

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (9/13):**

BUTTER: Grade AA closed at \$1.5300. The weekly average for Grade AA is \$1.4800 (+.0512).

CHEESE: Barrels closed at \$1.8125 and 40# blocks at \$1.8400. The weekly average for barrels is \$ 1.8075 (+.0294) and blocks, \$ 1.8300 (+.0406).

BUTTER HIGHLIGHTS: Churning schedules are mixed. Western churns are busy filling orders but Central and Northeast churns are not at capacity. Central spot cream availability is hampering reaching full production. Some Eastern churns not operating this week due to staff that would normally operate churns, working on maintenance of idled dryers, related to milk being directed into condensed skim production. Sales across the country are generally "brisk" or "good" or "increasing". Export demand is also strong. Bulk butter sales vary. Western bulk butter sales are good with discounts becoming less common. Prices for bulk butter range from market to 3 cents under the market. Central bulk butter prices reported range from flat market to 3 cents over.

CHEESE HIGHLIGHTS: Cheese prices are higher this week. The market tone is firm as hot weather continued to tighten the milk supply for cheese manufacturing. Increased seasonal ordering has begun and plants are looking for additional milk for cheese vats. High NDM prices have more plants looking for condensed skim to fortify vats. According to NASS's Dairy Products report, cheese production in July was unchanged from June, but 3% higher than July 2012. Export sales are good with the CWT program accepting requests to assist with sales of 8.2 million pounds of cheese this week. At the CME Group, barrels closed the week at \$1.8125, up 1.25 cents from last Friday's close. Blocks closed at \$1.8400, up 3 cents from last week's close.

FLUID MILK: Milk production across much of the country is lower, often crimping manufacturing schedules. California milk production is lower due to heat while Arizona and part of Southern California experienced reduced milk production as a result of heavy rain. Arizona milk production is described as "rock bottom" for the season. Manufacturing milk supplies were reduced in New Mexico and the Pacific Northwest due to Class I pulls following somewhat lower milk production. Utah and Idaho milk production is seasonally lower. Midwest farm milk intakes stepped lower as a result of high daytime temperatures, which is also a factor in lower milk production from New England to the Mid-Atlantic states. Competition for milk in the East

also heightened due to extremely active production schedules at a large yogurt plant. Florida increased weekly milk imports to 186 loads, 90 more than this time last year. Florida milk production is expected to spiral downward for several more weeks.

DRY PRODUCTS: In the Central, Eastern and Western regions, nonfat dry milk prices shifted higher in step with various contract indices that increased last week. Tightening milk supplies have reduced drying in all regions. Dry buttermilk prices are higher in all regions. The national dry whole milk price series widened, with some F.O.B. spot sales at lower prices. Dry whey price movements varied by region, with Central region prices retreating on the top of the range and mostly series as various contract indices shifted lower. Spot load prices from manufacturers are steady to slightly lower on a weaker market. Western dry whey prices are lower across both the full price range and the mostly series. Various contract indices are lower this week and are responsible for the lower overall price. Northeast dry whey prices increased at the bottom of the range and decreased at the top. Whey protein concentrate 34% prices are unchanged on the mostly series on a firm market. Manufacturers report it is difficult right now to offer spot loads to the market when production is behind projections and some contract buyers are asking for advances on WPC 34% shipments. Central and West lactose prices are steady on the mostly series. Prices for rennet and acid casein are unchanged for the week, but market participants indicate demand is beginning to improve.

INTERNATIONAL MARKET NEWS (DMN): WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Milk production trends are steady to seasonally lower in Western Europe. More countries are finding milk output at levels closer to year ago levels. Conditions are favorable for farm production. Processors are concerned about the effect that higher milk prices will have on upcoming milk output. There are high pricing levels being paid by processors having to cover needs for fresh products. This is pulling milk out of manufactured production. Cream demand remains good and some processors are selling cream instead of making butter. The returns are very favorable. There is active demand for fresh, cream based products. Dairy product prices held mostly steady this reporting period. The fluctuating Euro remains an issue with export values. The relative pricing points make butter and butteroil challenging to export.

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CME GROUP CASH TRADING

COMMODITY	MONDAY SEP 09	TUESDAY SEP 10	WEDNESDAY SEP 11	THURSDAY SEP 12	FRIDAY SEP 13	:: WEEKLY CHANGE *	:: WEEKLY AVERAGE #
CHEESE							
BARRELS	\$1.8000 (N.C.)	\$1.8000 (N.C.)	\$1.8125 (+.0125)	\$1.8125 (N.C.)	\$1.8125 (N.C.)	:: (+.0125)	:: \$1.8075 (+.0294)
40# BLOCKS	\$1.8100 (N.C.)	\$1.8200 (+.0100)	\$1.8400 (+.0200)	\$1.8400 (N.C.)	\$1.8400 (N.C.)	:: (+.0300)	:: \$1.8300 (+.0406)
NONFAT DRY MILK							
EXTRA GRADE	\$1.7800 (N.C.)	\$1.7800 (N.C.)	\$1.7800 (N.C.)	\$1.7800 (N.C.)	\$1.7800 (N.C.)	:: (N.C.)	:: \$1.7800 (N.C.)
GRADE A	\$1.8150 (N.C.)	\$1.8150 (N.C.)	\$1.8200 (+.0050)	\$1.8300 (+.0100)	\$1.8300 (N.C.)	:: (+.0150)	:: \$1.8220 (+.0157)
BUTTER							
GRADE AA	\$1.4400 (+.0100)	\$1.4500 (+.0100)	\$1.4500 (N.C.)	\$1.5300 (+.0800)	\$1.5300 (N.C.)	:: (+.1000)	:: \$1.4800 (+.0512)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.
Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/DAIRYMARKETNEWS.

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

Values for skim milk powders and whole milk powder are in line with Oceania and getting more interest. Buyers are seeking coverage for both near term and fourth quarter needs. Their challenge is to assess the need to have product in hand versus what the future pricing will be. Whey demand is more unsettled with some buyers out of the market. Offerings and stocks remain mostly light. **EASTERN OVERVIEW:** Milk production in Eastern European is steady with recent weeks. Weather conditions have been neutral at the farm level. Milk supplies are seasonally adequate for processors. Dairy product demand is fair to good. Some buyers are finding pricing points more attractive and utilizing sources that meet their approval.

OCEANIA OVERVIEW: AUSTRALIAN milk production is steady to higher. Levels are generally around year ago marks, but vary on locality. The temperatures have been warm with adequate moisture for pasture and crop growth. Conditions are favorable for the start of the new season milk. Cows are in good condition coming off the winter season. Milk price step-ups were recently announced by another processor. The increasing prices are welcome news to dairy farmers. There is good demand locally for consumer dairy products. Dairy Australia's forecast is for milk production growth of 1-3% for the 2013/14 season, putting output at 9.3-9.5 billion litres.

The milk production season is ramping higher in **NEW ZEALAND**. More cows are calving and entering the milking string. Milk processing is building and more plants are coming on line and seeing milk intakes. Schedules are being negotiated to make the products of greatest needs, which is favoring whole milk powder. Early season indications are that milk is tracking at or slightly higher than year ago levels. While percentage changes based on limited output times can exaggerate a non-issue, the plus side is a positive to get production on track after a pronounced end of the past season. Pasture conditions are noted to be good. The recent WPC contamination was actually a non-issue upon further testing. The news is bringing relief to all trading partners involved. Product prices ranges were mixed this reporting period. The trade situation is somewhat unsettled. There are concerns about the new wave of production at the start of a year with favorable conditions and milk pricing. Yet, pricing levels are holding up well at the GDT auction with increased offerings. There is fair to steady demand from China and other exporting partners. But, there are some uneven trends from other countries, due to various political, economic, and price level concerns.

JULY MILK SALES (FMMO & CDF): During July, 4.1 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.5% lower than July 2012. Estimated sales of total conventional fluid milk products decreased 1.2% from July 2012 and estimated sales of total organic fluid milk products increased 15.3% from a year earlier.

JUNE MAILBOX PRICES (AMS & CDF): In June 2013, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$19.46, down \$0.17 from the May 2013 average, and up \$3.25 from the June 2012 average. The component tests of producer milk in June 2013 were: butterfat, 3.64%; protein, 3.03%; and other solids, 5.75%. On an individual reporting area basis, mailbox prices decreased in nine Federal milk order reporting areas and increased in 10 Federal milk order reporting areas when compared to the previous month. Mailbox prices in June 2013 ranged from \$22.30 in Florida to \$17.19 in New Mexico.

SEPTEMBER MILK SUPPLY AND DEMAND ESTIMATES (WAOB): The 2013 milk production forecast is reduced from last month, reflecting recent slower growth in milk production. The production forecast for 2014 is unchanged. For 2013 fat basis and skim-solids imports are lowered slightly from last month. Exports are raised for 2013 and carried into 2014 on strong international demand for dairy products. With forecast export demand, fat and skim-basis ending

stocks are reduced in 2013 and 2014. Product price forecasts are mostly higher, with strong export demand and tightening supplies supporting increases for nonfat dry milk (NDM), butter and cheese prices in 2013 and 2014. The whey price forecast is unchanged for 2013 but raised for 2014. With increased product prices, Class III and Class IV price forecasts for 2013 and 2014 are higher. The all milk price is forecast at \$19.70 to \$19.90 for 2013 and \$19.35 to \$20.35 for 2014.

