

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (12/13):

BUTTER: Grade AA closed at \$1.5700. The weekly average for Grade AA is \$1.6300 (-.0110).

CHEESE: Barrels closed at \$1.8300 and 40# blocks at \$1.9250. The weekly average for barrels is \$1.7930 (-.0350) and blocks, \$1.8955 (-.0030).

BUTTER HIGHLIGHTS: Butter prices are mixed across the regions. The market tone is steady to firm throughout the U.S. as butter makers fill last minute retail orders. Many churn operators had reduced production rates due to tight cream supplies and high demand. International interest in butter picked up resulting in additional butter manufacturers producing 82%. Retail stores, bakeries, and food processors are driving good domestic demand as year-end holidays near. Stocks of butter are being worked lower, but are sufficient to meet most order needs. Current bulk butter prices range from 5-8 cents over the market in the Northeast, 2 cents under to 5 cents over 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. The Grade AA Butter price on the CME Group nose-dived 6 cents on Thursday and another 3 cents Friday, closing at \$1.57, down 7.5 cents from a week ago. According to the National Dairy Retail Report, the national weighted average advertised price of \$2.61 for a 1 lb. package of butter is 32 cents above two weeks ago, but 23 cents lower than a year ago. Butter ads were down this period to 8,443 ads, 17% less than two weeks ago. The highest regional weighted average advertised price was found in the Northwest region at \$2.89. The lowest regional weighted average advertised price was \$2.22 in the Midwest region. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 1.86 million pounds of butter. The product will be delivered in December 2013 through May 2014. Year-to-date, CWT has assisted member cooperatives in selling 91.6 million pounds of butter.

CHEESE HIGHLIGHTS: Wholesale cheese prices are higher this week as holiday demand is reflected in the market. Spot prices this week are mixed for barrels and higher for blocks. The block/barrel price spread is fluctuating with blocks favored over barrels by 10 cents or more for much of the week. Cheese production schedules are varied. Manufacturing milk supplies are tight with added pulls from both Class II and IV for the holidays. Retail demand is strong for blocks with time running short to fill orders in time for holiday

delivery. Higher prices have slowed both spot barrel demand and export interest. Advertised U.S. cheese prices as reported in the National Dairy Retail Report were higher than two weeks ago. Cheese exports for January-October 2013 total 566.7 million pounds, up 17% from the same period a year ago. At the CME Group, barrels closed the week at \$1.8300, down .25 cents from last Friday's close. Blocks finished the week at \$1.9250, up 5.25 cents from last week's close.

FLUID MILK: Milk production trends were mixed across the nation this week. The typical seasonal upward trends in the Central and Southwest regions have been slowed, or reversed in some instances, by the recent cold snap covering most of the country. Milk production in the Northwest is at the seasonal low point and there too the cold weather reduced milk volumes. Fluid demand is steady to strong, due to heavy holiday production schedules and increased Class I sales in the East, due to storms. Cream supplies are tight with active demand as manufacturers of cream based dairy products push production schedules to get products on retail shelves prior to the holidays.

DRY PRODUCTS: Nonfat dry milk prices are higher throughout all regions. Supplies are light at most plants. Current demand is strong, and the market undertone is firm. Dry buttermilk prices across all regions increased, with ranges tightening. Spot load offers of dry buttermilk are limited, as supplies are very tight at most plants. Demand is strong. Dry whey prices are mixed, with spot trade premiums edging prices higher in the Central region. Demand is steady to improved and supplies are lower. Prices for 34% whey protein concentrate remain steady, with active export demand. Lactose prices are unchanged to lower in the mostly price range and the market tone is mixed. Casein prices are unchanged, with production at seasonal levels.

ORGANIC DAIRY MARKET NEWS (DMN): There is no confirmed information yet available as to whether the major organic milk processors will modify the base organic milk pay price in early 2014. Producers are very interested in this potential, hoping for increases to help accommodate increased feed costs and other costs of production. The U.S. weighted average advertised price of organic milk half gallons is \$3.70, up 2 cents from the last reported period.

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CME GROUP CASH TRADING

COMMODITY	MONDAY DEC 09	TUESDAY DEC 10	WEDNESDAY DEC 11	THURSDAY DEC 12	FRIDAY DEC 13	WEEKLY CHANGE *	WEEKLY AVERAGE #
CHEESE							
BARRELS	\$1.7750 (-.0575)	\$1.7800 (+.0050)	\$1.7800 (N.C.)	\$1.8000 (+.0200)	\$1.8300 (+.0300)	:: (-.0025)	:: \$1.7930 (-.0350)
40# BLOCKS	\$1.8725 (N.C.)	\$1.8800 (+.0075)	\$1.8900 (+.0100)	\$1.9100 (+.0200)	\$1.9250 (+.0150)	:: (+.0525)	:: \$1.8955 (-.0030)
NONFAT DRY MILK							
EXTRA GRADE	\$2.0225 (N.C.)	\$2.0400 (+.0175)	\$2.0400 (N.C.)	\$2.0400 (N.C.)	\$2.0450 (+.0050)	:: (+.0225)	:: \$2.0375 (+.0390)
GRADE A	\$2.0575 (N.C.)	\$2.0600 (+.0025)	\$2.0700 (+.0100)	\$2.0750 (+.0050)	\$2.0800 (+.0050)	:: (+.0225)	:: \$2.0685 (+.0410)
BUTTER							
GRADE AA	\$1.6600 (+.0150)	\$1.6600 (N.C.)	\$1.6600 (N.C.)	\$1.6000 (-.0600)	\$1.5700 (-.0300)	:: (-.0750)	:: \$1.6300 (-.0110)

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 price range is down 50 cents at the top to \$4.49, but up 20 cents at the bottom to \$2.99. The organic-conventional half-gallon price spread is \$2.05, down 63 cents from the last period. A factor in the outcome is the extremely low volume of advertising for conventional milk half gallons. This period, conventional half gallon milk ads nationally numbered 197, compared with 3,313 for organic milk half gallons. Ad volume for quart size organic egg nog leading into year-end holidays are sufficient to be second only to organic milk as the most advertised organic dairy product category nationally. Prices ranged from \$3.19 to \$3.99, with a weighted average price of \$3.55. Two weeks ago the average price was \$3.78 and one year ago, \$3.68. Organic yogurt ad numbers are at a very low level but slightly above two weeks ago. All ads this period are for 32 ounce organic yogurt, all in the Northeast, with prices ranging from \$3.50 to \$3.99.

RETAIL DAIRY MARKET NEWS (DMN): Total ad numbers are down 21% from two weeks and nearly 30% from a year ago. A few categories still showed increased ad numbers. Egg nog ad numbers with the holiday week fast approaching, increased by about 15%. The weighted average price of quarts is \$2.81 and half gallons, \$3.52. Each price is higher than the price two weeks ago and last year. Other product categories with ad number increases are yogurt, up 23%, and milk ads, up by 13%. Greek yogurt in 4-6 ounce packages has nearly twice as many ads as all other categories of yogurt combined. The 4-6 oz. Greek yogurt weighted average advertised price, \$.97, is 3 cents below the last report and 2 cents below last year. Regular yogurt in 4-6 ounce packs, has an average price of \$.46, 11 cents below last report but 3 cents above last year. Cheese ads narrowly comprise the largest category of ads, 1% ahead of yogurt. Ads for 8 oz. shredded continue to be the most numerous of the 5 types of cheese advertised, with an average price up 6 cents to \$2.32, which is 3 cents above last year. 8-ounce blocks, at \$2.41, are up 6 cents from two weeks ago but 12 cents below last year. Ice cream features are the third largest category but ad numbers are down 15% from two weeks ago and even lower than a year ago. The current average price for 48-64 oz. containers, \$2.92, is 16 cents below two weeks ago. The national weighted average conventional milk price for half gallons is \$1.65 and for organic half-gallon milk, \$3.70. The organic-conventional half-gallon price spread is \$2.05, down 63 cents from the last period.

DECEMBER MILK SUPPLY AND DEMAND ESTIMATES (WAOB): The 2013 milk production forecast is reduced slightly from last month, based on recent estimates of cow numbers. The forecast for 2014 is raised as higher milk forecast prices and lower expected feed costs support a more rapid increase in cow numbers and output per cow. Fat basis imports are reduced for 2013 but are unchanged for 2014. On a skims-solids basis, imports are raised in 2013 but unchanged for 2014. Exports are raised on a fats basis based on the strength of butterfat shipments to non-traditional markets. On a skims-solids basis, higher nonfat dry milk (NDM) and whey exports are offset by lower lactose exports leading to a lower forecast for 2013, but for 2014, expected strength in NDM results in higher skim-solids forecast. For 2013, the cheese price forecast is reduced, reflecting current prices. However, strength in current prices for butter, NDM, and whey resulted in higher price forecasts for those products. For 2014, despite higher dairy production, demand strength in importing countries and improving domestic demand in the United States is expected to support prices for all products. The Class III milk price is unchanged for 2013 as lower forecast cheese prices offset higher whey prices but the forecast is raised for 2014 based on higher forecast cheese and whey prices. The Class IV price forecast is raised for both -1A-

years on higher butter and NDM prices. The all milk price is forecast at \$19.90 to \$20.00 for 2013 and \$19.70 to \$20.50 for 2014.

NOVEMBER AGRICULTURAL PRICE HIGHLIGHTS (NASS): The All Milk price received by farmers was \$21.30 in November, up \$0.60 from October 2013, but down \$0.80 from November 2012. The alfalfa hay price was \$188.00 in November, down \$27.00 from November 2012. The corn price was \$4.29 in November, down \$2.72 from November 2012. The soybean price was \$12.70 in November, down \$1.60 from November 2012. The milk-feed price ratio was 2.25 in November, up 0.51 from November 2012. The index of prices received by farmers for dairy products during the month of November 2013 was up 5 points to 163. Compared to November 2012, the index was down 6 points (3.6%). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in November 2013 was down 2 points to 213. Compared with November 2012, the index was down 4 points (1.8%).

OCTOBER DAIRY PRODUCTS (NASS): BUTTER production was 146.2 million pounds, 1.2% above October 2012 and 10.2% above September 2013. **AMERICAN TYPE CHEESE** production totaled 367.8 million pounds, 0.6% below October 2012 but 6.4% above September 2013. **TOTAL CHEESE** output (excluding cottage cheese) was 950.1 million pounds, 2.1% above October 2012 and 6.7% above September 2013. **NONFAT DRY MILK** production, for human food, totaled 85.5 million pounds, 10.1% below October 2012 but 15.5% above September 2013. **DRY WHEY** production, for human food, was 71.5 million pounds, 2.5% below October 2012 but 7.9% above September 2013. **ICE CREAM** (hard) production totaled 64.7 million gallons, 0.9% below October 2012 but 2.3% above September 2013.

SEPTEMBER MAILBOX PRICES (FMMO & CDFA): In September 2013, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$20.13, up \$0.54 from the August 2013 average, and up \$0.44 from the September 2012 average. The component tests of producer milk in September 2013 were: butterfat, 3.69%; protein, 3.08%; and other solids, 5.72%. On an individual reporting area basis, mailbox prices increased in all Federal milk order reporting areas when compared to the previous month. Mailbox prices in September 2013 ranged from \$23.40 in Florida to \$17.96 in New Mexico.

