NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (11/01):
BUTTER: Grade AA closed at $1.5325. The weekly average for Grade AA is $1.4965 (+.0245).
CHEESE: Barrels closed at $1.8700 and 40# blocks at $1.9025. The weekly average for barrels is $1.8360 (+.0415) and blocks, $1.8835 (+.0210).

BUTTER HIGHLIGHTS: Butter prices are mixed amongst the regions as prices are good in the Northwest, flat in the Central, and uneven in the West. Supplies range from lower in the Northeast to sufficient in the Central and Western regions. Holiday demand has kept manufacturers busy filling retail orders. Some plants in the Northeast and West continue to microfix stored butter to keep up with demand. However, reports in the Central region suggest butter manufacturing is slower in some plants that are fulfilling cream contracts to other manufacturers producing high demand holiday dairy products. Demand for 82% butter has remained good, but butter makers are focusing on finishing their 80% domestic holiday orders. Export interest remains good. Bulk butter prices vary by region with the West from market to five cents under, the Northeast five to eight cents over market, and Central prices from three cents under to four cents over the market. The National Dairy Retail Report showed a national weighted average price for 1 lb. packages of butter at $2.74, which is two cents higher than a year ago. At the CME Group, Grade AA butter closed at $1.5325, up 5.75 cents from a week ago.

CHEESE HIGHLIGHTS: Cheese prices moved higher again this week. Spot sales at the CME Group this week were fairly light with prices moving higher by week's end. Cheese production schedules are often below desired levels due to tight milk supplies and competition from other Class II and IV products. Good holiday orders are pushing prices higher as buyers look to secure supplies for the holiday buying season. Block sales are good as cut and wrap operations look to fill retail orders. Retail advertising for cheese increased from two weeks ago according to the National Dairy Retail Report. The weighted average price for the popular 8 oz. shred package at $2.28 per package was 9 cents higher than last year's price of $2.19. Export sales are reported as good with August sales of 62 million pounds exported. That is 40% more than the previous August.

FLUID MILK: Farm milk production across the country is hovering on either side of the seasonal low point. Some milk processors report upward trends in farm milk intakes as cow comfort improves. Other processors indicate milk receipts are steady to decreasing, while components are increasing. Bottler demand is mostly steady. While cream demand for ice cream production is lower, sales of cream in to cream cheese, sour cream, and chip dip operations are increasing. Butter production is active at many locations to fill recent print orders. Eggnog production started up at a few plants to allow for delivery time into retail outlets before Thanksgiving. Fall harvesting activities continue for corn and soybeans, with frost and/or wet fields slowing progress in some areas. Forage harvesting is complete in most areas. Dairy operators are tallying up those tonnages as well as silage holdings to determine if feed purchases will have to be made to get through to spring.

DRY PRODUCTS: Nonfat dry milk prices moved higher this week as contract bases shifted higher and interest in F.O.B. spot loads persist. Dry buttermilk prices made most gains in the West. Central/East dry buttermilk dipped 3 cents on the top of that range. Central/West whey protein concentrate 34% chugged higher on the strength of increases in F.O.B. spot prices as well as contract price adjustments. Dry whey prices were steady on the Central mostly. West dry whey mostly prices inched up on each end that series as active spot sale activity overshadowed some slight decreases in contract price bases. Dry whey prices in the East rebounded 3 cents on the bottom of that range, reflecting improved balance in manufacturers' holdings. Lactose prices on the mostly held steady although a few F.O.B. spot loads added 26 cents to the top of the range. Dry whole milk prices stepped 6 cents higher on each side of the range.

ORGANIC DAIRY MARKET NEWS (DMN): AMS reports Total Organic Milk Products sales for August 2013, 195 million pounds, were up 4.8% from August last year and 4.7% year-to-date compared with last year through August. Organic Whole Milk sales for August 2013, 54 million pounds, were up 14.5% compared with August last year and up 11.0% year-to-date compared with last year through August. Organic Reduced Fat Milk sales for August, 54 million pounds, were 11.2% above sales one year earlier and 12.1% year-to-date compared with last year through August. The weighted average advertised price of organic milk half gallons is $3.73, up 26 cents from the last reported period prior to the Federal government shut down. The price range is unchanged at the bottom, $2.99, but up $1.49 at the top to $4.99. One year ago the national average price was $3.48. The conventional half gallon price is $1.65, which results in an organic-conventional half gallon price spread of $2.08. One year ago the price spread was $1.27. The greater price spread this year is caused by organic prices being 29 cents higher this year, while conventional prices are $1.30 lower.

-CONTINUED ON PAGE 1A-

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

CME GROUP CASH TRADING

COMMODITY	MONDAY OCT 28	TUESDAY OCT 29	WEDNESDAY OCT 30	THURSDAY OCT 31	FRIDAY NOV 01	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	$1.8200 (N.C.)	$1.8200 (N.C.)	$1.8200 (N.C.)	$1.8500 (+.0300)	$1.8700 (+.0200)	(+.0500)	$1.8360 (+.0415)
40# BLOCKS	$1.8750 (N.C.)	$1.8750 (N.C.)	$1.8750 (N.C.)	$1.8900 (+.0150)	$1.9025 (+.0125)	(+.0275)	$1.8835 (+.0210)
NONFAT DRY MILK							
EXTRA GRADE	$1.8500 (N.C.)	$1.8500 (N.C.)	$1.8500 (N.C.)	$1.8500 (N.C.)	$1.8500 (N.C.)	(N.C.)	$1.8500 (+.0240)
GRADE A	$1.9000 (N.C.)	$1.9000 (N.C.)	$1.9000 (N.C.)	$1.9100 (+.0100)	$1.9100 (N.C.)	(+.0100)	$1.9040 (+.0345)
BUTTER							
GRADE AA	$1.4750 (N.C.)	$1.4750 (N.C.)	$1.5000 (+.0250)	$1.5000 (N.C.)	$1.5325 (+.0325)	(+.0575)	$1.4965 (+.0245)

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-

The weighted average advertised price for 4-6 ounce organic Greek yogurt is $1.05, down 20 cents from last year. The weighted average advertised price for 4-6 ounce organic yogurt is $.66, up 1 cent from last year. 32 ounce organic Greek yogurt has an average price of $5.00.

JULY MILK SALES (FMMO & CDFA): During August, 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.7% lower than August 2012. Estimated sales of total conventional fluid milk products decreased 3.1% from August 2012 and estimated sales of total organic fluid milk products increased 4.8% from a year earlier.

CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the October 2013 prices under the Federal Milk Order pricing system and the changes from the previous month: Class II $20.56 (+$0.78), Class III $18.22 (+$0.08), and Class IV $20.17 (+$0.74.). Product price averages used in computing Class prices are: butter $1.5454, NDM $1.8366, cheese $1.8025, and dry whey $0.5731. The Class II butterfat price is $1.6708 and the Class III/IV butterfat price is $1.6638. Further information may be found at: www.ams.usda.gov/AMSv1.0/PriceFormulas2013

SEPTEMBER CONSUMER PRICE INDEX (BLS): The CPI for all food is 237.5, up 1.4% from September 2012. The dairy products index is 217.0, up 0.8% from a year ago. The following are the September to September changes for selected products: fresh whole milk is +2.2%; cheese, +0.8%; and butter, +0.3%.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during the first seven months of 2013 totals 116.4. billion pounds, 0.2% above the same period in 2012. Comparing disappearance levels with year earlier levels: butter is +0.5%; American cheese, +2.6%; other cheese, +2.2%; NDM, -22.0%; and fluid milk products, -2.2%.

NATIONAL DAIRY RETAIL REPORT (DMN): Ads for 8 oz. shredded are the largest of the 5 types of cheese advertised, with 41% of cheese ads. The national weighted average advertised price is $2.28, up 9 cents from last year. 8-ounce blocks, at $2.43, are 1 cent lower than last year. Yogurt ads are the largest product category advertised this period. Greek yogurt in 4-6 ounce packages has more ads than all other categories of yogurt combined. The 4-6 oz. Greek yogurt weighted average advertised price, $.99, is 1 cent higher than last year. Regular yogurt in 4-6 ounce packs, approximately one half the number of ads as 4-6 oz. Greek yogurt, has an average price of $.52, 2 cents above last year. Butter ad numbers are up from a year ago. The current average price, $2.74, is 2 cents above last year. Ice cream features remain strong relative to ad numbers for other dairy products this period, but are about two thirds the number as last year. The current average price for 48-64 oz. containers, $3.13, is 4 cents below last year. The national weighted average conventional milk price for half gallons is $1.65 and for organic half-gallon milk, at $3.73. The organic-conventional half-gallon price spread is $2.08, compared with $1.79 in September, the last bi-weekly period data was collected due to the intervening federal government furlough.

CME GROUP

MONDAY, OCTOBER 28, 2013
CHEESE -- SALES: 2 CARS 40# BLOCKS @ $1.8750; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ $1.8300
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ $1.9000; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $1.9100
BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ $1.4800

TUESDAY, OCTOBER 29, 2013
CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ $1.9000; LAST BID UNFILLED: 1 CAR GRADE A @ $1.9000; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $1.9100
BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ $1.4850

WEDNESDAY, OCTOBER 30, 2013
CHEESE -- SALES: 2 CARS BARRELS @ $1.8200; 2 CARS 40# BLOCKS @ $1.8750; LAST BID UNFILLED: 1 CAR BARRELS @ $1.8200; LAST OFFER UNCOVERED: 1 CAR BARRELS @ $1.8400
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: 6 CARS GRADE AA: 1 @ $1.4850, 1 @ $1.4800, 1 @ $1.4850, 1 @ $1.4875, 1 @ $1.5000, 1 @ $1.4900; LAST BID UNFILLED: 1 CAR GRADE AA @ $1.5000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ $1.5100

THURSDAY, OCTOBER 31, 2013
CHEESE -- SALES: 1 CAR BARRELS @ $1.8500; LAST BID UNFILLED: 2 CARS 40# BLOCKS @ $1.8900; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ $1.9100; LAST BID UNFILLED: 1 CAR GRADE A @ $1.9000; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $1.9200
BUTTER -- SALES: NONE; LAST BID UNFILLED: 3 CARS GRADE AA @ $1.5000; LAST OFFER UNCOVERED: NONE

FRIDAY, NOVEMBER 1, 2013
CHEESE -- SALES: 5 CARS 40# BLOCKS: 4 @ $1.8900, 1 @ $1.8950; LAST BID UNFILLED: 1 CAR BARRELS @ $1.8700; 1 CAR 40# BLOCKS @ $1.9025; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: 3 CARS GRADE AA: 1 @ $1.5200, 1 @ $1.5300, 1 @ $1.5250; LAST BID UNFILLED: 1 CAR GRADE AA @ $1.5325; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ $1.5500

BUTTER MARKETS

NORTHEAST

Butter making facilities are busy filling both bulk and print orders with production about equal with last week. The good demand for butter is made up in part by strong pulls from bakeries, food processors and private label orders. Supplies are being worked lower as some plants have to microfix inventories to fill existing orders. Production of 82% has declined in recent weeks as most butter makers are focusing on their domestic customers, but export interest remains fairly good. Current bulk butter prices for domestic sales are reported 5-8 cents over the market on the CME Group with various time frames and averages used. According to the National Dairy Retail Report, retail butter ads in the Northeast totaled 777, 18% of the total national ad count of 4410. The weighted average price for a 1 lb. package of butter in the Northeast was $2.66, 8 cents lower than the national weighted average price. The CME Group butter price held steady for the fourth consecutive session Tuesday and closed at $1.4750.

CENTRAL

Butter prices in the central region remain static. Butter supplies are transitioning at a steady rate from manufacturers into retail. Retail demand has driven up sales as much as 20% for some manufacturers. Butter production is reported to be mixed; some manufacturers are experiencing peak production while others are saying production has slowed down due to increase holiday cream demand for other dairy products. The spot market has showed little activity in the last week or so. Much of the butter demand is for 82%, meeting the needs of the increased international demand. 80% is not receiving as much as demand both internationally and domestically as 82%, shown by recent premiums being offered for 82%. Bulk butter prices are reported to range from three cents under to four cents over the market. Grade AA Butter prices at the CME Group on Wednesday closed at $1.50, a two and half cent increase since last Wednesday. Trading had been quiet up until Wednesday when six loads were sold. The last sale executed prior to Wednesday's sales was last week Wednesday with one load being sold at $1.4750. The National Dairy Retail Report reported current Midwest weighted average advertised price at $2.50. The Midwest price is currently 24 cents below the national price of $2.74.

