

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (11/27):**

BUTTER: Grade AA closed at \$1.6500. The weekly average for Grade AA is \$1.6600 (+.0020).

CHEESE: Barrels closed at \$1.7775 and 40# blocks at \$1.8800. The weekly average for barrels is \$1.7650 (+.0105) and blocks, \$1.8650 (+.0420).

BUTTER HIGHLIGHTS: Many butter manufacturers throughout the country are increasing churn rates as there was some relief in tight cream supplies this week. The main focus for manufacturers is on domestic demand, with good interest across the regions. Some butter makers are scheduling 82% production for export demand. Butter stocks are at sufficient seasonal levels. Bulk butter prices were 5-8 cents over the market in the Northeast, 2 cents over to 2 under the market in the Central, and market to 5 cents under the market in the West, based on the CME with various time frames and averages used. Prices at the CME Group for Grade AA butter closed at \$1.65 on Wednesday, down 3 cents on the week. The National Dairy Retail Report shows the national weighted average advertised price for a 1 lb. package of butter was \$2.29, down 8 cents from two weeks ago and 77 cents lower than a year ago. Regionally, the best deal was found in the Northwest, at \$1.67, while the most expensive butter reported was in the Southeast at \$3.49. NASS Cold Storage Report shows butter stocks in warehouses as of October 31, 2013 totaled 173.8 million pounds, down 25% from September, but up 20% from a year ago. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 3.0 million pounds of butter. The product will be delivered from November 2013 through May 2014. Year-to-date, CWT has assisted member cooperatives in selling 87.9 million pounds of butter.

CHEESE HIGHLIGHTS: Cheese prices are mixed this holiday shortened week. Cheese production is uneven. A major East Coast manufacturer shut down for the holiday period, while others across the country are keeping a tighter eye on inventories as the Thanksgiving holiday passes. Those plants with good export orders and forward sales for the end of the year are still making cheese actively. Cheese stocks are reported to be at comfortable levels to finish out much of the holiday buying. The NASS Cold Storage report shows stocks of natural cheese as of October 31, 2013 totaled 1.02 billion pounds, 4% lower compared to the previous month, but 3% more than a year ago. The CME Group was open for trading the first three days of this week

and closed for the remainder of the week. Barrel prices at the CME Group this week are up and down, while block prices are moving higher. The barrel/block price spread is wider than is typical and currently at 10.25 cents. Barrel cheese prices closed Wednesday at \$1.7775, up 2.25 cents from last Friday. Blocks closed Wednesday at \$1.8800, up 4.5 cents from the previous week's close.

FLUID MILK: Milk production and manufacturing for this holiday week vary among the regions, reflecting seasonal and holiday factors. Central milk production is flat to slightly increasing with levels coming back from seasonal lows slower than expected. Southwest dairy processors expect no difficulties in handling the heavier milk supplies around the extended holiday weekend. Farm milk production in California is slowly trending higher. New Mexico, Utah and Idaho milk production is mostly steady, while processors in Arizona noted slight decreases in milk intakes at the beginning of the week. Pacific Northwest milk production is nearing seasonal lows. Northeast and Mid-Atlantic manufacturing milk supplies are building as the week progresses, with various dairy product manufacturers decreasing production schedules leading up to the holiday. Florida milk production is on the rise, but not increasing at the rate anticipated.

DRY PRODUCTS: Central and East prices for nonfat dry milk are lower to unchanged, while Western prices stepped higher. High heat nonfat dry milk prices increased in all regions. The market for NDM is described as steady or firm. Production is increasing this week with various other dairy manufacturers scaling down production for the holiday period. Buyer interest is steady for the limited number of spot loads manufacturers are offering. Central and Eastern buttermilk prices narrowed. Price resistance is present, which led to some buttermilk supplies becoming available in an otherwise tight market. Western dry buttermilk prices are steady to higher on a firm market. Many buyers held back on contracting dry buttermilk during the current and previous quarters, hoping for prices to moderate. Prices have not moderated in the last few months and so sellers continue to get many calls each week from buyers looking for one and/or two load purchases. Prices for dry whole milk are unchanged.

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

ORGANIC DAIRY MARKET NEWS (PAGES 8-8A)
OCTOBER COLD STORAGE (PAGES 9-10)DAIRY GRAPHS (G1)
NATIONAL DAIRY RETAIL REPORT (ATTACHED)CME GROUP CASH TRADING

COMMODITY	MONDAY NOV 25	TUESDAY NOV 26	WEDNESDAY NOV 27	THURSDAY NOV 28	FRIDAY NOV 29	:: WEEKLY :: CHANGE *	:: WEEKLY :: AVERAGE #
CHEESE							
BARRELS	\$1.7475 (-.0075)	\$1.7700 (+.0225)	\$1.7775 (+.0075)	CME	CME	:: (+.0225)	:: \$1.7650 :: (+.0105)
40# BLOCKS	\$1.8500 (+.0150)	\$1.8650 (+.0150)	\$1.8800 (+.0150)	CLOSED	CLOSED	:: (+.0450)	:: \$1.8650 :: (+.0420)
NONFAT DRY MILK							
EXTRA GRADE	\$1.9750 (N.C.)	\$1.9750 (N.C.)	\$1.9750 (N.C.)			:: (N.C.)	:: \$1.9750 :: (+.0080)
GRADE A	\$1.9850 (N.C.)	\$2.0000 (+.0150)	\$2.0000 (N.C.)	NO	NO	:: (+.0150)	:: \$1.9950 :: (+.0245)
BUTTER							
GRADE AA	\$1.6650 (-.0150)	\$1.6650 (N.C.)	\$1.6500 (-.0150)	TRADING	TRADING	:: (-.0300)	:: \$1.6600 :: (+.0020)

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

NATIONAL DAIRY MARKET NEWS AT A GLANCE

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Domestic and international interest is steady to higher. Dry whey prices advanced in all regions to varying degrees, marginally in the Northeast, fractionally higher with strength in the West, and the biggest increase in the Central region. Prices for whey protein concentrate 34% are lower and higher. Manufacturers' offerings are clearing readily. Lactose prices are steady to lower. The market tone is mixed based on mesh size. Demand is variable. Production is steady to higher. Prices for both casein types are unchanged and market interest is uneven.

ORGANIC DAIRY MARKET NEWS (DMN): 2013 organic milk sales have been strong and above previous year levels since March. Cumulative U.S. sales of total organic milk products through September exceeds previous years through September. The U.S. weighted average advertised price of organic milk half gallons is \$3.68, up 20 cents from the last reported period. One year ago the national average price was \$3.52. The national weighted average advertised price for organic gallons is \$5.25, virtually the same as \$5.26 the last reported period. One year ago the average price of organic gallons was \$5.99. Holiday themed ads for quart sized organic egg nog resulted in that product edging out organic yogurt as the number two most advertised organic dairy product. Prices ranged from \$3.49 to \$3.99, with a weighted average price of \$3.78. Organic yogurt ad numbers are at the lowest level of the year, and also lower than any period of 2012. All ads this period are for 32 ounce organic yogurt, all priced \$3.33. A topic of high interest in the Northeast is consideration being given by a national organic yogurt manufacturer to establishing its own contracted milk pool directly with organic producers, replacing the present practice of purchasing milk through a cooperative. A decision is expected by year end. With variables such as the pay price, milk volumes, and specific farms that might be asked to contract, unresolved, much is undecided in the region as to who will be buying organic milk from whom and at what price in 2014.

RETAIL DAIRY MARKET NEWS (DMN): Ads featuring holiday and baking themed dairy products increased from two weeks ago. Egg nog half gallon ad numbers are up ten-fold, with an average price of \$3.45, down 34 cents from two weeks ago. Butter ads are up 54% with a price down 8 cents to \$2.29. Cream cheese ads are up 60% with an average price of \$1.32, down 23 cents. Cheese ads comprise the largest category of ads, replacing yogurt. Ads for 8 oz. shredded cheese continue to be the most numerous of the 5 types of cheese advertised, with an average price up 4 cents to \$2.26. 8-ounce blocks, at \$2.35, are 16 cents below two weeks ago and 8 cents below last year. Yogurt ads tie with ice cream for the second largest number of ads. Greek yogurt in 4-6 ounce packages has slightly over twice as many ads as all other categories of yogurt combined. The 4-6 oz. Greek yogurt weighted average advertised price, \$1.00, is 2 cents below the last report. Regular yogurt in 4-6 ounce packs, has an average price of \$.57, 4 cents above last report. Ice cream features are up slightly from two weeks ago. The current average price for 48-64 oz. containers, \$3.08, is 8 cents below two weeks ago. The national weighted average conventional milk price for half gallons is \$1.00 and for organic half-gallon milk, at \$3.68. The organic-conventional half-gallon price spread is \$2.68, up 66 cents from the last period. The magnitude of this price spread results more from factors associated with the conventional milk price, the second lowest average price of the year. All conventional milk half gallon ads ran in the Southwest for store brand, half gallons of a national retail chain priced \$1.00.