CME GROUP

MONDAY, SEPTEMBER 9, 2013

CHEESE -- SALES: 7 CARS 40# BLOCKS: 3 @ \$1.8100, 1 @ \$1.8000, 1 @ \$1.8025, 1 @ \$1.8050, 1 @ \$1.8100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.8150; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA @ \$1.4400; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4350; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.4450

TUESDAY, SEPTEMBER 10, 2013

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.8100, 1 @ \$1.8200; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.8100; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE A @ \$1.8150; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 10 CARS GRADE AA: 3 @ \$1.4400, 1 @ \$1.4425, 2 @ \$1.4450, 1 @ \$1.4475, 3 @ \$1.4500; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4325; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.4550

WEDNESDAY, SEPTEMBER 11, 2013

CHEESE -- SALES: 2 CARS BARRELS @ \$1.8100; 3 CARS 40# BLOCKS: 2 @ \$1.8375, 1 @ \$1.8400; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.8125; 1 CAR 40# BLOCKS @ \$1.8350; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$1.8200; LAST BID UNFILLED: 10 CARS GRADE A @ \$1.8200; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4500; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.4600

THURSDAY, SEPTEMBER 12, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.8300; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.8300; LAST BID UNFILLED: 10 CARS GRADE A @ \$1.8300; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 25 CARS GRADE AA: 1 @ \$1.4500, 1 @ \$1.4550, 2 @ \$1.4600, 2 @ \$1.4700, 2 @ \$1.4800, 2 @ \$1.4900, 8 @ \$1.5000, 2 @ \$1.5100, 3 @ \$1.5200, 2 @ \$1.5300; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

FRIDAY, SEPTEMBER 13, 2013

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$1.8400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.7800; 1 CAR GRADE A @ \$1.8300; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 10 CARS GRADE AA @ \$1.5300; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5350

BUTTER MARKETS

NORTHEAST

Heavy yogurt production in the region has helped keep cream readily available. Churning continues on an active basis in many plants. However in some plants, complexly interrelated factors have led to no churning this week, unrelated to cream availability. Even with orders pending, some plants facing less than needed milk availability to fill condensed skim orders, have ceased drying and have diverted staff time into maintenance of the idled dryers. This is diverting staff from churning this week. Fall butter orders are up and export demand remains good. The CME butter average increased last week and daily trading this week through Tuesday closed up each day, with Tuesday closing at \$1.4500.

DAIRY PRODUCTS: According to NASS, cumulative 2013 butter production through July was 1.4% above cumulative year production for the same period for 2012. July's monthly U.S. butter production totaled 134.3 million pounds, down 4.6% from June, but 0.5% more compared to July 2012. Atlantic region butter production in July totaled 10.3 million pounds, down 23.0% from June, but 7.6% more than July 2012. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 220,462 pounds (100 metric tons) of butter. The product will be delivered September 2013 through February 2014.

CENTRAL

Central butter manufacturers report sales are increasing steadily. Food service buyers ramped up orders for educational institutions as well as into the fancy food show circuit. Retail demand is also higher as grocery chains purchase stock ahead of plans to feature butter as a standalone item as well as in conjunction with other food items as the baking season arrives. Manufacturers report churning is ongoing, but tighter availability of spot loads of cream in the Central

region is hampering reaching full production mode. Some buyers report incentives on cream multiples failed to motivate sellers. Market participants relate this week's cream tightness to upticks in contract fulfillment to cream cheese plants. Bulk butter prices reported range from flat market to 3 cents over. At the CME Group, butter prices notched 1 cent gains on Monday and Tuesday, and held steady on Wednesday, closing at \$1.45.

WEST

Western butter prices are firming as seasonal demand is reported to be good. Retail orders for print butter are very good with buyers often looking to increase contracted amounts. Brisk sales into club store accounts combined with supermarket orders are keeping churns busy filling orders. Current prices are well below year ago levels and add to the demand. Export demand is also strong. Export sales are also up as U.S. prices are very competitive into international markets. Butter stocks that had been thought to be heavy are clearing into the market. Bulk butter sales are good with discounts becoming less common. Butter prices at the CME Group exchange on Wednesday were unchanged, closing at \$1.4500. The spot price at the exchange moved higher on both Monday and Tuesday. Traders reacted to the higher prices with purchases of 12 loads by midweek. Prices for bulk butter range from market to 3 cents under the market, based on the CME with various time frames and averages used.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
September 7, 2013	1.3748 4,852,829	1.7489 10,826,027	1.7577 8,416,221	0.5782 4,789,949	1.7950 12,299,833

CHEESE MARKETS

NORTHEAST

Cheese plants in the Northeast have experienced tighter milk supplies than anticipated this week. Reasons advanced vary, but most often suggested are both the unusually hot weather which reduced milk production, as well as an apparent increase in regional yogurt production by a national brand. A cheese plant manager said that yogurt is "sucking up all the extra milk" that can be found. The milk supply situation has led to some cheese vat production scheduling reductions.

DAIRY PRODUCTS: According to the latest NASS report, total U.S. cheese production in July totaled 909.6 million pounds, unchanged from June, but 3.0% more than July 2012. Cumulative 2013 U.S. Cheese production was 1.8% greater than 2012. The total of all cheese production for July in the Atlantic region was 116.1 million pounds, 0.6% more than June and 5.4% more compared to the same period last year. Atlantic region cheese production accounted for 12.8% of total U.S. production. Total cheese production for July in New York was 61.9 million pounds, 3.4% more than June and 3.4% more than July 2012. Pennsylvania produced 34.2 million pounds in July, 3.4% less than one month earlier, but 9.9% more than one year ago. Vermont produced 11.0 million pounds, 3.8% less than last month, but 7.9% more than July 2012. Focusing on Italian cheese, the Atlantic region in July produced 58.2 million pounds of Italian cheese, 3.0% more than June and 4.5% more than last year. New York production in July totaled 29.9 million pounds, 6.1% more than June and 3.5% more than July 2012. Pennsylvania produced 21.2 million pounds in July, 3.1% less than June, but 9.2% more than July 2012.

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

Cheddar 40# Block	: 2.1875-2.4725
Process 5# Sliced	: 2.0000-2.4800
Muenster	: 2.2075-2.5675
Grade A Swiss Cuts 10 - 14#	: 3.4450-3.7675

MIDWEST

Many Midwest cheese manufacturers report that milk supplies have become tighter. This leads to lower production than some plants would prefer. In fact, some plants are "scrambling" to purchase cheese on the CME to fill orders. Other plants which have been fortifying vats with nonfat dry milk plan to stop this soon due to the price of NDM. Further challenging managers in accommodating customers, some retailers have not only increased orders, but some now want previously canceled orders filled.

DAIRY PRODUCTS: According to the latest NASS report, total U.S. cheese production in July totaled 909.6 million pounds, unchanged from June, but 3.0% more than July 2012. Cumulative 2013 U.S. cheese production was 1.8% greater than 2012. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 8.153 million pounds (3,698 metric tons) of Cheddar, Gouda and Monterey Jack cheese. The product will be delivered September 2013 through February 2014.

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

Process American 5# Loaf	: 1.9775-2.6825
Brick And/Or Muenster 5#	: 2.1725-2.6200
Cheddar 40# Block	: 2.1725-3.0450
Monterey Jack 10#	: 2.1425-3.0500
Blue 5#	: 2.4350-3.4225
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 2.0150-3.1500
Grade A Swiss Cuts 6 - 9#	: 2.9625-3.0800

WEST

Western wholesale cheese prices based on the CME Group weekly average prices were higher this week. The market tone is firm as holiday buying orders are being placed. Hot weather across much of the West has tightened milk supplies and less milk is available for cheese production. Plants are increasingly turning to shorter production schedules rather than competing for spot loads of milk. Export demand is being aided with assistance from the CWT program again this week. This week saw requests for assistance with 8.2 million pounds of cheese being accepted. Cheese stocks are said to be currently in balance for most needs. Cheese prices at the CME Group on Wednesday are higher. Barrels on Wednesday closed up \$.0125 to \$1.8125. Blocks were \$.0200 higher and closed Wednesday at \$1.8400. At midweek, there have been two loads of barrels and twelve loads of blocks sold at the CME Group.

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

Process 5# Loaf	: 1.9075-2.1650
Cheddar 40# Block	: 1.9075-2.2600
Cheddar 10# Cuts	: 2.0875-2.3075
Monterey Jack 10#	: 2.0975-2.2575
Grade A Swiss Cuts 6 - 9#	: 3.0225-3.4525

FOREIGN

Weekly average block prices on the CME Group increased last week and raised domestic wholesale foreign type cheese prices by \$0.0525. Domestic Swiss cheese prices decreased \$0.0725 following Thursday's Class III price release. Imported cheese prices were unchanged.

DAIRY PRODUCTS: According to the latest NASS report, domestic Parmesan production during July totaled 28.6 million pounds, 4.7% less than the previous month, but 38.7% more than July 2012. Provolone production during July totaled 28.7 million pounds, 2.5% less than June and 3.6% less than July 2012. Romano production during July totaled 2.9 million pounds, 7.8% less than June and 26.3% less than July 2012. Swiss production during July totaled 25.4 million pounds, 9.4% more than June, but 5.4% less than July 2012.

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CHEESE MARKETS

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.3275-3.8150*
Gorgonzola	: 3.4900-6.4700	: 2.8300-3.2850*
Parmesan (Italy)	: -0-	: 3.7175-5.8075*
Provolone (Italy)	: -0-	: 2.3700-2.5275*
Romano (Cows Milk)	: -0-	: 3.5175-5.6675*
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-	: 3.5425-3.8650*
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

* = Price change.

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

BUTTER : CHEESE

	:	
09/09/13	15,626	: 108,613
09/01/13	15,916	: 109,397
CHANGE	-290	: -784
% CHANGE	-2	: -1

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	186	0	180	0	96	0
SOUTHEAST STATES	0	0	0	0	47	0

From New England to the Mid-Atlantic states, milk supplies are very tight this week. Unexpectedly so. Some New England plants are short of sufficient milk to fill this week's contracts for condensed skim. The milk supply tightness doesn't fit into seasonal expectations of some plant managers. Unusually hot weather is a factor. Very busy schedules in the Northeast plant location of a national yogurt brand, is a factor also cited for taking large milk draws. A New York state cheese plant manager had to reduce schedules due to milk supply tightness. In the Mid-Atlantic states, some plants are "screaming for milk". Part of the reason is post Labor Day plant orders being higher than expected, with some stores having reduced fluid milk orders before the holiday weekend, apparently underestimated demand, so now they are trying to get inventories to a more comfortable level. Southeast milk supplies seem to be in better balance. Calls are being received in that region seeking milk to go to the Northeast. Florida slightly increased milk imports to 186 this week from 180 last week. Production on the farm is still on a downward spiral but at a slower pace. Declines are expected to continue for several weeks more. **Condensed skim** milk supplies have tightened even more than last week due to the reduced milk supply. Some contracts will not be filled on schedule as a result.