CME GROUP

MONDAY, DECEMBER 9, 2013

CHEESE -- SALES: 1 CAR BARRELS @ \$1.7750; 2 CARS 40# BLOCKS @ \$1.8725; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.8725;
 LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7850
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.6475, 1 @ \$1.6500; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.6600; LAST OFFER UNCOVERED: NONE

TUESDAY, DECEMBER 10, 2013

CHEESE -- SALES: 3 CARS 40# BLOCKS @ \$1.8800; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.7800; 1 CAR 40# BLOCKS @ \$1.8700; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 1 CAR EXTRA GRADE @ \$2.0400; 2 CARS GRADE A @ \$2.0600; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$2.0400; 2 CARS GRADE A @ \$2.0575; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 5 CARS GRADE AA: 2 @ \$1.6575, 1 @ \$1.6525, 2 @ \$1.6550; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6600;
 LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.6650

WEDNESDAY, DECEMBER 11, 2013

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.8900; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.7800; 1 CAR 40# BLOCKS @ \$1.8800; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$2.0400; 1 CAR GRADE A @ \$2.0700; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, DECEMBER 12, 2013

CHEESE -- SALES: 1 CAR BARRELS @ \$1.8000; 1 CAR 40# BLOCKS @ \$1.8950; LAST BID UNFILLED: 2 CARS 40# BLOCKS @ \$1.9100; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$2.0750; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.6000

FRIDAY, DECEMBER 13, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.8300; 1 CAR 40# BLOCKS @ \$1.9250; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$2.0450; 1 CAR GRADE A @ \$2.0800; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 3 CARS GRADE AA @ \$1.5700

BUTTER MARKETS

NORTHEAST

Butter production has fallen off in the region as strong cream demand has reduced churn volumes. Stocks are tight, causing some plants to work inventories lower to fill committed sales. Domestic demand is very good as retail stores, bakeries, and food processors make products available for the upcoming holiday. Export interests are comparatively good, with some butter makers choosing to fill existing export orders. Current bulk butter prices for domestic sales are reported at 5-8 cents over the market on the CME Group, with various time frames and averages used. The butter price on the CME Group was unchanged on Tuesday and closed at \$1.6600. Trading since the Thanksgiving holiday has been active with 30 loads sold in the last 7 trading sessions. According to the National Dairy Retail Report, the weighted average price for a 1 lb. package of butter in the Northeast was \$2.74, 13 cents more than the national weighted average price and 42 cents more than the previous reporting period. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 1.863 million pounds (845 metric tons) of butter. The product will be delivered December 2013 through May 2014. The Foreign Agriculture Service shows butter exports for October totaling 23.2 million pounds, up 153% from last year. The January-October export total was 160.4 million pounds, up 72% compared to last year.

CENTRAL

Central butter prices strengthened as the market tone remains firm. Most butter manufacturers are wrapping up the last of the holiday print orders with expectations of orders trailing off seasonally in the coming weeks. Some butter churn operators had some difficulty finding cream supplies but expect the availability to loosen over the next few weeks. International interest has pushed some additional manufacturers to begin 82% butter production. Domestic demand for butter remains good. Butter inventories are decreasing. Current bulk butter prices range from 2 cents under the market to 5 cents over the market, based on the CME, with various time frames and averages used. The Grade AA Butter price on the CME Group closed unchanged today at \$1.66, up 1.5 cents from last week's close. Seven loads were sold through midweek. According to the National Dairy

Retail Report noted the national weighted average advertised price of \$2.22 for a 1 lb. package of butter in the Midwest, 20 cents above two weeks ago, but 39 cents lower than the national price this week. The weighted average advertised price in the South Central was \$2.29, up 16 cents from two weeks ago, but down 32 cents compared to the national price. Retail butter ranged from \$1.50-2.99 between the Midwest and South Central regions. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 1.86 million pounds of butter. The product will be delivered in December 2013 through May 2014. Year-to-date, CWT has assisted member cooperatives in selling 91.6 million pounds of butter.

WEST

Western wholesale butter prices are lower this week. The market tone is mostly steady as good retail demand for the upcoming holiday keeps moving product. Print orders are good, but time is running out for getting the product to end users. Cold weather across the West has tightened the milk supply and reduced churning. Freezing temperatures have also made handling of milk and cream more difficult in some areas. Butter stocks are sufficient for most orders and manufacturers are able to meet demand. According to the National Dairy Retail Report, butter prices showed a weighted average price of \$2.61 per pound compared to \$2.29 two weeks ago and \$2.84 a year ago. Butter ads decreased 17% from two weeks ago. Western advertised prices ranged from \$1.99-2.99 per pound. The weighted average price for butter in the Northwest was \$2.89 and the Southwest was \$2.82. According to the Foreign Agricultural Service, exports of butter and milkfat for January-October 2013 total 160.4 million pounds, up 72% or 67.2 million pounds from the same period a year ago. Exports for October amounted to 23.2 million pounds, up 153% from October 2012. The butter and milkfat exports account for 10.3% of butter production in the U.S. for the period. Butter prices at the CME Group exchange on Wednesday were unchanged and closed at \$1.6600. The market moved 1.5 cents higher on Monday and has held steady through Wednesday's trading. Seven loads have sold as of Wednesday's close. Prices for bulk butter range from market to 5 cents under the market, based on the CME with various time frames and averages used.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
December 7, 2013	1.6559 1,936,861	1.8430 11,851,657	1.8106 11,839,380	0.5586 6,964,357	1.9363 13,355,929

CHEESE MARKETS

NORTHEAST

Cheese production is active with most plants in the region operating on 6-7 day production schedules. Demand for domestic cheese is good with supplies being worked lower as end of year holiday orders are being filled. Export demand and trade interest remains active. Cheese prices on the CME group price increased Tuesday with barrels up \$0.0050 to close at \$1.7800 and blocks increasing \$0.0075 to close at \$1.8800. Cheese prices for both barrels and blocks have been sharply up and down since Monday last week, however the net balances over that period show barrels up \$0.0025 and blocks unchanged. According to the National Dairy Retail Report, the weighted average price for 8 oz. cheese blocks in the Northeast was \$2.41, equal to the national weighted average price, but 24 cents higher than the previous reporting period. The weighted average price for 8 oz. shredded cheese in the Northeast was \$2.24, 8 cents less than the national weighted average price and 20 cents less than the previous reporting period. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 5.064 million pounds (2,297 metric tons) of Cheddar, Monterey Jack and Gouda cheese. The product will be delivered December 2013 through March 2014. The Foreign Agriculture Service shows cheese exports for October totaling 59.7 million pounds, up 42% from last year. The January-October export total was 566.7 million pounds, up 17% compared to last year.

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

Cheddar 40# Block	: 2.2900-2.5750
Process 5# Sliced	: 2.0525-2.5325
Muenster	: 2.3100-2.6700
Grade A Swiss Cuts 10 - 14#	: 3.4575-3.7800

MIDWEST

Cheese markets are unsettled, with no clear sustained trend up or down evident on trading from last week Monday through this Wednesday. The price spread between barrels and blocks moved from \$.1025 last week Monday to as low as \$.0400 to end last week, back to \$.1100 by this Wednesday. Milk production is reported by a number of cheese plants to be increasing. Some plants would like more milk if it became available. Re-alignment of some milk shipments to cheese plants is in process. A large Wisconsin source of milk generating in the range of eight tankers of milk a day, is no longer having its milk purchased by a large cheesemaking operation. It is not yet clear where that milk is going, or whether the plant previously receiving the milk has secured other milk sources. Interest in blocks is reported as stronger than barrels by a number of cheese plants. This has led to decreasing barrel production in favor of blocks in some plants. Cheese inventories vary. Some plants report inventories as tight, causing order fulfillment to be delayed. In other plants, inventories are reported to be stable. Recently increased Mozzarella production has occurred in some plants. The National Dairy Retail Report found that Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.37, 11 cents higher than the national average. The Midwest average has increased 47 cents from two weeks ago. For 8 ounce blocks in the Midwest, the average price is \$2.22, 19 cents lower than the national average. The Midwest average has increased 23 cents from two weeks ago. National ad numbers for all

cheese categories this period declined by 35% from two weeks ago while Midwest ad numbers for all cheese this period decreased by approximately 25%.

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

Process American 5# Loaf	: 1.9300-2.2900
Brick And/Or Muenster 5#	: 2.2700-2.6950
Cheddar 40# Block	: 1.9750-2.3925
Monterey Jack 10#	: 2.2450-2.4500
Blue 5#	: 2.5375-3.5250
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 2.1150-3.0100
Grade A Swiss Cuts 6 - 9#	: 2.9750-3.0925

WEST

Western wholesale cheese prices are higher this week. The market for block cheese remains strong with retailers looking to stock store shelves for the holiday. Barrel demand is lighter, although contracted sales continue to move. Spot demand for barrels is meeting some resistance at current prices. Export demand is also slowing as cheese prices move higher. The Cooperatives Working Together (CWT) program announced assistance for sales of 5.1 million pounds of cheese for exports this week. Cheese production is limited due to seasonally light milk supplies. Cold weather across much of the West has also added to tight milk supplies. Cheese stocks are sufficient for most of the current demand. Advertised U.S. cheese prices as reported in the National Dairy Retail Report showed prices were higher from two weeks ago. Combined cheese advertising was down 35% from two weeks ago, while prices were 23% higher than two weeks ago. According to FAS, exports of cheese and curd for January-October 2013 total 566.7 million pounds, up 17% from the same period a year ago. Exports for October 2013 totaled 59.7 million pounds and are 42% higher than a year ago. Cheese and curd exports for the period account for 6.1% of U.S. cheese production for the year. Cheese prices at the CME Group were mixed on Wednesday. Barrel prices were unchanged at \$1.7800. Blocks were one cent higher and closed at \$1.8900. Sales are limited with one barrel sale for the week and six loads of blocks sold by midweek. The block/barrel spread is 11 cents as of Wednesday's close.

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

Process 5# Loaf	: 1.9600-2.2175
Cheddar 40# Block	: 2.0125-2.3650
Cheddar 10# Cuts	: 2.1925-2.4125
Monterey Jack 10#	: 2.2025-2.3625
Grade A Swiss Cuts 6 - 9#	: 3.0350-3.4650

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CHEESE MARKETS

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FOREIGN

Retail seasonal sales of imported and domestic foreign type cheeses continue to be strong and are eclipsing sales totals from last year, according to some wholesale contacts. European cheeses are in tight supply, which has caused base cheese prices to change more frequently than in previous years. European base price increases and a stronger Euro are forecasting higher prices for importers in the first half of 2014. The weekly average CME Group block price increased last week and, as a result, raised domestic type foreign cheese prices \$0.0325. Domestic Swiss cuts increased \$0.0250 as a result of last week's release of the Class III milk price. Imported cheese prices were unchanged.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.2200	2.4300-3.9175*
Gorgonzola	3.4900-6.6900	2.9325-3.3450*
Parmesan (Italy)	-0-	3.8200-5.9100*
Provolone (Italy)	-0-	2.4725-2.6300*
Romano (Cows Milk)	-0-	3.6200-5.7700*
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-	3.5550-3.8775*
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

	:	
12/09/13	7,214	101,240
12/01/13	7,212	101,126
CHANGE	2	114
% CHANGE	0	0

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	95	0	79	0	0	70
SOUTHEAST STATES	0	0	0	0	0	0

The yearend holiday dairy product production push is on in the Northeast and Mid-Atlantic regions and has significantly reduced milk volumes at balancing plants. The Mid-Atlantic region has also seen retail runs on dairy products and increases in Class I demand, prompted by snow storms that closed schools and federal government DC operations. Milk production is showing some increases as it moves along the usual seasonal trend, but component levels in some areas are below year ago levels. Class I demand is very strong in Florida as early cold spells in other regions of the country appear to have increased tourism and seasonal residents to the state and increased consumer demand for dairy products. Milk production has fallen flat, due to the warm humid weather reducing cow comfort levels. The situation of increased demand and lackluster milk production has tightened milk supplies and expanded import spot loads to 95 this week. Bottling plant demand is very strong as storms have increased consumer demand for dairy products. Transportation is running into some delays on deliveries due to the slippery road conditions and inclement weather. Manufacturing supplies are limited and near their contract minimums. Cream demand is stronger this week than last as cream based dairy product manufacturers are in their final production push to get products on retail shelves prior to the holidays. Most manufacturers have expanded their contracted cream volumes to their maximum levels. Available spot sales are very limited. **Cream multiples for all classes** ranged 1.37-1.49. **Condensed skim** demand has increased ahead of the yearend holidays with a noticeable increase in Class II spot sales. Volumes being pulled through contracts have also increased. Manufacturing supplies going to Class IV production are significantly reduced.

