



United States
Department of
Agriculture

Agricultural
Marketing
Service

1400 Independence Ave., SW
Washington, DC
20250

April 21, 2014

Invitation to Submit Comments for Consideration to Change Dairy Market News Reporting Program

For more than 70 years, Dairy Market News (DMN) has been administered by the Agricultural Marketing Service (AMS). AMS is requesting comments regarding existing reporting guidelines and market coverage of all DMN reporting programs.

Comments should clearly include the commenter's position on current product specifications, product coverage, or reporting guidelines. Any justification for proposed changes and relevant information to support those views should be included. Due to recent industry requests, AMS is particularly interested in adding and/or adjusting market coverage for selected dairy products. Three key areas of interest are:

- adding market coverage of skim milk powder (SMP)
- including resale prices in market price series
- evaluating lactose mesh size in market price series

A [list of individual reports](#) and the general [Working Guidelines](#) can be found on the DMN website along with the most recent [DMN reports](#).

AMS analyzes and reviews the market information then publishes reports providing commentary, market highs, lows, and mostly ranges. Because market information published by AMS is used by industry participants in making informed business decisions, it is imperative that the criteria used and products reported on by DMN are representative of current market conditions. This review will assure DMN reports remain relevant to dairy market participants. Any comment relating to any aspect of market reporting will be considered. Comments should be faxed, emailed, or mailed to either:

Joseph Gaynor
Director, Dairy Market News
1400 Independence Ave., SW, 0231-2977
Washington, DC 20250-0225
Phone: (202) 720-9351
Fax: (202) 720-4844
DMN@ams.usda.gov

Butch Speth
National Supervisor, Dairy Market News
2920 Marketplace Drive, STE 202
Fitchburg, WI 53719-5337
Phone: (608) 278-4152
Fax: (608) 278-4141
DMN@ams.usda.gov

Comments should be **received** by **May 23, 2014**.

AMS will consider all comments received. Based on commenter's recommendations and supporting data, AMS will further explore changes to reporting guidelines and changes to market coverage. Development of any permanent changes to Dairy Market News will be shared with the public in an additional comment period outlining the changes prior to implementation.

Sincerely,

Joseph Gaynor
DMN, Director
Dairy Programs

Butch Speth
DMN, National Supervisor
Dairy Programs

USDA is an equal opportunity employer and provider.

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (4/25)**

BUTTER: Grade AA closed at \$1.9100. The weekly average for Grade AA is \$1.8970 (-.0055).

CHEESE: Barrels closed at \$2.1800 and 40# blocks at \$2.2100. The weekly average for barrels is \$2.2115 (+.0165) and blocks, \$2.2205 (-.0008).

BUTTER HIGHLIGHTS: Domestic buyer interest has backed off following the holidays, allowing a few butter manufacturers to grow inventories. The market tone is mixed. Butter makers are churning at mostly steady rates with stable to increasing focus on export orders of 82%. International demand is ongoing. Churn operators are facing increased competition for cream supplies. Bulk butter prices ranged 5 to 8 cents over the market in the Northeast, from market to 6 cents over in the Central, and from 5 cents under to 4 cents over in the West, based on the CME Group with various time frames and averages used. Grade AA butter at the CME Group closed Friday at \$1.9100, 2 cents higher than last week's close. The NASS *Cold Storage Report* noted U.S. butter stocks on March 31, 2014 were 178.3 million pounds, a 9% increase from a month ago, but 30% lower than last March. This week, a cooperative export assistance program accepted requests for 4.184 million pounds of butter.

CHEESE HIGHLIGHTS: Manufacturing milk is readily available to cheese makers throughout the U.S. The response of manufacturers is mixed, with some scheduling 7 day production to rebuild inventories while others gear production to standing orders. Domestic cheese demand is described as mixed. Buyers are taking contract loads but recent price declines are said to reduce current interest of some buyers. Export demand is steady to slower. Other export orders currently booked will take the majority of cheese of some manufacturers for the rest of the year. CME spot cash prices weakened this week. Barrels closed the week at \$2.1800, down 7.75 cents from the previous week's close. Blocks closed at \$2.2100, down 7 cents from last week. According to the NASS Cold Storage report, U.S. stocks

of cheese (total natural) at the end of March 2014 were 1.011 billion pounds, 9% or 94.9 million pounds less than March 2013. American stocks were 8% less, other natural stocks were 10% less, and Swiss stocks at the end of March were down 9% compared to a year ago.

FLUID MILK: Milk production is steady in the Southwest and Florida, but increasing in most of the other regions. Some milk processing plants in the East and Midwest regions experienced a surplus of milk supplies from weaker bottling demand and higher farm milk production levels. Class I demand in the Western states is mostly higher as bottlers restock retail shelves after the holidays. Condensed skim production rates increased most notably in the East and Midwest, while demand is falling off in those respective regions. However, interest for condensed skim in California is steadily increasing. Class II demand is mostly steady to slightly higher.

DRY PRODUCTS: Low/medium heat nonfat dry milk prices fell sharply due to a weak market demand and growing inventories. Buyer interest is light, despite discounts readily available. Buyers are making low volume, short-term, immediate need purchases given the current market situation. Prices of dry buttermilk are slightly lower on a soft market. Drying rates of buttermilk are generally steady to slightly higher, but lower in a few areas as ice cream/frozen dessert accounts take greater volumes of condensed buttermilk. Dry whole milk prices are unchanged to lower. Prices of dry whey are steady to higher on a firm market. Buyers are actively looking for F.O.B spot loads, but are having difficulty securing supplies. Production rates are improving. Whey protein concentrate 34% prices are unchanged to lower with production levels growing from increased milk supplies. Prices for lactose are unchanged to lower as F.O.B spot load availability is improving as a result of better production rates.

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CME GROUP CASH TRADING

COMMODITY	MONDAY APR 21	TUESDAY APR 22	WEDNESDAY APR 23	THURSDAY APR 24	FRIDAY APR 25	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$2.2500 (-.0075)	\$2.2300 (-.0200)	\$2.2175 (-.0125)	\$2.1800 (-.0375)	\$2.1800 (N.C.)	:: (-.0775)	:: \$2.2115 (+.0165)
40# BLOCKS	\$2.2500 (-.0300)	\$2.2225 (-.0275)	\$2.2100 (-.0125)	\$2.2100 (N.C.)	\$2.2100 (N.C.)	:: (-.0700)	:: \$2.2205 (-.0008)
NONFAT DRY MILK GRADE A	\$1.8575 (-.0075)	\$1.8575 (N.C.)	\$1.8575 (N.C.)	\$1.8575 (N.C.)	\$1.8100 (-.0475)	:: (-.0550)	:: \$1.8480 (-.0458)
BUTTER GRADE AA	\$1.8900 (N.C.)	\$1.8950 (+.0050)	\$1.8950 (N.C.)	\$1.8950 (N.C.)	\$1.9100 (+.0150)	:: (+.0200)	:: \$1.8970 (-.0055)

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CONTINUED FROM PAGE 1

INTERNATIONAL DAIRY MARKET NEWS UPDATE (DMN): WESTERN AND EASTERN EUROPE:

WESTERN OVERVIEW: Current milk production is nearing peak seasonal levels. The large milk volumes are prompting some discounts for fluid prices. Drying facilities are operating at near capacity levels. Additional drying capacity has come online recently, stabilizing milk volumes going to cheese production. Export activity for most dairy products has declined in recent weeks, and as a result, prices have moved lower. A stronger Euro, a weaker Russian Ruble, the Ukrainian situation, lower demand from China, increased dairy production in the northern hemisphere, and lower priced dairy products internationally have combined to reduce European dairy exports. Milk production, as reported by Eurostat, shows EU-28 production up 4.7% from February 2013. Changes in February production from a year ago for selected countries are: Germany, +4.4%; Belgium, +6.8%; Ireland, -4.4%; Netherlands, +4.2%; and the UK, +12.4%. EU-28 milk production estimates for the January-February period are 4.7% above year ago levels.

EASTERN OVERVIEW: Some excess milk and condensed supplies are making their way from Western to Eastern European countries, where drying capacities are available. Due to these increased shipments, skim milk powder production has expanded and supplies are more readily available than in Western Europe. Decreased demand from Russia continues to limit dairy exports from the region. Milk production, as reported by Eurostat, shows February production changes from a year ago for selected Eastern European countries are: Poland, +7.6%; Czech Republic, -2.9%; Bulgaria, -2.2%; Slovenia, 0.2% and Slovakia, -0.3%.

OCEANIA OVERVIEW: **AUSTRALIAN** milk production has held fairly steady in the last fortnight. Mild temperatures and the arrival of autumn rains, greening up pastures, are helping maintain milk intakes above year ago levels. Butter production has declined following the holidays, but cream demand remains good, due to active cream cheese production to fill export orders. The good demand for cream has marginally increased the production of skim milk powder with whole milk powder production declining proportionally. Increasing global milk and dairy product production, in combination with lower export demand from China, have been the major contributing factors in the recent price declines for most dairy products. The lower prices have prompted some buyers to re-enter the market. There are current tenders for milk powders coming from Algeria and Venezuela. According to Dairy Australia, March 2014 milk production in Australia was 3.8% above March 2013. The state changes from a year earlier are: New South Wales, -4.1%; Victoria, +5.3%; Queensland, -5.0%; South Australia, -2.2%; Western Australia, +0.8% and Tasmania +16.6%. Australia's milk production season to date is -1.4%, compared to last season.

NEW ZEALAND milk production in February was reported by DCANZ at 1.97 million tons, up 11.8% from February 2013 and 5.3% higher than two years ago. Current milk intakes are mixed with greater volumes coming from the South Island.

Favorable weather conditions and timely rains have provided for more than adequate forage growth and taken the pressure off winter grazing supplies on the South Island, especially in the Canterbury region. Dairy herd expansion is continuing on the South Island with reports of at least 50 dairy conversions ongoing. The North Island was hit with heavy rains and high winds over the Easter weekend as remnants of cyclone Ita covered the island. Most producers on the North Island are in the midst of drying off cows, managing feed stocks and preparing for the next season.

MARCH COLD STORAGE (NASS): On March 31, U.S. cold storage holdings of butter totaled 178.3 million pounds, up 9% from the previous month, but down 30% from March 2013. Natural American cheese holdings total 631.0 million pounds, unchanged from the previous month, but 8% less than March 2013. Total cheese stocks were 1.01 billion pounds, unchanged from last month, but 9% less than March 2013.

MARCH MILK PRODUCTION (NASS): Milk production in the 23 major states during March totaled 16.7 billion pounds, up 0.9% from a year ago. Production per cow averaged 1,959 pounds for March 2014. The number of cows on farms was 8.51 million head in March.

MAY FEDERAL ORDER ADVANCED PRICES (FMMO): Under the Federal milk order pricing system, the base Class I price for May 2014 is \$24.47. This price is derived from the advanced Class III skim milk pricing factor of \$17.45 and the advanced butterfat pricing factor of \$2.1790. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price. The base Class I price increased \$0.82 when compared to the previous month of April 2014. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.066 per gallon; reduced fat milk (2%), \$0.049 per gallon; fat-free (skim milk), \$0.027 per gallon. The advanced Class IV skim milk pricing factor is \$16.36. Thus, the Class II skim milk price for May 2014 is \$17.06, and the Class II nonfat solids price is \$1.8956. The two-week product price averages for May 2014 are: butter \$1.9708, nonfat dry milk \$2.0040, cheese \$2.3695 and dry whey \$0.6751.

