

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (6/06)**

BUTTER: Grade AA closed at \$2.2225. The weekly average for Grade AA is \$2.2525 (-.0325).

CHEESE: Barrels closed at \$1.9675 and 40# blocks at \$2.0500. The weekly average for barrels is \$1.9495 (-.0080) and blocks, \$2.0135 (+.0285).

BUTTER HIGHLIGHTS: Butter prices trended lower this week. The market tone is steady. Butter operators churned at mostly steady rates. Demand for butter is good, especially bulk supplies, while a few manufacturers noted slower print sales in the Central region. Supplies are adequate for contractual obligations, but many manufacturers have not yet built up inventories like in years past. Current bulk butter ranged from 5 to 8 cents over the market in the Northeast, market to 6 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 \$2.2225, down 7.75 cents from a week ago. The CME Group monthly average price for Grade AA butter during May was \$2.1713, compared to \$1.5997 a year ago. The NASS *Dairy Products* Report noted April U.S. butter production totaled 158.4 million pounds, down 4.2% from a month ago and 4.9% lower than a year ago. According to the Foreign Agricultural Service (FAS), exports of butter and milkfat during Jan.-Apr. 2014 totaled 89.0 million pounds, an increase of 107% from 2013. U.S. quota butter imports during Jan.-Apr. 2014 totaled 4.9 million pounds, 56% higher than 2013.

CHEESE HIGHLIGHTS: Cheese production is mostly steady this week with many plants operating full schedules. Milk volumes available for manufacturing are heavy. Discounted milk is becoming available for those plants wanting or able to increase production. Some plants are turning back some offered milk to better balance their inventories to match current demand. Retail demand is moderate to good. Export demand has slowed with some resistance to current price levels. Buyers are looking to increase spot orders on price breaks. According to the NASS *Dairy Products* report, total cheese production in the U.S. in April reached 950.4 million pounds, up 2.2% from April 2013. Year to date production was up 1.5% compared to 2013. The Foreign Agricultural Service (FAS) reported U.S. cheese exports for Jan.-Apr. 2014 at 293.9 million pounds, 39% higher than 2013. Quota cheese imports for Jan.-Apr. 2014 totaled 47.1 million pounds, down 5% from 2013. At the CME Group, barrels closed Friday at \$1.9675, up 3.5 cents and blocks closed at \$2.0500, up 9 cents compared to last Friday.

FLUID MILK: Milk production is steady to higher in the Midwest

with spot sales ranging from \$5.00 under to Class, steady in the Northeast and Pacific Northwest, mostly steady in Utah and Idaho, steady to declining in California, and trending lower in the Southeast, Florida, New Mexico and Arizona. Arizona milk orders picked up earlier this week but in most of the country Class I demand is lower. Condensed skim demand is steady to weaker in the East and Central states, but steady to increasing in the West.

DRY PRODUCTS: Prices for low/medium heat nonfat dry milk are lower and higher on a mixed market. Inventories are growing in the East and Central states. Sales reportedly cleared strong volumes of Western low/medium heat NDM into North American markets. High heat NDM prices shifted lower. Dry buttermilk prices moved lower on a weak market. Dry whole milk prices are unchanged to lower on weak interest. Dry whey prices are mixed in the Central and Western regions, but unchanged in the Northeast. Production is steady to higher in the Central states, mostly steady in the West, and steady to decreasing in the Northeast. Inventories are adequate in Central states, higher in the West, and moderate in the Northeast. Whey protein concentrate 34% stepped lower. Inventories range from light to plentiful. Lactose prices are lower on a mixed market. Casein prices are unchanged this week.

INTERNATIONAL DAIRY MARKET NEWS (DMN):
WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Milk production is lower with weekly declines being noted in Germany and France. Prices for spot loads of milk and skim condensed have stabilized, compared to recent weeks. Producer margins are good and, with the outlook for lower milk prices in the future, as are incentivized to produce as much milk as possible in order to reap the current good returns. Weather conditions are favorable for milk production. Skim milk powder drying facilities are operating at near capacity. According to Eurostat, EU 28 dairy product production levels, for Q1 2014, showed the following percentage changes compared to 2013; butter, +1.9%; skim milk powder, +14.5%; whole milk powder, +8.3%; and cheese, +2.4%.
EASTERN OVERVIEW: Eastern Europe milk production remains at/or near seasonal peak levels. Cheese producers and drying facilities are operating at near capacity levels. Some Western European loads of skim concentrate are being processed in Eastern Europe. Export interest has improved for Polish sweet dry whey.

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CME GROUP CASH TRADING

COMMODITY	MONDAY JUN 02	TUESDAY JUN 03	WEDNESDAY JUN 04	THURSDAY JUN 05	FRIDAY JUN 06	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.9325 (N.C.)	\$1.9350 (+.0025)	\$1.9450 (+.0100)	\$1.9675 (+.0225)	\$1.9675 (N.C.)	:: (+.0350)	:: \$1.9495 (-.0080)
40# BLOCKS	\$1.9625 (+.0025)	\$1.9750 (+.0125)	\$2.0300 (+.0550)	\$2.0500 (+.0200)	\$2.0500 (N.C.)	:: (+.0900)	:: \$2.0135 (+.0285)
NONFAT DRY MILK GRADE A	\$1.8450 (N.C.)	\$1.8575 (+.0125)	\$1.8600 (+.0025)	\$1.8600 (N.C.)	\$1.8575 (-.0025)	:: (+.0125)	:: \$1.8560 (+.0316)
BUTTER GRADE AA	\$2.2800 (-.0200)	\$2.2600 (-.0200)	\$2.2600 (N.C.)	\$2.2400 (-.0200)	\$2.2225 (-.0175)	:: (-.0775)	:: \$2.2525 (-.0325)

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

NATIONAL DAIRY MARKET NEWS AT A GLANCE

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OCEANIA OVERVIEW: AUSTRALIAN milk production remains steady with recent weeks under mild temperatures and adequate rainfall. Dairy Australia's situation and outlook report had July-April production at 0.8% below the previous year. Producers are being prompted to make as much milk as possible under the current farm gate price, given prices for next season are projected to be lower than they are now. Current milk production volumes are being channeled to the nearest available processor, as numerous plants are undergoing yearend planned maintenance projects. The timely autumn rains have prompted some good grass growth and hay supplies are at more than adequate levels in the southern, dairy export-focused, regions. However, high protein hay is less available than in previous years. Dairy cattle exports from Australia are running above last year, with China the main destination point. According to an industry survey, Australian farmer confidence is at a three year high with 40% of farmers expecting the agricultural economy to improve, up from 29% for the previous survey. Dairy farmers were the most upbeat about their prospects for the coming year. According to Dairy Australia, Australian production of various dairy commodities for March 2014 showed the following percentage changes compared to 2013; butter, +12.9%; butteroil, -33.4%; skim milk powder, -6.3%; whole milk powder, +0.2%; buttermilk powder, +7.7%; cheese, -7.3%; and whey powder, -11.6%.

NEW ZEALAND milk production has entered the typical low production period for the year. Some producer cooperatives indicate that over half of the cows have been dried off and moved to winter pastures. Some manufacturers are conducting maintenance projects and are shut down. Five infant formula manufacturers have gained approval to export into China with other companies making modifications to gain approval. Eucolait pegged total whole milk powder imports into China for April, 2014 at 88,700 metric tons, down from March, but significantly above year ago levels. New Zealand was the main benefactor of China's April whole milk powder imports. At the June 3 GDT event #117, average prices ranged from 10.2% lower to 8.0% 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, \$4,058 -5.0%; butter, \$3,634 unchanged; buttermilk powder, \$3,628 -1.9%; cheddar cheese, \$4,236 +8.0%; lactose, n.a.; milk protein concentrate, n.a.; rennet casein, \$10,672 -10.2%; skim milk powder, \$3,863 +2.1%; and whole milk powder, \$3,594 -8.5%.

MAY AGRICULTURAL PRICES HIGHLIGHTS (NASS): The All Milk price received by farmers was \$24.70 in May, down \$.60 from April 2014, but up \$5.00 from April 2013. The alfalfa hay price was \$224.00 in May, up \$3.00 from May 2013. The corn price was \$4.71 in May, down \$2.26 from May 2013. The soybean price was \$14.50 in May, down \$.40 from May 2013. The milk-feed price ratio was 2.58 in May, up \$.75 from May 2013. The index of prices received by farmers for dairy products during the month of May 2014 was down 3 points to 123. Compared to May 2013, the index was up 25 points (25.5%). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in May 2014 was up 1 point to 112. Compared with May 2013, the index was up 6 points (5.7%).

