

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (5/09)**

BUTTER: Grade AA closed at \$2.1675. The weekly average for Grade AA is \$2.1445 (+.1750).

CHEESE: Barrels closed at \$2.0200 and 40# blocks at \$2.0450. The weekly average for barrels is \$2.0405 (-.0845) and blocks, \$2.0480 (-.0870).

BUTTER HIGHLIGHTS: Butter prices increased on a firm market with solid print demand and ongoing exports orders keeping stocks tight. Butter churns are operating at mixed levels. Increased milk supplies have improved production for some manufacturers, while others reduced churn rates because Class II buyers purchased additional cream supplies at higher prices. Inventories are being monitored closely to meet current and long-term needs. Spot load availability of bulk butter is light. Current bulk butter prices ranged from 5 to 8 cents over the market in the Northeast, market to 6 cents over in the Central, and 4 cents under to 2 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 at \$2.1675 Friday, up 9.25 cents since last Friday. The CME Group monthly average price for Grade AA butter during April was \$1.9357, compared to \$1.7197 in April 2013. The NASS *Dairy Products Report* noted U.S. butter production during March 2014 totaled 165.0 million pounds, up 0.7% from a month ago, but 9.0% lower than last March. According to the Foreign Agricultural Service (FAS), exports of butter and milkfat during March totaled 27.4 million pounds, an increase of 100% from March 2013. According to FAS, U.S. quota imports of butter during March totaled 1.6 million pounds, a 64% increase from last March.

CHEESE HIGHLIGHTS: Cheese production levels across the country are mixed. Some areas that are at or just past peak milk production are experiencing mostly steady production. Midwest cheese output is mostly steady as spring milk increases are slow to develop. Cheese production in the Northeast and Northwest is steady to increasing as milk

volumes improve. Demand varies with some buyers in a "wait and see" approach, while others are increasing orders. Recent lower wholesale prices are helping to restimulate interest. The *Dairy Products* report stated cumulative total cheese production for the first quarter of the year up 1.2% compared to last year. American (-0.8%) and Cheddar (-1.7%) production were lower, but higher for Italian (+4.1%) types and Mozzarella (+6.0%). The Foreign Agricultural Service reported exports for March 2014 up 37% compared to last year. Exports for January to March were up 42% from the previous year, and equate to 8% of total U.S. cheese production. At the CME Group, barrels closed Friday at \$2.0200 and blocks at \$2.0450. Compared to last Friday, barrels are 3.5 cents lower, while blocks are 2.5 cents lower.

FLUID MILK: Milk production is increasing towards the seasonal peak across the northern tier of states. Southern states are experiencing steady to lower milk volumes. Class I demand is declining as warmer weather covers most areas of the nation and as schools are ending their spring terms. Manufacturing milk supplies are heavy. Condensed skim and cream demand from ice cream and frozen dairy dessert manufacturers is increasing. Cream demand from Western butter makers has increased as they fill 80% and 82% orders. Concerns are building among balancing plant operators regarding if there will be adequate supplies of butterfat during the summer months.

DRY PRODUCTS: Nonfat dry milk prices are mixed on an unsettled to weaker market. Production is active for low/medium heat, intermittent for high heat NDM. Low heat NDM inventories are building steadily. End users are taking a measured approach to buying, recognizing the market is working towards the next level of support. Dry buttermilk prices are unchanged to lower. Production has eased as cream and condensed buttermilk demand has increased from some Class II manufacturers.

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

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CME GROUP CASH TRADING

COMMODITY	MONDAY MAY 05	TUESDAY MAY 06	WEDNESDAY MAY 07	THURSDAY MAY 08	FRIDAY MAY 09	:: ::	WEEKLY CHANGE*	:: ::	WEEKLY AVERAGE#
CHEESE BARRELS	\$2.0550 (N.C.)	\$2.0375 (-.0175)	\$2.0375 (N.C.)	\$2.0525 (+.0150)	\$2.0200 (-.0325)	:: ::	(-.0350)	:: ::	\$2.0405 (-.0845)
40# BLOCKS	\$2.0700 (N.C.)	\$2.0375 (-.0325)	\$2.0425 (+.0050)	\$2.0450 (+.0025)	\$2.0450 (N.C.)	:: ::	(-.0250)	:: ::	\$2.0480 (-.0870)
NONFAT DRY MILK GRADE A	\$1.7775 (N.C.)	\$1.7775 (N.C.)	\$1.7800 (+.0025)	\$1.7875 (+.0075)	\$1.7800 (-.0075)	:: ::	(+.0025)	:: ::	\$1.7805 (-.0110)
BUTTER GRADE AA	\$2.1000 (+.0250)	\$2.1500 (+.0500)	\$2.1500 (N.C.)	\$2.1550 (+.0050)	\$2.1675 (+.0125)	:: ::	(+.0925)	:: ::	\$2.1445 (+.1750)

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-**

Buyers are leery of taking a market position on dry buttermilk, noting near term weakness based on the NDM price trend. Prices for dry whole milk are steady. The market tone is mixed, and sales are light. Dry whey prices are higher as various pricing indices and spot prices adjust higher. Production continues to lag significantly below year ago levels. Domestic demand is good, while export demand is slowing due to more favorable global market prices. Whey protein concentrate 34% prices are mostly higher on a steady to firm market. Production is steady to higher, with inventories ranging light to moderate. Lactose prices decreased and the market tone is unsettled. Stocks are higher than year ago levels with production steady at many plants. Buying interest is active with end users interested in starting Q3 negotiations.

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

OVERVIEW: Milk production has reached the seasonal peak in Western Europe. Weather conditions are optimal for milk production, pastures are in good condition, feed costs are comparatively low and farm gate prices are relatively high. Together these factors, are prompting producers to maximize milk production. Current milk volumes are leveling off as some countries are beyond their peak production and are not expected to retreat significantly in the near term. Processing plants are having difficulty processing available milk supplies. Some condensed skim loads are being sold at significant discounts in order to find a home. Drying facilities are working at capacity with some whey drying facilities being utilized for skim milk powder production. Milk powder manufacturers are holding off sales at discount prices in hope the results of a large tender will support prices. Buyers are only covering immediate needs anticipating heavy production schedules will result in lower prices.

EASTERN OVERVIEW: Milk production in Eastern Europe is quickly building towards the seasonal peak. Good weather and producer margins are supporting producers' milk production efforts. Drying facilities with available capacity are able to secure loads of skim concentrate at significant discounts.

Skim milk powder is more readily available compared to Western Europe. **OCEANIA OVERVIEW: AUSTRALIAN** milk production has benefitted from some timely and targeted rains and has brought about an autumn bump to milk volumes. The rains have improved pasture and crop conditions. The good margins are also incentivizing producers to take advantage of the situation and extend the milking season. Australian meteorologists have issued an El Nino alert for the country, indicating an increased probability of drought conditions in the coming months. The autumn bump in milk production has marginally increased production of butter and skim milk powder. Milk production in **NEW ZEALAND** is transitioning from maintaining or maximizing current production levels, to winding down current production operations and preparing for next season. This transition typically occurs this time of year. The recent storms that caused flooding on the North Island and battered the West Coast on the South Island have prompted some producers to dry off cows at increasing rates. Many

producers are moving cattle to alternative grazing sites and feeding grain supplements to improve conditioning prior to the next season. The utilization of alternative grazing sites will occur for the next 6-8 weeks giving heavily worked paddocks time to become re-established. At the May 6 GDT event #115, average prices ranged from 2.3% lower to 6.8% 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, \$4,170 +2.4%; butter, \$3,892 +1.6%; buttermilk powder, \$3,713 -1.2%; cheddar cheese, \$4,195 -1.8%; lactose, n.a.; milk protein concentrate, n.a.; rennet casein, \$11,353 +6.8%; skim milk powder, \$3,873 -2.3%; and whole milk powder, \$3,928 -1.7%.

CME GROUP

MONDAY, MAY 5, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.7500; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1000; LAST OFFER UNCOVERED: NONE

TUESDAY, MAY 6, 2014

CHEESE -- SALES: 5 CARS 40# BLOCKS: 1 @ \$2.0650, 1 @ \$2.0600, 1 @ \$2.0550, 1 @ \$2.0500, 1 @ \$2.0400; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$2.0300; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$2.0375; 1 CAR 40# BLOCKS @ \$2.0375
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.1300; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1500; LAST OFFER UNCOVERED: NONE

WEDNESDAY, MAY 7, 2014

CHEESE -- SALES: 6 CARS 40# BLOCKS: 5 @ \$2.0325, 1 @ \$2.0425; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$2.0350; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.7800; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.7800; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, MAY 8, 2014

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$2.0375, 1 @ \$2.0425; 2 CARS 40# BLOCKS @ \$2.0425; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.0525; 2 CARS 40# BLOCKS @ \$2.0450; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.7875; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.1550; LAST BID UNFILLED: 5 CARS GRADE AA @ \$2.1550; LAST OFFER UNCOVERED: NONE

FRIDAY, MAY 9, 2014

CHEESE -- SALES: 5 CARS BARRELS: 3 @ \$2.0350, 1 @ \$2.0250, 1 @ \$2.0200; 2 CARS 40# BLOCKS @ \$2.0450; LAST BID UNFILLED: 2 CARS 40# BLOCKS @ \$2.0400; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$2.0200
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$1.7800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.7800
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$2.1650, 1 @ \$2.1675; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1750

BUTTER MARKETS

NORTHEAST

Butter production is adequate for seasonal demand. Rather than churn beyond customer commitments, given the current high cream prices, balancing plants are moving supplies to other dairy manufacturers as cream demand increases. Butter stocks are light. The current bulk butter prices for domestic sales are reported 5-8 cents over the market on the CME Group, with various time frames and averages used. The market undertone is firming. The CME Group Grade AA butter price on Tuesday moved higher \$0.0500 to close at \$2.15, up \$0.2400 from last Tuesday's closing.

DAIRY PRODUCTS: According to the NASS, March U.S. butter production totaled 165.0 million pounds, down 9.0% from March 2013 but 0.7% higher than last month. Butter output in the Atlantic region totals 17.6 million pounds in March, down 5.8% from March 2013 but up 0.5% from the previous month. The Foreign Agricultural Service (FAS) reports that March 2014 U.S. exports of butter and milkfat totaled 27.4 million pounds, a 100% increase from a year ago.

CENTRAL

Butter prices are stronger on a firm market. Butter makers are managing inventories closely to ensure future obligations are met while taking sales at higher rates in the immediate. Increased milk supplies and improved butterfat levels fostered some higher churn rates. Some manufacturers are focused on filling previous export orders. International demand is mostly steady. Domestic print interest is better than expected with robust sales preventing some manufacturers from what is normally a rebuilding period. Supplies of bulk butter are tight. Spot load availability of cream is light as a result of increased 82% butter and whole milk powder production compared to years past in combination with seasonal Class II demand. Bulk butter prices ranged from market to 6 cents over the market, based on the CME Group with various time frames and averages used. Grade AA butter price at the CME Group was unchanged at \$2.1500 at midweek, but 20 cents higher than last Wednesday. The NASS *Dairy Products Report* noted March 2014 U.S. butter production totaled 165.0 million pounds, up 0.7% from a month ago, but 9.0% lower than last March. January through March U.S. production totals 511.4 million pounds, 5.8% behind 2013 during the

same time span. March production in the Central region totaled 60.2 million pounds, 5.6% lower than February and 16.1% less than a year ago. The Central region accounted for 36% of U.S. production in March. Cumulative 2014 Central production totals 195.2 million pounds, an 11.3% decrease compared to the same time span in 2013. According to the Foreign Agricultural Service (FAS), exports of butter and milkfat during March 2014 totaled 27.4 million pounds, an increase of 100% from a year ago. January through March 2014 U.S. butter and milkfat exports total 69.7 million pounds, an increase of 107% from the same time span in 2013. According to FAS, U.S. quota imports of butter during March 2014 totaled 1.6 million pounds, a 64% increase from last March. Cumulative 2014 U.S. quota imports total 3.57 million pounds, an increase of 42% compared to the same time span in 2013.