MARCH PRICE AND POOL HIGHLIGHTS (DY PROGRAMS): During March, more than 11.5 billion pounds of milk were received from producers. This volume of milk is 1.8% lower than the March 2013 volume. In March 2013 and March 2014, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. More than 3.5 billion pounds of producer milk were used in Class I products, 3.2% lower than the previous year. The all-market average Class utilization percentages were: Class I = 30%, Class II = 11%, Class III = 46% and Class IV = 13%. The weighted average statistical uniform price was \$24.36, \$0.41 higher than last month and \$5.89 higher than last year.

CME GROUP

MONDAY, APRIL 21, 2014

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$2.2500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$2.2500
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.8575
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.9000

TUESDAY, APRIL 22, 2014

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$2.2325, 1 @ \$2.2225; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$2.2300; 1 CAR 40#
 BLOCKS @ \$2.2225
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.8575; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$1.8575
 BUTTER -- SALES: 3 CARS GRADE AA: 2 @ \$1.8700, 1 @ \$1.8725; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8950; LAST OFFER UNCOVERED: NONE

WEDNESDAY, APRIL 23, 2014

CHEESE -- SALES: 1 CAR 40# BLOCKS: 1 @ \$2.2175, 1 @ \$2.2100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$2.2175
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.8575
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, APRIL 24, 2014

CHEESE -- SALES: 1 CAR BARRELS @ \$2.1800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$2.1800
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.8400; LAST OFFER UNCOVERED: 3 CARS GRADE A @ \$1.8575
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

FRIDAY, APRIL 25, 2014

CHEESE -- SALES: 1 CAR BARRELS @ \$2.1800; 2 CARS 40# BLOCKS: 1 @ \$2.2075, 1 @ \$2.2100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS @
 \$2.1800; 1 CAR 40# BLOCKS @ \$2.2100
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$1.8100
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.9000, 1 @ \$1.9100; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9100; LAST OFFER UNCOVERED: 1 CAR GRADE AA @
 \$1.9200

BUTTER MARKETS

NORTHEAST

Butter output is along seasonal trends as milk supplies increase. Some manufacturers are building inventories. Post-holiday demand is less active in the domestic market. Steady export demand of unsalted butter necessitates weeklong production schedules at some facilities. The market tone is steady to weak. The CME Group Grade AA butter prices on Tuesday closed higher at \$1.8950, but down \$0.0050 from last Tuesday's closing price. Current bulk butter prices for domestic sales are reported 5-8 cents over the market on the CME Group, with various time frames and averages used. According to NASS, U.S. butter in storage on March 31 totaled 178.3 million pounds, 9% more than February 2014, but 30% below the previous year.

CENTRAL

Butter manufacturers took advantage of additional cream supplies available over the holiday weekend to increase production rates. The market tone is uneven. New export orders have shifted a few butter makers to churn increasing levels of 82%. Domestic interest for butter has back off, creating an opportunity to rebuild inventories. Bulk butter prices ranged from market to 6 cents over the market, based on the CME Group and various indexes. Grade AA butter closed unchanged Wednesday at \$1.8950, up 0.5 of a cent since a week ago. The NASS *Cold Storage* report noted U.S. butter stocks on March 31, 2014 were 178.3 million pounds, a 9% increase from a month ago, but 30% lower than last March. This week, a cooperative export assistance program accepted requests for 4.184 million pounds of butter.

WEST

With the passage of Easter and Passover, the Western butter market is mixed. Export demand is ongoing. Some butter producers report the consumer packaged butter market is still active into several accounts, but other manufacturers indicate retail orders are slower. Manufacturers' butter inventories are unchanged at some locations. Churning is active, but current orders are taking finished butter loads at the same rate as new loads enter storage. A few manufacturers are diverting cream to AMF production. Some cheese/butter/powder producers in the region are retaining cream and adding dairy nonfat solids to cheese vats to extend yields. Spot cream availability in the Western region is tight. Some butter churn operators report they are competing with ice cream and frozen dessert producers for available cream loads. According to the NASS *Cold Storage* report, U.S. stocks of butter as of March 31, 2014, total 178.3 million pounds, down 30% or 76.6 million pounds less than a year ago. Butter stocks are 9% (15.2 million pounds) higher than the end of February 2014. A cooperative export assistance program accepted requests for 4.184 million pounds of 82% butter. Prices for bulk butter range from 4 cents over the market to 5 cents under, 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
April 19, 2014	1.9632 3,044,893	2.3605 13,060,988	2.2817 8,884,327	0.6790 7,270,696	2.0110 21,446,419

CHEESE MARKETS

NORTHEAST

Cheese production rates are up in the region with increasing milk intakes. Some plant operations include 7-day production schedules, as cheese manufacturers capitalize on added milk supplies and rebuild light inventories. Domestic demand is mixed. Export demand is steady. The market tone is steady to weak. The weekly average cheese prices, on the CME Group, saw upward movements for both blocks and barrels last week. Northeast wholesale prices for 40# block and Muenster increased \$0.0050, while prices for process 5# sliced moved higher \$0.0750. Swiss cheese remained unchanged. Tuesday's CME Group daily cash closing saw barrels close at \$2.2300, up \$0.0625 from a week ago, blocks closed at \$2.2225, up \$0.0250 from a week ago. Both blocks and barrels saw beginning of the week declines in prices, following increases throughout last week's trading sessions. The *NASS Cold Storage* report shows U.S. stocks of total natural cheese as of March 31, 2014 at 1.01 billion pounds, unchanged compared to the previous month but 9% less compared to one year ago. Other natural cheese totaled 352.0 million pounds, 1% less than one month ago, and 10% less compared to one year ago. Swiss cheese totaled 27.8 million pounds, up 3% from one month ago but 9% less than one year ago. A majority of the holdings are in the form of American cheese (62%) totaling 631.0 million pounds, unchanged from one month ago, but 8% lower than one year ago. Eastern stocks of American type cheese totaled 121.1 million pounds, 3% more than last month and 27% more than March 2013. Eastern stocks of other cheese totaled 22.1 million pounds, 19% less than last month but 4% more than March 2013.

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

Cheddar 40# Block	: 2.6150-2.9000
Process 5# Sliced	: 2.4175-2.8975
Muenster	: 2.6350-2.9950
Grade A Swiss Cuts 10 - 14#	: 3.8000-4.1225

MIDWEST

Future expectations hang more noticeably over cheese manufacturing and sales as of mid-week. With a week to go until the release of Class and Component prices, some manufacturers have backed off milk orders, anticipating lower milk prices. Some cheese buyers slowed orders this week, in response to the daily declines in CME cheese prices for blocks and barrels through Wednesday. These buyers hope that prices based on the weekly average will become lower. A manufacturer had a cheese export deal canceled, resulting in ongoing sales of the affected cheese blocks at below CME pricing, to move it along. Most regional cheese manufacturers' inventories are balanced. Reaching many cheese industry participants in their offices became difficult starting Tuesday, when a large annual cheese industry expo began in Milwaukee. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese increased by \$.0750, Swiss was unchanged, while the remaining varieties increased by \$.0050. *NASS* reports that total U.S. March 31, 2014 natural cheese stocks were 1.01 billion pounds, 91% of March 2013, but slightly above February 2014. March 31, 2014 East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio) other cheese stocks were 90% of March last year, and 99% of February 2014. Regional March 2014 American cheese stocks were 78% of March last year, and 99% of February 2014. U.S. Swiss cheese stocks, ending March this year, 27.8 million pounds, were 91% of March last year but 103% of February this year. Selected Midwest states have 1.9% lower milk production during March this year compared with March last year, in contrast with a 23 state increase of 1.1%. For the period January through March this year compared with last year, the Midwest states declined 1.9% in

contrast with a 1.0% increase for the United States. Selected Midwest states percentage milk production changes for this March compared with March last year includes Illinois, -1.8%; Indiana, +0.6%; Iowa, -3.4%; Michigan, +0.3%; Minnesota, -3.8%; Ohio, -4.8%; and Wisconsin, -1.6%.

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

Process American 5# Loaf	: 2.2950-2.6550
Brick And/Or Muenster 5#	: 2.5950-3.0200
Cheddar 40# Block	: 2.3000-2.7175
Monterey Jack 10#	: 2.5700-2.7750
Blue 5#	: 2.8625-3.8500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 2.4400-3.3350
Grade A Swiss Cuts 6 - 9#	: 3.3175-3.4350

WEST

Demand for cheese is mixed according to Western cheese sellers as buyers are watching the recent price changes in cheese markets. Buyers are taking previously contracted loads of cheese, but there is some hesitancy to build positions. Western cheese producers report the manufacturing milk supply is readily available for cheese making, and production is on a pace to fill standing orders. Cheese exports are generally slower but a few Western cheese makers report contracted export sales will take the majority of their cheese through the balance of the year. A cooperative export assistance program accepted requests for 198,416 pounds of cheddar cheese. According to the *NASS Cold Storage* report, U.S. stocks of cheese (total natural) at the end of March 2014 were 1.011 billion pounds, 9% or 94.9 million pounds less than March 2013. American stocks were 8% less, other natural stocks were 10% less, and Swiss stocks at the end of March were down 9% compared to a year ago.

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

Process 5# Loaf	: 2.3250-2.5825
Cheddar 40# Block	: 2.3400-2.6925
Cheddar 10# Cuts	: 2.5200-2.7400
Monterey Jack 10#	: 2.5300-2.6900
Grade A Swiss Cuts 6 - 9#	: 3.3775-3.8075

FOREIGN TYPE CHEESE

Retailers will be assessing their inventories of imported and foreign type cheeses following the holidays as they prepare to replenish supplies. Wholesale prices moved marginally higher this week, while imported varieties and Swiss cuts are unchanged. The influx of milk to cheese vats in Europe, due to the mild winter and favorable spring weather, has contributed mostly to fresh cheese production. Stocks of Swiss and Italian hard cheeses have returned to normal levels for this time of year.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.7550-4.2425*
Gorgonzola	: 3.6900-6.9700	: 3.2575-3.6700*
Parmesan (Italy)	: -0-	: 4.1450-6.2350*
Provolone (Italy)	: -0-	: 2.7975-2.9550*
Romano (Cows Milk)	: -0-	: 3.9450-6.0950*
Sardo Romano (Argentine)	: 2.8500-3.6900	: -0-
Reggianito (Argentine)	: 3.2900-4.5600	: -0-
Jarlsberg-(Brand)	: 2.9500-5.6300	: -0-
Swiss Cuts Switzerland	: -0-	: 3.8975-4.2200
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	143	0	100	0	70
SOUTHEAST STATES	0	0	0	0	0	0

Milk production is showing increases throughout the East with greening forage, improved cow comfort, and cow and heifer calving. Production volumes in the Southeast and Mid-Atlantic are increasing. Declines in Class I demand led to reductions in most bottlers fluid milk intakes. Contacts note that milk haulers are experiencing unloading delays as surplus milk supplies look to clear at regional manufacturing plants. Milk production continues to see increases in the Northeast region, with manufacturing volumes reported as heavy at most balancing plants. Milk production in Florida is steady. Class I sales are along seasonal trends. There were 143 milk spot loads exported, compared to 100 the previous week. Cream demand is expanded with adequate supplies to fill contract orders. Spot cream sales are marginal. **Cream multiples for all Classes range 1.30-1.32.** The butter price on the CME Group daily cash trading was unchanged on Wednesday to \$1.8950, half a cents higher than a week ago. **Condensed skim** supplies are exceeding demand, with some contacts unable to find homes for surplus volumes. Therefore, significant volumes continue to clear through Class IV production. *According to NASS*, milk production in the 23 major States during March totaled 16.7 billion pounds, up 1.1% from March 2013. The 5 Eastern states increased 0.6%.