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 -	1.8574-2.0575
F.O.B. producing plants: Upper Midwest -	1.8289-2.0003

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 -	1.55 - 1.63

MIDWEST

Farm milk intakes stepped lower this week at several milk handling locations as a result of recent high daytime temperatures and decreases in cow comfort resulting from those increased temperatures. Milk marketers indicate there are no spot loads available in the region, but interest is active. Cheese manufacturers report orders are increasing, but right now, manufacturing milk availability is tight and they are unable to adequately increase cheese production to fulfill increasing orders. Organizations with multiple end products are dividing their diminished milk supplies among fluid, Class II, butter/powder, and cheese operations, with milk transportation costs affecting weekly milk allocations. Milk marketers indicate demand from bottlers is strong. The last of the school pipeline is filling and Class I demand is expected to settle into the fall pattern that includes furnishing milk into education institutions as well as supplying more milk for family meal times at home and in restaurants. Finding tankers and truckers to transport milk loads to bottling facilities in a timely fashion is also

problematic, especially in the South Central region. A few butter manufacturers noted finding cream was difficult and searches for loads often ended without success. Both Class II and Class IV cream multiples inched higher this week. Most cream buyers relate this recent shortage to cream cheese producers receiving a higher number of contract cream loads as their new production season ramps up. Also, soft serve manufacturers are still active and drawing upon cream supplies in the region. This is a reaction to some soft serve suppliers extending their orders beyond their usual cutoff date, because of the recent heat wave. **The Class II Central cream multiple range is 1.25 – 1.40.**

WEST

CALIFORNIA milk production was lower as hot weather continued across much of the state. Cooler nights have helped but the hot summer has taken a toll on cows and production. Monsoon rains in southern California have also hurt production as dairies deal with muddy conditions. Plants have been running at reduced schedules where milk is tightest. ARIZONA milk production is lower as monsoon rains covered much of the state and caused some local flooding. Processors report milk intakes at "rock bottom" for the season with more rain predicted. Dairies report muddy yards are adding to lower milk yields. Increased demand from Class I handlers was also credited with tightening available milk. Processors were scrambling to find milk so that they could fill contracted product demand. Effects on NEW MEXICO milk production were less of an issue as rains were lighter, but temperatures were above normal for the week and added to dairy cow stress. Class I demand continued to pull available manufacturing milk away from processors. Alfalfa producers reported good conditions for harvest with 5th cutting of alfalfa continuing. CREAM prices are steady. Cream demand is stronger from butter churns as print butter demand increases for the fall. Good export demand and increased print orders have churns operating busy schedules. At the CME Group, the Grade AA butter price closed at \$1.4500 on Wednesday, September 11, 2 cents higher than the previous Wednesday. Cream multiples ranged from 1.20 to 1.33, and vary depending on class usage and basing points. Milk production in the PACIFIC NORTHWEST was lower. Increased pulls from Class I demand also served to tighten manufacturing supplies. Processors are using some excess time for maintenance projects while production is lower. Scattered showers across much of the region helped to cool temperatures and relieve some heat stress. Third cutting of hay was being completed for much of the area. UTAH and IDAHO milk production is seasonally lower. Above normal temperatures continued with some scattered rains across much of the region. Processors are arranging production schedules to fit the tighter milk supplies. Harvesting of corn silage for the dairies is beginning in many of the milksheds.

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: In the Central region, nonfat dry milk prices shifted higher in step with various contract indices that increased last week. Manufacturers' offers to the spot market are limited as they reevaluate current stocks and finalize projections for the balance of the year. Buyer interest on the F.O.B. spot market is focusing on procuring one or two loads to fulfill short term needs. Discussions on 2014 contract options are beginning between some buyers and suppliers, but reportedly few contracts are being negotiated at this time to cover NDM needs for the balance of the year. Low/medium and high heat production is greatly reduced according to plant operators. This is a result of decreasing milk intakes at several plants, as well as increasing opportunities to sell condensed skim spot loads at improved prices. Manufacturers' low/medium heat NDM inventories are steady.

EAST: Low and high heat nonfat dry milk prices increased. Milk supplies are tighter in the region and this led to some plants not operating dryers this week. Few expressed certainty for next week's scheduling due to uncertainty about milk supplies then. While prices firmed, a prospective low heat buyer commented that "it is not a question of whether prices will decline, but a question of when". That perspective is leading to some caution in purchasing to avoid carrying inventory at a higher price basis as the market turns. High heat demand is said to be improving, especially with broker activity.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.8000 - 1.8725 MOSTLY: 1.8100 - 1.8300
 HIGH HEAT: 1.9025 - 1.9500

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are higher this week. Various pricing indices connected to contract prices were stronger this week. Milk supplies for manufacturing in the West are tightening and plants are reporting tight supplies. The hot weather combined with increased pulls from Class I demand have reduced intakes and manufacturers are having a hard time building inventories. Domestic buyers have been cautious about building any inventories at current price levels and have been concentrating more on immediate needs. Export sales of SMP continue to be very good and adding to a lower volume of NDM for the domestic marketplace. The market has a firm undertone due to the tight supplies. Interest in contracting for 2014 is picking up as end users look to assure supplies for next year. Western high heat NDM prices firmed, following the low/medium prices. Lower milk volumes have allowed for some increased high heat production as dryers find some available time to increase those inventories.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.7600 - 1.8700 MOSTLY: 1.8000 - 1.8300
 HIGH HEAT: 1.8525 - 1.9500

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices are higher on a firm market. Demand for F.O.B. dry buttermilk spot loads is active, however, several Central manufacturers indicate they have little they choose to offer to the spot market. Three circumstances are impacting dry buttermilk F.O.B. spot load availability: increasing sales of condensed buttermilk into process/powdered cheese facilities; building of dry buttermilk inventories by producers for Q4 contract commitments; tightening cream availability as cream cheese production ramps up for fall. Current dry buttermilk production is at seasonal levels.

EAST: Dry buttermilk markets firmed and moved prices higher. Supplies are reported to be tighter. Dry buttermilk is also said to be following the upward price trend of nonfat dry milk. In the Northeast some plants were not churning this week, but expect to resume next week.

F.O.B. CENTRAL/EAST: 1.6700 - 1.7175

DRY BUTTERMILK - WEST

Western dry buttermilk prices are higher. Increased prices are due to contract pricing in most cases. Spot trading of buttermilk is light as most manufacturers report tight inventories. Those with inventories for spot sales are pricing those loads near the top of the ranges following strong protein prices in other commodities. Some increased butter churning over the last holiday weekend helped to increase dry buttermilk production in the short term. Butter churns are operating busy schedules to meet increased butter demand for fall needs.

F.O.B. WEST: 1.6000 - 1.7500 MOSTLY: 1.6950 - 1.7200

DRY WHOLE MILK - NATIONAL

The national dry whole milk price series widened, with some F.O.B. spot sales at lower prices. The market tone is mostly steady, although market participants noticed the decline on several contract period prices on last week's gDT auction. Buyers in the spot market are looking for single spot loads from time to time. Production is tapering off as the supplies of manufacturing milk decrease seasonally. Some producers who manufacture both dry whole milk and butter are opting for butter production for clearing cream as their butter inventories are light compared to upcoming order fulfillment.

F.O.B. PRODUCING PLANT: 1.9200 - 2.0500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
September 6	\$1.7770	7,198,613	0
August 30	\$1.7594	6,510,667	0

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

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Dry whey prices in the Central region retreated on the top of the range and mostly series as various contract indices shifted lower. Spot load prices from manufacturers are steady to slightly lower on a weaker market. Buyers indicate dry whey is readily available in the Central region from a few manufacturers and several resellers. Dry whey production is steady to lower in the Central region as the manufacturing milk supply edges toward the seasonal low point. ANIMAL FEED DRY WHEY prices are unchanged to lower on the top of the range. Veal calf buyers indicate dairy beef calf buyers reentered the calf market recently, and calf prices are trending higher. Animal feed demand is steady to higher into dairy beef accounts. Various dry whey manufacturers indicate they've ended up with a few additional loads of animal feed dry whey in the last week or two as high day time temperatures and humid conditions have impacted drying whey for edible purposes. With fewer loads of condensed whey available in some areas, a few contract buyers are swapping dry whey for an equivalent dry matter amount of condensed whey for liquid feed production.

F.O.B. CENTRAL: .4700 - .6275 MOSTLY: .5200 - .5575
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4050 - .5200

DRY WHEY - NORTHEAST

Northeast dry whey prices slightly increased, with the bottom increasing and the top decreasing. A broker characterized the market as one "looking for direction". Most brokers are taking contracted loads and inventories are increasing a bit. Some prospective buyers are watching recent milk supply tightness as to whether cheese manufacturing will be impacted in the near future.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5700 - .6300

DRY WHEY - WEST

Western dry whey prices are lower across both the full price range and the mostly series. Various contract indices were lower this week and were responsible for the lower overall price. Spot sales this week were light with much of the available supply of whey already committed. Whey prices have remained fairly steady with adequate supplies for the marketplace. Export sales of Western whey continue to make up a large percentage of sales. Whey production has slowed as cheese manufacturing is reduced due to tighter milk supplies.