WEST BUTTER

Western butter prices are uneven. The market tone is firm with retail orders for upcoming holidays keeping print lines busy. Churns are actively making butter to fill orders in time for holiday featuring. Export sales continue to pull excess supplies. Butter stocks are sufficient for current demand with some microfixing of stored product helping to fill needs. Advertised U.S. butter prices from the National Dairy Retail Report were 2 cents higher compared to the same week a year ago. Nationally, butter showed a weighted average price of $2.74 per pound compared to $2.72 a year ago. Western advertised prices ranged from $1.99-3.50 per pound. The weighted average for butter in the Northwest was $2.66 and the Southwest was $2.79. Butter prices at the CME Group exchange on Wednesday were $.0250 higher, closing at $1.5000. This compared to last week's close on Wednesday of $1.4750. Wednesday's price rally included sales of six loads. Prices for bulk butter range from market to 5 cents under the market, based on the CME with various time frames and averages used.

2013 U.S. Butter and Milkfat Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
August Total	20.0	+ 212
Total, Jan – Aug	112.2	+ 41
1 Saudi Arabia	32.0	+ 18
2 Iran	16.9	+ 48
3 Morocco	8.5	+ 12
4 Egypt	8.2	+ 22
5 South Korea	5.6	+ 482

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING October 26, 2013	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
	1.5239	1.7980	1.8000	0.5604	1.8457
	2,183,772	12,209,984	9,700,011	8,834,757	15,360,130

Further data and revisions may be found on the internet at: http://www.ams.usda.gov/AMSv1.0/DairyProductMandatoryReporting

CHEESE MARKETS

NORTHEAST

Cheese orders remain strong, keeping cheese production very active in the region. Increased component levels of milk coming into cheese plants are increasing yields. Cheese inventories are being worked lower as orders are being filled ahead of the holidays. Most all varieties of cheese are experiencing seasonally strong sales. Export interest remains active with sales above year ago levels. CME Group cheese prices were unchanged Tuesday with barrels closing at $1.8200, while blocks closed at $1.8750. According to the National Dairy Retail Report, retail cheese ads for 8 oz. block cheese in the Northeast totaled 2,673, 35% of the total national ad count of 7,726 and was the highest ad count for any region. The weighted average price for 8 oz. cheese blocks in the Northeast was $2.54, 11 cents more than the national weighted average. Retail cheese ads for 8 oz. shredded cheese in the Northeast totaled 2,318, 29% of the total national ad count of 7,925, and was the highest ad count for any region. The weighted average price for 8 oz. shredded cheese in the Northeast was $2.57, 29 cents more than the national weighted average.

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

Cheddar 40# Block	: 2.2575-2.5425
Process 5# Sliced	: 2.0200-2.5000
Muenster	: 2.2775-2.6375
Grade A Swiss Cuts 10 - 14#	: 3.3725-3.6950

MIDWEST

Some regional cheese plants report that milk supply declines have begun to reverse. Other plants still mention less milk availability for cheese manufacturing than is desirable. Orders remain generally strong ahead of the holiday season. The National Dairy Retail Report found that this period, Midwest ads for 8 ounce shredded cheese (53% of total Midwest cheese ads), have a weighted average advertised price of $1.96, 32 cents lower than the $2.28 national average. For 8 ounce blocks in the Midwest (44% of total Midwest cheese ads), the average price is $2.14, 29 cents lower than the $2.43 national average. National ad numbers for all cheese categories this period declined by 20% from one year ago, but increased 15% from the last data collection reported September 19, 2013, before the Federal government shut-down. Midwest ad numbers for all cheese categories this period increased by 6% from one year ago, and increased by nearly 6% from the last data collection reported September 19, 2013, before the Federal government shut-down. Swiss Cuts wholesale prices remained unchanged. Most other varieties reflect normal adjustment for either block or barrel average change last week, as well as adjustment to reflect updated information from some sellers about current wholesale cheese pricing.

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

Process American 5# Loaf	: 1.8975-2.2575
Brick And/Or Muenster 5#	: 2.2375-2.6625
Cheddar 40# Block	: 1.9425-2.3600
Monterey Jack 10#	: 2.2125-2.4175
Blue 5#	: 2.5050-3.4925
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 2.0825-2.9775
Grade A Swiss Cuts 6 - 9#	: 2.8900-3.0075

WEST

Western wholesale cheese prices are steady to higher this week. The market continues to exhibit a firm undertone. Cheese production is limited somewhat by competition for milk into Class IV production. Seasonally lower milk volumes also continue to limit cheese production. Retail demand is good with strong block sales. Barrel demand is steady. Block supplies are tightening with the good spot demand. Advertised U.S. cheese prices as reported in the National Dairy Retail Report showed prices were mixed with higher and lower prices compared to the same week last year. 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 9 cents higher than last year's price of $2.19. In the West, the weighted average price for the 2 pound block package ranged from $5.00-8.99 per package. Cheese prices at the CME Group have held steady so far this week. Cheese prices for barrels at the CME Group on Wednesday are unchanged $1.8200 and blocks are unchanged at $1.8750. Trading activity is light to moderate with two loads of barrels and four loads of blocks sold.

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

Process 5# Loaf	: 1.9275-2.1850
Cheddar 40# Block	: 1.9775-2.3300
Cheddar 10# Cuts	: 2.1575-2.3775
Monterey Jack 10#	: 2.1675-2.3275
Grade A Swiss Cuts 6 - 9#	: 2.9500-3.3800

FOREIGN

The CME Group weekly average price for blocks increased last week and prompted a $0.0275 increase in domestic foreign type cheeses. Prices for Imported and Swiss cuts were unchanged. Exporting countries that are designating U.S. importers for calendar year 2014 must submit their designations to FAS by October, 31.

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

VARIETY	NEW YORK IMPORTED	NEW YORK DOMESTIC
Blue	2.6400-5.2200	2.3975-3.8850*
Gorgonzola	3.4900-6.6900	2.9000-3.3125*
Parmesan (Italy)	-0-	3.7875-5.8775*
Provolone (Italy)	-0-	2.4400-2.5975*
Romano (Cows Milk)	-0-	3.5875-5.7375*
Sardo Romano (Argentine)	2.8500-3.6900	-0-
Reggianito (Argentine)	3.2900-4.4600	-0-
Jarlsberg-(Brand)	2.9500-5.6300	-0-
Swiss Cuts Switzerland	-0-	3.4700-3.7925
Swiss Cuts Finnish	2.5900-2.8500	-0-

* = Price change.

CONTINUED ON PAGE 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

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

	(Million Lb.)	% Change From 1 Year Ago
August Total	62.0	+ 40
Total Jan.-Aug	450.1	+ 12
1 Mexico	113.5	+ 19
2 South Korea	72.0	+ 14
3 Japan	49.3	+ 13
4 Canada	20.8	+ 7
5 Australia	17.9	- 4

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

	BUTTER	CHEESE
10/28/13	12,714	108,848
10/01/13	1/	1/
CHANGE		
% CHANGE		

1/ USDA Dairy Mark News resumed operations on Thursday, October 17, 2013. Until that date, no storage data were collected or released after the October 1st government shutdown.

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
* Data Unavailable	IN	OUT	IN	OUT	IN	OUT
FLORIDA	120	0	178	0	39	0
SOUTHEAST STATES	0	0	0	0	0	0

Milk delivery load weights are increasing in the Mid-Atlantic and Northeast regions, which is an indication that milk production is on the rise. Plant managers are commenting that component levels are also increasing. Balancing plant intake volumes are adequate to cover fluid contract needs, leaving only marginal supplies available for spot sales or manufacturing. A number of hard frosts have brought about a conclusion to the growing season in both regions. Harvest activities are very active in both regions with corn and soybean conditions rated as mostly good to excellent. Haylage continues to be chopped in both regions as producers attempt to ensure adequate forage supplies for the upcoming winter. There is concern in areas of New England that supplies of quality forages will run short prior to the end of winter. A period of cooler weather this past week has prompted milk production increases in Florida. Class I demand continues to be strong. Pastures are drying out as significant rainfall has not occurred for nearly two weeks. The increase in milk production lowered the total number of import spot loads to 120 this week. Milk supplies in the Southeast are in balance with demand. Manufacturing supplies are being held to their contract minimums. Milk production is increasing along the seasonal trend and Class I demand continues to be fairly strong. Cream demand remains very good and supplies are tight. Those buyers looking for additional loads may have problems securing desired supplies within region. Strong pulls are coming from cream cheese, sour cream, cream based dips, butter manufacturers with even some eggnog beginning to be produced. Spot cream sales are light with **cream multiples for all classes** ranging this week, 1.33-1.42. **Condensed skim** milk supplies are moving through contracts, but Class II spot sales have declined significantly, due to the high cost with some loads, including trucking up to $2.00/lb. or more. Class IV manufacturing of condensed skim is light.

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 -	1.9578-2.0902
F.O.B. producing plants: Upper Midwest -	1.8842-1.9872

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,
F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.88 - 1.93
Northeast - Class III - spot prices -	1.63 - 1.68

MIDWEST

Milk manufacturers in the Central region are receiving a premium for spot loads ranging from $2.50 to $4.00 per CWT F.O.B due to tight milk supplies. Production remained flat to a slight increase and components are increasing. Milk volumes are said to be comparable to last year's. Bottling demand was mixed this week as some manufacturers report sales are down while others are seeing sales remain flat. Fluid orders have been steady with high seasonal demand from cheese manufacturers. Milk processors are seeing an increase in competition as farmers are reviewing their marketing options. Class I demand is decreasing due to seasonality. Cream multiples went down on the bottom and top of the range this week as cream supplies loosened up slightly. **The full Class II cream multiple range is 1.28 – 1.35.** Cream demand remains steady due to good Class II demand for the holiday season and increased butter production. USDA Crop Progress Report noted corn harvest at 59% and soybean harvest at 77%. Due to 2012 feed shortages, some farmers were forced to feed 2013 corn silage before it was properly fermented, which led to lower dry matter intake and decreased milk production, as well as causing digestive problems for the cows. Another common trend in this year's corn crop was its energy levels are less than prior years. Those factors resulted in lower component numbers for the past couple weeks but are said to be progressively improving as the corn silage is having more time to ferment. More farmers are transitioning to robotic milkers and/or adding cows to the herd.

WEST

CALIFORNIA farm milk production is unchanged on volumes while components maintain their gradual upward trend. Processors indicate fluid sales are steady. Use of milk volumes into ice cream and frozen novelty desserts is trending lower. Milk processors indicate farm milk intakes are well below processing capacity and some plants are completing regularly scheduled maintenance. Cooperative representatives indicate members are getting some relief on feed costs as corn prices moved lower. Prices for supreme alfalfa hay in the Sacramento Valley range from $240 - $245/ton; all Northern San Joaquin Valley supreme alfalfa prices settled at $260/ton. September 2013 POOL RECEIPTS of milk in CALIFORNIA total 3.08 billion pounds, unchanged from September last year, according to CDFA. Year-to-date through September 2013 receipts are 3.1% lower, unadjusted, from the comparable months in 2012. The September Value at Test price is $18.66, $0.59 higher than August and $1.02 more than September 2012. The percentage of receipts used in Class 1 products is 15.1%. The September quota price is $19.44 and the over quota price is $17.74. These prices are $0.43 higher than August and $1.02 higher than a year ago. Milk production is on the rise in ARIZONA, with cooler weather patterns benefiting cow comfort. Various milk marketers indicate, though, the demand from recently opened Class II plants continues to draw strongly on current farm milk volumes. A few plant managers report they are operating below capacity on most milk products due to the low volumes remaining in house for processing. Some pushback on CREAM loads occurred this week in the Southwest as a few butter manufacturers reset production to meet lighter sales commitments for the next 4 – 6 weeks. This is counter to what other churn operators report as their sales teams report active interest for print butter continues. Some cream sellers reengaged their own churns this week, planning butter runs every few days to accommodate cream loads remaining in house. Sales of cream into cream cheese, aerated cream, sour cream and dips is steady to higher. **Western cream multiples range from 1.23 to 1.32, depending on Class usage and basing points.** At the CME Group, the Grade AA butter price closed at $1.5000 on Wednesday, October 30, up 2.5 cents from a week earlier. Milk production in the PACIFIC NORTHWEST continues to decline slightly, although component levels are improving. Milk production is expected to improve in the next few weeks as cool weather and fresh feedstuffs are utilized at the dairies. Class I demand remains mostly steady with manufacturing plants moving milk to plants with best returns. Processing plants are running below capacities and are using down time for maintenance operations. UTAH and IDAHO milk production is beginning to show increases in volumes and component values. Much of the fall harvesting is near completed and dairies are assessing feed quantities and making decisions concerning herd size adjustments. Feed costs are lower than comparable costs in recent years. Manufacturing capacity in the region is greater than the current available milk supplies.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices for central nonfat dry milk stayed steady or moved higher on all the ranges except the lower price range of high heat, which went lower. Supplies have been hard to come by as manufacturers are trying to keep up with international and domestic demand. Product is being found but is coming with a high price tag. Demand is good, with some manufacturers in a sold-out position. Many manufacturers are selling product as soon as they finish producing it.