March 2014 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Florida	234	+ 3.1
New York	1,159	N.C.
Pennsylvania	929	+ 0.3
Vermont	227	+ 0.4
Virginia	157	+ 2.6

LUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. producing plants: Northeast -	2.4732-2.5113
F.O.B. producing plants: Upper Midwest -	2.3401-2.5874

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	2.15-2.18
Northeast - Class III - spot prices -	2.01-2.04

MIDWEST

Milk producers are indicating the flush is beginning. Some farmers increased supplements to help make up for lower forage energy levels. Extra milk supplies in the Mideast section of the region were relocated to northern plants. Spot loads of milk are becoming readily available, ranging from \$2.00 under to \$1.25 over Class. Sales of bottling are steady to lower. Milk processors skimmed

additional amounts over the holiday weekend. Class II orders are steady to higher with notable increases in cultured products and whipping cream. Butter churns took greater volumes of cream over the weekend and ice cream makers are actively purchasing supplies as well. **Class II cream multiples ranged from 1.23 to 1.36.** Grade AA butter at the CME Group closed unchanged Wednesday at \$1.8950, up 0.5 of a cent since a week ago. Ideal weather conditions allowed most of the southern part of the region to get corn in the ground, while planting in the Central Plains is making good progress. Some crop producers in the Upper Midwest are beginning to prep fields for planting in the coming weeks. The *NASS Crop Progress Report* notes corn planted in the 18 selected states is at 6%, compared to 4% last year and the 14% 5 year average. The *NASS Milk Production Report* noted March milk production in the 23 major states increased 1.1% from a year ago, to 16.68 billion pounds. The Central states included in the report and the changes compared to a year ago: Illinois, -1.8%; Indiana, +0.6%; Iowa, -3.4%; Kansas, +1.2%; Michigan, +0.3%; Minnesota, -3.8%; Ohio, -4.8%; South Dakota, +1.8%; Texas, +6.4% and Wisconsin, -1.6%. Milk cows in the 23 major states for March increased 1,000 head from a month ago to 8.51 million head. The weekly *Cow Slaughter under Federal Inspection Report* shows U.S. dairy cow slaughter for the week ending on April 5, 2014 at 56,000 head, 6,400 head or 10.3% less than the comparable week a year ago.

WEST

CALIFORNIA farm milk production has plateaued according to milk handlers throughout the state. Weather remains comfortable for dairy herds. Class 1 demand was higher at the beginning of the week as bottlers ordered more heavily to restock consumer outlets. Demand for condensed skim and cream from Class 3 operations is ramping up steadily. Milk production in NEW MEXICO continues to add farm milk loads to the state weekly totals, although handlers report the rate of increase is slowing. The number of weekend holdover loads staged at various locations was higher compared to non-holiday weekends as several smaller manufacturing operations were closed from mid-Friday – Monday. Fluid orders are higher as bottlers restock grocery and convenience store outlets. ARIZONA milk handlers report farm pickup volumes are mostly steady. Daytime temperatures are warming seasonally, but nighttime temperatures are offering restorative cool down periods to dairy herds. Fluid milk sales are unchanged. Cream demand is steady from local and out-of-state end users. However, some cream is being held back for upcoming churning. The cream multiples range widened compared to last week, now ranging from 1.20 – 1.35. Market participants report availability of cream spot load is tighter compared to the usual post-holiday cream market. Various manufacturers report cream loads are traversing state lines to fill supply gaps. Cream is clearing readily into frozen desserts, cheese, and butter. At the CME Group, Grade AA butter closed on Wednesday at \$1.8950, one-half cent higher than one week ago. PACIFIC NORTHWEST milk intakes are trending seasonally higher. For many operators, when compared to 2013, the 2014 higher milk prices and lower feed costs are improving farm finances.

CONTINUED ON PAGE 4A

FLUID MILK AND CREAM

CONTINUED FROM PAGE 4

Dairy operations located east of the mountains are restarting irrigation systems to hasten growth in alfalfa fields. Milk processors are readily handling all milk coming into their facilities. IDAHO and UTAH farm milk production is also building steadily. Milk handlers in those states report dairy operators are keeping cows in the milking strings a little longer, which is being supported by current milk prices. Water availability for the coming growing season is a concern, although snow reserves are reported to be higher than in recent years. Cream is clearing into the Central and Southwest areas to active interest.

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 of LOW/MEDIUM HEAT nonfat dry milk significantly decreased on heavy F.O.B. spot trading. The undertone is weak with many discounts prevalent. Some milk processors dried additional volumes of low/medium heat NDM over the holiday weekend. Production rates are steady to higher overall. Domestic buyer interest is light. More offers are available. Exports orders are active. Inventories of low/medium heat NDM are moderate to heavy. HIGH HEAT NDM prices are mixed. The market tone is quiet as most manufacturers are working on filling current orders. Levels of high heat NDM production are slowing. Domestic buyer interest is moderate. High heat NDM stocks are lower. Grade A NDM at the CME Group closed unchanged at midweek at \$1.8575, down 3.25 cents since last Wednesday.

EAST: Low/medium heat nonfat dry milk prices moved sharply lower in the range and mostly series. Price adjustments are a result of F.O.B. spot sales and various price indices. Drying operations are actively manufacturing low/medium heat nonfat dry milk due to increases in condensed skim supplies, as farm-level milk production picks up in the region. Inventories are growing with some plant dryers producing low heat nonfat at near-capacity levels. As the market trends downwards, domestic demand is somewhat lethargic as potential buyers delay making purchase outside of immediate needs. Export volumes are clearing through existing contracts, as competitive prices slows new transactions. The market undertone continues to weaken. Prices for high heat nonfat dry milk are mixed. Production is mostly limited, as some manufacturers weigh the benefits of strictly drying low heat nonfat dry milk, as condensed skim volumes increase. Spot sales are limited. Inventories are tight with most high heat nonfat dry milk supplies already committed.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.7500 - 2.0900 MOSTLY: 1.8900 - 2.0700
HIGH HEAT: 2.1000 - 2.1800

NONFAT DRY MILK - WEST

Prices for Western low/medium heat nonfat dry milk stepped lower on both ends of the range and mostly. The market tone is weaker as domestic NDM production increases seasonally. Some manufacturers continue to separate milk intakes into diverse dairy nonfat solids end products. Low/medium heat NDM buyers continue to lean away from taking long-term positions on NDM, but are more active in the F.O.B. spot market this week. Nonfat dry milk production at Western facilities is active. Some plants are close to capacity on volumes clearing through dryers, but others indicate their drying schedules are about 75% full. Condensed skim sales are active into higher Class production lines.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.7500 - 2.1100 MOSTLY: 1.8800 - 2.0500
HIGH HEAT: 2.1000 - 2.2200

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices moved slightly lower on the top of the range. The market tone is soft. Some buttermilk makers dried additional supplies this week, while a few are producing at a "made to order" rate. Buyers are seeing more offers available. Manufacturers are noting a shift in demand from dried to condensed form of buttermilk. Inventories are adequate for current interest.

EAST: Prices for dry buttermilk are steady to lower by half a cent on the upper end of the range. Production is steady. Cooler than normal seasonal temperatures in the Northeast are hampering ice cream manufacturers' demand for condensed buttermilk. Inventories of dry buttermilk are marginally increasing. A few sales are occurring in the spot market. The market undertone is mixed.

F.O.B. CENTRAL/EAST: 1.8500 - 1.9550

DRY BUTTERMILK - WEST

Prices for Western dry buttermilk are unchanged to lower on a weaker market. Inventories are light to moderate, and several producers indicate their current holdings are within their comfort zones for contract fulfillment. Conversely, some market participants indicate dry buttermilk prices are under pressure from declining values of nonfat solids, as well as lower international pricing. Dry buttermilk production is seasonally active, but below maximum capacities because of the diversion of condensed buttermilk volumes into ice cream/frozen dessert accounts.

F.O.B. WEST: 1.8600 - 2.0200 MOSTLY: 1.9100 - 1.9400

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged to lower on a weaker market. Most sales are contract-based and spot load availability is light to moderate. Producers are intermittently scheduling production of dry whole milk. Inventories are steady.

F.O.B. PRODUCING PLANT: 2.0500 - 2.2000

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
April 18	\$1.9751	12,972,450
April 11	\$1.9798	16,644,692

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

Prices of DRY WHEY increased on the range and mostly price series. The market tone remains firm. Dry whey manufacturers' production rates are steady to higher. Few of the Upper Midwest dry whey plants are building inventories before summertime temperatures and humidity hit the region, which both increase the chances of producing off specification material. Domestic buyer interest is active, but they are managing inventories closely at current prices. A few exports orders were delayed or cancelled so domestic commitments could be filled. Some international customers have adequate supplies. ANIMAL FEED WHEY prices moved slightly higher on various indices. Buyers of feed whey are actively looking for material but are not having much success securing volumes needed. The undertone is firm.

F.O.B. CENTRAL: .6400 - .7200 MOSTLY: .6425 - .6650
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4875 - .6150

DRY WHEY - NORTHEAST

Dry whey prices are steady to higher resulting from F.O.B. spot sales and various pricing indices. Dry whey production is improving as spring flush increases milk volumes going to cheese vats. Inventories are tight. Domestic demand is improving. The market undertone is steady to firm.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6700 - .7250

DRY WHEY - WEST

Prices for Western dry whey are steady on a firm market. Manufacturers' dry whey inventories are comfortable to somewhat short of filling contract orders. Interest in F.O.B. spot loads is active, but few loads are available from week to week to fill current spot demand. Some resellers note they are receiving more calls from other resellers looking for dry whey loads. That is being interpreted as an affirmation of tight F.O.B. dry whey supplies. Export demand is steady to higher for some manufacturers and resellers, showing that U.S. dry whey prices currently are competing successfully with European dry whey prices. Dry whey production is steady to higher as manufacturing milk supplies increase seasonally.

NONHYGROSCOPIC: .6300 - .6900 MOSTLY: .6300 - .6775

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are unchanged to lower on the range and mostly price series. Current F.O.B. spot load availability is limited from some manufacturers, but improving from others. WPC 34% production is growing steadily as manufacturing milk supplies increase seasonally. Whey protein concentrate 34% inventories are described as adequate for contract fulfillment, with light to moderate volumes available for non-contract interest.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.5500 - 1.9200 MOSTLY: 1.6700-1.8600

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged to lower on a mixed market. Many manufacturers contracted strongly ahead of the quarter. They expected infrequent opportunities to participate in the F.O.B. spot market. However, recent increases in manufacturing milk availability and increases in plant efficiencies have boosted production. Availability of F.O.B spot loads is improving from some plants. The majority of these loads represent 30 – 100 mesh lactose. Interest is light to moderate, and price adjustments are helping blocks move to the export market. Lactose inventories are steady to building.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .4100-.7200 MOSTLY: .5700-.6550

CASEIN - NATIONAL

Casein prices are unchanged. Q3 contract negotiations are slowly starting with a considerable gap between bids and offers. Production and inventories are increasing as milk production in the EU is nearing seasonal peak levels. EU exports to the U.S. during the first two months of the year declined nearly 6% from year ago levels. Lower rennet casein prices on the GDT auction have given the market a weak undertone.