NONHYGROSCOPIC: .5400 - .5950 MOSTLY: .5500 - .5800

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are unchanged on the mostly series on a firm market. Manufacturers report it is difficult right now to offer spot loads to the market when production is behind projections and some contract buyers are asking for advances on WPC 34% shipments. One or two manufacturers were able to offer single loads to the market to good interest. Production is lower in the Central and Northwest regions as farm milk intakes decline. The most recent decrease in farm milk is tied to the seasonal low point in milk production, but is also a result of the recent short-term heat wave that settled in the Northern tier of states. A few cheese operators indicate they are allocating milk among plants to help fill orders for different types of cheese, and that, too, is depriving cheese/WPC 34% plants from having more milk available. WPC 34% inventories are mostly light from manufacturers.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.3000 - 1.5275 MOSTLY: 1.3450 - 1.4075

LACTOSE - CENTRAL AND WEST

Central and West lactose prices are steady on the mostly series. Most sales are based on monthly or quarterly contracts. Spot offers from manufacturers are variable, keeping the same pattern as in past weeks with unground lactose loads available and 200 mesh lactose inventories tight. Production is lower at several locations. Plant operators point to the recent heat wave, which has decreased manufacturing milk availability. Also, some manufacturers are performing annual maintenance on lactose equipment, and expect to resume production in the next few weeks. Q4 contracting is active, with many representatives visiting international customers to hash out contract agreements.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .5200 - .7200 MOSTLY: .5900 - .6900

CASEIN - NATIONAL

Prices for rennet and acid casein are unchanged for the week, but market participants indicate demand is beginning to improve. European production is below expectations, thus lending a firmer tone to the market. Inventories are light.

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
08/24/2013	58.7	2,030.1	60.0	1,978.7

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)

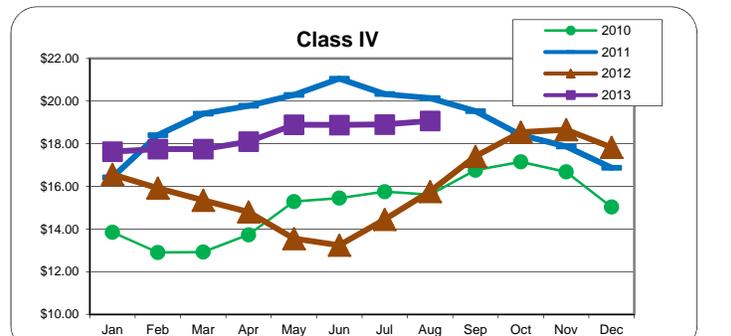
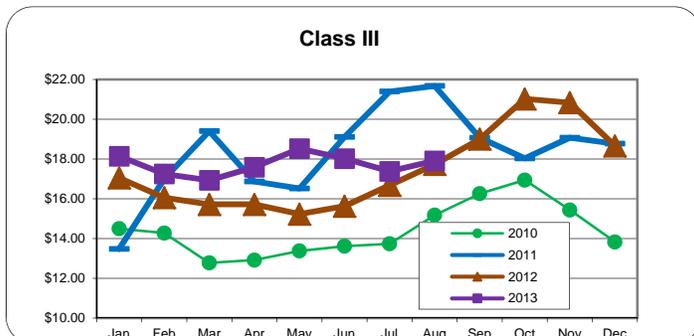
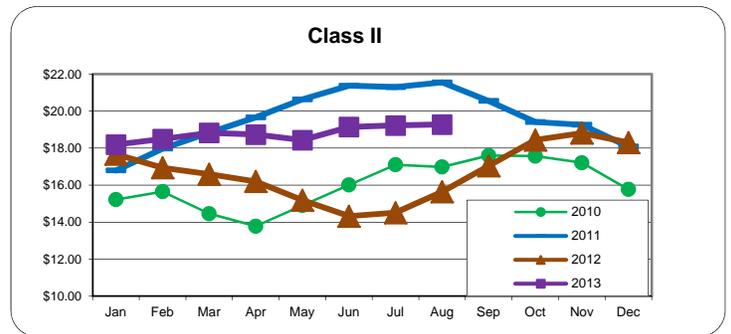
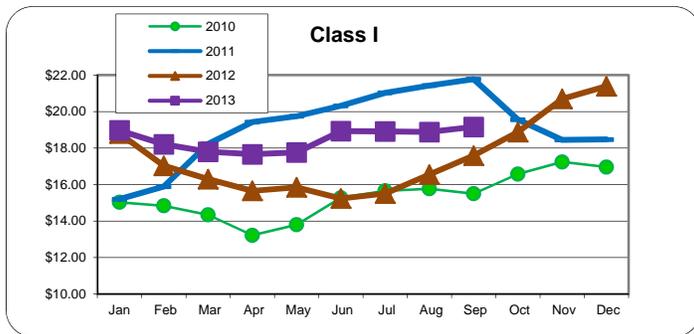
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	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."



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered September 2 - 13, 2013

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

WESTERN OVERVIEW: Milk production trends are steady to seasonally lower in Western Europe. More countries are finding milk output at levels closer to year ago levels. Conditions are favorable for farm production. Processors are concerned about the effect that higher milk prices will have on upcoming milk output. There are high pricing levels being paid by processors having to cover needs for fresh products. This is pulling milk out of manufactured production. Cream demand remains good and some processors are selling cream instead of making butter. The returns are very favorable. There is active demand for fresh, cream based products. Dairy product prices held mostly steady this reporting period. The fluctuating Euro remains an issue with export values. The relative pricing points make butter and butteroil challenging to export. Values for skim milk powders and whole milk powder are in line with Oceania and getting more interest. Buyers are seeking coverage for both near term and fourth quarter needs. Their challenge is to assess the need to have product in hand versus what the future pricing will be. Whey demand is more unsettled with some buyers out of the market. Offerings and stocks remain mostly light.

BUTTER/BUTTEROIL: European butter prices are mostly steady, with a slight downtrend at the bottom of the range. Pricing levels remain high in relation to other pricing points in the world market, which continue to limit exporting beyond a narrow scope. Offerings are at light levels. There is a good internal demand for cream and butter churning is lower. Butter stocks are at least adequate for local country interests. For the PSA butter program, intakes stopped on August 15. Butter can now be taken out of the program, but volumes are not yet reported for the EU as a whole. There are some stocks moving out by trade indications.

Butteroil pricing is higher. Buying interest is limited at the relatively higher pricing levels, especially when compared to pricing of AMF in Oceania and against butter prices in the U.S. Butteroil is being produced for contracts based on orders.

82% BUTTERFAT:	5,325 - 5,775
99% BUTTERFAT:	6,100 - 6,850

SKIM MILK POWDER (SMP): European skim milk prices are mixed but are generally stable. Buyer demand is light to fair. Some buyers are reluctantly in the market, needing short-term coverage. EU pricing remains above U.S. pricing, but below Oceania pricing quotes. Buyers are looking ahead to Q4 and are more cautious with pricing terms. They do need to get positions covered. Current production trends are light, matching seasonal changes in the milk flow. Stocks levels are at lighter levels.

1.25% BUTTERFAT:	4,250 - 4,500
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WHOLE MILK POWDER (WMP): European WMP prices are mostly steady to slightly lower on the top end of the range. Current pricing is on par with Oceania pricing. Traders/handlers are finding sales at these levels. The market tone remains steady to firm. Demand is light to fair for the current limited offerings. Some buyers are looking for longer-term needs and finding offering prices at or near current pricing. They are balancing their needs versus price movement potential in making decisions to buy or wait. Production trends are steady to lower. Stock levels are mostly light.

26% BUTTERFAT:	4,900 - 5,200
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SWEET WHEY POWDER: European dry whey prices are steady to lower for the reported range. The market tone is described as flat with mediocre demand noted for edible categories. The declining feed whey pricing sentiment is spilling across into the food categories. Exporting interest is moving along expected volumes. Buyers are price conscious and aware of pricing and availability in other exporting countries. Stock positions are typically light and available to service accounts.

NONHYGROSCOPIC:	1,300 - 1,475
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EASTERN OVERVIEW: Milk production in Eastern European is steady with recent weeks. Weather conditions have been neutral at the farm level. Milk supplies are seasonally adequate for processors. Dairy product demand is fair to good. Some buyers are finding pricing points more attractive and utilizing sources that meet their approval.

**Exchange rates for selected foreign currencies:
September 9, 2013**

.1753 Argentina Peso	.0100 Japan Yen
.9228 Australian Dollar	.0763 Mexican Peso
.9640 Canadian Dollar	.8017 New Zealand Dollar
1.3254 Euro	.3103 Polish Zloty
.0156 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0763) = 13.1062 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered September 2 - 13, 2013

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

OCEANIA OVERVIEW: AUSTRALIAN milk production is steady to higher. Levels are generally around year ago marks, but vary on locality. The temperatures have been warm with adequate moisture for pasture and crop growth. Conditions are favorable for the start of the new season milk. Cows are in good condition coming off the winter season. Milk price step-ups were recently announced by another processor. The increasing prices are welcome news to dairy farmers. There is good demand locally for consumer dairy products. Dairy Australia's forecast is for milk production growth of 1-3% for the 2013/14 season, putting output at 9.3-9.5 billion litres. The milk production season is ramping higher in **NEW ZEALAND**. More cows are calving and entering the milking string. Milk processing is building and more plants are coming on line and seeing milk intakes. Schedules are being negotiated to make the products of greatest needs, which is favoring whole milk powder. Early season indications are that milk is tracking at or slightly higher than year ago levels. While percentage changes based on limited output times can exaggerate a non-issue, the plus side is a positive to get production on track after a pronounced end of the past season. Pasture conditions are noted to be good. The recent WPC contamination was actually a non-issue upon further testing. The news is bringing relief to all trading partners involved. Product prices ranges were mixed this reporting period. The trade situation is somewhat unsettled. There are concerns about the new wave of production at the start of a year with favorable conditions and milk pricing. Yet, pricing levels are holding up well at the GDT auction with increased offerings. There is fair to steady demand from China and other exporting partners. But, there are some uneven trends from other countries, due to various political, economic, and price level concerns.

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%.

BUTTER: The Oceania butter price range narrowed. Demand is generally fair for current conditions. Seasonal demand is slow to resume for butter and AMF, as returns and interest favor whole milk powder output. In addition, buyers are seeing lower butter prices from the U.S. Other regional and political instability for some importing countries contributes to pricing fluctuations and demand. There are reports that Russia is stopping their recently imposed ban on some New Zealand products, which included butter. Oceania stocks remain limited with low carryover. Australian demand is mainly good around domestic consumer business.