MAY CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the May 2014 class prices under the Federal milk order pricing system and the changes from the previous month: Class II: \$24.44 (-\$.30), Class III: \$22.57 (-\$1.74), and Class IV \$22.65: (-\$.69). Under the Federal milk order pricing system, the butterfat price for May 2014 is \$2.2721 per pound. Thus, the Class II butterfat price is \$2.2791 per pound. The protein and other solids prices for May 2014 are \$3.9553 and \$0.4897 per pound respectively. These component prices set the Class III skim milk price at \$15.15. The May 2014 Class IV skim milk price is \$15.23, which is derived from the nonfat solids price of \$1.6919 per pound. The product price averages for May are: butter \$2.0477, nonfat dry milk \$1.8768, cheese \$2.1703, and dry whey \$0.6745.

APRIL DAIRY PRODUCTS (NASS): BUTTER production was 158.4 million pounds, 4.9% below April 2013 and 4.2% below March 2014. **AMERICAN TYPE CHEESE** production totaled 376.7 million pounds, slightly above April 2013 but 0.7% below March 2014. **TOTAL CHEESE** output (excluding cottage cheese) was 950.4 million pounds, 2.2% above April 2013 but 1.4% below March 2014. **NONFAT DRY MILK** production, for human food, totaled 158.2 million pounds, 1.2% below April 2013 and 2.7% below March 2014. **DRY WHEY** production, for human food, was 73.0 million pounds, 10.9% below April 2013 but 5.1% above March 2014. **ICE CREAM** (hard) production totaled 68.5 million gallons, 5.1% below April 2013 but slightly above March 2014.

CME GROUP

MONDAY, JUNE 2, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.9625; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.9400

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$2.2500, 1 @ \$2.2550, 1 @ \$2.2800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.2900

TUESDAY, JUNE 3, 2014

CHEESE -- SALES: 14 CARS BARRELS: 1 @ \$1.9625, 1 @ \$1.9450, 12 @ \$1.9350; 2 CARS 40# BLOCKS @ \$1.9750; LAST BID UNFILLED: 4 CARS 40# BLOCKS @ \$1.9725;

LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$1.8550, 1 @ \$1.8575; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$2.2500, 1 @ \$2.2600; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2550; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.2700

WEDNESDAY, JUNE 4, 2014

CHEESE -- SALES: 1 CAR BARRELS @ \$1.9450; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.9450; 1 CAR 40# BLOCKS @ \$2.0300; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.8600; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 12 CARS GRADE AA: 4 @ \$2.2100, 3 @ \$2.2300, 1 @ \$2.2325, 2 @ \$2.2400, 1 @ \$2.2500, 1 @ \$2.2600; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.2600

THURSDAY, JUNE 5, 2014

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.9700, 1 @ \$1.9600, 1 @ \$1.9700; 4 CARS 40# BLOCKS: 1 @ \$2.0300, 1 @ \$2.0400, 2 @ \$2.0500; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.9550; 1 CAR 40# BLOCKS @ \$2.0500; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.9675

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.8550; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 2 CARS GRADE AA @ \$2.2400; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2100; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.2400

FRIDAY, JUNE 6, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.9675

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.8575

BUTTER -- SALES: 10 CARS GRADE AA: 5 @ \$2.2200, 5 @ \$2.2225; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.2400

BUTTER MARKETS

NORTHEAST

Butter production is marginally declining following the post-holiday milk and cream supply surge. Some market participants are questioning with uncertainty, the pull on cream supplies as they suggest disproportionate volumes are available relative to milk supply volumes. The influence of current multiples is driving butter production decisions at some balancing plants. Butter sales are expected to pick up in the domestic market with interests from food service and retail outlets. Inventories levels are somewhat unclear, although stocks are available to facilitate contractual agreements. 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 moved lower \$0.0200 Tuesday, to close at \$2.2600, but up \$0.01 from a week ago.

CENTRAL

Butter prices softened following seasonally weaker sales. The market tone is unsettled. Cream availability varies amongst manufacturers, while milk supplies are increasingly growing. Butter production rates are mostly steady. Domestic buyer interest slowed. International demand is steady as the global markets slowly converge with the U.S. prices. Butter inventories are maintaining to slightly higher. Bulk butter prices ranged from market to 6 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 unchanged at \$2.2600, down 3.5 cents since last Wednesday. The CME Group monthly average price for Grade AA butter during May was \$2.1713, compared to \$1.5997 a year ago. According to the NASS Dairy Products report, April butter production in the Central region totaled 56.4 million pounds, 5.8% lower than a month ago and 6.3% less than last year. The Central region accounted for 36% of U.S. production in April.

WEST

Western butter production is mostly steady. Some producers are opting to sell excess cream rather than build butter inventories at current prices. Butter demand remains strong as most plants report tighter than usual stocks. Bulk butter sales continue to be strong as volume buyers look to acquire butter to fill future needs. Retail sales are mostly steady. According to the NASS Dairy Products report, April output in the Western

region totals 85.1 million pounds, down 3.2% (2.8 million pounds) compared to April 2013. The West produced 54% of the butter in the U.S. in April. The butter price at the CME Group on Wednesday closed unchanged at \$2.2600. At midweek, prices are 4 cents lower than last Friday's close. Seventeen loads have been sold through 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. CME Group average price for May 2014 for butter was \$2.1713 compared to \$1.5997 for May 2013.

NASS Dairy Products - April butter production for the U.S. totals 158.4 million pounds, down 4.9% (8.2 million pounds) from April 2013, and 4.2% lower (7.0 million pounds) than March 2014. Cumulative 2014 output for the U.S. is 670.2 million pounds, down 5.5% (39.3 million pounds) from the same period in 2013.

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

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Apr Quota Imports	1.37	+ 112	9
Jan. - Apr High Tier	.10	- 54	N.A.
Quota Imports	4.94	+ 56	32

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

	(Million Lb.)	% Change From 1 Year Ago
Apr. Total	19.3	+ 105
Total, Jan - Apr	89.0	+ 107
1 Saudi Arabia	21.2	+ 6
2 Morocco	12.1	*+ 590
3 Egypt	8.8	+ 241
4 Iran	7.1	- 9
5 Ukraine	4.2	** --

*There were 1.8 million pounds to Morocco last year Jan.-Apr.

**There were no exports to Ukraine last year Jan.-Apr.

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 31, 2014	2,1293 4,822,912	2,0516 12,960,967	2,0563 9,999,196	0.6724 7,861,366	1.8901 21,704,687

Further data and revisions may be found on the internet at: <http://www.ams.usda.gov/AMSV1.0/DairyProductMandatoryReporting>

CHEESE MARKETS

NORTHEAST

Production is steady. Cheese manufacturers are continuing full production schedules that initiated several weeks ago. With marginal increases in orders, some cheese makers noted that maintaining rather than building inventories is the preference. Cheese stocks are sufficient for satisfying short-term needs. Domestic sales are slowing. Export demand and trade benefit the market. This week, a cooperative export assistance program accepted requests for 850,484 pounds of cheese. The market tone is balanced. Northeast wholesale prices for 40# block and Muenster moved lower \$0.0025 this week while process 5# sliced moved lower \$0.0275. Grade A Swiss was unchanged. Tuesday's trading at the CME Group saw barrels close at \$1.9350, a \$0.0975 drop from a week ago. Blocks closed at \$1.9750, down \$0.0450 from a week ago.

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

Cheddar 40# Block	: 2.3800-2.6650
Process 5# Sliced	: 2.1800-2.6600
Muenster	: 2.4000-2.7600
Grade A Swiss Cuts 10 - 14#	: 4.0500-4.3725

MIDWEST

Seasonally active cheese manufacturing is bolstered by strong milk intakes, increasing at some plants, in addition to some use of condensed skim to fortify vats. Barrel interest remains active to higher, with some Midwest manufacturers being challenged in meeting increased recent demand. This is viewed as a short term situation that can be handled with current milk availability and determination to maintain full production schedules. Mozzarella interest is seasonally lower, leading some manufacturers to more closely schedule manufacturing against shredding needs. This leads to more concentration of production to better attain cost efficiencies and maintain product quality. Most packaging and processing operations are operating at normal June levels. The Midwest cheese market is widely viewed as firm. Inventories are in good balance. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese decreased by \$.0275, Swiss was unchanged, while the remaining varieties decreased by \$.0025. Barrel prices have moved up on CME Group trading this week through Wednesday, closing Wednesday at \$1.9450 with 15 loads sold over three days. Blocks closed Wednesday at \$2.0300, with 5 sales for the week so far.

