minimums to ensure bottling plant needs are covered. Milk production continues to decline along the seasonal trend. Cream supplies going into the holiday period were readily available and offered some opportunity buying for butter makers at lower multiples. Demand improved coming out of the weekend, increasing multiples and tightening supplies. Cream cheese manufacturing continues to show the strongest pulls for cream. Standardized cream volumes are increasing and augmenting the available cream supply. **Cream multiples for all Classes** were in a wide range this week, 1.24-1.44, with pricing dependent on location and date of purchase. **Condensed skim** milk supplies have tightened following the holiday as more milk is being directed to bottling plants. Demand has improved as Class II plants resume regular production schedules with cheese plants also on the lookout for additional loads to increase yields. Condensed skim supplies are fairly tight with some balancing plants preferring to dry their available volumes, given the current nonfat dry milk market.

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 -	1.8480-2.0470
F.O.B. producing plants: Upper Midwest -	1.7769-1.9048

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.76 - 1.84
Northeast - Class III - spot prices -	1.46 - 1.56

MIDWEST

Milk handlers in the upper Midwest report tankers are traveling a little lighter this week as the toll from last week's heat spell continues. Cooperative and independent cheese plant operators described juggling milk among various cheese plants as time consuming and expensive. Individual plant managers also indicate they are operating below capacity on a day to day basis, with some shaving weekly production by partial days. The news is not all bad as the decrease in active milk processing leaves some time for cleaning, painting, and repairing workspaces. Balancing plant and cheese plant operators report milk sales into Class I facilities continue actively this week. Shipments are stairstepping toward the Southeast. Some butter/powder plant managers report they are churning or drying intermittently because of the decrease in

availability of manufacturing milk. Cheese plant operators are in the hunt for spot loads of milk, but offers are infrequent. Prices hover in the \$2.00 - \$2.25 over Class range. Cream multiples retreated on the top of the range, losing 4 points. **The full range for Class II cream in the Central region is 1.25 - 1.34.** Sales into ice cream and soft serve accounts are declining as the end of summer approaches. Product mixes are changing as some novelty items will be phased out for the year. Corn harvesting is nearly complete in the South Central as many growers in that area plant short season varieties. In the North Central, grain growers indicate crop conditions are widely variable. Some corn has been harvested as silage. Fields on high ground are showing signs of lack of moisture.

WEST

CALIFORNIA milk production is lower this week, being pulled down because of warmer weather conditions affecting the milking herds. There were only limited issues surrounding the holiday weekend. Some plants were down for an extra day and that milk was being moved to other processing plants. Maintenance continues to be done at other facilities. While milk prices have improved, stress at the production level remains a factor. Some feed costs have moderated. Class 1 needs are higher to service school and retail needs. The August 4a price (butter/powder) in CALIFORNIA is \$18.70, up \$0.09 from July 2013 and \$3.30 higher than last year. The August 4b price (cheese) is \$16.32, \$0.67 higher than last month, but \$0.25 less than last year. ARIZONA milk production is holding fairly steady. Widespread rains were common across the milk producing regions. Temperatures are forecast to reach near record highs for this week. Processing plants are running along planned schedules. Handlers are pulling increased Class I needs. Some local retailers have been running ad specials. NEW MEXICO milk output has been uneven, affected by variable weather conditions and an unsettled market economy. Processing plants are on reduced schedules with more milk leaving to service fluid and other accounts. Locally, Class I needs are fair to good and are along expected volumes. CREAM prices are firming this week. Multiples are trending higher. Demand is fair to good with some renewed interest developing following the holiday weekend. Butter production is active as producers prepare for upcoming needs. Other class items are seeing variable demand. At the CME Group, the Grade AA butter price closed at \$1.4300 on Wednesday, September 4, unchanged from a week earlier. Cream multiples are higher, ranging from 1.20 to 1.33, and vary depending on class usage and basing points. Milk production in the PACIFIC NORTHWEST is following expected seasonal declines. Cooler evening temperatures are becoming more of the norm and helping to alleviate daytime temperature stress on cows. Spotty rains across the region interrupted some third cutting forage harvesting. Class I needs are being filled and available milk is being moved to plants with higher returns. UTAH and IDAHO milk supplies are at expected levels. Above normal daytime temperatures continued this week with some spotty rains. No problems were reported with milk handling over the holiday weekend. Dairies are busy finishing third crop alfalfa harvest and preparing to begin harvesting of corn silage. According to the NASS *Agricultural Prices* report for August, mid-month U.S. prices for baled alfalfa hay were \$200/ton, \$3/ton less than last year. Prices for selected Western states and the change from last year are as follows: Arizona \$190, -\$20; California \$201, unchanged; Colorado \$245, +\$10; Idaho \$200, +\$10; Nevada \$212, +\$12; New Mexico \$245, +\$12; Oregon \$198, -\$19; Utah \$187, -\$1 and Washington \$205, -\$20.

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: Nonfat dry milk prices in the Central region shifted higher on steady demand from contract purchasers as well as some F.O.B. spot sales. Manufacturers and resellers report buyers are adhering mostly to single load purchases. Buyers/end users are not registering concern regarding near term spot load availability either from manufacturers or resellers. Nonfat dry milk inventories are steady to lower as production sinks toward the annual low point. Strong demand from fluid accounts is reducing manufacturing milk availability, as well as strong demand from Class III producers who are also clearing milk loads into bottling. Anecdotal reports indicate the draw from the Southeast for milk is particularly strong this week as some bottlers are running consumer promotions. The August 2013 Dairy Market News average of the mostly price series for Central and East nonfat dry milk, low/medium heat, was \$1.7864 compared to \$1.7594 one month ago and \$1.4020 in August 2012. The August 2013 Dairy Market News average of the range price series for Central and East nonfat dry milk, high heat, was \$1.8859 compared to \$1.8438 one month ago and \$1.4655 in August 2012. According to NASS, NDM production in the Central region totaled 20.4 million pounds during July 2013, 18.3% less than one month ago, but 3.4% more than the July 2012 total. Cumulative nonfat dry milk production for 2013 in the Central region totals 177.9 million pounds, 20.7% higher compared to 2012 production during the same time span.

DAIRY PRODUCTS: NASS's Dairy Products report shows production of human food NONFAT DRY MILK during July 2013 totaled 115.7 million pounds, down 11.6% from June 2013 production and 17.5% lower than one year ago. Cumulative nonfat dry milk production for 2013 totals 988.0 million pounds, 18.0% lower than 2012 production during the same time span. Month ending stocks, at 207.5 million pounds, are 9.9% lower than a month ago, but 60.9% higher than one year ago. July 2013 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 53.1 million pounds, 8.7% lower than one month ago but 42.7% higher than production of July 2012. Cumulative 2013 skim milk powder production totals 344.6 million pounds, a 104.9% increase in production compared to production during the same time span in 2012.

EAST: Nonfat dry milk prices for low heat firmed, while holding steady for high heat. Spot sales and sales based on various price indices increased prices on both ends of the range for low heat. The combination of increased Class I demand and lower milk production has lowered manufacturing milk supplies and nonfat dry milk production. The reduced manufacturing milk supplies are allowing some plant managers to gear their production towards high heat nonfat dry milk. Domestic demand for high heat NDM has increased, but low heat demand is about steady with pre-holiday levels. Inventories for high heat remain tight with reduced low heat inventories as production has declined.

Atlantic Dairy Products - The latest NASS Dairy Products report indicates nonfat dry milk production for July in the Atlantic region totaled 14.6 million pounds, 12.6% of the nation's total. The Atlantic region production was 0.6% less than one year ago and 40.1% less than the previous month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.7900 - 1.8625 MOSTLY: 1.7900 - 1.8300
 HIGH HEAT: 1.8900 - 1.9200

NONFAT DRY MILK - WEST

Western low/medium heat prices are unchanged. The market test was limited this holiday-shortened week. Buyer interest was light, partially attributed to the holiday. Product is moving to regular accounts. Demand remains good and product is clearing into export channels. U.S. medium heat SMP trading at the September 2 GDT auction event was transacting at \$1.9119 (FAS) for October shipment, \$1.8620 for November to \$1.8734 for December. The news continues to be supportive of the SMP market. Domestically, U.S. market interest is more subdued. Some buyers are reluctant to make purchases and hold product at these pricing points. NDM is also being resold from buyers looking to right size their holdings. Western high heat pricing levels are slightly higher, more a reflection of indices changing. Demand is light to fair and unaggressive. The trade is assessing needs and finding additional offerings available. Producers' holdings are light to moderate.

According to the Dairy Products report, July NDM output for the U.S. totals 115.7 million pounds, down 17.5% from last year. Cumulative output through seven months of the year totals 988.0 million pounds, down 18.0% from 2012. In the West, July output was 80.7 million pounds, down 23.7% from last year. The West produced 70% of the U.S. output in July. Stocks of NDM at the end of July total 207.5 million pounds, up 60.9% from 2012. SMP production for the U.S. in July totals 53.1 million pounds, up 42.7% from a year ago. Cumulative SMP output through July was 344.6 million pounds, up 104.9% from the same seven months in 2012. Cumulative combined NDM/SMP output, through July, totals 1.333 billion pounds, down 3.0% or 41.0 million pounds from the same period in 2012. Production of SMP has moved higher because of good export movements and U.S. producers responding to those needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.7600 - 1.8300 MOSTLY: 1.8000 - 1.8200
 HIGH HEAT: 1.8200 - 1.9300

EXPORTS: FAS export data for NDM/SMP shows U.S. January-July 2013 exports at 699.1 million pounds, up 16% from the same period in 2012. July 2013 exports total 113.9 million pounds, up 61% from a year ago.

U.S. NDM Exports, H.S. Code 0402100000(FAS)		
	2013 Exports (Million Lb.)	% Change From 1 Year Ago
July Total	113.9	+ 61
TOTAL, JAN - JULY	699.1	+ 16
1 Mexico	242.9	- 2
2 Philippines	76.3	+ 24
3 Indonesia	74.0	+ 53
4 China	55.6	+ 121
5 Vietnam	45.3	+ 13

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 - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices gained a penny on the top of the range on a mostly steady market. Contract loads are shipping on time. Manufacturers' uncommitted stocks are varied, with some manufacturers allocating loads toward future contract fulfillment. Dry buttermilk production is edging lower as manufacturing milk supplies are seasonally lighter and the effects of a recent heat wave in the upper Midwest is resulting in losses in farm milk production. The August 2013 Dairy Market News average of the range price series for Central and East dry buttermilk was \$1.6359 compared to \$1.5869 one month ago and \$1.2818 in August 2012.

DAIRY PRODUCTS: NASS *Dairy Products* reports production of dry buttermilk during July 2013 totaled 8.8 million pounds, 6.9% less than one month ago but 25.5% more than the July 2012 total. Cumulative 2012 dry buttermilk production totals 77.3 million pounds, 15.9% more than during the same time span of 2012. Month ending stocks of dry buttermilk, at 11.5 million pounds, are 22.4% lower than one month ago but 3.2% higher than one year ago.

EAST: Dry buttermilk prices increased as sales based on price indices moved the upper end of the range higher. Dry buttermilk production saw some marginal increases this last week as some of the increased cream supply over the holiday period was channeled to churns. Production is moving through contracts with few, if any, additions to inventories. Supplies are tight. Demand was fairly good prior to the holiday, but has marginally declined as numerous ice cream manufacturers have reduced their production schedules. Price advances in nonfat dry milk contribute to the firm undertone in the dry buttermilk market.

F.O.B. CENTRAL/EAST: 1.6400 - 1.7125

DRY BUTTERMILK - WEST

Western dry buttermilk pricing is mixed. The lower price at the bottom of the range reflects traded powder to a regular account. The upper end of the range is down 1 cent, showing some moderation in changes that have occurred in recent weeks. The holiday period did see a decline in transactions. Demand is slow with light trading this week. Production runs are light to moderate. Cream is moving to butter churns. Condensed buttermilk interest is light.

According to the NASS Dairy Products report, dry buttermilk production in the U.S. for July totals 8.8 million pounds, up 25.5% from last year. Stocks at the end of July stand at 11.5 million pounds, up 3.2% from last year, but 22.4% lower than the end of June.

F.O.B. WEST: 1.6000 - 1.7300 MOSTLY: 1.6900 - 1.7200

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged on a steady market. Production is currently limited by milk supplies at various plants as demand from fluid accounts continues to drain manufacturing milk volumes. Dry whole milk inventories are reported as comfortable for near term commitments. The August 2013 Dairy Market News average of the price series for dry whole milk was \$1.9455, compared to \$1.8818 one month ago. The average price one year ago was \$1.5450.