WEST

Butter production in the West continues to build with more milk supplies becoming available. Butter churns are busy filling both domestic and export orders. Increasing demand from ice cream and other cream based products is hindering full production of butter. Bulk butter buyers are showing better interest in securing inventories as spot offerings are tight. According to the NASS *Dairy Products* report, March butter production for the U.S. totals 165.0 million pounds, down 9.0% (16.4 million pounds) from March 2013, but 0.7% higher than February 2014. Cumulative 2014 output for the U.S. is 511.4 million pounds, down 5.8% (31.4 million pounds) from the same period in 2013. March output in the Western region totals 87.2 million pounds, down 4.2% (3.8 million pounds) compared to March 2013. The West produced 53% of the butter in the U.S. in March. According to FAS, U.S. exports of butter and milkfat for January-March 2014 total 69.7 million pounds, up 107% from 2013. Exports for March amounted to 27.4 million pounds, double that of March 2013. The butter and milkfat exports equate to 14% of butter production in the U.S. for January-March 2014. According to FAS, quota imports of butter for January-March 2014 total 3.57 million pounds, up 42% from the same period in 2013. March quota imports of butter totaled 1.60 million pounds, up 64% from last March.

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NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
May 3, 2014	1.9036 3,812,862	2.2463 11,138,423	2.2556 10,323,173	0.6752 8,168,437	1.9473 28,217,139

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Butter prices at the CME Group on Wednesday closed unchanged at \$2.1500, 20 cents higher than the last week's price of \$1.9500. Prices were higher on Monday and Tuesday continuing last week's rally. Prices for bulk butter range from 2 cents over the market to 4 cents under, based on the CME with various time frames and averages used. CME Group average price for April 2014 for butter was \$1.9357 compared to \$1.7197 for April 2013.

2014 U.S. Butter and Milkfat Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
Mar. Total	27.4	+ 100
Total, Jan - Mar	69.7	+ 107
1 Saudi Arabia	18.1	+ 15
2 Morocco	7.9	*+ 661
3 Egypt	6.2	+ 209
4 Iran	5.8	- 14
5 Ukraine	4.2	** --

*There were 1.0 million pounds to Morocco last year Jan.-Mar. **There were no exports to Ukraine last year Jan.-Mar.

2014 U.S. Butter Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Mar Quota Imports	1.60	+ 64	10
Jan. - Mar			
High Tier	.07	- 57	N.A.
Quota Imports	3.57	+ 42	23

CHEESE MARKETS

NORTHEAST

Northeast cheese manufacturers have expanded production schedules at some cheese facilities, in response to consistent increases in spring flush milk supplies. Some manufacturers are having difficulty replenishing tight inventories, due in part to volumes required to fulfill short-term commitments. Domestic sales are uneven. Export demand is steady. This week, a cooperative export assistance program accepted requests for 3.166 million pounds of cheese. The market undertone is weak. The weekly average cheese prices, on the CME Group, saw decreases for both blocks and barrels. Wholesale prices for 40# block and muenster fell \$0.0850, while process 5# sliced fell \$0.0875. Swiss cheese prices rose by \$0.2500 with adjustments based on Class III component prices. The CME Group daily cash prices on Tuesday continued to trend lower as both blocks and barrels closed at \$2.0375, as prices fell \$0.1325, respectively, compared to a week ago.

DAIRY PRODUCTS: According to NASS, U.S. total cheese production in March 2014 was 963.9 million pounds, 1.0% more than March 2013. In March, total cheese production in the Atlantic region was 123.4 million pounds, 4.4% less than the same month last year. The Atlantic region produced 13% of U.S. cheese in March. Total cheese production for New York was 66.6 million pounds, 2.9% less than one year ago, Pennsylvania produced 37.0 million pounds, 8.0% less, and Vermont produced 10.9 million pounds, 2.1% more. Foreign Agricultural Service (FAS) reports that, March 2014 U.S. cheese and curd exports totaled 79.7 million pounds, a 37% increase from last year.

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

Cheddar 40# Block	: 2.5300-2.8150
Process 5# Sliced	: 2.3475-2.8275
Muenster	: 2.5500-2.9100
Grade A Swiss Cuts 10 - 14#	: 4.0500-4.3725

MIDWEST

Cheese prices are mostly lower this week. The market tone is unsettled. Cheese manufacturers are producing at steady rates for the most part, while a few reduced levels following weaker sales. Buyer interest varies as some are in a "wait and see" approach, while others are increasing orders. Inventories of cheese are mixed. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese decreased by 8.75 cents, Swiss increased by 25 cents while the remaining varieties decreased by 8.5 cents. Wednesday at the CME, barrels were unchanged at \$2.0375 while blocks moved higher to \$2.0425. Barrels and blocks are 9.25 cents lower than last Wednesday. Block sales have been more active on the CME than barrels so far this week. The CME monthly average price for April 2014 barrels is \$2.1842, compared to \$1.7124 last April. Blocks averaged \$2.2439 in April, compared to \$1.8225 in April 2013. *Dairy Products* (NASS) reports that March 2014 U.S. cheese production, 963.9 million pounds, is 1.0% above March 2013 and 13.3% higher than February. Italian type cheese production totaled 427.4 million pounds, 3.5% above March 2013 and 14.2% higher than February. American type cheese production totaled 379.3 million pounds, 1.4% below March 2013, but 11.3% above February 2014. Swiss production totaled 25.7 million pounds, 4.3% above March 2013 and 12.5% higher than February.

Total 2014 U.S. cumulative cheese production through March leads last year through March by 1.2%. Cheese production through March this year compared with last for various types of cheese includes: American, -0.8%; cheddar, -1.7%; total Italian, +4.1%; and Mozzarella, +6.0%. According to the Foreign Agricultural Service (FAS), exports of U.S. cheese and curd exports during March 2014 totaled 79.7 million pounds, a 37% increase from a year ago. Cumulative 2014 U.S. cheese and curd exports totals 219.5 million pounds, 42% higher than the same time span in 2013. According to FAS, imports of cheese during March 2014 totaled 12.5 million pounds, a 5% decrease from a year ago. Total cheese imports from January to March are 34.8 million pounds, 3% lower than the same time span in 2013. This week, a cooperative export assistance program accepted requests for 3.166 million pounds of cheese.

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

Process American 5# Loaf	: 2.2250-2.5850
Brick And/Or Muenster 5#	: 2.5100-2.9350
Cheddar 40# Block	: 2.2150-2.6325
Monterey Jack 10#	: 2.4850-2.6900
Blue 5#	: 2.7775-3.7650
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 2.3550-3.2500
Grade A Swiss Cuts 6 - 9#	: 3.5675-3.6850

WEST

Western cheese plants are reporting mixed production levels with most showing increased production. Good demand from both domestic and export buyers is helping to clear stocks on a timely basis. Lower prices over the past week and into this week have some buyers more comfortable with increasing order volumes. Other buyers are still waiting to commit to larger orders. Cheese stocks are adequate for most current demand. According to the NASS *Dairy Products* report, total cheese production in the U.S. in March reached 963.9 million pounds, up 1.0% (9.7 million pounds) from March 2013. Cumulative 2014 total cheese output for the U.S. is 2.768 billion pounds, up 1.2% (33.6 million pounds) from 2013. March total cheese production in the Western region was 421.1 million pounds, up 7.3% (28.6 million pounds) from March 2013. The West produced 44% of all the cheese in the U.S. in March. Swiss output for the U.S. in March is 25.7 million pounds, up 4.3% (1.1 million pounds) from a year ago. According to FAS, exports of cheese and curd for January-March 2014 total 219.5 million pounds, up 42% from 2013. Exports for March 2014 are 79.7 million pounds, up 37% from March 2013. Mexico remains the largest importer of U.S. cheese with 47.2 million pounds, 22% of total exports. Cheese and curd exports for the period equate to 8% of U.S. cheese production. According to FAS, quota imports of cheese for January-March 2014 total 34.8 million pounds, 3% less than a year ago. The imports stand at 12% of the annual quota. Wednesday's trading at the CME Group on barrels closed unchanged at \$2.0375. Blocks were \$.0050 higher at \$2.0425. Eleven loads of blocks have been sold by midweek with no sales of barrels. The CME Group monthly average price for April 2014 for barrels is \$2.1842 compared to April 2013 at \$1.7124. Blocks averaged \$2.2439 for April 2014 compared to \$1.8225 for the previous year.

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CHEESE MARKETS

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WESTERN

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

Process 5# Loaf	: 2.2525-2.5100
Cheddar 40# Block	: 2.2550-2.6075
Cheddar 10# Cuts	: 2.4350-2.6550
Monterey Jack 10#	: 2.4450-2.6050
Grade A Swiss Cuts 6 - 9#	: 3.6275-4.0575

FOREIGN

Domestic wholesale Swiss prices moved higher following last week's Class III milk price release. Wholesale prices for all other domestic varieties moved lower. Imported cheese prices firmed within the range for most varieties with the Blue cheese range increasing on the upper end. Demand for imported and domestic foreign type cheeses was mixed with good interest coming from food service, while retail interest was quiet. Sales of Swiss cheese have also slowed as buyers anticipate future price declines and are currently only purchasing for immediate needs. *Dairy Products*: According to NASS, domestic U.S. Parmesan production during March totaled 25.9 million pounds, 0.4% less than March 2013. Provolone production during March totaled 32.3 million pounds, 9.5% more than a year ago. Romano production during March totaled 3.9 million pounds, 26.9% less than a year ago. Swiss production during March totaled 25.7 million pounds, 4.3% more than a year ago.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800*	: 2.6700-4.1575*
Gorgonzola	: 3.6900-6.9700	: 3.1725-3.5850*
Parmesan (Italy)	: -0-	: 4.0600-6.1500*
Provolone (Italy)	: -0-	: 2.7125-2.8700*
Romano (Cows Milk)	: -0-	: 3.8600-6.0100*
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-	: 4.1475-4.4700*
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

2014 U.S. Cheese and Curd Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
Mar. Total	79.7	+ 37
Total Jan.-Mar.	219.5	+ 42
1 Mexico	47.2	+ 39
2 South Korea	33.0	+ 40
3 Japan	30.6	+ 43
4 Saudi Arabia	12.2	+ 108
5 Australia	12.1	+ 71

2014 U.S. Cheese Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Mar Quota Imports	12.5	- 5	4
Jan - Mar High Tier	6.9	+ 11	N.A.
Quota Imports	34.8	- 3	12

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

BUTTER : CHEESE

	:	
05/05/14	21,826	: 87,204
05/01/14	21,272	: 86,103
CHANGE	554	: 1,101
% CHANGE	3	: 1

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	140	0	180	0	130
SOUTHEAST STATES	0	0	0	0	0	0

Farm level production is seeing steady increases in the Northeast and Mid-Atlantic regions. Manufacturing milk supplies are heavy. Bottling demand is at seasonal levels. Southeast milk production is steady. Manufacturing milk supplies are heavy. Florida milk production is showing slight declines for the third consecutive week because of varying weather conditions. The state experienced heavy rains toward the end of last week through the weekend that left standing water on the farms. This week, Florida is seeing high temperatures and humidity, all of which influence cow comfort levels. Class I demand hit a lull, as this week's orders are way down. Some bottlers are adding milk back to orders for the end of the week. There were 140 spot loads of milk exported this week. Cream supplies are adequate for contractual commitments throughout the region. Manufacturers are limiting cream volumes going to the churns as Class II production grows. Some ice cream manufacturers noted 7-day production schedules and the hiring of seasonal workers. Variations in temperatures and weather conditions in the Mid-Atlantic are preventing steady ice cream sales. Last week, the CME Group Grade AA butter weekly average butter price was \$1.9695, up \$0.0725 from the previous week. With the increase in butter prices, manufacturers are hurrying to purchase at last week's averages. **Cream multiples for all Classes range 1.29-1.39. Condensed skim** supplies are abundant. Manufacturers are filling contracts and channeling as much as possible to Class IV production. Manufacturers in the Midwest are purchasing East region's surplus supplies at significant discounts. Contacts noted that skim condensed sales are most active amongst dairy plants with evaporators.

DAIRY PRODUCTS: According to NASS, U.S. hard ice cream production in the Atlantic region for March 2014 totaled 12.7 million gallons, 8.7% less than last year. U.S. yogurt production (plain and flavored) for March totaled 447.5 million pounds, up 13.9% from the previous month. Cumulative 2014 U.S. production through March totals 1.24 billion pounds, 4.3% higher than a year ago.