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

Process American 5# Loaf	: 2.0575-2.4175
Brick And/Or Muenster 5#	: 2.3600-2.7850
Cheddar 40# Block	: 2.0650-2.4825
Monterey Jack 10#	: 2.3350-2.5400
Blue 5#	: 2.6275-3.6150
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 2.2050-3.1000
Grade A Swiss Cuts 6 - 9#	: 3.5675-3.6850

WEST

Cheese production in the West is active with sufficient milk available to meet buyers' demand. Some plants are turning milk away rather than building surplus stocks. Cheese producers are reporting good retail demand, despite higher than year ago prices. Export demand is moderating with much of the export shipments coming from previous sales. Export sales for Q3 are being negotiated with current prices meeting some resistance. According to the NASS Dairy Products report, total cheese production in the U.S. in April reached 950.4 million pounds, up 2.2% (20.8 million pounds) from April 2013. Cumulative 2014 total cheese output for the U.S. is 3.718 billion pounds, up 1.5% (54.2 million pounds) from 2013. April total cheese production in the Western region was 407.7 million pounds, up 4.8% (18.7 million pounds) from April 2013. The West produced 43% of the total cheese in the U.S. in April. Cash cheese prices at the CME Group were higher on Wednesday. Barrels closed at \$1.9450, up \$.0100 and blocks were \$2.0300, up \$.0550. Barrels recorded fifteen sales by midweek, with blocks selling two loads. The CME Group monthly average price for May 2014 for barrels is \$1.9985 compared to May 2013 at \$1.7251, while blocks averaged \$2.0155 for May 2014 compared to \$1.8052 a year ago.

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

Process 5# Loaf	: 2.0850-2.3425
Cheddar 40# Block	: 2.1050-2.4575
Cheddar 10# Cuts	: 2.2850-2.5050
Monterey Jack 10#	: 2.2950-2.4550
Grade A Swiss Cuts 6 - 9#	: 3.6275-4.0575

FOREIGN

Wholesale domestic cheese prices continue to trend lower this week. Imported cheese prices are unchanged. Swiss is also unchanged. U.S. domestic production is strong with larger volumes of milk available to cheese plants. Foreign cheese production has peaked in the EU. Demand has increased as some buyers believe stocks are at their highest levels and prices are lower. Adding to the demand is a lower Euro value over the past few weeks.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.5200-4.0075*
Gorgonzola	: 3.6900-6.9700	: 3.0225-3.4350*
Parmesan (Italy)	: -0-	: 3.9100-6.0000*
Provolone (Italy)	: -0-	: 2.5625-2.7200*
Romano (Cows Milk)	: -0-	: 3.7100-5.8600*
Sardo Romano (Argentina)	: 2.8500-3.6900	: -0-
Reggianito (Argentina)	: 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.

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CHEESE MARKETS

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WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKSBUTTER : CHEESE

06/02/14	22,399	:	87,975
06/01/14	22,365	:	87,920
CHANGE	34	:	55
% CHANGE	0	:	0

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

	(Million Lb.)	% Change From 1 Year Ago
Apr. Total	74.4	+ 32
Total Jan.-Apr.	293.9	+ 39
1 Mexico	59.9	+ 21
2 South Korea	48.1	+ 51
3 Japan	45.0	+ 63
4 Saudi Arabia	16.4	+ 110
5 Australia	15.4	+ 88

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

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Apr. Quota Imports	12.2	- 8	4
Jan. - Apr. High Tier	9.5	+ 19	N.A.
Quota Imports	47.1	- 5	16

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	240	0	150	0	120
SOUTHEAST STATES	0	0	0	0	0	0

Farm-level milk volumes have eased slightly in the Mid-Atlantic region. Manufacturing milk supplies are heavy, with volumes managed to prevent milk from hitting the ground. Northeast farm-level milk production is steady, with near peak volumes. With corn being planted, not enough rain is causing dry field conditions. Southeast milk production is slowing as hot weather decreases cow comfort levels. Contacts noted haulers are cancelling loads. Milk supplies remain heavy in the Southeast region, with most secondary manufacturing plants employed to handle the increases. Milk haulers are experiencing backups at a number of plants, with reports of 24 hour wait times. Class I demand continues to feel the impact of school closings. Warmer temperatures are influencing purchases as retail sales fall off. Florida's milk production is declining as the weather continues to heat up. The state is experiencing a dry spell after having their share of rain this past month. Temperatures have been in the upper 80's to mid-90's, with the nights in the 70's. According to NASS's *Florida Crop Progress & Condition Report*, "The cattle condition for the state was primarily good but the pasture condition was fair to good." Bottling sales for this week are down. Exports are 240 loads for this week. Cream supplies are uneven. Demand for cream outweighs availability in some channels. Market participants are unable to ascertain exactly why cream is inaccessible when considering current milk production levels. U.S. milk fat level for May 2014 measured 3.66% down from April's 3.71% level. Ice cream production is steady to improving. Cream cheese interest is active in the export market. **Cream multiples for all Classes** range 1.28-1.36. Last week, the CME Group Grade AA butter weekly average butter price was \$2.2850, up \$0.1180 from the previous week. **Condensed skim** supplies remain substantial. Demand is flat, with most manufacturers able to meet their needs through contractual arrangements. Dryers are running at capacity at most manufacturing plants to manage heavy 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 - 2.9248-3.1076
 F.O.B. producing plants: Upper Midwest - 2.8562-3.0391

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 - 1.95-2.05

MIDWEST

Milk production in the Central region is steady to higher. Many schools are letting out this week, further slowing bottling orders for many milk handlers. With extra milk available, spot loads of milk ranged from \$5.00 under to Class. Discounts for condensed skim continue to deepen. Ice cream sales are mixed, while most other Class II products have moderate to good orders. Cream supplies are mixed and demand is steady. **Class II cream multiples ranged from 1.25 to 1.33.** Many cheese makers are increasing production to match improved sales. The DMN monthly average of the range price series for Upper Midwest Class II cream during May was \$2.7396, compared to \$2.0211 a year ago. The NASS *Crop Progress Report* noted corn planted in the 18 selected states as of June 1 is at 95%, 7% higher than a week ago and 1% above the 5-year average. Soybeans are at 78% planted, 8% above the 5-year average. The weekly *Cow Slaughter under Federal Inspection Report* shows U.S. dairy cow slaughter for the week ending May 17, at 47,900 head, 6,200 head or 11.5% less than the comparable week a year ago.

WEST

CALIFORNIA farm milk production is variable, with some processors reporting milk volumes remaining steady while others are indicating slow declines. Various plant operators report milk loads are still readily available on the spot market, and some loads are clearing among plants to keep operations at capacity. April 2014 POOL RECEIPTS of milk in CALIFORNIA total 3.58 billion pounds, 3.0% higher compared to April last year, according to California Department of Food and Agriculture. Year-to-date through April 2014 receipts are 5.3% higher from the comparable months in 2013. The April Value at Test price is \$23.35, \$0.23 lower than March 2014 but \$5.19 higher than April 2013. The percentage of receipts used in Class 1 products is 12.8%. The April quota price is \$24.04 and the over quota price is \$22.34. These prices are \$0.13 lower than March but \$5.05 higher than a year ago. Milk production in NEW MEXICO is trending downward as daytime temperatures heat up. Nights are cool, which is giving dairy cows some respite from the heat. Interest from Class I continues to slide as schools coast through the last regular days of instruction. Ice cream/frozen dessert orders increased this week. Orders for custom soft serve mixes are steady to higher. In ARIZONA, farm milk intakes are trending lower. Processors indicate daytime temperatures in some areas are topping 100 degrees and lingering at that level for several hours.

CONTINUED ON PAGE 4A

FLUID MILK AND CREAM

CONTINUED FROM PAGE 4

Class I orders picked up early this week, easing the amount of milk having to clear through butter/powder. Steady to increasing orders for condensed skim from ice cream and other Class II manufacturers are easing pressures on dryer schedules. Butterfat components are dropping seasonally, especially in areas where temperatures are reaching over 100 degrees during the day. CREAM contract sales are seasonally active, and cutting into availability of spot cream volumes. Cream demand is active in the Southwest, with butter makers and frozen dessert/soft serve/ice cream manufacturers showing interest. Haulers are taking precautions to handle cream at low temperatures, so that loads arrive at acceptable temperatures at the end of long hauls. Cream multiples range from 1.10 to 1.28. At the CME Group, Grade AA butter closed on Wednesday at \$2.2600, down 3.5 cents from a week ago. Milk production in the PACIFIC NORTHWEST is steady with recent volumes. Production has leveled off following recent increases. This is allowing processors a break in handling milk volumes for any needed maintenance. Temperatures have been favorable for dairy cows to maximize production. Conditions for harvesting of first crop alfalfa have been good. UTAH and IDAHO milk production is mostly steady. Some increased volumes have been credited to dairies keeping cows in the milking herd longer, rather than actively culling. Milk from within the region is satisfying most processors' demand. Planting of feed crops is mostly finished and first crop harvesting of alfalfa is ongoing. According to the NASS Agricultural Prices report, mid-May U.S. prices for baled alfalfa hay were \$224/ton, \$3/ton more than a year ago. Prices for selected Western states and the change from a year ago are as follows: Arizona \$240, unchanged; California \$260, +58; Colorado \$215, -\$30; Idaho \$195, +\$5; Nevada \$240, +\$38; New Mexico \$265, unchanged; Oregon \$220 +\$15; Utah \$170, -\$21 and Washington \$190, -\$35.