DAIRY PRODUCTS: NASS's Dairy Products report shows dry whole milk production during July 2013 increased 30.4% compared to June 2013 to 9.4 million pounds and was 89.9% higher than the July 2012 total. Cumulative 2013 dry whole milk production totals 42.5 million pounds, 26.9% higher than production during the same time span in 2012. Month ending stocks, at 9.2 million pounds, are 50.7% higher than one month ago, and 31.3% higher than one year ago.

F.O.B. PRODUCING PLANT: 1.9500 - 2.0500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
August 30	\$1.7594	6,510,667	0
August 23	\$1.7585	4,568,958	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

The Central dry whey market posted a fraction of a cent increase on the top of the range as variable contract prices adjusted to upticks in indices. The mostly price series is unchanged. F.O.B. dry whey spot loads are available from several manufacturers within the region. Some producers are balancing inventories at other locations with Central loads, which is keeping contract shipments on time within organizations as a whole. While there has been little change in market conditions during the summer, dry whey producers note in the past year the Central region has gained dry whey production capacity through plant expansions and modernizations. Various producers in the region report they continue to expand their customer base domestically and internationally, but it does take time to gain approved supplier status. Cheese/dry whey manufacturers report weekly overall dry whey production is lower compared to one to two weeks ago. This is directly related to the seasonal decrease in farm milk production and the increase in demand from bottlers filling the school pipeline. Human food dry whey production during July 2013 in the Central region totaled 36.8 million pounds. This dry whey production is 4.8% higher than one month ago, but 3.8% lower than the July 2012 total. Cumulative 2013 human food dry whey production in the Central region totals 280.5 million pounds, 1.8% higher than 2012 production during the same time span. The August Dairy Market News average of the mostly price series for Central dry whey was \$0.5414 compared to \$0.5441 one month ago and \$0.5218 in August 2012. The August 2013 Dairy Market News average of the range price series for ANIMAL FEED Central milk replacer dry whey was \$0.4726 compared to \$0.4738 one month ago and \$0.4479 one year ago. ANIMAL FEED DRY WHEY prices are steady. Sales into the animal feed blending industry are active and supporting strong demand for dairy beef and dairy replacement feed blends continues.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows production of HUMAN FOOD dry whey in July 2013 totaled 72.0 million pounds, 0.8% higher than one month ago but 5.1% lower than the July 2012 total. Month ending stocks of HUMAN FOOD dry whey totaled 63.5 million pounds, 0.4% less than one month ago but 39.8% more than one year ago. Production of ANIMAL FEED dry whey during July 2013 totaled 4.1 million pounds, 5.6% more than one month ago and 6.4% more than the July 2012 total. ANIMAL FEED dry whey month ending stocks totaled 3.6 million pounds, 28.3% higher than one month ago and 20.5% higher than one year ago.

F.O.B. CENTRAL: .4700 - .6325 MOSTLY: .5200 - .5600
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4050 - .5400

DRY WHEY - NORTHEAST

Dry whey prices moved higher this week as spot sales increased the low end of the range, while sales based on various price indices moved the upper end of the range higher. Dry whey production is trending lower as Class I demand has pulled milk away from some plants and also due to lower milk component levels reducing yields. The lower production schedules and recent sales have improved some manufacturers' inventory levels and reduced the need to discount sales to better manage inventories. Domestic demand is slow to develop following the holiday as most end users continue to restrict purchases to cover their immediate needs. Export demand is reported to be improving with increased interest from Mexico and

Asia. The August 2013 Dairy Market News average of the price series for Northeast dry whey was \$0.5832 compared to \$0.5898 one month ago and \$0.5597 in August 2012.

DAIRY PRODUCTS: The latest NASS Dairy Products report shows production of dry whey for human consumption for the nation in July, totaled 72.0 million pounds, 5.1% less than year ago levels, but 0.8% more than June. July 31 dry whey for human consumption stocks, at 63.5 million pounds, are 39.8% above year ago levels, but 0.4% less than June. The Atlantic region totaled 17.8 million pounds, or 24.7% of the nation's total. The Atlantic region production was 15.3% less than July 2012 and 3.5% less than the previous month.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5650 - .6325

DRY WHEY - WEST

Western dry whey prices are fractionally lower across both the full and mostly range. Higher cheese production has increased available whey supplies for drying and inventories are increasing compared to a year ago. Buying interest is said to be increasing, but buyers are price conscious and looking for best deals. Much of the Western whey is being channeled into the export market. According to the NASS *Dairy Products* report, edible U.S. whey production in July totals 72.0 million pounds, down 5.1% or 3.9 million pounds from July of last year. The Western region produced 17.5 million pounds of whey in July, up 4.7% (0.8 million pounds) from last year. The West produced 24.3% of the whey in the U.S. in July. Cumulative U.S. total dry whey production for the year is 563.4 million pounds, down 7.2% or 44.0 million pounds from the unadjusted period in 2012. Manufacturers' stocks at the end of July for edible whey are 63.5 million pounds, up 39.8% from last year's unadjusted total. The August 2013 Dairy Market News monthly average price for Western dry whey range was \$0.5825 compared to \$0.5553 for August 2012; the Western dry whey mostly series averaged \$.5838 compared to \$.5514 a year ago. According to the Foreign Agricultural Service, exports of dried whey for January-July 2013 total 302 million pounds, up 2% (6.3 million pounds) from the unadjusted same period a year ago. The exports account for 53.6% of the total dry whey production in the U.S. for January-July 2013. China remains the leading U.S. export destination for whey with 34.5% of the total U.S. whey export market. Chinese imports of U.S. whey this year are currently 65% above year ago amounts.

NONHYGROSCOPIC: .5400 - .6175 MOSTLY: .5500 - .6025

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

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
July Total	47.3	+ 24
TOTAL, JAN - JULY	302.0	+ 2
1 China	104.1	+ 65
2 Canada	27.9	- 3
3 Mexico	22.1	- 44
4 Indonesia	21.2	+ 16
5 Japan	20.5	- 4

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**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate 34% prices are unchanged on the mostly, but the top of the range gained some value. One or two manufacturers found a few loads to offer into the spot market as contract buyers delayed some shipments until later in the month. Interest for the spot loads is active and buyers are looking for more offers. WPC 34% production remains a function of manufacturing milk availability. The milk shortage is compounded by seasonally lower protein contents in the milk. A few manufacturers report they are supplementing manufacturing milk supplies with whey stream liquids from neighboring plants. The August 2013 Dairy Market News average of the mostly price series for whey protein concentrate 34% Central and West was \$1.3670 compared to \$1.3518 one month ago and \$1.1272 in August 2012.

DAIRY PRODUCTS: The NASS *Dairy Products* report shows production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during July 2013 totaled 20.1 million pounds, 5.6% lower than one month ago, but 14.2% higher than one year ago. Cumulative WPC 34% HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) production for 2013 totals 133.9 million pounds, 4.6% 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 20.6 million pounds, 15.4% lower than one month ago and 41.0% lower than one year ago.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.3000 - 1.5300 MOSTLY: 1.3450 - 1.4075

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

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
July Total	23.1	- 28
TOTAL, JAN - JULY	151.1	+ 3
1 China	41.4	- 27
2 Mexico	40.1	+ 154
3 Canada	18.5	N.C.
4 Japan	7.7	- 6
5 Taiwan	7.5	+ 340

LACTOSE - CENTRAL AND WEST

Lactose market conditions remain mixed. Higher mesh size product is in short supply while unground lactose loads, especially in totes, are available. The bottom of the ranged declined this week as some manufacturers lowered prices for unground lactose to lighten inventories. Lactose producers indicate manufacturing milk supplies are tight and relief is not expected until the middle of the month when the school pipeline is completely filled. Q4 negotiations are underway, with active interest reported from Southeast Asia and Oceania. The August 2013 Dairy Market News average of the mostly price series for Central and West lactose was \$0.6393, compared to \$0.6310 one month ago. The average price one year ago was \$0.8261.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows HUMAN and ANIMAL lactose production during July 2013 decreased 3.1% compared to June 2013 to 85.8 million pounds, but

increased 1.7% compared to the July 2012 total. Cumulative 2013 lactose production totals 615.7 million pounds, a 1.5% increase from the same time span in 2012. Month ending stocks, at 88.9 million pounds, are 0.3% higher than one month ago, but 0.5% lower than one year ago.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL. 4700 - .7200 MOSTLY: .5900 - .6900

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

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
July Total	47.5	+ 54
TOTAL, JAN - JULY	304.6	+ 45
1 China	56.3	+ 24
2 Mexico	42.2	+ 38
3 New Zealand	40.9	+ 19
4 Japan	21.3	+ 37
5 Brazil	19.9	+ 85

CASEIN - NATIONAL

Pricing ranges are steady and the market activity limited for the casein trade. Buyer interest is light to fair for the limited market test outside of contracts. Holdings are often on the lower side of expectations. The GDT auction results on September 2 showed rennet casein in New Zealand trading slightly lower at \$4.4829 for November, \$4.4834 for December, and \$4.4507 for January.

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: 4.7000 - 5.0000
ACID: 4.8000 - 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
08/17/2013	59.5	1,971.4	61.0	1,918.7

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)

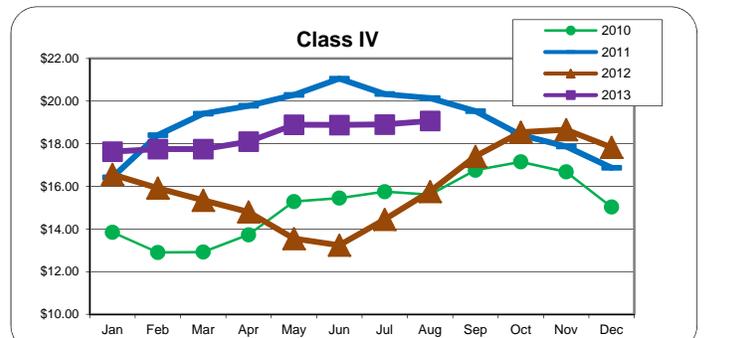
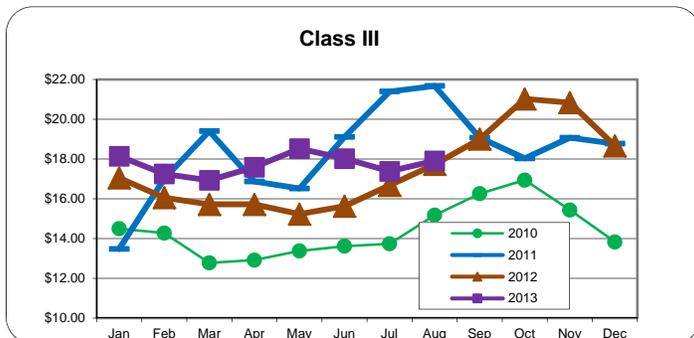
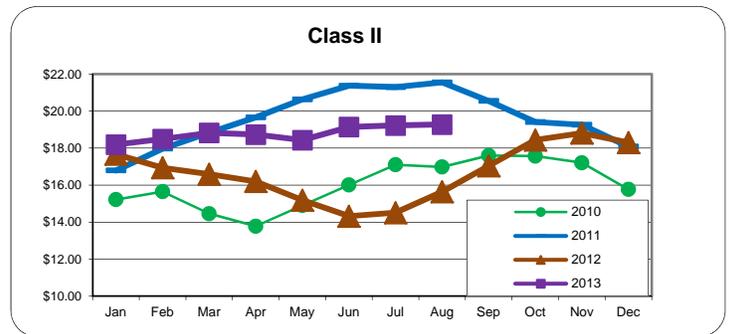
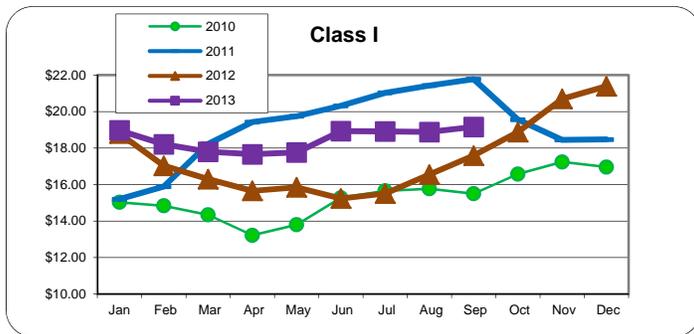
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	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	18.88	19.16			
II	18.19	18.49	18.82	18.73	18.43	19.14	19.22	19.27				
III	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91				
IV	17.63	17.75	17.75	18.10	18.89	18.88	18.90	19.07				

1/ Specific order differentials to be added to this base price can be found by going to:

www.ams.usda.gov/DairyMarketingStatistics; then select "Prices"; and then select "Principal Pricing Points."