EAST: Low heat nonfat dry milk prices increased this week as both ends of the price range moved higher. High heat prices moved marginally lower. Production of nonfat dry milk in the region is at reduced levels as manufacturing milk supplies remain tight. The reduced manufacturing milk supplies are prompting some manufacturers to focus on high heat NDM production. Domestic demand for product is good, but buyers are purchasing only for immediate needs, unwilling to expand inventories at the current price levels. Export demand is also good, but there too, buyers are becoming resistant to the higher price levels. Supplies of nonfat dry milk are tight within the region. The market undertone is steady to firm.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.8400 - 1.9500 MOSTLY: 1.8750 - 1.9300

HIGH HEAT: 1.9300 - 1.9825

U.S. NDM Exports, H.S. Code 0402100000(FAS)

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	111.4	+ 19
TOTAL, JAN – AUG	810.6	+ 16
1 Mexico	272.1	- 7
2 Philippines	92.4	+ 32
3 Indonesia	84.7	+ 54
4 China	75.8	+ 170
5 Vietnam	49.1	+ 20

NONFAT DRY MILK - WEST

Prices for nonfat dry milk in the West are mostly higher on a firm market. Production for the export market continues as a focus for many NDM/SMP operations in the West. A few manufacturers are shifting production away from cheese plants and into butter/powder plants to keep on top of active NDM/SMP international demand. NDM producers indicate light to moderate stocks limit offers to the F.O.B. NDM spot market at this time. Resellers note buyers, especially overseas, are exhibiting more resistance to NDM prices moving higher. This resistance is tied to the expected resurgence of NDM production, particularly in Western states, as farm milk production increases seasonally. Foreign Agricultural Service reports August 2013 NDM exports, at 111.4 million pounds, increased 19% compared to one year ago. Cumulative 2013 NDM exports total 810.6 million pounds, a 16% increase from the same time span in 2012.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.8000 - 1.9400 MOSTLY: 1.8600 - 1.9000

HIGH HEAT: 1.9100 - 1.9800

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Prices for central dry buttermilk moved slightly lower on the high end of the range and remained unchanged on the bottom end of the range. Buyers say supplies seem to be loosening up as product is becoming available again. Demand is steady while production has been mixed in the Central region. Some manufacturers have elected to move dry buttermilk as soon as it clears the lab while others are not drying and just selling condensed buttermilk. Reports coming in also have some manufacturers stating they are in a sold-out position.

EAST: The dry buttermilk price range narrowed this week as the price on the upper end of the range decreased. Production of dry buttermilk is at reduced levels as cream volumes going to churns have declined. Supplies are very tight and moving through contracts with little, if any, supply available for spot sales. Demand is good, but potential buyers are having trouble sourcing product within the region. The decline in the price range this week is due more to the inability of buyers to locate product and complete sales, rather than their unwillingness to pay a higher price. The market undertone is steady to firm.

F.O.B. CENTRAL/EAST: 1.6800 - 1.7900

DRY BUTTERMILK - WEST

Western dry buttermilk prices are higher on a firm market. Price resistance from buyers is emerging as butter production increases seasonally, but at this point, F.O.B. spot and reseller load availability is light. Some dry buttermilk producers indicate they’ve been unable to get ahead of contract commitments on their production schedules. Resellers indicate they’re fielding more calls from end users looking for dry buttermilk, but resellers are serving their established customers first.

F.O.B. WEST: 1.6800 - 1.7800 MOSTLY: 1.7300 - 1.7500

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk moved higher on a firm market. Production lines at several locations are active as dryer time is currently available. F.O.B. spot and contract sales are active into confectionary and baking accounts.

F.O.B. PRODUCING PLANT: 1.9000 - 2.1100

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
October 25	$1.8219	8,096,781	0
October 18	$1.8320	7,364,636	0

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

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Central dry whey prices are unchanged on the mostly, but slightly lower on the higher end of the range. Supplies are said to be ample for some manufacturers. Production of dry whey is mixed, as some manufacturers are slowing down on production while others are steady in production. Manufacturers report moving product readily and some are even experiencing extra sales. Domestic demand has ranged from decent to steady while export demand has been increasing. The ANIMAL FEED WHEY price range widened as the bottom of the range went lower at the same time the top of the range increased. End users say customers are becoming more particular about the product due to the price increase, resulting in stricter production protocols to maintain a high quality product. End user inventories are reported to be fair to good.

F.O.B. CENTRAL: .4700 - .6200 MOSTLY: .5200 - .5600
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3600 - .5200

DRY WHEY - NORTHEAST

The dry whey price range narrowed this week as prices at the low end of the range moved higher. Dry whey inventories in the region are not as burdensome as they have been in previous weeks, following last week's multiple load sales and as a result discount prices have moderated. Production of dry whey continues to be active as cheese makers are operating on 6-7 day production schedules. Demand is uneven and tenuous with most domestic buyers purchasing only for immediate needs. Export demand, which has been below manufacturer's expectations, is improving. The market undertone is cautiously steady.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5300 - .6200

DRY WHEY - WEST

Western dry whey prices are mixed for the week. Index price adjustments lowered the top end of the range, while the mostly price series was higher with good spot sales being reported. Whey production is steady to higher as cheese manufacturers are busy with holiday orders. Demand is seasonally good. Stocks are in balance with current domestic needs. Export sales are mostly steady to weak as buyers and sellers finish up yearend negotiations. According to the Foreign Agricultural Service, exports of dried whey for January-August 2013 total 350.4 million pounds, up 5% (18.2 million pounds) from the unadjusted same period a year ago. The exports account for 55.0% of the total dry whey production in the U.S. for January-August 2013. China remains far and away the leading U.S. export destination for whey with 34.6% of the total U.S. whey export market. Chinese imports of U.S. whey this year are currently 68% above year ago amounts.

NONHYGROSCOPIC: .5300 - .5925 MOSTLY: .5400 - .5850

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

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	48.4	+ 33
TOTAL, JAN – AUG	350.4	+ 5
1 China	121.1	+ 68
2 Canada	32.8	N.C.
3 Mexico	27.1	- 36
4 Indonesia	23.3	+ 14
5 Japan	23.1	- 5

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are higher across both price series on a firm market. A few manufacturers indicate as farm milk supplies and components increase seasonally, cheese production is increasing. WPC 34% plant yields are slowly increasing in step with current cheese production. Contracting discussions for 2014 are underway, with quantity commitments being worked through at this time. A few end users were reportedly recently informed their operations would no longer be part of their current WPC 34% supplier's customer base in 2014. This is prompting expedited searches for 2014 WPC 34% contract load availability for these end users. Foreign Agricultural Service reports that August 2013 exports of whey protein concentrate under Schedule B code 0404100500 totaled 24.5 million pounds, a 13% decrease compared to August 2012. Year to date exports total 175.6 million pounds, a 1% increase compared to 2012.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.3500 - 1.7000 MOSTLY:1.5050 - 1.6050

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

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	24.5	- 13
TOTAL, JAN – AUG	175.6	+ 1
1 China	54.7	- 16
2 Mexico	43.5	+ 105
3 Canada	21.4	N.C.
4 Japan	8.7	- 4
5 Taiwan	7.6	+ 280

LACTOSE - CENTRAL AND WEST

Prices for lactose are unchanged on the mostly, while the range tacked on some gains based on contract prices and F.O.B. spot sales. Manufacturers continue to report competition from European lactose sellers into established customer bases in Southeast Asia. A few end users in Asia recently pushed back on Q4 contract loads of 100 – 200 mesh lactose from U.S. producers. However, U.S. lactose manufacturers indicate these unexpected pushbacks freed up mid - high mesh size lactose loads for turnaround into F.O.B. spot sale opportunities. Lactose production is steady to higher as a few plants reengage equipment after regularly scheduled maintenance. Lactose inventories vary by mesh size, with unground lactose reportedly readily available in totes. Higher mesh size lactose inventories are mostly light, with intermittent availability of F.O.B. spot loads. A

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

few manufacturers are 1 – 3 weeks behind on contract fulfillment. Foreign Agricultural Service reports that August 2013 monthly lactose exports under Schedule B code 1702110000, anhydrous, >99% solids, totaled 39.7 million pounds. This is an increase in exports of 19% compared to August of 2012. Cumulative 2013 exports for lactose total 344.3 million pounds, a 42% increase compared to the same time span in 2012.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL.4800 -1.0000 MOSTLY:.5800 - .7200

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

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	39.7	+ 19
TOTAL, JAN – AUG	344.3	+ 42
1 China	64.4	+ 26
2 Mexico	46.0	+ 31
3 New Zealand	45.8	+ 13
4 Japan	23.9	+ 25
5 Brazil	23.1	+ 88

CASEIN - NATIONAL

Rennet and acid casein prices are unchanged for the week. Buyer interest is active, and contract loads are clearing readily. A few F.O.B. spot loads have been available recently, but most sales transactions are contract based at this time. Casein production in New Zealand is steady to higher as farm milk production increases in step with seasonal patterns. European casein manufacturing is declining.

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
10/24/2013	60.8	2,402.2	63.4	2,352.0

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

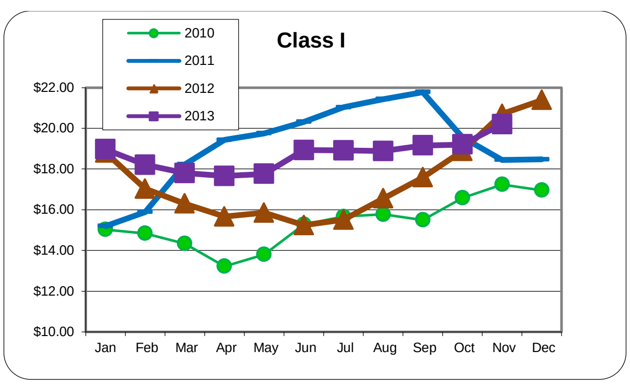
CLASS IV MILK PRICES (3.5% BF)

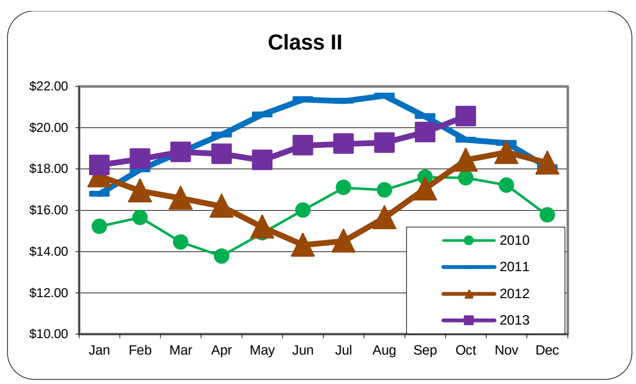
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41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

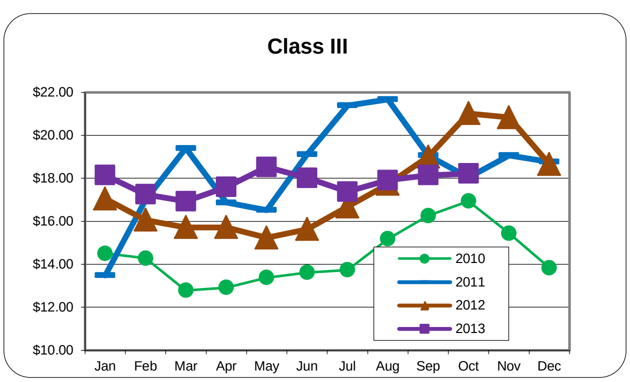
FEDERAL MILK ORDER CLASS PRICES FOR 2013 (3.5%)

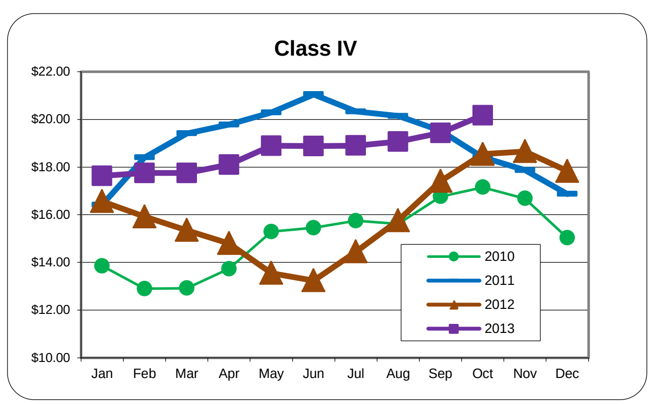
CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.97	18.21	17.80	17.66	17.76	18.93	18.91	18.88	19.16	19.20	20.20	
II	18.19	18.49	18.82	18.73	18.43	19.14	19.22	19.27	19.78	20.56		
III	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22		
IV	17.63	17.75	17.75	18.10	18.89	18.88	18.90	19.07	19.43	20.17		

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 October 21 - November 1, 2013

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales: AMS reports Total Organic Milk Products sales for August 2013, 195 million pounds, were up 4.8% from August last year and 4.7% year-to-date compared with last year through August.