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 -	2.2482-2.4451
F.O.B. producing plants: Upper Midwest -	2.1005-2.2974

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.93 - 1.98
Northeast - Class III - spot prices -	1.66 - 1.71

MIDWEST

Central milk production and components are trending up, but with the recent cold spurt in the Upper Midwest some producers are worried cows may start to utilize more feed energy for body warmth resulting in reduced milk production rates. Milk supplies tighten this week for the last minute push for year-end holiday orders, premiums were generally \$2.00 over Class. Milk processors have received many Q1 inquiries for spot loads of milk. Bottling sales are peaking with heavy retail promotions going on for milk, eggnog, and other holiday dairy products. Class II demand has been above seasonal trends, leading to additional tightness in milk supply

availability. **Class II cream multiples ranged from 1.28 to 1.40 this week.** Cream supplies tighten this week and continues to show stronger than seasonal demand, but is expected to loosen over the year-end holidays. Cheese manufacturers are actively looking for additional milk supplies.

WEST

Manufacturing processing capacity remains available throughout the SOUTHWEST for handling current farm milk supplies. A recent cold snap in CALIFORNIA brought minor declines in production due to cow comfort in some areas, but on the whole, milk production in California is making modest gains compared to a few weeks ago. Various handlers report the feed cost situation is one of the items still hampering strong growth in farm milk production. The January 2014 Class 1 prices in CALIFORNIA range from \$22.84 in the north to \$23.11 in the south. The statewide average Class 1 price based on production is \$22.86. The average is \$1.11 higher than December 2013 and \$2.60 higher than January 2013. NEW MEXICO farm milk production is uneven because dairy producers have had some challenges in maintaining cow comfort as weather conditions remain changeable between seasons. Fluid demand is mostly steady to major bottling accounts. A few bottlers are pulling more strongly to make up for loads missed over the weekend due to poor transportation conditions. Milk sales into Class II are active, with some manufacturers making a last push to deliver holiday related products to grocery outlets. Class III milk demand is mostly steady as various manufacturers indicate domestic cheese ordering is at seasonal levels. Dairy processors in ARIZONA report milk intakes are uneven as weather has been changeable. Below normal temperatures were recorded in several areas across the State during the last 7 - 10 days, but warmer daytime temperatures are settling into the region for the remainder of the week. Fluid demand is very active as retail outlets run specials on several package sizes/varieties of milk as well as holiday related fluid products. CREAM demand throughout the Southwest is active. Manufacturers of aerated cream, dips, sour cream, cream cheese and butter have active production schedules planned for the balance of this week and through the weekend. Some cream sellers indicate they are regularly fielding calls from in-State and out-of-State buyers/end users, but can only fill a small portion of those requests for spot cream loads due to contract commitments. **The Western cream multiple range is 1.28 - 1.32, depending on Class usage and basing points.** At the CME Group, Grade AA butter closed on Wednesday at \$1.6600, 2 cents higher than last week Wednesday. An early cold spell enveloped the PACIFIC NORTHWEST at the beginning of this week. Milk production levels are at seasonally expected low points, but the freezing temperatures added to stress on dairies as cows spent more energy on staying warm. The cold weather contributed to some minor manufacturing plant difficulties. Warmer weather to end the week should help to return production to expected levels. Milk continues to move to manufacturing plants with best returns. Class II demand is still very good as time to ship product for the holidays is shortening. UTAH and IDAHO milk production continues to lag behind year ago levels due to lower cow numbers in the region. Production levels are at seasonal lows and early cold weather only added to the lower numbers. Manufacturing capacity in the region exceeds current milk supplies. Tighter lending practices are said to be making expansion plans for dairies more difficult.

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Nonfat dry milk (NDM) prices moved higher on low/medium heat and high heat this week on spot load activity. The NDM market tone remains firm with little product availability to supply continued strong domestic and export demand. Some NDM manufacturers plan on increasing production rates when milk volumes typically increase over the year-end holidays. Prices on the CME Group for Extra Grade and Grade A have remained steady or pushed higher each day this week.

EAST: Nonfat dry milk prices moved higher this week in a firm market. Production has declined as increased Class I and II demand has pulled milk volumes away from dryer operations. Some plants are electing to complete various maintenance projects while milk volumes are low. Supplies are tight with some manufacturers sold out through 2013. Demand is good as numerous dairy product manufacturers are in the final production push to get products on retail shelves prior to the holidays. Some buyers are sourcing product out of region and/or via resale opportunities. Resale prices are at or above the upper end of the range. The market undertone is firm.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.9500 - 2.0900 MOSTLY: 1.9500 - 2.0300
HIGH HEAT: 2.0300 - 2.1050

NONFAT DRY MILK - WEST

Prices for West nonfat dry milk are higher on a firm market. Domestic and international demand for NDM/SMP is insatiable according to some sellers. Availability of NDM loads from manufacturers outside of contracts is light to moderate. Manufacturers and resellers indicate they are trying to fill as many requests as possible on a weekly basis, but have to hold onto enough stocks to fill nearby contracts. The one sector of the NDM market showing slower demand is cheesemaking operations that sometimes use NDM for vat fortification. Cheese manufacturers indicate use of NDM at current prices does not pencil out to positive cash flow for commodity cheese selling between \$1.75 - \$1.90. NDM contracting activity is increasing for the first few months of 2014 as buyers now realize there is little chance of prices decreasing in the near term. Nonfat dry milk production is moving steadily higher at several Southwest locations, but a few plant managers report operational problems are sending some milk loads into other end uses. Producers in California worked around gas curtailments, brought on by a cold snap in some locations, by shifting milk intakes to unaffected plants.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.9300 - 2.0500 MOSTLY: 1.9700 - 2.0300
HIGH HEAT: 1.9700 - 2.0700

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Prices for dry buttermilk increased on the bottom of the range, but were unchanged on the top of the range. The market tone is firm as many dry buttermilk manufacturers are in soldout positions and have little, if any, excess product to offer in the F.O.B. spot market. Some buyers are resorting to the resale market to find product, while others are purchasing the condensed buttermilk form. Some buttermilk plant operators plan to dry more buttermilk over the year-end holiday period as milk volumes seasonal rise. Demand for dry buttermilk is strong.

EAST: Dry buttermilk prices firmed this week as sales based on indices moved prices higher. Production has declined as increased demand for cream from various cream based manufacturers has reduced volumes going to churns. Supplies are very tight and moving through contracts with very limited spot sale availability. Demand is good with most potential buyers needing to source product out of region and/or through resale offers. The market prices are receiving support from the firm nonfat dry milk market.

F.O.B. CENTRAL/EAST: 1.8100 - 1.8700

DRY BUTTERMILK - WEST

Dry buttermilk prices in the West narrowed on the range due to light availability of dry buttermilk F.O.B. spot loads. Contract pricing adjusted up due to increases in related bases. The market tone remains firm. Interest is active and contract loads continue to ship throughout the West and Central regions, with some delays in shipping occurring from time to time. Butter production is active throughout the region and buttermilk is clearing through dryers. Inventories are light.

F.O.B. WEST: 1.8100 - 1.8700 MOSTLY: 1.8200 - 1.8500

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are unchanged to higher on a steady to firm market. Supplies of F.O.B. spot loads are light and manufacturers are concentrating on contract fulfillment ahead of spot market sales. Manufacturers' inventories are light to comfortable. Dry whole milk production is active.

F.O.B. PRODUCING PLANT: 2.0000 - 2.1500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
December 6	\$1.9094	7,340,210	0
November 29	\$1.8893	7,313,901	0

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

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Dry whey prices in the Central region moved slightly higher based on premiums in the F.O.B spot load market activity. The dry whey market tone is steady to slightly strengthening as export interest has improved. Contracting for 2014 has been mixed. Some buyers and sellers want to work strictly in the spot market while others are electing to secure additional contract loads. Dry whey production is steady. Additional inquiries were seen for dry whey product this week. ANIMAL FEED WHEY prices increased on the bottom and top of the range. The market tone is steady for feed whey as supplies are fairly tight. Buyers have been able to secure product when the need it but are having to pay a premium.

F.O.B. CENTRAL: .5225 - .6200 MOSTLY: .5300 - .5775
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4150 - .5325

DRY WHEY - NORTHEAST

Dry whey prices firmed again this week as sales based on various price indices moved the upper end of the range higher. Production is active as most cheese plants in the region are on 6-7 day production schedules. Supplies have tightened up in recent weeks as domestic sales have improved, while export sales have remained steady. Some manufacturers have indicated their supplies are committed through the remainder of 2013. Demand for whey has improved as various buyers are looking to purchase protein and finding dry whey as a lower priced, per unit of protein, alternative. The market undertone is steady to firm.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5600 - .6375

DRY WHEY - WEST

Western dry whey prices are unchanged this week. The market tone is mostly steady with a firm undertone reinforcing light spot trading. Contract sales continue to clear inventories as manufacturers look to lower stored stocks for end of year audits. Whey production is steady to lower as milk for cheese plants is seasonally tight. Demand for whey is steady with negotiations ongoing for 2014 supplies. According to the Foreign Agricultural Service, exports of dry whey for January-October 2013 total 438.4 million pounds, up 8% (31.4 million pounds) from the unadjusted same period a year ago. The exports equate to 56.3% of the total dry whey production in the U.S. for January-October 2013.

NONHYGROSCOPIC: .5500 - .6125 MOSTLY: .5600 - .6025

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to higher for whey protein concentrate 34%. The market tone is firm. Most activity is related to contract fulfillment. Producers report demand is active for F.O.B. spot loads, but availability is intermittent. Contracting for 2014 is ongoing. Manufacturers indicate buyers are resistant to offers including large premiums to the market, and several buyers countered with lower premiums. Other manufacturers report multi-year negotiations finalized recently and contracts are in place with formula based pricing. Some domestic buyers are looking for new suppliers as previous suppliers have not offered 2014 contract options. WPC 34% production is steady to somewhat higher, depending on regional milk supplies.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.4200 -1.7950 MOSTLY: 1.6000 - 1.7450

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged to higher on the range, but unchanged to lower on the mostly price series. The market tone is mixed. A few producers note they no longer have F.O.B. spot loads of unground lactose in totes to offer. Some producers are oversold for December and will finish Q4 contract fulfillment in January 2014. A few manufacturers describe some previous prices marking the low end of the range as being an understatement of lactose value in the current market. Current demand from Southeast Asia/China may be soft, but interest from Central and South America is reportedly active. In addition, end users from Oceania continue to query U.S. manufacturers for Q1 needs; negotiations are proceeding on these requests. Container availability is tight in some locations and manufacturers report some lactose loads are waiting for containers to complete overseas shipping. Lactose production is steady to higher as cheese production returns to active fall/winter schedules.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL.5000 - .7400 MOSTLY: .5500 - .7200

CASEIN - NATIONAL

Rennet and acid casein prices are unchanged. End users are reportedly receiving contract loads on a timely basis. Production is at seasonally expected levels and inventories are light to moderate.