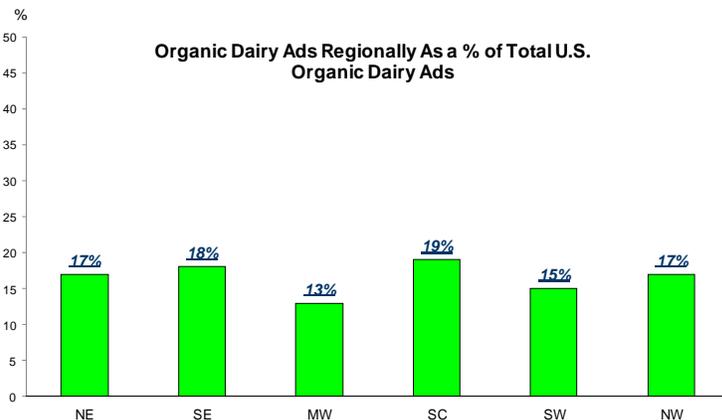
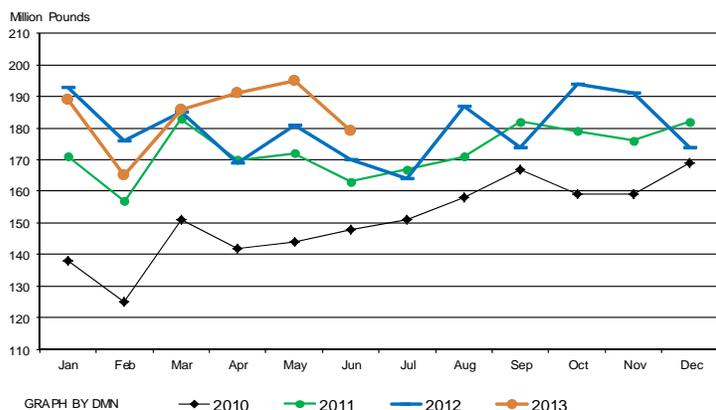
ORGANIC DAIRY MARKET NEWS

Information gathered August 26 - September 6, 2013

ORGANIC DAIRY FLUID OVERVIEW

Organic Milk Products Sales. Cumulative organic fluid milk products sales through June this year lead the same period of 2012 by 3.1%. This outcome is derived from sales this March through June, which were sufficiently above last year's level to overcome lower sales this January and February compared with last year. In contrast, total conventional milk products sales this year through June were 2.9% below the same period last year.

Estimated U.S. Sales of Total Organic Milk Products



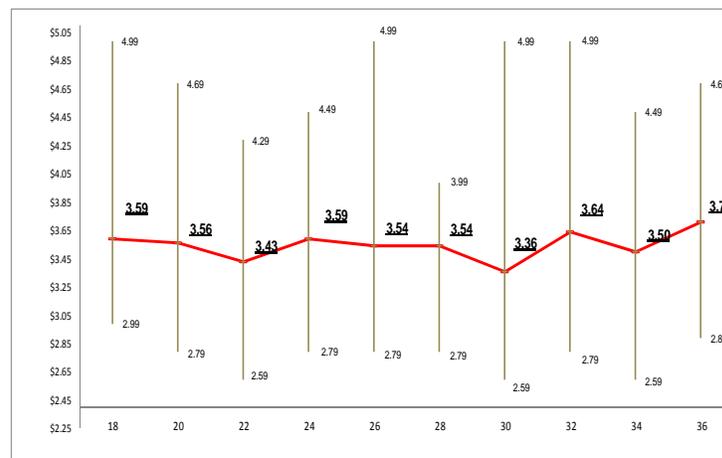
Organic Milk. Ads for 8 ounce organic milk are at the second highest level of the year and more than the combined total of ads for organic half gallons and gallons. Almost all stores advertising 8 ounce organic milk are stores of two national grocery chains. Half gallon ads declined for the sixth consecutive report. These ads are from a variety of national chain food stores and regional chains. Organic gallon ads are at a lower level than the record set two weeks ago but still among the top four reporting periods of the year. Almost all organic gallon milk ads are for one national food store chain.

Ads for 8 ounce organic milk comprised 56% of organic milk ads, followed by organic half gallons, 31%, and organic gallons, 14%. Organic milk ads continue to generally be the predominant category of organic dairy ads, unlike conventional milk which frequently is not among the top advertised categories of conventional dairy products.

Organic Milk Half Gallons. The weighted average advertised price of organic milk half gallons is \$3.71, up 21 cents from last period. The price range increased at the bottom and top of the price range, \$2.89 to \$4.69. One year ago the weighted average advertised price was \$3.47.

The Northeast has the highest weighted average price, \$4.10, while the Southwest Region has the lowest weighted average price this period, \$2.89.

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



National Organic Standards Board. The National Organic Standards Board has announced the agenda for its fall meeting October 22-24, 2013. Public comment on Agenda items is invited and must be submitted by October 1, 2013.

News. A national organic dairy brand has begun sales of lactose free organic whole milk and organic half & half. These items now join the brand's existing lactose free reduced fat, low fat and fat free organic milk to round out the line of lactose free organic milk being sold.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy product ad volume is slightly lower than during the last two reporting periods. In contrast, ad volume for organic milk is higher than the last seven reporting periods, which dates back to May.

Organic milk ads total 78% of all organic dairy ads, followed by organic yogurt ads at 19%, and organic butter, 3%. This is the second highest percentage of organic milk ads of 2013.

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period August 24, 2013, to September 6, 2013, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

Complete results of this bi-weekly survey providing additional graphs, tables, and regional delineation, follow at the end of Dairy Market News, or can be accessed at: <http://www.ams.usda.gov/AMSV1.0/DairyRetailReport>

Regional Organic Dairy Ad Trends. Organic dairy ads appeared in all 6 regions, led by the South Central with 19% of ads, the Southeast, 18%; Northwest and Northeast tied with 17%; Southwest, 15%; and Midwest, 13%.

ORGANIC DAIRY MARKET NEWS

Information gathered August 26 - September 6, 2013

CONTINUED FROM PAGE 8

Organic - Conventional Milk Half Gallon Price Spread. The weighted average advertised organic half-gallon milk price, \$3.71, is up 21 cents from two weeks ago. Conventional milk's price for half gallons, \$1.52, is up 11 cents from two weeks ago.

The organic-conventional half-gallon price spread is \$2.19, compared to \$2.09 two weeks ago.

Organic Milk Gallons. The national weighted average advertised price for organic gallons is \$5.00, down from \$5.56 two weeks ago and down from \$5.43 one year ago.

Organic Yogurt. Organic yogurt ad numbers are at a relatively low level for the year - lower than thirteen periods of 2013 and higher than four.

The Southeast has 36% of organic yogurt ads, followed by the Northeast, 21%; Southwest and Northwest tied at 17%, and South Central, 9%.

4-6 ounce organic Greek yogurt accounts for 36% of organic yogurt ads, followed by 32 ounce yogurt, 29%, 4-6 ounce yogurt, 24%, and 32 ounce organic Greek yogurt, 10%.

The weighted average advertised price for 4-6 ounce organic yogurt is \$.83, up 18 cents from last year. The weighted average advertised price for 4-6 ounce organic Greek yogurt is \$1.00, down from \$1.05 last year. As for 32 ounce organic Greek yogurt, the price is \$5.00, with no ads for this category one year ago.

SUPERMARKET PRICE COMPARISON:

Madison, Wisconsin Prices. Non-advertised organic milk, yogurt, butter and cheese prices in a range of food stores in Madison, Wisconsin are compared for this two week period. Stores included a big-box sized local supermarket; 2 regional chain supermarkets; a smaller but full product line food market; and 2 natural food stores; a national discount big box chain store also selling food; and a large local cooperative grocery store. Organic milk available included 2 national brands, 4 private label store brands, and 3 small local or near-by creamery brands, one featuring non-homogenized milk. Cheese available included 2 national brands, 2 store brands, and cheese from 5 other cheese makers.

INFORMATION GATHERED 08/26/2013 - 09/06/2013

**ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE
2013 REPORTING WEEK 36**

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

	LOW	HIGH	RANGE
FLUID MILK			
MILK - gallon			
Whole	5.99	7.09*	1.10*
Reduced fat (2%)	5.99	7.09*	1.10*
Low fat (1%)	5.99	7.09*	1.10*
Nonfat (Skim)	5.99	7.09*	1.10*
MILK - half gallon			
Whole	3.99*	4.89	0.90*
Reduced fat (2%)	3.99*	4.89	0.90*
Low fat (1%)	3.99*	4.89	0.90*
Nonfat (Skim)	3.99*	4.89	0.90*
FLAVMILK - half gallon			
All fat tests	3.09	5.69	2.60

LOW HIGH RANGE

YOGURT			
Yogurt - 4-6 oz			
Yogurt	0.69	1.29	0.60
CHEESE			
Cheese - 8 oz block			
Mozzarella	4.10	5.75	1.65
Mild Cheddar	4.10	5.99	1.89
Monterey Jack	4.10	5.99	1.89
Pepper Jack	4.10	5.99	1.89
Cheese - 6 oz string			
Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	4.99	1.10
BUTTER			
Butter - 1 Pound	4.99*	6.09	1.10*

* = Price change from prior reporting period.

ORGANIC GRAIN AND FEEDSTUFF MARKETS: National organic grain and feedstuff prices were mostly steady. Market activity continued to be very slow due to buyers and sellers taking a wait to see approach towards the market. Demand for feed grade soybeans was good as supplies of finished soybean meal were limited. Crop conditions were mixed, with the Eastern Cornbelt being excellent and the Midwest reporting average conditions. Drought conditions throughout much of the Midwest are of great concern. Some essential corn growing areas have been without significant rainfall since July. New crop wheat harvest in the Northwest is reported to be very good. Yields are coming in better than originally expected.

Additional livestock and grain market news information is available at:

<http://www.ams.usda.gov/mnreports/lbfnof.pdf>

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, AUGUST

Component Price Information: Under the Federal milk order pricing system, the butterfat price for August 2013 is \$1.5104 per pound. Thus, the Class II butterfat price is \$1.5174. The protein and other solids prices for August are \$3.4775 and \$0.3901 per pound, respectively. These component prices set the Class III skim milk price at \$13.08 per cwt. The August Class IV skim milk price is \$14.28, which is derived from the nonfat solids price of \$1.5868 per pound. **Product Price Averages:** The product price averages for August are: butter \$1.4187, nonfat dry milk \$1.7706, cheese \$1.7731, and dry whey \$0.5778.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT ^{1/2/}						
FEDERAL MILK ORDER MARKETING AREAS ^{3/}	ORDER NUMBER	AUGUST 2013				SEPTEMBER 2013
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) ^{4/}	001	22.13	19.27	17.91	19.07	22.41
Appalachian (Charlotte) ^{5/ 6/}	005	22.28	19.27	17.91	19.07	22.56
Southeast (Atlanta) ^{6/ 7/}	007	22.68	19.27	17.91	19.07	22.96
Florida (Tampa) ^{6/ 8/}	006	24.28	19.27	17.91	19.07	24.56
Mideast (Cleveland) ^{9/}	033	20.88	19.27	17.91	19.07	21.16
Upper Midwest (Chicago) ^{10/}	030	20.68	19.27	17.91	19.07	20.96
Central (Kansas City) ^{11/}	032	20.88	19.27	17.91	19.07	21.16
Southwest (Dallas) ^{12/}	126	21.88	19.27	17.91	19.07	22.16
Arizona (Phoenix)	131	21.23	19.27	17.91	19.07	21.51
Pacific Northwest (Seattle) ^{13/}	124	20.78	19.27	17.91	19.07	21.06
All-Market Average	---	21.77	19.27	17.91	19.07	22.05

^{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.