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: 4.6500 - 5.2000
ACID: 5.0000 - 5.4000

U.S. Dairy Cow Slaughter (000 head) under Federal Inspection & Comparable Week 2013

WEEK ENDING	WEEKLY DAIRY COWS	2014 CUMULATIVE DAIRY COWS	2013 WEEKLY DAIRY COWS	2013 CUMULATIVE DAIRY COWS
04/05/2014	56.0	823.6	62.4	901.9

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
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
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95

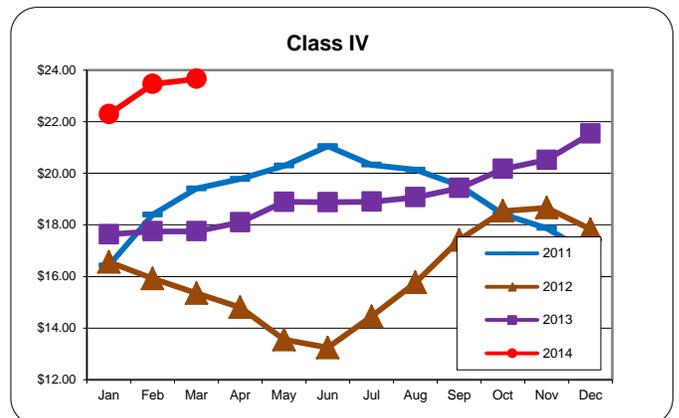
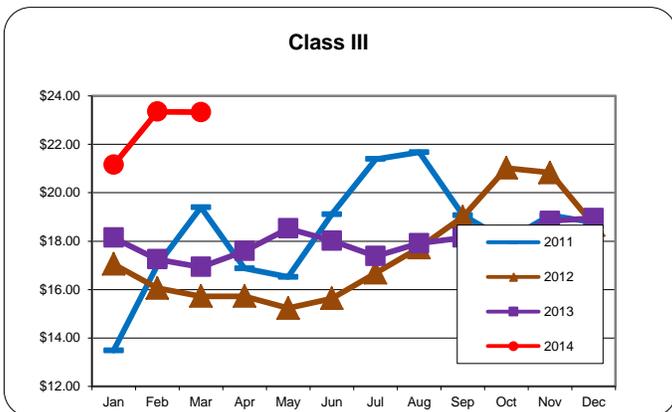
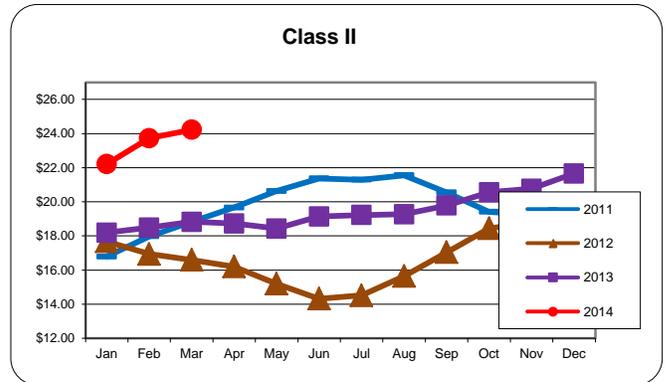
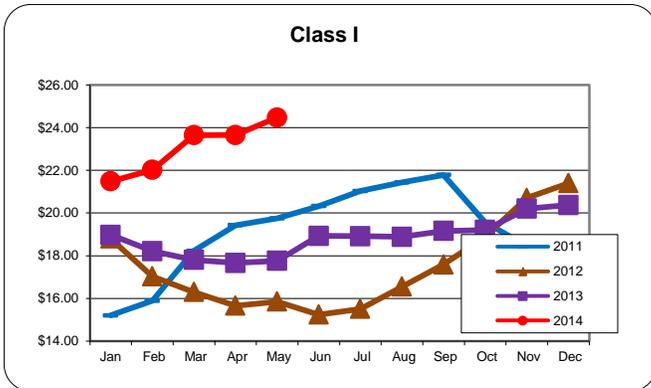
CLASS IV MILK PRICES (3.5%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2013	17.63	17.75	17.75	18.10	18.89	18.88	18.90	19.07	19.43	20.17	20.52	21.54

FEDERAL MILK ORDER CLASS PRICES FOR 2014 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	21.48	22.02	23.64	23.65	24.47							
II	22.21	23.73	24.22									
III	21.15	23.35	23.33									
IV	22.29	23.46	23.66									

1/ Specific order differentials to be added to this base price can be found by going to: www.ams.usda.gov/DairyMarketingStatistics; then select "Prices"; and then select "Principal Pricing Points."



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered April 14 - 25, 2014

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same

WESTERN OVERVIEW: Current milk production is nearing peak seasonal levels. The large milk volumes are prompting some discounts for fluid prices. Drying facilities are operating at near capacity levels. Additional drying capacity has come online recently, stabilizing milk volumes going to cheese production. Export activity for most dairy products has declined in recent weeks, and as a result, prices have moved lower. A stronger Euro, a weaker Russian Ruble, the Ukrainian situation, lower demand from China, increased dairy production in the northern hemisphere, and lower priced dairy products internationally have combined to reduce European dairy exports. Milk production, as reported by Eurostat, shows EU-28 production up 4.7% from February 2013. Changes in February production from a year ago for selected countries are: Germany, +4.4%; Belgium, +6.8%; Ireland, -4.4%; Netherlands, +4.2%; and the UK, +12.4%. EU-28 milk production estimates for the January-February period are 4.7% above year ago levels.

BUTTER/BUTTEROIL: The butter market experienced some marginal declines this reporting period. Various spring holidays in Europe have kept the focus on package butter production. Asparagus season has arrived early and contributed to increased retail sales. Interest for bulk butter is marginal at best as a majority of buyers anticipate increased supplies and lower prices in the future. Sellers are currently not inclined to sell bulk butter at significantly lower prices and, as a result, bulk butter sales activity is light. The strong Euro has a dampening effect on export interest. Butter production continues to be active, following the trend of increased seasonal milk production. Some buyers have expanded their winter butter stocks to cover their needs until fall. Butteroil prices have weakened, but remain well above other international prices. Export interest in butteroil has declined. The weak Russian Ruble and export demand has given the butter and butteroil markets a weak undertone.

82% BUTTERFAT: 4,625 - 5,100
99% BUTTERFAT: 5,575 - 6,200

SKIM MILK POWDER (SMP): Skim milk powder prices declined on both ends of the range. Production remains very active with most dryers operating at capacity levels. Condensed skim milk volumes are heavy and being offered at discounts. Most sellers are motivated to sell SMP rather than increase inventories in a downward trending market, but many buyers are hesitant to purchase for the same reason. Negotiations are ongoing for Q3 volumes, but few agreements have been finalized. Feed grade SMP drying has increased in order to better manage the increased condensed skim milk volumes. The spread between food and feed SMP pricing is substantial with the difference reportedly ranging from 400-500 euros. Most Western Europe production of SMP is committed to cover Q2 contracts. Eastern Europe supplies are more readily available on the spot market. A few large export tenders are currently seeking bids for skim milk powder.

1.25% BUTTERFAT: 3,875 - 4,375

WHOLE MILK POWDER (WMP): Production of whole milk powder is stable and geared to filling European domestic demand and current export commitments. Export demand has declined as European prices are above other international suppliers. Heavy importing of WMP by China during the first months of the year has reduced their need for supplies in the current market. Lower global prices have sparked some increased interest from the Middle East and North Africa.

26% BUTTERFAT: 4,675 - 5,100

SWEET WHEY POWDER: Prices for sweet dry whey held steady this reporting period. Whey production for food is stable, but is higher for feed whey and whey protein concentrate as most of the increases in the whey stream are being channeled to those manufacturers. Recent declines in the feed whey prices have given the food whey market a weak undertone. Export interest for European whey has increased, due to the relatively low price, when compared to the U.S. market.

NONHYGROSCOPIC: 1,200 - 1,450

EASTERN OVERVIEW: Some excess milk and condensed supplies are making their way from Western to Eastern European countries, where drying capacities are available. Due to these increased shipments, skim milk powder production has expanded and supplies are more readily available than in Western Europe. Decreased demand from Russia continues to limit dairy exports from the region. Milk production, as reported by Eurostat, shows February production changes from a year ago for selected Eastern European countries are: Poland, +7.6%; Czech Republic, -2.9%; Bulgaria, -2.2%; Slovenia, 0.2% and Slovakia, -0.3%.

**Exchange rates for selected foreign currencies:
April 21, 2014**

.1245 Argentina Peso	.0098 Japan Yen
.9327 Australian Dollar	.0768 Mexican Peso
.9081 Canadian Dollar	.8566 New Zealand Dollar
1.3793 Euro	.3301 Poland Zloty
.0165 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0768) = 13.0208 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered April 14 - 25, 2014

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

AUSTRALIAN milk production has held fairly steady in the last fortnight. Mild temperatures and the arrival of autumn rains, greening up pastures, are helping maintain milk intakes above year ago levels. Butter production has declined following the holidays, but cream demand remains good, due to active cream cheese production to fill export orders. The good demand for cream has marginally increased the production of skim milk powder with whole milk powder production declining proportionally. Increasing global milk and dairy product production, in combination with lower export demand from China, have been the major contributing factors in the recent price declines for most dairy products. The lower prices have prompted some buyers to re-enter the market. There are current tenders for milk powders coming from Algeria and Venezuela. According to Dairy Australia, March 2014 milk production in Australia was 3.8% above March 2013. The state changes from a year earlier are: New South Wales, -4.1%; Victoria, +5.3%; Queensland, -5.0%; South Australia, -2.2%; Western Australia, +0.8% and Tasmania +16.6%. Australia's milk production season to date is -1.4%, compared to last season. **NEW ZEALAND** milk production in February was reported by DCANZ at 1.97 million tons, up 11.8% from February 2013 and 5.3% higher than two years ago. Current milk intakes are mixed with greater volumes coming from the South Island. Favorable weather conditions and timely rains have provided for more than adequate forage growth and taken the pressure off winter grazing supplies on the South Island, especially in the Canterbury region. Dairy herd expansion is continuing on the South Island with reports of at least 50 dairy conversions ongoing. The North Island was hit with heavy rains and high winds over the Easter weekend as remnants of cyclone Ita covered the island. Most producers on the North Island are in the midst of drying off cows, managing feed stocks and preparing for the next season. At the April 15 GDT event #114, average prices ranged from 8.6% lower to 0.6% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,086 +0.6%; butter, \$3,832 -4.9%; buttermilk powder, \$4,075 -8.6%; cheddar cheese, \$4,273 -3.3%; lactose, n.a.; milk protein concentrate, \$7,824 -7.0%; rennet casein, \$10,630 -4.3%; skim milk powder, \$3,969 -4.4%; and whole milk powder, \$3,990 -1.6%.