At the September 3 GDT event 99, butter averaged \$3,687/MT for the November contracts, +0.3%, and \$3,710/MT for all contract periods, +2.7%. AMF prices averaged \$5,041/MT for the November contracts, +0.2% from the prior event. For all contract periods, the AMF price average was \$5,109/MT, +3.1%.

82% BUTTERFAT:

3,550 - 4,300

SKIM MILK POWDER (SMP): Oceania SMP price range narrowed with prices increasing at the bottom end and lowering from the top. The market tone is generally steady. Production has been developing slowly and seasonally. Returns continue to favor whole milk powder production. SMP demand is light to moderate and reasonable for the time period. Trading volumes are often lighter. Some resistance to Q4 pricing at the higher levels has been noted. U.S. SMP offerings continue to be more competitive in many world markets at the present time. SMP stocks are limited.

At the September 3 event 99, SMP for all regions and contracting periods averaged \$4,420 per MT, down 0.8%. For trading in contract period 2, (November 2013), prices averaged \$4,485 for NZ sourced medium heat product. For November sales, the price gap widened between U.S. sourced MH SMP, at \$4,105, to \$380/MT. The gap between EU sourced MH SMP, \$4,340, and NZ is \$145.

1.25% BUTTERFAT:

4,475 - 4,900

CHEDDAR CHEESE: Oceania cheese prices are unchanged. Market conditions are generally quiet. Production trends are limited with any new milk moving to other products. Output is expected to ramp up slowly. World demand is fair, but U.S. pricing is positioned to capture price driven demand. Oceania is servicing regular trading partners. Interest from Japan is light to fair and price sensitive. The limited production has also held stocks in check. Cheese holdings are light and mainly adequate for current trade needs.

39% MAXIMUM MOISTURE:

4,300 - 4,600

WHOLE MILK POWDER (WMP): Oceania WMP pricing is mixed. The lower trading values at the most recent GDT event for future months are generally thought to be a stabilizing sign, especially considering the increased seasonal offerings and pricing levels holding above the \$5,000/MT mark. Nearby, October contracts were at \$5,310, showing there are competitive needs to fill short-term needs. WMP production is increasing and the preferred product to maximize returns. Demand remains good. China is an active buyer in the market. Holdings are light and along projections.

At the September 3 GDT event, the WMP pricing index, across all contracting periods, averaged \$5,058 per MT, -1.7%. For contract periods November and December 2013, NZ regular WMP averaged from \$5,005 and \$5,040 per MT, respectively.

26% BUTTERFAT:

4,700 - 5,325

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

US\$/MT	Global/Dairy Trading (g/DT) Event 99 Recap - September 3, 2013													
	Contract 1 Oct-13		Contract 2 Nov-13		Contract 3 Dec-13		Contract 4 Jan-14		Contract 5 Feb-14		Contract 6 Mar-14		All Contracts	
Anhydrous Milk Fat	n.a.	\$5,041	0.2%	\$5,234	4.7%	\$5,129	4.2%	\$4,970	4.0%	\$5,345	10.7%	\$5,109	3.1%	
Butter	\$3,655	4.0%	\$3,687	0.3%	\$3,748	5.4%	\$3,726	3.8%	n.a.	n.a.	\$3,710	2.7%		
Buttermilk Powder	n.a.	\$4,468	0.8%	\$4,695	0.3%	\$4,730	-0.5%	n.a.	n.a.	\$4,566	0.3%			
Cheddar	n.a.	\$4,298	-5.6%	\$4,208	-4.2%	\$4,267	-0.9%	n.a.	n.a.	\$4,257	-3.2%			
Lactose	n.a.	n.a.	\$1,364	n.a.	\$1,350	n.a.	n.a.	n.a.	\$1,359	n.a.				
Milk Protein Concentrate	n.a.	\$7,655	-6.3%	\$7,455	-3.6%	\$7,680	-0.7%	n.a.	n.a.	\$7,613	-3.8%			
Rennet Casein	n.a.	\$9,883	-2.4%	\$9,884	-2.2%	\$9,812	-1.5%	n.a.	n.a.	\$9,864	-2.1%			
Skim Milk Powder	\$4,130	-6.6%	\$4,387	-0.4%	\$4,472	0.1%	\$4,577	0.5%	\$4,631	0.5%	\$4,420	-0.8%		
Whole Milk Powder	\$5,345	-1.5%	\$5,017	-3.3%	\$5,052	-0.6%	\$5,045	-1.4%	\$5,021	-1.3%	\$5,230	3.2%	\$5,058	-1.7%

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

US\$/Pound	Global/Dairy Trading (g/DT) Event 99 Recap - September 3, 2013													
	Contract 1 Oct-13		Contract 2 Nov-13		Contract 3 Dec-13		Contract 4 Jan-14		Contract 5 Feb-14		Contract 6 Mar-14		All Contracts	
Anhydrous Milk Fat	n.a.	\$2.2866	0.2%	\$2.3741	4.7%	\$2.3265	4.2%	\$2.2544	4.0%	\$2.4245	10.7%	\$2.3174	3.1%	
Butter	\$1.6579	4.0%	\$1.6724	0.3%	\$1.7001	5.4%	\$1.6901	3.8%	n.a.	n.a.	\$1.6828	2.7%		
Buttermilk Powder	n.a.	\$2.0267	0.8%	\$2.1296	0.3%	\$2.1455	-0.5%	n.a.	n.a.	\$2.0711	0.3%			
Cheddar	n.a.	\$1.9496	-5.6%	\$1.9087	-4.2%	\$1.9355	-0.9%	n.a.	n.a.	\$1.9310	-3.2%			
Lactose	n.a.	n.a.	\$0.6187	n.a.	\$0.6124	n.a.	n.a.	n.a.	\$0.6164	n.a.				
Milk Protein Concentrate	n.a.	\$3.4723	-6.3%	\$3.3816	-3.6%	\$3.4836	-0.7%	n.a.	n.a.	\$3.4532	-3.8%			
Rennet Casein	n.a.	\$4.4829	-2.4%	\$4.4834	-2.2%	\$4.4507	-1.5%	n.a.	n.a.	\$4.4743	-2.1%			
Skim Milk Powder	\$1.8734	-6.6%	\$1.9899	-0.4%	\$2.0285	0.1%	\$2.0761	0.5%	\$2.1006	0.5%	\$2.0049	-0.8%		
Whole Milk Powder	\$2.4245	-1.5%	\$2.2757	-3.3%	\$2.2916	-0.6%	\$2.2884	-1.4%	\$2.2775	-1.3%	\$2.3723	3.2%	\$2.2943	-1.7%