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 converged with higher F.O.B spot sales, but lower various indices. Buyer interest is fair while many are purchasing based on short-term needs. Milk production is picking up in the region thus many milk processors are drying at generally higher rates. Inventories of low/medium heat NDM are growing. The prices of HIGH HEAT NDM are lower on a weaker market. Production levels are steady to higher. Stocks of high heat NDM are minimal as many manufacturers are working strictly on fulfilling contracts with little excess being made. Wednesday at the CME Group, Grade A NDM closed higher to \$1.8600, up 3.75 cents from last Wednesday's close. The CME Group monthly average price for Grade A NDM during May was \$1.7919, compared to \$1.7002 a year ago. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during April was \$1.8715, compared to \$1.7066 last year. The May monthly average of the range price series for Central and East high heat was \$2.0304, compared to \$1.7560 a year ago. The NASS *Dairy Products Report* noted U.S. NDM human production during April was 158.2 million pounds, down 2.7% from a month ago and 1.2% lower than last year. January through April, U.S. NDM human production totals 600.3 million pounds, 2.2% more than the same time span in 2013. April production in the Central region totaled 25.1 million pounds, 2.6% higher than last month, but 0.3% lower than a year ago. The Central region accounted for 16% of the total U.S. production. Total U.S. NDM human month ending stocks for April were 239.1 million pounds, 11.7% higher than last month and 15.2% higher than last year. According to the Foreign Agricultural Service, U.S. NDM exports during April totaled 117.2 million pounds, a 4% decrease from a year ago. January through April U.S. NDM exports totaled 396.2 million pounds, an increase of 11% compared to the same time span in 2013.

EAST: Prices for low/medium heat nonfat dry milk are steady to lower in the range due to lower priced indices. Nonfat dry milk production is holding steady with last week's effort, as dryers continue to run at capacity levels. Substantial volumes of condensed skim are being processed as quickly as possible, leading to inventory buildup of low heat nonfat dry milk. Some cheese makers are opting to use condensed skim for fortifying. NDM domestic demand is moderate, with many ice cream makers using condensed skim in their production operations. Buyers allude to having a mixed perception about the market. Some suggest that the market is nearing stability, while others comment that inventories are priced higher than desired. The tone of the market remains unsettled. High heat nonfat production is limited. Inventory levels are declining as condensed skim milk levels dictate most manufacturers' dryer utilization plans.

DAIRY PRODUCTS: According to NASS, U.S. production of human food nonfat dry milk for the Atlantic region totaled 28.4 million pounds, up 20.5% from April 2013 and 17.9% more than a month ago. Cumulative nonfat dry milk production for 2014 totals 600.3 million pounds, 2.2% higher compared to the same time in 2013. April 2014 U.S. production of skim milk powder, which include protein standardized and blended product, totaled 48.8 million pounds, 22.8% more than one year ago. Cumulative 2014 skim milk powder production totals 185.6 million pounds, 4.0% higher compared to 2013.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.7500 - 1.9000 MOSTLY: 1.7700 - 1.8375
 HIGH HEAT: 1.9000 - 1.9500

NONFAT DRY MILK - WEST

Prices for Western low/medium heat nonfat dry milk are lower and higher on a mixed market. Recent fluctuations within some price series used as indices indicate clearance of lower priced NDM loads has occurred and those lower prices have exited the market. Recent block sales reportedly cleared strong volumes of low/medium heat NDM into the North American market. Domestic interest is building slightly after the recent decline in prices, and end users note some Q3 and beyond needs require fulfillment. A few Western manufacturers indicate that, although NDM production continues at a steady pace, uncommitted inventories are light. High heat NDM prices shifted lower on light trading. Availability is steady. Production is active at some plants, with producers aiming to meet upcoming contract needs. According to NASS, NDM production in the West region totaled 104.6 million pounds during April 2014, 6.0% less than one year ago. This is 66% of total April production in the U.S. California produced 65.0 million pounds of NDM during April, 41% of the national monthly production. Cumulative Western region 2014 production totals 419.8 million pounds, a 4.9% increase compared to 2013. The May 2014 Dairy Market News average of the mostly price series for Western low/medium heat nonfat dry milk was \$1.8757, compared to \$1.6907 one year ago. The average for Western high heat nonfat dry milk was \$2.0689 compared to \$1.7363 one year ago.

DAIRY PRODUCTS: NASS reports US production of human food NONFAT DRY MILK during April 2014 totaled 158.2 million pounds, a 1.2% decrease from one year ago. Cumulative nonfat dry milk production for 2014 totals 600.3 million pounds, 2.2% higher than 2013. Month ending stocks, at 239.1 million pounds, are 15.2% higher than one year ago. April 2014 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 48.8 million pounds, 22.8% higher than one year ago. Cumulative 2014 skim milk powder production totals 185.6 million pounds, a 4.0% increase compared to 2013.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.7800 - 1.9000 MOSTLY: 1.8200 - 1.8600
 HIGH HEAT: 1.8725 - 1.9800

	U.S. NDM Exports, H.S. Code 0402100000(FAS)	
	2014 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	117.2	- 4
TOTAL, JAN - APR	396.2	+ 11
1 Mexico	120.8	- 11
2 Philippines	56.1	+ 60
3 China	40.4	+ 258
4 Indonesia	33.0	- 19
5 Vietnam	29.1	- 4

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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: Prices of dry buttermilk moved lower on active F.O.B spot trading. The undertone is soft. Production levels are steady with a few operators drying additional supplies of buttermilk. Domestic demand is weak. Inventories are generally increasing. The NASS *Dairy Products Report* noted U.S. dry buttermilk production during April totaled 10.1 million pounds, 5.5% lower than last month and 11.2% less than a year ago. Total U.S. dry buttermilk month ending stocks for April were 18.9 million pounds, 11.9% higher than a month ago and 8.3% above last year.

EAST: Prices for dry buttermilk moved lower as the market softens. Dry buttermilk production is steady to lower this week. One butter maker noted the effects of a slight decline in milk production levels decreased cream supplies. Some balancing plants opted to bypass churning butter to take advantage of strong butterfat prices. Buttermilk trading was light, with limited reports of spot sales. Stock levels are mixed; however, most are sufficient for satisfying near-term contractual arrangements. The May 2014 Dairy Market News monthly average for the Central/East region dry buttermilk range price series is \$1.8658/lb. compared to \$1.5584/lb. in May 2013.

F.O.B. CENTRAL/EAST: 1.7500 - 1.8900

DRY BUTTERMILK - WEST

Western dry buttermilk prices are lower on a weak market. Dry buttermilk inventories are described as manageable, with FOB spot loads available from several Western manufacturers. Production is active at some locations, but increasing cream volumes clearing into ice cream/frozen dessert facilities have cut down on dry buttermilk production rates. In addition, some processors are choosing profitable cream returns now over potential butter returns in the future. Cream volumes at those locations are being diverted away from the churns. The May 2014 Dairy Market News average of the mostly price series for West dry buttermilk was \$1.8914 compared to \$1.5185 one year ago.

DAIRY PRODUCTS: NASS reports dry buttermilk production in the US for April 2014 totals 10.1 million pounds, down 11.2% from one year ago. Cumulative 2014 dry buttermilk production totals 43.1 million pounds, an 11.8% decrease compared to 2013. Stocks at the end of April were 18.9 million pounds, an 8.3% increase from one year ago.

F.O.B. WEST: 1.7300 - 1.9500 MOSTLY: 1.7800 - 1.9000

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are unchanged to lower for the week on mixed interest. Market participants note recent increases in domestic availability of dry whole milk loads are apparent, and they predict prices may trend lower in the weeks to come. With more FOB spot loads within reach, buyers are content to take a wait and see approach to building positions. Purchasers are also finding ready availability and affordability in offers from international sources. Domestic dry whole milk production is variable from plant to plant. The May 2014 Dairy Market News average of the price series for dry whole milk was \$2.1036, compared to \$1.8900 one year ago.

DAIRY PRODUCTS: NASS reports U.S. DRY WHOLE MILK production during April 2014 totaled 4.6 million pounds, 25.0% lower than one year ago. Cumulative 2014 production totals 24.2 million pounds, a 17.4% increase compared to 2013. Month ending stocks, at 5.8 million pounds, are 28.5% higher than one year ago.