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

COMMODITY	::REPORT NUMBER 31		::REPORT NUMBER 32		::REPORT NUMBER 33		::REPORT NUMBER 34		::REPORT NUMBER 35		2013	2012
	:-----:		:-----:		:-----:		:-----:		:-----:		Average	Average
	AUG 01 - 02		AUG 05 - 09		AUG 12 - 16		AUG 19 - 23		AUG 26 - 30		or Total	or Total

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.9275 - 2.6325	:: 1.9625 - 2.6675	:: 1.9875 - 2.6925	:: 1.9650 - 2.6700	:: 1.8725 - 2.5775	:: 2.2976	: 2.3062
-- Brick And/Or Muenster 5#	:: 2.1400 - 2.5875	:: 2.1550 - 2.6025	:: 2.1725 - 2.6200	:: 2.1550 - 2.6025	:: 2.0725 - 2.5200	:: 2.3626	: 2.4671
-- Cheddar 40# Block	:: 2.1400 - 3.0125	:: 2.1550 - 3.0275	:: 2.1725 - 3.0450	:: 2.1550 - 3.0275	:: 2.0725 - 2.9450	:: 2.5751	: 2.6796
-- Monterey Jack 10#	:: 2.1100 - 3.0175	:: 2.1250 - 3.0325	:: 2.1425 - 3.0500	:: 2.1250 - 3.0325	:: 2.0425 - 2.9500	:: 2.5626	: 2.6646
-- Blue 5#	:: 2.4025 - 3.3900	:: 2.4175 - 3.4050	:: 2.4350 - 3.4225	:: 2.4175 - 3.4050	:: 2.3350 - 3.3225	:: 2.8951	: 2.9446
-- Mozzarella 5 - 6#	:: 1.9825 - 3.1175	:: 1.9975 - 3.1325	:: 2.0150 - 3.1500	:: 1.9975 - 3.1325	:: 1.9150 - 3.0500	:: 2.5489	: 2.6521
-- Grade A Swiss Cuts 6 - 9#	:: 3.0900 - 3.2075	:: 3.0350 - 3.1525	:: 3.0350 - 3.1525	:: 3.0350 - 3.1525	:: 3.0350 - 3.1525	:: 3.0988	: 2.8296

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 40# Block	:: 2.1550 - 2.4400	:: 2.1700 - 2.4550	:: 2.1875 - 2.4725	:: 2.1700 - 2.4550	:: 2.0875 - 2.3725	:: 2.2964	: 2.3421
-- Process 5# Sliced	:: 1.9500 - 2.4300	:: 1.9850 - 2.4650	:: 2.0100 - 2.4900	:: 1.9875 - 2.4675	:: 1.8950 - 2.3750	:: 2.2076	: 2.0412
-- Muenster	:: 2.1750 - 2.5350	:: 2.1900 - 2.5500	:: 2.2075 - 2.5675	:: 2.1900 - 2.5500	:: 2.1075 - 2.4675	:: 2.3539	: 2.3996
-- Grade A Swiss Cuts 10 - 14#	:: 3.5700 - 3.8925	:: 3.5150 - 3.8375	:: 3.5150 - 3.8375	:: 3.5150 - 3.8375	:: 3.5150 - 3.8375	:: 3.6813	: 3.4004

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.8575 - 2.1150	:: 1.8925 - 2.1500	:: 1.9175 - 2.1750	:: 1.8950 - 2.1525	:: 1.8025 - 2.0600	:: 2.0039	: 2.0149
-- Cheddar 40# Block	:: 1.8750 - 2.2275	:: 1.8900 - 2.2425	:: 1.9075 - 2.2600	:: 1.8900 - 2.2425	:: 1.8075 - 2.1600	:: 2.0501	: 2.1008
-- Cheddar 10# Cuts	:: 2.0550 - 2.2750	:: 2.0700 - 2.2900	:: 2.0875 - 2.3075	:: 2.0700 - 2.2900	:: 1.9875 - 2.2075	:: 2.1639	: 2.2146
-- Monterey Jack 10#	:: 2.0650 - 2.2250	:: 2.0800 - 2.2400	:: 2.0975 - 2.2575	:: 2.0800 - 2.2400	:: 1.9975 - 2.1575	:: 2.1439	: 2.1946
-- Grade A Swiss Cuts 6 - 9#	:: 3.1475 - 3.5775	:: 3.0925 - 3.5225	:: 3.0925 - 3.5225	:: 3.0925 - 3.5225	:: 3.0925 - 3.5225	:: 3.3125	: 3.0316

FLUID PRODUCTS

SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)

-- Northeast - f.o.b	:: 2.0714 - 2.3016	:: 2.0048 - 2.2196	:: 1.9817 - 2.1940	:: 1.7174 - 1.9806	:: 1.7804 - 1.9584	:: 1.9984	: 2.5700
-- Upper Midwest - f.o.b	:: 1.8988 - 2.2297	:: 1.8616 - 2.2196	:: 1.7694 - 2.1233	:: 1.7313 - 1.9113	:: 1.7119 - 1.8899	:: 1.9170	: 2.3571

PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.

-- Class II	:: 1.71 - 1.81	:: 1.71 - 1.81	:: 1.71 - 1.81	:: 1.76 - 1.83	:: 1.81 - 1.86	:: 1.7850	: 1.2348
-- Class III	:: 1.56 - 1.61	:: 1.52 - 1.57	:: 1.52 - 1.57	:: 1.53 - 1.59	:: 1.53 - 1.59	:: 1.5555	: 1.3911

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

COMMODITY	::REPORT NUMBER 31		::REPORT NUMBER 32		::REPORT NUMBER 33		::REPORT NUMBER 34		::REPORT NUMBER 35		2013	2012
	:-----:		:-----:		:-----:		:-----:		:-----:		Average	Average
	AUG 01 - 02		AUG 05 - 09		AUG 12 - 16		AUG 19 - 23		AUG 26 - 30		or Total	or Total
DRY PRODUCTS												
NONFAT DRY MILK												
-- Central And East (f.o.b.)												
-- Low/Medium Heat	:: 1.7100 - 1.8300	:: 1.7400 - 1.8350	:: 1.7500 - 1.8500	:: 1.7600 - 1.8525	:: 1.7700 - 1.8600	:: 1.7993	:	1.4312				
-- Mostly	:: 1.7500 - 1.8000	:: 1.7500 - 1.8000	:: 1.7500 - 1.8100	:: 1.7700 - 1.8200	:: 1.7800 - 1.8200	:: 1.7864	:	1.4020				
-- High Heat	:: 1.8500 - 1.8900	:: 1.8600 - 1.8900	:: 1.8600 - 1.8975	:: 1.8800 - 1.9025	:: 1.8900 - 1.9200	:: 1.8859	:	1.4655				
-- West (f.o.b.)												
-- Low/Medium Heat	:: 1.7300 - 1.8000	:: 1.7300 - 1.8200	:: 1.7450 - 1.8200	:: 1.7550 - 1.8200	:: 1.7600 - 1.8300	:: 1.7832	:	1.3770				
-- Mostly	:: 1.7700 - 1.7900	:: 1.7700 - 1.8000	:: 1.7800 - 1.8050	:: 1.7900 - 1.8100	:: 1.8000 - 1.8200	:: 1.7953	:	1.3589				
-- High Heat	:: 1.7700 - 1.8900	:: 1.7700 - 1.8900	:: 1.8100 - 1.8800	:: 1.8100 - 1.9100	:: 1.8200 - 1.9200	:: 1.8493	:	1.3567				
WHEY POWDER (Nonhygroscopic)												
-- Central (f.o.b.)	:: 0.4700 - 0.6075	:: 0.4700 - 0.6275	:: 0.4700 - 0.6325	:: 0.4800 - 0.6275	:: 0.4700 - 0.6275	:: 0.5495	:	0.5221				
-- Mostly	:: 0.5200 - 0.5650	:: 0.5200 - 0.5650	:: 0.5200 - 0.5650	:: 0.5200 - 0.5600	:: 0.5200 - 0.5600	:: 0.5414	:	0.5218				
-- West (f.o.b.)	:: 0.5650 - 0.6250	:: 0.5500 - 0.6250	:: 0.5500 - 0.6150	:: 0.5400 - 0.6050	:: 0.5400 - 0.6250	:: 0.5825	:	0.5553				
-- Mostly	:: 0.5700 - 0.6100	:: 0.5650 - 0.6050	:: 0.5650 - 0.6050	:: 0.5650 - 0.6050	:: 0.5500 - 0.6050	:: 0.5838	:	0.5514				
-- Northeast (f.o.b.)	:: 0.5550 - 0.6325	:: 0.5350 - 0.6300	:: 0.5350 - 0.6325	:: 0.5350 - 0.6250	:: 0.5400 - 0.6250	:: 0.5832	:	0.5597				
WHEY PROTEIN CONCENTRATE												
-- Central And West (f.o.b.)												
-- Extra Grade 34% Protein	:: 1.3100 - 1.5025	:: 1.2800 - 1.5025	:: 1.2800 - 1.5125	:: 1.3000 - 1.5125	:: 1.3000 - 1.5175	:: 1.4011	:	1.1653				
-- Mostly	:: 1.3450 - 1.3800	:: 1.3450 - 1.3800	:: 1.3450 - 1.3800	:: 1.3450 - 1.3925	:: 1.3450 - 1.4075	:: 1.3670	:	1.1272				
ANIMAL FEED - WHEY												
-- Central (f.o.b.)												
-- Milk Replacer	:: 0.4075 - 0.5400	:: 0.4050 - 0.5400	:: 0.4050 - 0.5400	:: 0.4050 - 0.5400	:: 0.4050 - 0.5400	:: 0.4726	:	0.4479				
BUTTERMILK (Min. 30% protein)												
-- Central And East (f.o.b.)	:: 1.5400 - 1.6800	:: 1.5400 - 1.6800	:: 1.5400 - 1.6800	:: 1.6350 - 1.6900	:: 1.6400 - 1.7025	:: 1.6359	:	1.2818				
-- West (f.o.b.)	:: 1.6200 - 1.6700	:: 1.6400 - 1.7000	:: 1.6600 - 1.7000	:: 1.6600 - 1.7200	:: 1.6500 - 1.7400	:: 1.6802	:	1.2372				
-- Mostly	:: 1.6400 - 1.6600	:: 1.6500 - 1.6700	:: 1.6700 - 1.6900	:: 1.6800 - 1.7000	:: 1.6900 - 1.7100	:: 1.6795	:	1.2113				
WHOLE MILK POWDER												
-- National (f.o.b.)	:: 1.8500 - 1.9500	:: 1.8500 - 1.9500	:: 1.8500 - 1.9500	:: 1.9500 - 2.0500	:: 1.9500 - 2.0500	:: 1.9455	:	1.5450				
LACTOSE												
-- Central And West (f.o.b.)	:: 0.5000 - 0.7000	:: 0.5200 - 0.7200	:: 0.4100 - 0.7200	:: 0.4200 - 0.7200	:: 0.5200 - 0.7200	:: 0.5943	:	0.8250				
-- Mostly	:: 0.5850 - 0.6800	:: 0.5900 - 0.6900	:: 0.5900 - 0.6900	:: 0.5900 - 0.6900	:: 0.5900 - 0.6900	:: 0.6393	:	0.8261				
CASEIN - Edible - National (f.o.b.)												
-- Nonrestricted - Rennet	:: 4.6000 - 5.0000	:: 4.6000 - 5.0000	:: 4.6000 - 5.0000	:: 4.7000 - 5.0000	:: 4.7000 - 5.0000	:: 4.8227	:	4.0750				
-- Nonrestricted - Acid	:: 4.7000 - 5.4000	:: 4.7000 - 5.4000	:: 4.7000 - 5.4000	:: 4.8000 - 5.4000	:: 4.8000 - 5.4000	:: 5.0727	:	4.4250				