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
12/05/2013	63.5	2,767.6	50.0	2,720

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)

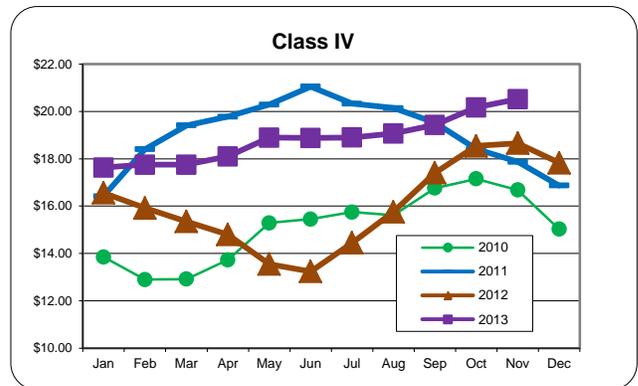
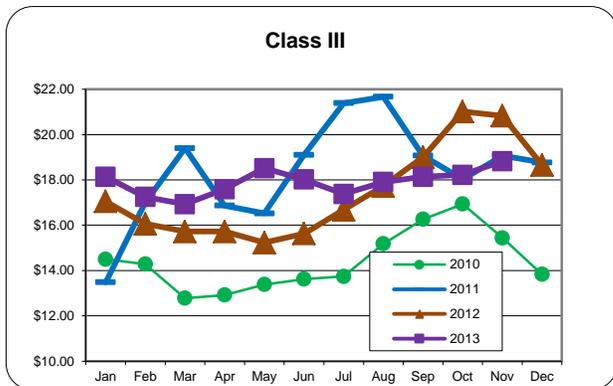
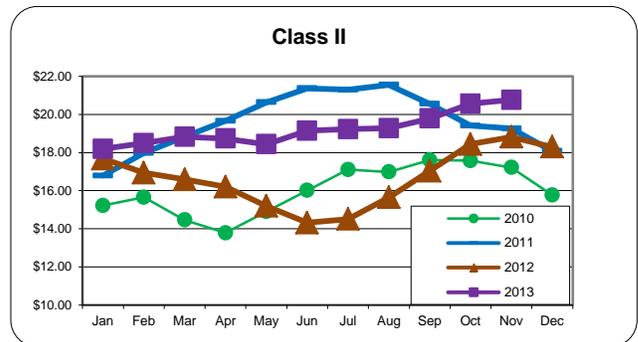
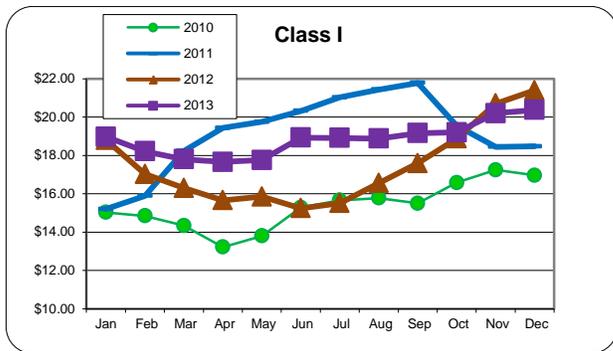
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	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	20.76	
III	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	
IV	17.63	17.75	17.75	18.10	18.89	18.88	18.90	19.07	19.43	20.17	20.52	

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 December 2 - 13, 2013

ORGANIC DAIRY FLUID OVERVIEW

Organic milk sales strength is resulting in a New England organic dairy cooperative planning creamery capacity expansion. This will also further enable plans to introduce a line of 2% (reduced fat) organic chocolate milk in January.

A national organic cooperative has begun a marketing campaign featuring a recently released Pacific Northwest land grant university research study, which concluded that organic milk has about 62% more omega-3s and 18% more Conjugated Linoleic Acid (CLA) compared to milk produced by cows on conventional dairy farms.

The coop's ad campaign develops the theme that "when cows eat well, you do too". To that end, a trademarked phrase is being used to promote the coop's organic brand: "Grass Up for Good Health".

The coop reports that sales of organic whole milk are up 10% this year, making it the fastest growing category of organic milk sales. This is attributed to whole milk retaining more of the omega-3 because skimming off fat reduces omega-3s.

There is no confirmed information yet available as to whether the major organic milk processors will modify the base organic milk pay price in early 2014. Producers are very interested in this potential, hoping for increases to help accommodate increased feed costs and other costs of production.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy ad volume has rebounded from recent low levels and is higher than report cycles dating back to September. However, ad numbers still trail those one year ago and remain slightly below average for this year.

Ad volume for organic milk, yogurt and butter each trail the volume one year ago.

Organic milk ads total 73% of all organic dairy ads. Holiday themed ads for organic egg nog are the number two most advertised organic dairy product, with 11% of ads, nearly double the percentage two weeks ago. Organic butter accounted for 7% of ads followed by organic yogurt, 5%, and organic flavored milk, 4%.

Organic half gallon milk ads predominate among organic milk ads, with nearly four of every five organic milk ads. There are about four 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 December 1, 2013, to December 13, 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>

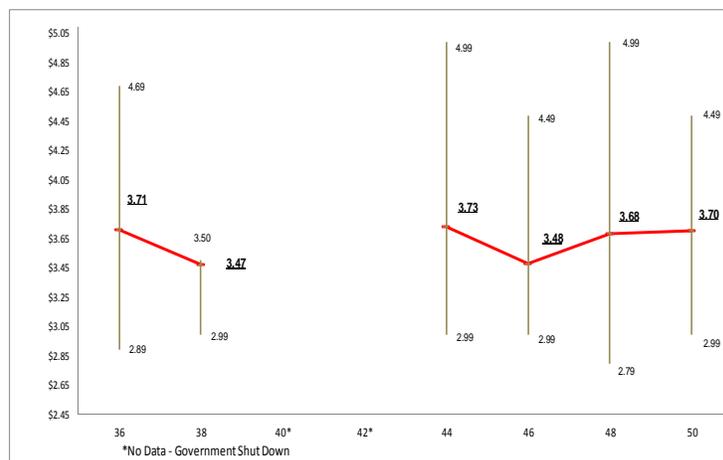
Regional Organic Dairy Ad Trends. Organic dairy ads appeared in all 6 regions. Regional ad numbers as a percentage of all ads declined in the Midwest and Northwest. The share of ads in the Northeast nearly doubled and in the South Central Region, was up substantially.

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is \$3.70, up 2 cents from the last reported period.

The price range is down 50 cents at the top to \$4.49, but up 20 cents at the bottom to \$2.99. One year ago the national average

price was \$3.83. The highest advertised price, \$4.49, is in the Northeast and the lowest, \$2.99, is in the Northwest and South Central Regions.

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



Organic - Conventional Milk Half Gallon Price Spread. The national weighted average organic milk price for half gallons is \$3.70 and for conventional half-gallon milk, \$1.65. The organic-conventional half-gallon price spread is \$2.05, down 63 cents from the last period. A factor in the outcome is the extremely low volume of advertising for conventional milk half gallons. This period, conventional half gallon milk ads nationally numbered 197, compared with 3,313 for organic milk half gallons. Moreover conventional half gallon milk ads appeared only in the Northeast and Midwest.

Organic Milk Gallons. The national weighted average advertised price for organic gallons is \$5.00, down from \$5.25 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 leading into year-end holidays appeared only in the Southwest Region, but in sufficient numbers to be second only to organic milk as the most advertised organic dairy product category nationally. Prices ranged from \$3.19 to \$3.99, with a weighted average price of \$3.55. Two weeks ago the average price was \$3.78 and one year ago, \$3.68.

Organic Butter. 1 pound organic butter ads appeared in the Northeast, Southeast and Southwest. The national weighted average advertised price, \$4.88, is 89 cents above two weeks ago and 75 cents above one year ago. Ad numbers are below average for this year, but nearly four times higher than two weeks ago.

Organic Yogurt. Organic yogurt ad numbers are at a very low level but slightly above two weeks ago. All ads this period are for 32 ounce organic yogurt, all in the Northeast, with prices ranging from \$3.50 to \$3.99.

Organic Flavored Milk. Half gallons of organic flavored milk rarely are included in the top five most advertised organic dairy products. All ads are in the Northeast and priced \$4.49.

CONTINUED ON PAGE 8-A

ORGANIC DAIRY MARKET NEWS

Information gathered December 2 - 13, 2013

CONTINUED FROM PAGE 8

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 12/02/2013 - 12/13/2013

**ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE
2013 REPORTING WEEK 50**

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
	(in Dollars)		
FLUID MILK			
MILK - gallon			
Whole	5.99	7.09	1.10
Reduced fat (2%)	5.99	7.09	1.10
Low fat (1%)	5.99	7.09	1.10
Nonfat (Skim)	5.99	7.09	1.10
MILK - half gallon			
Whole	3.99*	4.89	0.90*
Reduced fat (2%)	3.99*	4.89	0.90*
Low fat (1%)	3.99*	4.89	0.90*
Nonfat (Skim)	3.99*	4.89	0.90*
FLAVMILK - half gallon			
All fat tests	3.99	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			
	4.99*	6.39	1.40*

* = Price change from prior reporting period.

ORGANIC GRAIN AND FEEDSTUFF MARKETS:

National organic grain and feedstuff prices remained mostly steady. Market activity was active on corn and soybeans nearing the end of the current year and the holiday season. Demand for feed and food grade organic corn and soybeans was very good. Demand for organic spring wheat has continued to improve. The supply of organic hay was reported as very light this week.

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

DECEMBER MILK SUPPLY AND DEMAND ESTIMATES

The 2013 milk production forecast is reduced slightly from last month, based on recent estimates of cow numbers. The forecast for 2014 is raised as higher milk forecast prices and lower expected feed costs support a more rapid increase in cow numbers and output per cow. Fat basis imports are reduced for 2013 but are unchanged for 2014. On a skims-solids basis, imports are raised in 2013 but unchanged for 2014. Exports are raised on a fats basis based on the strength of butterfat shipments to non-traditional markets. On a skims-solids basis, higher nonfat dry milk (NDM) and whey exports are offset by lower lactose exports leading to a lower forecast for 2013, but for 2014, expected strength in NDM results in higher skim-solids forecast. For 2013, the cheese price forecast is reduced, reflecting current prices. However, strength in current prices for butter, NDM, and whey resulted in higher price forecasts for those products. For 2014, despite higher dairy production, demand strength in importing countries and improving domestic demand in the United States is expected to support prices for all products. The Class III milk price is unchanged for 2013 as lower forecast cheese prices offset higher whey prices but the forecast is raised for 2014 based on higher forecast cheese and whey prices. The Class IV price forecast is raised for both years on higher butter and NDM prices. The all milk price is forecast at \$19.90 to \$20.00 per cwt for 2013 and \$19.70 to \$20.50 per cwt for 2014.

U.S. MILK SUPPLY AND USE					
Commodity	2012	2013 Projected		2014 Projected	
		November	December	November	December
BILLION POUNDS					
MILK					
PRODUCTION	200.3	201.7	201.6	204.9	205.3
FARM USE	1.0	1.0	1.0	1.0	1.0
FAT BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	10.9	12.2	12.2	12.3	11.8
MARKETINGS	199.4	200.7	200.7	203.9	204.3
IMPORTS	4.1	4.0	3.9	4.0	4.0
TOTAL COMMERCIAL SUPPLY	214.3	216.9	216.7	220.3	220.1
FAT BASIS USE					
COMMERCIAL EXPORTS	8.8	11.5	12.1	10.6	10.8
ENDING COMMERCIAL STOCKS	12.2	12.3	11.8	11.5	11.5
CCC NET REMOVALS ^{1/}	0.0	0.0	0.0	0.0	0.0
COMMERCIAL USE ^{2/}	193.3	193.1	192.8	198.2	197.8
SKIM-SOLIDS BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	11.8	12.4	12.4	12.4	11.9
MARKETINGS	199.4	200.7	200.7	203.9	204.3
IMPORTS	5.7	5.1	5.3	5.2	5.2
TOTAL COMMERCIAL SUPPLY	216.9	218.2	218.3	221.5	221.4
SKIM-SOLIDS BASIS USE					
COMMERCIAL EXPORTS	33.3	39.1	38.9	37.8	38.4
ENDING COMMERCIAL STOCKS	12.4	12.4	11.9	12.2	12.1
CCC NET REMOVALS ^{1/}	0.0	0.0	0.0	0.0	0.0
COMMERCIAL USE ^{2/}	171.2	166.7	167.5	171.5	170.9
MILLION POUNDS					
CCC PRODUCT NET REMOVALS ^{1/}					
BUTTER	0	0	0	0	0
CHEESE	0	0	0	0	0
NONFAT DRY MILK	0	0	0	0	0
DRY WHOLE MILK	0	0	0	0	0

NOTE: Totals may not add due to rounding.