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 - 2.5406-2.7376
 F.O.B. producing plants: Upper Midwest - 2.4816-2.6785

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,
 F.O.B. PRODUCING PLANTS:
 Northeast - Class II - includes monthly formula prices - 2.04-2.07
 Northeast - Class III - spot prices - 2.09-2.12

MIDWEST

Producers are indicating the region is into the flush as the cows are producing at an increasing rate. Some mid-size to smaller sized producers, along with older producers, are selling their herds at current high cattle prices. Milk supplies are climbing and spot loads of milk are readily available, ranging from \$3.00 under to \$1.75

over Class. Many plants are skimming additional volumes of milk. Bottlers are reporting backups with lackluster demand and fewer sales. Class II demand is steady to higher. **Class II cream multiples ranged from 1.26 to 1.36.** Interest in cream is heavy with strong pulls coming from Class II and IV manufacturers. Class III demand is mixed. Growers in the upper Midwest indicated saturated soil conditions kept them out of the fields in the early part of the week, but as the week wore on, a few were able get some corn planted. Throughout the Central Plains into the Mideast part of the region, producers have made good progress in the fields. Crop growing conditions have been ideal in the southern part of the region with timely rains and higher temperatures. The NASS *Crop Progress Report* noted corn planted in the 18 selected states as of May 4 is at 29%, 10% higher than a week ago, but 13% lower than the 5 year average. The DMN monthly average of the range price series for Upper Midwest Class II cream during April was \$2.5568, compared to \$2.0914 in April 2013. The weekly *Cow Slaughter under Federal Inspection Report* shows U.S. dairy cow slaughter for the week ending on April 19, 2014 at 52,000 head, 10,300 head or 16.5% less than the comparable week a year ago.

WEST

Milk production in CALIFORNIA, while beyond the peak, is active and holding steady. Weekend daytime temperatures were in the 90s in some areas, but cooler temperatures accompanied rain showers early in the week and provided relief to dairy cows. Some drying plant operators are trying to sell spot milk loads to accommodate maintenance projects that were previously scheduled. However, many other plant managers also scheduled projects for the weeks following the flush, and there are limited opportunities to fit in additional milk for Class 4a production. Class I demand is steady to lower, following seasonal trends. Interest from the Class 3 market sector is climbing as frozen dairy dessert and ice cream manufacturers increase volumes clearing through bulk and single serving production lines. NEW MEXICO milk handlers report the daily number of milk loads being transported to processors is steady. This may indicate milk production has reached the peak of the flush. Demand from bottlers is dropping steadily as temperatures climb. Class II manufacturers upped milk load orders throughout the week as frozen yogurt and ice cream production heads seasonally higher. In ARIZONA, farm milk production is flat to declining on a week to week basis. Handlers report the recent bout of daytime temperatures in the high 90s dealt a blow to cow comfort and precipitated the downturn in milk intakes. Milk processors report bottler orders for school feeding programs will decline rapidly from this week forward as many districts end regular session classes before Memorial Day. Cream demand is active, but a few plant operators are retaining cream loads to fulfill upcoming butter orders. Cream loads are clearing across state lines to fill supply gaps in other areas in the Southwest. Active CREAM demand showed up again this week in the West as several butter manufacturers focus on building inventories ahead of near term contract needs. Production of 80% and 82% butter is active. Ice cream and frozen dessert producers are steadily increasing draws on contract cream loads. For some balancing plant operators, concern about butterfat shortages during summer months is rising and may affect the volumes of cream offered to buyers in coming weeks.

CONTINUED ON PAGE 4A

FLUID MILK AND CREAM

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The multiples range for Western spot cream loads is 1.10 – 1.30, with origin and destination locations affecting pricing. At the CME Group, Grade AA butter closed on Wednesday at \$2.1500, 20 cents higher than one week ago. Milk production in the PACIFIC NORTHWEST is steady to increasing this week. Processors are reporting increased milk supplies compared to last year that are on track with earlier forecasts. Dairy processing plants are on busy schedules to meet the increased volumes. Favorable temperatures and intermittent rains across the region are helping to move spring planting forward. Clover and alfalfa fields are growing and dairies are looking forward to fresh forage. UTAH and IDAHO milk supplies are building. The increased volumes of milk are being moved locally to best fill processing demand. Some milk from outside the region continues to arrive. Dairies looking to expand herds are finding very good cull cow pricing, but heifer replacement costs have moved sharply higher at recent auctions. Prices at local auctions are \$100-\$200 dollars per head higher in the last two months, with heifers ranging from \$2100-\$2300 for the better quality replacements. Adequate snowpack in the mountains and scattered rains are easing water concerns for farmers busy preparing and planting spring crops.

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: LOW/MEDIUM HEAT nonfat dry milk prices are mixed, based on lower F.O.B spot sales and higher index basing points. The undertone is weak, however, as buyer interest has picked up some at the lower prices. Milk processors are drying at steady to higher volumes of low/medium heat NDM as milk supplies are growing in the region. Low/medium heat NDM supplies are moderate to heavy. HIGH HEAT NDM prices moved lower on the bottom of the range. The market tone is quiet with little activity in the F.O.B spot market. Manufacturers are drying at slower rates and mostly working off current inventories to fill commitments. Domestic demand is weak following seasonal trends. Supplies are steady to lower. The CME Group monthly average price for Grade A NDM during April 2014 was \$1.8994, compared to \$1.7395 a year ago. The NASS *Dairy Products Report* noted U.S. NDM human production during March 2014 was 162.6 million pounds, up 15.7% from a month ago and 11.0% higher than March 2013. January through March, U.S. NDM human production totals 442.1 million pounds, 3.5% more than the same time span in 2013. March production in the Central region totaled 24.5 million pounds, 21.9% higher than February, but 6.2% lower than a year ago. The Central region accounted for 15% of the total U.S. production. January through March, Central NDM human production totals 66.9 million pounds, a 15.3% decrease compared to the same time span in 2013. Total U.S. NDM human month ending stocks for March were 214.0 million pounds, 17.9% higher than last month, but 1.7% lower than last March. According to the Foreign Agricultural Service, U.S. NDM exports during March totaled 113.8 million pounds, a 31% increase from March 2013. January through March U.S. NDM exports totaled 279.0 million pounds, an increase of 19% compared to the same time span in 2013.

EAST: Low/medium nonfat dry milk prices are mixed in the range and mostly series, due to lower priced F.O.B. spot sales and higher indices. Production is steady. Supplies of condensed skim are substantial, prompting heavy drying schedules of low heat nonfat dry milk. Manufacturing inventories are gradually increasing. The level of domestic demand is contingent on buyers' immediate needs. Some buyers note that the nonfat dry milk market shows signs of settling as offerings trend lower. Export demand is good. The market undertone is weak. High heat nonfat dry milk prices moved lower on the bottom of the range. Production rates are reduced and/or on a made-to-order basis. Stocks are marginally declining as manufacturers increase dryer allocation to low heat nonfat production. Wednesday's Grade A nonfat dry milk price on the CME Group moved higher, closing at \$1.78, down \$0.0075 from last week. The April 2014 Dairy Market News average of the mostly price series for Central/East nonfat dry milk, low/medium heat was \$2.0382 compared to \$2.1083 one month ago. The April 2014 Dairy Market News average of the price series for Central/East nonfat dry milk, high heat was \$2.1315 compared to \$2.1954 one month ago.

DAIRY PRODUCTS: According to NASS, production of human food nonfat dry milk for the Atlantic region totaled 24.1 million pounds, up 10.2% from March 2013 and 46.8% more than one month ago.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.7000 - 2.1000 MOSTLY: 1.8000 - 2.0800
 HIGH HEAT: 2.0550 - 2.1500

NONFAT DRY MILK - WEST

Western nonfat dry milk prices are mixed on an unsettled market. Prices on the range shifted higher and lower, narrowing the interval. Prices on the mostly series reflect both current F.O.B. spot sales and contract prices based on indices. Depending on the index in use, sales prices increased for some transactions and decreased for others. Brokers indicate the market is difficult to navigate financially as contract NDM loads, which are still being accepted, are priced well above the F.O.B. spot market. With those obligations on the books, brokers are working to maximize returns with intermittent spot market activity. End users are taking a measured approach to buying, recognizing the NDM market is working toward the next level of support. Low/medium NDM production is active in Western plants and inventories are building steadily. Various drying manufacturers were looking for possible milk sales opportunities to accommodate in-plant maintenance projects, but other plant managers report their own scheduled maintenance plans are blocking acceptance of additional milk loads. High heat NDM prices are unchanged to lower on a weaker market. Contract sales make up a big part of sales transactions this week. High heat NDM production is intermittent. According to NASS, NDM production in the West region totaled 114.0 million pounds during March 2014, 15.7% more than one year ago. This is 70% of total March production in the U.S. Cumulative Western region 2014 production totals 315.2 million pounds, a 9.2% increase compared to 2013. California produced 77.5 million pounds of NDM during March, 48% of the national monthly production. The April 2014 Dairy Market News average of the mostly price series for Western low/medium heat nonfat dry milk was \$2.0172, compared to \$1.5989 one year ago. The average for Western high heat nonfat dry milk was \$2.1763 compared to \$1.6463 one year ago.

DAIRY PRODUCTS: NASS reports U.S. production of human food NONFAT DRY MILK during March 2014 totaled 162.6 million pounds, an 11.0% increase from one year ago. Cumulative nonfat dry milk production for 2014 totals 442.1 million pounds, 3.5% higher than 2013 production. Month ending stocks, at 214.0 million pounds, are 1.7% lower than one year ago. March 2014 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 42.6 million pounds, 10.4% lower than one year ago. Cumulative 2014 skim milk powder production totals 136.8 million pounds, a 1.3% decrease compared to 2013.

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

LOW/MEDIUM HEAT: 1.7700 - 2.0600 MOSTLY: 1.8000 - 2.0375
 HIGH HEAT: 2.0700 - 2.1500

U.S. NDM Exports, H.S. Code 0402100000(FAS)		
	2014 Exports (Million Lb.)	% Change From 1 Year Ago
March Total	113.8	+ 31
TOTAL, JAN - MAR	279.0	+ 19
1 Mexico	89.2	- 9
2 Philippines	39.6	+ 78
3 China	34.0	+ 754
4 Indonesia	24.4	--
5 Malaysia	18.6	+ 31

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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.

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DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices are lower on the bottom of the range behind weaker F.O.B spot trading. The market is softening. Some manufacturers are drying at lower rates due to increased demand for condensed buttermilk going into ice cream manufacturing. Domestic buyer interest is light. Inventory levels are maintaining with a few manufacturers noting most supplies on hand are spoken for. The NASS *Dairy Products Report* noted U.S. dry buttermilk production during March 2014 totaled 10.7 million pounds, 1.2% lower than February and 7.9% less than a year ago. January through March production totals 33.0 million pounds, 12.0% lower than the same time in 2013. Total U.S. month ending stocks for March are 16.9 million pounds, 5.8% higher than a month ago, but 11.7% lower than March 2013.

EAST: Dry buttermilk prices moved lower 5 cents on the bottom of the range due to lower priced spot sales. Production has eased as some butter makers decreased their churning schedules due to pulls on cream supplies from Class II demand. Inventories are adequate. Demand is mixed. The April 2014 Dairy Market News monthly average for the Central/East region dry buttermilk range price series is \$1.9026 compared to \$1.9169 one month ago.

F.O.B. CENTRAL/EAST: 1.8000 - 1.9500

DRY BUTTERMILK-WEST

Prices for Western dry buttermilk are unchanged to lower on a mixed market. Buyers are leery of taking positions on dry buttermilk as the market expectation is near term weakness based on NDM price trends. Conversely, Grade AA butter prices have climbed recently, lending support to the butterfat value in dry buttermilk. Contract buyers are taking dry buttermilk loads steadily, but do not want to fill needs too far ahead of schedule. Production is active at several locations. Inventories are light to building steadily. The April 2014 Dairy Market News average of the mostly price series for West dry buttermilk was \$1.9348 compared to \$1.4457 one year ago.

DAIRY PRODUCTS: NASS report dry buttermilk production in the U.S. for March 2014 totals 10.7 million pounds, down 7.9% from one year ago. Cumulative 2014 dry buttermilk production totals 33.0 million pounds, a 12.0% decrease compared to 2013 production. Stocks at the end of March were 16.9 million pounds, an 11.7% decrease from one year ago.

