NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (5/30)

BUTTER: Grade AA closed at $2.3000. The weekly average for Grade AA is $2.2850 (+.1180).

CHEESE: Barrels closed at $1.9325 and 40# blocks at $1.9600. The weekly average for barrels is $1.9575 (-.0265) and blocks, $1.9850 (-.0030).

BUTTER HIGHLIGHTS: Butter prices are stronger on a bullish market. Many butter operators in the Northeast and Central regions churned at higher rates during the holiday weekend with additional milk and cream available. In the West, churning is mostly steady as milk production is past peak and some operators elect to sell cream to ice cream makers. Prior export orders of 82% are being filled, but sales are reduced as U.S. butter prices are no longer competitive with most international markets. Current prices have slowed some domestic sales, but better than expected demand has inhibited manufacturers from rebuilding inventories to comfortable levels. Bulk butter spot load availability is limited with prices ranging from 5 to 8 cents over the market in the Northeast, market to 8 cents over in the Central, and 3.5 cents under to 2 cents over in the West, based on the CME Group with various time frames and averages used. Friday at the CME Group, Grade AA butter closed at $2.3000, up 12 cents from a week ago. The DMN *National Dairy Retail Report* noted the surveyed national weighted average price for a 1 lb. package of butter was $3.14, a 42 cent increase from two weeks ago and 37 cents higher than a year ago. The number of ads nationally increased by 20% compared to two weeks ago, totaling 4,098. The NASS *Cold Storage Report* noted U.S. butter stocks on April 30 totaled 174.1 million pounds, 3% below March and 44% lower than a year ago. This week, a cooperative export assistance program accepted requests for 0.331 million pounds of butter.

CHEESE HIGHLIGHTS: Cheese production levels are increasing as manufacturing milk is readily available. Some additional milk was directed towards cheese plants over the holiday weekend. This is in addition to seasonally high milk volumes across much of the country. Cheese plants expected the increased volumes and no serious problems in handling were reported. Domestic cheese demand is good with inventories said to be clearing at a comfortable pace. Contract deliveries are steady, with buyers looking to purchase additional supplies on price breaks. Barrel and block sales are moderate to good. Export interest is light to moderate at current price levels. Retail demand is steady, with some increased featuring in store ads. The National Dairy Retail Report (DMN) showed lower weighted average prices for four of the five package categories when compared to two weeks ago. At the CME Group, barrels closed at $1.9325, down 8.75 cents and blocks closed at $1.9600, down 6 cents from last Friday.

FLUID MILK: Milk production is past peak levels and mostly steady in most of California, the East, and Southwest. Higher temperatures caused lower farm production rates in the Southeast and Florida, while production levels are slowly increasing in the Midwest and Northwest. With school years nearing completion in most areas and the holiday weekend over, bottling orders have slowed, causing milk processors to skim and dry at near capacity levels. Condensed skim volumes are outpacing demand. Ice cream makers are taking advantage of heavy discounts available on condensed skim. Ice cream sales are picking up as the temperatures are trending higher. Crop producers are finishing up planting corn and soybeans while some are harvesting first crop alfalfa, with a few starting on second cutting.

DRY PRODUCTS: Low/medium heat NDM prices converged in the Central and Eastern regions while steady to lower in the West. Many buyers are uncertain about the price direction, but tend to be making larger orders at the lower prices. Production is at mostly higher rates as extra milk comes into the plants. Prices of high heat NDM are lower and most manufacturing is limited to meeting contractual obligations. Dry buttermilk prices are steady to lower on a weak market. Production rates are mixed and supplies are moderate to growing. Most of the supplies are moving based on prior negotiations. Prices for dry whole milk are steady with a weak undertone. Dry whey prices are mixed in the Central and Western regions while higher in the East. Production levels are mostly higher however, spot load availability is still limited. Prices of whey protein concentrate 34% are mostly lower on a softening market. Inventories are mixed. Lactose prices are steady while production rates are higher. Prices of casein are steady to lower with sluggish demand.

ORGANIC DAIRY MARKET NEWS (DMN): U.S. weighted average advertised price of organic milk half gallons is $3.49, up 26 cents from 2 weeks ago. One year ago the national price was $3.43.

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

ORGANIC DAIRY MARKET NEWS (PAGES 8-8B)
NATIONAL DAIRY RETAIL REPORT (ATTACHED)
DAIRY GRAPHS (G1)

CME GROUP CASH TRADING

COMMODITY	MONDAY MAY 26	TUESDAY MAY 27	WEDNESDAY MAY 28	THURSDAY MAY 29	FRIDAY MAY 30	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	CME	$2.0325 (+.0125)	$1.9450 (-.0875)	$1.9200 (-.0250)	$1.9325 (+.0125)	(-.0875)	$1.9575 (-.0265)
40# BLOCKS	CLOSED	$2.0200 (N.C.)	$2.0000 (-.0200)	$1.9600 (-.0400)	$1.9600 (N.C.)	(-.0600)	$1.9850 (-.0030)
NONFAT DRY MILK GRADE A	NO	$1.7975 (+.0050)	$1.8225 (+.0250)	$1.8325 (+.0100)	$1.8450 (+.0125)	(+.0525)	$1.8244 (+.0329)
BUTTER GRADE AA	TRADING	$2.2500 (+.0700)	$2.2950 (+.0450)	$2.2950 (N.C.)	$2.3000 (+.0050)	(+.1200)	$2.2850 (+.1180)

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

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CONTINUED FROM PAGE 1

The price range is unchanged at the top, $3.99. The lowest price is up 49 cents to $2.99. The national price for organic gallons is $5.99, unchanged from the last reporting period. The average price of 8 ounce organic milk is $1.00, unchanged from two weeks ago. The national average price of 4-6 ounce organic Greek yogurt is $1.12, 9 cents higher than two weeks ago and 31 cents higher than one year ago. AMS reports total organic milk products sales for March 2014, 212 million pounds, were up 14.3% from March last year and up 15.6% year to date compared with last year. Organic whole milk sales for March 2014, 61 million pounds, were up 24.0% compared with March last year and up 22.4% year to date compared with last year. Organic reduced fat milk sales for March, 60 million pounds, were 15.2% above sales one year earlier and up 23.7% year to date compared with last year. Continuing drought conditions in the West, particularly in the San Joaquin Valley, are causing reductions in some organic dairy herds as organic dairy producers sell out and leave the organic dairy business. Some organic producers, after calculating the anticipated net gains from a year of organic milking versus the return for sale into slaughter, have decided their organic cows are “worth more dead than alive”, according to one organic organization representative. High organic feed costs, a pay price that has not risen with costs, and now high beef prices, are all cited for the regional organic dairy exodus. First cutting of organic hay in Maryland and Pennsylvania is progressing, but slightly lags the pace of last year at this time. First cutting in New York is in the early stages. Wisconsin is also early into first cutting, but some areas are very slightly ahead of last year at this time. Vermont pasture conditions are mostly good to excellent, with the first hay cutting also in the early stages.

NATIONAL DAIRY RETAIL REPORT (DMN): National cheese ad volume leads that of all surveyed dairy products, even though cheese ads overall decreased 7% from two weeks ago. The weighted average advertised price of 8 ounce shredded, $2.37, is down 15 cents from the last report but up 12 cents from last year. 8 ounce block cheese has an average price of $2.44, 4 cents lower than two weeks ago but 16 cents above last year. The national average price of 4-6 ounce Greek yogurt, $0.98, is up 1 cent from two weeks ago but down 1 cent from a year ago. 4-6 ounce yogurt has an average price of $.51, down 4 cents from two weeks ago but up 1 cent from a year ago. Ad numbers for 4-6 ounce more than doubled from two weeks ago, in contrast with ad numbers for 4-6 ounce Greek yogurt, which declined by 20%. Total yogurt ads increased 19% from two weeks ago. Butter and cream cheese national ad numbers continue to be the biggest percentage category gainers, as they also were two weeks ago. The national weighted average price of butter increased to $3.14, up 42 cents from two weeks ago and up 37 cents from last year. Ad prices range from $2.50 in the Southeast and South Central regions to $3.99 in the Northeast and Southwest. Cream cheese, at $1.81, is up 13 cents from two weeks ago and up 29 cents from last year. Prices range from 98 cents in the Southeast, to $2.69 in the Northeast. The conventional-organic milk half gallon price spread is $1.25, among the lower price spreads of the year. Last year at this time, the price spread was $1.80. The spread is calculated from the conventional milk half gallon average advertised price of $2.24, and the organic milk half-gallon average, $3.49.