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

^{2/} Domestic commercial use only.

Continued on page 10

DECEMBER MILK SUPPLY AND DEMAND ESTIMATES-cont'd

U.S. DAIRY PRICES					
Commodity	2011	2013 Projected		2014 Projected	
		November	December	November	December
DOLLARS PER POUND					
PRODUCT PRICES ¹					
CHEESE	1.7076	1.765-1.775	1.760-1.770	1.670-1.760	1.690-1.770
BUTTER	1.5943	1.515-1.545	1.530-1.560	1.465-1.585	1.500-1.610
NONFAT DRY MILK	1.3279	1.685-1.705	1.695-1.715	1.685-1.755	1.715-1.775
DRY WHEY	0.5935	0.580-0.590	0.585-0.595	0.545-0.575	0.550-0.580
DOLLARS PER CWT					
MILK PRICES ^{2/}					
CLASS III	17.44	17.90-18.00	17.90-18.00	16.85-17.75	17.05-17.85
CLASS IV	16.01	18.80-19.00	18.95-19.15	18.60-19.60	19.00-19.90
ALL MILK ^{3/}	18.53	19.80-19.90	19.90-20.00	19.30-0.20	19.70-20.50
QUARTERLY					
	2013 III	2013 IV ^{4/}	2014 I ^{4/}	2014 II ^{4/}	2014 III ^{4/}
BILLION POUNDS					
MILK PRODUCTION	49.4	49.8	51.2	52.9	50.2
DOLLARS PER CWT.					
ALL MILK PRICE ^{2/3/}	19.53	21.05-21.25	20.50-21.00	19.70-20.50	19.35-20.35
CLASS III PRICE ^{2/}	17.81	18.45-18.65	17.45-17.95	17.30-18.10	17.00-18.00
CLASS IV PRICE ^{2/}	19.13	20.55-20.85	19.60-20.20	19.05-19.95	18.95-20.05

^{1/} Simple average of monthly prices calculated from AMS weekly weighted average prices published in the National Dairy Products Sales Report located at: <http://www.ams.usda.gov/AMSV1.0/DairyProductMandatoryReporting>.”

^{2/} Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test.

^{3/} Does not reflect any deductions from producers as authorized by legislation.

^{4/} Projection.

Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-524, December 10, 2013*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Jerry Cessna, AMS; Paul Kiendl, FAS; Roger Hoskin, ERS; and Milton Madison, FSA].

NOVEMBER AGRICULTURAL PRICES HIGHLIGHTS

The All Milk price received by farmers was \$21.30 in November, up \$0.60 from October 2013, but down \$0.80 from November 2012. Alfalfa hay price was \$188.00 in November, down \$27.00 from November 2012. Corn price was \$4.29 in November, down \$2.72 from November 2012. Soybean price was \$12.70 in November, down \$1.60 from November 2012. The milk-feed price ratio was 2.25 in November, up 0.51 from November 2012.

The index of prices received by farmers for dairy products during the month of November 2013 was up 5 points to 163. Compared to November 2012, the index was down 6 points (3.6 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in November 2013 was down 2 points to 213. Compared with November 2012, the index was down 4 points (1.8 percent).

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

State	All-Milk price ^{1/2/}				Alfalfa hay, baled		Corn for Grain		Soybeans	
	Dollars per cwt.				Dollars per ton		Dollars per bushel		Dollars per bushel	
	October		November		November		November		November	
	2012	2013	2012	2013 ^{3/}	2012	2013 ^{3/}	2012	2013 ^{3/}	2012	2013 ^{3/}
AZ	20.40	20.30	21.00	20.80	195.00	170.00	---	---	---	---
CA	19.43	19.01	19.92	19.50	210.00	208.00	---	---	---	---
CO	21.20	21.20	22.20	21.50	235.00	235.00	6.69	4.35	---	---
ID	21.30	20.10	21.20	20.80	200.00	180.00	---	---	---	---
IN	21.60	21.40	22.50	22.10	---	---	7.43	4.20	---	---
IA	22.30	21.30	23.00	21.90	213.00	193.00	7.03	4.30	14.30	12.70
MI	21.60	21.00	22.40	21.80	240.00	200.00	6.71	4.10	13.80	12.60
MN	23.50	21.10	23.30	21.70	225.00	200.00	6.86	4.30	14.10	12.50
NM	20.70	19.80	21.20	20.20	264.00	250.00	---	---	---	---
NY	21.90	22.00	22.80	22.50	215.00	205.00	---	---	---	---
OH	22.20	21.40	23.10	22.10	255.00	210.00	7.18	4.20	---	---
PA	22.80	22.00	23.60	22.50	221.00	200.00	7.19	4.02	---	---
TX	22.00	21.60	22.30	22.00	255.00	230.00	6.83	4.92	---	---
WA	21.20	21.50	22.00	22.20	235.00	195.00	---	---	---	---
WI	23.10	21.00	23.20	21.60	220.00	200.00	6.76	4.40	14.10	12.60
U.S.	21.50	20.70	22.10	21.30	215.00	188.00	7.01	4.29	14.30	12.70

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

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

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

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ^{1/}			
State ^{2/}	November 2012	October 2013	November 2013 ^{3/}
IA	1.81	2.16	2.29
MI	1.74	2.22	2.29
MN	1.83	2.09	2.24
OH	1.69	2.25	2.24
WI	1.85	2.11	2.21
U.S.	1.74	2.11	2.25

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

^{3/} Preliminary.

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

Item	November 2012	October 2013	November 2013 ^{1/}
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for dairy products	169	158	163
Prices paid by farmers for commodities and services, interest taxes, and wage rates	217	215	213

^{1/} Preliminary.

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

OCTOBER 2013 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 146.2 million pounds, 1.2 percent above October 2012 and 10.2 percent above September 2013. **AMERICAN TYPE CHEESE** production totaled 367.8 million pounds, 0.6 percent below October 2012 but 6.4 percent above September 2013. **TOTAL CHEESE** output (excluding cottage cheese) was 950.1 million pounds, 2.1 percent above October 2012 and 6.7 percent above September 2013. **NONFAT DRY MILK** production, for human food, totaled 85.5 million pounds, 10.1 percent below October 2012 but 15.5 percent above September 2013. **DRY WHEY** production, for human food, was 71.5 million pounds, 2.5 percent below October 2012 but 7.9 percent above September 2013. **ICE CREAM** (hard) production totaled 64.7 million gallons, 0.9 percent below October 2012 but 2.3 percent above September 2013.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	OCT 2013	PERCENT CHANGE FROM:			PRODUCT	OCT 2013	PERCENT CHANGE FROM:		
	1,000 LBS.	OCT 2012	SEP 2013	YEAR TO DATE ^{1/}		1,000 LBS.	OCT 2012	SEP 2013	YEAR TO DATE ^{1/}
BUTTER	146,222	1.2	10.2	1.3	YOGURT (PLAIN AND FLAVORED)	373,674	2.4	-12.0	5.5
CHEESE					DRY WHEY, HUMAN FOOD	71,511	-2.5	7.9	---
AMERICAN TYPES ^{2/}	367,827	-0.6	6.4	2.2	DRY WHEY, ANIMAL FEED	1,220	-67.3	-49.0	---
CHEDDAR	266,746	1.6	11.3	2.5	DRY WHEY, TOTAL ^{3/}	72,731	-5.7	5.9	-7.0
OTHER AMERICAN	101,081	-6.0	-4.6	---	REDUCED LACTOSE AND MINERALS				
BRICK & MUENSTER	15,929	13.3	13.5	---	HUMAN FOOD	2,393	6.8	123.9	---
CREAM & NEUFCHATEL	78,121	-2.1	6.2	---	ANIMAL FEED	5,079	2.9	8.5	---
HISPANIC	20,947	5.2	0.7	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	88,754	8.0	1.7	2.4
TOTAL ITALIAN TYPES	410,876	5.7	6.9	2.6	WHEY PROTEIN CONCENTRATE				
MOZZARELLA	319,583	7.7	6.7	2.5	HUMAN FOOD ^{4/}	41,208	18.4	10.7	---
OTHER ITALIAN	91,293	-0.7	7.5	---	ANIMAL FEED ^{4/}	3,540	60.5	139.8	---
SWISS	24,253	-9.6	6.3	---	TOTAL ^{4/}	44,748	20.9	15.6	8.5
ALL OTHER TYPES	32,128	4.1	9.4	---	25.0-49.9 PERCENT ^{10/}	25,238	25.8	25.7	---
TOTAL	950,081	2.1	6.7	2.2	50.0-89.9 PERCENT ^{10/}	19,510	15.2	4.8	---
COTTAGE CHEESE, CURD ^{3/}	33,034	-5.6	1.0	---	WHEY PROTEIN ISOLATES ^{11/}	7,371	32.1	5.6	---
COTTAGE CHEESE, CREAM ^{4/}	26,861	-1.6	4.0	-4.2	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
COTTAGE CHEESE, LOWFAT ^{5/}	31,493	-4.8	0.7	-3.5	ICE CREAM (HARD)	64,705	-0.9	2.3	-0.5
DRY BUTTERMILK	8,462	-1.5	23.9	---	ICE CREAM, LOWFAT (HARD)	13,945	-6.0	-3.9	---
DRY WHOLE MILK	7,626	39.8	60.9	---	ICE CREAM, LOWFAT (SOFT)	14,289	-31.8	-16.0	---
MILK PROTEIN CONC. (MPC), TOTAL ^{6/}	6,614	10.6	20.2	---	ICE CREAM, LOWFAT (TOTAL)	28,234	-21.1	-10.4	-12.3
NONFAT DRY MILK (NDM), HUMAN	85,476	-10.1	15.5	-15.8	SHERBET, HARD	3,247	11.6	10.9	5.0
SKIM MILK POWDERS (SMP) ^{7/}	62,402	36.7	15.1	73.4	FROZEN YOGURT (TOTAL)	5,387	-0.4	5.3	-5.9
SOUR CREAM	117,704	1.1	16.8	0.1					

MANUFACTURERS' STOCKS, END OF MONTH ^{12/}							
PRODUCT	OCT 2013	PERCENT OF:		PRODUCT	OCT 2013	PERCENT OF:	
	1,000 LBS.	OCT 2012	SEP 2013		1,000 LBS.	OCT 2012	SEP 2013
DRY WHEY, HUMAN FOOD	51,692	38.5	-5.7	WHEY PROTEIN CONCENTRATE			
DRY WHEY, ANIMAL FEED	1,298	-50.8	-55.2	HUMAN FOOD ^{9/}	53,388	-0.8	13.4
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL ^{13/}	6,522	0.2	0.9	ANIMAL FEED ^{9/}	1,275	-52.4	-29.9
LACTOSE, HUMAN FOOD & ANIMAL FEED	93,389	5.5	6.9	TOTAL ^{9/}	54,663	-3.3	11.8
DRY BUTTERMILK	9,113	-7.6	17.3	25.0-49.9 PERCENT ^{10/}	19,759	-37.3	11.5
NONFAT DRY MILK (NDM), HUMAN FOOD	111,379	6.8	-23.3	50.0-89.9 PERCENT ^{10/}	34,904	39.7	11.9
				WHEY PROTEIN ISOLATES ^{11/}	10,449	21.1	7.0