Organic Whole Milk sales for August 2013, 54 million pounds, were up 14.5% compared with August last year and up 11.0% year-to-date compared with last year through August.

Organic Reduced Fat Milk sales for August, 54 million pounds, were 11.2% above sales one year earlier and 12.1% year-to-date compared with last year through August.

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

Product Name	Sales		Change from: 2/	
	August	Y-T-D	Prev Yr.	Y-T-D
	Mil. Lbs.		Percent	
Whole Milk	1,151	8,800	-1.2	-1.6
Flavored Whole Milk	51	361	9.1	9.0
Reduced Fat Milk (2%)	1,524	11,681	-2.4	-1.8
Low Fat Milk (1%)	573	4,582	-4.3	-3.2
Fat-Free Milk (Skim)	557	4,463	-8.8	-8.5
Flavored Fat-Reduced Milk	257	2,338	-1.8	-0.8
Buttermilk	42	322	1.9	3.2
Tot. Conv. Milk Products 5/	4,155	32,547	-3.1	-2.7
Organic Whole Milk	54	399	14.5	11.0
Organic Reduced Fat Milk	54	421	11.2	12.1
Organic Low Fat Milk	38	299	-3.0	-1.7
Organic Fat-Free Milk (Skim)	36	283	-4.8	-3.5
Organic Flavored Milk	12	83	-3.4	-2.6
Organic Fat-Reduced Milk 3/	141	1,090	1.5	2.6
Tot. Organic Milk Products.	195	1,489	4.8	4.7
Tot. Fluid Milk Prod. 4/	4,350	34,036	-2.7	-2.4
Tot Fluid Milk Prod Adj 4/5/	*	*		*
*				

*Total Fluid Milk Products Adjusted for Calendar Composition will not be published until 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 accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; 3/ Total of organic reduced fat, lowfat, skim, flavored, and miscellaneous milk products combined. 4/ Total fluid milk products include the products listed price plus miscellaneous products and eggnog. 5/ Sales volumes and percent changes have been adjusted for calendar composition.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy product ad volume is at the fourth lowest level of the year. Nevertheless, average bi-weekly organic ad volume for the year so far is nearly 20% above last year's average.

Ad volume for organic milk is low as well, also the fourth lowest level of the year. Just as with overall ad volume, average milk ad numbers for this year so far lead last year's average by slightly over 20%.

However, ad numbers for half gallon organic milk are higher than three of the last four reporting periods with survey data. Average bi-weekly ad numbers for the year so far slightly leads last year.

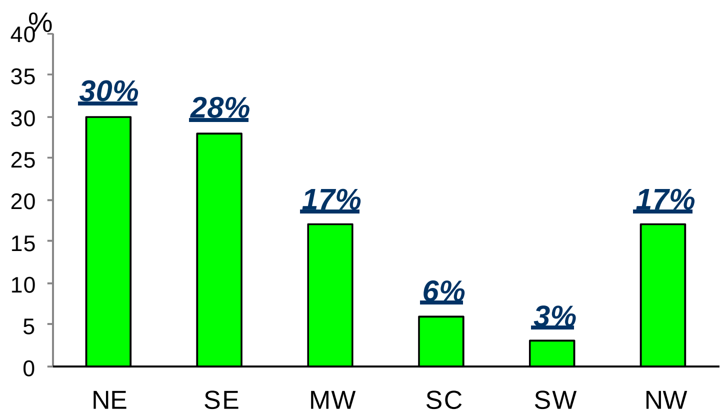
Organic milk ads total 59% of all organic dairy ads, followed by organic yogurt ads at 36%, and organic butter, 5%.

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period October 21, 2013, to November 1, 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 Northeast with 30% of ads; the Southeast, 28%; the Midwest and Northwest ties with 17%; the South Central, 6% and Southwest, 3%.

Organic Dairy Ads Regionally As A
Percentage of Surveyed Organic Dairy Ads
Week 44, 2013



Organic Milk. Ad volume for organic milk half gallons was 65% of all organic milk ads. Gallon ads were second, with 23% and 8 ounce containers third with 12%.

Organic Milk Half Gallons. The weighted average advertised price of organic milk half gallons is $3.73, up 26 cents from the last reported period prior to the Federal government shut down. The price range is unchanged at the bottom, $2.99, but up $1.49 at the top to $4.99. One year ago the national average price was $3.48.

Organic - Conventional Milk Half Gallon Price Spread. The weighted average advertised organic half-gallon milk price is $3.73 and the conventional half gallon price is $1.65. This results in an organic-conventional half gallon price spread of $2.08. One year ago the price spread was $1.27. The greater price spread this year is caused by organic prices being 29 cents higher this year, while conventional prices are $1.30 lower.

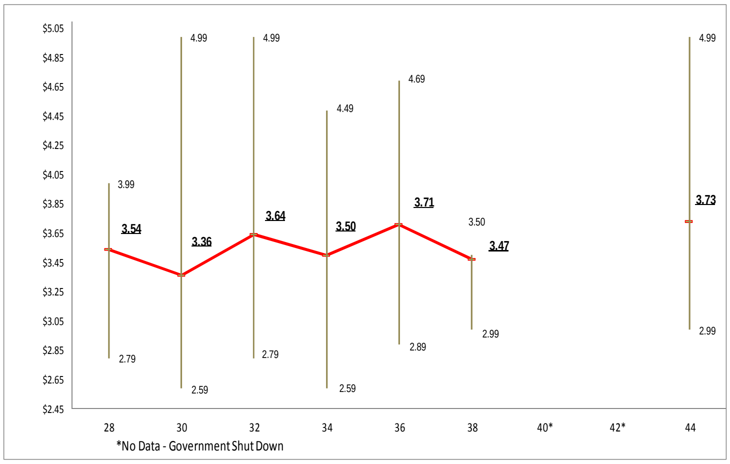
CONTINUED ON PAGE 8-A

ORGANIC DAIRY MARKET NEWS

Information gathered October 21 - November 1, 2013

CONTINUED FROM PAGE 8

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



Organic Milk Gallons. The national weighted average advertised price for organic gallons is $5.00, down from $5.91 the last reported period prior to the Federal government shut down.

Organic Yogurt. Organic yogurt ad numbers are above average for the year and higher than the last three reported periods. Ads for 4-6 ounce organic Greek yogurt comprise 63% of all organic yogurt ads.

This is followed by ads for 32 ounce organic yogurt, 23%, and ads for 4-6 oz. yogurt and 32 oz. Greek yogurt tied at 7%.
Most organic yogurt ads are in the Northeast, 39%, with the Southeast and Midwest tied at 23% each.

The weighted average advertised price for 4-6 ounce organic Greek yogurt is $1.05, down 20 cents from last year. The weighted average advertised price for 4-6 ounce organic yogurt is $.66, up 1 cent from last year. 32 ounce organic Greek yogurt has an average price of $5.00.

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 10/21/2013 - 11/01/2013

ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE
2013 REPORTING WEEK 44

	MADISON, WISCONSIN LOW (in Dollars)	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	4.09	4.89	0.80
Reduced fat (2%)	4.09	4.89	0.80
Low fat (1%)	4.09	4.89	0.80
Nonfat (Skim)	4.09	4.89	0.80
FLAVMILK - half gallon			
All fat tests	3.09	5.69	2.60
YOGURT			
Yogurt - 4-6 oz			
Yogurt	0.69	1.29	0.60
CHEESE			
Cheese - 8 oz block			
Mozzarella	4.10	5.99	1.89
Mild Cheddar	4.10	5.39	1.29
Monterey Jack	3.29	5.39	2.10
Pepper Jack	3.49	5.99	2.50
Cheese - 6 oz string			
Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	5.69	1.80
BUTTER			
Butter - 1 Pound	4.99	6.39	1.40

ORGANIC GRAIN AND FEEDSTUFF MARKETS: Compared with the last reported prices national organic grain and feedstuff prices were mixed. Market activity was more active as we move further into the harvest season for corn and soybeans. Demand for feed grade corn and soybeans remained good. Crop conditions were better than expected overall despite limited moisture during the growing season.

Additional livestock and grain market news information is available at: www.ams.usda.gov/LSMarketNews

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

COMMODITY	REPORT NUMBER 40 OCT 01 - 04	REPORT NUMBER 41 OCT 07 - 11	REPORT NUMBER 42 OCT 14 - 18	REPORT NUMBER 43 OCT 21 - 25	REPORT NUMBER 44 OCT 28 - 31	2013 Average or Total	2012 Average or Total
CHEESE							
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	NO	NO	NO	1.9750 - 2.6800	1.8975 - 2.2575	NO	2.5617
-- Brick And/Or Muenster 5#	WEEKLY	WEEKLY	WEEKLY	2.2150 - 2.6625	2.2375 - 2.6625	OCTOBER	2.7376
-- Cheddar 40# Block	DATA	DATA	DATA	2.2150 - 3.0875	1.9425 - 2.3600	2013	2.9501
-- Monterey Jack 10#	2/	2/	2/	2.1850 - 3.0925	2.2125 - 2.4175	AVERAGES	2.9351
-- Blue 5#				2.4775 - 3.4650	2.5050 - 3.4925	2/	3.2151
-- Mozzarella 5 - 6#				2.0575 - 3.1925	2.0825 - 2.9775		2.9226
-- Grade A Swiss Cuts 6 - 9#				2.8900 - 3.0075	2.8900 - 3.0075		3.0365
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 40# Block				2.2300 - 2.5150	2.2575 - 2.5425		2.6126
-- Process 5# Sliced				1.9975 - 2.4775	2.0200 - 2.5000		2.2967
-- Muenster				2.2500 - 2.6100	2.2775 - 2.6375		2.6701
-- Grade A Swiss Cuts 10 - 14#				3.3725 - 3.6950	3.3725 - 3.6950		3.6190
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf				1.9050 - 2.1625	1.9275 - 2.1850		2.2714
-- Cheddar 40# Block				1.9500 - 2.3025	1.9775 - 2.3300		2.3705
-- Cheddar 10# Cuts				2.1300 - 2.3500	2.1575 - 2.3775		2.4842
-- Monterey Jack 10#				2.1400 - 2.3000	2.1675 - 2.3275		2.4642
-- Grade A Swiss Cuts 6 - 9#				2.9500 - 3.3800	2.9500 - 3.3800		3.2502
FLUID PRODUCTS							
SPOT PRICES OF CLASS II CREAM ($ per lb. butterfat)							
-- Northeast - f.o.b				2.0446 - 2.1657	1.9578 - 2.0902		2.4441
-- Upper Midwest - f.o.b				1.9689 - 2.0597	1.8842 - 1.9872		2.4185
PRICES OF CONDENSED SKIM - NORTHEAST ($ per lb. wet solids) - f.o.b.							
-- Class II				1.85 - 1.90	1.88 - 1.93		1.4620
-- Class III				1.63 - 1.68	1.63 - 1.68		1.5268

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

COMMODITY	REPORT NUMBER 40 OCT 01 - 04	REPORT NUMBER 41 OCT 07 - 11	REPORT NUMBER 42 OCT 14 - 18	REPORT NUMBER 43 OCT 21 - 25	REPORT NUMBER 44 OCT 28 - 31	2013 Average or Total	2012 Average or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	NO	NO	NO	1.8100 - 1.9500	1.8400 - 1.9500	NO	1.5555
-- Mostly	WEEKLY	WEEKLY	WEEKLY	1.8500 - 1.9000	1.8750 - 1.9300	OCTOBER	1.5411
-- High Heat	DATA	DATA	DATA	1.9475 - 1.9800	1.9300 - 1.9825	2013	1.6355
-- West (f.o.b)							
-- Low/Medium Heat	2/	2/	2/	1.8000 - 1.8900	1.8000 - 1.9400	AVERAGES	1.4973
-- Mostly				1.8450 - 1.8700	1.8600 - 1.9000	2/	1.4957
-- High Heat				1.8400 - 1.9800	1.9100 - 1.9800		1.5500
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)				0.4700 - 0.6300	0.4700 - 0.6200		0.6003
-- Mostly				0.5200 - 0.5600	0.5200 - 0.5600		0.5963
-- West (f.o.b.)				0.5300 - 0.6000	0.5300 - 0.5925		0.6134
-- Mostly				0.5300 - 0.5825	0.5400 - 0.5850		0.6139
-- Northeast (f.o.b.)				0.5000 - 0.6200	0.5300 - 0.6200		0.6436
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein				1.3000 - 1.6400	1.3500 - 1.7000		1.2559
-- Mostly				1.4850 - 1.5850	1.5050 - 1.6050		1.2283
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer				0.4050 - 0.5000	0.3600 - 0.5200		0.5107
BUTTERMILK (Min. 30% protein)							
-- Central And East (f.o.b.)				1.6800 - 1.8200	1.6800 - 1.7900		1.5532
-- West (f.o.b.)				1.6200 - 1.7700	1.6800 - 1.7800		1.4695
-- Mostly				1.7200 - 1.7400	1.7300 - 1.7500		1.4495
WHOLE MILK POWDER							
-- National (f.o.b.)				1.8400 - 2.0500	1.9000 - 2.1100		1.7323
LACTOSE							
-- Central And West (f.o.b.)				0.4000 - 0.7400	0.4800 - 1.0000		0.7807
-- Mostly				0.5800 - 0.7200	0.5800 - 0.7200		0.7850
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet				4.7000 - 5.0000	4.7000 - 5.0000		4.0500
-- Nonrestricted - Acid				4.8000 - 5.4000	4.8000 - 5.4000		4.5886

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.** 2/ USDA Dairy Market News resumed operations on Thursday, October 17, 2013. Until that date, no prices were collected or released after the October 1st government shutdown.