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

CHICAGO MERCANTILE EXCHANGE FUTURES

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

Month	08/29	08/30	09/02	09/03	09/04	09/05	09/06	09/09	09/10	09/11
CME - CLASS III MILK FUTURES (Pit-Traded)										
AUG 13	17.90 (3503) 0	17.89 (3505) 0	NO TRADING	17.87 (3505) 0	17.88 (3507) 0	17.91 (3378) 0				
SEP 13	17.62 (4660) 8	17.83 (4635) 21		17.79 (4631) 2	18.00 (4546) 0	18.03 (4484) 5	18.06 (4482) 5	18.14 (4371) 0	18.16 (4232) 0	18.23 (4175) 0
OCT 13	17.71 (3917) 8	18.19 (3979) 18		18.12 (4001) 5	18.23 (4062) 0	18.11 (4160) 17	17.86 (4245) 0	17.82 (4238) 0	18.06 (4285) 0	18.23 (4309) 1
NOV 13	17.31 (3343) 0	17.53 (3354) 12		17.45 (3365) 0	17.64 (3319) 0	17.60 (3338) 12	17.37 (3393) 0	17.40 (3427) 0	17.54 (3419) 0	17.71 (3442) 1
DEC 13	16.72 (2933) 0	16.90 (2926) 9		16.82 (2947) 0	16.97 (2936) 0	16.97 (2938) 12	16.83 (2944) 1	16.83 (2960) 0	16.97 (2945) 0	17.03 (2968) 1
JAN 14	16.50 (1251) 0	16.51 (1271) 12		16.60 (1204) 0	16.68 (1263) 0	16.68 (1290) 0	16.56 (1310) 0	16.46 (1342) 4	16.52 (1363) 0	16.57 (1373) 1
FEB 14	16.31 (1100) 0	16.41 (1130) 10		16.45 (1061) 0	16.55 (1075) 0	16.54 (1107) 0	16.46 (1117) 0	16.43 (1153) 4	16.40 (1166) 0	16.40 (1172) 1
MAR 14	16.25 (990) 0	16.40 (1017) 10		16.43 (927) 0	16.54 (968) 0	16.54 (985) 0	16.53 (997) 0	16.45 (1018) 4	16.39 (1034) 0	16.38 (1041) 1
APR 14	16.20 (758) 0	16.35 (781) 10		16.40 (745) 0	16.53 (774) 0	16.50 (800) 0	16.47 (810) 0	16.45 (817) 0	16.43 (821) 0	16.40 (830) 1
MAY 14	16.31 (773) 0	16.40 (789) 11		16.45 (786) 0	16.57 (831) 0	16.56 (852) 0	16.48 (858) 0	16.47 (862) 0	16.45 (872) 0	16.44 (878) 1
CME - CLASS IV MILK FUTURES (Pit-Traded)										
AUG 13	19.15 (474) 0	19.13 (474) 0	NO TRADING	19.12 (474) 0	19.12 (474) 0	19.07 (439) 0				
SEP 13	19.42 (534) 0	19.42 (536) 0		19.42 (536) 0	19.42 (536) 0	19.42 (536) 0	19.42 (536) 0	19.42 (536) 0	19.42 (536) 0	19.45 (536) 0
OCT 13	19.55 (568) 0	19.55 (568) 0		19.55 (568) 0	19.55 (572) 4	19.50 (578) 12	19.55 (579) 0	19.61 (581) 0	19.60 (591) 2	19.75 (598) 3
CME - CASH SETTLED BUTTER FUTURES (Electronic-Traded)										
AUG 13	142.25 (1129) 22	142.25 (1129) 0	NO TRADING	142.25 (1129) 0	142.25 (1129) 0	141.87 (1096) 0				
SEP 13	146.00 (1066) 14	146.00 (1066) 0		145.38 (1066) 2	144.10 (1067) 1	143.55 (1068) 9	144.00 (1068) 0	144.35 (1068) 0	144.75 (1068) 0	146.00 (1069) 12
OCT 13	148.75 (1155) 12	149.00 (1161) 21		148.25 (1160) 10	147.50 (1144) 38	147.50 (1134) 35	148.00 (1132) 2	149.00 (1131) 2	149.00 (1131) 1	149.50 (1130) 3
CME - NONFAT DRY MILK FUTURES (Pit-Traded)										
AUG 13	177.00 (285) 0	177.00 (285) 0	NO TRADING	177.00 (285) 0	177.00 (285) 0	177.06 (328) 0				
SEP 13	178.98 (259) 0	179.95 (258) 0		179.95 (258) 0	179.95 (258) 0	179.95 (258) 0	179.95 (258) 0	179.95 (258) 0	180.00 (258) 0	180.25 (258) 0
OCT 13	179.00 (282) 0	179.00 (282) 0		179.00 (282) 0	179.25 (282) 0	179.75 (283) 0	179.75 (283) 0	181.00 (282) 0	181.00 (283) 0	181.25 (279) 0
CME - WHEY (Electronic-Traded)										
AUG 13	57.60 (289) 0	57.60 (289) 0	NO TRADING	57.75 (289) 0	57.78 (289) 0	57.78 (289) 0				
SEP 13	58.00 (295) 0	58.00 (295) 0		58.00 (295) 0	58.00 (295) 0	58.00 (295) 0	58.25 (295) 3	58.15 (296) 1	58.25 (295) 5	58.25 (295) 0
OCT 13	57.00 (286) 9	57.25 (286) 3		57.00 (286) 3	57.75 (286) 1	57.75 (286) 8	57.88 (283) 3	57.40 (285) 3	57.40 (285) 0	57.40 (285) 0
CME - CHEESE CSC (Electronic-Traded)										
AUG 13	1.77 (924) 0	1.77 (926) 17	NO TRADING	1.77 (927) 2	1.77 (927) 13	1.77 (921) 0				
SEP 13	1.74 (1146) 2	1.76 (1135) 28		1.76 (1132) 16	1.78 (1133) 23	1.78 (1133) 1	1.79 (1134) 17	1.79 (1133) 6	1.79 (1127) 17	1.80 (1128) 5
OCT 13	1.75 (1252) 29	1.80 (1252) 29		1.79 (1245) 17	1.81 (1247) 4	1.80 (1249) 8	1.77 (1228) 71	1.77 (1229) 19	1.79 (1229) 9	1.81 (1229) 2
NOV 13	1.72 (1455) 54	1.74 (1455) 17		1.73 (1462) 7	1.74 (1469) 33	1.74 (1471) 2	1.72 (1472) 1	1.71 (1481) 13	1.74 (1487) 15	1.75 (1491) 6
DEC 13	1.66 (1377) 38	1.67 (1389) 26		1.66 (1389) 11	1.68 (1391) 28	1.68 (1396) 26	1.66 (1396) 22	1.66 (1400) 20	1.67 (1409) 10	1.68 (1409) 3
JAN 14	1.65 (587) 40	1.65 (587) 1		1.65 (587) 1	1.66 (595) 10	1.67 (622) 28	1.66 (625) 3	1.65 (628) 4	1.65 (635) 8	1.65 (635) 3

^{1/} At the CME open interest for milk -- 200,000 pounds per contract.)

JULY MILK SALES

During July, 4.1 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.5 percent lower than July 2012. Estimated sales of total conventional fluid milk products decreased 1.2 percent from July 2012 and estimated sales of total organic fluid milk products increased 15.3 percent from a year earlier.

Editor's Note: Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYeartoDate>.

**ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,
JULY 2013, WITH COMPARISONS 1/**

Product Name	Sales		Change from: 2/	
	July	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Whole Milk	1,125	7,649	0.5	-1.6
Flavored Whole Milk	43	310	2.7	9.0
Reduced Fat Milk (2%)	1,477	10,158	-0.3	-1.8
Low Fat Milk (1%)	514	4,009	-2.0	-3.1
Fat-Free Milk (Skim)	529	3,906	-7.4	-8.5
Flavored Fat-Reduced Milk	149	2,081	1.9	-0.7
Buttermilk	42	280	7.4	3.4
Total Conventional Milk Products 5/	3,879	28,393	-1.2	-2.7
Organic Whole Milk	52	344	20.2	10.5
Organic Reduced Fat Milk	52	366	30.7	12.2
Organic Low Fat Milk	42	261	15.1	-1.5
Organic Fat-Free Milk (Skim)	35	247	0.5	-3.3
Organic Flavored Milk	9	70	-15.2	-2.5
Organic Fat-Reduced Milk 3/	137	949	13.6	2.7
Total Organic Milk Products	189	1,293	15.3	4.7
Total Fluid Milk Products 4/	4,068	29,686	-0.5	-2.4
Total Fluid Milk Products Adjusted 4/ 5/	*	*	*	*

* Total Fluid Milk Products Adjusted for Calendar Composition will not be published until the release of "An Overview of Calendar Composition of Fluid Milk Sales." 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. 3/ Total of organic reduced fat, lowfat, skim, flavored, and miscellaneous organic milk products combined. 4/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 5/ Sales volumes and percent changes have been adjusted for calendar composition. Report contact: Daniel Manzoni, Daniel.manzoni@ams.usda.gov or 202-720-2352

**PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS
AND CALIFORNIA, JULY 2013, WITH COMPARISONS 1/**

Marketing Area	Order Number	Sales		Change from: 2/	
		July	Year to Date	Previous Year	Year to Date
		Million Pounds		Percent	
Northeast	001	703	5,097	-0.2	-2.0
Appalachian	005	269	1,953	-3.2	-3.4
Florida	006	220	1,626	-0.1	-2.4
Southeast	007	365	2,662	-0.9	-2.8
Upper Midwest	030	315	2,299	-0.5	-3.2
Central	032	343	2,537	-0.9	-1.9
Mideast	033	439	3,255	-3.4	-3.3
Pacific Northwest	124	167	1,202	1.2	-4.8
Southwest	126	348	2,553	3.6	-0.1
Arizona	131	88	645	-1.2	-3.4
California	---	489	3,503	-0.4	-1.6

1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 4/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis.

Source: U.S. Department of Agriculture. California Department of Food and Agriculture. Milk Stabilization Branch. *California Dairy Information Bulletin, July 2013.*

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

In June 2013, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$19.46 per cwt., down \$0.17 from the May 2013 average, and up \$3.25 from the June 2012 average. The component tests of producer milk in June 2013 were: butterfat, 3.64%; protein, 3.03%; and other solids, 5.75%. On an individual reporting area basis, mailbox prices decreased in nine Federal milk order reporting areas and increased in 10 Federal milk order reporting areas when compared to the previous month. Mailbox prices in June 2013 ranged from \$22.30 in Florida to \$17.19 in New Mexico.

Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	June 2012	May 2013	June 2013
	Dollars per hundredweight		
New England States <u>3/</u>	17.06	20.77	20.90
New York	15.91	19.83	19.93
Eastern Pennsylvania <u>4/</u>	16.50	19.94	20.01
Appalachian States <u>5/</u>	17.07	20.04	20.41
Southeast States <u>6/</u>	17.60	20.41	20.85
Southern Missouri <u>7/</u>	15.83	18.74	19.13
Florida	18.61	21.67	22.30
Western Pennsylvania <u>8/</u>	16.06	19.98	19.86
Ohio	15.79	19.86	19.92
Indiana	15.34	19.26	19.31
Michigan	15.06	18.97	19.17
Wisconsin	16.94	20.16	19.67
Minnesota	17.01	20.15	19.38
Iowa	16.57	20.21	19.74
Illinois	16.57	19.99	19.73
Corn Belt States <u>9/</u>	15.68	18.82	18.45
Western Texas <u>10/</u>	15.49	18.65	18.30
New Mexico	14.62	17.42	17.19
Northwest States <u>11/</u>	15.43	19.26	19.07
All Federal Order Areas <u>12/</u>	16.21	19.63	19.46
California <u>13/</u>	14.38	17.95	17.55

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

Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932

SEPTEMBER MILK SUPPLY AND DEMAND ESTIMATES

The 2013 milk production forecast is reduced from last month, reflecting recent slower growth in milk production. The production forecast for 2014 is unchanged. For 2013 fat basis and skim-solids imports are lowered slightly from last month. Exports are raised for 2013 and carried into 2014 on strong international demand for dairy products. With forecast export demand, fat and skim-basis ending stocks are reduced in 2013 and 2014. Product price forecasts are mostly higher, with strong export demand and tightening supplies supporting increases for nonfat dry milk (NDM), butter and cheese prices in 2013 and 2014. The whey price forecast is unchanged for 2013 but raised for 2014. With increased product prices, Class III and Class IV price forecasts for 2013 and 2014 are higher. The all milk price is forecast at \$19.70 to \$19.90 per cwt for 2013 and \$19.35 to \$20.35 per cwt for 2014.