CME GROUP

MONDAY, MAY 26, 2014

CME GROUP CLOSED

TUESDAY, MAY 27, 2014

CHEESE -- SALES: 1 CAR BARRELS @ $2.0325; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ $2.0200; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE A @ $1.7975; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 5 CARS GRADE AA: 2 @ $2.1800, 3 @ $2.1850; LAST BID UNFILLED: 1 CAR GRADE AA @ $2.2500; LAST OFFER UNCOVERED: NONE

WEDNESDAY, MAY 28, 2014

CHEESE -- SALES: 3 CARS BARRELS @ $2.0350; 3 CARS 40# BLOCKS: 2 @ $2.0350, 1 @ $2.0375; LAST BID UNFILLED:NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ $1.9450; 1 CAR 40# BLOCKS @ $2.0000

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE A @ $1.8225; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 2 CARS GRADE AA: 1 @ $2.2500, 1 @ $2.2525; LAST BID UNFILLED: 1 CAR GRADE AA @ $2.2950; LAST OFFER UNCOVERED: NONE

THURSDAY, MAY 29, 2014

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ $1.9800, 1 @ $1.9600; LAST BID FILLED: 1 CAR 40# BLOCKS @ $1.9500; LAST OFFER UNCOVERED: 1 CAR BARRELS @ $1.9200

NONFAT DRY MILK -- SALES: 3 CARS GRADE A @ $1.8325; LAST BID UNFILLED: 1 CAR GRADE A @ $1.8325; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

FRIDAY, MAY 30, 2014

CHEESE -- SALES: 2 CARS BARRELS: 1 @ $1.9225, 1 @ $1.9200; 1 CAR 40# BLOCKS @ $1.9600; LAST BID UNFILLED: 1 CAR BARRELS @ $1.9325; 2 CARS 40# BLOCKS @ $1.9600; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ $1.8400; LAST BID UNFILLED: 1 CAR GRADE A @ $1.8450; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 10 CARS GRADE AA: 4 @ $2.2500, 1 @ $2.2525, 4 @ $2.2500, 1 @ $2.3000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ $2.3000

BUTTER MARKETS

NORTHEAST

Production levels have risen this week as increased milk supplies from the Memorial Day holiday stretch added cream volumes to most churning operations. Butter manufacturers whose churns were inactive, implemented churning schedules this week. Manufacturers are circumspect of inventory levels, in lieu of current market conditions. Some butter makers noted that spot market sales this week reduced stocks levels in furthering the strategy of some to maintain minimal inventories. The market price continues to firm. This week, a cooperative export assistance program accepted requests for 330,693 pounds of butter. 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 Grade AA butter price on the CME Group rose sharply on Tuesday, to close at $2.2500, up $0.0700 from the previous session and $0.0825 from last week. According to the *National Dairy Retail Report*, the U.S. advertised weighted average price for 1-pound butter is $3.14, 42 cents higher than two weeks ago. The prices in the Northeast was $3.42, 28 cents more than the national price, and 42 more than two weeks ago. COLD STORAGE: *According to NASS*, U.S. butter in storage on April 30, 2014 totaled 174.1 million pounds, 3% less than the previous month, and 44% less than a year ago.

CENTRAL

Many butter operators were able to obtain additional volumes of cream over the holiday weekend, along with increases in milk supplies. As a result, churning was steady to higher. Few manufacturers sold some spot loads of cream for a premium. Domestic butter sales continue to be better than expected, creating concerns about inventory levels for the second half of year. The undertone is firm behind a bullish market. Preexisting export orders are being completed with few new purchases as U.S. butter prices continue to diverge in relation to other global butter markets. Butter stocks are snug. Manufacturers are aggressively seeking bulk butter, resorting to the CME to obtain supplies as F.O.B spot loads are limited. Current bulk butter prices ranged from market to 8 cents over the market, based on the CME Group with various time frames and averages used. Wednesday at the CME Group, Grade AA butter closed higher to $2.2950, up 13.25 cents from last Wednesday's close. The DMN *National Dairy Retail Report* noted the surveyed national weighted average price for a 1 lb. package of butter was $3.14, a 42 cent increase from two weeks ago and 37 cents higher than a year ago. The number of ads nationally increased by 20% compared to two weeks ago, totaling 4,098. The weighted average price in the Midwest region was $2.77, two weeks ago there were no ads. In the South Central region, butter averaged $2.87, 11 cents lower than two weeks ago. The NASS *Cold Storage Report* noted U.S. butter stocks on April 30 totaled 174.1 million pounds, 3% below March and 44% lower than a year ago. This week, a cooperative export assistance program accepted requests for 0.331 million pounds of butter.

WEST

Western butter production is mostly steady. Western milk supplies are past peak, but are holding steady longer than expected. Cream sales are active as ice cream production is in full swing. The increased demand is causing cream prices to firm. Retail butter demand has slowed some and butter manufacturers are often choosing to build inventories or they are making some cream sales. Export sales are slowing. Butter stocks remain tight with manufacturers willing to sell at current prices. Bulk butter demand is good. According to the National Dairy Retail Report, U.S. butter ads showed a weighted average price of $3.14 per pound compared to $2.72 two weeks ago and $2.77 a year ago. Butter features increased 20% compared to two weeks ago. Western ad prices ranged $2.99-$3.99. According to the NASS Cold Storage report, U.S. stocks of butter as of April 30, 2014, total 174.1 million pounds, down 44% or 135.6 million pounds less than a year ago. Butter stocks are 3% (5.9 million pounds) less than the end of March 2014. The butter price at the CME Group on Wednesday closed up $.0450 at $2.2950. Prices have moved $.1325 higher since last Wednesday. Seven loads of butter have been sold as of Wednesday. Prices for bulk butter range from 2 cents over the market to 3.5 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
May 24, 2014					
	2.1192	2.1128	2.0959	0.6808	1.8143
	5,440,889	13,015,421	8,604,343	8,224,028	36,265,429

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

CHEESE MARKETS

NORTHEAST

Milk supplies were very strong throughout the weekend, leading to increases in cheese production rates as some manufacturers continue full production schedules following the holiday period. Some cheese manufacturers report milkfat component levels are down and reducing cheese yields. Inventories are adequate for established market channels. Export demand and trade interest is active. This week, a cooperative export assistance program accepted requests for 328,489 pounds of cheese. The market tone varies as prices continue to fluctuate. The weekly average cheese prices, on the CME Group, were mixed last week. This week, Northeast wholesale prices for 40# block and muenster fell $0.0200, but process 5# sliced moved higher $0.0125. Grade A Swiss was unchanged. Tuesday's trading at the CME Group saw barrels close at $2.0325, up $0.0725 from a week ago. Blocks closed at $2.0200, up $0.0600 from a week ago. According to the *National Dairy Retail Report*, the weighted average price for 8 oz. cheese blocks in the Northeast was $2.49, 5 cents higher than the national weighted average price but 3 cents less than two weeks ago. Retail ads for 8 oz. block cheese totaled 3,254 in the Northeast, unchanged from the previous week. The weighted average price for 8 oz. shredded cheese in the Northeast was $2.54, 17 cents higher than the national price and 9 cents higher than the previous price report for the region. *Cold Storage*: According to NASS, U.S. stocks of total natural cheese as of April 30, 2014 at 1.04 billion pounds, 2% more than the previous month but 7% less compared to one year ago. Other natural cheese totaled 361.0 million pounds, 3% more than one month ago, but 8% less compared to one year ago. Swiss cheese totaled 27.4 million pounds, unchanged from one month ago but 4% less than one year ago. Eastern stocks of American type cheese totaled 119.6 million pounds, 1% less than last month but 22% more than March 2013. Eastern stocks of Other type cheese totaled 25.4 million pounds, 15% more than last month but 4% less than March 2013.