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 AUGUST 2013

COMMODITY	REPORT NUMBER 31 AUG 1 - 2	REPORT NUMBER 32 AUG 5 - 9	REPORT NUMBER 33 AUG 12 - 16	REPORT NUMBER 34 AUG 19 - 23	REPORT NUMBER 35 AUG 26 - 30	2013 * Monthly Average	2012 * Monthly Average
BUTTER*							
-- GRADE AA							
--Monday	::	:: 1.4400	:: 1.3975	:: 1.3600	:: 1.3950	::	:
--Tuesday	::	:: 1.4200	:: 1.3975	:: 1.3600	:: 1.4100	::	:
--Wednesday	::	:: 1.4200	:: 1.3800	:: 1.3625	:: 1.4300	::	:
--Thursday	:: 1.4300	:: 1.4000	:: 1.3800	:: 1.3700	:: 1.4350	::	:
--Friday	:: 1.4400	:: 1.3975	:: 1.3700	:: 1.3950	:: 1.4375	:: 1.4013	: 1.7687
--Weekly Average**	:: 1.4320	:: 1.4155	:: 1.3850	:: 1.3695	:: 1.4215	::	:
CHEESE*							
-- BARRELS							
--Monday	::	:: 1.7925	:: 1.7650	:: 1.7350	:: 1.7050	::	:
--Tuesday	::	:: 1.7925	:: 1.7650	:: 1.7000	:: 1.7050	::	:
--Wednesday	::	:: 1.7925	:: 1.7650	:: 1.6500	:: 1.7400	::	:
--Thursday	:: 1.7600	:: 1.7925	:: 1.7650	:: 1.6375	:: 1.7575	::	:
--Friday	:: 1.7725	:: 1.7650	:: 1.7650	:: 1.6425	:: 1.7700	:: 1.7425	: 1.7889
--Weekly Average**	:: 1.7625	:: 1.7870	:: 1.7650	:: 1.6730	:: 1.7355	::	:
-- 40# BLOCKS							
--Monday	::	:: 1.7800	:: 1.7700	:: 1.7550	:: 1.6950	::	:
--Tuesday	::	:: 1.7800	:: 1.7700	:: 1.7075	:: 1.7300	::	:
--Wednesday	::	:: 1.7925	:: 1.7700	:: 1.6700	:: 1.7500	::	:
--Thursday	:: 1.7750	:: 1.7925	:: 1.7700	:: 1.6475	:: 1.7275	::	:
--Friday	:: 1.7750	:: 1.7975	:: 1.7775	:: 1.6700	:: 1.7825	:: 1.7493	: 1.8262
--Weekly Average**	:: 1.7705	:: 1.7885	:: 1.7715	:: 1.6900	:: 1.7370	::	:
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday	::	:: 1.7300	:: 1.7500	:: 1.7500	:: 1.7800	::	:
--Tuesday	::	:: 1.7300	:: 1.7500	:: 1.7500	:: 1.7800	::	:
--Wednesday	::	:: 1.7300	:: 1.7500	:: 1.7500	:: 1.7800	::	:
--Thursday	:: 1.7300	:: 1.7300	:: 1.7500	:: 1.7800	:: 1.7800	::	:
--Friday	:: 1.7300	:: 1.7500	:: 1.7500	:: 1.7800	:: 1.7800	:: 1.7541	: 1.5226
--Weekly Average**	:: 1.7300	:: 1.7340	:: 1.7500	:: 1.7620	:: 1.7800	::	:
-- GRADE A							
--Monday	::	:: 1.7825	:: 1.7925	:: 1.7950	:: 1.8000	::	:
--Tuesday	::	:: 1.7825	:: 1.7950	:: 1.8000	:: 1.8000	::	:
--Wednesday	::	:: 1.7825	:: 1.7950	:: 1.8000	:: 1.8000	::	:
--Thursday	:: 1.7825	:: 1.7925	:: 1.7950	:: 1.8000	:: 1.8000	::	:
--Friday	:: 1.7825	:: 1.7925	:: 1.7950	:: 1.8000	:: 1.8000	:: 1.7939	: 1.5622
--Weekly Average**	:: 1.7825	:: 1.7865	:: 1.7945	:: 1.7990	:: 1.8000	::	:

* 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.

AUGUST AGRICULTURAL PRICES HIGHLIGHTS

The All Milk price received by farmers was \$19.30 in August, up \$0.30 from July 2013, and up \$1.10 from August 2012. Alfalfa hay price was \$200.00 in August, down \$3.00 from August 2012. Corn price was \$6.02 in August, down \$1.61 from August 2012. Soybean price was \$13.80 in August, down \$2.40 from August 2012. The milk-feed price ratio was 1.69 in August, up 0.32 from August 2012.

The index of prices received by farmers for dairy products during the month of August 2013 was up 3 points to 148. Compared to August 2012, the index was up 9 points (6.5 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in August 2013 was up 1 point to 221. Compared with August 2012, the index was up 5 points (2.3 percent).

SELECTED MILK PRICES, MILK COWS, AND FEED PRICES, SELECTED STATES AND U.S., AUGUST 2013 WITH COMPARISONS

State	All-Milk price ^{1/2/}				Alfalfa hay, baled		Corn for Grain		Soybeans	
	Dollars per cwt.				Dollars per ton		Dollars per bushel		Dollars per bushel	
	July		August		August		August		August	
	2012	2013	2012	2013 ^{3/}	2012	2013 ^{3/}	2012	2013 ^{3/}	2012	2013 ^{3/}
AZ	16.20	19.20	17.70	19.40	210.00	190.00	---	---	---	---
CA	15.32	17.51	16.52	17.80	201.00	201.00	---	---	---	---
CO	16.80	19.30	18.10	19.40	235.00	245.00	7.60	6.53	---	---
ID	16.60	18.10	17.60	18.50	190.00	200.00	---	---	---	---
IN	16.70	20.10	18.50	20.50	---	---	7.92	6.10	---	---
IA	17.40	19.40	18.90	19.50	208.00	205.00	7.89	6.00	16.80	13.80
MI	17.10	19.90	18.20	20.40	175.00	180.00	7.96	5.90	15.90	13.80
MN	18.00	19.10	19.50	19.30	155.00	165.00	7.54	6.20	16.60	13.60
NM	16.00	17.80	17.30	17.90	233.00	245.00	---	---	---	---
NY	17.40	20.20	18.60	20.30	175.00	205.00	---	---	---	---
OH	17.20	20.40	18.60	20.80	245.00	195.00	8.09	6.00	---	---
PA	18.00	20.70	19.00	20.80	198.00	189.00	8.59	5.81	---	---
TX	17.20	19.30	18.80	19.40	239.00	237.00	7.29	5.08	---	---
WA	16.70	19.60	18.00	19.90	225.00	205.00	---	---	---	---
WI	17.80	19.10	19.20	19.20	155.00	160.00	7.39	6.20	16.60	13.50
U.S.	16.90	19.00	18.20	19.30	203.00	200.00	7.63	6.02	16.20	13.80

^{1/} Prices are shown at reported butterfat test. ^{2/} Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.

^{3/} Preliminary. ^{4/} Withheld to avoid disclosing data for individual operations.

MILK-FEED PRICE RATIO, SELECTED STATES AND U.S., AUGUST 2013 WITH COMPARISONS

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ^{1/}			
State ^{2/}	August 2012	July 2013	August 2013 ^{3/}
IA	1.38	1.46	1.69
MI	1.40	1.71	1.87
MN	1.59	1.60	1.78
OH	1.27	1.64	1.86
WI	1.58	1.57	1.79
U.S.	1.37	1.52	1.69

^{1/} The price of commercial prepared dairy feed is based on current United States prices received for corn, soybeans, and alfalfa. The modeled feed uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa hay. ^{2/} Available states that provided all necessary data to compute milk feed price ratios.

^{3/} Preliminary.

GENERAL PRICE MEASURES, U.S., AUGUST 2013 WITH COMPARISONS

Item	August 2012	July 2013	August 2013 ^{1/}
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for dairy products	139	145	148
Prices paid by farmers for commodities and services, interest taxes, and wage rates	216	220	221

^{1/} Preliminary.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, August 2013*.

JULY 2013 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 134.3 million pounds, 0.5 percent above July 2012 but 4.6 percent below June 2013. **AMERICAN TYPE CHEESE** production totaled 360.1 million pounds, 1.0 percent above July 2012 but 0.9 percent below June 2013. **TOTAL CHEESE** output (excluding cottage cheese) was 909.6 million pounds, 3.0 percent above July 2012 but slightly below June 2013. **NONFAT DRY MILK** production, for human food, totaled 115.7 million pounds, 17.5 percent below July 2012 and 11.6 percent below June 2013. **DRY WHEY** production, for human food, was 72.0 million pounds, 5.1 percent below July 2012 but 0.8 percent above June 2013. **ICE CREAM** (hard) production totaled 77.0 million gallons, 2.4 percent above July 2012 but 3.3 percent below June 2013.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	JUL 2013	PERCENT CHANGE FROM:			PRODUCT	JUL 2013	PERCENT CHANGE FROM:		
	1,000 LBS.	JUL 2012	JUN 2013	YEAR TO DATE 1/		1,000 LBS.	JUL 2012	JUN 2013	YEAR TO DATE 1/
BUTTER	134,296	0.5	-4.6	1.4	YOGURT (PLAIN AND FLAVORED)	395,759	11.4	4.8	5.3
CHEESE					DRY WHEY, HUMAN FOOD	72,026	-5.1	0.8	---
AMERICAN TYPES 2/	360,110	1.0	-0.9	2.3	DRY WHEY, ANIMAL FEED	4,144	6.4	5.6	---
CHEDDAR	261,016	0.8	0.7	2.5	DRY WHEY, TOTAL 3/	76,170	-4.5	1.0	-7.2
OTHER AMERICAN	99,094	1.4	-5.0	---	REDUCED LACTOSE AND MINERALS				
BRICK & MUENSTER	14,166	3.2	2.9	---	HUMAN FOOD	1,908	15.0	-35.7	---
CREAM & NEUFCHATEL	65,848	-2.0	3.4	---	ANIMAL FEED	5,631	17.8	3.3	---
HISPANIC	20,010	4.5	0.9	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	85,755	1.7	-3.1	1.5
TOTAL ITALIAN TYPES	392,740	6.4	---	1.8	WHEY PROTEIN CONCENTRATE				
MOZZARELLA	307,237	5.3	-0.3	1.3	HUMAN FOOD 2/	38,380	21.2	-6.2	---
OTHER ITALIAN	85,503	10.3	1.3	---	ANIMAL FEED 2/	700	-68.2	-29.4	---
SWISS	25,436	-5.4	9.4	---	TOTAL 2/	39,080	15.4	-6.7	6.1
ALL OTHER TYPES	9,971	-19.3	-19.5	---	25.0-49.9 PERCENT 10/	20,114	14.2	-5.6	---
TOTAL	909,558	3.0	---	1.8	50.0-89.9 PERCENT 10/	18,966	16.7	-7.9	---
COTTAGE CHEESE, CURD 3/	34,208	-5.3	27.7	---	WHEY PROTEIN ISOLATES 11/	7,747	56.9	10.2	---
COTTAGE CHEESE, CREAM 4/	27,784	-3.8	20.2	-4.1					
COTTAGE CHEESE, LOWFAT 5/	32,773	1.0	17.4	-2.6	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
DRY BUTTERMILK	8,771	25.5	-6.9	---	ICE CREAM (HARD)	76,980	2.4	-3.3	-0.5
DRY WHOLE MILK	9,426	89.9	30.4	---	ICE CREAM, LOWFAT (HARD)	18,506	5.7	-12.2	---
MILK PROTEIN CONC. (MPC), TOTAL 6/	6,029	15.2	-49.6	---	ICE CREAM, LOWFAT (SOFT)	23,433	-11.3	14.7	---
NONFAT DRY MILK (NDM), HUMAN	115,666	-17.5	-11.6	-18.0	ICE CREAM, LOWFAT (TOTAL)	41,939	-4.5	1.1	-11.1
SKIM MILK POWDERS (SMP) 7/	53,131	42.7	-8.7	104.9	SHERBET, HARD	4,187	4.8	-8.4	7.0
SOUR CREAM	104,445	2.9	3.2	-0.3	FROZEN YOGURT (TOTAL)	6,519	0.1	-8.8	-5.9