COLD STORAGE (NASS): On October 31, U.S. Cold Storage holdings of butter totaled 173.8 million pounds, down 25% from September but up 20% from last year. Natural American cheese holdings total 629.2 million pounds, down 4% from September but up 3% from last year. Total cheese stocks were 1.02 billion pounds, down 4% from September but up 3% from last year.

CME GROUP

MONDAY, NOVEMBER 25, 2013

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.7500, 1 @ \$1.7475; 3 CARS 40# BLOCKS: 1 @ \$1.8475, 2 @ \$1.8500; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.8500; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7575
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.9850; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.6650

TUESDAY, NOVEMBER 26, 2013

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$1.8650; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.7700; 1 CAR 40# BLOCKS @ \$1.8650; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$2.0000; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.9750; 1 CAR GRADE A @ \$2.0000; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 3 CARS GRADE AA @ \$1.6650; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.6700

WEDNESDAY, NOVEMBER 27, 2013

CHEESE -- SALES: 6 CARS BARRELS: 1 @ \$1.7800, 1 @ \$1.7900, 1 @ \$1.8000, 1 @ \$1.8025, 1 @ \$1.7800, 1 @ \$1.7775; 1 CAR 40# BLOCKS @ \$1.8800; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.8700; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7900
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE A @ \$2.0000; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA @ \$1.6500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.6500

THURSDAY, NOVEMBER 28, 2013

CME CLOSED NO TRADING

FRIDAY, NOVEMBER 29, 2013

CME CLOSED NO TRADING

BUTTER MARKETS

NORTHEAST

Butter production is increasing this week as some cream based dairy product manufacturers will be operating at reduced schedules, expanding cream volumes going to churns. Demand for butter continues to be good this holiday season. Export demand remains fairly active with some plants scheduling 82% production runs to fill existing orders. Most butter makers are comfortable with their current inventories and with the prospect of expanding supplies over the holiday period. 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. The butter price on the CME Group decreased \$0.0150 Monday and closed at \$1.6650. Thanksgiving week 2012 saw butter prices decline \$0.1050 from \$1.7950 to \$1.6900. According to the National Dairy Retail Report, the weighted average price for a 1 lb. package of butter in the Northeast was \$2.32, 3 cents more than the national weighted average price, but 30 cents lower than two weeks ago.

CENTRAL

The market tone for butter in the Central region remains firm as manufacturers scramble to fill domestic holiday orders. Butter production is mixed. Some butter plants are microfixing butter stocks to meet print orders. Churning activity is expected to be higher due to the holidays. Butter buyers are having some difficulty locating bulk butter. Stocks of butter are tracking seasonal lows. Current bulk butter prices range from 2 cents over the market to 2 cents under the market, based on the CME with various time frames and averages used. CME Group Grade AA butter closed at \$1.6650 on Monday, down 1.5 cents on the day. NATIONAL DAIRY RETAIL: The National Dairy Retail reports a weighted average advertised price of \$2.02 for a 1 lb. package of butter in the Midwest, down 21 cents from two weeks ago and 27 cents lower than the National price this week. Prices ranged from \$1.68 to \$2.50 in the region. The national weighted average advertised price for a 1 lb. package of butter is \$2.29, down 8 cents from two weeks ago and 77 cents lower than a year ago.

WEST

Butter markets in the West are unsettled. Last week the CME Group price closed at \$1.6800, the highest level since the first week of May. Butter manufacturers are still churning print butter for last minute orders, but are expecting some relief soon. Increased cream availability is expected over the holiday and bulk butter production is anticipated to increase. Butter stocks are sufficient for immediate needs for both domestic and export orders. According to the National Dairy Retail Report, butter prices showed a weighted average price of \$2.29 per pound compared to \$2.37 two weeks ago and \$3.06 a year ago. Butter ads in holiday featuring increased 54% from two weeks ago. Western advertised prices ranged from \$1.67-2.69 per pound. The weighted average price for butter in the Northwest was \$1.84 and the Southwest was \$2.38. Butter prices at the CME Group exchange on Monday were 1.5 cents lower, closing at \$1.6650. Trading on the exchange is limited to the first three days of the holiday week. Prices for bulk butter range from market to 5 cents under the market, based on the CME with various time frames and averages used.

COLD STORAGE

According to the NASS *Cold Storage* report, U.S. stocks of butter as of October 31, 2013, total 173.8 million pounds, +20% or 28.7 million pounds more than a year ago, but 25% lower or 59.2 million pounds less than end of September 2013.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
Data not available at Time of report release.	N/A	N/A	N/A	N/A	N/A

CHEESE MARKETS

NORTHEAST

Cheese production declined in the region this week as a major cheese maker shut down operations for the holiday period. Other cheese plants have mostly full production schedules throughout the week. Demand and orders for cheese remain good with supplies clearing out of warehouses at an active pace. Barrel and block price trends continued to move in opposite directions Monday on the CME Group as barrels declined \$0.0075 to close at \$1.7475, while blocks increased \$0.0150 to close at \$1.8500. According to the National Dairy Retail Report, the weighted average price for 8 oz. cheese blocks in the Northeast was \$2.17, 18 cents less than the national price and 9 cents lower than two weeks ago. The weighted average price for 8 oz. shredded cheese in the Northeast was \$2.44, 18 cents more than the national price and 8 cents more than two weeks ago. The NASS Cold Storage report shows stocks of natural cheese as of October 31, 2013 totaled 1.02 billion pounds, 4% lower compared to the previous month, but 3% more compared to one year ago. American cheese stocks totaled 629.2 million pounds, down 5% from one month ago, but 3% higher than one year ago. Other natural cheese totaled 367.3 million pounds, 3% less than one month ago, but 4% more compared to one year ago. Swiss cheese totaled 27.7 million pounds, down 7% from one month ago and 8% less than one year ago.

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

Cheddar 40# Block	: 2.2150-2.5000
Process 5# Sliced	: 1.9800-2.4600
Muenster	: 2.2350-2.5950
Grade A Swiss Cuts 10 - 14#	: 3.4325-3.7550

MIDWEST

A number of larger cheese manufacturers are keeping inventories tight by design, in some cases, the tightest of the year over the next week or so. There is cheese to fill orders, but less of a cushion than during recent months. Manufacturers are okay with filling orders by reducing inventory. While as a general rule there is little if any surplus producer milk available at prices that can be accommodated profitably, there are exceptions. A cheese plant with softer food service demand for mozzarella sold milk from its dedicated milk supply this week at \$2.75 over Class III, after deciding to reduce cheese production. Some cheese plants have reduced the number of days a week that cheese is being made while marginally increasing vat numbers on production days. Some manufacturers have commented that holiday cheese orders this year do not seem as strong as recent years. Export interest for cheese to be manufactured during December is leading to finalizing contracts with manufacturers. Premiums for that cheese are expected to be lower than during recent months. Interest in blocks has moved CME prices up to \$1.8500 by Monday, while barrels have shown price weakness in recent CME trading, closing down Monday to \$1.7475. This results in a \$.1025 price spread, which is not expected to persist for long before it narrows. According to the National Dairy Retail Report, cheese advertising volume nationally is up 54% from two weeks ago while prices are down, except 8 ounce shredded, which is up 4 cents, to \$2.26. 8 ounce block is down 16 cents to \$2.35. Cold Storage (NASS) reports that total U.S. October 2013 natural cheese stocks were 1.02 billion pounds, up 3% from last year, but 4% lower than September. October East North Central region

other cheese stocks were 264.7 million pounds, up 2% from last year, but down 3% from September. American cheese stocks were 253.3 million pounds, down 1% from last year and 4% lower than September.

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

Process American 5# Loaf	: 1.8575-2.2175
Brick And/Or Muenster 5#	: 2.1950-2.6200
Cheddar 40# Block	: 1.9000-2.3175
Monterey Jack 10#	: 2.1700-2.3750
Blue 5#	: 2.4625-3.4500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 2.0400-2.9350
Grade A Swiss Cuts 6 - 9#	: 2.9500-3.0675

WEST

Western cheese prices are mixed this week. Good retail demand for blocks is helping to move prices higher, while barrel demand is lackluster at current prices. Monday's close at the CME Group had over a 10 cent spread between blocks and barrels. Cheese production is steady with some additional milk anticipated over the holiday this week. Stocks are reported to be at a comfortable level for current needs with good forward sales to the end of the year. Advertised U.S. cheese prices as reported in the National Dairy Retail Report showed prices were mostly lower from two weeks ago. However, the weighted average price for the 8 oz. shred package (\$2.26) was 4 cents higher than two weeks ago, but 14 cents lower than last year. In stepped up holiday featuring, the price for the 2 pound block in the West ranged from \$4.99-6.99 per package. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of October 2013 are 1.024 billion pounds, 3% higher or 28.8 million pounds more than October 31, 2012. American stocks were 3% higher, other natural stocks were 4% higher, but Swiss stocks at the end of October were down 8% compared to a year ago. Cheese prices at the CME Group were mixed on Monday. Trading at the CME Group is limited to the first three days of the week. Barrel prices moved .75 cents lower to \$1.7475. Blocks were 1.5 cents higher on Monday to close at \$1.8500. There were sales of two loads of barrels and three loads of blocks on Monday.