CME GROUP AVERAGES FOR OCTOBER 2013

COMMODITY	REPORT NUMBER 40 OCT 1 - 4	REPORT NUMBER 41 OCT 7 - 11	REPORT NUMBER 42 OCT 14 - 18	REPORT NUMBER 43 OCT 21 – 25	REPORT NUMBER 44 OCT 28 - 31	2013 * Monthly Average	2012 * Monthly Average
BUTTER*							
-- GRADE AA							
--Monday		1.6150	1.5425	1.4650	1.4750		
--Tuesday	1.6100	1.5700	1.5275	1.4700	1.4750		
--Wednesday	1.6100	1.5300	1.5200	1.4750	1.5000		
--Thursday	1.6100	1.5300	1.5000	1.4750	1.5000		
--Friday	1.6150	1.5425	1.4825	1.4750		1.5267	1.9086
--Weekly Average**	1.6110	1.5575	1.5145	1.4720			
CHEESE*							
-- BARRELS							
--Monday		1.7225	1.7800	1.7600	1.8200		
--Tuesday	1.7150	1.7225	1.7800	1.7925	1.8200		
--Wednesday	1.7075	1.7400	1.7775	1.8000	1.8200		
--Thursday	1.7200	1.7525	1.7650	1.8000	1.8500		
--Friday	1.7500	1.7650	1.7625	1.8200		1.7714	2.0240
--Weekly Average**	1.7215	1.7405	1.7730	1.7945			
-- 40# BLOCKS							
--Monday		1.7600	1.8150	1.8575	1.8750		
--Tuesday	1.7650	1.7600	1.8250	1.8575	1.8750		
--Wednesday	1.7650	1.7725	1.8350	1.8575	1.8750		
--Thursday	1.7650	1.7825	1.8475	1.8650	1.8900		
--Friday	1.7650	1.8000	1.8575	1.8750		1.8236	2.0757
--Weekly Average**	1.7650	1.7750	1.8360	1.8625			
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday		1.7800	1.8000	1.8200	1.8500		
--Tuesday	1.7800	1.7800	1.8000	1.8200	1.8500		
--Wednesday	1.7800	1.7800	1.8000	1.8200	1.8500		
--Thursday	1.7800	1.8000	1.8000	1.8200	1.8500		
--Friday	1.7800	1.8000	1.8200	1.8500		1.8091	1.6024
--Weekly Average**	1.7800	1.7880	1.8040	1.8260			
-- GRADE A							
--Monday		1.8450	1.8450	1.8600	1.9000		
--Tuesday	1.8300	1.8450	1.8450	1.8600	1.9000		
--Wednesday	1.8350	1.8450	1.8500	1.8600	1.9000		
--Thursday	1.8375	1.8450	1.8525	1.8675	1.9100		
--Friday	1.8450	1.8450	1.8600	1.9000		1.8601	1.6030
--Weekly Average**	1.8355	1.8450	1.8505	1.8695			

* 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 MILK SALES

During August, 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.7 percent lower than August 2012. Estimated sales of total conventional fluid milk products decreased 3.1 percent from August 2012 and estimated sales of total organic fluid milk products increased 4.8 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, AUGUST 2013, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	August	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Whole Milk	1,151	8,800	-1.2	-1.6
Flavored Whole Milk	51	361	9.1	9.0
Reduced Fat Milk (2%)	1,524	11,681	-2.4	-1.8
Low Fat Milk (1%)	573	4,582	-4.3	-3.2
Fat-Free Milk (Skim)	557	4,463	-8.8	-8.5
Flavored Fat-Reduced Milk	257	2,338	-1.8	-0.8
Buttermilk	42	322	1.9	3.2
Total Conventional Milk Products 5/	4,155	32,547	-3.1	-2.7
Organic Whole Milk	54	399	14.5	11.0
Organic Reduced Fat Milk	54	421	11.2	12.1
Organic Low Fat Milk	38	299	-3.0	-1.7
Organic Fat-Free Milk (Skim)	36	283	-4.8	-3.5
Organic Flavored Milk	12	83	-3.4	-2.6
Organic Fat-Reduced Milk 3/	141	1,090	1.5	2.6
Total Organic Milk Products	195	1,489	4.8	4.7
Total Fluid Milk Products 4/	4,350	34,036	-2.7	-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, AUGUST 2013, WITH COMPARISONS 1/

Marketing Area	Order Number	Sales		Change from: 2/	
		August	Year to Date	Previous Year	Year to Date
		Million Pounds		Percent	
Northeast	001	736	5,834	-0.6	-1.8
Appalachian	005	287	2,239	-5.3	-3.6
Florida	006	233	1,859	-2.8	-2.4
Southeast	007	404	3,066	-3.5	-2.9
Upper Midwest	030	333	2.631	-5.0	-3.4
Central	032	378	2,915	-4.0	-2.2
Mideast	033	467	3,722	-5.7	-3.6
Pacific Northwest	124	178	1,380	-1.3	-4.3
Southwest	126	375	2,928	-0.3	LT
Arizona	131	97	742	-1.3	-3.1
California	---	518	4,020	-0.8	-1.5

(LT) less than .05 percent.

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, August 2013*.

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

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

All stocks in thousand pounds except where otherwise indicated

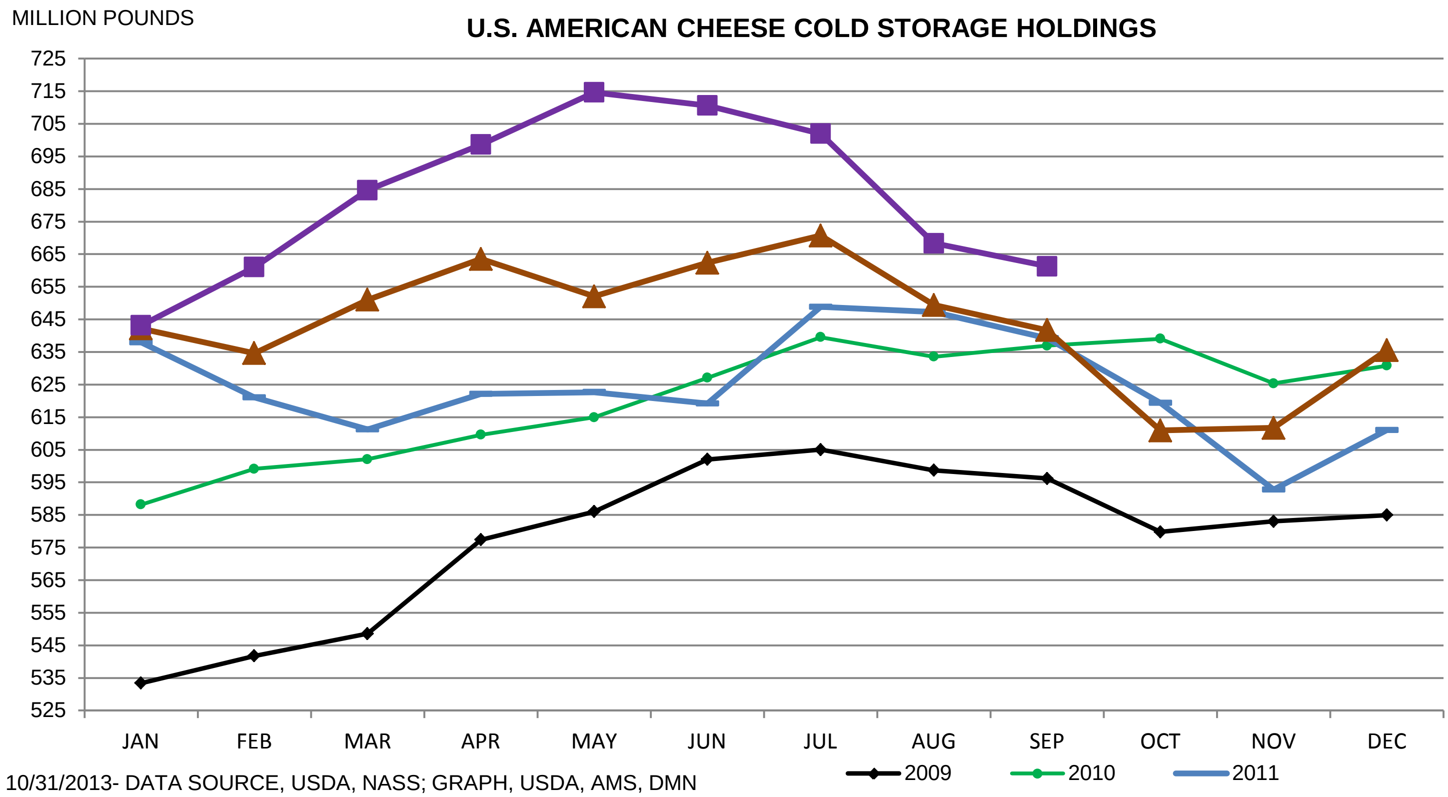
U.S. HOLDINGS OF DAIRY PRODUCTS

COMMODITY	AUG 31, 2011	AUG 31, 2012	REVISED AUG 31, 2013	SEPT 30, 2011	SEPT 30, 2012	SEPT 30, 2013
Butter	165,698	201,135	263,928	150,979	195,819	233,254
Cheese, Natural American	647,268	649,397	668,361	639,175	641,685	661,266
Cheese, Swiss	33,577	28,792	32,006	31,304	28,933	29,881
Cheese, Other Natural	384,518	371,295	399,984	375,535	369,388	380,575
Total Cheese	1,065,363	1,049,484	1,100,351	1,046,014	1,040,006	1,071,722

SEPTEMBER STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
New England	40,642	36,826	48,700	---	---	---	1,043	807	909
Middle Atlantic	51,914	43,601	58,940	---	---	---	23,002	18,957	18,027
East North Central	264,921	282,121	264,414	---	---	---	265,642	267,961	272,532
West North Central	112,183	103,430	95,027	---	---	---	47,186	32,860	39,971
South Atlantic	78	572	639	---	---	---	5,994	5,313	5,039
East South Central	1,467	9,131	4,850	---	---	---	257	12,291	9,304
West South Central	3,398	15,336	9,625	---	---	---	1,270	449	612
Mountain	60,592	48,845	63,115	---	---	---	6,228	6,540	3,510
Pacific	103,980	101,823	115,956	---	---	---	24,913	24,210	30,671
TOTAL	639,175	641,685	661,266	150,979	195,819	233,254	375,535	369,388	380,575

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



10/31/2013- DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2012 TO DATE

Month	Butter		Natural American Cheese		Nonfat Dry Milk					
	Commercial		Commercial		Total [1/]		Commercial		Government	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Million Pounds		Million Pounds		Million Pounds					
January	207	170	643	642	198	157	198	157	0	0
February	238	205	661	635	226	193	226	193	0	0
March	255	208	685	651	232	210	232	210	0	0
April	310	254	699	664	208	226	208	226	0	0
May	322	262	715	652	230	215	230	215	0	0
June	319	243	711	662	230	144	230	144	0	0
July	296	234	702	671	206	129	206	129	0	0
August	264	201	668	649	194	106	194	106	0	0
September	233	196	661	642		118		118		0
October		145		611		104		104		0
November		127		612		127		127		0
December		153		636		183		183		0

[1/] Includes instant nonfat dry milk.