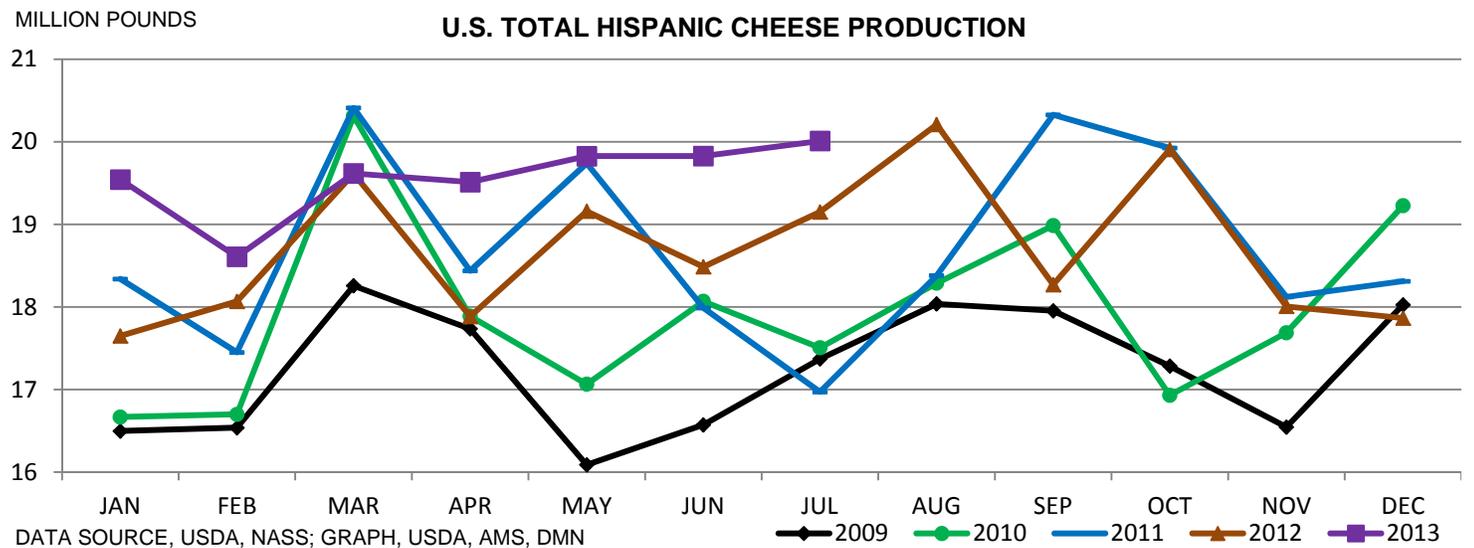
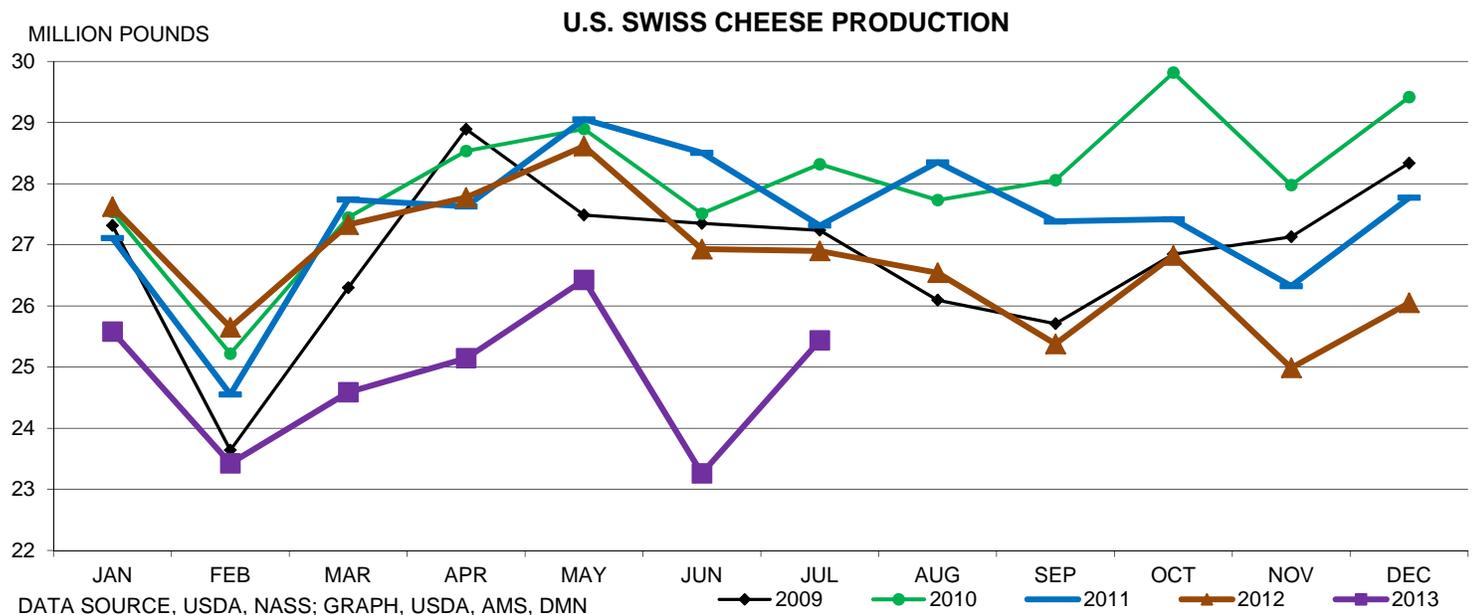
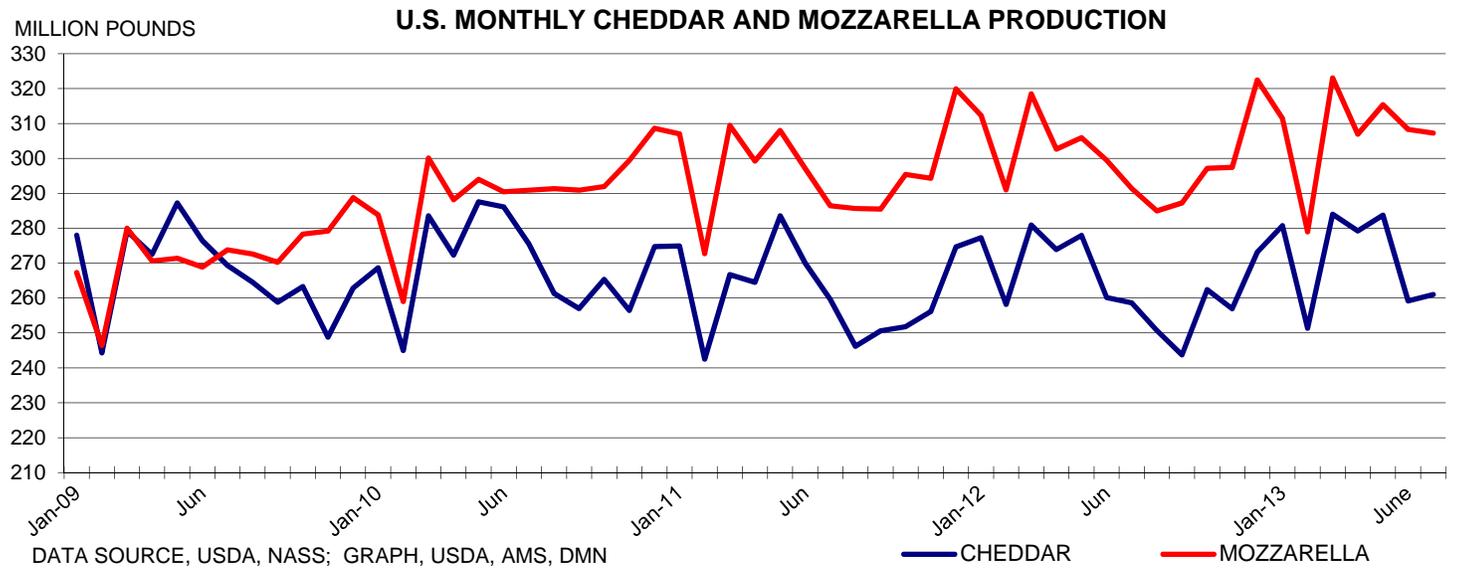
MANUFACTURERS' STOCKS, END OF MONTH 12/							
PRODUCT	JUL 2013	PERCENT OF:		PRODUCT	JUL 2013	PERCENT OF:	
	1,000 LBS.	JUL 2012	JUN 2013		1,000 LBS.	JUL 2012	JUN 2013
DRY WHEY, HUMAN FOOD	63,463	39.8	-0.4	WHEY PROTEIN CONCENTRATE			
DRY WHEY, ANIMAL FEED	3,587	20.5	28.3	HUMAN FOOD 2/	51,629	-6.3	-9.0
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 13/	8,814	21.6	-0.8	ANIMAL FEED 2/	2,025	-16.6	11.8
LACTOSE, HUMAN FOOD & ANIMAL FEED	88,867	-0.5	0.3	TOTAL 2/	53,654	-6.7	-8.4
DRY BUTTERMILK	11,523	3.2	-22.4	25.0-49.9 PERCENT 10/	20,610	-41.0	-15.4
NONFAT DRY MILK (NDM), HUMAN FOOD	207,478	60.9	-9.9	50.0-89.9 PERCENT 10/	33,044	46.4	-3.4
				WHEY PROTEIN ISOLATES 11/	9,942	24.0	-0.4

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.

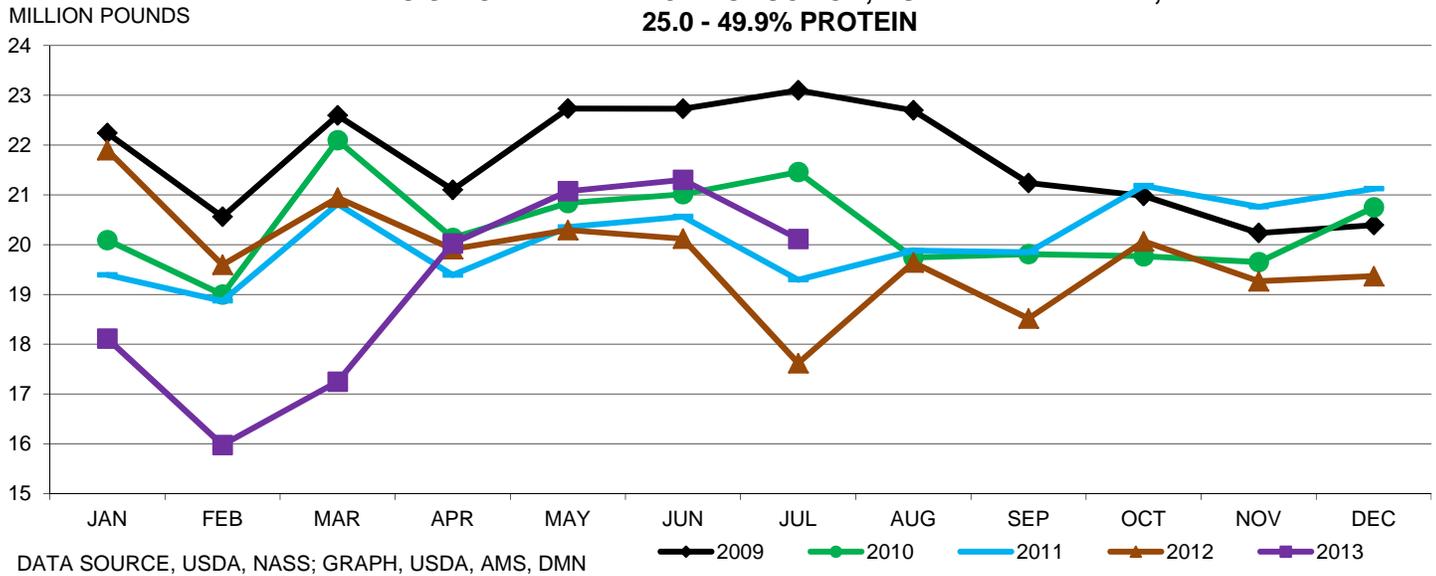
Table 2--Measures of Growth in Federal Milk Order Markets, Years, 1947-2012