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

Process 5# Loaf	: 1.8875-2.1450
Cheddar 40# Block	: 1.9375-2.2900
Cheddar 10# Cuts	: 2.1175-2.3375
Monterey Jack 10#	: 2.1275-2.2875
Grade A Swiss Cuts 6 - 9#	: 3.0100-3.4400

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CHEESE MARKETS

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FOREIGN

Domestic foreign type cheese prices increased \$0.0100 following the rise in the CME Group weekly average block price last week. Imported and Swiss cheese prices were unchanged. NASS's Cold Storage report shows stocks of other cheese, which is primarily Italian type cheeses, totaling 367.3 million pounds, 3% less than one month ago, but 4% more compared to one year ago. Swiss cheese holdings totaled 27.7 million pounds, down 7% from one month ago and 8% less than one year ago.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.3550-3.8425*
Gorgonzola	: 3.4900-6.6900	: 2.8575-3.2700*
Parmesan (Italy)	: -0-	: 3.7450-5.8350*
Provolone (Italy)	: -0-	: 2.3975-2.5550*
Romano (Cows Milk)	: -0-	: 3.5450-5.6950*
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-	: 3.5300-3.8525
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

	:	
11/25/13	7,825	: 100,329
11/01/13	12,026	: 106,097
CHANGE	-4,201	: -5,768
% CHANGE	-35	: -5

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	47	0	70	0	0	0
SOUTHEAST STATES	0	0	0	0	0	0

In the Northeast and Mid-Atlantic regions, manufacturing milk supplies are building as the week progresses as various dairy product manufacturers decrease production schedules leading up to the holiday. Most balancing plant managers are confident, barring breakdowns or a major storm, that they can handle the expanded milk volumes without extended delays. An approaching storm front may cause some transportation problems if expected rains turn into snow and ice. A cold November in the North has caused an early influx of tourists and seasonal residents to Florida and, as a result, Class I demand is very strong. Because of increased consumer demand, retail dairy cases need to be restocked more frequently this holiday. Milk production in the state is on the rise, but not increasing at the rate anticipated. Import spot loads totaled 47 this week. Some bottling plants over ordered in the Southeast region and are now pushing back some loads that need to be channeled to manufacturing. Auxiliary manufacturing plants are receiving increased volumes, which is typical for the holiday period. Weather may be the culprit this year as a storm front crossing the region may impede haulers with slick and slippery roads, if current rains turn to ice and snow during the evening hours. Cream demand held fairly strong in the early portion of the week, but declined as the week progressed. Demand is expected to snap back quickly after the holiday as numerous manufacturers resume full production schedules, preparing for the yearend holidays. **Cream multiples for all classes** ranged 1.26-1.36. Demand for **condensed skim** milk is fairly strong going into the holiday week as most buyers view condensed skim as the cheaper alternative to its dry product counterpart, nonfat dry milk. Volumes going to Class IV production will increase over the holiday period with most plant managers confident they can handle the increased supplies without major delays.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, DOLLARS PER LB. BUTTERFAT:

F.O.B. producing plants: Northeast -	2.0891-2.2549
F.O.B. producing plants: Upper Midwest -	2.0559-2.2383

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 -	1.58 - 1.63

MIDWEST

Central milk production is flat to slightly increasing with levels coming back from seasonal lows slower than expected. Some milk handlers haven't been able to pinpoint a specific reason why, considering recent reduction in culling and improving feed qualities. Spot load availability is mixed as some milk processors are receiving premiums while others are fulfilling current orders. Bottling demand is slowing down as Thanksgiving demand is being met. Class I interest is expected to pick back up early next week. Class II demand is good to strong, following seasonal trends. Some cream and dip manufacturers still need more

supplies to meet holiday orders. **Cream multiples dropped to 1.24-1.35**, as demand for cream softened slightly as some butter makers were reluctant to purchase at the current high levels. Cheese manufacturers are looking for more milk so they can keep up with increased holiday cheese orders. Producers report feed levels are adequate for the upcoming winter. NASS Crop Progress reports 2013 corn harvest on November 24, 2013 at 95% completion for the 18 selected states, down 5% from last year at this time, but 4% ahead of the 5 year average. Central corn harvest has been lagging due to recent rains and some snowfalls in various pockets. **LIVESTOCK SLAUGHTER:** NASS reports October 2013 dairy cow slaughter at 276,800 head, down 2.9% from a year ago. Year-to-October dairy cow slaughter totals 2.6 million head, a 1.8% increase from a year ago. Weekly cow slaughter in the U.S. totaled 61,100 dairy cows for the week ending on November 9, down 3,200 head from the comparable week a year ago.

WEST

SOUTHWEST dairy processors expect no difficulties in handling the heavier milk supplies around the extended holiday weekend. Farm milk production in **CALIFORNIA** is slowly trending higher. Dairy operators are finding some relief from feed costs in current ration components. Weather in the San Joaquin Valley, mostly sunny and daytime highs in the 60's - 70's, is ideal for cow comfort. Lower volumes of milk are clearing into bottling plants as most retail outlets have coolers filled and backup supplies in place for the last push of holiday shopping this week. October 2013 **POOL RECEIPTS** of milk in California total 3.2 billion pounds, 0.5% higher compared to October last year, according to CDFA. Year-to-date through October 2013 receipts are 2.7% lower, unadjusted, from the comparable months in 2012. The October Value at Test price is \$19.37, \$0.71 higher than September and \$0.26 lower than October 2012. The percentage of receipts used in Class 1 products is 15.5%. The October quota price is \$19.80 and the over quota price is \$18.10. These prices are \$0.36 higher than September but \$0.37 lower than a year ago. **NEW MEXICO** milk production is mostly steady this week, but farm milk transportation was slower as tanker drivers dealt with a storm system that began as rain and progressed to freezing rain and snow as temperatures fell. Processors in **ARIZONA** noted slight decreases in milk intakes at the beginning of the week. Recent storms delivered over 2 inches of rain to some areas of Arizona over the weekend. Alfalfa fields benefited from the late season rain, with 66% of the state's alfalfa rated good to excellent. Some dairy lots, though, are currently muddy and cow comfort is lower under these conditions. **CREAM** demand into Class 1 and 2 accounts is at seasonal levels. Cream cheese, dips, aerated cream and sour cream production is steady. Manufacturers are taking advantage of current cream supplies within the Southwest to rebuild inventories of these items before the next holiday. At the CME Group, Grade AA butter closed at \$1.6650 on Tuesday, 1.5 cents higher than one week ago. Milk production in the **PACIFIC NORTHWEST** is nearing seasonal lows. The Thanksgiving holiday should allow for some extra milk to find its way to manufacturing plants. Milk handlers anticipate few problems with the added supply. Temperatures are often freezing at night with daytime temperatures in the 40's. These are comfortable temperatures for cows to make milk. Component levels are said to be good. Fall harvesting of crops is mostly completed. **UTAH** and **IDAHO** milk production is mostly steady with recent weeks. Good manufacturing demand in the region from various plants have other factories working at below desired volumes. Dairies are being encouraged to increase production, but financing for expansion can be a challenge to obtain.

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 nonfat dry milk retreated on the bottom of the low/medium heat range, but remained unchanged on the mostly. High heat nonfat dry milk increased on both the top and bottom of the range. The market for NDM is firm but is said to be loosen up some compared to prior weeks. Buyers are still finding it difficult to locate product and reported to only be buying what they need. Many NDM manufacturers are fulfilling current contract obligations and have little to sell in the spot market.

EAST: Low heat nonfat dry milk prices held steady on the mostly range. High heat prices increased as spot sales and index prices raised the lower and upper ends of the price range. Production is increasing this week as various dairy manufacturers scale down production for the holiday period, increasing condensed skim milk volumes going to dryers. Current inventories are fairly tight with prospective buyers looking outside the region or into resale opportunities in order to secure product. Some end users who have purchased hand to mouth, in hopes of lower prices, are now faced with needing product for end of year production schedules. Export demand has shown resistance to the recent price increases.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.9100 - 2.0000 MOSTLY: 1.9200 - 1.9700
 HIGH HEAT: 1.9800 - 2.0300

NONFAT DRY MILK - WEST

Western nonfat dry milk prices stepped higher based on F.O.B. spot sales as well as index based contract pricing. Buyer interest is steady for NDM F.O.B. spot loads. At this time, manufacturers are sending a limited number of loads to the spot market as internal supplies are light to comfortable for contract fulfillment. Sales of nonfat dry milk loads into the Central and East regions continue on both F.O.B. and contract bases to fill supply gaps in those regions. Manufacturers/resellers indicate buyers are not queuing up to finalize mid to long term NDM contracts, but rather continue filling needs on a hand to mouth basis. Several Western manufacturers indicate drying activity is a step or two higher than in weeks past. This is due to minor upticks in farm milk intakes and lighter demand from fluid, condensed skim and UF milk buyers. SMP production continues, though, to siphon off a healthy portion of available milk solids.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.9100 - 1.9900 MOSTLY: 1.9200 - 1.9600
 HIGH HEAT: 1.9600 - 2.0800

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices increased on the bottom of the range, but decreased on the top of the range. Price resistance is present, which led to some buttermilk supplies becoming available in an otherwise tight market. Some buttermilk manufacturers are shipping product as soon as it clears the lab. Drying activity is projected to increase in the coming weeks. Buttermilk stocks are mostly low.