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

Cheddar 40# Block	: 2.3825-2.6675
Process 5# Sliced	: 2.2075-2.6875
Muenster	: 2.4025-2.7625
Grade A Swiss Cuts 10 - 14#	: 4.0500-4.3725

MIDWEST

A number of Wisconsin cheese manufacturers operating retail outlets as part of plant facilities, commented on particularly busy plant store sales over the Memorial Day weekend. One manufacturer said he took a surprisingly large "wad of cash" from the store's holiday cheese sales to the bank on Tuesday. A manufacturer noted that because a reason for the retail outlets is to establish goodwill for continuing customer brand loyalty, the sales volume last weekend was a welcome addition to already strong overall sales.

Surplus holiday milk availability over the holiday weekend was not a big factor for many Midwest cheese plants with contracted milk supplies, or for cooperative cheese plants handling member milk. Milk production has recently been high and continues to hold at a high level. Most plants were already scheduled at full or near full production before the weekend began, using already available milk. More cheddar is moving into aging programs at current price levels. For some plants, this has helped bridge what is traditionally more of a lull period for food service sales, which typically will increase moving toward fall. Some cheese manufacturers, in commenting on overall buyer interest, have mentioned recent interest in barrels as being particularly strong. Nevertheless, barrels declined on Wednesday's CME Group trading by 8 3/4 cents to $1.9450. Blocks closed down 2 cents Wednesday at $2.0000. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese increased by $.0125, Swiss was unchanged, while the remaining varieties decreased by 2 cents. The National Dairy Retail Report (DMN) found that Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of $2.13, 24 cents lower than the national average, $2.37. Midwest prices range from $1.99 to $3.00. One year ago the national average was $2.25. For 8 ounce blocks, the Midwest average price is $2.19, 25 cents below the national average price, $2.44. Midwest ad prices range from $1.99 to $3.00. One year ago the national average was $2.28. Nationally, cheese ad numbers are 7% lower than two weeks ago. NASS reports that April 31, 2014 East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio) other cheese stocks were 88% of April last year, but 101% of March 2014. Regional April 2014 American cheese stocks were 78% of April last year, but 103% of March 2014. Total U.S. April 31 natural cheese stocks were 1.04 billion pounds, 92% of April 30, 2013, but 102% of March 31, 2014. U.S. Swiss cheese stocks ending April 31, 27.5 million pounds, were 96% of April last year but even with March this year.

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

Process American 5# Loaf	: 2.0850-2.4450
Brick And/Or Muenster 5#	: 2.3625-2.7875
Cheddar 40# Block	: 2.0675-2.4850
Monterey Jack 10#	: 2.3375-2.5425
Blue 5#	: 2.6300-3.6175
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 2.2075-3.1025
Grade A Swiss Cuts 6 - 9#	: 3.5675-3.6850

WEST

Western cheese plants continue to operate at near capacity. Milk is being directed to keep operations at higher efficiencies. No serious problems have been reported with cheese plants during the busy holiday weekend. Cheese demand is good with manufacturers able to clear inventories on a regular basis. Export sales are slowing as international competition increases. Retail demand is steady with some increased food service ordering. Advertised U.S. cheese prices as reported in the National Dairy Retail Report showed lower weighted average prices for packages of 8 oz. block ($2.44, -.04), 1 lb. block ($4.32, -.26), 8 oz. shred ($2.37, -$.15), and 1 lb. shred ($3.42, -$1.04) from two weeks ago. Ad prices were higher for the 2 lb. block ($7.55, +.07). Combined cheese advertising was down 7% from two weeks ago. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of April 2014 were 1.037 billion pounds, 8% or 84.7 million pounds less than

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CHEESE MARKETS

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April 2013. American stocks were 7% less, other natural stocks were 8% less, and Swiss stocks were down 4% compared to a year ago. Cash cheese prices at the CME Group were lower on Wednesday. Barrels closed at $1.9450, down $.0875 and blocks were $2.0000, down $.0200. Barrels recorded four sales by mid-week and blocks three sales.

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

Process 5# Loaf	: 2.1125-2.3700
Cheddar 40# Block	: 2.1075-2.4600
Cheddar 10# Cuts	: 2.2875-2.5075
Monterey Jack 10#	: 2.2975-2.4575
Grade A Swiss Cuts 6 - 9#	: 3.6275-4.0575

FOREIGN

Wholesale domestic cheese prices are lower this week. Swiss prices and imported cheese prices are unchanged. Domestic production is increasing. Demand for cheese is moderate to good as buyers continue to purchase to fill current needs. There are some instances of buyers looking to increase their inventories at lower prices. The market undertone is unsettled. The NASS *Cold Storage* report showed U.S. stocks of Swiss in storage as of April 30, 2014 at 27.5 million pounds, down 4% from last year.

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

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Blue	2.6400-5.3800	2.5225-4.0100*
Gorgonzola	3.6900-6.9700	3.0250-3.4375*
Parmesan (Italy)	-0-	3.9125-6.0025*
Provolone (Italy)	-0-	2.5650-2.7225*
Romano (Cows Milk)	-0-	3.7125-5.8625*
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.

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

	BUTTER	CHEESE
05/26/14	22,229	87,700
05/01/14	21,272	86,103
CHANGE	957	1,597
% CHANGE	4	2

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	150	0	120	0	100
SOUTHEAST STATES	0	0	0	0	0	0

Milk production in the Northeast and Mid-Atlantic is steady beyond the peak. Manufacturers report heavy volumes for processing. Some balancing plants were unable to receive discounted milk offerings due to heavy volumes already in the plants. Class I demand has not held up as school closings and the Memorial Day Holiday period influenced sales. Southeast milk production is lower this week with hot/wet weather conditions influencing cow comfort levels. Declines in shipments are considerable as bottling orders dropped off, a result of several plant closings and processing limitations. Consequently, manufacturing milk supplies are heavy with maintenance issues preventing substantial milk intakes at some facilities. Florida milk production is seeing steady declines. Contacts report high temperatures during the day and night affecting cow comfort. Class I demand has dropped off considerably due to the Memorial Day holiday and the impact of schools letting out. Milk supply/demand dynamics favor stronger supplies resulting in 150 spot loads exported this week. Cream demand is steady; however, supplies expanded significantly after the closing of some ice cream plants over the Memorial Holiday. Balancing plants that prepared for this week have buyers in place for surplus cream supplies. **Cream multiples for all** Classes range **1.25-1.35.** Last week, the CME Group Grade AA butter weekly average butter price was $2.1670, up $0.0025 from the previous week. **Condensed skim** supplies easily exceed demand. Prices are being pressured lower with offerings near Class in the spot market. Manufacturers are primarily clearing supplies through contracts. Dryer operations are running full schedules to handle the increase in supplies.

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 -	2.7087-2.9254
F.O.B. producing plants: Upper Midwest -	2.6871-2.9580

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

Northeast - Class II - includes monthly formula prices -	1.83-1.92
Northeast - Class III - spot prices -	1.95-2.09

MIDWEST

The cows are responding to the warmer temperatures with increased production rates. Spot loads of milk are readily available with many discounts during and after the holiday weekend. Milk spot loads prices are lower, ranging from $4.00 under to $1.00 over Class. Bottlers report slower sales from a combination of the holiday weekend, increasing number of educational institutions closing for the school year, and higher retail prices causing consumer pushbacks. Some milk processors skimmed and/or sent additional volumes towards cheese production during the Memorial Day weekend. Condensed skim supplies are heavy and further discounted. More ice cream makers are switching to condensed skim. Ice cream orders are following seasonal trends with expectations the higher temperatures will foster better sales in the coming weeks. Class II demand for other products is active. Cream availability is mixed with steady pulls coming from ice cream and butter makers. **Class II cream multiples are lower, ranging from 1.24 to 1.3650.** Cheese sales are picking up as prices stabilized the past week. The NASS *Crop Progress Report* noted corn planted in the 18 selected states as of May 18 is at 88%, 15% higher than a week ago, but equal to the 5 year average. Soybeans are at 59% planted, 3% above the 5 year average. The weekly *Cow Slaughter under Federal Inspection Report* shows U.S. dairy cow slaughter for the week ending May 10, at 48,800 head, 6,700 head or 12% less than the comparable week a year ago.