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

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, OCTOBER

Component Price Information: Under the Federal milk order pricing system, the butterfat price for October 2013 is $1.6638 per pound. Thus, the Class II butterfat price is $1.6708. The protein and other solids prices for October are $3.4107 and $0.3852 per pound, respectively. These component prices set the Class III skim milk price at $12.85 per cwt. The October Class IV skim milk price is $14.87, which is derived from the nonfat solids price of $1.6521 per pound. **Product Price Averages:** The product price averages for October are: butter $1.5454, nonfat dry milk $1.8366, cheese $1.8025, and dry whey $0.5731.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT [1/] [2/]

FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	OCTOBER 2013				NOVEMBER 2013
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) [4/]	001	22.45	20.56	18.22	20.17	23.45
Appalachian (Charlotte) [5/] [6/]	005	22.60	20.56	18.22	20.17	23.60
Florida (Tampa) [6/] [7/]	006	24.60	20.56	18.22	20.17	25.60
Southeast (Atlanta) [6/] [8/]	007	23.00	20.56	18.22	20.17	24.00
Upper Midwest (Chicago) [9/]	030	21.00	20.56	18.22	20.17	22.00
Central (Kansas City) [10/]	032	21.20	20.56	18.22	20.17	22.20
Mideast (Cleveland) [11/]	033	21.20	20.56	18.22	20.17	22.20
Pacific Northwest (Seattle) [12/]	124	21.20	20.56	18.22	20.17	22.10
Southwest (Dallas) [13/]	126	22.20	20.56	18.22	20.17	23.20
Arizona (Phoenix)	131	21.55	20.56	18.22	20.17	22.55
All-Market Average	---	22.09	20.56	18.22	20.17	23.09

[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 markets.
[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: Orlando, same; Miami, plus $0.60; and Jacksonville, minus $0.40.
[8/] Class I prices at other cities are: New Orleans, same; Memphis, minus $0.90; Nashville, minus $0.90; and Springfield, MO, minus $1.40.
[9/] Class I prices at other cities are: Milwaukee, minus $0.05; and Minneapolis, minus $0.10.
[10/] 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.
[11/] Class I prices at other cities are: Indianapolis, same; Cincinnati, plus $0.20; Pittsburgh, plus $0.10; and Detroit, minus $0.20.
[12/] Class I prices at other cities are: Portland, same; and Spokane, same.
[13/] 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.

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

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI [2/]	Pct. Chg.[3/]	CPI [2/]	Pct. Chg.[3/]	CPI [2/]	Pct. Chg.[3/]	CPI [2/]	Pct. Chg.[3/]	CPI [2/]	Pct. Chg.[3/]	CPI [2/]	Pct. Chg.[3/]
JUL 2013	237.0	1.4	215.9	0.7	214.0	3.4	220.7	1.2	198.8	3.1	235.9	2.0
AUG 2013	237.4	1.4	216.8	1.0	213.3	1.8	222.2	1.3	199.7	3.9	237.5	2.2
SEP 2013	237.5	1.4	217.0	0.8	212.9	2.2	221.9	0.8	198.5	0.3	238.4	2.9

U.S. City Average Retail Prices

Month	Whole Milk [4/]		Butter [5/]		Process Cheese [6/]		Natural Cheese [7/]		Ice Cream [8/]	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Dollars									
JUL	3.449	3.428	N/A	N/A	4.092	4.052	5.434	5.457	4.840	4.929
AUG	3.448	3.474	N/A	N/A	4.135	4.085	5.465	5.493	5.034	4.846
SEP	3.428	3.469	N/A	N/A	4.137	4.127	5.433	5.575	4.795	4.893

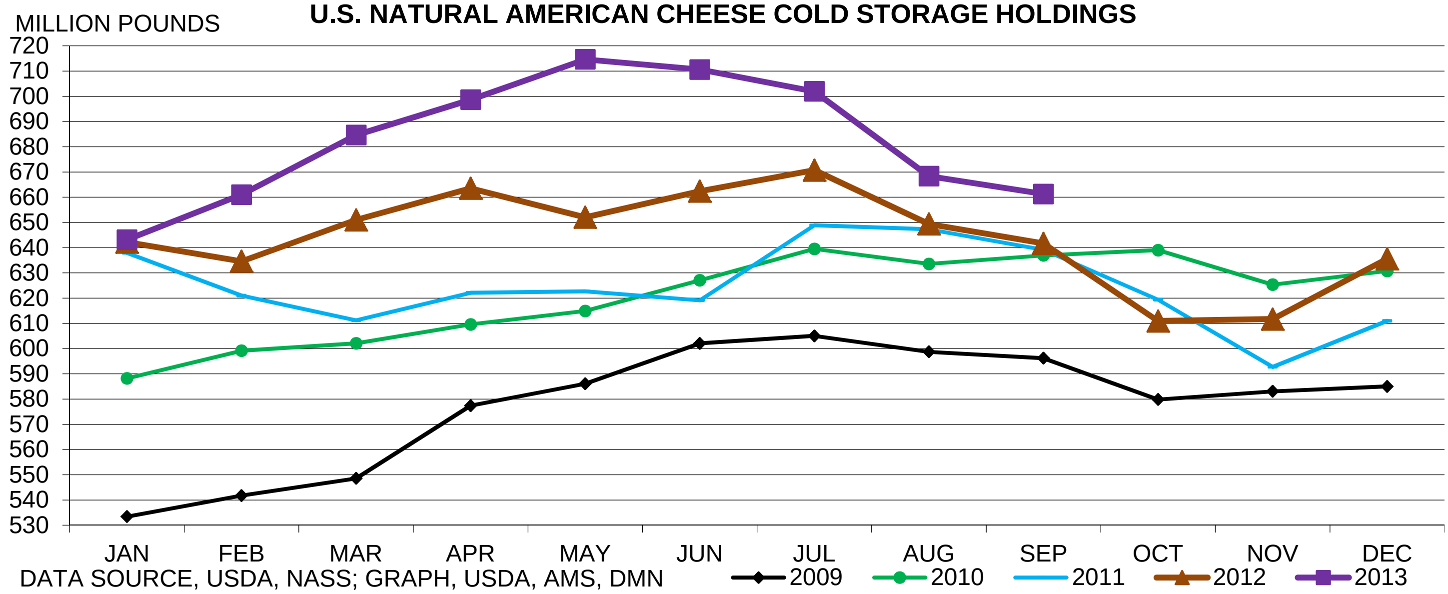
N/A = Not available. [1/] "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. [2/] The standard reference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

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS – MAY-JULY 2012-2013 AND YEAR-TO-DATE 2012-2013 1/

Item	May-Jul. 2012	Percent change [2/]	May-Jul. 2013	Percent change [2/]	Jan.-Jul. 2012	Percent change [2/]	Jan.-Jul. 2013	Percent change [2/]
	Million Pounds							
MILK								
Production	50,878	1.2	51,478	1.2	119,145	2.8	119,211	0.5
Marketings	50,629	1.2	51,229	1.2	118,569	2.8	118,637	0.5
Beginning Commercial Stocks [3/]	14,980	22.9	16,456	9.9	10,983	0.5	12,275	11.8
Imports [3/]	773	26.8	740	-4.3	1,791	13.9	1,806	1.3
Total Supply [4/]	66,382	5.6	68,425	3.1	131,343	2.4	132,718	1.8
Ending Commercial Stocks [3/]	14,733	8.1	16,367	11.1	14,733	8.1	16,367	11.1
Net Removals [3/]	0	0.0	0	0.0	0	0.0	0	0.0
Commercial Disappearance [4/]	51,649	4.9	52,058	0.8	116,610	2.1	116,351	0.2
SELECTED PRODUCTS [5/]								
Butter	462.2	19.0	457.7	-1.0	1,020.6	4.4	1,021.1	0.5
American Cheese	1,079.2	0.0	1,111.1	3.0	2,486.9	-0.5	2,538.9	2.6
Other Cheese	1,670.8	3.2	1,710.1	2.4	3,893.3	2.4	3,960.6	2.2
Nonfat Dry Milk	600.5	57.7	398.7	-33.6	1,242.3	42.8	965.0	-22.0
Fluid Milk Products [6/]	12,612.3	-0.2	12,073.2	-4.3	30,430.1	-1.1	29,896.9	-2.2

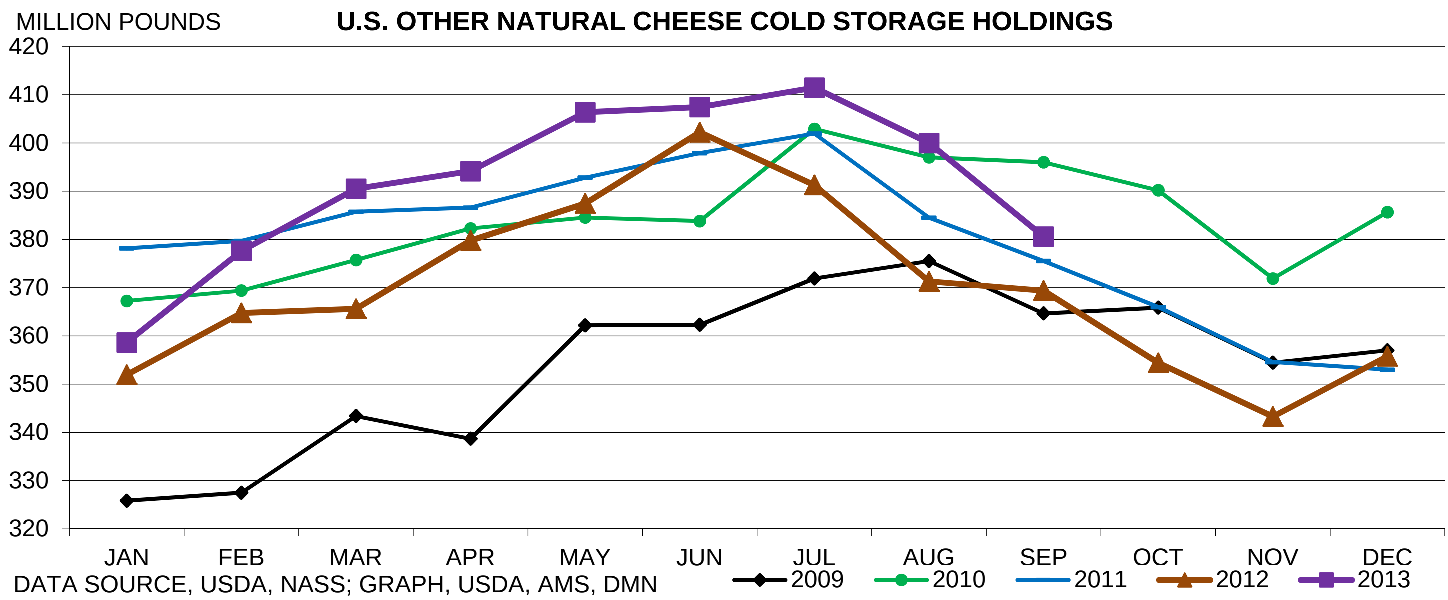
[1/] Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. [2/] From year earlier on a daily average basis. [3/] Milk-equivalent, milkfat basis. [4/] Totals may not add because of rounding. [5/] Commercial disappearance in product pounds. [6/] Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition.
Source: U.S. Department of Agriculture. Economic Research Service. Agricultural Marketing Service. *Fluid Milk Products.*

U.S. NATURAL AMERICAN CHEESE COLD STORAGE HOLDINGS



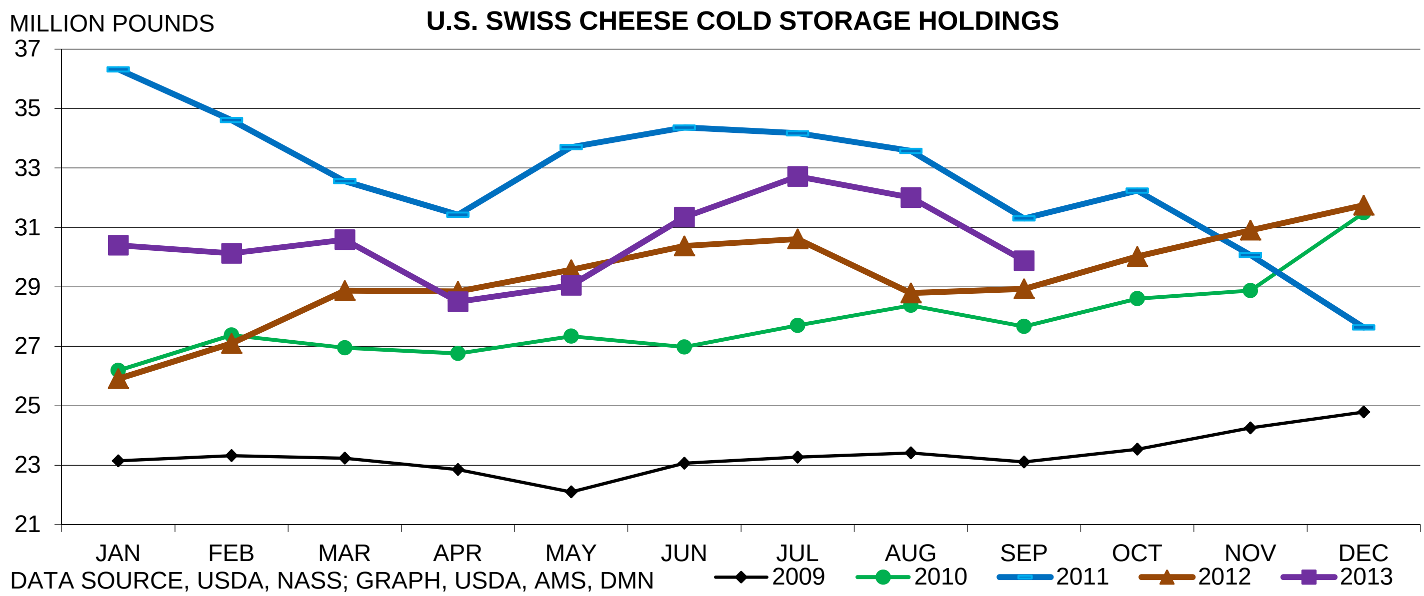
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