EAST: Prices for dry buttermilk were mixed in light trading this week, causing the price range to narrow. Production is increasing this holiday week as increased cream volumes are going to churns. Demand is very good as buyers look for lower priced alternatives to nonfat dry milk. Supplies are very tight with little if any showing up on the spot market. The market undertone remains firm.

F.O.B. CENTRAL/EAST: 1.7750 - 1.8450

DRY BUTTERMILK - WEST

Dry buttermilk prices in the West are steady to higher on a firm market. Many buyers held back on contracting dry buttermilk during the current and previous quarters, hoping for prices to moderate. Prices have not moderated in the last few months and so sellers continue to get many calls each week from buyers looking for one and/or two load purchases. Contract sales into North American accounts are active as dry buttermilk offers a cost effective way to add milk solids to end products. Dry buttermilk production is mostly steady

F.O.B. WEST: 1.7500 - 1.8800 MOSTLY: 1.7500 - 1.8000

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are unchanged. Domestic and international interest is steady to higher from contract customers. Buyers also continue to look for F.O.B. spot loads, which are intermittently available. Manufacturers' stocks are light. Production is steady to somewhat higher.

F.O.B. PRODUCING PLANT: 1.9000 - 2.1300

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
November 22	\$1.8889	9,043,024	0
November 15	\$1.8727	6,196,969	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

Whey prices in the Central region strengthened on the bottom and top of the range, along with bottom of the mostly. Demand for dry whey is steady to good, with international interest picking up. Whey production is trending up as manufacturers are fulfilling contracts and selling in the spot market. Whey inventories are mostly balanced for manufacturers. ANIMAL FEED WHEY increased on the bottom and top of the range due to various contracts in place. Little activity was seen in the spot market this week for animal feed whey.

F.O.B. CENTRAL: .5175 - .6075 MOSTLY: .5300 - .5700
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4100 - .5275

DRY WHEY - NORTHEAST

Dry whey prices increased marginally this week as sales based on indices moved the upper end of the range higher. Production of dry whey is increasing as some cheese plants have completed maintenance projects and resuming production. Export demand continues to be active with domestic interest picking up just prior to the holiday. Most manufacturers are comfortable with their current inventories with some having most of their current inventories committed through the end of the year. The market undertone is firm.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5600 - .6275

DRY WHEY - WEST

Western dry whey prices are fractionally higher on strength at the upper end of the market for both the full range and mostly price series. The market tone is firm to mostly steady. Buyers and sellers both report some price resistance as the market gets closer to \$0.6000. Whey production is steady as manufacturers strive to fill contracts for the Q4 period. Negotiations for 2014 volumes and pricing formulas are ongoing.

NONHYGROSCOPIC: .5400 - .6000 MOSTLY: .5500 - .5975

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are lower and higher. Sales activity includes both index-plus contract fulfillment and variably priced F.O.B. spot loads. Manufacturers' spot offers are clearing readily to end users and some resellers. Interest from buyers still contains a component of wariness as few resellers and end users want to go long on WPC 34%. Whey protein concentrate 34% production is unchanged to higher as some manufacturers direct increasing whey stream volumes away from sweet whey or higher protein end products and into 34%. Manufacturers' WPC 34% stocks are light. Discussions on 2014 WPC contracts continue, with the current firm price trend setting the tone for producers' offers.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.4200 - 1.7500 MOSTLY: 1.5500 - 1.7225

LACTOSE - CENTRAL AND WEST

Lactose prices are steady to lower. The market tone is mixed based on mesh size. Interest from offshore accounts is variable. South American end users are reportedly actively acquiring lactose loads in the F.O.B. spot market. Oceania buyers sent bids to U.S. manufacturers for 2014 Q1 needs, but initial bid pricing remains below market goals for several U.S. producers. Buyers from China have stepped back from the lactose market. Manufacturers' inventories are mixed, from tight to above contract needs, and a few manufacturers note they are making a push to clear warehouse floor space before the end of the calendar year. Lactose production is steady to higher as a few producers shift away from sweet whey and into various WPC/lactose end product combinations.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .4100 - .7400 MOSTLY: .5600 - .7200

CASEIN - NATIONAL

Prices for both casein types are unchanged. The market interest is uneven. Other dairy proteins remain at high prices and are providing support to the entire dairy complex. Contracting for Q1 and beyond casein needs is limited. The market is mostly accommodating current pricing levels, yet buyers are exploring replacement products when practical. Casein holdings are adequate to service the U.S. market needs.

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
11/09/2013	61.1	2,643.2	64.3	2,604.7

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)

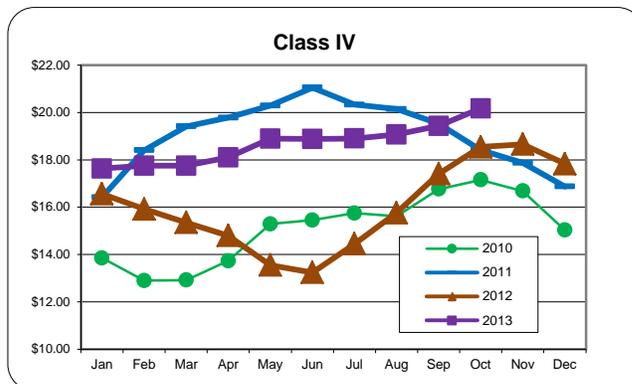
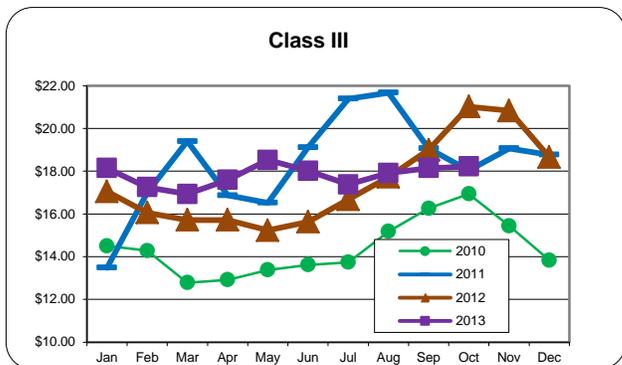
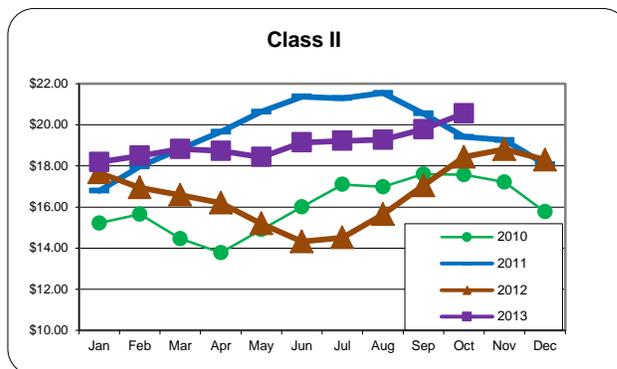
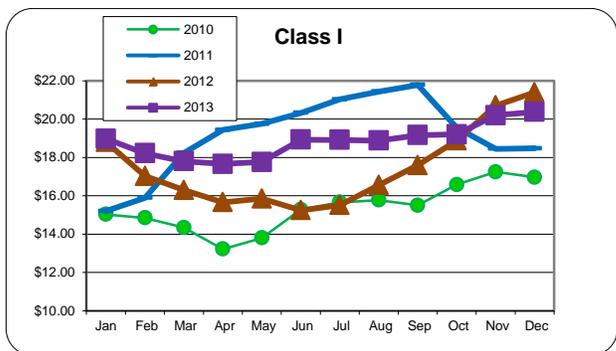
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	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	19.20	20.20	20.37
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 November 18 - 29, 2013

ORGANIC DAIRY FLUID OVERVIEW

While the contracted farm gate organic milk price for many Northeast producers is now reaching the mid \$30's per hundredweight, profitability remains a matter of widely discussed concern. Feed costs are weighing on profitability, less so for the most established organic dairy farms but more so for other farms. A large organic dairy coop has decided to leave \$3.00 per hundredweight bonus payments in effect for December, January and February.