U.S. MILK SUPPLY AND USE					
Commodity	2012	2013 Projected		2014 Projected	
		August	September	August	September
BILLION POUNDS					
MILK					
PRODUCTION	200.3	202.1	201.8	204.5	204.5
FARM USE	1.0	1.0	1.0	1.0	1.0
FAT BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	10.9	12.2	12.2	13.4	12.3
MARKETINGS	199.4	201.1	200.8	203.6	203.6
IMPORTS	4.1	4.2	4.1	4.1	4.1
TOTAL COMMERCIAL SUPPLY	214.3	217.5	217.2	221.1	220.0
FAT BASIS USE					
COMMERCIAL EXPORTS	8.8	10.3	11.0	10.3	10.4
ENDING COMMERCIAL STOCKS	12.2	13.4	12.3	12.7	11.5
CCC NET REMOVALS ^{1/}	0.0	0.0	0.0	0.0	0.0
COMMERCIAL USE ^{2/}	193.3	193.8	193.8	198.0	198.0
SKIM-SOLIDS BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	11.8	12.4	12.4	13.0	12.2
MARKETINGS	199.4	201.1	200.8	203.6	203.6
IMPORTS	5.7	5.4	5.2	5.4	5.4
TOTAL COMMERCIAL SUPPLY	216.9	218.8	218.4	221.9	221.1
SKIM-SOLIDS BASIS USE					
COMMERCIAL EXPORTS	33.3	37.0	38.1	36.4	37.3
ENDING COMMERCIAL STOCKS	12.4	13.0	12.2	12.7	11.8
CCC NET REMOVALS ^{1/}	0.0	0.0	0.0	0.0	0.0
COMMERCIAL USE ^{2/}	171.2	168.8	168.1	172.8	172.1
MILLION POUNDS					
CCC PRODUCT NET REMOVALS ^{1/}					
BUTTER	0	0	0	0	0
CHEESE	0	0	0	0	0
NONFAT DRY MILK	0	0	0	0	0
DRY WHOLE MILK	0	0	0	0	0

NOTE: Totals may not add due to rounding.

^{1/} Includes products exported under the Dairy Export Incentive Program.

^{2/} Domestic commercial use only.

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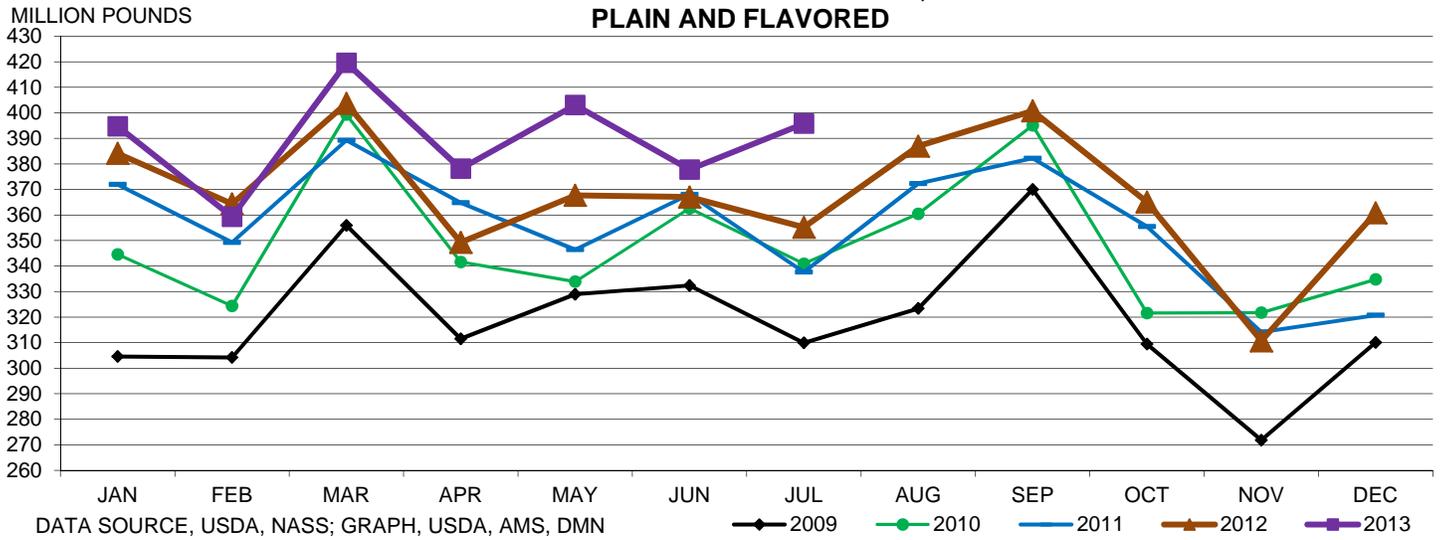
SEPTEMBER MILK SUPPLY AND DEMAND ESTIMATES-cont'd

U.S. DAIRY PRICES					
Commodity	2011	2013 Projected		2014 Projected	
		August	September	August	September
DOLLARS PER POUND					
PRODUCT PRICES ¹					
CHEESE	1.7076	1.750-1.770	1.755-1.775	1.630-1.730	1.670-1.770
BUTTER	1.5943	1.495-1.535	1.500-1.540	1.445-1.575	1.470-1.600
NONFAT DRY MILK	1.3279	1.635-1.655	1.675-1.695	1.590-1.660	1.675-1.745
DRY WHEY	0.5935	0.585-0.605	0.585-0.605	0.565-0.595	0.585-0.615
DOLLARS PER CWT					
MILK PRICES ^{2/}					
CLASS III	17.44	17.80-18.00	17.90-18.10	16.55-17.55	17.05-18.05
CLASS IV	16.01	18.25-18.55	18.60-18.90	17.65-18.75	18.45-19.55
ALL MILK ^{3/}	18.53	19.60-19.80	19.70-19.90	18.65-19.65	19.35-20.35
QUARTERLY					
	2013 II	2013 III ^{4/}	2013 IV ^{4/}	2014 I ^{4/}	2014 II ^{4/}
BILLION POUNDS					
MILK PRODUCTION	52.0	49.6	49.8	51.1	52.5
DOLLARS PER CWT.					
ALL MILK PRICE ^{2/3/}	19.57	19.35-19.55	20.45-20.95	19.45-20.25	19.15-20.15
CLASS III PRICE ^{2/}	18.04	17.75-17.95	18.40-18.90	17.00-17.80	17.20-18.20
CLASS IV PRICE ^{2/}	18.62	18.95-19.25	19.25-19.85	18.30-19.20	18.30-19.40

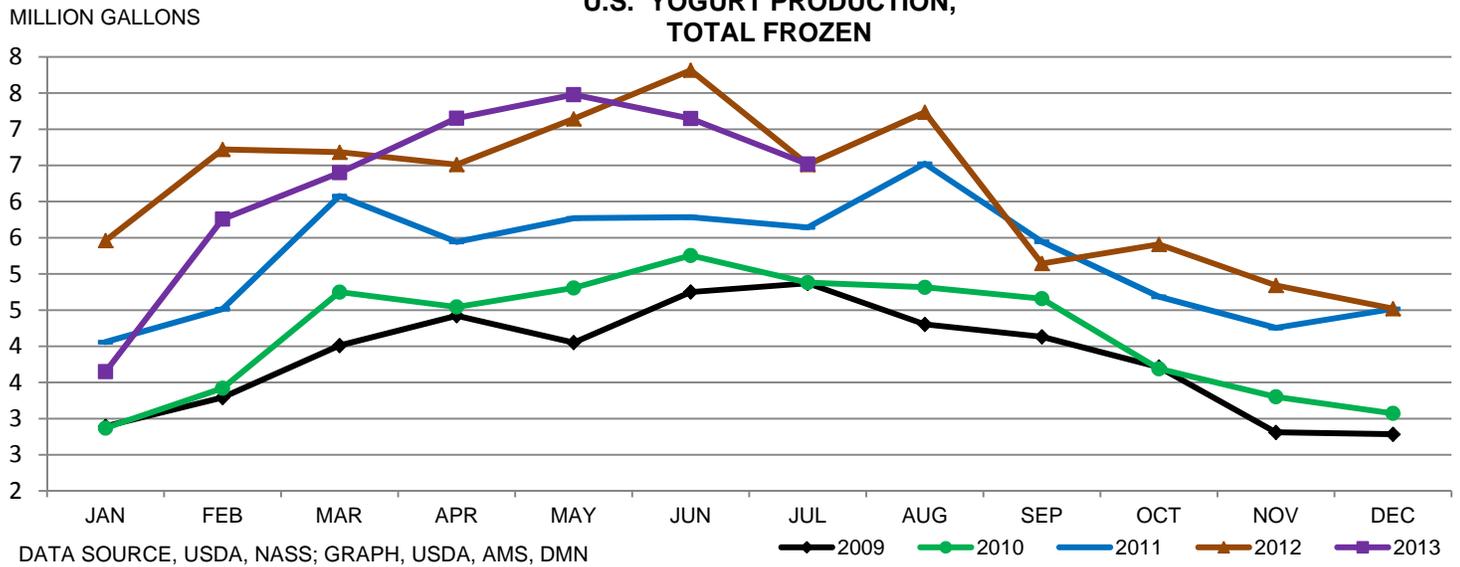
^{1/} Simple average of monthly prices calculated from AMS weekly weighted average prices published in the National Dairy Products Sales Report located at: <http://www.ams.usda.gov/AMSV1.0/DairyProductMandatoryReporting>. ^{2/} Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. ^{3/} Does not reflect any deductions from producers as authorized by legislation. ^{4/} Projection.

Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-522, September 12, 2013*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Jerry Cessna, AMS; Paul Kiendl, FAS; Roger Hoskin, ERS; and Milton Madison, FSA].