WEST

Farm milk production in CALIFORNIA is past peak outputs, but is holding mostly steady along expected volumes. Some additional milk was available over the holiday weekend, but no problems were reported in handling it. Class 1 interest is moderate with schools closing soon in many districts. Nonfat dry milk plants are busy as dryers are running full schedules to clear supplies of skim. Some condensed skim is being routed to other processors. NEW MEXICO milk production is mostly steady. Some increased milk for processing is being offered as schools end their semester. Cheese plants are comfortable with the extra supplies to fill orders. Milk is being handled within the region. Temperatures remained in a comfortable range as cooler nighttime temperatures moderated any highs for the day. First crop and early second crop alfalfa are being harvested. Daytime temperatures reached triple digits this week across much of ARIZONA. Milk supplies remain plentiful, but past peak production. Dryers are running at near full schedules to clear skim milk supplies. Good demand from ice cream manufacturers and other processors is helping to balance dryer demand. Cream supplies are finding willing buyers as butterfat demand is building. Cream multiples varied over the holiday, but firmed as the week progressed. Some butter plants looking to build inventories were also willing buyers of cream supplies. The cream multiple range was 1.09 to 1.27. At the CME Group, Grade AA butter closed on Wednesday at $2.2950, up 13.25 cents from a week ago. Milk volumes continue to slowly increase in the PACIFIC NORTHWEST. Milk was moved to plants with best demand over the holiday to maximize production. Class I demand is slowing as many schools are nearing the end of the semester. UTAH and IDAHO milk production is also slowly increasing and nearing peak production for the year. Processing capacity in the region is sufficient to handle the current milk supplies. Alfalfa harvesting is progressing and the irrigation season is in full swing with mostly good to excellent spring supplies.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: The prices of LOW/MEDIUM HEAT nonfat dry milk converged on an unsettled market. Milk processors dried additional volumes over the holiday weekend. Buyers are becoming more comfortable with current prices, making bigger orders. Domestic demand is active. Low/medium heat NDM stocks are moderate. HIGH HEAT NDM prices decreased on lower F.O.B spot trading. The market tone is unsettled as buyer interest is picking up, but supplies are difficult to secure. Production rates are at reduced levels with a few manufacturers planning to produce at higher rates in the coming weeks. Inventories of high heat NDM are limited. Wednesday at the CME Group, Grade A NDM closed higher to $1.8225, up 3 cents from last Wednesday.
EAST: Eastern price levels for low/medium nonfat dry milk continue to descend at the top of the range due to lower priced indices. Available milk supplies remain heavy in the region, keeping dryers running. Buyers anticipate a further weakening of prices as some suppliers move according to the downward pressure on the market. Some buyers, in preparation of a flat market, are extending their inventories. Domestic demand is good, as dairy manufacturers take into consideration NDM as a substitute for several higher priced dry dairy ingredients. Production of high heat nonfat dry milk depends upon stock levels necessary for contractual commitments. Prices moved lower throughout the range. Spot transactions are limited.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.7500 - 1.9425 MOSTLY: 1.7500 - 1.8650
HIGH HEAT: 1.9300 - 1.9925

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are lower. The full range and the mostly series were both lower on the top ends. Market participants are unclear concerning price direction. Recent large sales at lower prices leave some buyers looking for more offers at lower prices. Manufacturers are mostly content with current inventories in spite of the current elevated production. Low/medium heat production is heavy in the West with the bulk of production geared towards clearing milk supplies as quickly as possible. High heat production is limited to mostly contract fulfillment. High heat prices are lower.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.7600 - 1.9600 MOSTLY: 1.7650 - 1.8975
HIGH HEAT: 1.9500 - 2.0650

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices shifted lower at the top of the range. The market tone is weakening. Production rates are mixed. Butter operators are generally churning at higher rates. However, many ice cream manufacturers are seasonally taking additional amounts of condensed buttermilk. Demand domestically is light. Many manufacturers are fulfilling prior commitments with new orders limited. Stocks of buttermilk are adequate for current needs and growing.
EAST: Dry buttermilk prices are steady to lower this week. Overall, dry buttermilk production is increasing with heavy churning in the region. Dryer time is minimized at most balancing plants due to the processing of heavy condensed skim supplies. Demand is light, with very few dry buttermilk spot sales taking place. Some manufacturers are inclined to use lower priced NDM as a dairy ingredient base instead of dry buttermilk. Inventories are moderate and increasing. The market undertone remains weak.

F.O.B. CENTRAL/EAST: 1.8000 - 1.8975

DRY BUTTERMILK - WEST

Dry buttermilk prices are steady to lower. The market undertone is weak as nonfat dry milk prices are pressuring the buttermilk market. Dry buttermilk production is mixed as butter manufacturers decide whether to churn additional cream supplies or to sell to other plants. The bulk of the trade is dealing with contract fulfillment. Spot sales activity is limited.

F.O.B. WEST: 1.7500 - 1.9675 MOSTLY: 1.8200 - 1.9050

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are steady in light trading. The market is exhibiting a weaker undertone as various other commodities are experiencing lower prices. Export activity is slow with negotiations ongoing for Q3 and the last half of the year. Dry whole milk production is limited as milk supplies across the country are heavy and dryers are being utilized for other products.

F.O.B. PRODUCING PLANT: 2.0500 - 2.1000

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
May 23	$1.7723	23,754,750
May 16	$1.8284	17,679,784

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 are mixed on an uneven market. Spot load availability improved as higher cheese production resulted in increased supplies of whey heading into the dryer. Domestic demand is moderate with purchasing actions mixed depending upon buyer inventory situations. Some end users are in a "wait and see" approach to see what the prices will do while others are taking advantage of reduced offering prices. International interest is light as U.S. whey prices are currently not competitive with other global markets. Dry whey stocks are light to moderate. ANIMAL FEED WHEY prices improved on the bottom of the range. Buyers are actively looking for feed whey. The market tone is steady. Spot load availability of feed whey is light.

F.O.B. CENTRAL: .6425 - .7400 MOSTLY: .6450 - .6850
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .5200 - .6475

DRY WHEY - NORTHEAST

Dry whey prices continue to trend upwards this week due to higher priced indices. Heavy milk supplies going to cheese manufacturers increased dry whey production rates across the region. Buyers are reporting that dry whey is relatively hard to find. More transactions are occurring through resellers. Demand for dry whey is good with loads being channeled to ice cream production. The market tone is firm.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6975 - .7575

DRY WHEY - WEST

Western dry whey production is mostly steady to higher. Increased milk delivered to cheese plants over the holiday weekend is helping to increase and/or maintain dry whey production. Whey stocks are increasing with manufacturers able to catch up on some back orders. Whey prices were lower on the bottom of both series. Some higher spot sales were noted. Export demand is good. Buyers are looking to increase purchases, but tight stocks are limiting availability.

NONHYGROSCOPIC: .5950 - .7325 MOSTLY: .6250 - .6950

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are lower this week. Some manufacturers feel the market has a weaker undertone due to competing protein product prices. The short week saw moderate spot activity. Cheese plants are running heavy schedules with ample milk supplies. Whey stream supplies are also increased. WPC 34% stocks are variable across the country with some producers reporting increased supplies, while others are dealing with tighter inventories. Demand for branded quality 34% is good.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.5200 - 1.8900 MOSTLY: 1.6600-1.8100

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged this week in light spot trading. Lactose production is increased as more milk is being processed through cheese plants. Stored stocks of lactose are at various levels. Some manufacturers are turning down spot bids and holding stocks for Q3 contracts. Producers are currently in negotiations for Q3. Export interest appears to be increasing, but few contracts have been finalized. Prices are spread in a wide range due to variable quality levels. Higher mesh products continue to be marketed at a premium. New contract specifications for infant formula in some export markets are also complicating negotiations.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .4300-.6875 MOSTLY: .5400-.6325

CASEIN - NATIONAL

Casein prices were mixed this week with rennet unchanged, while acid prices decreased on the low end of the range. Production in the EU is steady and in balance with demand needs. U.S. demand for casein is sluggish with buyers purchasing only to cover immediate needs. The recent declines in the Euro, compared to the U.S. dollar, have made prices more competitive, but many buyers are still hesitant to take a long term position in the market. Movements in Q3 negotiations are slow with few contracts being finalized.