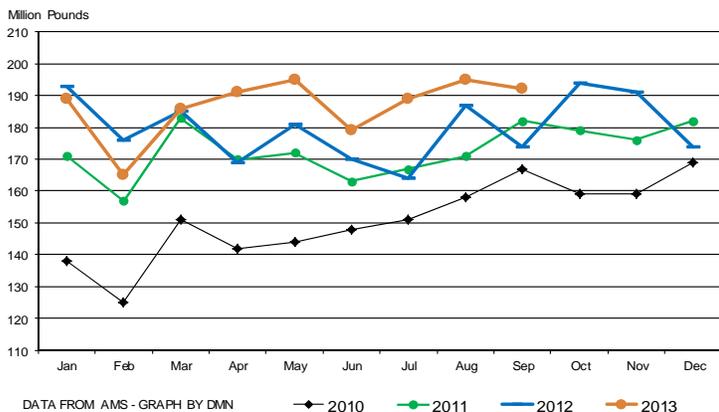
A topic of high interest in the Northeast is consideration being given by a national organic yogurt manufacturer to establishing its own contracted milk pool directly with organic producers, replacing the present practice of purchasing milk through a cooperative. A decision is expected by year end. With variables such as the pay price, milk volumes, and specific farms that might be asked to contract, unresolved, much is undecided in the region as to who will be buying organic milk from whom and at what price in 2014.

A Central Texas online grocery store specializing in home delivery of certified organic food has added home delivery of organic dairy products. Home delivery of organic milk from an independent family-owned organic dairy and creamery in Central Texas is now available in urban areas such as Dallas, Ft. Worth, Houston and Austin. This service supplements delivery of various national brands.

A privately held organic dairy supplying substantial volumes of organic milk and butter for the private label market, working with researchers from a Midwestern university, has just released a baseline of sustainability metrics. This is the initial step in a program to track and enhance sustainability in areas of greenhouse gas emission reductions, energy use, water, solid waste and recycling as related to organic dairy production and processing. The firm also owns or leases thousands of acres of land used in raising organic feeds and forages.

2013 organic milk sales have been strong and above previous year levels since March. Cumulative U.S. sales of total organic milk products through September exceeds previous years through September.

Estimated U.S. Sales of Total Organic Milk Products



An organic dairy organization official commented, "organic milk is used (by retail stores) to attract organic shoppers". Other organic dairy leaders believe that some stores are willing to use organic milk as a promotional loss leader to attract shoppers. These factors are believed to contribute to the persistent pattern of increasing sales of organic milk in recent years.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy ad volume is near the lowest level of the year, which is a similar pattern compared with this period last year.

Organic milk ad volume this year is higher than a year ago, while organic butter and yogurt ad numbers are noticeably below levels a year ago.

Organic milk ads total 77% of all organic dairy ads. Holiday themed ads for organic egg nog resulted in that product edging out organic yogurt as the number two most advertised organic dairy product, with 6% of ads. Organic yogurt accounted for 5% of ads followed by organic cottage cheese, 4%, and organic cream cheese, 3%.

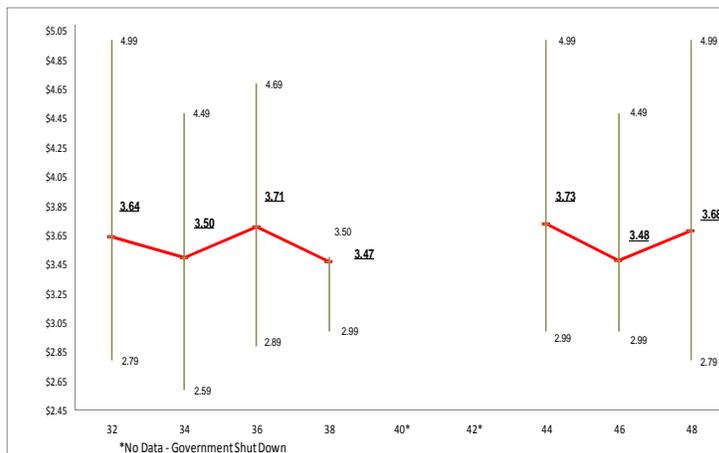
Organic half gallon milk ads predominate organic milk, with over three ads for half gallons to each ad for gallons. There are about ten times as many ads for organic half gallons as 8 ounce organic milk. Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period November 18, 2013, to November 29, 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. Regional ad numbers as a percentage of all ads declined in the Midwest, Northeast, Southeast and Northwest. The share of ads in the Southwest more than doubled and in the South Central Region, was up substantially.

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is \$3.68, up 20 cents from the last reported period. This continues the typical pattern of relatively minor average price movement period to period. The price range is up 50 cents at the top to \$4.99, but down 20 cents at the bottom to \$2.79. One year ago the national average price was \$3.52.

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



CONTINUED ON PAGE 8-A

ORGANIC DAIRY MARKET NEWS

Information gathered November 18 - 29, 2013

CONTINUED FROM PAGE 8

Organic - Conventional Milk Half Gallon Price Spread. The national weighted average organic milk price for half gallons is \$3.68 and for conventional half-gallon milk, \$1.00. The organic-conventional half-gallon price spread is \$2.68, up 66 cents from the last period. The magnitude of this price spread results more from factors associated with the conventional milk price, the second lowest average price of the year, than organic milk price fluctuation. Another factor is the extremely small number of conventional half gallon milk ads nationally, 116, compared with 2,198 for organic milk half gallons.

Organic Milk Gallons. The national weighted average advertised price for organic gallons is \$5.25, virtually the same as \$5.26 the last reported period. One year ago the average price of organic gallons was \$5.99.

Organic Egg Nog. Ad volume for quart size organic egg nog appeared only in the Southwest and South Central Regions, but in sufficient numbers to be second only to organic milk as the most advertised organic dairy product category nationally. Prices ranged from \$3.49 to \$3.99, with a weighted average price of \$3.78.

Organic Yogurt. Organic yogurt ad numbers are at the lowest level of the year, and also lower than any period of 2012. All ads this period are for 32 ounce organic yogurt, all in the Southeast, and all priced \$3.33.

Organic Cottage Cheese. All organic cottage cheese ads are for 16 ounce containers advertised in the Midwest, exactly the situation two weeks ago. The advertised price is \$3.88. There were no ads last year.

Organic Cream Cheese. Ads for 8 ounce organic cream cheese all appeared in the Northeast, at prices ranging from \$2.39 to \$2.49. The weighted average advertised price is \$2.43, compared with \$2.64 a year ago.

SUPERMARKET PRICE COMPARISON:

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

**ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE
2013 REPORTING WEEK 48**

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

FLUID MILK
MILK - gallon
Whole
Reduced fat (2%)
Low fat (1%)
Nonfat (Skim)

5.99 7.09 1.10
5.99 7.09 1.10
5.99 7.09 1.10
5.99 7.09 1.10

LOW HIGH RANGE

MILK - half gallon			
Whole	3.89*	4.89	1.00*
Reduced fat (2%)	3.89*	4.89	1.00*
Low fat (1%)	3.89*	4.89	1.00*
Nonfat (Skim)	3.89*	4.89	1.00*
FLAVMILK - half gallon			
All fat tests	3.99	5.69	1.70
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	4.79*	6.39	1.60*

* = Price change from prior reporting period.

ORGANIC GRAIN AND FEEDSTUFF MARKETS:

National organic grain and feedstuff prices are steady to slightly lower. Market activity is more active nearing the end of the harvest season for corn and soybeans. Demand for feed grade corn and soybeans remains good, with the prices a bit lower than two weeks ago mostly due to higher than expected yields.