BUTTER: Butter prices declined in Oceania following the holidays. Production has slowed as cream is being diverted to cream cheese production and also due to some plants shutting down for routine maintenance projects. Current production levels are adequate to cover commitments. The market has transitioned away from a two tiered market, over the past few weeks, as Russia has all but withdrawn from the market. Export interest from the Middle East and Southeast Asia is steady. AMF prices moved lower. Production is limited in the region as cream demand for other products has increased. Stocks are tight and demand is light. At the April 15 GDT event 114, NZ unsalted butter averaged \$3,750/MT for the June contracts, and all regions \$3,832/MT for all contract periods, -4.9%. AMF prices aver-

aged \$4,068/MT for the June contracts, +0.8% from the prior event. For all contract periods, the AMF price average was \$4,086/MT, +0.6%.

82% BUTTERFAT: 3,700 - 4,400

SKIM MILK POWDER (SMP): Oceania skim milk powder prices declined on both ends of the range for the second consecutive reporting period. Production is steady to slightly higher as cream demand remains fairly good; channeling a bit more condensed skim milk to dryers. Demand for SMP has received a little more interest from buyers in the Middle East and Southeast Asia after the recent price declines. A majority of supplies are committed. At the April 15 GDT event 114, SMP for all regions and contracting periods averaged \$3,969 per MT, -4.4%. For trading in contract period 2, June 2014, prices averaged \$3,920 for NZ sourced medium heat product, down \$210 from the prior event. For June sales, the price gap between New Zealand and U.S. sourced MH SMP, at \$4,000, was -\$80/MT.

1.25% BUTTERFAT: 3,900 - 4,500

CHEDDAR CHEESE: Cheese prices in Oceania declined this reporting period. Export demand has weakened as some buyers have sought out lower priced alternatives on the global market. Current production is adequate to cover commitments with limited supplies available for the spot market.

39% MAXIMUM MOISTURE: 4,400 - 5,200

WHOLE MILK POWDER (WMP): Whole milk powder prices saw declines on the low end of the range. Production is in balance with demand with some manufacturers catching up on contract commitments. A majority of supplies are committed with little available for the spot market. Demand activity has increased as recent price declines have prompted some buyers to re-enter the market. The good demand for cream from cream cheese production has caused some marginal declines in WMP production in Australia. At the April 15 GDT event 114, the WMP pricing index, across all contracting periods, averaged \$3,990 per MT, down 1.6% compared to the prior event. For contract periods 2 and 3, June and July 2014, NZ regular WMP averaged \$3,890 and \$4,005 per MT.

26% BUTTERFAT: 3,875 - 4,800

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

US\$/MT	Global/Dairy Trading (g/DT) Event 114 Recap - April 15, 2014													
	Contract 1 May-14		Contract 2 Jun-14		Contract 3 Jul-14		Contract 4 Aug-14		Contract 5 Sep-14		Contract 6 Oct-14		All Contracts	
Anhydrous Milk Fat	n.a.	\$4,068	0.8%	\$4,093	-0.1%	\$4,099	0.9%	\$4,106	1.0%	\$4,227	-1.1%	\$4,086	0.6%	
Butter	\$4,050	-7.3%	\$3,791	-4.3%	\$3,745	-2.5%	\$3,785	-8.9%	n.a.	n.a.	n.a.	n.a.	\$3,832	-4.9%
Buttermilk Powder	n.a.	\$4,075	-8.6%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$4,075	-8.6%	
Cheddar	n.a.	\$4,220	-3.1%	\$4,425	-3.8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$4,273	-3.3%	
Lactose	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Milk Protein Concentrate	n.a.	\$7,800	-4.8%	\$7,885	-11.6%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$7,824	-7.0%	
Rennet Casein	n.a.	\$10,630	-4.3%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$10,630	-4.3%	
Skim Milk Powder	\$4,000	-5.0%	\$3,949	-4.9%	\$3,941	-5.2%	\$4,009	-4.6%	\$4,069	-1.5%	\$4,047	-0.2%	\$3,969	-4.4%
Whole Milk Powder	n.a.	\$3,913	-1.0%	\$4,029	-1.6%	\$4,223	-10.9%	\$4,228	-3.6%	\$4,166	0.0%	\$3,990	-1.6%	

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

US\$/Pound	Global/Dairy Trading (g/DT) Event 114 Recap - April 15, 2014													
	Contract 1 May-14		Contract 2 Jun-14		Contract 3 Jul-14		Contract 4 Aug-14		Contract 5 Sep-14		Contract 6 Oct-14		All Contracts	
Anhydrous Milk Fat	n.a.	\$1.8452	0.8%	\$1.8566	-0.1%	\$1.8593	0.9%	\$1.8625	1.0%	\$1.9174	-1.1%	\$1.8534	0.6%	
Butter	\$1.8371	-7.3%	\$1.7196	-4.3%	\$1.6987	-2.5%	\$1.7169	-8.9%	n.a.	n.a.	n.a.	n.a.	\$1.7382	-4.9%
Buttermilk Powder	n.a.	\$1.8484	-8.6%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$1.8484	-8.6%	
Cheddar	n.a.	\$1.9142	-3.1%	\$2.0072	-3.8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$1.9382	-3.3%	
Lactose	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Milk Protein Concentrate	n.a.	\$3.5381	-4.8%	\$3.5766	-11.6%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$3.5489	-7.0%	
Rennet Casein	n.a.	\$4.8217	-4.3%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$4.8217	-4.3%	
Skim Milk Powder	\$1.8144	-5.0%	\$1.7913	-4.9%	\$1.7876	-5.2%	\$1.8185	-4.6%	\$1.8457	-1.5%	\$1.8357	-0.2%	\$1.8003	-4.4%
Whole Milk Powder	n.a.	\$1.7749	-1.0%	\$1.8275	-1.6%	\$1.9155	-10.9%	\$1.9178	-3.6%	\$1.8897	0.0%	\$1.8099	-1.6%	

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

CME GROUP, INC FUTURES
Selected settling prices, (open interest), and volume

Month	04/10	04/11	04/14	04/15	04/16	04/17	04/18	04/21	04/22	04/23
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
APR 14	23.96 (4979) 0	24.02 (4974) 0	24.09 (4960) 0	24.11 (4989) 0	24.12 (5118) 0	24.21 (5469) 0	NO TRADING	24.23 (5413) 0	24.26 (5346) 0	24.21 (5238) 0
MAY 14	21.22 (4734) 1	21.50 (4737) 0	22.03 (4743) 0	21.81 (4813) 2	22.00 (4865) 0	22.14 (4900) 0		21.84 (4938) 0	22.29 (4913) 0	22.41 (5096) 0
JUN 14	19.91 (4275) 1	20.05 (4208) 0	20.36 (4226) 0	20.28 (4249) 2	20.38 (4265) 0	20.37 (4290) 4		20.01 (4342) 0	20.23 (4344) 0	20.33 (4363) 0
JUL 14	19.60 (2992) 1	19.55 (2908) 0	19.50 (2918) 0	19.41 (2962) 2	19.40 (2948) 0	19.48 (2927) 0		19.36 (2920) 0	19.53 (2942) 0	19.64 (2965) 0
AUG 14	19.55 (2392) 1	19.45 (2343) 0	19.39 (2362) 0	19.32 (2380) 2	19.21 (2384) 0	19.28 (2383) 0		19.20 (2412) 0	19.31 (2426) 0	19.33 (2435) 0
SEP 14	19.54 (2181) 4	19.41 (2169) 0	19.37 (2180) 0	19.28 (2192) 2	19.16 (2187) 0	19.21 (2182) 0		19.16 (2178) 0	19.22 (2178) 1	19.22 (2191) 0
OCT 14	19.17 (1888) 4	19.04 (1861) 3	19.00 (1865) 0	18.97 (1881) 2	18.92 (1862) 0	18.92 (1858) 0		18.92 (1866) 0	18.95 (1863) 1	18.95 (1867) 0
NOV 14	18.80 (1733) 4	18.71 (1719) 3	18.63 (1723) 0	18.58 (1730) 2	18.54 (1733) 0	18.55 (1735) 0		18.55 (1745) 0	18.56 (1746) 1	18.56 (1753) 0
DEC 14	18.43 (1606) 4	18.35 (1595) 3	18.31 (1598) 0	18.30 (1610) 2	18.26 (1612) 0	18.30 (1602) 0		18.30 (1611) 0	18.33 (1610) 0	18.33 (1611) 0
JAN 15	18.24 (497) 1	18.17 (500) 3	18.13 (508) 3	18.10 (517) 2	18.04 (545) 0	17.97 (552) 0		17.98 (552) 0	18.05 (609) 0	18.03 (628) 0
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
APR 14	23.40 (1688) 0	23.40 (1693) 0	23.40 (1693) 0	23.40 (1693) 0	23.42 (1687) 0	23.23 (1696) 0	NO TRADING	23.20 (1693) 0	23.20 (1693) 0	23.20 (1702) 0
MAY 14	21.38 (1641) 0	21.71 (1653) 0	21.71 (1655) 0	21.71 (1655) 0	21.71 (1655) 0	21.71 (1655) 0		21.71 (1655) 0	21.71 (1655) 0	21.93 (1650) 0
JUN 14	20.60 (1470) 7	20.76 (1474) 0	20.76 (1475) 0	20.76 (1474) 0	20.79 (1477) 2	20.61 (1475) 0		20.53 (1472) 0	20.66 (1473) 0	20.90 (1474) 0
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
APR 14	194.25 (1104) 3	194.50 (1104) 0	194.50 (1104) 0	194.25 (1103) 4	194.25 (1100) 19	195.00 (1115) 19	NO TRADING	195.00 (1115) 0	195.00 (1115) 0	194.00 (1112) 28
MAY 14	184.00 (1094) 11	184.00 (1094) 5	183.50 (1096) 6	183.25 (1082) 27	183.25 (1082) 0	187.00 (1105) 48		185.25 (1105) 1	185.80 (1115) 28	186.30 (1127) 21
JUN 14	184.00 (946) 18	184.00 (950) 15	183.50 (958) 9	183.00 (960) 9	183.00 (968) 14	184.25 (1008) 48		184.00 (1014) 13	184.00 (1046) 39	184.25 (1044) 4
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
APR 14	201.00 (780) 0	201.48 (789) 0	201.10 (790) 0	201.25 (790) 0	201.30 (783) 0	199.00 (782) 0	NO TRADING	199.00 (781) 0	198.50 (781) 0	199.40 (775) 0
MAY 14	183.50 (768) 0	187.50 (758) 0	187.00 (769) 0	187.90 (771) 0	187.75 (766) 0	186.00 (762) 0		185.80 (767) 0	187.00 (766) 0	187.75 (763) 0
JUN 14	173.55 (659) 0	176.88 (624) 0	176.85 (626) 0	177.25 (628) 0	177.25 (619) 0	174.25 (619) 0		173.50 (623) 0	175.00 (624) 0	176.50 (632) 0
WHEY (Electronic-Traded) (¢/lb)										
APR 14	67.10 (340) 2	67.85 (332) 17	68.15 (330) 2	68.15 (330) 0	68.15 (327) 5	67.18 (320) 25	NO TRADING	67.18 (320) 0	67.18 (320) 7	67.18 (320) 0
MAY 14	63.75 (410) 16	64.75 (421) 7	65.50 (422) 33	66.30 (422) 10	66.43 (426) 17	66.00 (415) 63		65.75 (416) 4	65.65 (418) 27	66.25 (425) 32
JUN 14	61.00 (426) 17	61.45 (427) 6	62.95 (438) 20	63.70 (440) 3	63.75 (434) 25	64.10 (435) 48		63.50 (445) 13	63.60 (447) 2	64.10 (451) 6
CHEESE CSC (Electronic-Traded) (\$/lb)										
APR 14	2.32 (1314) 33	2.32 (1305) 15	2.32 (1303) 5	2.33 (1305) 2	2.33 (1305) 3	2.34 (1305) 2	NO TRADING	2.35 (1304) 10	2.35 (1304) 0	2.35 (1304) 0
MAY 14	2.06 (1536) 77	2.09 (1575) 43	2.13 (1590) 91	2.11 (1584) 92	2.13 (1603) 75	2.14 (1609) 54		2.12 (1611) 17	2.16 (1603) 132	2.16 (1612) 21
JUN 14	1.95 (1399) 19	1.96 (1399) 24	1.98 (1410) 26	1.97 (1428) 29	1.98 (1443) 30	1.98 (1472) 88		1.94 (1481) 54	1.96 (1505) 27	1.96 (1513) 20
JUL 14	1.93 (1138) 15	1.92 (1144) 15	1.91 (1162) 25	1.90 (1162) 20	1.90 (1167) 15	1.89 (1166) 34		1.89 (1174) 25	1.90 (1219) 42	1.91 (1227) 10
AUG 14	1.94 (1083) 54	1.93 (1083) 20	1.92 (1095) 12	1.90 (1097) 5	1.90 (1099) 16	1.89 (1112) 33		1.89 (1127) 19	1.90 (1137) 6	1.90 (1137) 2
SEP 14	1.94 (1097) 33	1.92 (1109) 33	1.91 (1116) 21	1.90 (1117) 6	1.90 (1117) 14	1.90 (1131) 24		1.90 (1135) 10	1.90 (1145) 1	1.91 (1145) 7