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:	4.9000 - 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
05/10/2014	48.8	1,075.9	55.5	1,199.3

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

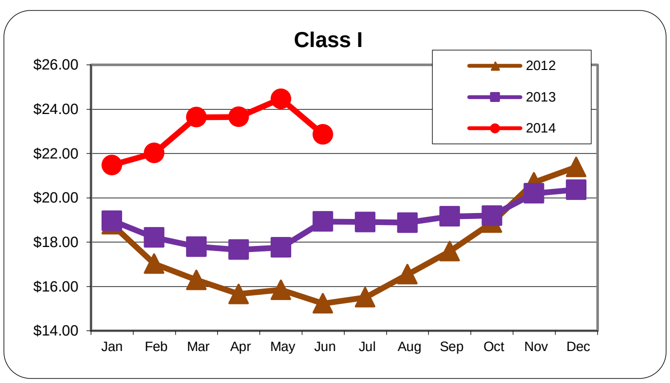
CLASS IV MILK PRCES (3.5%)

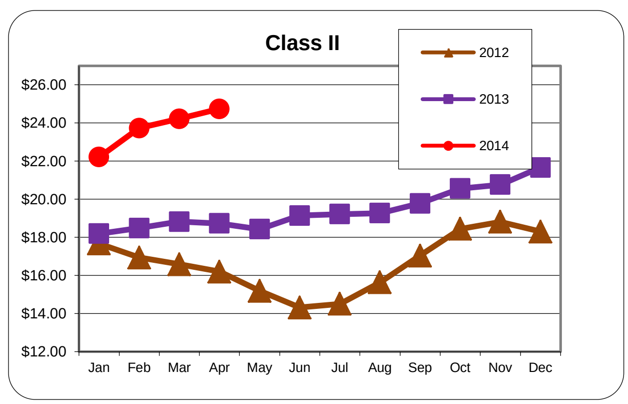
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87
2012	16.56	15.92	15.35	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

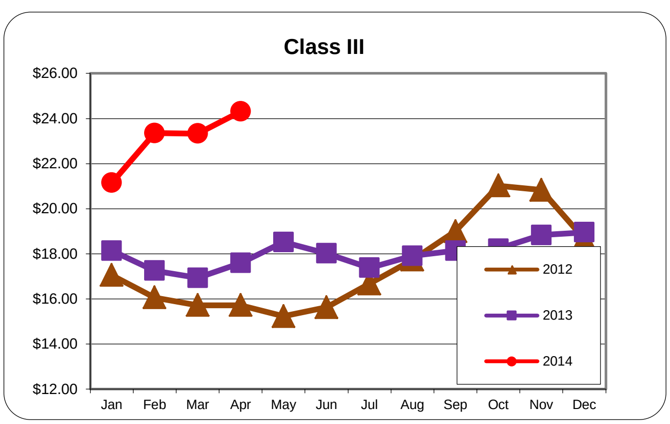
FEDERAL MILK ORDER CLASS PRICES FOR 2014 (3.5%)

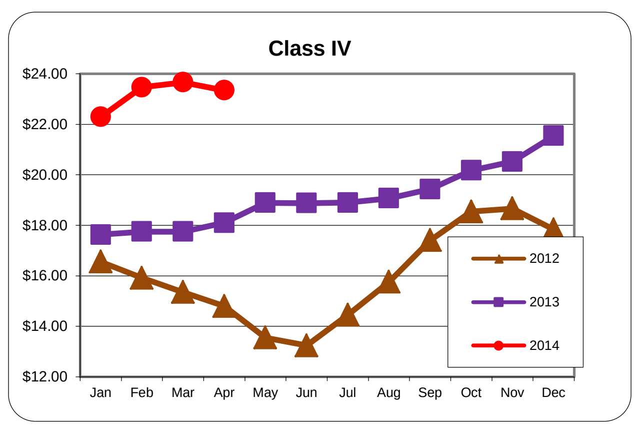
CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	21.48	22.02	23.64	23.65	24.47	22.86						
II	22.21	23.73	24.22	24.74								
III	21.15	23.35	23.33	24.31								
IV	22.29	23.46	23.66	23.34								

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.”









ORGANIC DAIRY MARKET NEWS

Information gathered May 19 - 30, 2014

ORGANIC DAIRY FLUID OVERVIEW

Organic Dairy News. Continuing drought conditions in the West, particularly the San Joaquin Valley, are causing reductions in some organic dairy herds as organic dairy producers sell out and leave the organic dairy business. Drought intensity in the Valley is still "D 4 Drought", the most extreme drought condition shown on the NCDC/ NOAA U.S. Drought Monitor. Even an established long time organic dairy producer and board member of a western organic dairy producers' organization, is well into selling out, being "down to a few milkers" after having recently sold all heifers and young stock.

Some organic producers, after calculating the anticipated net gains from a year of organic milking versus the return for sale into slaughter, have decided their organic cows are "worth more dead than alive", according to one organic organization representative.

High organic feed costs, a pay price that has not risen with costs, and now high beef prices, are all cited for the regional organic dairy exodus. Those organic cows not sold for slaughter, generally are sold into large conventional dairy herds rather than other organic herds. A number of organic producers or representatives in the Northwest when asked are unaware of new organic producers achieving certification of new organic dairy operations in the area during the last several years.

An organization representing organic dairy producers in the Northwest is finalizing release of a survey of organic producers in the region, as to feed costs, water availability and pay prices, from 2008 to the present. The results are expected to be released soon and are intended to quantify the impact of feed costs and water availability on Western organic dairy producers in future discussions with processors about contracted pay prices.

A national organic dairy processor has offered "a few" organic producers in California, pay price increases, reported to be in the range of $2.00. This is specifically targeted on a producer basis and not available to all organic producers.

In the Northeast, a several year effort by some Maine organic dairy producers to develop a processing and marketing cooperative has ended. The decision to close is attributed to inadequate processing infrastructure to handle increasing organic milk produced. Organic milk sales into retail outlets had been expanding, as had milk production. The ultimate obstacle was said to be the cost of a necessary new processing facility, rather than with production and marketing. For at least several months, the milk will be sold to a national organic yogurt manufacturer and the coop's retail milk brand will no longer be available to consumers in the Northeast.

Also in the Northeast, a national organic processor will increase the organic pay price to contracted producers in the region by $1.00 on August 1, 2014. The intention is for the increase to come from pass through to retail prices.

First cutting of organic hay in Maryland and Pennsylvania is progressing, but slightly lags the pace of last year at this time. First cutting in New York is in the early stages. Wisconsin is also early into first cutting, but some areas are very slightly ahead of last year at this time. Vermont pasture conditions are mostly good to excellent, with the first hay cutting also in the early stages.

Milk Product Sales. AMS reports total organic milk products sales for March 2014, 212 million pounds, were up 14.3% from March last year and up 15.6% year to date compared with last year.

Organic whole milk sales for March 2014, 61 million pounds, were up 24.0% compared with March last year and up 22.4% year to date compared with last year.

Organic reduced fat milk sales for March, 60 million pounds, were 15.2% above sales one year earlier and up 23.7% year to date compared with last year.

In contrast total conventional milk products sales for March this year were 2.7% below last year.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, MARCH 2014, WITH COMPARISONS 1/

Product Name	Sales March (Mil. Lbs.)	Sales Y-T-D (Mil. Lbs.)	Change from: 2/ Prev Yr. (Percent)	Change from: 2/ Y-T-D (Percent)
CONVENTIONAL PRODUCTION PRACTICE				
Whole Milk	1,104	3,325	-0.5	1.0
Flavored Whole Milk	49	136	6.3	0.9
Reduced Fat Milk (2%)	1,446	4,372	-2.8	-1.1
Low Fat Milk (1%)	582	1,729	-2.8	-3.5
Fat-Free Milk (Skim)	520	1,566	-10.5	-9.5
Flavored Fat-Reduced Milk	343	1,008	2.5	-3.7
Buttermilk	43	122	0.1	0.9
Other Fluid Milk Products	4	13	--	--
Total Fat-Reduced Milk 3/	2,890	8,675	-3.7	-3.5
Tot. Conv. Milk Products 4/	4,090	12,270	-2.7	-2.2
ORGANIC PRODUCTION PRACTICE				
Whole Milk	61	176	24.0	22.4
Reduced Fat Milk (2%)	60	186	15.2	23.7
Low Fat Milk (1%)	42	123	13.8	14.7
Fat-Free Milk (Skim)	36	107	1.4	1.0
Flavored Fat-Reduced Milk	12	30	10.8	2.4
Other Fluid Milk Products	0	1	--	--
Total Fat-Reduced Milk 3/	139	416	10.8	14.4
Tot. Organic Milk Products	212	623	14.3	15.6
Tot. Fluid Milk Products	4,302	12,894	-2.0	1.5

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; 3/ Both conventional and organic fat-reduced milk categories are total of reduced fat, lowfat, skim, and flavored fat reduced milk.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy ad numbers for this period's national survey are the lowest level in nearly two years and slightly over one-half average for this year. Organic milk ad numbers are a bit below average for this year, but several other reporting periods have recorded lower ad numbers. Organic yogurt ad numbers are the lowest level and about 1/3 average. This combination of low organic milk ad numbers and very low organic yogurt ad numbers has resulted in the relatively low number of total organic dairy ads. No organic dairy products other than organic milk and organic yogurt were advertised in surveyed ads this period.