F.O.B. WEST: 1.8600 - 2.0100 MOSTLY: 1.9100 - 1.9400

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are steady. While Grade AA butter prices have increased, the nonfat component of dry whole milk is under price pressure. The market tone is mixed, and sales are light. A few manufacturers have decreased inventories through assisted export sales. Other plant operators indicate all production is accounted for through the balance of the year and beyond. Dry whole milk production is slower as some plants are experiencing high intake volumes of farm milk. Dryer schedules are being set for the shorter timeslots associated with nonfat dry milk throughput. The April 2014 Dairy Market News average of the price series for dry whole milk was \$2.1430, compared to \$1.8409 one year ago.

DAIRY PRODUCTS: NASS reports U.S. dry whole milk production during March 2014 totaled 5.1 million pounds, 20.2% higher than one year ago. Cumulative 2014 production totals 19.5 million pounds, a 35.5% increase compared to 2013. Month ending stocks, at 7.4 million pounds, are double the stocks of one year ago.

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

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
May 2	\$1.9277	16,012,491
April 25	\$2.0124	11,292,368

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 increased as a result of higher F.O.B. spot trading and various index basing points. The market tone is steady to firmer. Some cheese makers indicated reduced cheese sales and backed off cheese production, resulting in less whey being dried at some plants. Domestic demand is good with active buyer interest. International demand is slowing due to more favorable global market prices. However, manufacturers report increased inquiries from international buyers pricing around. Manufacturers note stocks are in better positions than weeks' prior, but are still tight. ANIMAL FEED WHEY prices increased on the top of the range. The undertone is firm with good buyer interest and tight supplies. The DMN monthly average of the mostly price series for Central dry whey during April was \$0.6463, compared to \$0.5402 in April 2013. The monthly average of the range price series for Central animal feed whey during April 2014 was \$0.5416, compared to \$0.4672 last April. The NASS Dairy Products Report noted U.S. dry whey human production for March was 64.1 million pounds, up 4.8% from a month ago, but 22.9% lower than March 2013. January through March U.S. production totals 194.2 million pounds, 21.2% below the same time span in 2013. Production in the Central region during March 2014 totaled 34.8 million pounds, 13.4% higher than February, but 21.5% lower than last March. The Central region accounted for 54% of the total U.S. production. January through March Central production is 98.3 million pounds, 22.1% lower than the same time span in 2013. Total U.S. dry whey human month ending stocks for March were 58.7 million pounds, 4.7% higher than a month ago, but 20.5% lower than March 2013. U.S. animal feed whey production during March totaled 1.8 million pounds, 77.8% higher than a month ago, but 61.6% lower than March 2013. March ending stocks for U.S. animal feed whey were 0.6 million pounds, 5.5% higher than last month, but 84.0% lower than last March. According to the Foreign Agricultural Service, U.S. dry whey exports during March 2014 totaled 51.6 million pounds, an increase of 32% from last March. January through March U.S. exports total 134.8 million pounds, a 16% increase from the same time span in 2013.

F.O.B. CENTRAL: .6500 - .7700 MOSTLY: .6525 - .6725
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4875 - .6475

DRY WHEY - NORTHEAST

Dry whey prices moved higher across the range due to F.O.B. spot sales and various higher pricing indices. Production is steady. Inventories are sufficient. Demand is good from ice cream manufacturers and bakeries. The market is firming. The April 2014 Dairy Market News average of the price series for Northeast dry whey was \$0.6936 compared to \$0.6698 one month ago. DAIRY PRODUCTS: According to NASS, U.S. total production of human food dry whey in March 2014 was 64.1 million pounds, 22.9% lower than last year. In the Atlantic region, March production of human food dry whey totaled 17.6 million pounds, 22.5% less than last year. March U.S. month ending stocks of human food dry whey totaled 58.7 million pounds, 20.5% less than March 2013. Cumulative U.S. 2014 dry whey production totals 197.9 million pounds, 23.5% lower than 2013 production during the same time span.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6800 - .7375

DRY WHEY - WEST

Western dry whey production is steady to slightly higher as cheese production increases in the region. Dry whey production continues to lag significantly below year ago levels though, as increasing amounts of whey stream products are being directed to whey protein concentrate production. Whey stocks are tight with production often being tied to contract fulfillment. Spot sales of whey are limited. Whey is available on the reseller market. Dry whey prices are higher as various pricing indices and spot prices adjust higher. Demand is reported to be good in both domestic and export markets. According to the NASS Dairy Products report, edible U.S. whey production in March of 2014 totals 64.1 million pounds, down 22.9% (19.0 million pounds) from March 2013. The Western region produced 11.6 million pounds of human food dry whey in March, down 27.2% (4.3 million pounds) from a year ago. The West produced 18% of the human food dry whey in the U.S. in March. Cumulative U.S. total dry whey production for 2014 is 197.9 million pounds, down 23.5% (60.8 million pounds) from 2013. U.S. manufacturers' stocks at the end of March for total dry whey are 59.3 million pounds, down 23.4% (18.1 million pounds) from a year ago. According to the Foreign Agricultural Service, U.S. exports of dry whey for January-March 2014 total 134.8 million pounds, up 16% from 2013. The exports equate to 68% of the total dry whey production in the U.S. for that period. The April 2014 Dairy Market News monthly average price for the Western dry whey mostly series averaged \$.6516 compared to \$.5633 a year ago.

NONHYGROSCOPIC: .6300 - .7200 MOSTLY: .6400 - .7050

U.S. Dry Whey Exports.	H.S. Code	0404104000(FAS)
2014 Exports (Million Lb.)	% Change From 1 Year Ago	
March Total	51.6	+ 32
TOTAL, JAN - MAR	134.8	+ 16
1 China	43.3	+ 25
2 Japan	14.2	+ 43
3 Mexico	14.1	+ 151
4 Canada	13.0	+ 1
5 Malaysia	6.6	+ 57

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are mostly higher on a steady to firm market. Manufacturers report diverse inventories, ranging from lagging contract fulfillment needs to having extra loads to offer to the F.O.B. spot market. Some producers report customers are drawing comparisons to the NDM market more frequently as an attempt to obtain lower prices, but those producers with no uncommitted inventories indicate their contract and F.O.B. spot sale pricing mechanisms are unchanged. Light offerings from a limited number of manufacturers include bundled WPC 34%/dry sweet whey. WPC 34% production is steady to higher, especially in the Central region with the arrival of the flush. WPC 34% inventories range from light to moderate. The April 2014 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$1.7682 compared to \$1.2378 one year ago.

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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.

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DAIRY PRODUCTS: NASS reports U.S. production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during March 2014 totaled 25.1 million pounds, 29.4% higher than one year ago. Cumulative production for 2014 totals 74.3 million pounds, 27.2% higher than 2013 production. Manufacturers' end-of-month stocks totaled 22.5 million pounds, 13.7% lower than one year ago.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.5575-1.9350 MOSTLY: 1.6750-1.8600

U.S. WPC ≤ 80% Exports, H.S. Code 0404100500(FAS)		
	2014 Exports (Million Lb.)	% Change From 1 Year Ago
March Total	24.5	+ 28
TOTAL, JAN - MAR	60.7	+ 7
1 China	23.4	+ 155
2 Mexico	9.9	- 43
3 Canada	8.7	+ 7
4 Indonesia	2.5	+ 24
5 Australia	2.4	- 19

LACTOSE - CENTRAL AND WEST

Lactose prices decreased on both ends of the range and mostly price series as additional F.O.B. spot loads cleared through the market. Contract sales are ongoing. The market tone is unsettled. March 2014 lactose production and stocks are higher than year ago levels. A few manufacturers find price pressure is building for selling unground lactose in bags or totes. Other producers report interest is active, additional volumes for Q2 are being added to existing contracts, and end users are displaying interest in starting Q3 negotiations. Some producers indicate it is too early to consider requests for the next quarter. Production is steady at many plants, but some operators are shifting away from lactose manufacturing and into production of other whey stream products. The April 2014 Dairy Market News average of the mostly price series for Central and West lactose was \$0.6175, compared to \$0.6439 one year ago. DAIRY PRODUCTS: NASS reports U.S. HUMAN and ANIMAL lactose production during March 2014 totaled 100.4 million pounds, a 12.2% increase from one year ago. Cumulative 2014 lactose production totals 286.8 million pounds, a 14.9% increase from 2013. Month ending stocks, at 99.7 million pounds, are 7.1% higher than one year ago.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .4000-.7125 MOSTLY: .5600-.6500

U.S. Lactose Exports, H.S. Code 1702110000(FAS)		
	2014 Exports (Million Lb.)	% Change From 1 Year Ago
March Total	48.2	+ 25
TOTAL, JAN - MAR	125.3	+ 4
1 New Zealand	23.5	- 1
2 China	14.8	- 18
3 Mexico	14.2	+ 2
4 Indonesia	10.8	+ 93
5 Japan	10.3	+ 5

CASEIN - NATIONAL

Rennet and acid casein prices held steady this week. Prospective Q3 acid casein buyers are pointing to increased production in the EU to make their case for lower Q3 pricing. A few spot sales of acid casein were made with pricing near the low end of the range. Demand for rennet casein from imitation cheese makers remains fairly good, supported by relatively high cheese prices. Cheese futures trading on the CME Group shows prices above \$1.90 through October.

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: 4.7500 - 5.2000
ACID: 5.0000 - 5.4000

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

WEEK ENDING	2014 WEEKLY DAIRY COWS	2014 CUMULATIVE DAIRY COWS	2013 WEEKLY DAIRY COWS	2013 CUMULATIVE DAIRY COWS
04/19/2014	52.0	929.6	62.3	1,028.1

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

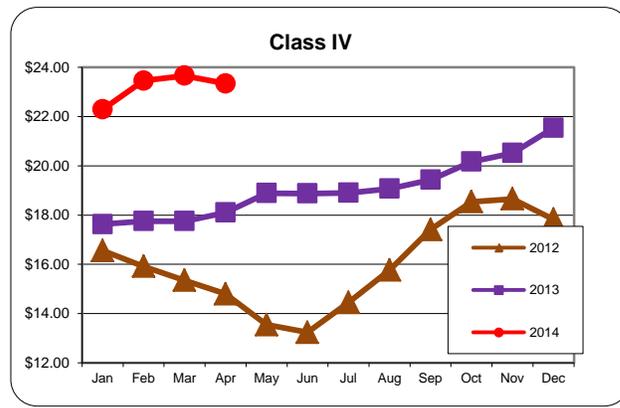
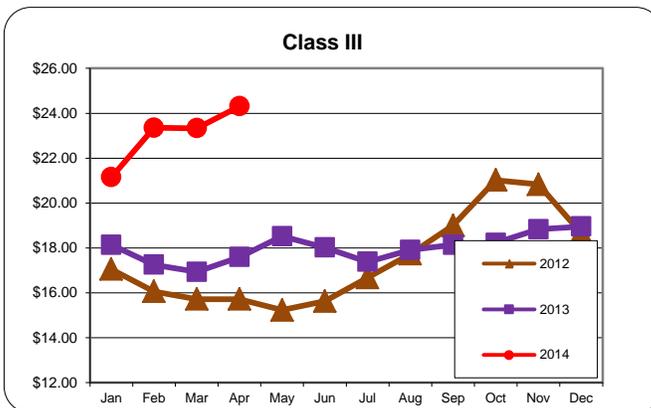
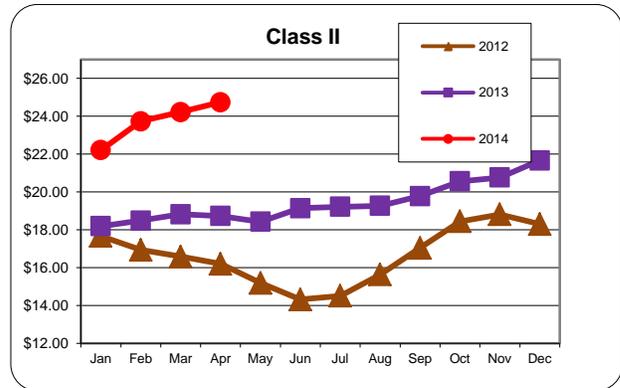
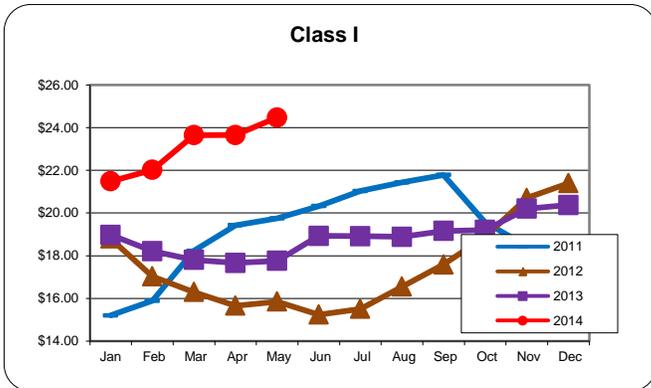
CLASS IV MILK PRICES (3.5%)

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	24.74								
III	21.15	23.35	23.33	24.31								
IV	22.29	23.46	23.66	23.34								

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 28 - May 09, 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: Milk production has reached the seasonal peak in Western Europe. Weather conditions are optimal for milk production, pastures are in good condition, feed costs are comparatively low and farm gate prices are relatively high. Together, these factors are prompting producers to maximize milk production. Current milk volumes are leveling off as some countries are beyond their peak production and are not expected to retreat significantly in the near term. Processing plants are having difficulty processing available milk supplies. Some condensed skim loads are being sold at significant discounts in order to find a home. Drying facilities are working at capacity with some whey drying facilities being utilized for skim milk powder production. Milk powder manufacturers are holding off sales at discount prices in hope the results of a large tender will support prices. Buyers are only covering immediate needs, anticipating heavy production schedules will result in lower prices.