U.S. OTHER NATURAL CHEESE COLD STORAGE HOLDINGS

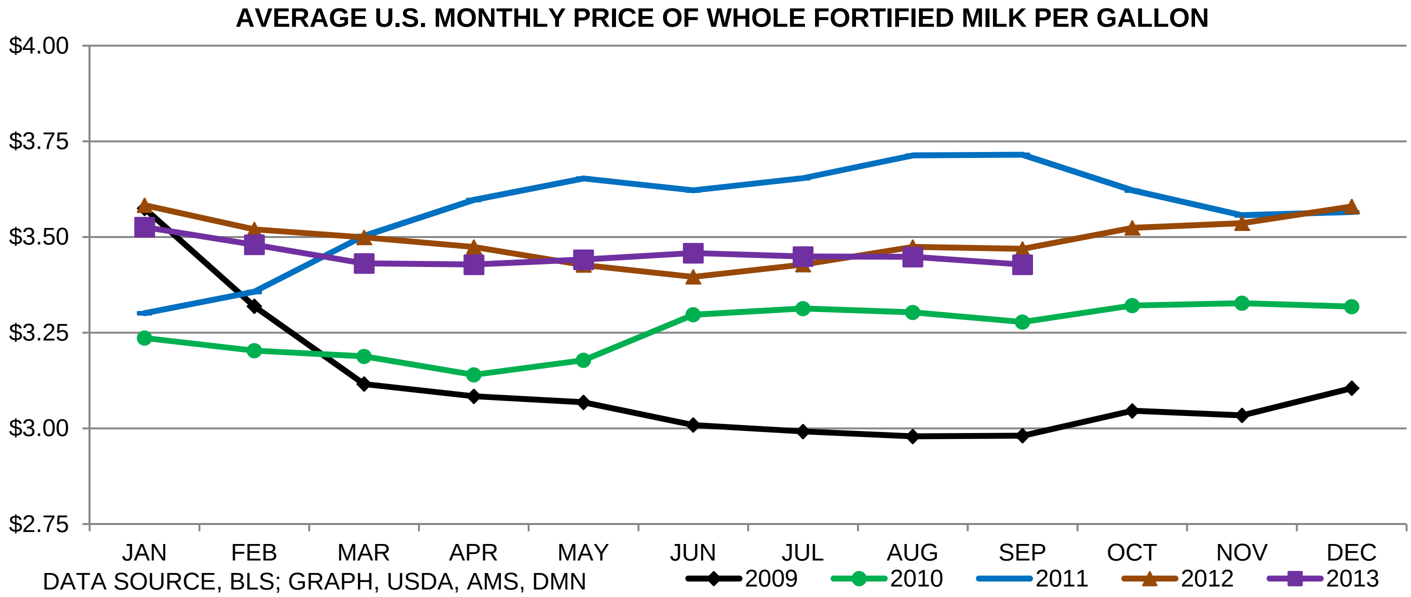


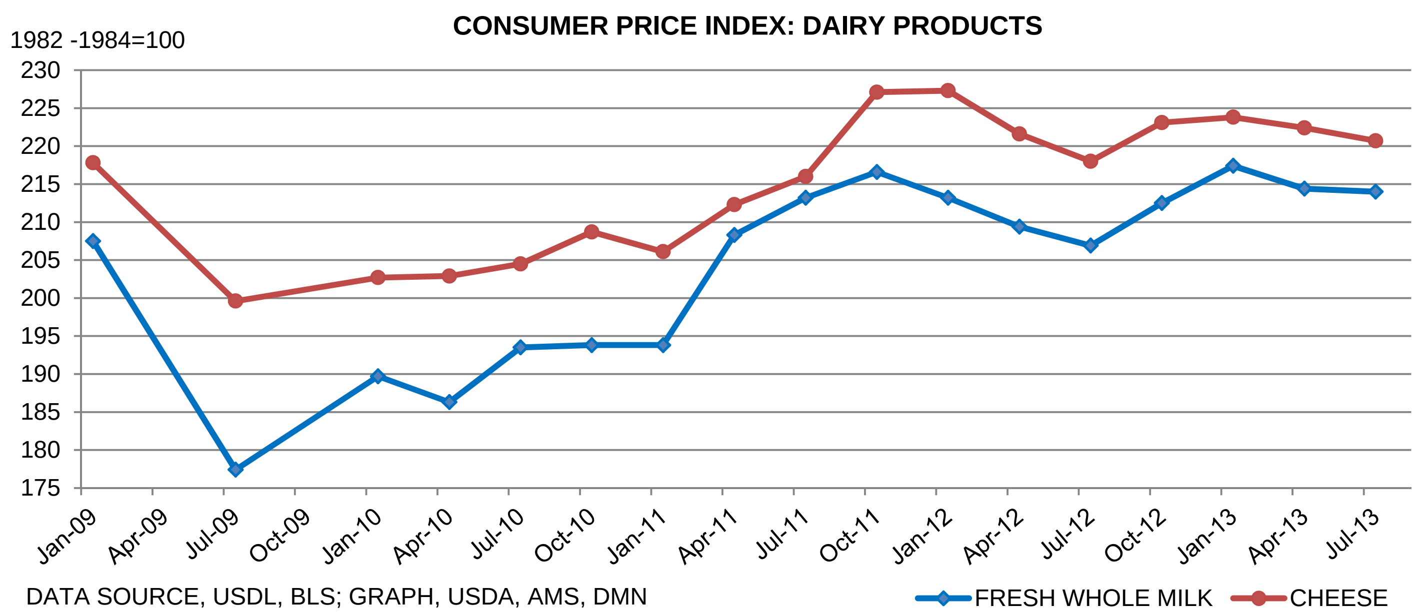
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

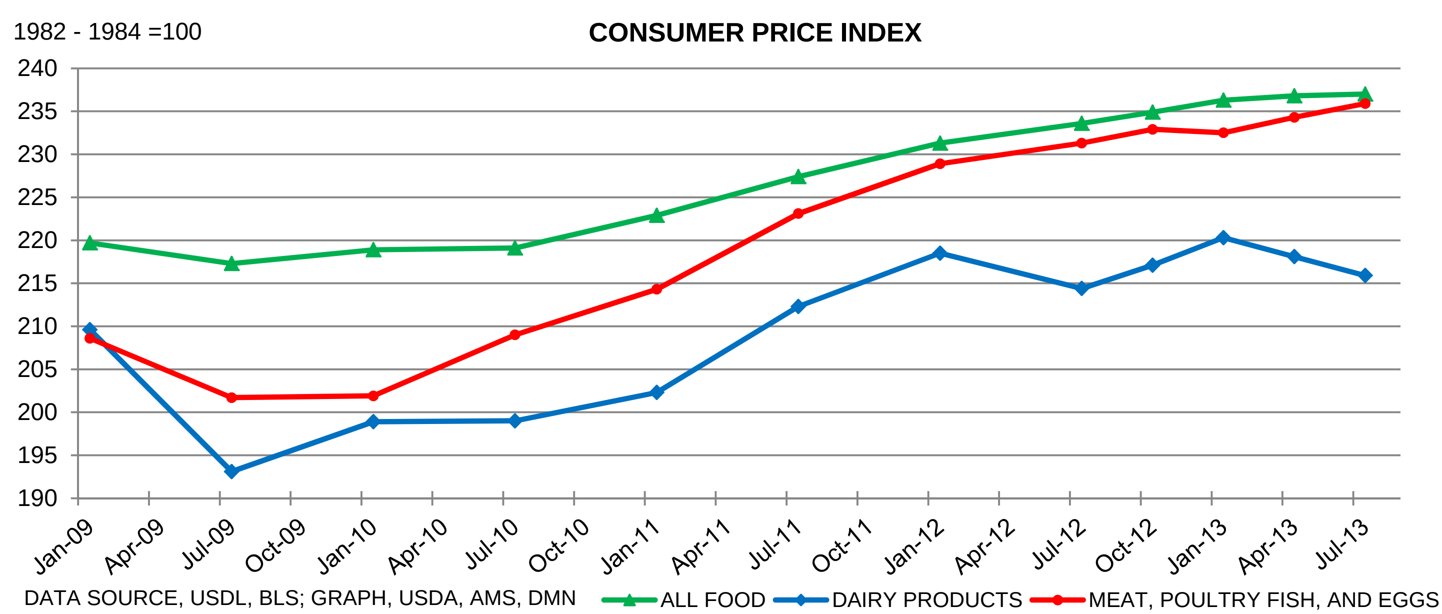
U.S. SWISS CHEESE COLD STORAGE HOLDINGS



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


AVERAGE U.S. MONTHLY PRICE OF WHOLE FORTIFIED MILK PER GALLON
$4.00
$3.75
$3.50
$3.25
$3.00
$2.75
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
DATA SOURCE, BLS; GRAPH, USDA, AMS, DMN
2009 2010 2011 2012 2013


CONSUMER PRICE INDEX: DAIRY PRODUCTS
1982 -1984=100
230 225 220 215 210 205 200 195 190 185 180 175
Jan-09 Apr-09 Jul-09 Oct-09 Jan-10 Apr-10 Jul-10 Oct-10 Jan-11 Apr-11 Jul-11 Oct-11 Jan-12 Apr-12 Jul-12 Oct-12 Jan-13 Apr-13 Jul-13
DATA SOURCE, USDL, BLS; GRAPH, USDA, AMS, DMN
FRESH WHOLE MILK
CHEESE


CONSUMER PRICE INDEX
1982 - 1984 =100
240 235 230 225 220 215 210 205 200 195 190
Jan-09 Apr-09 Jul-09 Oct-09 Jan-10 Apr-10 Jul-10 Oct-10 Jan-11 Apr-11 Jul-11 Oct-11 Jan-12 Apr-12 Jul-12 Oct-12 Jan-13 Apr-13 Jul-13
DATA SOURCE, USDL, BLS; GRAPH, USDA, AMS, DMN
ALL FOOD
DAIRY PRODUCTS
MEAT, POULTRY FISH, AND EGGS

Agricultural Marketing Service

Dairy Market News Branch

National Dairy Retail Report

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

Volume 80- Number 44 Issued Biweekly Thursday, October 31, 2013

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 10/21 to 11/01

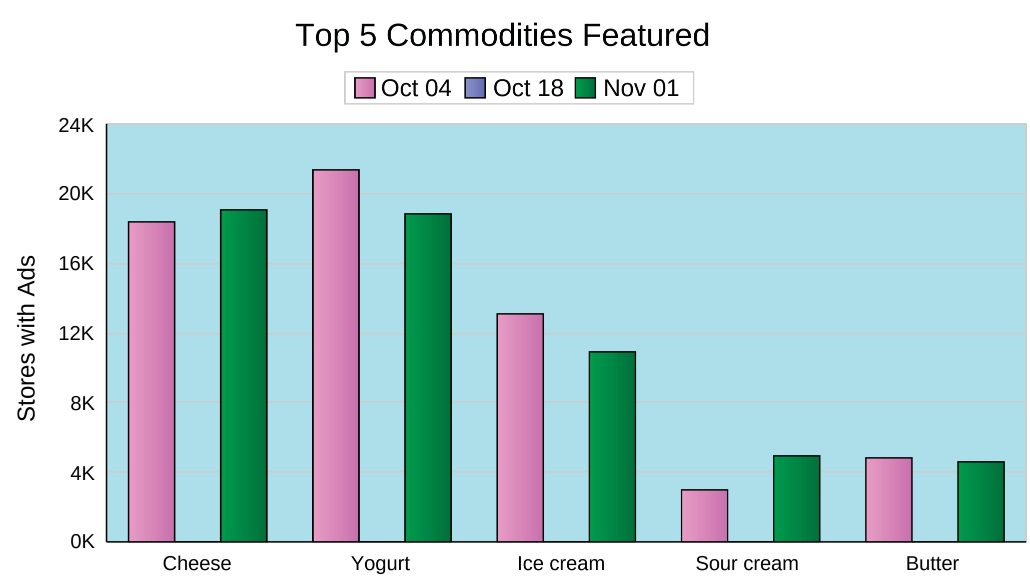
Ads for 8 oz. shredded are the largest of the 5 types of cheese advertised, with 41% of cheese ads. The national weighted average advertised price is $2.28, up 9 cents from last year. 8-ounce blocks, at $2.43, are 1 cent lower than last year

Yogurt ads are the largest product category advertised this period. Greek yogurt in 4-6 ounce packages has more ads than all other categories of yogurt combined. The 4-6 oz. Greek yogurt weighted average advertised price, $.99, is 1 cent higher than last year. Regular yogurt in 4-6 ounce packs, approximately one half the number of ads as 4-6 oz. Greek yogurt, has an average price of $.52, 2 cents above last year.