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

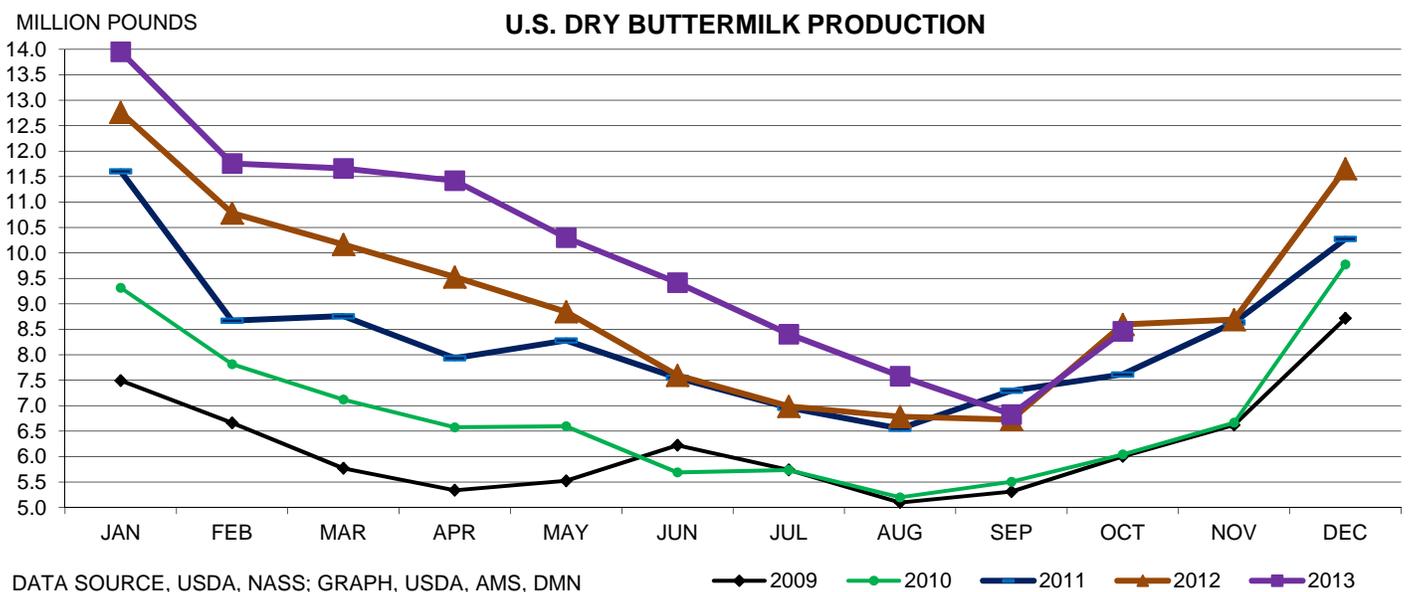
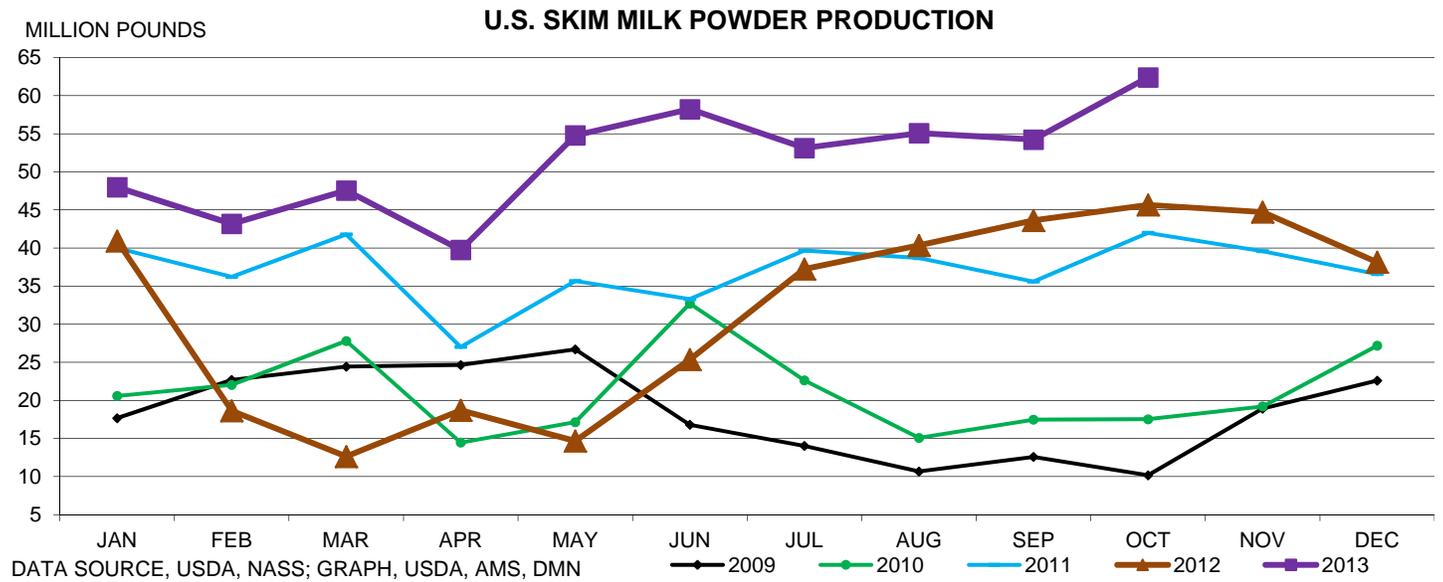
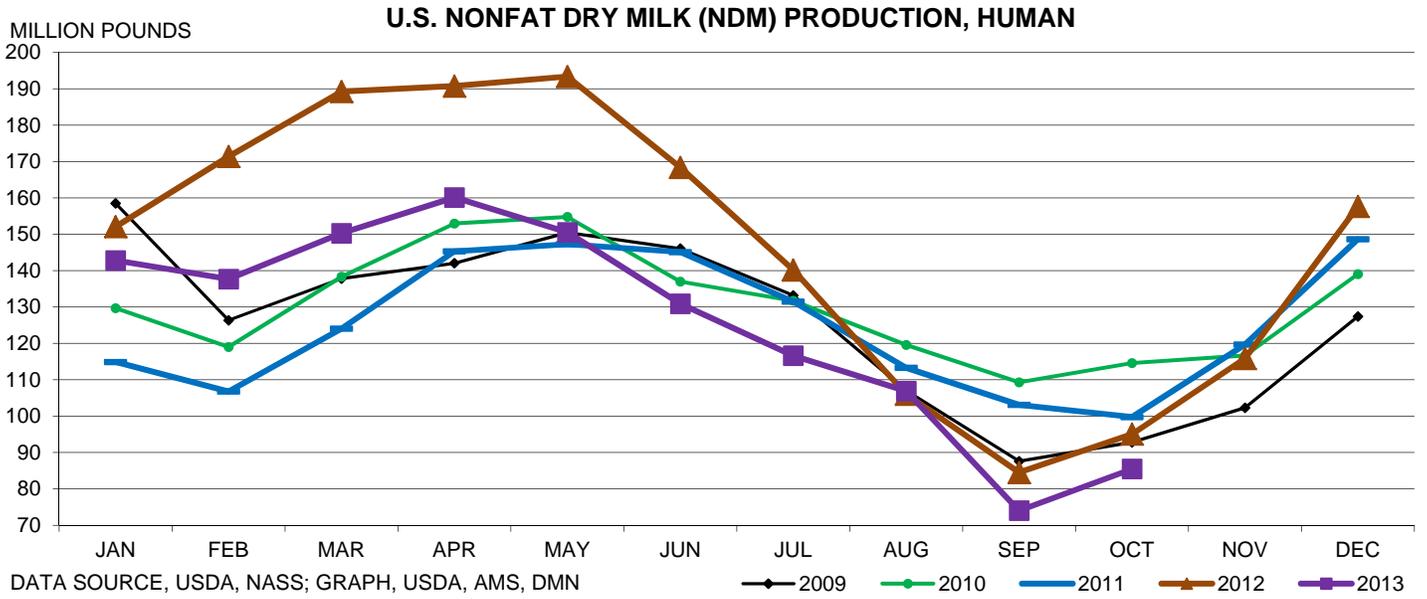
MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, SEPTEMBER 2013, WITH COMPARISONS

In September 2013, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$20.13 per cwt., up \$0.54 from the August 2013 average, and up \$0.44 from the September 2012 average. The component tests of producer milk in September 2013 were: butterfat, 3.69%; protein, 3.08%; and other solids, 5.72%. On an individual reporting area basis, mailbox prices increased in all Federal milk order reporting areas when compared to the previous month. Mailbox prices in September 2013 ranged from \$23.40 in Florida to \$17.96 in New Mexico.

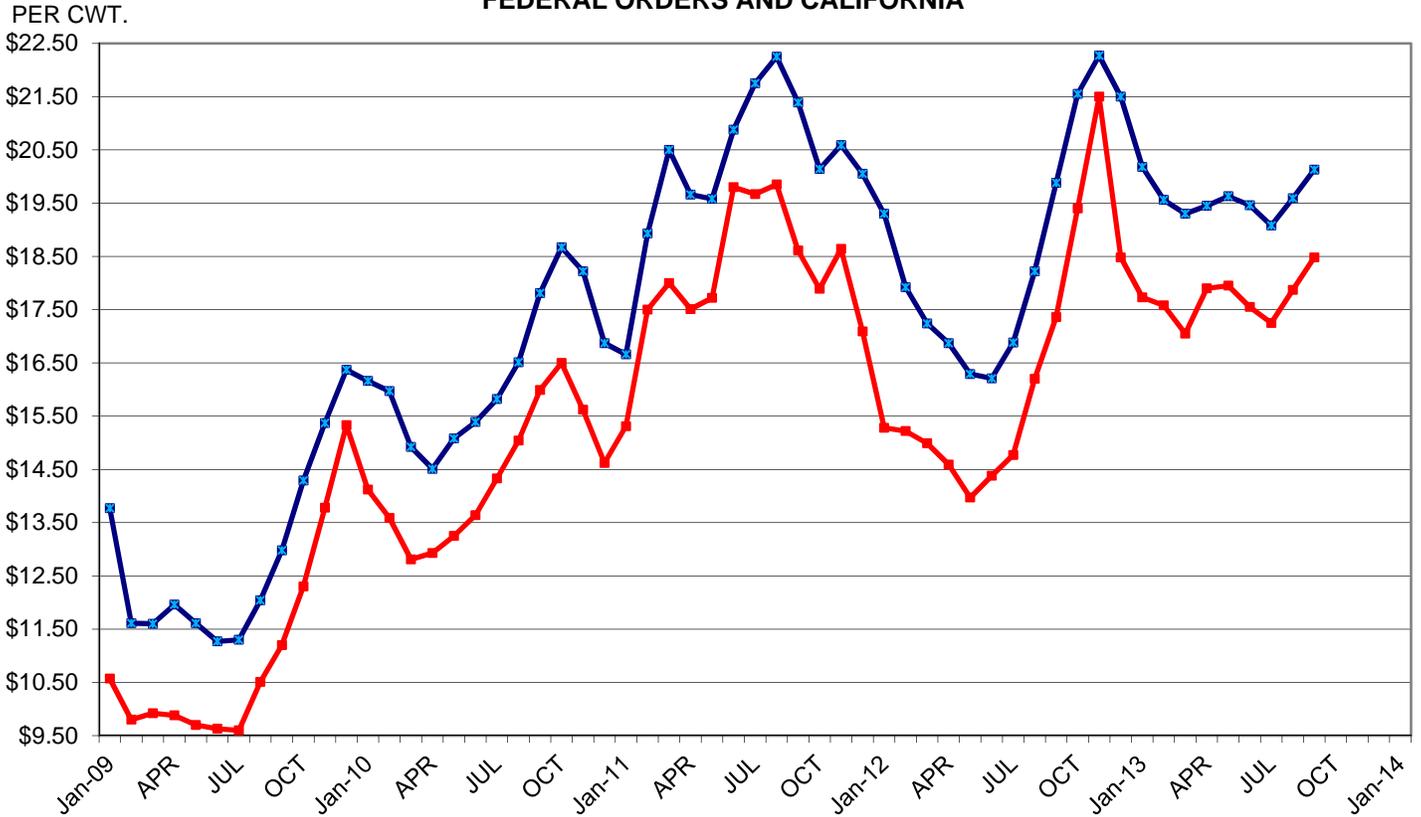
Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	September 2012	August 2013	September 2013
	Dollars per hundredweight		
New England States <u>3/</u>	20.57	21.02	21.67
New York	19.51	20.04	20.66
Eastern Pennsylvania <u>4/</u>	19.65	20.11	20.74
Appalachian States <u>5/</u>	20.03	21.24	21.61
Southeast States <u>6/</u>	20.63	21.89	22.08
Southern Missouri <u>7/</u>	19.08	20.73	21.13
Florida	22.39	23.39	23.40
Western Pennsylvania <u>8/</u>	19.82	19.86	20.44
Ohio	19.44	20.06	20.61
Indiana	18.87	19.49	20.12
Michigan	19.06	19.52	20.07
Wisconsin	20.48	19.55	19.97
Minnesota	20.86	19.30	19.76
Iowa	20.10	19.80	20.24
Illinois	20.29	19.87	20.40
Corn Belt States <u>9/</u>	19.19	18.79	19.31
Western Texas <u>10/</u>	19.84	18.21	19.04
New Mexico	17.92	17.29	17.96
Northwest States <u>11/</u>	19.17	19.15	19.88
All Federal Order Areas <u>12/</u>	19.69	19.59	20.13
California <u>13/</u>	17.36	17.87	18.48