BUTTER/BUTTEROIL: Bulk butter prices in the EU declined in light trading. Active demand for package butter and fresh cream are keeping bulk butter production levels steady with only moderate increases in stocks. Demand for bulk butter has weakened with many buyers anticipating lower prices in the near term and they are currently purchasing for immediate needs only. EU prices are at levels above other global markets and hinder export interest. Butter exports from the EU during the January-February 2014 period were 22% above year ago levels. Butteroil prices declined in light market activity. A majority of production is geared towards domestic use. Prices remain above other international prices and limit export opportunities.

82% BUTTERFAT: 4,500 - 5,000
99% BUTTERFAT: 5,425 - 6,050

SKIM MILK POWDER (SMP): The skim milk powder market is unsettled with prices unchanged. Production for Q2 is mostly under contract with Q3 negotiations underway. Dryers are operating at capacity, with some whey drying towers being utilized to augment production in some areas. Significant volumes of skim milk concentrate continue to be offered at discount prices. Product is more readily available in Eastern Europe for spot sales. SMP stocks are building, primarily in Eastern Europe, with only moderate increases in Western Europe. Export activity is light as many buyers are delaying purchasing, expecting heavy production schedules will lower prices. Manufacturers, on the other hand, are hoping the results of a large tender will support prices. The market undertone is steady to weak. January to February SMP exports for the EU-28 were 49% more than the previous year.

1.25% BUTTERFAT: 3,875 - 4,375

WHOLE MILK POWDER (WMP): Prices for whole milk powder moved lower, but remain above other international markets. Production has declined as manufacturers are focused on production of skim milk powder. Demand for whole milk powder comes predominately from domestic buying interest. Currently, export interest is light. January to February WMP exports for the EU-28 were 22% more than the previous year.

26% BUTTERFAT: 4,650 - 4,900

SWEET WHEY POWDER: Prices moved marginally higher on the whey market over the past fortnight. Production is down in some areas where drying facilities are being utilized to dry skim milk powder. Export interest is steady as EU prices are below those in the U.S. Feed grade whey prices have leveled off from recent declines. The whey market is the most active of the EU dairy commodities and has a firm undertone.

NONHYGROSCOPIC: 1,250 - 1,475

EASTERN OVERVIEW: Milk production in Eastern Europe is quickly building towards the seasonal peak. Good weather and producer margins are supporting producers' milk production efforts. Drying facilities with available capacity are able to secure loads of skim concentrate at significant discounts. Skim milk powder is more readily available compared to Western Europe.

**Exchange rates for selected foreign currencies:
May 5, 2014**

.1250 Argentina Peso	.0098 Japan Yen
.9274 Australian Dollar	.0766 Mexican Peso
.9127 Canadian Dollar	.8679 New Zealand Dollar
1.3875 Euro	.3300 Poland Zloty
.0166 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos:
(1/.0766) = 13.0548 Mexican Pesos. Source: "Wall Street Journal"

Information gathered April 28 – May 09, 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 benefitted from some timely and targeted rains which brought about an autumn bump to milk volumes. The rains have improved pasture and crop conditions. The good margins are also incentivizing producers to take advantage of the situation and extend the milking season. Australian meteorologists have issued an El Nino alert for the country, indicating an increased probability of drought conditions in the coming months. The autumn bump in milk production has marginally increased production of butter and skim milk powder. Milk production in **NEW ZEALAND** is transitioning from maintaining or maximizing current production levels, to winding down current production operations and preparing for next season. This transition typically occurs this time of year. The recent storms that caused flooding on the North Island and battered the West Coast on the South Island have prompted some producers to dry off cows at increasing rates. Many producers are moving cattle to alternative grazing sites and feeding grain supplements to improve conditioning prior to the next season. The utilization of alternative grazing sites will occur for the next 6-8 weeks giving heavily worked paddocks time to become re-established. At the May 6 GDT event #115, average prices ranged from 2.3% lower to 6.8% 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, \$4,170 +2.4%; butter, \$3,892 +1.6%; buttermilk powder, \$3,713 -1.2%; cheddar cheese, \$4,195 -1.8%; lactose, n.a.; milk protein concentrate, n.a.; rennet casein, \$11,353 +6.8%; skim milk powder, \$3,873 -2.3%; and whole milk powder, \$3,928 -1.7%.

BUTTER: Butter prices were unchanged this reporting period. The comparatively low butter price in Oceania has increased export interest. Supplies are adequate to cover needs with some excess available for the spot market. Improved export interest is coming from the Middle East and Russia. AMF supplies are fairly tight and export interest is light. Prices in the region remain the lowest on the global market. At the May 6 GDT event 115, NZ unsalted butter averaged \$3,785/MT for the July contracts, and all regions \$3,892/MT for all contract periods, +1.6%. AMF prices averaged \$4,177/MT for the July contracts, +3.3% from the prior event. For all contract periods, the AMF price average was \$4,170/MT, +2.4%.

82% BUTTERFAT: 3,700 - 4,400

SKIM MILK POWDER (SMP): Oceania skim milk powder prices declined again this reporting period, but not as sharply as two weeks ago. Production is steady with recent weeks. A majority of the end of season milk production volumes are being channeled to SMP production. Skim milk powder supplies are in balance with need, with adequate volumes available for the upcoming carry over period. Some additional product is making its way onto the spot market as manufacturers are making adjustments to inventories to minimize uncommitted stocks at the close of the financial year. At the May 6 GDT event 115, SMP for all regions and contracting periods averaged \$3,873 per MT, -2.3%. For trading in contract period 2, July 2014, prices averaged \$3,825 for NZ sourced medium heat product, down \$90 from the prior event.

1.25% BUTTERFAT: 3,825 - 4,400

CHEDDAR CHEESE: Cheese prices moved lower on both ends of the range this reporting period. Cheese production is declining in the region as the milking season is coming to a conclusion. Some cheese factories are going off line to perform scheduled maintenance. Current production is geared to filling export and domestic commitments. There is limited availability of product for the spot market.

39% MAXIMUM MOISTURE: 4,200 - 5,000

WHOLE MILK POWDER (WMP): Whole milk powder production has declined, which is typical for this time of year. On hand stocks are adequate to cover future commitments. Some manufacturers in the region have concluded production for the season. Other manufacturers are reviewing their inventory levels and offering any excess volumes on the spot market. Buyer interest has increased as prices have declined in recent weeks. At the May 6 GDT event 115, the WMP pricing index, across all contracting periods, averaged \$3,928 per MT, down 1.7% compared to the prior event. For contract periods 1 and 2, June and July 2014, NZ regular WMP averaged \$3,795 and \$3,915 per MT.

26% BUTTERFAT: 3,775 - 4,600

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

US\$/MT	Global/Dairy Trading (g/DT) Event 115 Recap - May 6, 2014													
	Contract 1 Jun-14		Contract 2 Jul-14		Contract 3 Aug-14		Contract 4 Sep-14		Contract 5 Oct-14		Contract 6 Nov-14		All Contracts	
Anhydrous Milk Fat	n.a.	\$4,177	3.3%	\$4,214	3.4%	\$4,213	2.6%	\$4,090	-0.6%	\$4,137	-1.1%	\$4,170	2.4%	
Butter	\$4,218	4.2%	\$3,840	1.1%	\$3,775	0.8%	\$3,766	-0.5%	\$3,790	n.a.	n.a.	\$3,892	1.6%	
Buttermilk Powder	n.a.	\$3,713	-1.2%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$3,713	-1.2%	
Cheddar	n.a.	\$4,195	-1.8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$4,195	-1.8%	
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.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Rennet Casein	n.a.	\$11,353	6.8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$11,353	6.8%	
Skim Milk Powder	\$3,850	-3.7%	\$3,849	-2.4%	\$3,896	-1.0%	\$3,962	-1.6%	\$3,952	-2.9%	\$3,918	-3.3%	\$3,873	-2.3%
Whole Milk Powder	\$3,872	-2.8%	\$3,948	0.9%	\$4,047	0.5%	\$3,928	-7.2%	\$3,924	-7.5%	\$3,874	-7.0%	\$3,928	-1.7%

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

US\$/Pound	Global/Dairy Trading (g/DT) Event 115 Recap - May 6, 2014													
	Contract 1 Jun-14		Contract 2 Jul-14		Contract 3 Aug-14		Contract 4 Sep-14		Contract 5 Oct-14		Contract 6 Nov-14		All Contracts	
Anhydrous Milk Fat	n.a.	\$1.8947	3.3%	\$1.9115	3.4%	\$1.9110	2.6%	\$1.8552	-0.6%	\$1.8765	-1.1%	\$1.8915	2.4%	
Butter	\$1.9133	4.2%	\$1.7418	1.1%	\$1.7123	0.8%	\$1.7082	-0.5%	\$1.7191	n.a.	n.a.	\$1.7654	1.6%	
Buttermilk Powder	n.a.	\$1.6842	-1.2%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$1.6842	-1.2%	
Cheddar	n.a.	\$1.9028	-1.8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$1.9028	-1.8%	
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.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Rennet Casein	n.a.	\$5.1497	6.8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$5.1497	6.8%	
Skim Milk Powder	\$1.7463	-3.7%	\$1.7459	-2.4%	\$1.7672	-1.0%	\$1.7972	-1.6%	\$1.7926	-2.9%	\$1.7772	-3.3%	\$1.7568	-2.3%
Whole Milk Powder	\$1.7563	-2.8%	\$1.7908	0.9%	\$1.8357	0.5%	\$1.7817	-7.2%	\$1.7799	-7.5%	\$1.7572	-7.0%	\$1.7817	-1.7%