Source: <http://www.cmegroup.com/market-data/daily-bulletin.html>

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

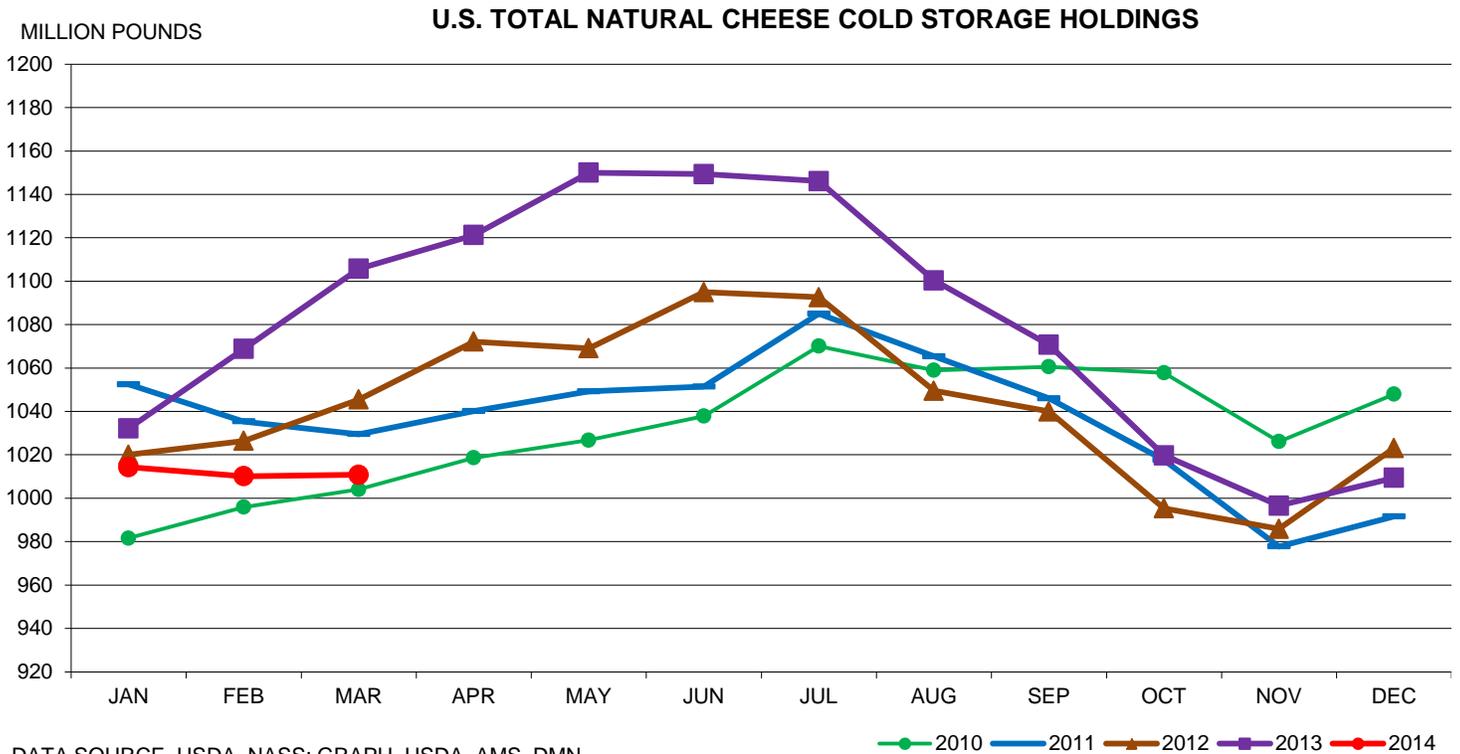
NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under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

All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	FEB 29, 2012	FEB 28, 2013	REVISED FEB 28, 2014	MAR 31, 2012	MAR 31, 2013	MAR 31, 2014
Butter	205,172	238,342	163,197	208,253	254,991	178,347
Cheese, Natural American	634,614	661,019	628,679	651,005	684,653	631,028
Cheese, Swiss	27,049	30,130	26,942	28,872	30,589	27,793
Cheese, Other Natural	364,742	377,607	354,511	365,596	390,483	351,970
Total Cheese	1,026,405	1,068,756	1,010,132	1,045,473	1,105,725	1,010,791

MARCH STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
New England	41,013	46,213	57,951	---	---	---	928	1,341	1,041
Middle Atlantic	53,066	48,617	62,246	---	---	---	15,108	19,849	16,344
East North Central	278,309	285,575	223,780	---	---	---	268,242	269,030	242,502
West North Central	108,908	115,405	105,299	---	---	---	35,539	38,960	40,765
South Atlantic	47	517	828	---	---	---	6,030	6,150	4,743
East South Central	2,920	5,755	3,455	---	---	---	11,373	17,577	10,433
West South Central	10,275	10,516	11,995	---	---	---	915	709	542
Mountain	47,940	55,774	51,245	---	---	---	4,729	6,890	2,494
Pacific	108,527	116,281	114,229	---	---	---	22,732	29,977	33,106
TOTAL	651,005	684,653	631,028	208,253	254,991	178,347	365,596	390,483	351,970

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



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

MARCH MILK PRODUCTION

Milk production in the 23 major States during March totaled 16.7 billion pounds, up 1.1 percent from March 2013. February revised production at 14.9 billion pounds, was up 1.3 percent from February 2013. The February revision represented a decrease of 18 million pounds or 0.1 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,959 pounds for March. The number of milk cows on farms in the 23 major States for March was 8.51 million head, 1,000 head more than February 2014. Milk production in the United States during the January - March quarter totaled 51.1 billion pounds, up 1.0 percent from the January - March quarter last year. The average number of milk cows in the United States during the quarter was 9.22 million head.

STATE	MILK COWS ^{1/2/}				MILK PRODUCTION ^{1/3/}			
	MARCH		JANUARY - MARCH		MARCH		JANUARY - MARCH	
	2013 ^{4/}	2014	2013 ^{4/}	2014	2014	% CHANGE FROM 2013	2014	% CHANGE FROM 2013
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	--	--	9.0	--	--	--	31.0	-6.1
AK	--	--	0.3	--	--	--	0.8	--
AZ	192	--	192.0	428	1.2	--	1,202.0	1.3
AR	--	--	7.5	--	--	--	24.0	-22.6
CA	1,781	--	1,781.0	3,811	3.7	--	10,826.0	4.4
CO	140	--	140.0	297	6.5	--	852.0	5.7
CT	--	--	19.0	--	--	--	96.0	4.3
DE	--	--	4.7	--	--	--	24.5	-0.8
FL	123	--	123.0	234	3.1	--	668.0	4.0
GA	--	--	81.0	--	--	--	435.0	5.1
HI	--	--	2.3	--	--	--	7.4	5.7
ID	568	--	567.0	1,150	1.7	--	3,317.0	2.3
IL	95	--	96.0	168	-1.8	--	477.0	-3.2
IN	176	--	177.0	333	0.6	--	958.0	0.5
IA	204	--	205.0	393	-3.4	--	1,137.0	-2.9
KS	136	--	137.0	255	1.2	--	743.0	2.9
KY	--	--	68.0	--	--	--	276.0	-5.5
LA	--	--	15.0	--	--	--	56.0	-6.7
ME	--	--	30.0	--	--	--	146.0	-3.3
MD	--	--	50.0	--	--	--	250.0	--
MA	--	--	12.5	--	--	--	59.0	--
MI	381	--	381.0	796	0.3	--	2,301.0	0.7
MN	459	--	460.0	780	-3.8	--	2,261.0	-3.2
MS	--	--	13.0	--	--	--	51.0	-1.9
MO	--	--	90.0	--	--	--	336.0	-2.9
MT	--	--	14.0	--	--	--	76.0	4.1
NE	--	--	53.0	--	--	--	291.0	-2.3
NV	--	--	29.0	--	--	--	174.0	10.8
NH	--	--	14.0	--	--	--	71.0	2.9
NJ	--	--	7.0	--	--	--	32.0	--
NM	323	--	323.0	714	-0.1	--	2,026.0	-0.8
NY	615	--	615.0	1,159	--	--	3,333.0	0.2
NC	--	--	45.0	--	--	--	245.0	0.4
ND	--	--	17.0	--	--	--	81.0	-8.0
OH	266	--	266.0	458	-4.8	--	1,334.0	-3.3
OK	--	--	41.0	--	--	--	182.0	-16.1
OR	125	--	124.0	225	4.2	--	638.0	4.1
PA	531	--	531.0	929	0.3	--	2,663.0	--
RI	--	--	0.9	--	--	--	4.0	-4.8
SC	--	--	16.0	--	--	--	71.0	-1.4
SD	95	--	95.0	174	1.8	--	504.0	1.8
TN	--	--	46.0	--	--	--	204.0	-1.0
TX	445	--	443.0	894	6.4	--	2,519.0	4.3
UT	95	--	95.0	177	3.5	--	507.0	3.5
VT	131	--	132.0	227	0.4	--	654.0	0.8
VA	93	--	93.0	157	2.6	--	450.0	2.3
WA	270	--	269.0	560	3.5	--	1,601.0	3.5
WV	--	--	9.0	--	--	--	35.0	-10.3
WI	1,270	--	1,270.0	2,362	-1.6	--	6,795.0	-2.1
WY	--	--	6.0	--	--	--	31.5	-1.6
23 STATE TOTAL		8,514	--	16,681	1.1	--	--	--
U.S. ^{5/6/}			9,215.0				51,056.0	1.0

^{1/} Preliminary. ^{2/} Includes dry cows, excludes heifers not yet fresh. ^{3/} Excludes milk sucked by calves. ^{4/} Survey was not conducted in April and July, resulting in no milk cow data for March through June. ^{5/} Includes states for which individual monthly estimates are not available. ^{6/} Milk cows will not add due to rounding. Source: U.S. Department of Agriculture, National Agricultural Statistics Service, *Milk Production, April 2014*.