CONTINUED ON PAGE 8-A

ORGANIC DAIRY MARKET NEWS

Information gathered May 19 - 30, 2014

CONTINUED FROM PAGE 8

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period May 19 to May 30, 2014, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

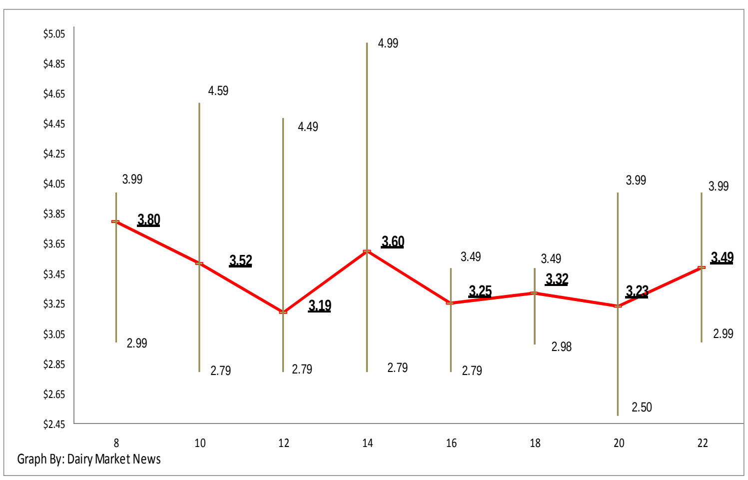
Complete results of this bi-weekly survey providing additional graphs, tables, and regional delineation, follow at the end of Dairy Market News, or can be accessed at: http://www.ams.usda.gov/AMSv1.0/DairyRetailReport

Regional Organic Dairy Ad Trends. Organic dairy ads appeared in all 6 regions. The percentage change in each region's ad numbers increased from two weeks ago only in the Northeast, up 97%. The percentage decreased in the Midwest, -24%; Southeast, -84%; South Central, -23%; and Southwest, -38%. Ad numbers in the Northwest are unchanged from two weeks ago.

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is $3.49, up 26 cents from 2 weeks ago. One year ago the national price was $3.43.

The price range is unchanged at the top, $3.99. The lowest price is up 49 cents to $2.99. The highest advertised price, $3.99, is advertised in the Northeast, Southeast, and Southwest. The lowest price, $2.99, is advertised in the Midwest and South Central regions. Organic milk half gallon ads appeared in all regions.

U.S. Advertised Organic Milk Half Gallon Price Range and Weighted Average Advertised Price by 2014 Week



Organic - Conventional Milk Half Gallon Price Spread. Conventional milk half gallons have an average price of $2.24 and organic milk half-gallons have a price of $3.49. This results in a conventional-organic price spread of $1.25. The price spread this year has ranged between $0.67 and $2.07. Last year at this time the price spread was $1.80.

Organic Milk Gallons. Ad volume for organic milk gallons is the lowest of the year, for the third consecutive period, now down to 70 ads. The national price for organic gallons is $5.99, unchanged from the last reporting period. One year ago the price was $4.99. All current ads are in the Midwest, all priced $5.99.

8 Oz. Organic Milk. Ad numbers for 8 ounce organic milk are about one fourth of average, identical with two weeks ago. The average price is $1.00, unchanged from two weeks ago but 5 cents higher than one year ago.

Organic Yogurt. Most organic yogurt ads are for 4-6 ounce Greek yogurt. The national average price of 4-6 ounce organic Greek yogurt is $1.12, 9 cents higher than two weeks ago and 31 cents higher than one year ago. Ads appeared only in the Northeast (all $1.00) and the Midwest (all $1.50).

32 ounce yogurt has an average price of $3.50 compared with $3.87 two weeks ago. No ads appeared one year ago. All ads this period appeared in the Northeast.

SUPERMARKET PRICE COMPARISON:

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

ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
	(in Dollars)		
FLUID MILK			
MILK - gallon			
Whole	5.79*	6.79	1.00*
Reduced fat (2%)	5.79*	6.79	1.00*
Low fat (1%)	5.79*	6.79	1.00*
Nonfat (Skim)	5.79*	6.79	1.00*
MILK - half gallon			
Whole	3.99	4.99	1.00
Reduced fat (2%)	3.99	4.99	1.00
Low fat (1%)	3.99	4.99	1.00
Nonfat (Skim)	3.99	4.99	1.00
FLAVMILK - half gallon			
All fat tests	4.09	5.69	1.60
YOGURT			
Yogurt - 4-6 oz			
Yogurt	0.49	0.79	0.30
CHEESE			
Cheese - 8 oz block			
Mozzarella	3.75*	5.99	2.24*
Mild Cheddar	3.75*	5.39	1.64*
Monterey Jack	3.39*	5.39	2.00*
Pepper Jack	3.49	5.99	2.50
Cheese - 6 oz string			
Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	5.69	1.80
BUTTER			
Butter - 1 Pound	4.99	6.59	1.60

*** = Price change from prior reporting period.**

CONTINUED ON PAGE 8-B

ORGANIC DAIRY MARKET NEWS

Information gathered May 19 - 30, 2014

CONTINUED FROM PAGE 8-A

ORGANIC GRAIN AND FEEDSTUFF MARKETS:

Prices for organic feed corn are higher compared to the last reported price. Other prices are mostly unchanged. Trading continues to be limited because many producers are devoting time to planting crops. Market activity is moderate to active for organic corn and organic soybeans, but usually slow for other reported grains. Demand for organic corn and organic soybeans is moderate to good, while demand for most other reported grains is moderate.

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

USDA

Agricultural Marketing Service

Dairy Market News Branch

National Dairy Retail Report

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

Volume 81- Number 22 | Issued Biweekly | Thursday, May 29, 2014

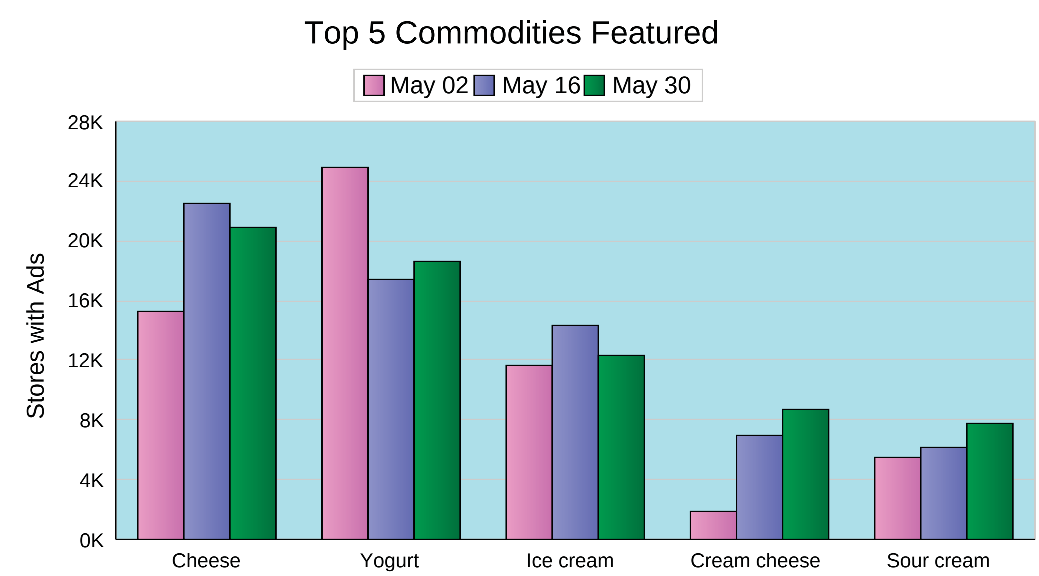
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 05/19 to 05/30

National cheese ad volume leads that of all surveyed dairy products, even though cheese ads overall decreased 7% from two weeks ago. The weighted average advertised price of 8 ounce shredded, $2.37, is down 15 cents from the last report but up 12 cents from last year. 8 ounce block cheese has an average price of $2.44, 4 cents lower than two weeks ago but 16 cents above last year.