F.O.B. PRODUCING PLANT: 1.9000 - 2.0500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
May 30	\$1.9057	8,383,800
May 23	\$1.7723	23,754,750

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 are mixed as F.O.B spot sales are generally lower while some price basing points were higher. The market tone is uneven. Production rates of dry whey are steady to higher. A few manufacturers shipped out less loads as a result of dryers being shut down over the holiday last week. Buyer interest is mixed. However, securing F.O.B spot loads is still a bit of a challenge. Export orders are mostly steady. Inventories are adequate. Prices of ANIMAL FEED WHEY are unchanged on light F.O.B spot trading. Some end users have adequate supplies on hand and only searching for supplies at lower levels. Availability of feed whey spot loads is limited. The DMN monthly average of the mostly price series for Central dry whey during May was \$0.6646, compared to \$0.5402 a year ago. The monthly average of the range price series for Central animal feed whey during May was \$0.5699, compared to \$0.4738 last year. The NASS Dairy Products Report noted U.S. total dry whey production for April was 74.5 million pounds, up 4.1% from last month ago, but 12.8% lower than a year ago. January through April U.S. total dry whey production totals 278.1 million pounds, 19.2% below the same time span in 2013. Dry whey human production in the Central region during April totaled 35.6 million pounds, 0.1% lower than last month and 13.9% less than a year ago. The Central region accounted for 49% of the U.S. production. U.S. total dry whey month ending stocks for April were 55.6 million pounds, 6.9% lower than a month ago and 18.8% lower than last year. According to the Foreign Agricultural Service, U.S. dry whey exports during April totaled 49.6 million pounds, an increase of 14% from last year. January through April U.S. whey exports total 184.3 million pounds, a 15% increase from the same time span in 2013.

F.O.B. CENTRAL: .6000 - .7400 MOSTLY: .6425 - .6875
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .5200 - .6475

DRY WHEY - NORTHEAST

Northeast dry whey prices are steady this week. Production is steady to decreasing with marginal declines in milk supplies. Domestic demand is light, with most buyer needs covered through contracts. Inventories are moderate. The market tone is even. The May 2014 Dairy Market News average of the price series for Northeast dry whey was \$0.7136 compared to \$0.5779 in May 2013. DAIRY PRODUCTS: According to NASS, U.S. production of human food dry whey in April 2014 totaled 73.0 million pounds, 10.9% lower than April 2013. In the Atlantic region, April production of human food dry whey totaled 21.4 million pounds, 5.8% less than a year ago. U.S. month ending stocks of human food dry whey totaled 55.1 million pounds, 16.9% less than April 2013. Cumulative total U.S. 2014 dry whey production totals 278.1 million pounds, 19.2% less than one year ago.

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

DRY WHEY - WEST

Western dry whey production is mostly steady compared to recent levels. Whey stocks are higher with some uncommitted whey being offered for export. Domestic demand for whey is moderate to good. Domestic whey prices are at the upper end of the price series. International prices are mixed with competition from the E.U. often at the lower end of the range. According to the NASS Dairy Products report, edible U.S. whey production in April 2014 totals 73.0 million pounds, down 10.9% (9.0 million pounds) from April 2013. The Western region produced 16.0 million pounds of human food dry whey in April, down 10.8% (1.9 million pounds) from a year ago. The West produced 22% of the human food dry whey in the U.S. in April. Year to date U.S. total dry whey production for 2014 is 278.1 million pounds, down 19.2% (66.1 million pounds) from a year ago. U.S. manufacturers' stocks at the end of April for total dry whey are 55.6 million pounds, down 18.8% (12.9 million pounds) from a year ago. According to the Foreign Agricultural Service, U.S. exports of dry whey for January-April 2014 total 184.3 million pounds, up 15% from 2013. The exports equate to 66% of the total dry whey production in the U.S. for that period. The May 2014 Dairy Market News monthly average price for the Western dry whey mostly series averaged \$.6649 compared to \$.5796 a year ago.

NONHYGROSCOPIC: .5950 - .7325 MOSTLY: .6200 - .7000

U.S. Dry Whey Exports	H.S. Code	% Change From
2014 Exports (Million Lb.)	0404104000 (FAS)	1 Year Ago
April Total	49.6	+ 14
TOTAL, JAN - APR	184.3	+ 15
1 China	60.4	+ 14
2 Mexico	20.6	+ 160
3 Japan	16.6	+ 41
4 Canada	15.5	- 3
5 Vietnam	9.1	+ 55

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices stepped lower across both price series. Availability of FOB spot loads is reported, but tends to be from a limited brand representation. In this respect, market conditions are mixed as some manufacturers have light inventories that are only sufficient for contract fulfillment. Condensed WPC 34% is reportedly available, with limited interest capping pricing. Manufacturers either have enough or too much of their own condensed WPC to consider buying loads from others. WPC 34% inventories are variable, ranging from light to plentiful. Production is active at most locations. The May 2014 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$1.7530 compared to \$1.2786 one year ago. DAIRY PRODUCTS: NASS reports US production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during April 2014 totaled 24.7 million pounds, 23.2% higher than one year ago. Cumulative production for 2014 totals 97.5 million pounds, 24.4% higher than 2013. Manufacturers' end-of-month stocks totaled 22.5 million pounds, 10.4% lower than one year ago.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.5000 - 1.8850 MOSTLY: 1.6000-1.7850

CONTINUED ON PAGE 6A

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.

CONTINUED FROM PAGE 6**CASEIN - NATIONAL**

U.S. WPC ≤ 80% Exports, H.S. Code 0404100500(FAS)		
	2014 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	22.2	+ 5
TOTAL, JAN - APR	82.9	+ 6
1 China	32.9	+ 133
2 Mexico	14.1	- 42
3 Canada	12.0	+ 13
4 Singapore	3.1	+ 1
5 Indonesia	3.0	+ 9

Casein prices were unchanged this week. Milk production is beginning to decline in the EU and is marginally reducing casein production. Demand in the U.S. is sluggish as most buyers are purchasing for immediate needs only, unwilling to expand inventories at current market levels. Some sellers are conducive to pricing concessions to facilitate sales. Negotiations for Q3 are proceeding slowly.

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.

LACTOSE - CENTRAL AND WEST

RENNET: 4.7500 - 5.2000
ACID: 4.9000 - 5.4000

Lactose prices are mostly lower on a weak market. Market participants indicate unground lactose loads, in bags and totes, are available via some producers as well as through the trade. A few manufacturers report Q3 negotiations are up and running. Others indicate offers were recently sent, with responses expected in the near future. Lactose offers for Q3 from some EU manufacturers are reported as having reached customers in Southeast Asia late last month, predating offers of many US manufacturers. US producers indicate interest is steady from established customers, but pricing is a consideration, especially in light of recent market weakness. The May 2014 Dairy Market News average of the mostly price series for Central and West lactose was \$0.5959, compared to \$0.6450 one year ago.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows US HUMAN and ANIMAL LACTOSE production during April 2014 totaled 92.2 million pounds, an 8.8% increase from one year ago. Cumulative 2014 lactose production totals 378.3 million pounds, a 13.2% increase from 2013. Month ending stocks, at 94.9 million pounds, are 6.1% higher than one year ago.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .3700-.6850 MOSTLY: .5350-.6275

U.S. Lactose Exports, H.S. Code 1702110000(FAS)		
	2014 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	33.8	- 26
TOTAL, JAN - APR	159.1	- 4
1 New Zealand	27.5	- 10
2 China	19.2	- 22
3 Mexico	19.0	- 5
4 Indonesia	14.1	+ 60
5 Japan	13.9	+ 14

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
05/17/2014	47.9	1,123.8	54.1	1,253.4