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

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

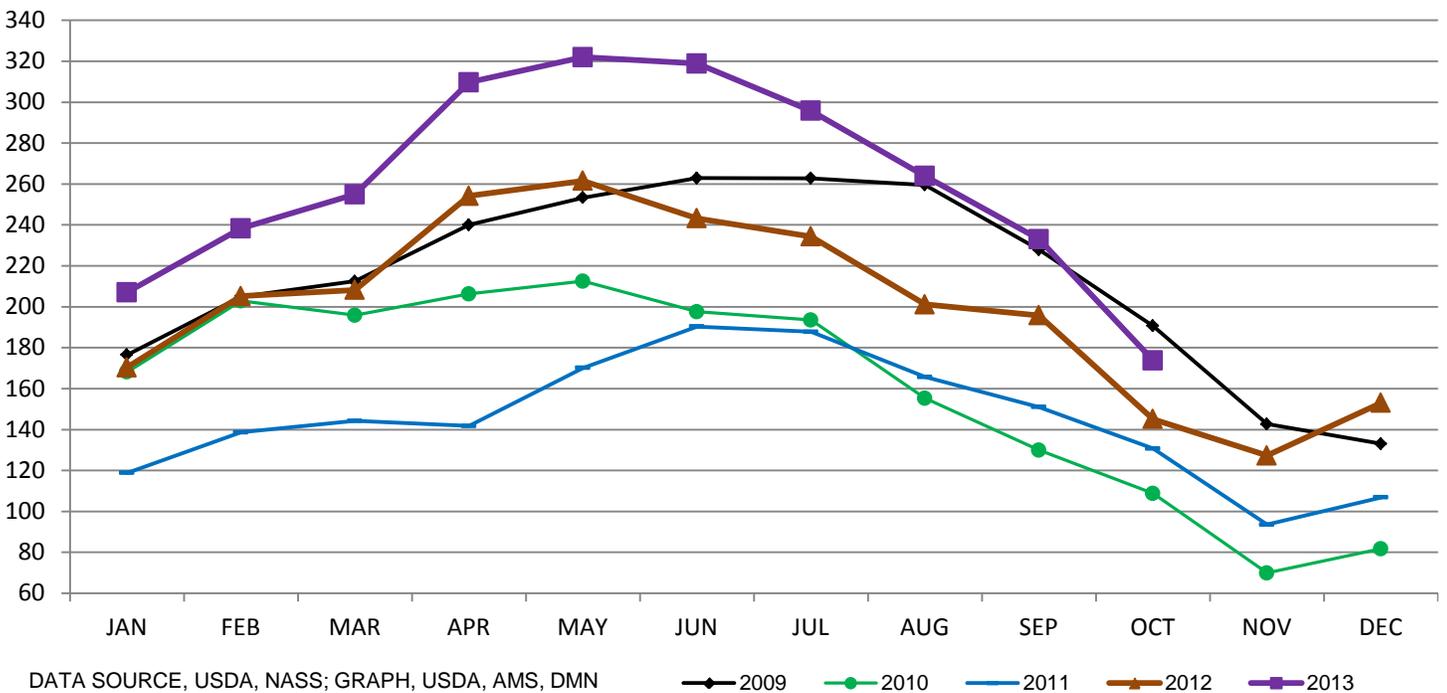
U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	SEPT 30, 2011	SEPT 30, 2012	REVISED SEPT 30, 2013	OCT 31, 2011	OCT 31, 2012	OCT 31, 2013
Butter	150,979	195,819	233,031	130,684	145,098	173,812
Cheese, Natural American	639,175	641,685	661,046	619,376	610,931	629,182
Cheese, Swiss	31,304	28,933	29,975	32,241	30,021	27,749
Cheese, Other Natural	375,535	369,388	379,676	366,010	354,411	367,272
Total Cheese	1,046,014	1,040,006	1,070,697	1,017,627	995,363	1,024,203

OCTOBER STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
New England	42,431	36,310	50,453	---	---	---	978	988	881
Middle Atlantic	50,446	42,990	57,326	---	---	---	20,836	16,809	15,455
East North Central	255,482	256,748	253,255	---	---	---	262,232	259,466	264,701
West North Central	110,090	103,449	91,224	---	---	---	43,963	32,081	40,274
South Atlantic	89	530	548	---	---	---	5,177	4,590	4,619
East South Central	1,478	5,361	4,636	---	---	---	280	12,523	6,484
West South Central	2,317	15,935	8,374	---	---	---	1,271	489	461
Mountain	57,383	50,891	51,723	---	---	---	5,865	6,912	3,426
Pacific	99,660	98,717	111,643	---	---	---	25,408	20,553	30,971
TOTAL	619,376	610,931	629,182	130,684	145,098	173,812	366,010	354,411	367,272

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

MILLION POUNDS

BUTTER COLD STORAGE HOLDINGS

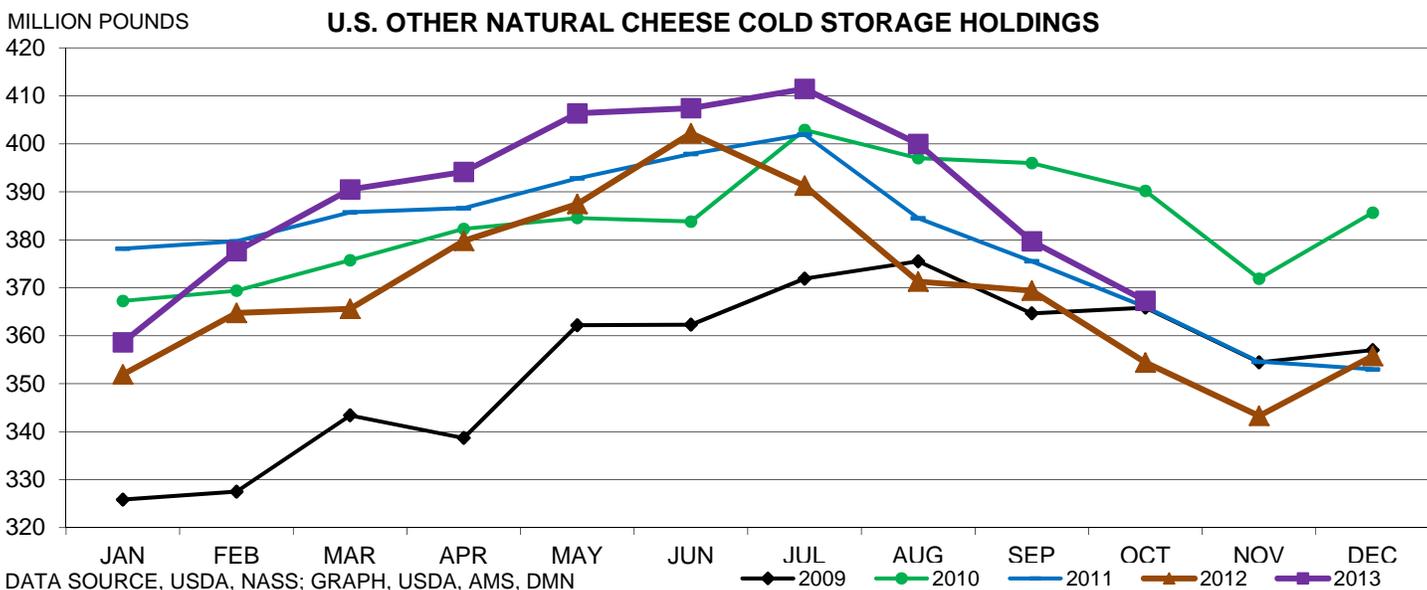
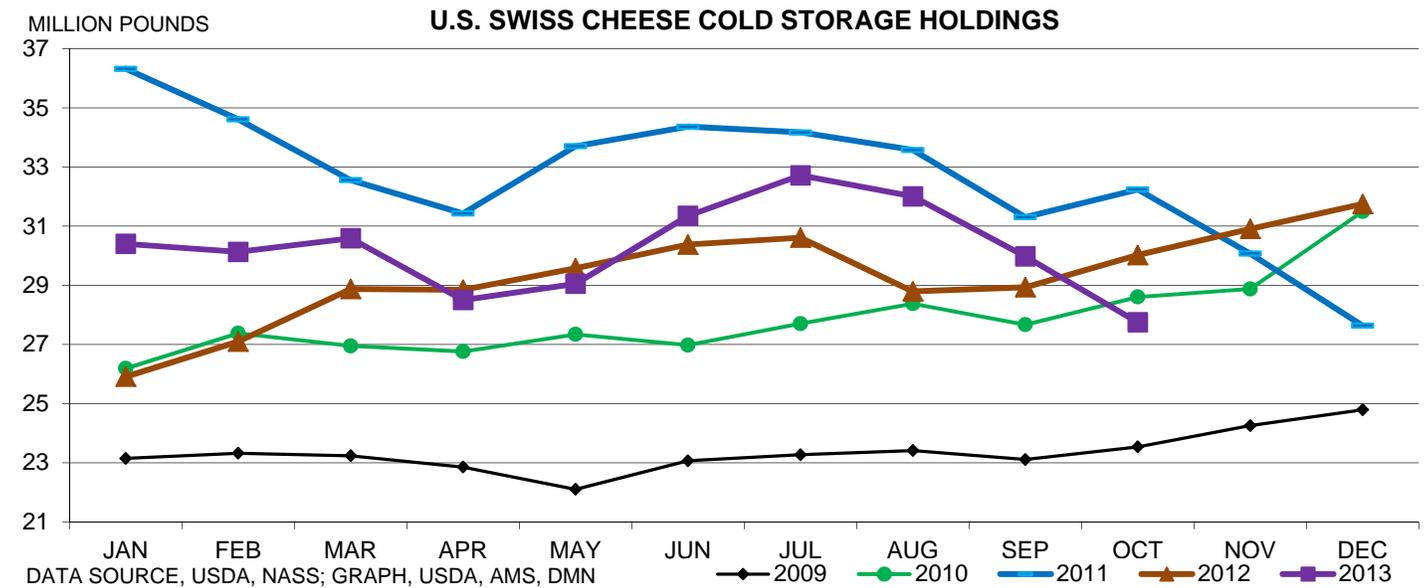
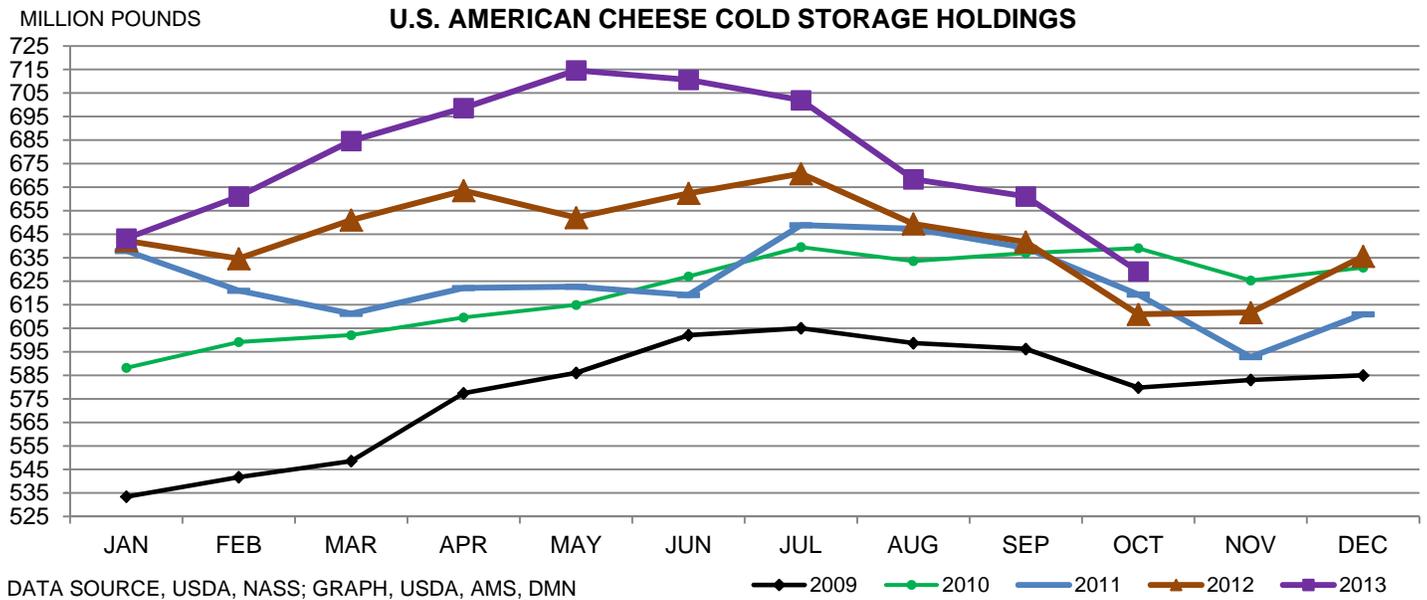


COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2012 TO DATE

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	195	106	194	106	0	0
September	233	196	661	642	147	118	147	118	0	0
October	174	145	629	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, Septembert 2013*. National Agricultural Statistics Service. *Cold Storage and Dairy Products, November 2013*.





Dairy Market News Branch

Agricultural
Marketing
Service

National Dairy Retail Report

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

Volume 80- Number 48

Issued Biweekly

Tuesday, November 26, 2013

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 11/18 to 11/29

Ads featuring holiday and baking themed dairy products increased from two weeks ago. Egg nog half gallon ad numbers are up ten-fold, with an average price of \$3.45, down 34 cents from two weeks ago. Butter ads are up 54% with a price down 8 cents to \$2.29. Cream cheese ads are up 60% with an average price of \$1.32, down 23 cents.

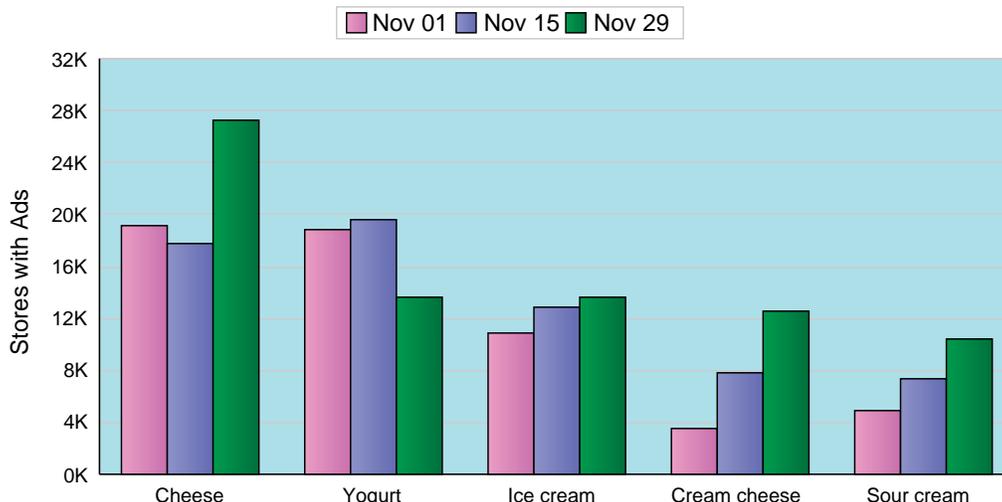
Cheese ads comprise the largest category of ads, replacing yogurt. Ads for 8 oz. shredded continue to be the most numerous of the 5 types of cheese advertised, with an average price up 4 cents to \$2.26. 8-ounce blocks, at \$2.35, are 16 cents below two weeks ago and 8 cents below last year.

Yogurt ads tie with ice cream for the second largest number of ads. Greek yogurt in 4-6 ounce packages has slightly over twice as many ads as all other categories of yogurt combined. The 4-6 oz. Greek yogurt weighted average advertised price, \$1.00, is 2 cents below the last report. Regular yogurt in 4-6 ounce packs, has an average price of \$.57, 4 cents above last report.

Ice cream features are up slightly from two weeks ago. The current average price for 48-64 oz. containers, \$3.08, is 8 cents below two weeks ago.

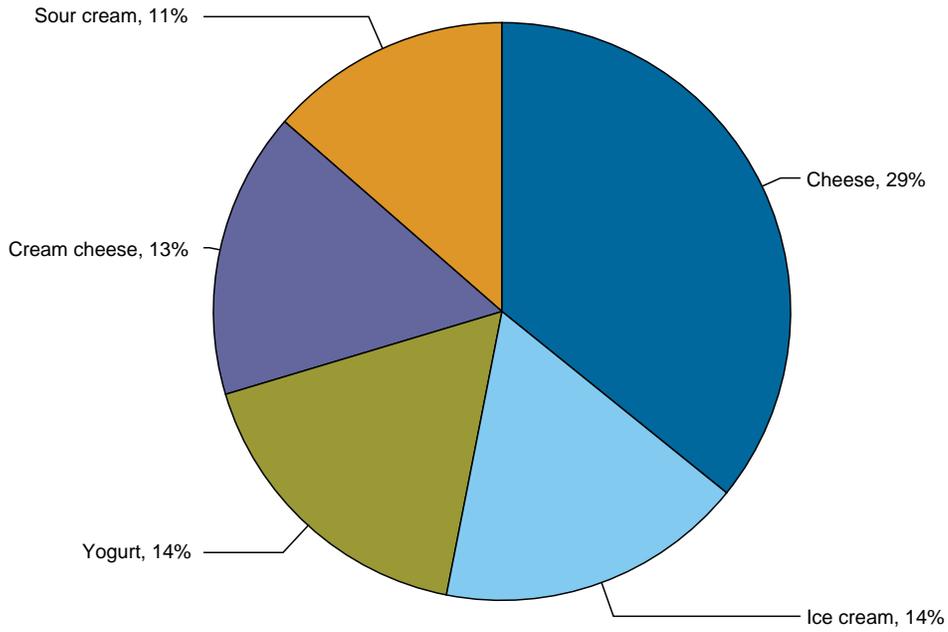
The national weighted average conventional milk price for half gallons is \$1.00 and for organic half-gallon milk, at \$3.68. The organic-conventional half-gallon price spread is \$2.68, up 66 cents from the last period. The magnitude of this price spread results more from factors associated with the conventional milk price, the second lowest average price of the year. All conventional milk half gallon ads ran in the Southwest for store brand, half gallons of a national retail chain priced \$1.00.