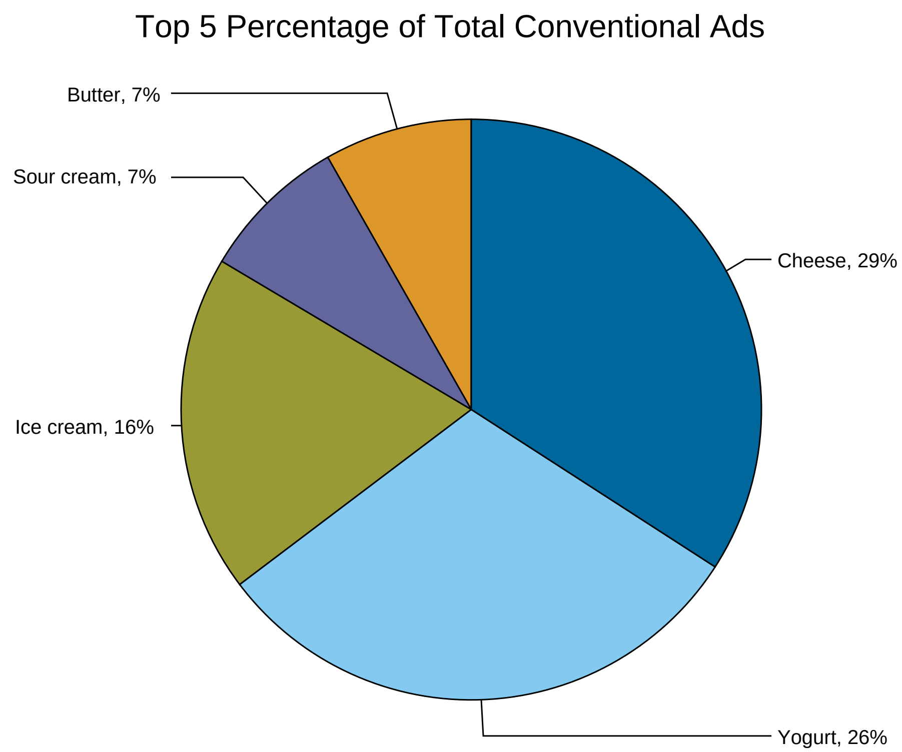
Butter ad numbers are up from a year ago. The current average price, $2.74, is 2 cents above last year.

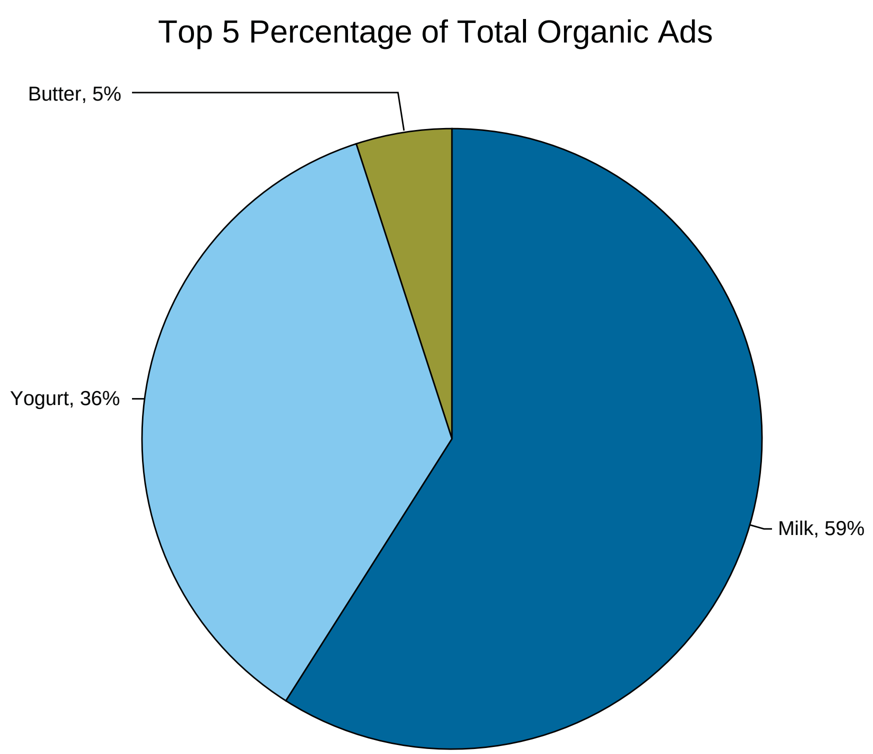
Ice cream features remain strong relative to ad numbers for other dairy products this period, but are about two thirds the number as last year. The current average price for 48-64 oz. containers, $3.13, is 4 cents below last year.

The national weighted average conventional milk price for half gallons is $1.65 and for organic half-gallon milk, at $3.73. The organic-conventional half-gallon price spread is $2.08, compared with $1.79 in September, the last bi-weekly period data was collected due to the intervening federal government furlough.



1 -- Dairy Market News surveys nearly100 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.





Wtd Avg - Simple weighted average

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 #	4410	2.74			3426	2.72
Cheese	Natural Varieties	8 oz block	7726	2.43			8350	2.44
Cheese	Natural Varieties	1 # block	744	3.27			2302	3.69
Cheese	Natural Varieties	2 # block	2350	6.29			2231	5.62
Cheese	Natural Varieties	8 oz shred	7925	2.28			9356	2.19
Cheese	Natural Varieties	1 # shred	352	3.05			1658	3.28
Cottage cheese		16 oz	2843	2.30			3872	2.08
Cream cheese		8 oz	3554	1.54			5361	1.76
Egg nog		quart	50	2.50				
Flavored milk	All fat tests	half gallon	1136	2.02			3534	2.29
Flavored milk	All fat tests	gallon	580	3.93			3947	3.74
Ice cream		48-64oz	10899	3.13			16465	3.17
Milk	All fat tests	half gallon	259	1.65			1490	2.21
Milk	All fat tests	gallon	508	3.01			1549	3.01
Sour cream		16 oz	4916	1.39			8853	1.61
Yogurt	Greek	4-6 oz	10003	.99			11447	.98
Yogurt	Greek	32 oz	887	3.14			296	4.16
Yogurt	Yogurt	4-6 oz	5300	.52			4486	.50
Yogurt	Yogurt	32 oz	1041	2.48			763	2.35

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-3.69	777	2.66	2.28-3.00	1078	2.84	2.50	170	2.50
Cheese	Natural Varieties	8 oz block	1.79-2.99	2673	2.54	1.88-2.99	1364	2.13	1.34-2.99	1147	2.14
Cheese	Natural Varieties	1 # block	1.98-4.29	472	3.43	3.34	70	3.34			
Cheese	Natural Varieties	2 # block	2.50	112	2.50	7.99	105	7.99	5.00	85	5.00
Cheese	Natural Varieties	8 oz shred	1.99-3.49	2318	2.57	1.88-3.00	1982	2.16	1.66-2.50	1398	1.96
Cheese	Natural Varieties	1 # shred	1.98-3.98	282	2.98	3.34	70	3.34			
Cottage cheese		16 oz	1.00-2.99	1043	2.21	2.39-2.99	1317	2.44			
Cream cheese		8 oz	1.25-2.48	1080	1.67	1.79-2.99	482	2.16	1.00-1.99	818	1.29
Flavored milk	All fat tests	half gallon	1.99-2.50	282	2.27	0.99	237	.99	1.69-2.50	295	2.24
Flavored milk	All fat tests	gallon	3.00-4.99	177	4.38	2.98	202	2.98	4.49	201	4.49
Ice cream		48-64oz	1.99-3.50	2726	2.83	2.48-4.44	2458	3.29	2.00-3.99	1185	3.17
Milk	All fat tests	half gallon	1.98	141	1.98						
Milk	All fat tests	gallon							2.50	70	2.50
Sour cream		16 oz	1.29-1.69	1834	1.56	1.00-1.67	631	1.18	1.00-1.69	640	1.18
Yogurt	Greek	4-6 oz	0.98-1.25	2362	1.00	0.88-1.00	2744	.99	0.89-1.00	1490	.99
Yogurt	Greek	32 oz	4.49	56	4.49	3.00-4.28	397	3.65	2.50	85	2.50

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	4-6 oz	0.40-0.80	1450	.52	0.40-0.50	1407	.49	0.49-1.00	786	.65
Yogurt	Yogurt	32 oz	1.99-3.99	819	2.48						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-3.00	287	2.59	2.50-3.00	1584	2.79	1.99-3.50	514	2.66
Cheese	Natural Varieties	8 oz block	1.79-2.99	425	2.56	1.88-2.99	1819	2.57	2.99	298	2.99
Cheese	Natural Varieties	1 # block	2.88	202	2.88						
Cheese	Natural Varieties	2 # block	4.99-6.49	488	5.89	5.00-8.99	1182	7.04	5.00-6.99	378	5.42
Cheese	Natural Varieties	8 oz shred	1.49-2.50	769	1.97	1.79-2.99	1340	2.42	2.50	118	2.50
Cottage cheese		16 oz				1.99-2.39	231	2.10	1.99-2.49	252	2.09
Cream cheese		8 oz	1.25-1.99	330	1.51	1.00-2.50	844	1.25			
Egg nog		quart							2.50	50	2.50
Flavored milk	All fat tests	half gallon	2.29-2.49	272	2.34				2.49	50	2.49
Ice cream		48-64oz	2.50-4.49	1571	3.30	1.88-3.99	2009	3.12	2.49-4.99	950	3.31
Milk	All fat tests	half gallon							1.25	118	1.25
Milk	All fat tests	gallon	3.00	87	3.00	2.89-3.39	351	3.12			
Sour cream		16 oz	0.88-1.50	494	1.10	1.00-2.00	839	1.68	1.00-1.29	478	1.11
Yogurt	Greek	4-6 oz	0.88-1.00	1303	.98	1.00	1356	1.00	1.00	748	1.00
Yogurt	Greek	32 oz	2.50	112	2.50	2.50	237	2.50			
Yogurt	Yogurt	4-6 oz	0.33-1.00	479	.49	0.33-0.50	846	.46	0.50	332	.50
Yogurt	Yogurt	32 oz				2.50	222	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 #	195	3.99			371	4.60
Cheese	Natural Varieties	8 oz shred					195	2.50
Ice cream		48-64oz					118	4.99
Milk	All fat tests	half gallon	1645	3.73			1701	3.48
Milk	All fat tests	gallon	590	5.00				
Milk	All fat tests	8 oz UHT	303	.96			1017	.87
Yogurt	Greek	4-6 oz	982	1.05			202	1.25
Yogurt	Greek	32 oz	116	5.00				
Yogurt	Yogurt	4-6 oz	108	.66			444	.65

Wtd Avg - Simple weighted average

Yogurt	Yogurt	32 oz	353	2.99				

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				3.99	195	3.99			
Milk	All fat tests	half gallon	3.50-4.99	281	3.92	3.58-3.79	565	3.71	3.89	361	3.89
Milk	All fat tests	gallon	5.00	112	5.00	5.00	58	5.00			
Milk	All fat tests	8 oz UHT	0.81-1.00	303	.96						
Yogurt	Greek	4-6 oz	1.00-1.79	258	1.17	1.00	363	1.00	1.00	361	1.00
Yogurt	Yogurt	4-6 oz	0.66	108	.66						
Yogurt	Yogurt	32 oz	2.99	235	2.99						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	3.99	118	3.99				2.99-3.49	320	3.31
Milk	All fat tests	gallon	5.00	122	5.00				5.00	298	5.00
Yogurt	Greek	32 oz				5.00	116	5.00			
Yogurt	Yogurt	32 oz							2.99	118	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

Wtd Avg - Simple weighted average

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