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

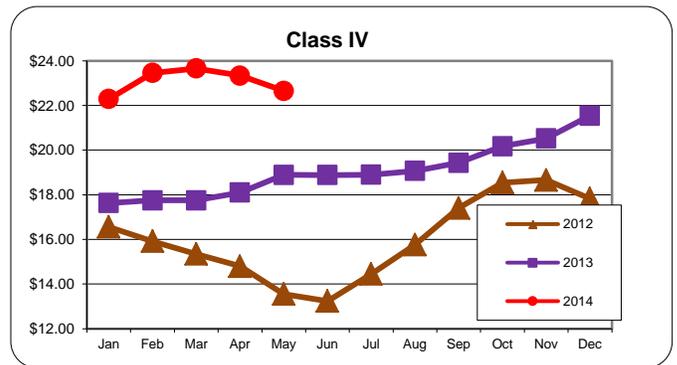
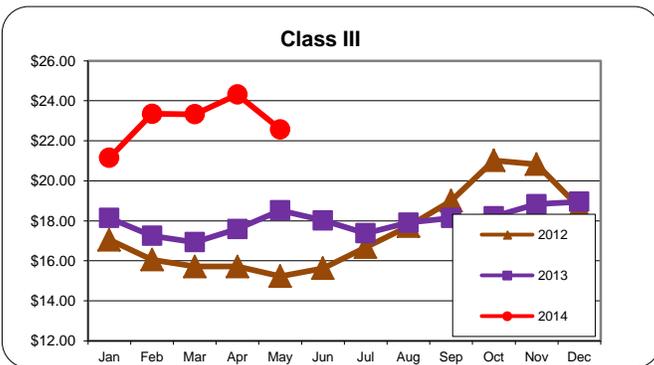
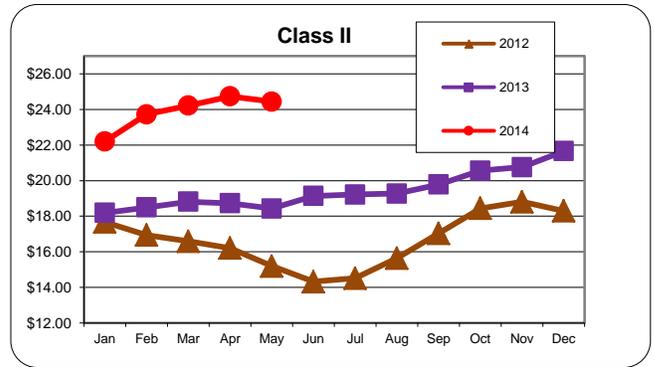
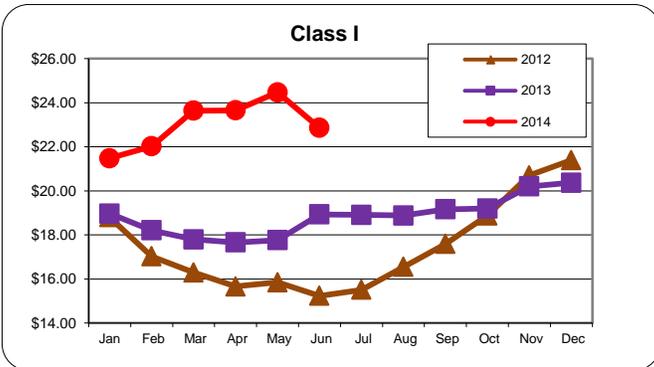
CLASS IV MILK PRICES (3.5%)

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	22.86						
II	22.21	23.73	24.22	24.74	24.44							
III	21.15	23.35	23.33	24.31	22.57							
IV	22.29	23.46	23.66	23.34	22.65							

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 May 26 - June 6, 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: EU milk production is lower with weekly declines being noted in Germany and France. Prices for spot loads of milk and skim condensed have stabilized, compared to recent weeks. Producer margins are good, and with the outlook for lower milk prices in the future, are incentivized to produce as much milk as possible in order to reap the current good returns. Weather conditions are favorable for milk production. Skim milk powder drying facilities are operating at near capacity. According to Eurostat, EU 28 dairy product production levels, for Q1 2014, showed the following percentage changes compared to 2013; butter, +1.9%; skim milk powder, +14.5%; whole milk powder, +8.3%; and cheese, +2.4%.

BUTTER/BUTTEROIL: Bulk butter prices declined this reporting period. Recent declines in EU bulk butter prices and a corresponding rise in U.S. prices has provided a price advantage and sparked buyer interest. Bulk butter production is being restricted, due to good demand for packaged butter. Export buyers are more frequently securing spot loads and also attempting to finalize Q3 orders. There is a sense among some in the industry that butter prices may have reached their low point. Reports of reduced butterfat levels in EU milk deliveries and the lack of butter stock data has raised concerns, with some market participants, regarding the level of butter availability in Q3 and Q4. The 2014 production year forecast by the Milk Market Observatory reports no significant change in butter production, compared to 2013 levels. Butteroil prices remain above other global markets. Export activity is very limited. Production is mostly on a made to order basis for use within the EU.

82% BUTTERFAT: 4,550 - 4,925
99% BUTTERFAT: 5,475 - 5,950

SKIM MILK POWDER (SMP): Prices for SMP are steady to marginally weaker on the upper end of the range. Production of SMP continues to be at expanded volumes with most dryers operating at near capacity levels. Some skim concentrate loads are being discounted in order to find a processing home. The differential between skim milk concentrate and skim milk powder pricing continues to give manufacturers a good margin, even at lower SMP prices. Buyer interest has increased, due to available supplies at globally competitive prices. The declining Euro has contributed to the competitiveness of EU pricing. Buyers are not only increasing their spot purchases, but are also securing supplies for Q3 as well. The 2014 production year forecast by the Milk Market Observatory reports a 5% increase in SMP production over 2013 levels.

1.25% BUTTERFAT: 3,675 - 4,050

WHOLE MILK POWDER (WMP): Prices for whole milk powder moved lower. The EU WMP export market continues to be very limited, due to pricing above other global markets. Current production is in balance with domestic needs with little being added to inventories. Producers are reluctant to build inventories, given current market conditions. The market has a weak undertone. Eurostat reported production of WMP for Q1 2014 at 8.3% above the previous year.

26% BUTTERFAT: 4,300 - 4,700

SWEET WHEY POWDER: The whey market is steady to firm. Cheese production has been restrained in recent weeks, as cheese makers tried to manage their inventories, which has resulted in some declines in sweet dry whey production. Also contributing to lower whey production has been the utilization of drying facilities for skim milk powder production. Whey stocks are being worked lower. Demand for both food and feed grade whey is active within the EU. Export demand for food grade whey has increased as EU whey is competitively priced on the global market. Buyer interest from Southeast Asia has improved. The market has a firm undertone.

NONHYGROSCOPIC: 1,250 - 1,450

EASTERN OVERVIEW: Eastern Europe milk production remains at/or near seasonal peak levels. Cheese producers and drying facilities are operating at near capacity levels. Some Western European loads of skim concentrate are being processed in Eastern Europe. Export interest has improved for Polish sweet dry whey.

**Exchange rates for selected foreign currencies:
June 2, 2014**

.1238 Argentina Peso	.0098 Japan Yen
.9246 Australian Dollar	.0774 Mexican Peso
.9174 Canadian Dollar	.8453 New Zealand Dollar
1.3597 Euro	.3282 Poland Zloty
.0169 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos:
(1/.0774) = 12.9199 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered May 26 - June 6, 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 remains steady with recent weeks under mild temperatures and adequate rainfall. Dairy Australia's situation and outlook report had July-April production at 0.8% below the previous year. Producers are being prompted to make as much milk as possible under the current farm gate price, given prices for next season are projected to be lower than they are now. Current milk production volumes are being channeled to the nearest available processor, as numerous plants are undergoing yearend planned maintenance projects. The timely autumn rains have prompted some good grass growth and hay supplies are at more than adequate levels in the southern, dairy export-focused, regions. However, high protein hay is less available than in previous years. Dairy cattle exports from Australia are running above last year, with China the main destination point. According to an industry survey, Australian farmer confidence is at a three year high with 40% of farmers expecting the agricultural economy to improve, up from 29% for the previous survey. Dairy farmers were the most upbeat about their prospects for the coming year. According to Dairy Australia, Australian production of various dairy commodities for March 2014 showed the following percentage changes compared to 2013; butter, +12.9%; butteroil, -33.4%; skim milk powder, -6.3%; whole milk powder, +0.2%; buttermilk powder, +7.7%; cheese, -7.3%; and whey powder, -11.6%. **NEW ZEALAND** milk production has entered the typical low production period for the year. Some producer cooperatives indicate that over half of the cows have been dried off and moved to winter pastures. Some manufacturers are conducting maintenance projects and are shut down. Five infant formula manufacturers have gained approval to export into China with other companies making modifications to gain approval. Eucolait pegged total whole milk powder imports into China for April, 2014 at 88,700 metric tons, down from March, but significantly above year ago levels. New Zealand was the main benefactor of China's April whole milk powder imports. At the June 3 GDT event #117, average prices ranged from 10.2% lower to 8.0% 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, \$4,058 -5.0%; butter, \$3,634 unchanged; buttermilk powder, \$3,628 -1.9%; cheddar cheese, \$4,236 +8.0%; lactose, n.a.; milk protein concentrate, n.a.; rennet casein, \$10,672 -10.2%; skim milk powder, \$3,863 +2.1%; and whole milk powder, \$3,594 -8.5%.

BUTTER: Butter prices were mixed with contracted supplies for Q3 deliveries moving lower, while spot prices were unchanged. Current production is reduced, due to the seasonal declines in milk production. Current production is filling domestic and export orders. Most stocks are committed with only limited supplies available for the spot market. Buyer interest has improved for Q3 supplies, with Russia in the mix of possible buyers. At the June 3 GDT event #117, NZ unsalted butter averaged \$3,645/MT for the August contracts, and all regions \$3,634/MT for all contract periods, unchanged. New Zealand AMF prices averaged \$3,988/MT for the August contracts, -6.9% from the prior event. For all contract periods, the AMF price average was \$4,058/MT, -5.0%.