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

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

Month	04/24	04/25	04/28	04/29	04/30	05/01	05/02	05/05	05/06	05/07
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
APR 14	24.31 (5211) 0	24.29 (5201) 0	24.27 (5074) 0	24.30 (5011) 0	24.31 (5665) 0					
MAY 14	22.86 (5092) 0	22.70 (5076) 0	22.57 (5089) 0	22.48 (5060) 9	22.55 (5000) 22	22.85 (4963) 7	22.75 (4916) 2	22.81 (4913) 3	22.70 (4998) 0	22.89 (4937) 0
JUN 14	20.81 (4360) 1	20.83 (4408) 5	20.65 (4424) 0	20.86 (4468) 10	21.22 (4588) 25	21.82 (4673) 34	21.55 (4673) 0	21.43 (4684) 3	21.09 (4721) 0	21.49 (4764) 0
JUL 14	20.14 (2990) 3	20.23 (3033) 0	20.05 (3051) 0	20.23 (3045) 0	20.43 (3041) 6	20.79 (3102) 2	20.55 (3153) 0	20.40 (3169) 3	20.17 (3244) 0	20.48 (3356) 5
AUG 14	19.65 (2440) 3	19.83 (2454) 0	19.70 (2487) 0	19.88 (2491) 0	19.97 (2520) 1	20.16 (2602) 0	19.94 (2610) 0	19.81 (2634) 0	19.73 (2652) 0	20.00 (2677) 0
SEP 14	19.52 (2205) 3	19.68 (2217) 5	19.60 (2252) 0	19.76 (2262) 0	19.87 (2287) 13	19.98 (2346) 0	19.87 (2362) 0	19.85 (2383) 0	19.70 (2391) 0	19.82 (2395) 0
OCT 14	19.15 (1903) 0	19.26 (1910) 5	19.28 (1920) 0	19.35 (1926) 0	19.40 (1933) 8	19.57 (1938) 0	19.51 (1939) 0	19.55 (1954) 0	19.45 (1981) 0	19.48 (1983) 0
NOV 14	18.72 (1754) 0	18.80 (1757) 5	18.80 (1759) 0	18.88 (1770) 0	18.94 (1783) 3	19.08 (1811) 0	19.05 (1803) 0	19.04 (1810) 0	18.97 (1815) 0	19.00 (1829) 0
DEC 14	18.49 (1614) 0	18.58 (1625) 5	18.60 (1626) 0	18.60 (1629) 0	18.61 (1634) 3	18.65 (1652) 0	18.62 (1663) 0	18.62 (1667) 0	18.52 (1702) 0	18.62 (1702) 0
JAN 15	18.08 (643) 0	18.08 (658) 0	18.11 (664) 0	18.16 (684) 0	18.18 (688) 0	18.25 (712) 0	18.25 (723) 0	18.25 (727) 28	18.14 (749) 0	18.15 (756) 0
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
APR 14	23.30 (1696) 0	23.30 (1699) 0	23.30 (1692) 0	23.31 (1692) 0	23.34 (1994) 0					
MAY 14	22.09 (1657) 3	21.99 (1657) 0	21.84 (1654) 0	21.98 (1655) 1	22.40 (1661) 1	22.65 (1668) 0	22.65 (1668) 0	22.50 (1666) 0	22.55 (1666) 0	22.55 (1662) 0
JUN 14	21.20 (1476) 3	21.15 (1480) 0	21.15 (1480) 0	21.32 (1481) 1	21.76 (1490) 1	22.10 (1495) 0	22.00 (1495) 0	22.05 (1496) 0	22.06 (1496) 0	22.06 (1496) 0
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
APR 14	194.00 (1100) 23	194.00 (1100) 0	194.50 (1100) 0	194.75 (1100) 0	192.27 (1112) 0					
MAY 14	187.00 (1124) 27	188.75 (1126) 13	191.25 (1125) 2	191.25 (1122) 11	196.25 (1123) 7	201.65 (1103) 38	203.00 (1095) 32	203.00 (1079) 20	205.50 (1081) 17	204.75 (1085) 18
JUN 14	186.00 (1039) 8	188.00 (1039) 17	190.50 (1037) 11	192.00 (1037) 4	197.00 (1048) 19	205.23 (1035) 33	206.50 (1030) 55	207.00 (1041) 21	210.00 (1031) 51	208.50 (1067) 53
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
APR 14	200.73 (775) 0	201.00 (773) 0	201.00 (771) 0	201.00 (769) 0	201.91 (766) 0					
MAY 14	190.00 (765) 0	186.75 (776) 0	185.90 (778) 0	186.75 (776) 0	188.75 (761) 0	188.95 (772) 0	188.00 (776) 0	186.83 (806) 28	186.30 (802) 0	186.00 (792) 0
JUN 14	179.95 (626) 0	177.98 (627) 0	176.80 (627) 0	178.50 (627) 0	181.00 (625) 0	181.00 (623) 0	179.40 (632) 0	178.65 (639) 25	177.95 (638) 0	177.25 (639) 0
WHEY (Electronic-Traded) (¢/lb)										
APR 14	67.25 (320) 0	67.25 (320) 0	67.25 (320) 0	67.25 (320) 0	67.74 (384) 0					
MAY 14	66.75 (426) 7	66.75 (426) 0	67.00 (428) 8	67.00 (429) 4	67.55 (429) 0	68.50 (424) 7	68.03 (423) 13	68.03 (423) 0	67.90 (430) 9	67.90 (434) 5
JUN 14	64.75 (455) 4	66.48 (460) 11	66.10 (461) 5	65.75 (463) 3	67.00 (467) 17	68.00 (461) 37	67.00 (470) 10	67.00 (470) 1	66.55 (474) 5	66.50 (477) 6
CHEESE CSC (Electronic-Traded) (\$/lb)										
APR 14	2.35 (1299) 5	2.35 (1299) 0	2.35 (1299) 0	2.35 (1299) 0	2.36 (1334) 0					
MAY 14	2.21 (1612) 5	2.20 (1620) 14	2.18 (1624) 7	2.18 (1614) 22	2.17 (1614) 24	2.19 (1615) 13	2.19 (1607) 15	2.20 (1604) 8	2.18 (1609) 61	2.20 (1609) 14
JUN 14	2.01 (1513) 9	2.01 (1556) 75	1.99 (1594) 41	2.01 (1586) 19	2.04 (1576) 26	2.09 (1585) 28	2.07 (1627) 66	2.06 (1650) 43	2.03 (1661) 33	2.06 (1674) 32
JUL 14	1.95 (1251) 32	1.96 (1251) 0	1.95 (1280) 38	1.96 (1280) 6	1.98 (1279) 19	2.01 (1305) 47	1.98 (1328) 35	1.97 (1328) 18	1.95 (1390) 79	1.98 (1416) 38
AUG 14	1.93 (1154) 32	1.94 (1166) 12	1.94 (1189) 24	1.94 (1193) 4	1.94 (1195) 5	1.94 (1210) 23	1.93 (1205) 29	1.93 (1208) 7	1.92 (1234) 39	1.94 (1278) 53
SEP 14	1.93 (1159) 55	1.94 (1162) 3	1.93 (1183) 25	1.94 (1184) 1	1.94 (1185) 17	1.94 (1197) 18	1.93 (1201) 9	1.93 (1197) 0	1.93 (1214) 20	1.95 (1217) 8

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

DAIRY PRODUCTS 2013 SUMMARY

Butter production in the United States during 2013 totaled 1.86 billion pounds, 0.2 percent above 2012. California accounted for 34.1 percent of the production.

Total cheese production, excluding cottage cheeses, was 11.1 billion pounds, 2.0 percent above 2012 production. Wisconsin was the leading State with 25.7 percent of the production, followed by California with 20.8 percent and Idaho with 7.9 percent.

American type cheese production was 4.42 billion pounds, 1.5 percent above 2012 and accounted for 39.8 percent of total cheese in 2013. Wisconsin was the leading State with 19.0 percent of production, followed by California with 14.0 percent and Idaho with 13.5 percent.

Italian varieties, with 4.74 billion pounds were 2.2 percent above 2012 production and accounted for 42.7 percent of total cheese in 2013. Mozzarella accounted for 78.1 percent of the Italian production followed by Provolone with 7.6 percent and Parmesan with 6.8 percent. California was the leading State in Italian cheese production with 30.8 percent of the production, followed by Wisconsin with 30.0 percent and New York with 7.6 percent.

Ice cream, Regular totaled 1,052 million gallons, down slightly from 2012. Lowfat ice cream, at 651 million gallons, was down 2.8 percent.

Nonfat dry milk for human food totaled 1.48 billion pounds, down 16.2 percent from 2012. California was the leading state with 39.5 percent of the production. Skim milk powders totaled 631 million pounds, up 65.7 percent.

Dry whey, total production, at 961 million pounds, was down 3.8 percent from 2012. Lactose, human and animal production was 1.04 billion pounds, up 1.3 percent.

Dairy Plants: During 2013, there were 1,272 dairy plants in the U.S. manufacturing one or more dairy products, 9 less than in 2012.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. *Dairy Products 2013 Summary, April 2014.*

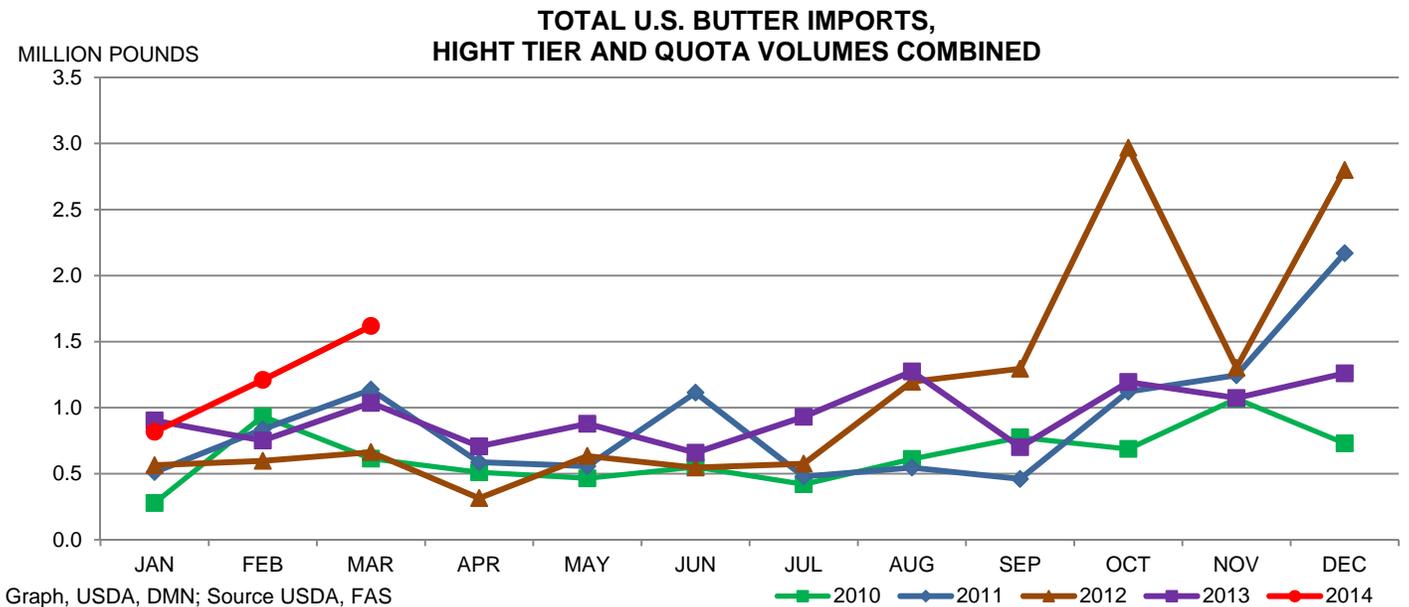
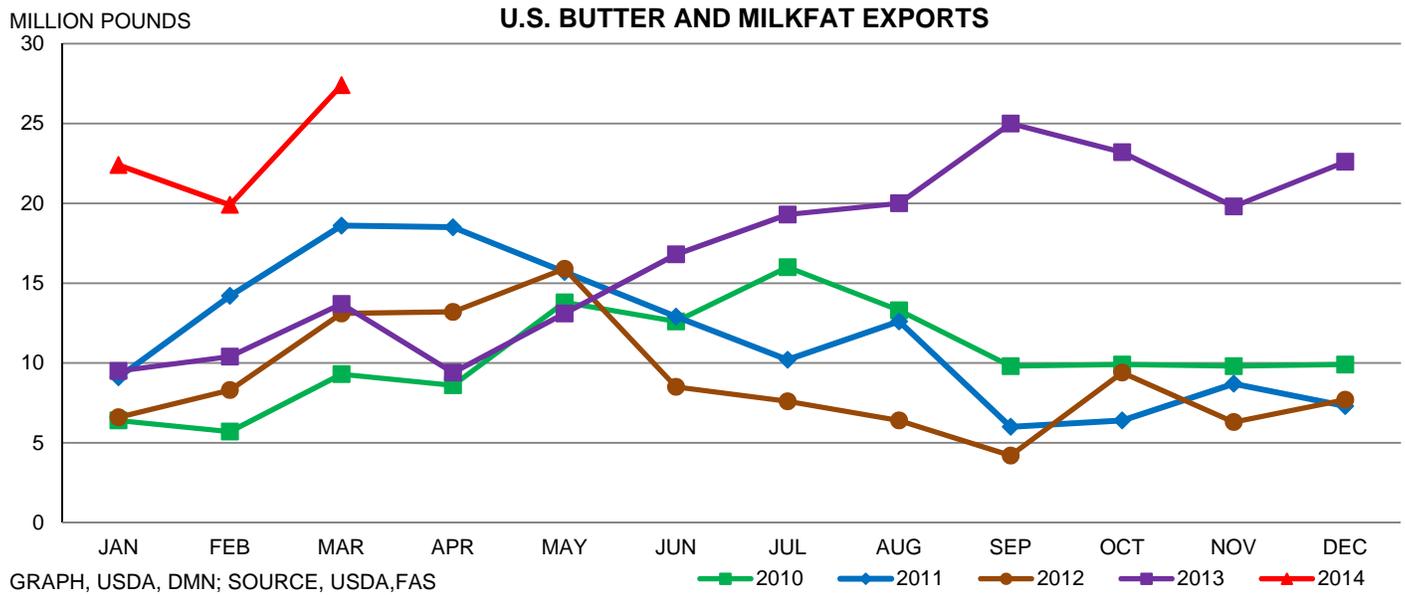
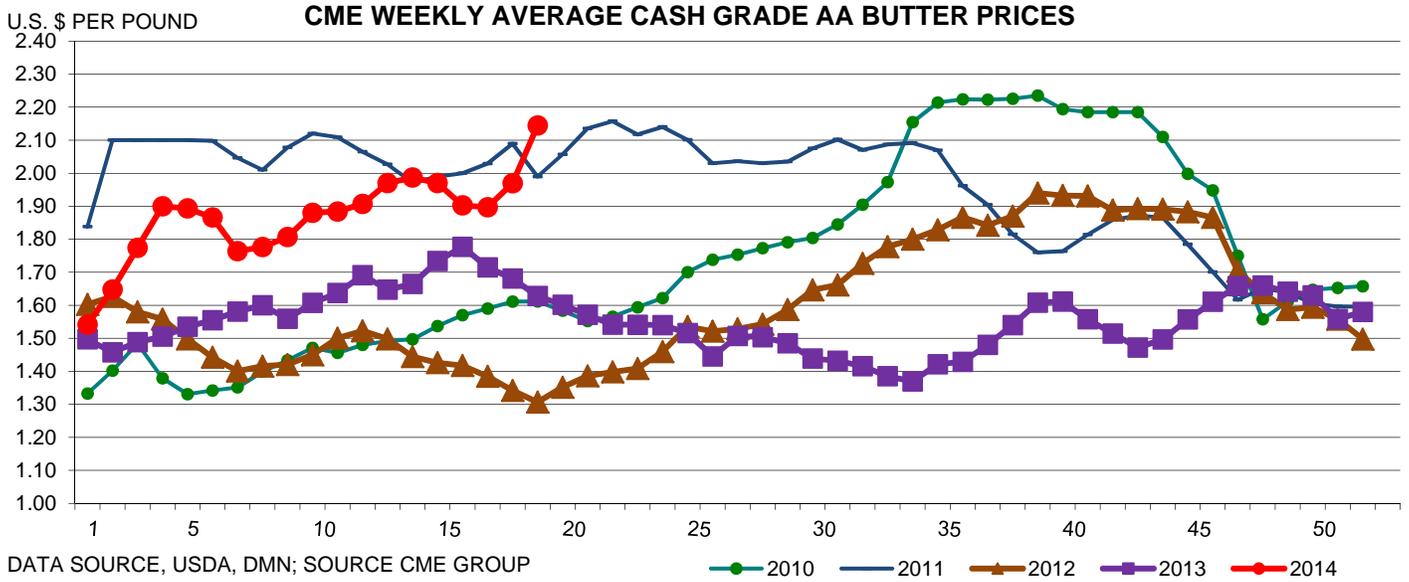
**ANNUAL PRODUCTION OF SELECTED DAIRY PRODUCTS AND NUMBER OF PLANTS MANUFACTURING THESE PRODUCTS,
UNITED STATES, 2012 AND 2013**