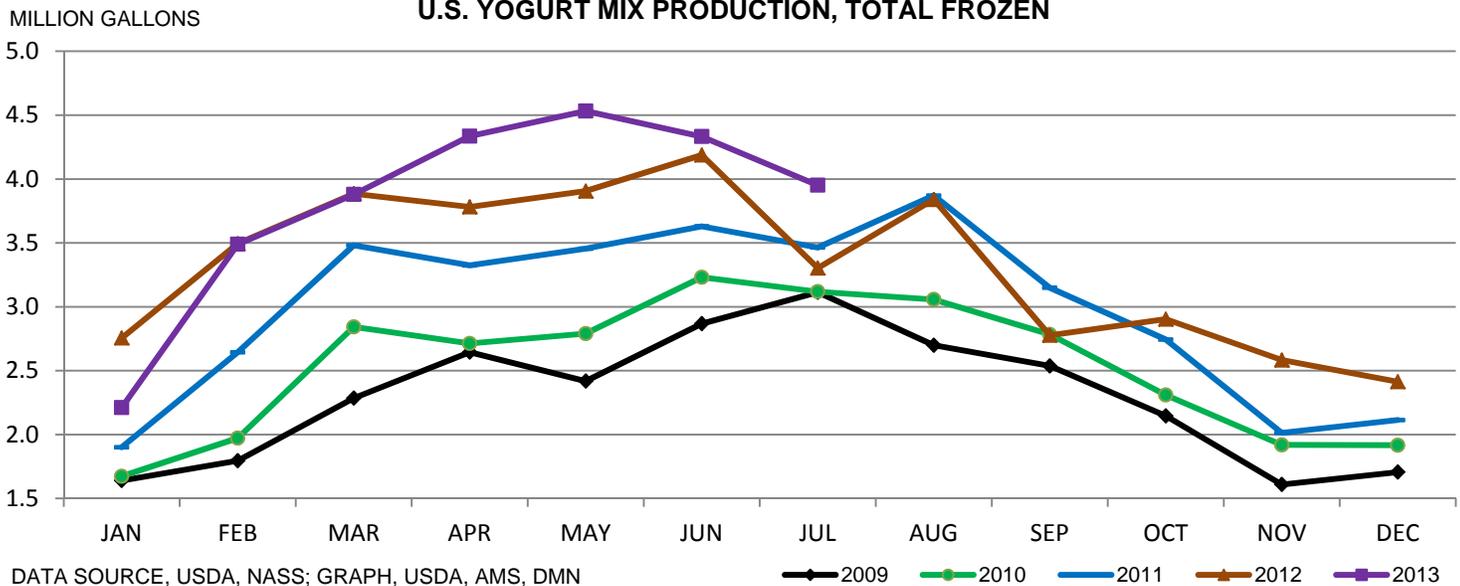
U.S. YOGURT PRODUCTION, PLAIN AND FLAVORED

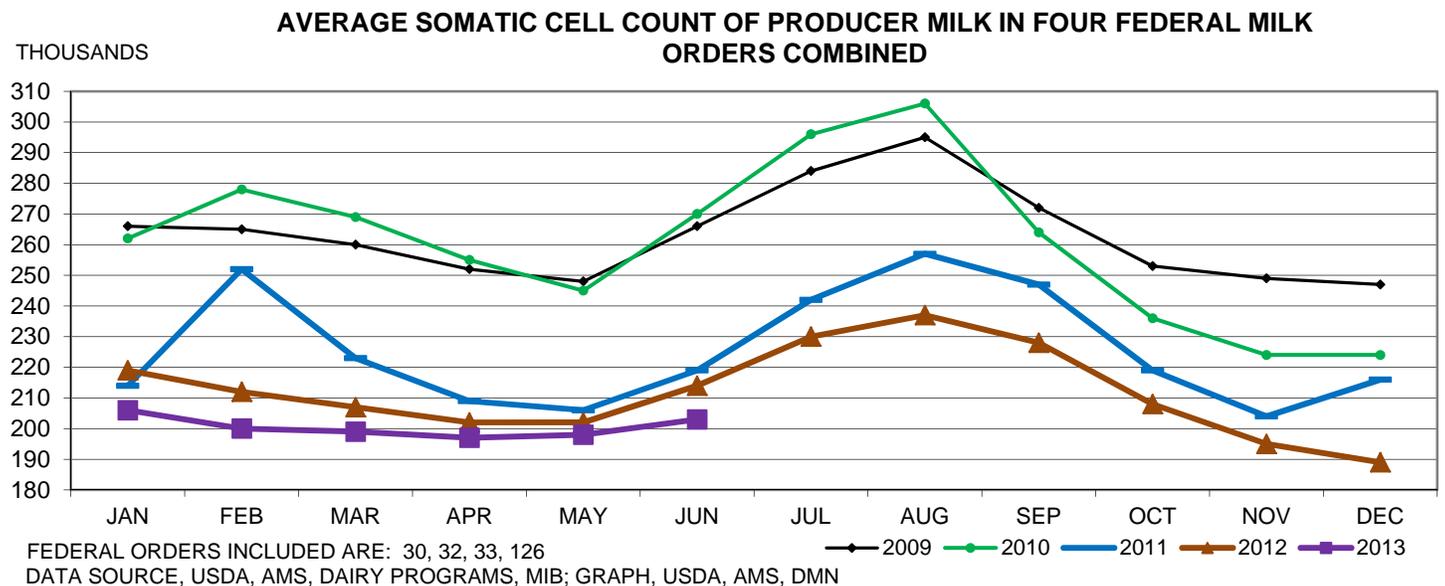
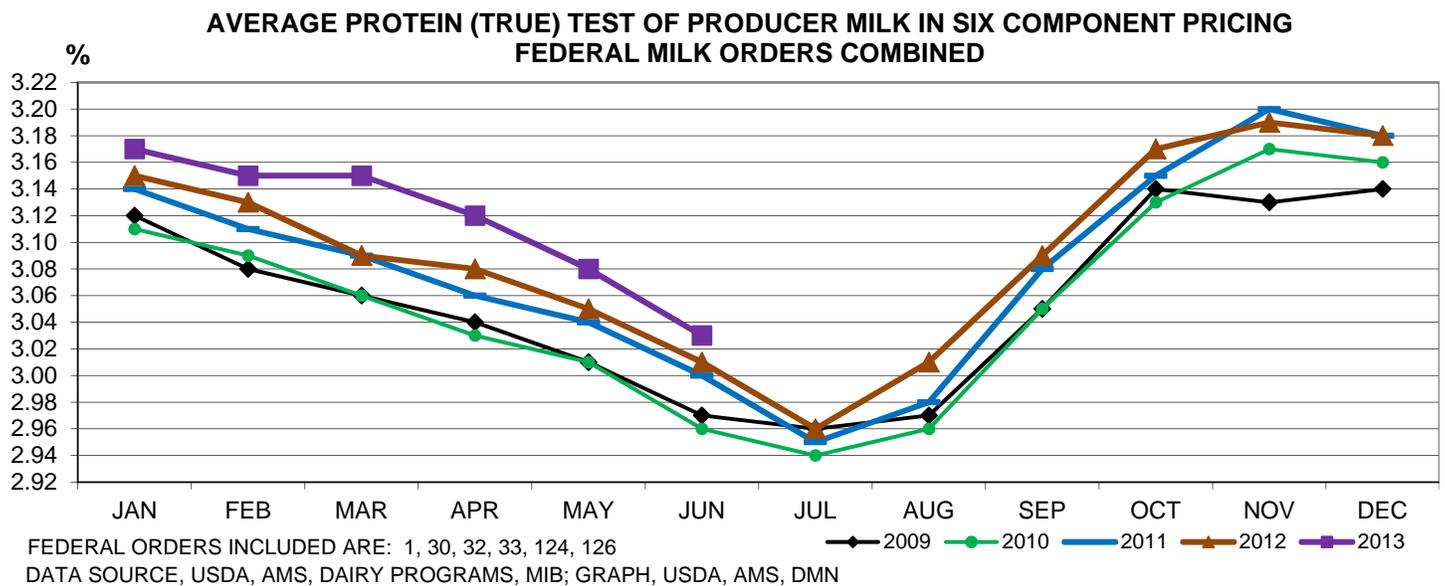
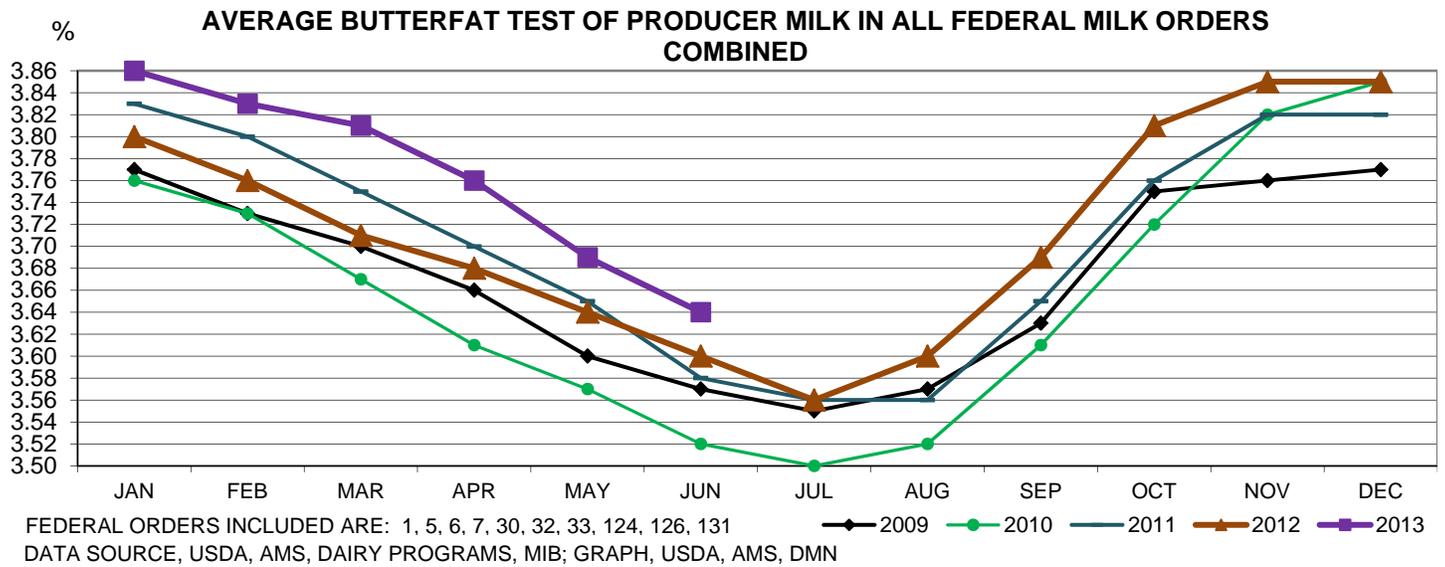


U.S. YOGURT PRODUCTION, TOTAL FROZEN



U.S. YOGURT MIX PRODUCTION, TOTAL FROZEN





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