82% BUTTERFAT: 3,450 - 4,300

SKIM MILK POWDER (SMP): Prices for SMP are unchanged to lower with competitively priced SMP out of the EU being cited as having an effect on spot sale prices. One manufacturer indicated that it is hard to get \$4000/MT for Oceania product. Buyer interest has improved with most buyers seeing SMP under \$4000/MT as having good value. Spot sale availability is limited, with most supplies committed. A majority of the current buyer interest is coming from Southeast Asia. At the June 3 GDT event 117, SMP for all regions and contracting periods averaged \$3,863 per MT, +2.1%. For trading in contract period 2, August 2014, prices averaged \$3,825 for NZ sourced medium heat product, up \$55 from the prior event. For August sales, the price gap between NZ and U.S. sourced MH SMP, at \$3,995, was -\$170/MT.

1.25% BUTTERFAT: 3,575 - 4,100

CHEDDAR CHEESE: Cheese prices moved higher on the upper end of the range. Product availability is limited with most manufacturers producing only what is needed to cover commitments. Some plants are shut down for yearend maintenance projects. Export sales activity is light. Negotiations are ongoing with Japan for Q3 supplies.

39% MAXIMUM MOISTURE: 4,200 - 5,100

WHOLE MILK POWDER (WMP): Prices for WMP have moved lower in light trading. Available supplies are limited with most stocks committed. Buying interest from Southeast Asia and the Middle East is fairly good, interest from China is limited. At the June 3 GDT event 117, the WMP pricing index, across all contracting periods, averaged \$3,594 per MT, down 8.5% compared to the prior event. For contract periods 1 and 2, July and August 2014, NZ regular WMP averaged \$3,900 and \$3,580 per MT.

26% BUTTERFAT: 3,450 - 4,400

WHOLE MILK POWDER (WMP): Prices for WMP have moved lower in light trading. Available supplies are limited with most stocks committed. Buying interest from Southeast Asia and the Middle East is fairly good, interest from China is limited. At the June 3 GDT event 117, the WMP pricing index, across all contracting periods, averaged \$3,594 per MT, down 8.5% compared to the prior event. For contract periods 1 and 2, July and August 2014, NZ regular WMP averaged \$3,900 and \$3,580 per MT.

26% BUTTERFAT: 3,450 - 4,400

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

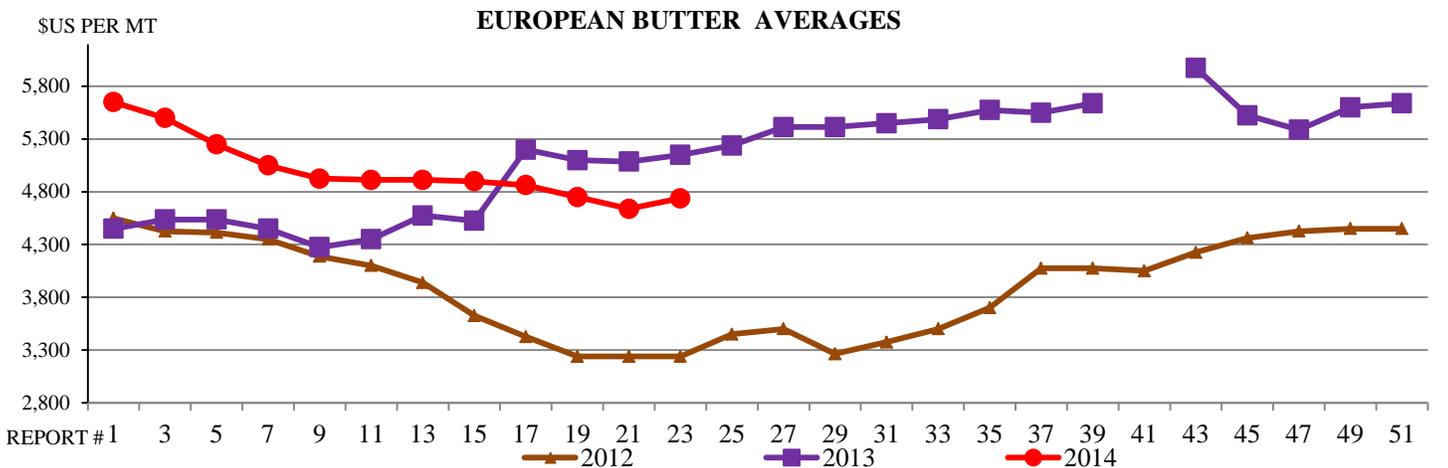
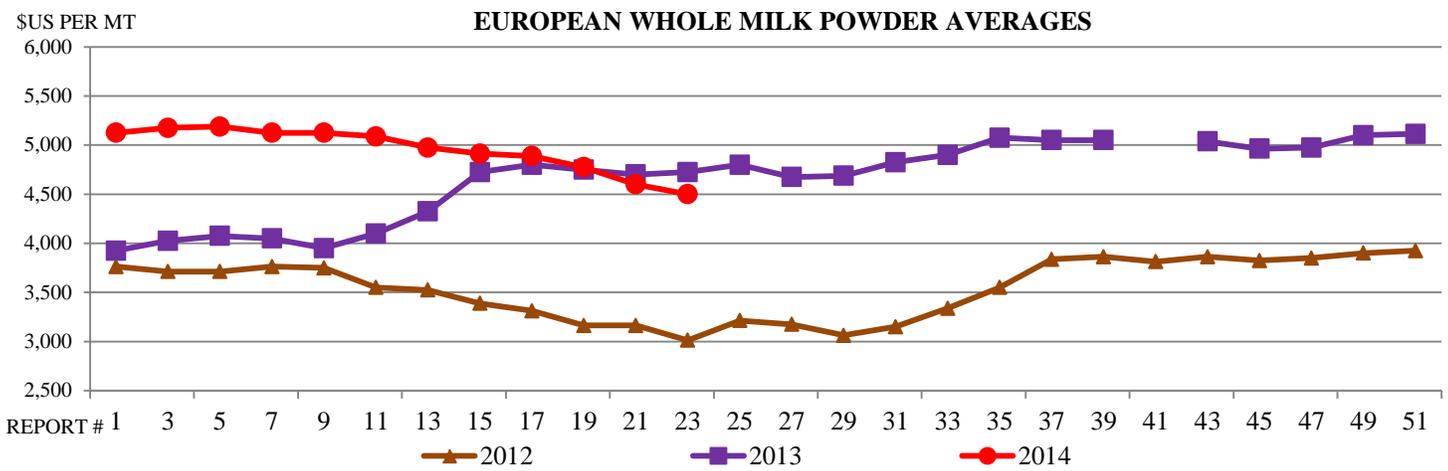
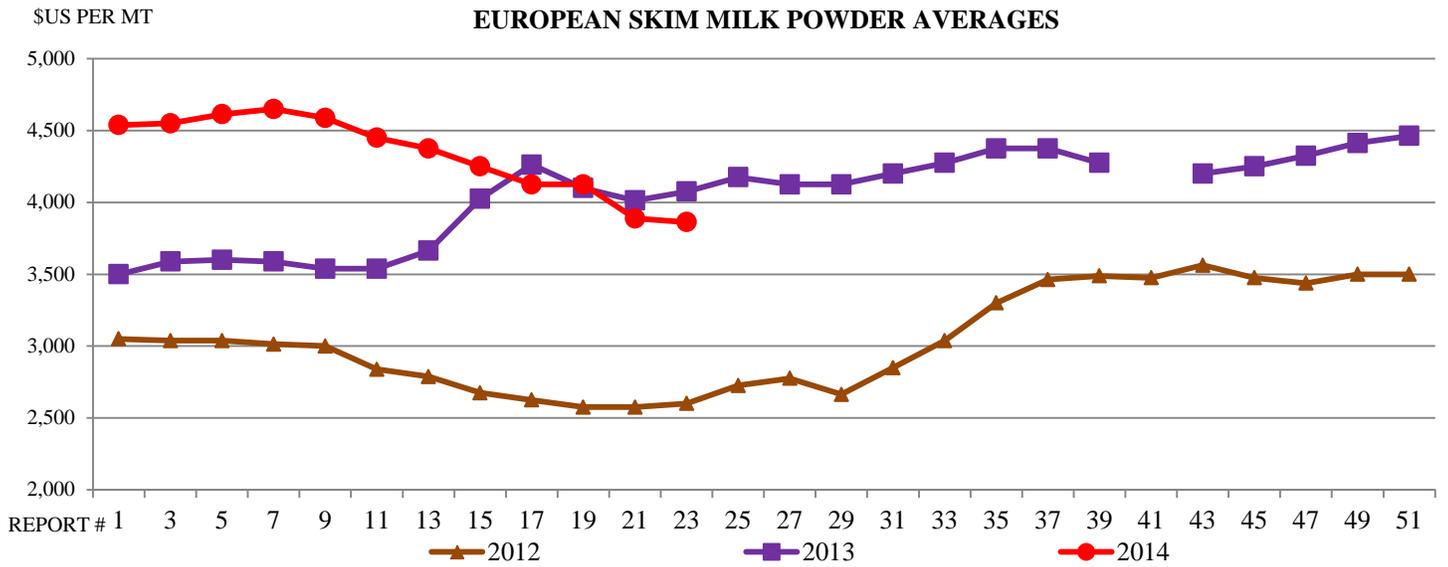
US\$/MT	Global/Dairy Trading (gDT) Event 117 Recap - June 3, 2014													
	Contract 1 Jul-14		Contract 2 Aug-14		Contract 3 Sep-14		Contract 4 Oct-14		Contract 5 Nov-14		Contract 6 Dec-14		All Contracts	
Anhydrous Milk Fat	n.a.	\$3,988	-6.9%	\$3,992	-6.4%	\$4,177	-2.6%	\$4,158	-2.5%	\$4,211	-2.1%	\$4,058	-5.0%	
Butter	\$4,555	5.7%	\$3,645	0.6%	\$3,473	-2.9%	\$3,610	-0.3%	\$3,735	2.2%	n.a.	\$3,634	0.0%	
Buttermilk Powder	n.a.	\$3,628	-1.9%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$3,628	-1.9%	
Cheddar	n.a.	\$4,421	8.0%	\$4,295	n.a.	\$4,133	n.a.	n.a.	n.a.	n.a.	n.a.	\$4,236	8.0%	
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.	\$10,672	-10.2%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$10,672	-10.2%	
Skim Milk Powder	\$4,050	1.6%	\$3,859	5.3%	\$3,833	-0.6%	\$3,774	-3.8%	\$3,870	-2.2%	\$3,963	-1.3%	\$3,863	2.1%
Whole Milk Powder	\$4,103	6.5%	\$3,609	-6.3%	\$3,494	-12.2%	\$3,558	-9.2%	\$3,588	-8.4%	\$3,616	-9.2%	\$3,594	-8.5%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 117 Recap - June 3, 2014													
	Contract 1 Jul-14		Contract 2 Aug-14		Contract 3 Sep-14		Contract 4 Oct-14		Contract 5 Nov-14		Contract 6 Dec-14		All Contracts	
Anhydrous Milk Fat	n.a.	\$1,8089	-6.9%	\$1,8108	-6.4%	\$1,8947	-2.6%	\$1,8861	-2.5%	\$1,9101	-2.1%	\$1,8407	-5.0%	
Butter	\$2.0661	5.7%	\$1.6534	0.6%	\$1.5753	-2.9%	\$1.6375	-0.3%	\$1.6942	2.2%	n.a.	\$1.6484	0.0%	
Buttermilk Powder	n.a.	\$1.6457	-1.9%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$1.6457	-1.9%	
Cheddar	n.a.	\$2.0054	8.0%	\$1.9482	n.a.	\$1.8747	n.a.	n.a.	n.a.	n.a.	n.a.	\$1.9214	8.0%	
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.	\$4.8408	-10.2%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$4.8408	-10.2%	
Skim Milk Powder	\$1.8371	1.6%	\$1.7504	5.3%	\$1.7386	-0.6%	\$1.7119	-3.8%	\$1.7554	-2.2%	\$1.7976	-1.3%	\$1.7522	2.1%
Whole Milk Powder	\$1.8611	6.5%	\$1.6370	-6.3%	\$1.5849	-12.2%	\$1.6139	-9.2%	\$1.6275	-8.4%	\$1.6402	-9.2%	\$1.6302	-8.5%