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

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



MONTHLY MAILBOX PRICE AVERAGE FOR FEDERAL ORDERS AND CALIFORNIA

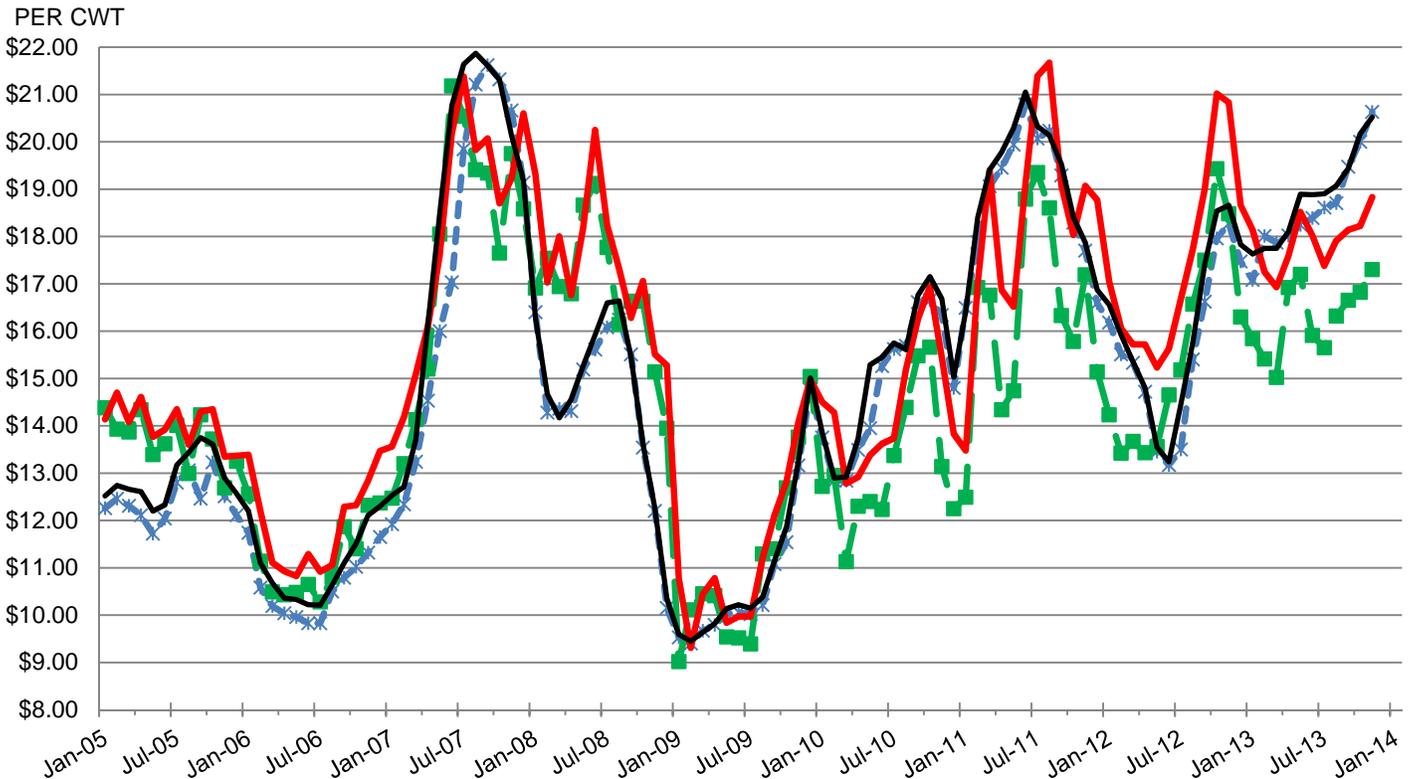


DATA SOURCE, USDA, DAIRY PROGRAMS & STATE OF CALIFORNIA, CDFA; GRAPH, USDA, AMS, DMN

FO

CA

FEDERAL ORDER CLASS III AND IV PRICES COMPARED TO CALIFORNIA 4A AND 4B



DATA SOURCE, USDA, DAIRY PROGRAMS & STATE OF CALIFORNIA, CDFA; GRAPH, USDA, AMS, DMN

CA 4A (BUTTER)

CA 4B

F.O. CLASS III

F.O. CLASS IV



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 50

Issued Biweekly

Thursday, December 12, 2013

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 12/02 to 12/13

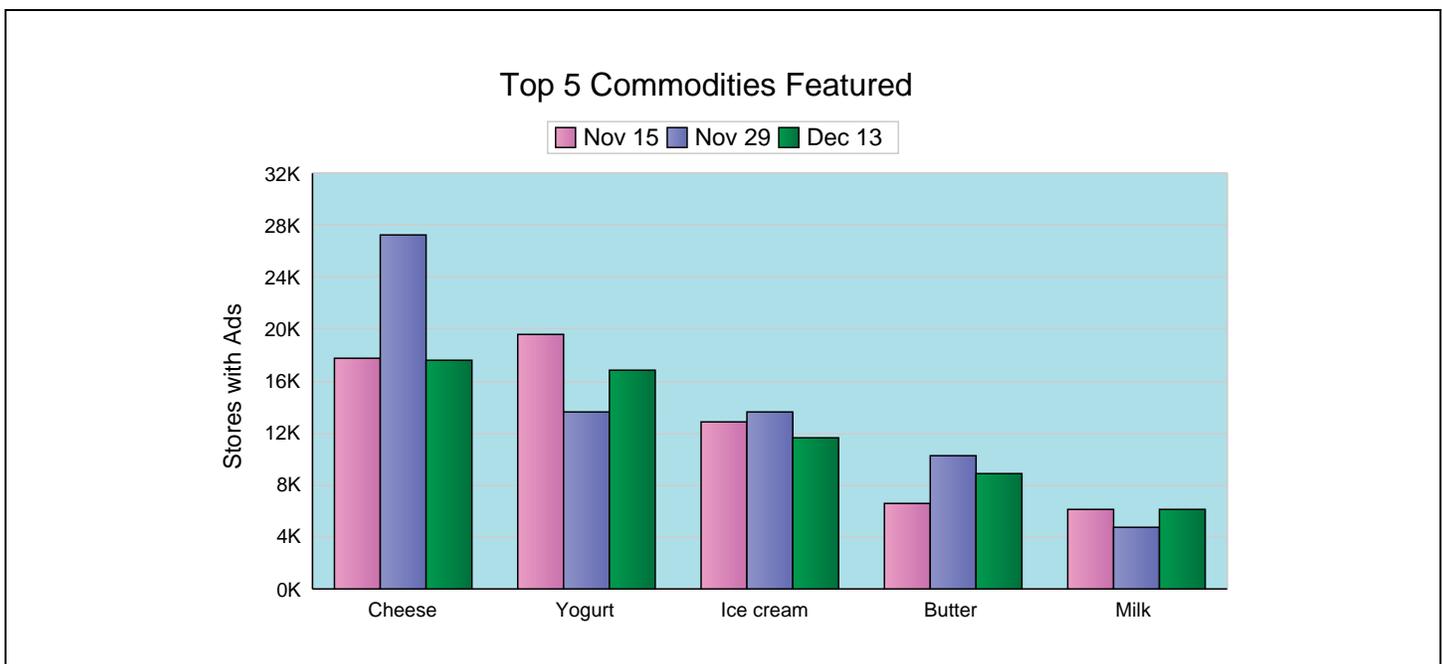
Total ad numbers are down 21% from two weeks and nearly 30% from a year ago. A few categories still showed increased ad numbers. Egg nog ad numbers with the holiday week fast approaching, increased by about 15%. The weighted average price of quarts is \$2.81 and half gallons, \$3.52. Each price is higher than the price two weeks ago and last year.

Other product categories with ad number increases are yogurt, up 23%, and milk ads, up by 13%. Greek yogurt in 4-6 ounce packages has nearly twice as many ads as all other categories of yogurt combined. The 4-6 oz. Greek yogurt weighted average advertised price, \$.97, is 3 cents below the last report and 2 cents below last year. Regular yogurt in 4-6 ounce packs, has an average price of \$.46, 11 cents below last report but 3 cents above last year.

Cheese ads narrowly comprise the largest category of ads, 1% ahead of yogurt. Ads for 8 oz. shredded continue to be the most numerous of the 5 types of cheese advertised, with an average price up 6 cents to \$2.32, which is 3 cents above last year. 8-ounce blocks, at \$2.41, are up 6 cents from two weeks ago but 12 cents below last year.

Ice cream features are the third largest category but ad numbers are down 15% from two weeks ago and even lower than a year ago. The current average price for 48-64 oz. containers, \$2.92, is 16 cents below two weeks ago.

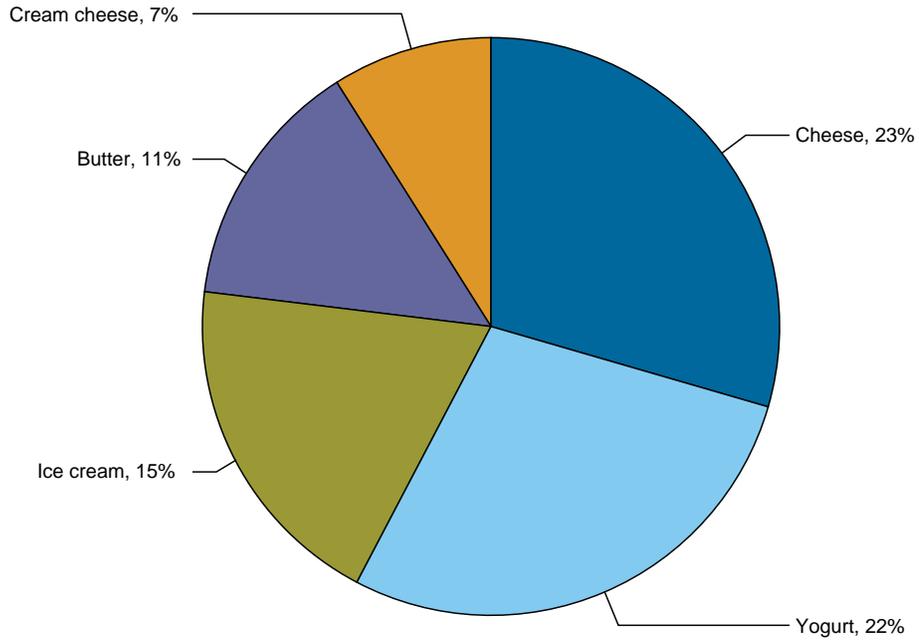
The national weighted average conventional milk price for half gallons is \$1.65 and for organic half-gallon milk, \$3.70. The organic-conventional half-gallon price spread is \$2.05, down 63 cents from the last period.