The national average price of 4-6 ounce Greek yogurt, $0.98, is up 1 cent from two weeks ago but down 1 cent from a year ago. 4-6 ounce yogurt has an average price of $.51, down 4 cents from two weeks ago but up 1 cent from a year ago. Ad numbers for 4-6 ounce more than doubled from two weeks ago, in contrast with ad numbers for 4-6 ounce Greek yogurt, which declined by 20%. Total yogurt ads increased 19% from two weeks ago.

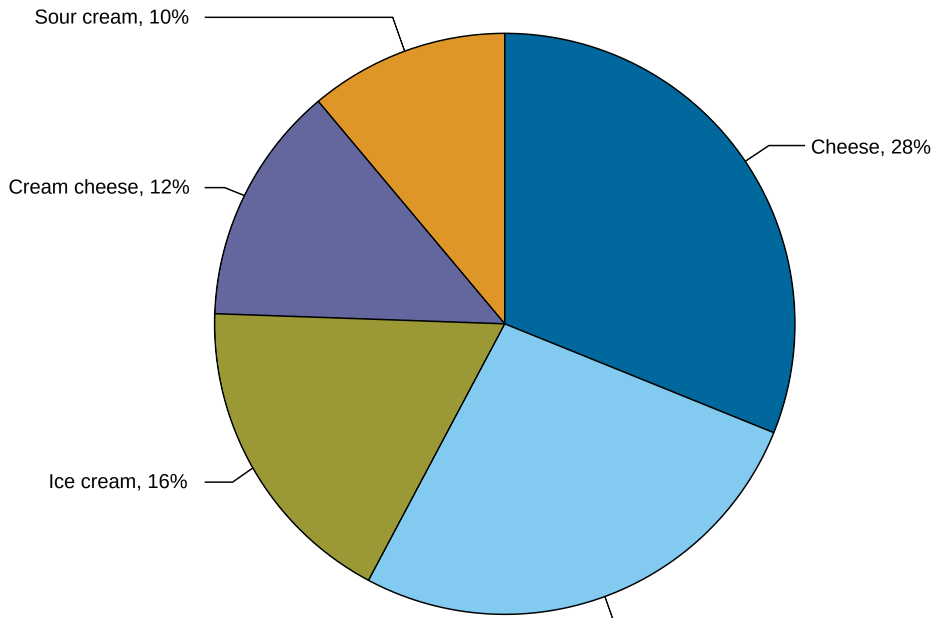
Butter and cream cheese national ad numbers continue to be the biggest percentage category gainers, as they also were two weeks ago. The national weighted average price of butter increased to $3.14, up 42 cents from two weeks ago and up 37 cents from last year. Ad prices range from $2.50 in the Southeast and South Central regions to $3.99 in the Northeast and Southwest. Cream cheese, at $1.81, is up 13 cents from two weeks ago and up 29 cents from last year. Prices range from 98 cents in the Southeast, to $2.69 in the Northeast.

The conventional-organic milk half gallon price spread is $1.25, among the lower price spreads of the year. Last year at this time, the price spread was $1.80. The spread is calculated from the conventional milk half gallon average advertised price of $2.24, and the organic milk half-gallon average, $3.49.

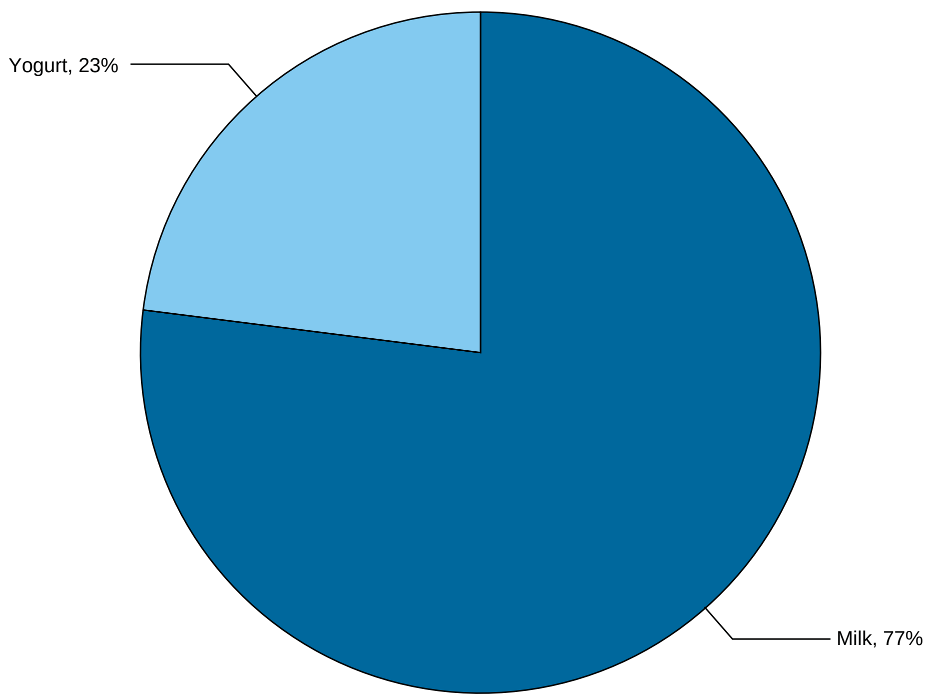


1 -- Dairy Market News surveys nearly100 retailers, comprising over 14,000 individual stores, with online weekly advertised features.
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

Top 5 Percentage of Total Conventional Ads



Top 5 Percentage of Total Organic Ads



Wtd Avg - Simple weighted average

NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	4098	3.14	3412	2.72	4563	2.77
Cheese	Natural Varieties	8 oz block	8794	2.44	7907	2.48	6862	2.28
Cheese	Natural Varieties	1 # block	878	4.32	913	4.58	1215	3.80
Cheese	Natural Varieties	2 # block	1351	7.55	1261	7.48	1890	7.12
Cheese	Natural Varieties	8 oz shred	8599	2.37	11784	2.52	7545	2.25
Cheese	Natural Varieties	1 # shred	1239	3.42	654	4.46	1287	3.64
Cottage cheese		16 oz	869	2.19	1363	1.96	1514	2.20
Cream cheese		8 oz	8761	1.81	6789	1.68	4112	1.52
Flavored milk	All fat tests	half gallon	721	2.72	123	2.50	178	3.19
Flavored milk	All fat tests	gallon	98	3.00	105	5.49	537	3.26
Ice cream		48-64oz	12348	3.04	14371	2.89	16098	3.02
Milk	All fat tests	half gallon	228	2.24	50	1.99	705	1.63
Milk	All fat tests	gallon	1066	2.93	1365	2.90	1096	2.65
Sour cream		16 oz	7789	1.73	6206	1.73	8199	1.66
Yogurt	Greek	4-6 oz	8617	.98	10806	.97	9792	.99
Yogurt	Greek	32 oz	511	3.66	350	4.16	56	3.99
Yogurt	Yogurt	4-6 oz	8081	.51	3108	.55	5436	.50
Yogurt	Yogurt	32 oz	680	2.35	806	2.45	1801	2.07