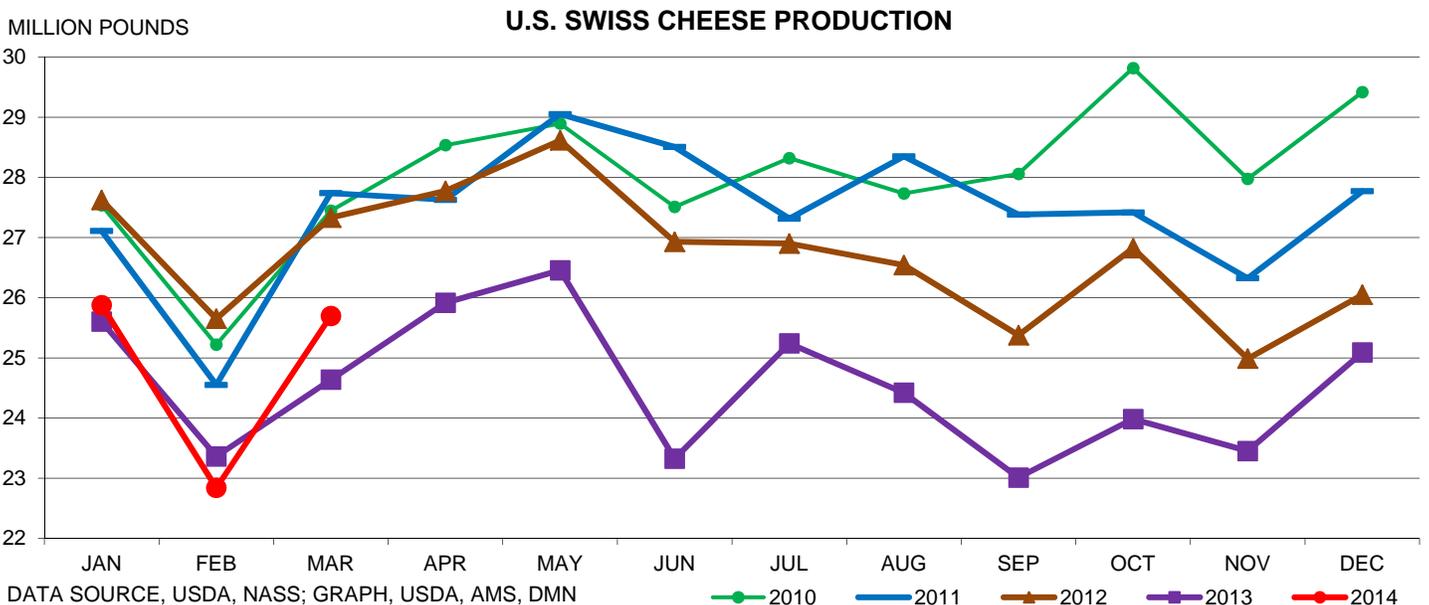
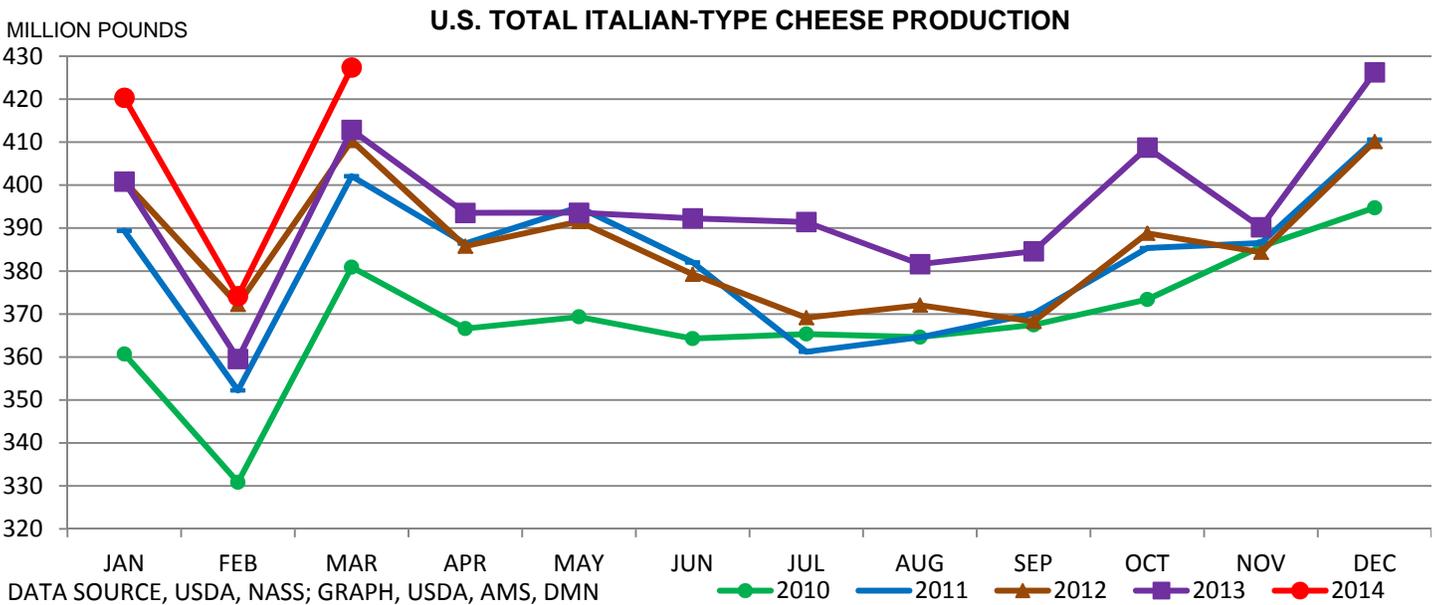
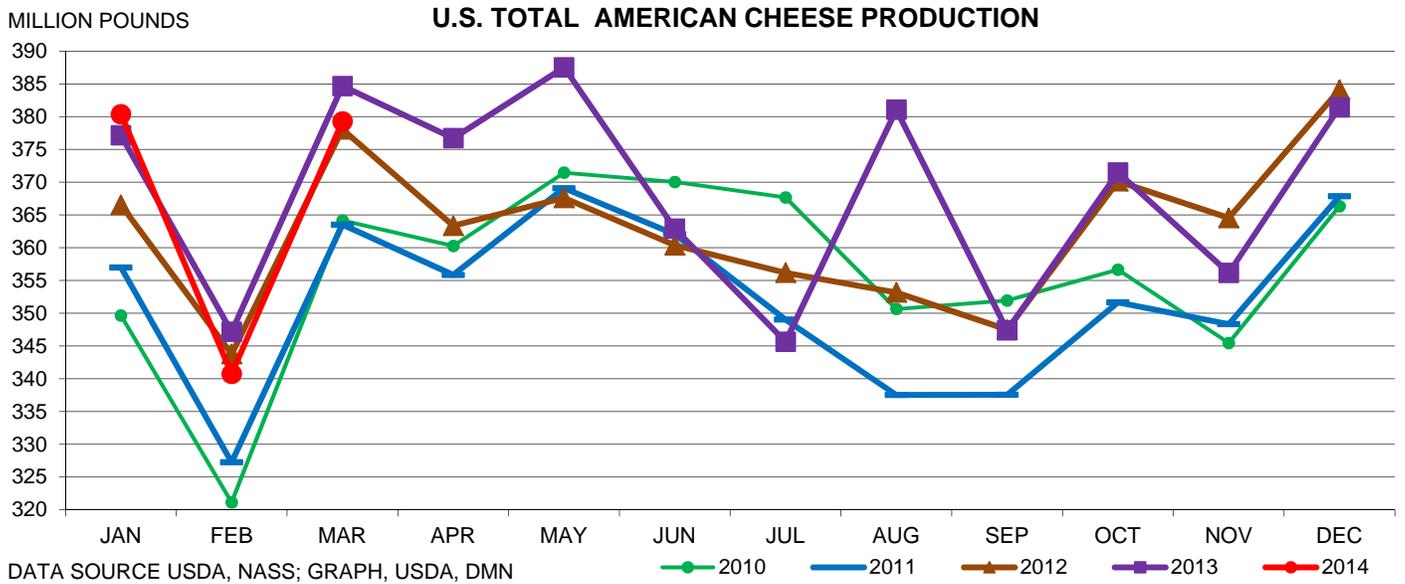
Product	2012 Revised		2013		Change from 2012 Percent
	Plants	Production	Plants	Production	
	Number	1,000 pounds	Number	1,000 pounds	
Butter	81	1,859,537	86	1,862,516	0.2
Cheese Types:					
Cheddar	212	3,143,443	220	3,189,217	1.5
Other American ^{1/}	137	1,211,809	144	1,230,021	1.5
Total American	226	4,355,252	238	4,419,238	1.5
Swiss	59	320,599	66	294,493	-8.1
Muenster	42	152,516	37	163,220	7.0
Mozzarella	127	3,614,848	126	3,699,454	2.3
Other Italian	186	1,017,977	201	1,035,829	1.8
Total Italian	186	4,632,825	190	4,735,283	2.2
Cream & Neufchatel	31	807,681	30	842,264	4.3
Hispanic	64	223,893	65	241,425	7.8
Total ^{2/}	529	10,886,241	529	11,101,135	2.0
Cottage Cheese, Curd ^{3/}	61	423,900	59	361,918	-14.6
Cottage Cheese, Creamed ^{4/}	61	323,220	59	296,203	-8.4
Cottage Cheese, Lowfat ^{5/}	58	386,105	56	352,886	-8.6
Canned Evaporated &					
Condensed Whole Milk ^{6/}	6	470,615	6	495,844	5.4
Dry Whole Milk	11	58,132	12	72,053	23.9
Milk Protein Concentrate, Total ^{7/}	6	102,318	8	101,747	-0.6
Nonfat Dry Milk, Human	51	1,764,449	50	1,477,864	-16.2
Skim Milk Powders ^{8/}	13	380,672	14	630,689	65.7
Dry Buttermilk	25	109,132	26	119,273	9.3
Sour Cream	108	1,281,432	106	1,073,749	-16.2
Yogurt (Plain & Flavored)	131	4,416,986	145	4,717,635	6.8
Condensed Whey, Solids Content, Human Food ^{9/}	11	80,584	14	88,646	10.0
Dry Whey Products					
Dry Whey, Human	32	946,011	32	924,146	-2.3
Dry Whey, Animal	23	52,887	26	36,874	-30.3
Reduced Lactose and Minerals, Total	8	89,740	8	90,044	0.3
Lactose Total	31	1,026,126	31	1,039,184	1.3
Whey Protein Concentrate					
Human Food ^{10/}	41	430,844	49	488,549	13.4
Animal Feed ^{10/}	16	28,630	16	9,099	-68.2
Total ^{10/}	N/A	459,474	N/A	497,648	8.3
25.0-49.9 Pct ^{11/}	25	254,501	26	259,416	1.9
50.0-89.9 Pct ^{11/}	28	204,973	36	238,232	16.2
Protein Isolates ^{12/}	14	64,806	15	87,086	34.4
Frozen Products					
Ice Cream, Regular	N/A	1,051,998	N/A	1,051,612	--
Ice Cream, Lowfat ^{13/}	N/A	669,466	N/A	650,689	-2.8
Sherbet	N/A	43,563	N/A	77,112	77.0
Yogurt	N/A	57,555	N/A	80,375	39.6