FEDERAL MILK ORDER ADVANCE PRICES, MAY

Base Class I Price: Under the Federal milk order pricing system, the base Class I price for May 2014 is \$24.47 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$17.45 and the advanced butterfat pricing factor of \$2.1790. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price.

Comparison to Previous Month: The base Class I price increased \$0.82 per cwt when compared to the previous month of April 2014. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.77 per cwt., \$0.066 per gallon; reduced fat milk (2%), \$0.57 per cwt., \$0.049 per gallon; fat-free (skim milk), \$0.31 per cwt., \$0.027 per gallon.

Class II Price Information: The advanced Class IV skim milk pricing factor is \$16.36. Thus, the Class II skim milk price for May 2014 is \$17.06 per cwt., and the Class II nonfat solids price is \$1.8956.

Product Price Averages: The two-week product price averages for May 2014 are: butter \$1.9708, nonfat dry milk \$2.0040, cheese \$2.3695 and dry whey \$0.6751.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION ^{1/2/}				
Federal Milk Order Marketing Area ^{3/}	Order Number	May 2014		
		Class I Price (3.5%) \$ per cwt.	Class I Skim Milk Price \$ per cwt.	Class I Butterfat Price \$ per pound
Northeast (Boston) ^{4/}	001	27.72	20.70	2.2115
Appalachian (Charlotte) ^{5/ 6/}	005	27.87	20.85	2.2130
Florida (Tampa) ^{6/ 7/}	006	29.87	22.85	2.2330
Southeast (Atlanta) ^{6/ 8/}	007	28.27	21.25	2.2170
Upper Midwest (Chicago) ^{9/}	030	26.27	19.25	2.1970
Central (Kansas City) ^{10/}	032	26.47	19.45	2.1990
Mideast (Cleveland) ^{11/}	033	26.47	19.45	2.1990
Pacific Northwest (Seattle) ^{12/}	124	26.37	19.35	2.1980
Southwest (Dallas) ^{13/}	126	27.47	20.45	2.2090
Arizona (Phoenix)	131	26.82	19.80	2.2025
All-Market Average		27.36	20.34	2.2079

^{1/} To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk.

^{2/} Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

^{3/} Names in parentheses are the major city in the principal pricing point of the markets.

^{4/} Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25.

^{5/} Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10.

^{6/} Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted.

^{7/} Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40.

^{8/} Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40.

^{9/} Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

^{10/} Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

^{11/} Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

^{12/} Class I prices at other cities are: Portland, same; and Spokane, same.

^{13/} Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, MARCH 2014

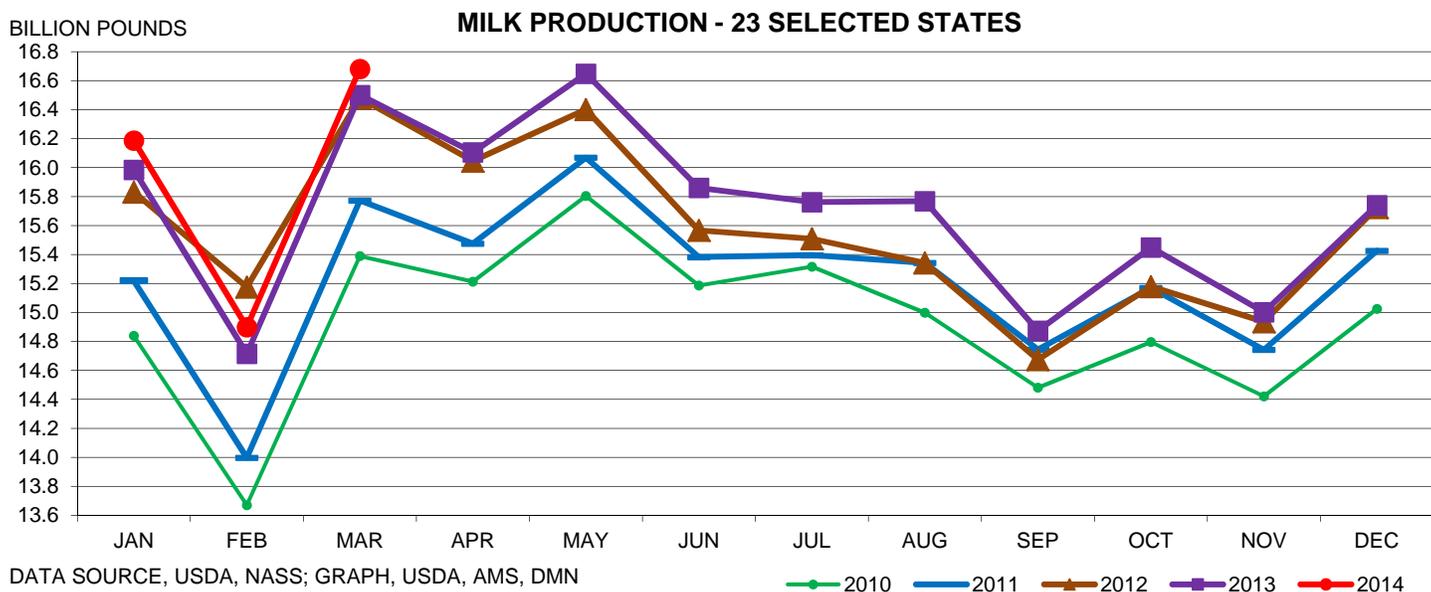
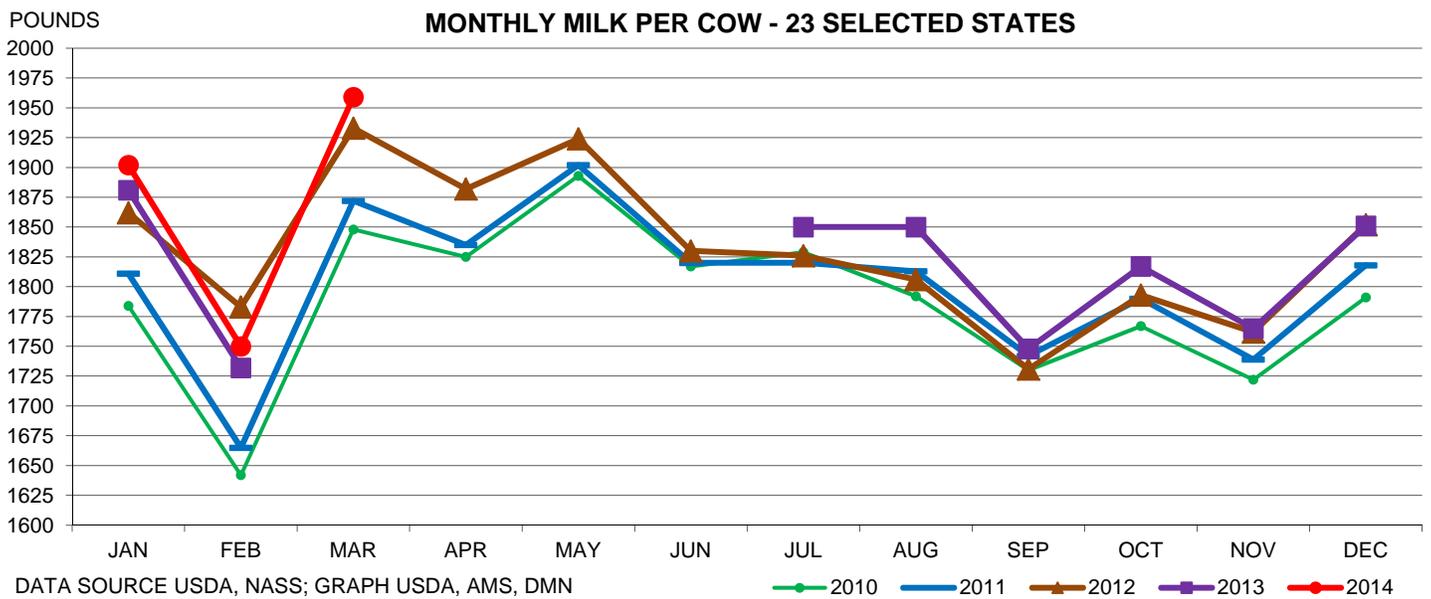
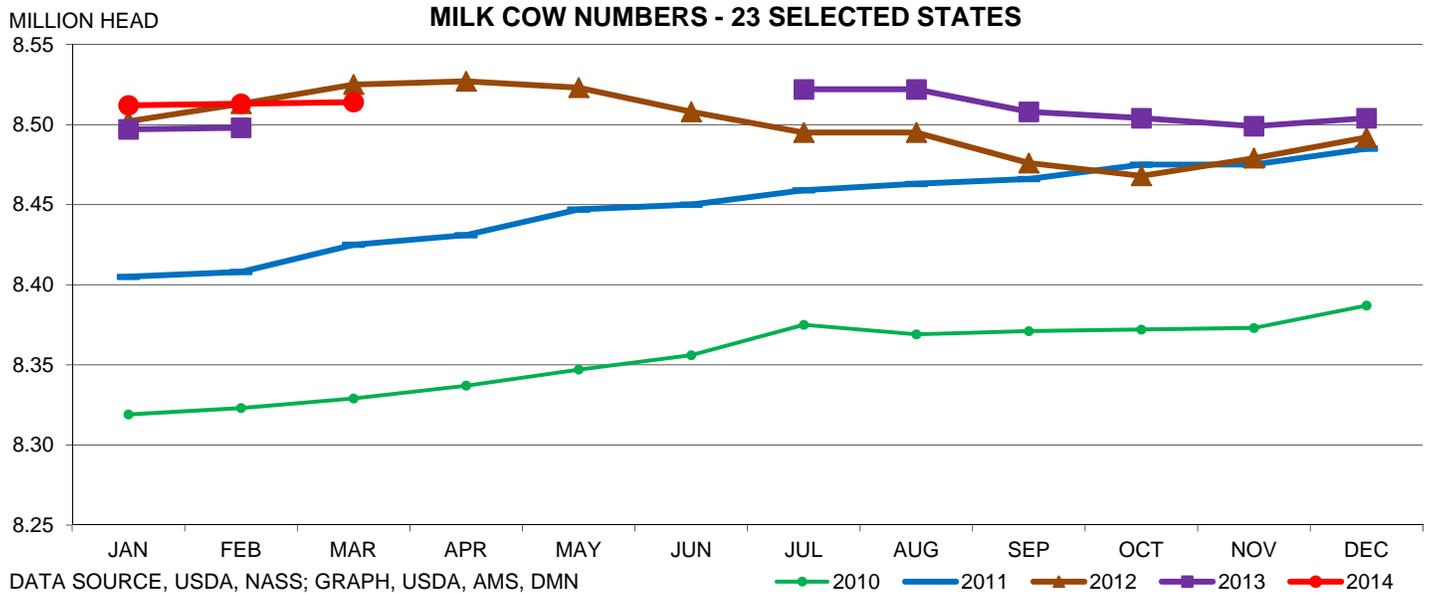
HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for March have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During March, more than 11.5 billion pounds of milk were received from producers. This volume of milk is 1.8 percent lower than the March 2013 volume. In March 2013 and March 2014, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. More than 3.5 billion pounds of producer milk were used in Class I products, 3.2 percent lower than the previous year. The all-market average Class utilization percentages were: Class I = 30%, Class II = 11%, Class III = 46% and Class IV = 13%. The weighted average statistical uniform price was \$24.36 per cwt., \$0.41 higher than last month and \$5.89 higher than last year.