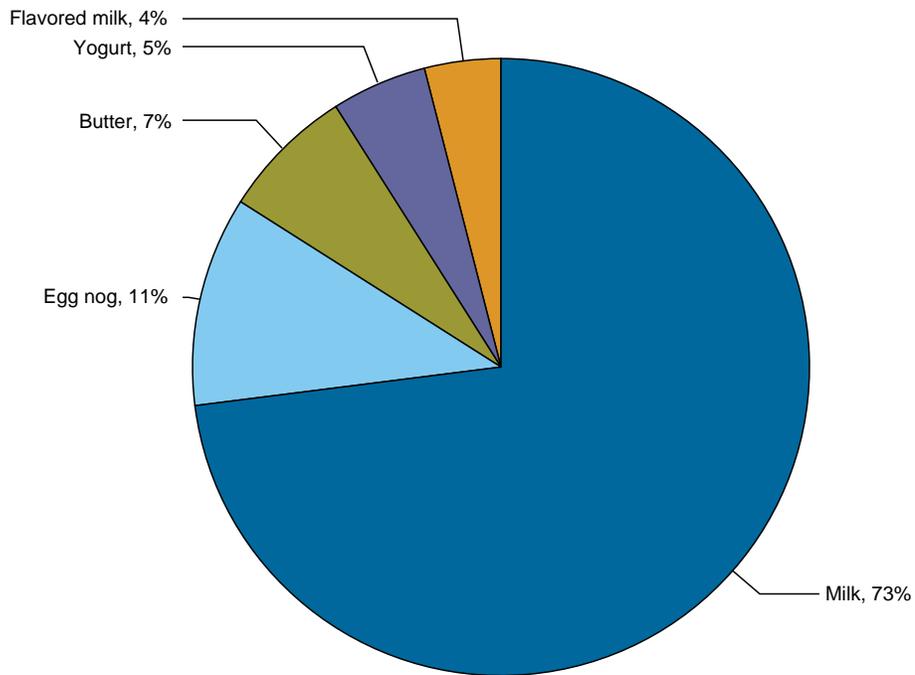
1 -- Dairy Market News surveys nearly 100 retailers, comprising over 14,000 individual stores, with online weekly advertised features.

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 #	8443	2.61	10183	2.29	10663	2.84
Cheese	Natural Varieties	8 oz block	5519	2.41	11426	2.35	7419	2.53
Cheese	Natural Varieties	1 # block	2823	4.12	1370	3.53	4649	4.61
Cheese	Natural Varieties	2 # block	1888	6.89	2088	6.58	2724	8.07
Cheese	Natural Varieties	8 oz shred	5006	2.32	12177	2.26	9897	2.29
Cheese	Natural Varieties	1 # shred	2428	3.76	244	3.51	2213	3.41
Cottage cheese		16 oz	2877	2.01	1199	2.40	1918	2.18
Cream cheese		8 oz	5562	1.48	12492	1.32	8890	1.47
Egg nog		quart	610	2.81	737	2.68	1721	2.68
Egg nog		half gallon	4238	3.52	3361	3.45	5048	3.32
Flavored milk	All fat tests	half gallon	695	2.57			725	2.57
Flavored milk	All fat tests	gallon	204	2.33	98	2.50	1051	4.15
Ice cream		48-64oz	11564	2.92	13553	3.08	15789	3.08
Milk	All fat tests	half gallon	197	1.65	116	1.00	1741	2.76
Milk	All fat tests	gallon	1639	2.73	1515	3.10	1401	2.93
Sour cream		16 oz	4728	1.54	10406	1.58	9303	1.54
Yogurt	Greek	4-6 oz	10981	.97	8926	1.00	8454	.99
Yogurt	Greek	32 oz	465	3.70	458	4.91	685	3.85
Yogurt	Yogurt	4-6 oz	4243	.46	2749	.57	7549	.43
Yogurt	Yogurt	32 oz	870	2.25	1327	2.22	1392	2.10

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 #	1.88-3.69	1940	2.74	2.00-3.79	2529	2.55	1.68-2.99	845	2.22
Cheese	Natural Varieties	8 oz block	1.50-3.00	3345	2.41	1.67-3.49	479	2.34	0.99-2.99	753	2.22
Cheese	Natural Varieties	1 # block	3.49-4.99	594	4.08	3.99-4.99	851	4.66	2.99-3.99	254	3.64
Cheese	Natural Varieties	2 # block	6.99-7.99	180	7.37	6.99	58	6.99			
Cheese	Natural Varieties	8 oz shred	1.24-2.99	1805	2.24	1.67-2.50	819	2.11	1.99-2.99	918	2.37
Cheese	Natural Varieties	1 # shred	3.99	297	3.99	2.99-4.99	911	4.35	2.99	89	2.99
Cottage cheese		16 oz	1.99-2.50	1293	2.03	2.00	1212	2.00	1.99	120	1.99
Cream cheese		8 oz	1.20-2.50	2334	1.59	0.98-1.99	1364	1.23	1.00-2.39	465	1.63
Egg nog		quart	2.49-3.49	466	2.95				2.29	94	2.29
Egg nog		half gallon	2.99-4.49	1308	4.23	2.99-3.79	421	3.10	2.99-3.79	535	3.12
Flavored milk	All fat tests	half gallon	2.50-2.79	629	2.55	2.79	66	2.79			
Ice cream		48-64oz	2.49-3.99	2804	2.74	2.50-4.99	3125	3.10	2.50-3.99	974	2.98
Milk	All fat tests	half gallon	1.98	108	1.98				1.25	89	1.25
Milk	All fat tests	gallon	2.99	169	2.99	2.88-3.00	433	2.93	2.50-2.79	462	2.65
Sour cream		16 oz	1.29-2.00	2290	1.58	1.50-2.39	1388	1.66	0.99-1.69	312	1.20

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	4-6 oz	0.77-1.25	3216	.99	0.88-1.00	2482	.93	0.88-1.00	1132	.96
Yogurt	Greek	32 oz	3.50-5.49	337	3.97						
Yogurt	Yogurt	4-6 oz	0.40-0.60	1503	.50	0.39-0.60	1188	.44	0.40-0.50	374	.45
Yogurt	Yogurt	32 oz	2.29-2.50	309	2.41	2.00	195	2.00	1.99	94	1.99

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
Butter		1 #	1.50-2.99	865	2.29	1.99-2.99	1634	2.82	2.50-2.99	630	2.89
Cheese	Natural Varieties	8 oz block				2.00-2.50	740	2.46	2.99	202	2.99
Cheese	Natural Varieties	1 # block	3.99-4.99	575	4.26	2.99-3.99	431	3.51	2.99	118	2.99
Cheese	Natural Varieties	2 # block				5.99-7.99	1272	7.02	5.99-6.99	378	6.20
Cheese	Natural Varieties	8 oz shred	1.99-3.19	522	2.38	2.00-2.50	740	2.46	2.99	202	2.99
Cheese	Natural Varieties	1 # shred	2.99-4.99	344	3.30	2.99-3.99	707	3.30	2.99	80	2.99
Cottage cheese		16 oz	2.00	202	2.00				1.99	50	1.99
Cream cheese		8 oz	1.00-1.99	464	1.19	1.00-1.25	485	1.14	1.00-2.99	450	2.14
Egg nog		quart							2.50	50	2.50
Egg nog		half gallon	2.99-3.49	610	3.09	2.69-3.49	986	3.28	2.99-3.49	378	3.38
Flavored milk	All fat tests	gallon	2.98	85	2.98	1.87	119	1.87			
Ice cream		48-64oz	2.50-5.00	1728	3.05	1.99-3.99	2357	2.85	2.00-3.99	576	2.67
Milk	All fat tests	gallon	2.50-2.98	172	2.74	1.87-2.99	273	2.24	2.69-3.39	130	2.96
Sour cream		16 oz	1.50	140	1.50	0.99-1.79	350	1.28	1.25-1.50	248	1.31
Yogurt	Greek	4-6 oz	1.00	1440	1.00	0.79-1.00	2049	.99	0.79-1.00	662	.94
Yogurt	Greek	32 oz				2.99	128	2.99			
Yogurt	Yogurt	4-6 oz	0.39-0.50	440	.44	0.33-0.50	658	.45	0.40	80	.40
Yogurt	Yogurt	32 oz				2.49-2.50	192	2.50	2.00	80	2.00

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 #	378	4.88	100	3.99	715	4.13
Cottage cheese		16 oz			165	3.99		
Cream cheese		8 oz			127	2.43		
Egg nog		quart	628	3.55	243	3.78	192	3.68
Egg nog		half gallon					143	3.99
Flavored milk	All fat tests	half gallon	235	4.49				
Ice cream		48-64oz					178	5.30

Wtd Avg - Simple weighted average



Milk	All fat tests	half gallon	3313	3.70	2198	3.68	4106	3.83
Milk	All fat tests	gallon	727	5.00	652	5.25	105	5.99
Milk	All fat tests	8 oz UHT	180	1.00	202	1.00	587	1.00
Sour cream		16 oz			71	2.69		
Yogurt	Greek	4-6 oz					354	1.08
Yogurt	Yogurt	4-6 oz					541	1.00
Yogurt	Yogurt	32 oz	286	3.89	195	3.33		

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	130	4.99	4.59	105	4.59			
Flavored milk	All fat tests	half gallon	4.49	235	4.49						
Milk	All fat tests	half gallon	3.49-4.49	821	4.01	3.50-4.00	440	3.85	3.49-4.00	678	3.66
Milk	All fat tests	gallon	5.00	112	5.00	4.99	195	4.99			
Yogurt	Yogurt	32 oz	3.50-3.99	286	3.89						

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 #				4.99	143	4.99			
Egg nog		quart				3.19-3.99	628	3.55			
Milk	All fat tests	half gallon	2.99-4.00	464	3.48	3.19-3.79	628	3.51	2.99-3.69	282	3.49
Milk	All fat tests	gallon	5.00	122	5.00				5.00	298	5.00
Milk	All fat tests	8 oz UHT	1.00	100	1.00				1.00	80	1.00

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

DAIRY MARKET NEWS

GENERAL NUMBER
(608) 278-4200

VOLUME: 80

REPORT: 50

Elizabeth Frederick
(608) 278-4150
Elizabeth.Frederick@AMS.USDA.GOV

DATE: 12/13/2013

Daniel Johnson
(608) 278-4156
Daniel.Johnson@AMS.USDA.GOV

EAST/INTERNATIONAL

Rick Whipp
(608) 278-4151
Rick.Whipp@AMS.USDA.GOV

CENTRAL

Ryan Studnicka
(608) 278-4155
Ryan.Studnicka@AMS.USDA.GOV

ORGANIC

Eric Graf
(608) 278-4153
Eric.Graf@AMS.USDA.GOV

SOUTHWEST

Janet Linder
(608) 278-4157
Janet.Linder@AMS.USDA.GOV

INTERNET ADDRESS

www.ams.usda.gov/DairyMarketNews

NORTHWEST/MOUNTAIN

Bob Hunter
(608) 278-4158
Robert.Hunter@AMS.USDA.GOV

MARKET NEWS PORTAL

www.marketnews.usda.gov

ACTING NATIONAL SUPERVISOR

Butch Speth
(608) 278-4152
Butch.Speth@AMS.USDA.GOV

RECORDED INFORMATION SYSTEM

(608) 278-4142

FAX

(608) 278-4141

USDA, Dairy Market News
2920 Marketplace Drive, STE 202
Fitchburg, WI 53719-5337