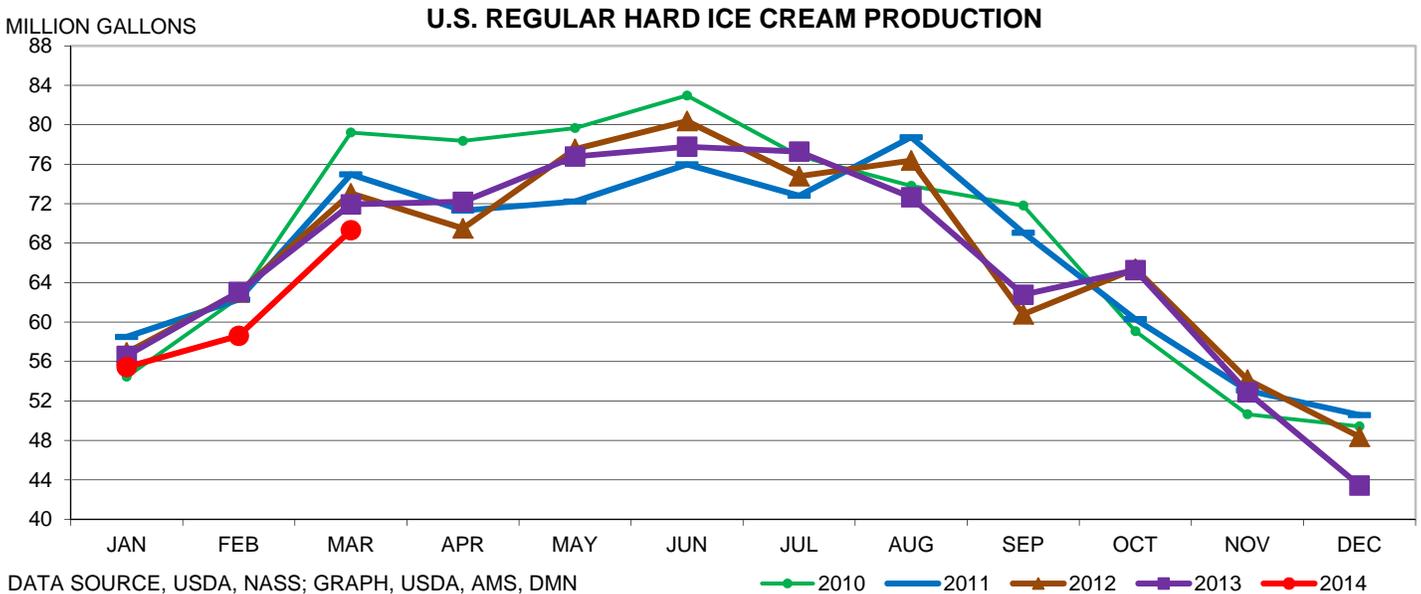
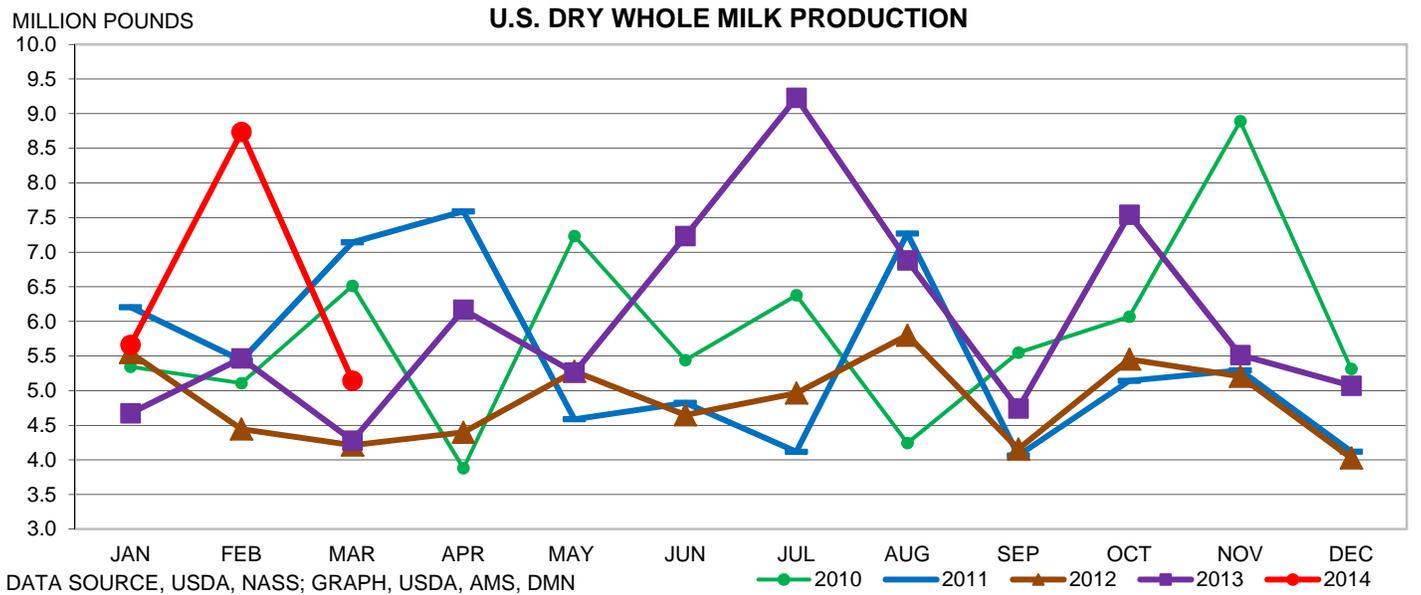
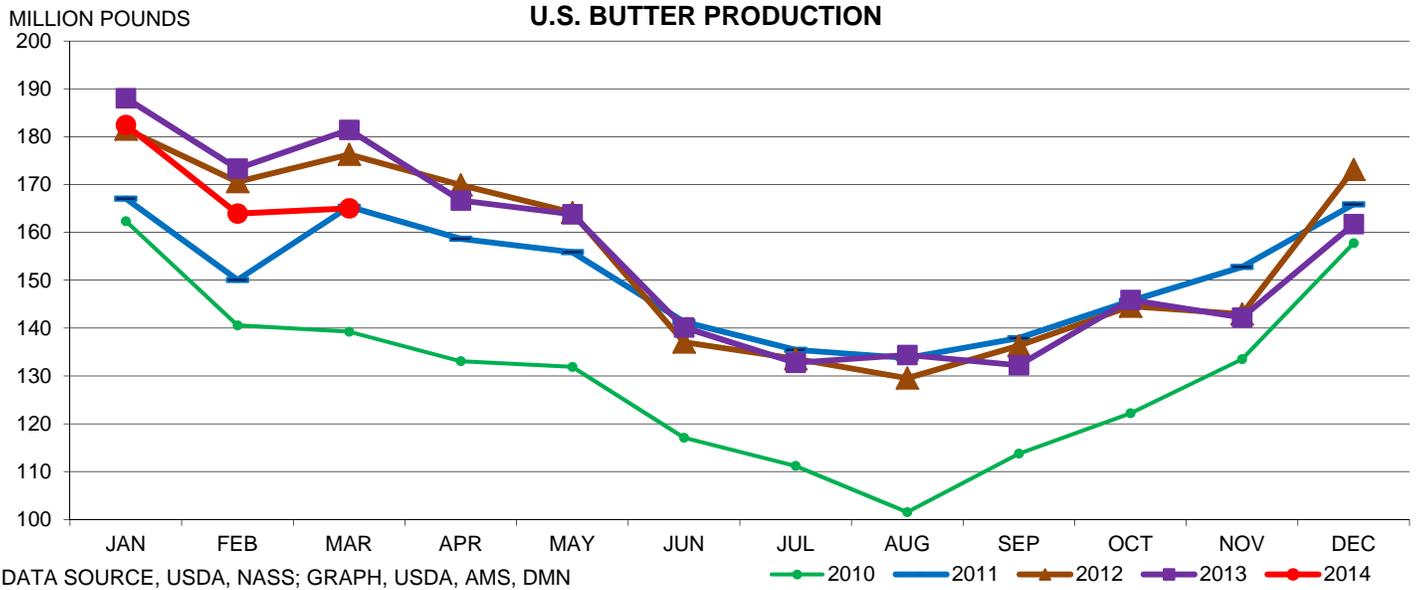
N/A = Not available.

^{1/} Includes Colby, Monterey and Jack. ^{2/} Excluding cottage cheese. ^{3/} Mostly used for processing into creamed or lowfat cottage cheese. ^{4/} Fat content 4.0 percent or more. ^{5/} Fat content less than 4.0 percent, mostly 0.5 to 2.0 fat. ^{6/} Combined to avoid disclosing individual plant operations. ^{7/} Dry milk protein concentrate, 40.0-89.9 percent. ^{8/} Includes protein standardized and blends. ^{9/} Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified dry whey products. ^{10/} Whey Protein Concentrate, 25.0 to 89.9 percent. ^{11/} Whey Protein Concentrate, Human and Animal. ^{12/} Whey Protein Isolate, 90.0 percent or higher. ^{13/} Includes freezer-made milkshake.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. *Dairy Products 2013 Summary, April 2014.*







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