Year	Number of markets 1/	Population of Federal milk marketing areas 2/	Number of pool handlers 1/	Number of pooled producers 3/	Receipts of producer milk 4/	Producer milk used in Class I	Percentage of producer milk used in Class I	Prices at 3.5% butterfat content 5/		Receipts as percentage of milk sold to plants and dealers		Daily deliveries of milk per producer	Gross value of receipts of producer milk 6/	
								Class I	Blend	Fluid grade	All milk		Per producer	All producers
1947	29	*	991	135,830	14,980	9,808	65.5	4.65	4.34	*	21	302	5,024	682,407
1950	39	*	1,101	156,584	18,660	11,000	58.9	4.51	3.93	41	25	326	4,914	769,442
1955	63	46,963	1,483	188,611	28,948	18,032	62.3	4.67	4.08	51	32	420	6,510	1,227,815
1960	80	88,818	2,259	189,816	44,812	28,758	64.2	4.88	4.47	64	43	648	10,482	1,989,615
1965	73	102,351	1,891	158,077	54,444	34,561	63.5	4.93	4.31	70	48	944	15,300	2,418,526
1970	62	125,721	1,588	143,411	65,104	40,063	61.5	6.74	5.95	79	59	1,244	27,636	3,963,311
1975	56	150,666	1,315	123,855	69,249	40,106	57.9	9.36	8.64	78	63	1,532	49,233	6,097,768
1980	47	164,908	1,091	117,490	83,998	41,034	48.9	13.77	12.86	80	67	1,954	93,685	11,007,001
1985	44	176,440	884	116,765	97,762	42,201	43.2	13.88	12.61	80	70	2,294	107,871	12,595,522
1990	42	195,841	753	100,397	102,396	43,783	42.8	15.55	13.78	77	70	2,796	142,324	14,289,567
1991	40	198,409	722	100,267	103,252	45,033	43.6	13.30	12.11	76	71	2,821	121,479	12,180,354
1992	40	200,530	698	97,803	107,947	44,914	41.6	14.57	13.12	77	73	3,017	146,452	14,323,698
1993	38	199,604	675	92,934	103,979	44,805	43.1	14.19	12.89	73	69	3,073	145,350	13,507,974
1994	38	201,561	629	91,397	107,811	44,866	41.6	14.75	13.16	75	71	3,232	156,253	14,281,193
1995	33	207,548	571	88,717	108,548	45,044	41.5	14.19	12.79	75	71	3,350	157,754	13,995,454
1996	32	209,599	570	82,947	104,501	45,479	43.5	16.19	14.64	72	69	3,442	187,713	15,570,261
1997	31	208,379	570	78,422	105,224	44,917	42.7	14.36	13.10	71	69	3,676	178,424	13,992,366
1998	31	210,484	522	72,402	99,223	44,968	45.3	16.14	14.92	66	64	3,755	202,770	14,681,340
1999	31	212,118	487	69,008	104,479	45,216	43.3	16.24	14.09	67	65	4,148	216,794	14,960,544
2000	11	228,899	346	69,590	116,920	45,989	39.3	14.24	12.11	72	70	4,590	207,913	14,468,892
2001	11	231,487	350	66,423	120,223	45,887	38.2	16.96	14.90	75	73	4,959	275,642	18,308,968
2002	11	234,256	338	63,856	125,546	46,043	36.7	13.69	11.91	77	76	5,387	239,520	15,294,802
2003	11	236,180	331	58,110	110,581	45,843	41.5	14.10	12.12	67	65	5,178	242,066	14,066,672
2004	10	234,825	306	52,341	103,048	44,939	43.6	17.56	15.74	62	61	5,352	324,119	16,965,368
2005	10	238,428	302	53,036	114,682	44,570	38.9	17.13	15.07	66	65	5,904	334,626	17,747,577
2006	10	239,142	314	52,725	120,618	45,304	37.6	14.59	12.86	68	67	6,264	303,429	15,998,288
2007	10	241,000	312	49,782	114,407	45,226	39.5	20.81	19.19	63	62	6,297	452,097	22,507,219
2008	10	242,988	333	47,859	115,867	44,989	38.8	20.78	18.24	61	62	6,613	453,886	21,722,538
2009	10	245,445	251	46,677	123,430	45,262	36.7	14.40	12.44	66	66	7,242	339,698	15,856,077
2010	10	247,031	251	45,918	126,909	44,970	35.4	18.25	16.07	67	66	7,572	444,038	20,389,201
2011	10	247,675	241	43,654	126,879	44,383	35.0	21.97	19.87	66	65	7,963	577,538	25,211,996
2012	10	250,724	237	40,750	122,388	43,492	35.5	20.39	18.05	62	61	8,229	542,121	22,091,337

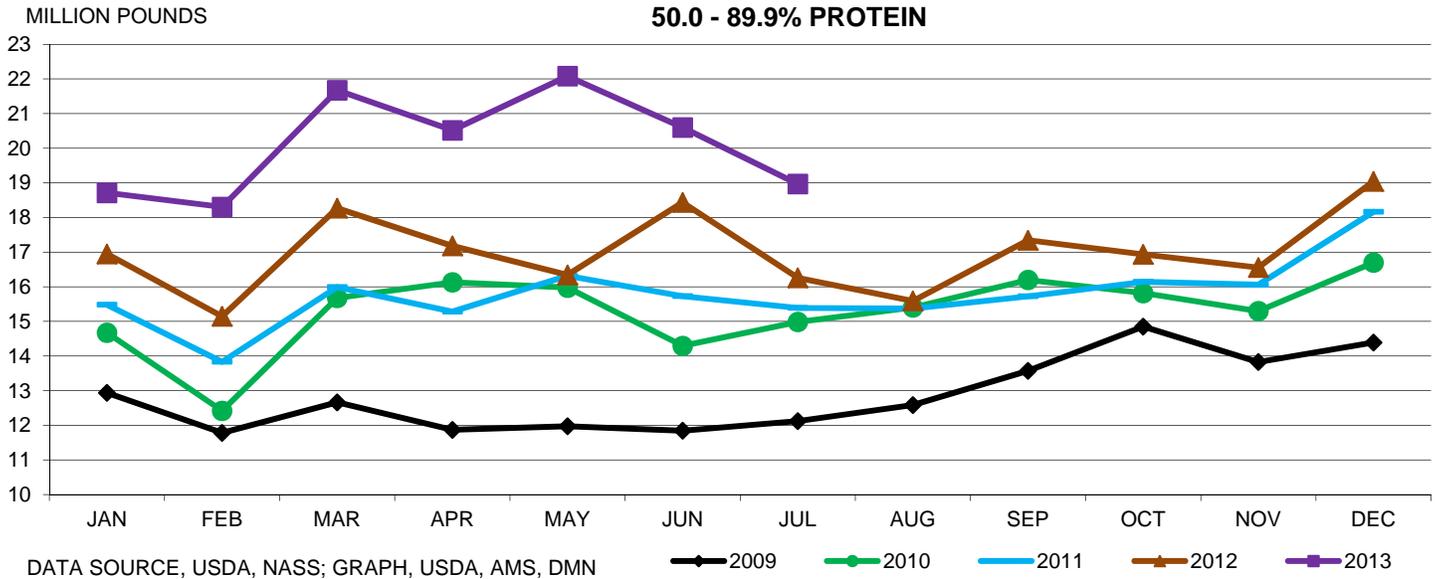
* Data not available. 1/ End of year. 2/ Figures for following time periods on respective U.S. Census: 1951-59 (1950), 1960-70 (1970), 1980, 1990, 2000, and 2010. Figures for following for following time periods are estimated based on other Census Bureau reports: 1972-79, 1981-99, 2001-2009, 2011-2012. 3/ Average for year. 4/ Beginning in 1988, due to to disadvantaged price situations in some markets, handlers elected not to pool milk that normally would have been associated with the order. This has reduced, sometimes substantially, the sometimes substantially, the volume of producer milk receipts reported for some markets. This can also affect significantly the comparability of other "Measures of Growth" based on this based on this statistic. 5/ Prices are simple averages for 1947-61 and weighted averages for 1962 to date. 6/ Based on blend (uniform) price adjusted for the butterfat content, and starting in content, and starting in 1988, other milk components of producer milk.



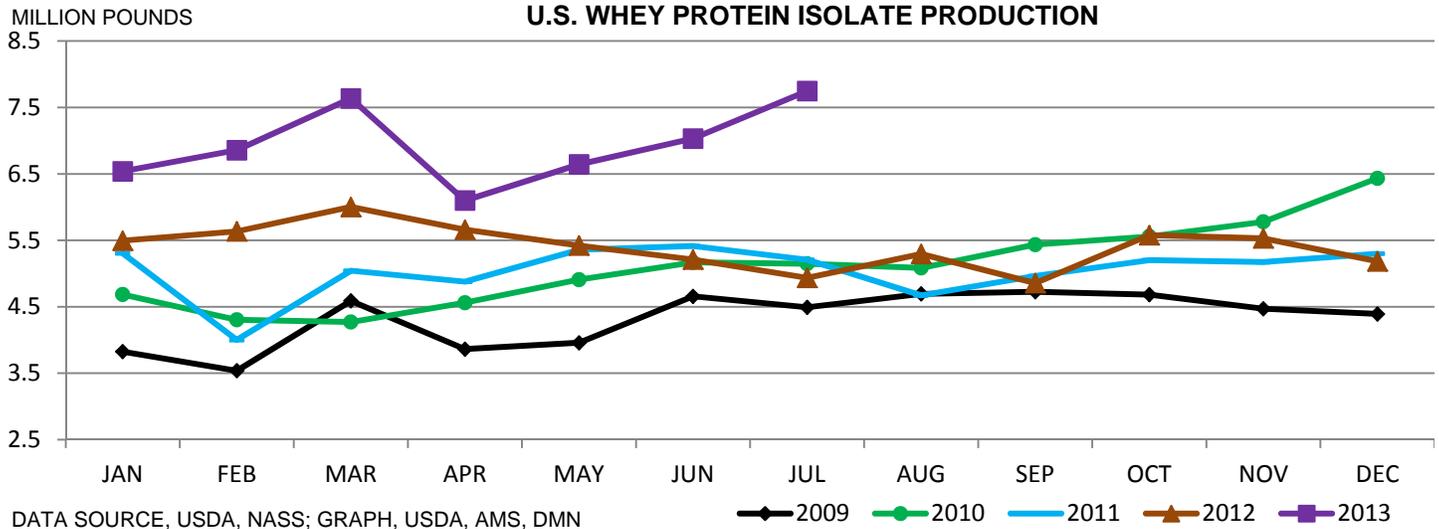
**U.S. TOTAL DRY WPC PRODUCTION, HUMAN AND ANIMAL,
25.0 - 49.9% PROTEIN**



**U.S. TOTAL DRY WPC PRODUCTION, HUMAN AND ANIMAL,
50.0 - 89.9% PROTEIN**



U.S. WHEY PROTEIN ISOLATE PRODUCTION





Dairy Market News Branch

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National Dairy Retail Report

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Thursday, September 5, 2013

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 08/26 to 09/06

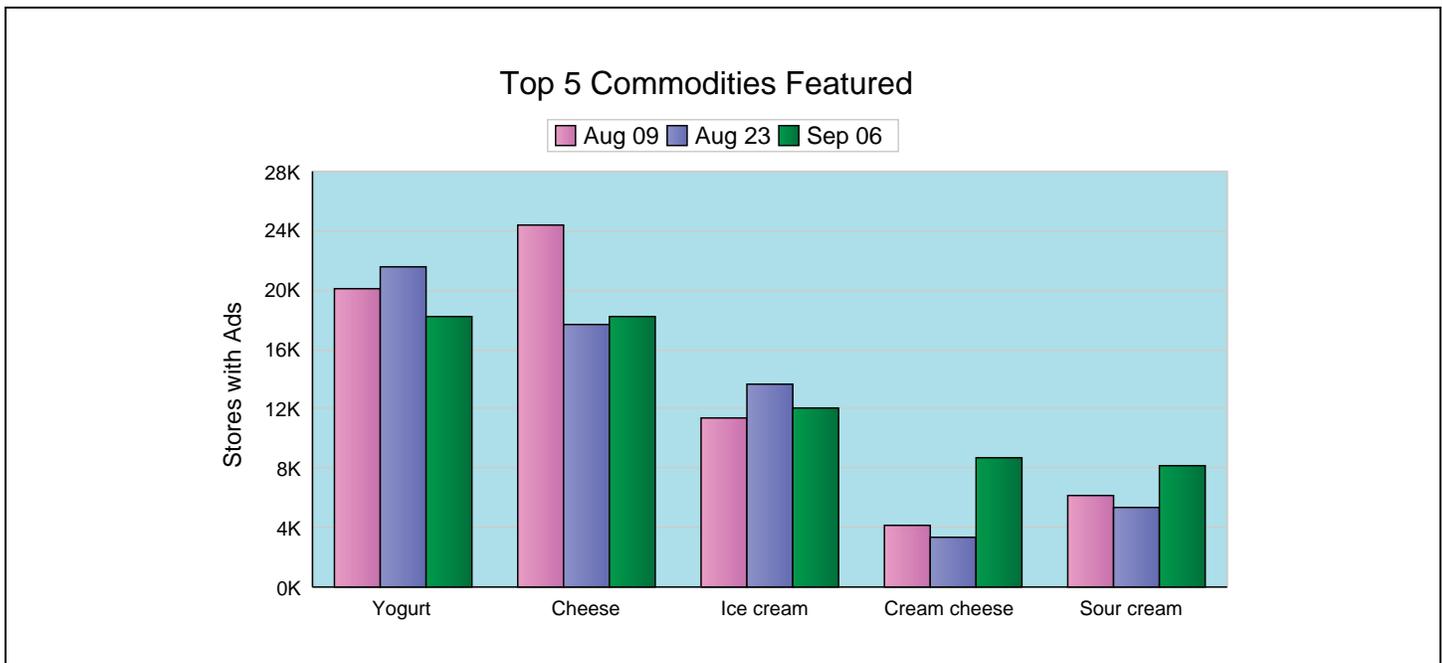
Cheese ads are the largest product category advertised this period and ads for cheese shreds in 8-ounce packs are the largest of the 5 types of cheese advertised, with 49% of cheese ads. The national price averaged \$2.28, up 20 cents from two weeks ago. 8-ounce blocks, at \$2.28, moved 9 cents higher than two weeks ago.