Top 5 Commodities Featured

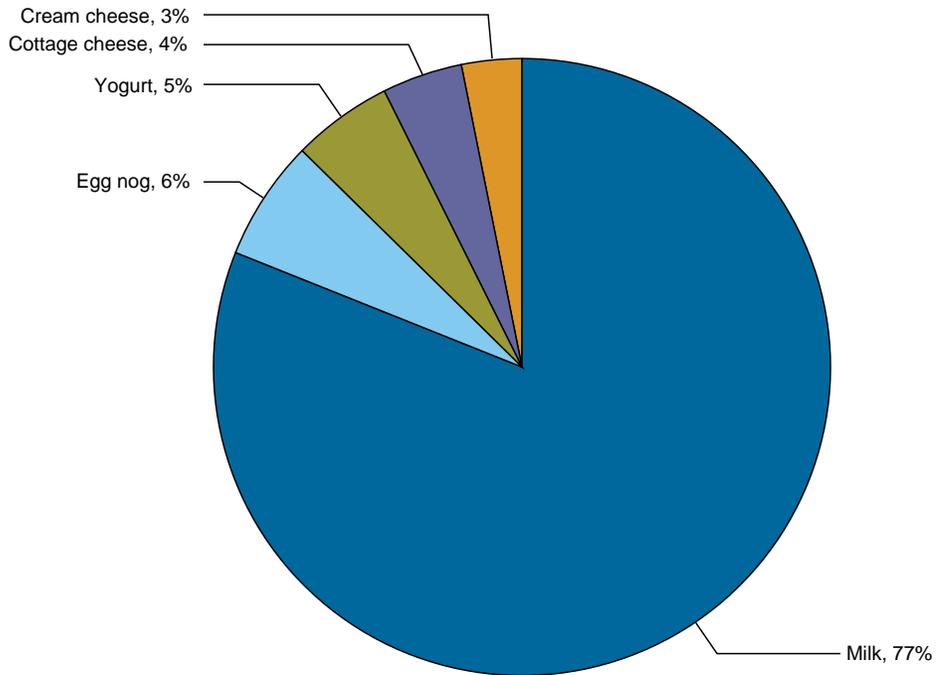


1 -- Dairy Market News surveys nearly 100 retailers, comprising over 14,000 individual stores, with online weekly advertised features.
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

Top 5 Percentage of Total Conventional Ads



Top 5 Percentage of Total Organic Ads





NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	10183	2.29	6604	2.37	4500	3.06
Cheese	Natural Varieties	8 oz block	11426	2.35	5471	2.51	6939	2.43
Cheese	Natural Varieties	1 # block	1370	3.53	2192	3.81	1558	4.00
Cheese	Natural Varieties	2 # block	2088	6.58	1233	6.91	2392	7.27
Cheese	Natural Varieties	8 oz shred	12177	2.26	8005	2.22	7810	2.40
Cheese	Natural Varieties	1 # shred	244	3.51	839	3.55	884	3.19
Cottage cheese		16 oz	1199	2.40	5090	1.95	1567	1.93
Cream cheese		8 oz	12492	1.32	7788	1.55	5682	1.60
Egg nog		quart	737	2.68	853	2.24	968	2.65
Egg nog		half gallon	3361	3.45	314	3.79	3188	3.21
Flavored milk	All fat tests	half gallon			516	2.24	510	1.98
Flavored milk	All fat tests	gallon	98	2.50	98	2.50	28	3.77
Ice cream		48-64oz	13553	3.08	12785	3.16	11985	3.04
Milk	All fat tests	half gallon	116	1.00	810	1.46	2157	2.85
Milk	All fat tests	gallon	1515	3.10	1511	2.83	4296	2.90
Sour cream		16 oz	10406	1.58	7294	1.57	7537	1.63
Yogurt	Greek	4-6 oz	8926	1.00	12296	1.02	5982	1.00
Yogurt	Greek	32 oz	458	4.91	603	4.96	975	3.83
Yogurt	Yogurt	4-6 oz	2749	.57	5160	.53	3895	.46
Yogurt	Yogurt	32 oz	1327	2.22	605	2.24	1098	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 #	1.69-2.99	2050	2.32	1.88-3.49	3719	2.43	1.68-2.50	1436	2.02
Cheese	Natural Varieties	8 oz block	1.50-3.00	2787	2.17	1.99-3.00	4832	2.48	1.25-2.99	1024	1.99
Cheese	Natural Varieties	1 # block	1.99-4.99	891	3.17						
Cheese	Natural Varieties	2 # block	6.99	112	6.99	6.99-7.99	163	7.63			
Cheese	Natural Varieties	8 oz shred	1.66-3.49	2589	2.44	1.67-3.00	2938	2.06	1.25-2.99	1676	1.90
Cheese	Natural Varieties	1 # shred	3.99	128	3.99						
Cottage cheese		16 oz	1.99-3.19	714	2.69	2.29	105	2.29	2.00	70	2.00
Cream cheese		8 oz	0.99-2.50	2085	1.41	0.98-1.50	4014	1.31	0.99-2.00	1669	1.25
Egg nog		quart	2.29-3.49	485	2.85						
Egg nog		half gallon	3.99-4.69	522	4.45	3.00-3.79	1081	3.04	2.99-3.79	319	3.42
Flavored milk	All fat tests	gallon							2.50	98	2.50
Ice cream		48-64oz	1.79-4.99	3741	2.76	2.50-5.00	4107	3.39	1.99-3.50	1966	2.90
Milk	All fat tests	gallon	3.99-5.00	224	4.50	3.99	58	3.99	2.50-2.79	245	2.60
Sour cream		16 oz	0.99-1.99	2670	1.45	1.00-2.39	2515	1.65	1.00-2.00	1223	1.45
Yogurt	Greek	4-6 oz	0.88-1.00	1685	.98	1.00	3679	1.00	0.87-1.00	768	.99

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	Greek	32 oz	3.50-5.98	364	5.15				3.99	94	3.99
Yogurt	Yogurt	4-6 oz	0.50-0.78	1799	.59	0.50-0.69	216	.60	0.60	98	.60
Yogurt	Yogurt	32 oz	1.99-2.99	737	2.18				1.99-2.00	270	2.00

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.77-2.79	1135	2.13	1.99-2.69	1423	2.38	1.67-2.50	420	1.84
Cheese	Natural Varieties	8 oz block	2.49-3.49	545	2.63	1.88-2.99	1658	2.43	1.99-2.50	580	2.25
Cheese	Natural Varieties	1 # block	3.99-4.49	404	4.24	3.99	75	3.99			
Cheese	Natural Varieties	2 # block				5.99-6.99	1233	6.78	4.99-6.99	580	5.78
Cheese	Natural Varieties	8 oz shred	1.66-2.99	1625	2.28	1.79-2.99	2419	2.47	1.99-2.99	930	2.40
Cheese	Natural Varieties	1 # shred							2.99	116	2.99
Cottage cheese		16 oz				1.25-2.39	310	1.84			
Cream cheese		8 oz	0.88-2.00	1461	1.16	0.99-1.99	2313	1.37	0.99-1.99	950	1.37
Egg nog		quart	2.29	202	2.29				2.50	50	2.50
Egg nog		half gallon	2.99-3.49	234	3.25	2.50-3.99	1089	3.43	3.49	116	3.49
Ice cream		48-64oz	1.99-4.99	1588	3.40	2.88-3.49	1403	3.07	2.49-3.00	748	2.80
Milk	All fat tests	half gallon				1.00	116	1.00			
Milk	All fat tests	gallon	1.99-2.79	391	2.30	1.87-3.59	597	3.21			
Sour cream		16 oz	1.00-2.00	1094	1.56	1.00-1.99	2278	1.73	1.00-1.99	626	1.60
Yogurt	Greek	4-6 oz	1.00	563	1.00	1.00	1563	1.00	1.00	668	1.00
Yogurt	Yogurt	4-6 oz				0.50	586	.50	0.50	50	.50
Yogurt	Yogurt	32 oz				2.49	118	2.49	2.50	202	2.50

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	100	3.99			563	4.70
Cheese	Natural Varieties	8 oz block					32	4.99
Cottage cheese		16 oz	165	3.99	165	3.88		
Cream cheese		8 oz	127	2.43	56	2.49	228	2.64
Egg nog		quart	243	3.78				
Egg nog		half gallon			143	3.99	26	4.49
Ice cream		48-64oz			143	5.99	56	5.99
Milk	All fat tests	half gallon	2198	3.68	2785	3.48	1282	3.52

Wtd Avg - Simple weighted average



Milk	All fat tests	gallon	652	5.25	890	5.26	105	5.99
Milk	All fat tests	8 oz UHT	202	1.00	71	.80	609	1.00
Sour cream		16 oz	71	2.69			28	2.99
Yogurt	Greek	4-6 oz			244	1.00	232	1.33
Yogurt	Greek	32 oz			235	3.19		
Yogurt	Yogurt	4-6 oz			416	.96	484	.60
Yogurt	Yogurt	32 oz	195	3.33	108	3.99		

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
Cottage cheese		16 oz							3.99	165	3.99
Cream cheese		8 oz	2.39-2.49	127	2.43						
Milk	All fat tests	half gallon	3.99	112	3.99	3.99	58	3.99	2.99-4.99	611	3.54
Milk	All fat tests	gallon	5.69	232	5.69						
Milk	All fat tests	8 oz UHT				1.00	202	1.00			
Sour cream		16 oz	2.69	71	2.69						
Yogurt	Yogurt	32 oz				3.33	195	3.33			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99	100	3.99						
Egg nog		quart	3.49	100	3.49	3.99	143	3.99			
Milk	All fat tests	half gallon	2.79-4.19	234	3.46	2.99-4.19	767	3.84	2.99-3.99	416	3.58
Milk	All fat tests	gallon	5.00	122	5.00				5.00	298	5.00

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

REGIONAL DEFINITIONS

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

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

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