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.79-3.99	940	3.42	2.50-3.49	1310	2.61	2.77	165	2.77
Cheese	Natural Varieties	8 oz block	2.00-3.99	3254	2.49	2.00-2.99	2496	2.45	1.99-3.00	865	2.19
Cheese	Natural Varieties	1 # block	3.49-4.99	479	3.97	3.99	105	3.99	5.49	176	5.49
Cheese	Natural Varieties	2 # block	7.99	112	7.99	7.99	58	7.99			
Cheese	Natural Varieties	8 oz shred	2.00-2.99	1500	2.54	1.99-2.99	2397	2.34	1.99-3.00	1226	2.13
Cheese	Natural Varieties	1 # shred	2.39-3.99	360	2.96	2.99-3.99	342	3.30	2.99-5.49	537	3.81
Cottage cheese		16 oz	2.50-2.99	357	2.71				2.49	70	2.49
Cream cheese		8 oz	1.50-2.69	1774	2.07	0.98-2.59	2366	2.04	0.99-2.00	1081	1.45
Flavored milk	All fat tests	half gallon	2.50-2.98	241	2.78	2.57	195	2.57	2.69-2.89	285	2.77
Flavored milk	All fat tests	gallon							3.00	98	3.00
Ice cream		48-64oz	1.88-3.99	3326	2.74	2.50-4.99	2400	3.77	2.49-3.99	1920	2.81
Milk	All fat tests	half gallon	1.89	128	1.89						
Milk	All fat tests	gallon	3.49	169	3.49	3.18	237	3.18	2.50-2.79	660	2.69
Sour cream		16 oz	1.39-2.55	2228	1.73	1.25-2.55	1115	1.47	0.99-1.99	1198	1.49
Yogurt	Greek	4-6 oz	1.00-1.25	2286	1.03	0.80-1.00	2891	.93	0.88-1.11	1127	1.00
Yogurt	Greek	32 oz	3.50-3.99	283	3.70	3.99	77	3.99	3.99	63	3.99
Yogurt	Yogurt	4-6 oz	0.48-0.88	2676	.59	0.40-0.60	2435	.46	0.50	548	.50

Wtd Avg - Simple weighted average

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	2.50-2.59	162	2.56	1.98	202	1.98			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-3.49	324	2.87	2.99-3.99	961	3.63	2.99-3.50	398	3.43
Cheese	Natural Varieties	8 oz block	2.00-2.99	474	2.52	1.99-3.33	1209	2.52	1.66-2.50	496	2.22
Cheese	Natural Varieties	1 # block							4.29	118	4.29
Cheese	Natural Varieties	2 # block	7.49-8.49	234	8.01	7.99	649	7.99	5.99	298	5.99
Cheese	Natural Varieties	8 oz shred	1.99-2.99	1104	2.34	1.99-3.00	1826	2.45	1.66-2.99	546	2.29
Cottage cheese		16 oz				1.49-1.99	442	1.71			
Cream cheese		8 oz	1.00-2.00	780	1.54	1.49-2.00	2200	1.69	1.25-1.69	560	1.53
Ice cream		48-64oz	2.50-4.99	1278	3.55	1.99-3.77	2444	2.85	1.88-2.99	980	2.56
Milk	All fat tests	half gallon							2.39-2.99	100	2.69
Sour cream		16 oz	1.00-2.19	911	1.58	1.25-2.69	1577	2.06	1.25-2.50	760	1.96
Yogurt	Greek	4-6 oz	1.00	674	1.00	0.89-1.00	1125	.99	1.00-1.25	514	1.02
Yogurt	Greek	32 oz	3.00	88	3.00						
Yogurt	Yogurt	4-6 oz	0.33-0.60	686	.49	0.40-0.50	1358	.48	0.40-0.50	378	.47
Yogurt	Yogurt	32 oz				2.00	64	2.00	2.50-2.99	252	2.60

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #					754	3.99
Cream cheese		8 oz			195	2.50		
Ice cream		48-64oz					143	5.99
Milk	All fat tests	half gallon	2247	3.49	1669	3.23	3228	3.43
Milk	All fat tests	gallon	70	5.99	98	5.99	98	4.99
Milk	All fat tests	8 oz UHT	201	1.00	201	1.00	483	.95
Sour cream		16 oz					165	2.99
Yogurt	Greek	4-6 oz	674	1.12	684	1.03	1279	.81
Yogurt	Yogurt	4-6 oz			345	.71	360	.81
Yogurt	Yogurt	32 oz	71	3.50	1351	3.87		

Wtd Avg - Simple weighted average

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	3.59-3.99	342	3.79	3.49-3.99	182	3.65	2.99-3.59	341	3.28
Milk	All fat tests	gallon							5.99	70	5.99
Milk	All fat tests	8 oz UHT							1.00	201	1.00
Yogurt	Greek	4-6 oz	1.00	509	1.00				1.50	165	1.50
Yogurt	Yogurt	32 oz	3.50	71	3.50						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	2.99-3.69	436	3.17	3.49-3.99	648	3.69	3.29	298	3.29

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

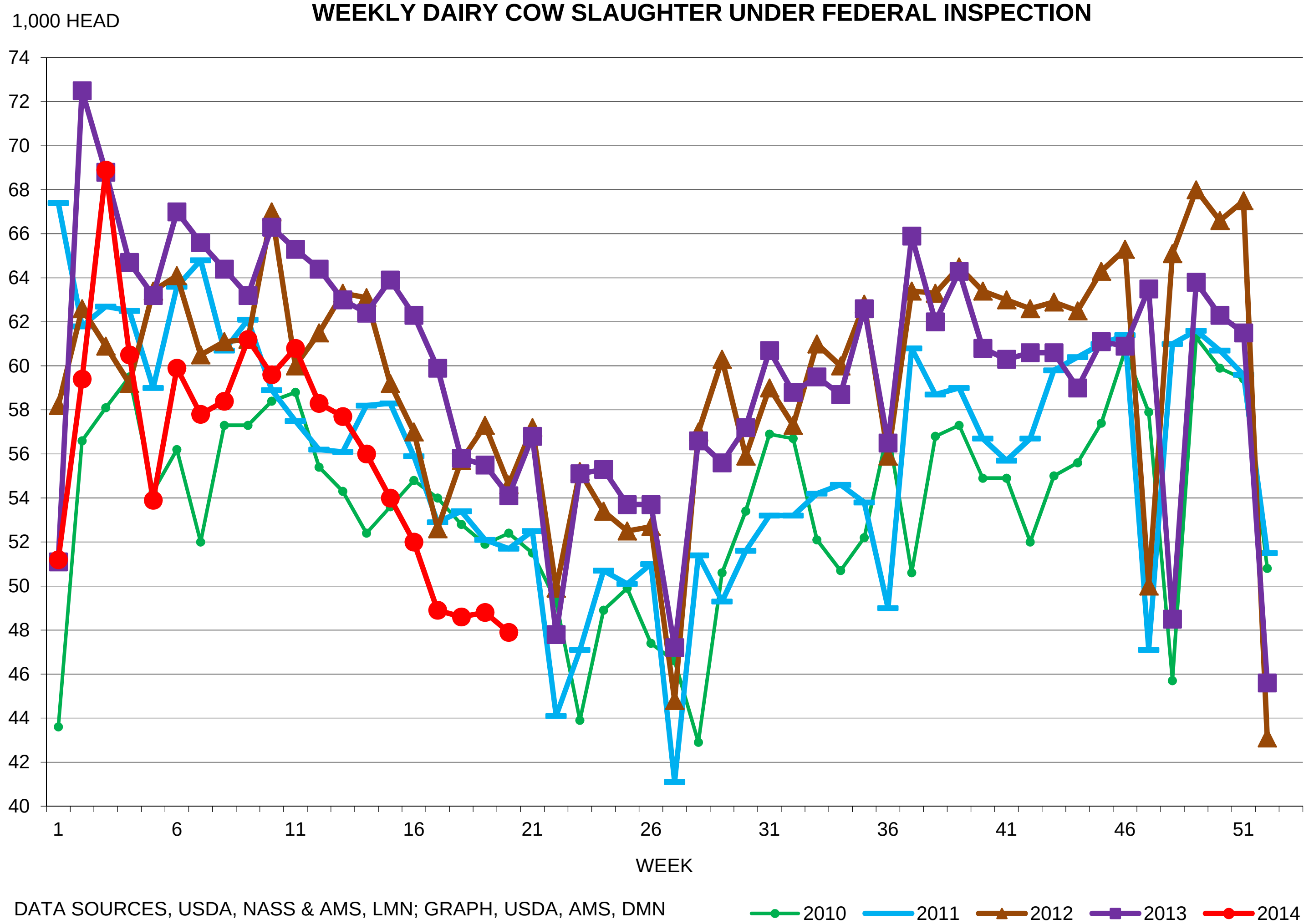
REGIONAL DEFINITIONS

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

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

Wtd Avg - Simple weighted average

WEEKLY DAIRY COW SLAUGHTER UNDER FEDERAL INSPECTION



DATA SOURCES, USDA, NASS & AMS, LMN; GRAPH, USDA, AMS, DMN

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