Greek yogurt in 4-6 ounce packs, featured in 63% of yogurt ads, averaged \$1.00, up 1 cent from two weeks ago and even with a year ago. Regular yogurt in 4-6 ounce packs averaged 49 cents, down 2 cents from two weeks ago.

Ice cream features are down slightly from two weeks ago and one year ago. The national average for 48-64 oz. containers is \$2.94, down 3 cents from two weeks ago and 14 cents lower than a year ago.

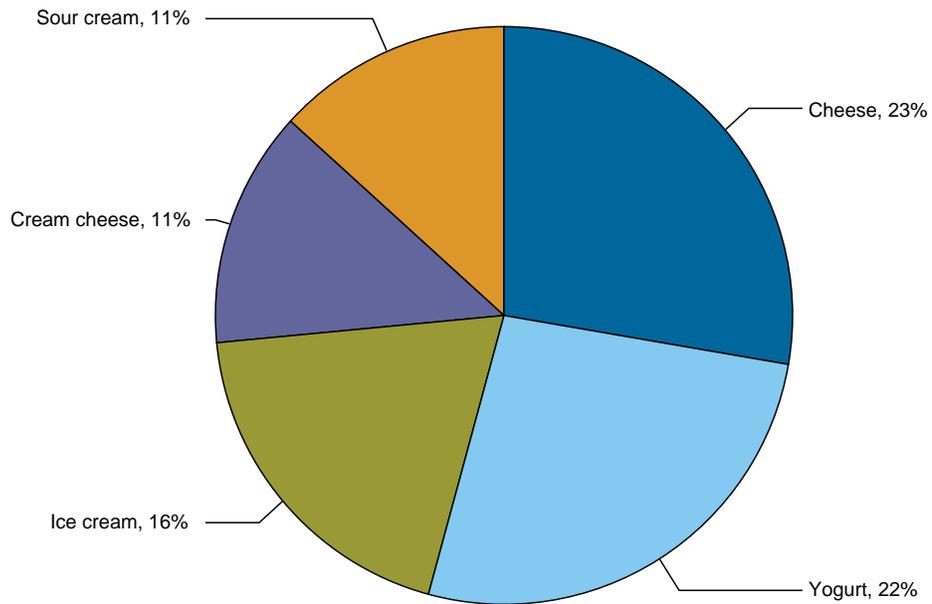
The national weighted average butter price is \$3.09 for 1# packages, 29 cents above two weeks ago and 47 cents higher than a year ago.

The national weighted average conventional milk price for half gallons, \$1.52, is 11 cents higher than two weeks ago. Organic half-gallon milk, at \$3.71, is 21 cents higher than two weeks ago. The organic-conventional half-gallon price spread is \$2.19, compared with \$2.09 two weeks ago.

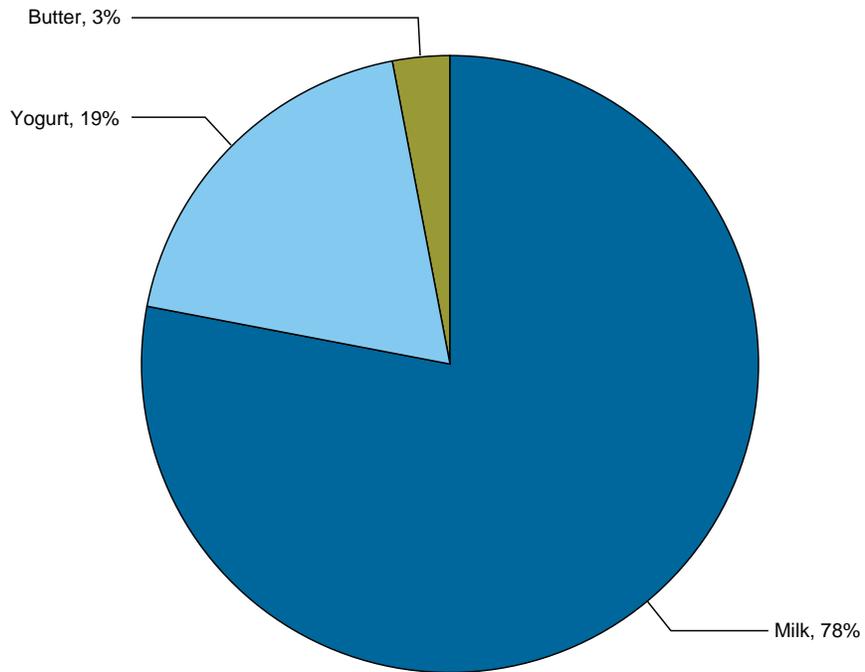


1 -- Dairy Market News surveys nearly 100 retailers, comprising over 14,000 individual stores, with online weekly advertised features.
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

Top 5 Percentage of Total Conventional Ads



Top 5 Percentage of Total Organic Ads





NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	6108	3.09	4060	2.80	3915	2.62
Cheese	Natural Varieties	8 oz block	6724	2.28	5982	2.19	9528	2.30
Cheese	Natural Varieties	1 # block	592	3.69	1508	3.54	3169	3.39
Cheese	Natural Varieties	2 # block	1725	6.47	589	6.95	2834	6.06
Cheese	Natural Varieties	8 oz shred	8832	2.28	8557	2.08	10375	2.24
Cheese	Natural Varieties	1 # shred	326	3.99	1048	3.26	214	3.65
Cottage cheese		16 oz	3343	1.85	1043	2.06	3283	1.58
Cream cheese		8 oz	8735	1.57	3254	1.57	6668	1.57
Flavored milk	All fat tests	half gallon	94	1.69	790	2.20	1113	2.15
Flavored milk	All fat tests	gallon	320	4.03	654	3.63	408	3.19
Ice cream		48-64oz	12120	2.94	13644	2.97	14838	3.08
Milk	All fat tests	half gallon	549	1.52	471	1.41	2700	2.43
Milk	All fat tests	gallon	1513	2.81	3228	2.83	3208	2.82
Sour cream		16 oz	8200	1.68	5303	1.65	12688	1.75
Yogurt	Greek	4-6 oz	10744	1.00	9194	.99	6599	1.00
Yogurt	Greek	32 oz	1104	3.70	1103	3.85		
Yogurt	Yogurt	4-6 oz	4596	.49	7181	.51	6086	.52
Yogurt	Yogurt	32 oz	639	2.52	2140	2.13	1201	2.37

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-4.29	1671	3.18	2.50-4.29	1441	4.03	1.68-2.50	707	2.15
Cheese	Natural Varieties	8 oz block	1.49-3.00	2506	2.36	2.00-3.00	557	2.63	0.88-2.50	1021	1.84
Cheese	Natural Varieties	1 # block	2.50-4.99	530	3.77				2.98	62	2.98
Cheese	Natural Varieties	2 # block	6.99	235	6.99	6.99	105	6.99			
Cheese	Natural Varieties	8 oz shred	1.99-3.00	1671	2.55	1.79-2.50	2186	2.36	0.88-2.50	1320	1.85
Cheese	Natural Varieties	1 # shred				3.99	124	3.99			
Cottage cheese		16 oz	1.99-2.69	903	2.14	1.25-2.00	1037	1.74	1.25-2.00	591	1.54
Cream cheese		8 oz	1.39-2.00	1321	1.79	0.99-2.00	3016	1.55	0.88-2.00	1830	1.28
Flavored milk	All fat tests	half gallon							1.69	94	1.69
Flavored milk	All fat tests	gallon							3.00	98	3.00
Ice cream		48-64oz	1.98-4.99	3001	2.75	1.99-3.99	2624	3.00	1.98-3.99	2337	2.78
Milk	All fat tests	half gallon							1.50	361	1.50
Milk	All fat tests	gallon	3.99	54	3.99	1.99-3.00	412	2.74	1.49-2.50	274	1.85
Sour cream		16 oz	1.34-2.00	2017	1.73	1.50-2.00	1218	1.92	0.99-2.00	1274	1.37
Yogurt	Greek	4-6 oz	0.88-1.00	2144	.98	1.00	3311	1.00	0.77-1.25	1956	1.01
Yogurt	Greek	32 oz	4.49	110	4.49	3.69	109	3.69			
Yogurt	Yogurt	4-6 oz	0.39-0.60	1836	.49	0.50	625	.50	0.50	646	.50

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	1.99-3.49	261	2.88				2.00	176	2.00

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.77-3.00	560	2.50	2.50-3.49	1331	2.84	2.50-3.50	398	2.63
Cheese	Natural Varieties	8 oz block	1.66-3.99	934	2.24	1.48-3.00	1626	2.33	2.29	80	2.29
Cheese	Natural Varieties	2 # block				5.00-8.99	885	6.80	4.88-5.99	500	5.54
Cheese	Natural Varieties	8 oz shred	1.66-3.99	1385	2.22	1.48-3.00	2140	2.25	1.99-4.49	130	2.95
Cheese	Natural Varieties	1 # shred	3.99	202	3.99						
Cottage cheese		16 oz	2.00	53	2.00	1.99	389	1.99	1.25-2.49	370	1.82
Cream cheese		8 oz	1.50-2.00	851	1.73	1.00-1.99	1339	1.64	1.00-1.99	378	1.78
Flavored milk	All fat tests	gallon				4.49	222	4.49			
Ice cream		48-64oz	2.50-4.49	1503	3.30	2.48-3.99	1777	2.97	2.49-4.49	878	3.16
Milk	All fat tests	half gallon	2.50	70	2.50				0.99	118	.99
Milk	All fat tests	gallon	3.00	87	3.00	1.89-4.49	338	3.60	2.59-3.19	348	2.68
Sour cream		16 oz	1.00-2.00	1311	1.57	0.99-1.99	1632	1.71	1.25-1.99	748	1.84
Yogurt	Greek	4-6 oz	1.00	1121	1.00	1.00	1188	1.00	1.00	1024	1.00
Yogurt	Greek	32 oz				2.99-4.99	703	3.77	2.99	182	2.99
Yogurt	Yogurt	4-6 oz				0.50	791	.50	0.33-0.50	698	.47
Yogurt	Yogurt	32 oz							2.50	202	2.50

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	168	4.37				
Cheese	Natural Varieties	8 oz shred					26	3.59
Cottage cheese		16 oz			165	3.69		
Cream cheese		8 oz			56	2.50		
Ice cream		48-64oz					192	4.63
Milk	All fat tests	half gallon	1422	3.71	1628	3.50	1274	3.47
Milk	All fat tests	gallon	629	5.00	2112	5.56	396	5.43
Milk	All fat tests	8 oz UHT	2592	.96	867	1.04	4362	.97
Yogurt	Greek	4-6 oz	416	1.00	698	1.04	787	1.05
Yogurt	Greek	32 oz	116	5.00				
Yogurt	Yogurt	4-6 oz	278	.83	702	.70	683	.65

Wtd Avg - Simple weighted average



Yogurt	Yogurt	32 oz	331	3.16	590	3.11	429	2.99
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REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	63	4.99	3.99	105	3.99			
Milk	All fat tests	half gallon	3.99-4.69	413	4.10	3.50	195	3.50	3.89-3.99	164	3.93
Milk	All fat tests	gallon	5.00	112	5.00				4.99	98	4.99
Milk	All fat tests	8 oz UHT	0.75-0.81	213	.77	1.00	353	1.00	1.00	531	1.00
Yogurt	Greek	4-6 oz				1.00	416	1.00			
Yogurt	Yogurt	4-6 oz	0.90	123	.90						
Yogurt	Yogurt	32 oz	3.49	112	3.49						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	3.99	202	3.99	2.89	128	2.89	2.99-3.59	320	3.37
Milk	All fat tests	gallon				5.00	237	5.00	5.00	182	5.00
Milk	All fat tests	8 oz UHT	0.50-1.00	844	.95	1.00	353	1.00	1.00	298	1.00
Yogurt	Greek	32 oz							5.00	116	5.00
Yogurt	Yogurt	4-6 oz				1.00	75	1.00	0.58	80	.58
Yogurt	Yogurt	32 oz	2.99	100	2.99	2.99	119	2.99			

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

REGIONAL DEFINITIONS

As used in this report, regions include the following states:

- NORTHEAST U.S. Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont
- SOUTHEAST U.S. Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia
- MIDWEST U.S. Iowa, Illinois, Indiana, Kentucky, Michigan, Minnesota, North Dakota, Nebraska, Ohio, South Dakota and Wisconsin
- SOUTH CENTRAL U.S. Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas
- SOUTHWEST U.S. Arizona, California, Nevada and Utah
- NORTHWEST U.S. Idaho, Montana, Oregon, Washington, and Wyoming
- NATIONAL Continental United States

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