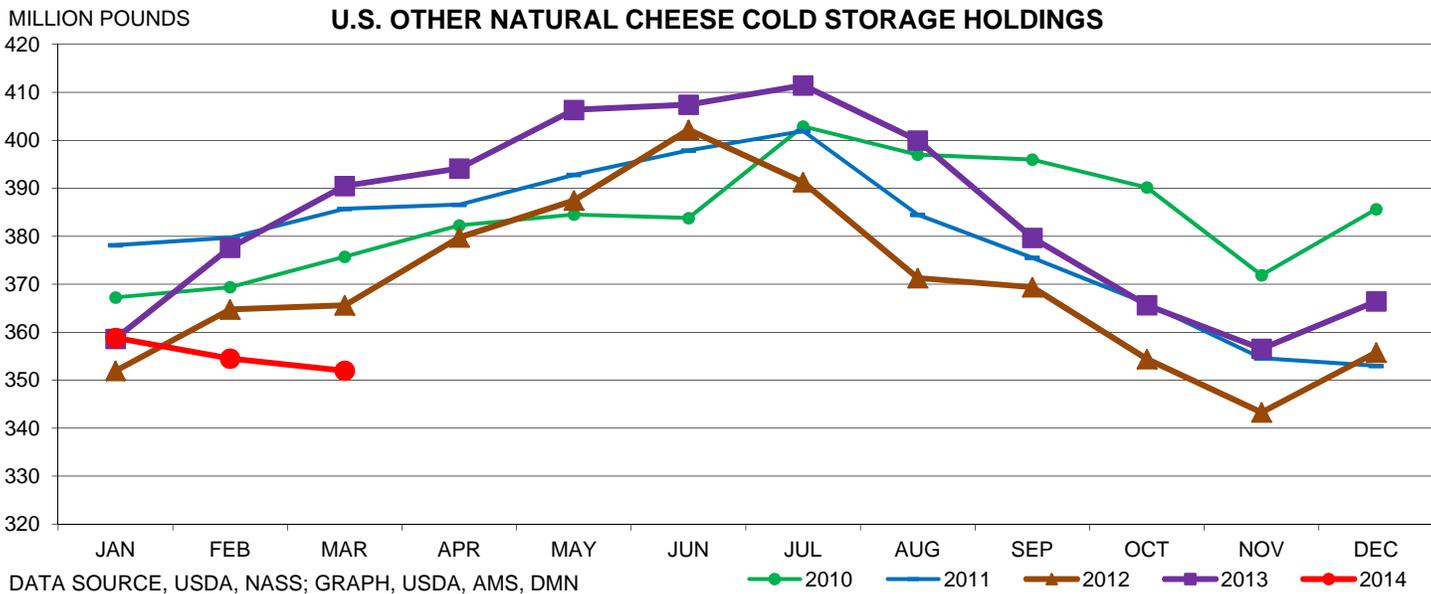
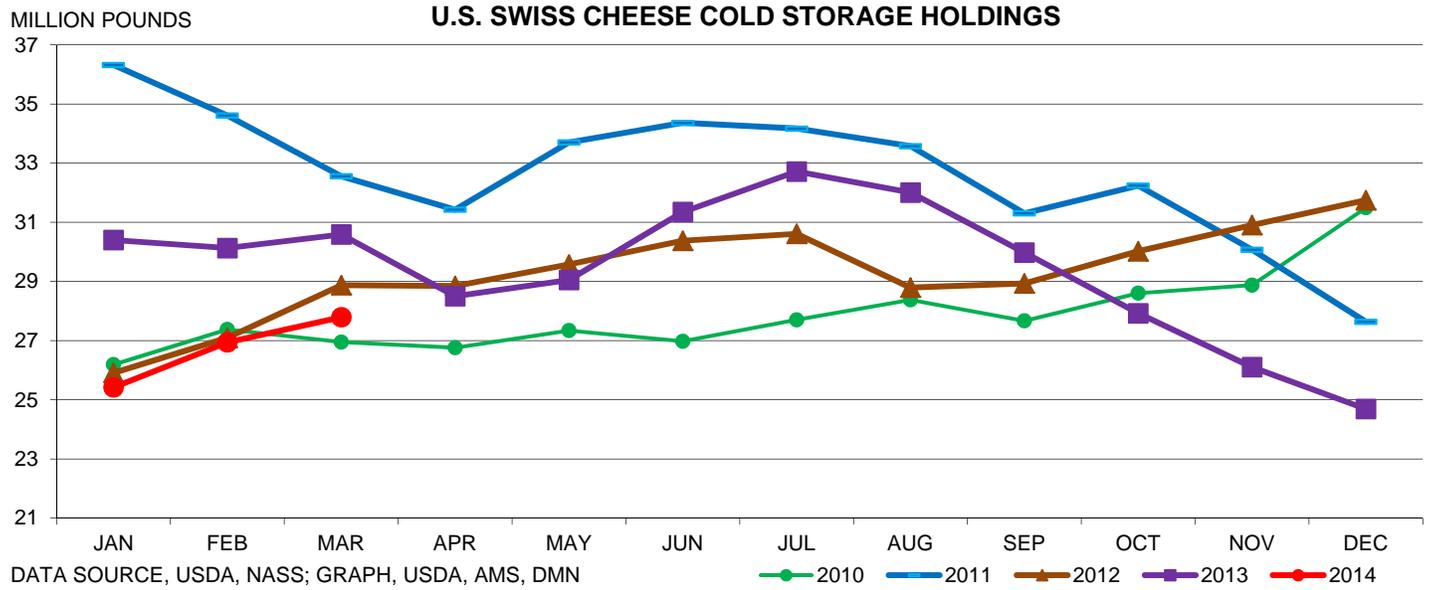
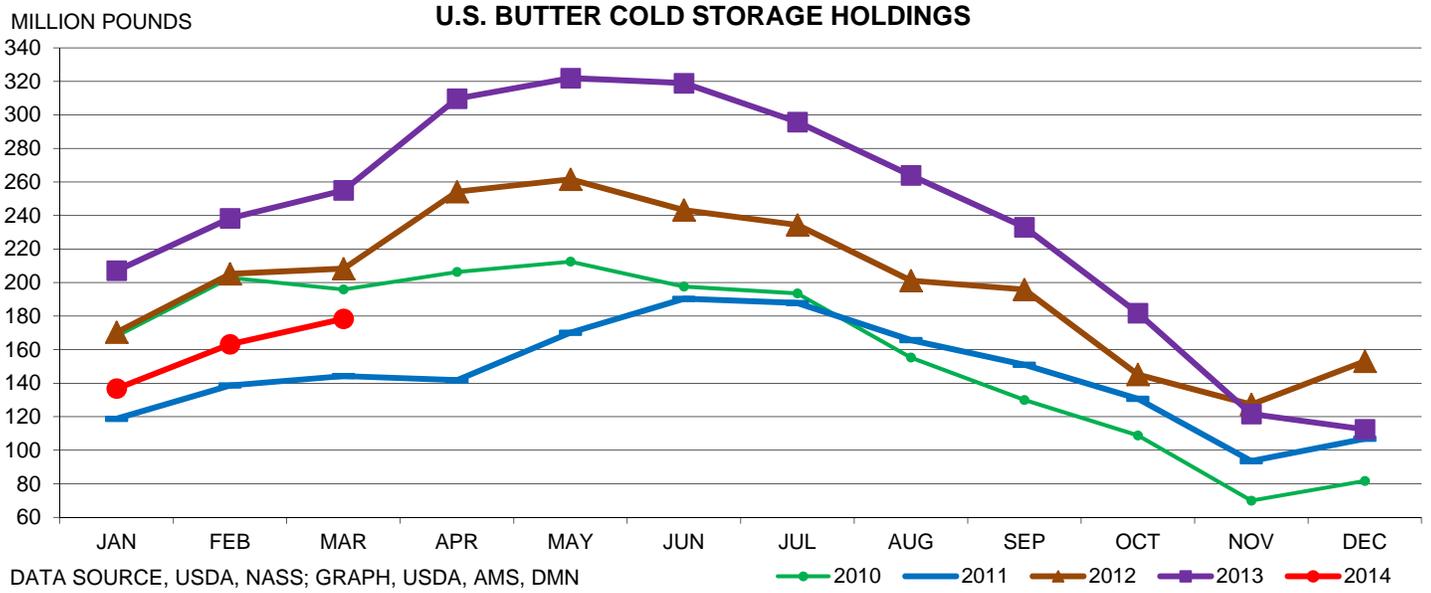
PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF MARCH 2014										
FEDERAL MILK ORDER MARKETING AREA 1/	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE 2/
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,194.9	-2.1	781.4	-3.5	36	24	27	13	24.97
Appalachian (Charlotte)	005	512.8	-2.0	311.7	-1.9	61	16	7	16	26.02
Florida (Tampa)	006	246.8	-1.8	204.1	-4.7	83	10	5	2	28.19
Southeast (Atlanta)	007	493.2	-10.7	328.5	-8.0	67	12	10	11	26.56
Upper Midwest (Chicago)	030 3/	2,811.8	-6.6	303.9	-2.8	11	2	86	1	23.52
Central (Kansas City)	032 3/	1,356.4	0.7	402.3	-1.7	30	8	46	16	23.68
Mideast (Cleveland)	033 3/	1,448.2	0.8	528.8	-3.5	36	14	34	16	23.95
Pacific Northwest (Seattle)	124	753.7	3.7	170.2	-4.0	23	6	42	29	23.68
Southwest (Dallas)	126	1,265.6	3.7	359.6	0.7	28	9	49	14	24.52
Arizona (Phoenix)	131	452.0	4.0	110.6	-3.7	24	9	26	41	24.22
ALL MARKET AVERAGE OR TOTAL	3/	11,535.2	-1.8	3,501.1	-3.2	30	11	46	13	24.36

1/ Names in parentheses are the major city in the principal pricing point of the market.

2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform price in these markets, handlers elected not to pool an estimated 530.3 million pounds of milk that normally would have been associated with these markets. In March 2013, the estimated not pooled volume of milk was 430.2 million pounds, occurring in order numbers 030, 032, 033, and 126. After adjusting for non pooled milk, the year-to-year percent change is +0.9%.





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

DATE: 04/25/2014

EAST

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

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

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