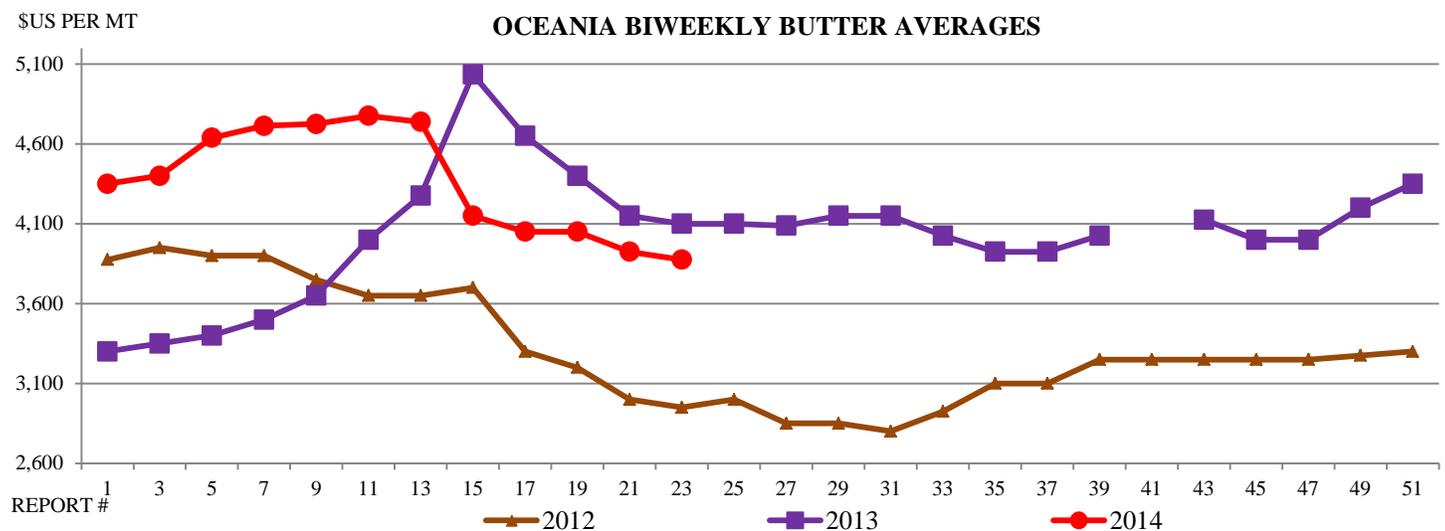
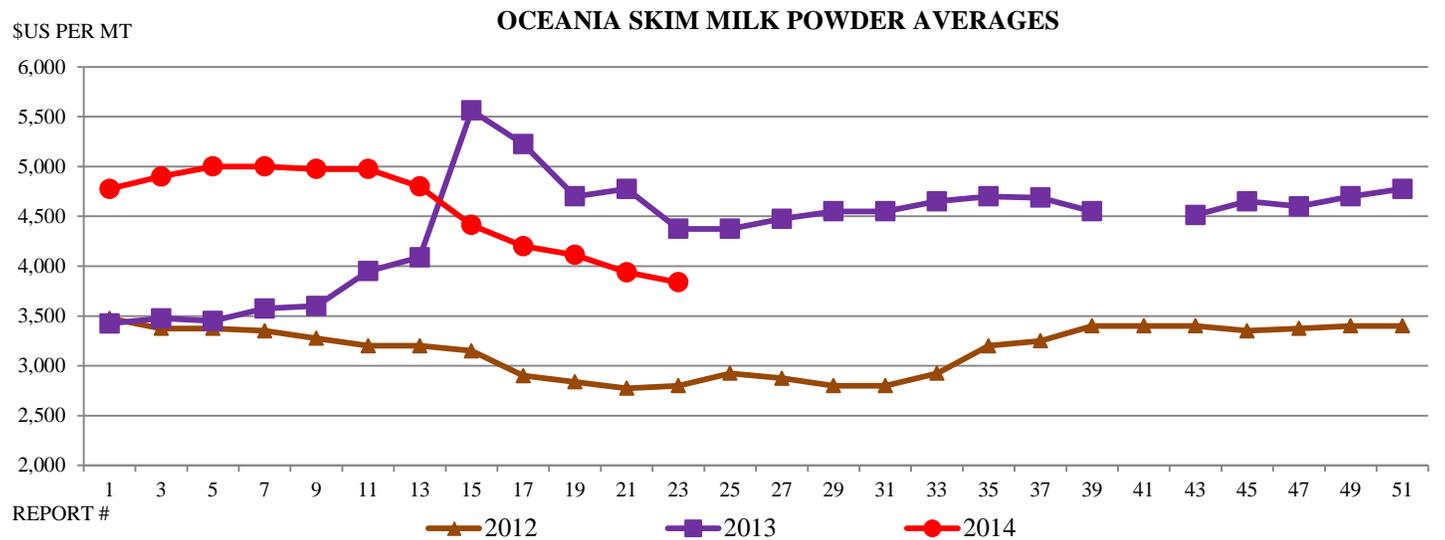
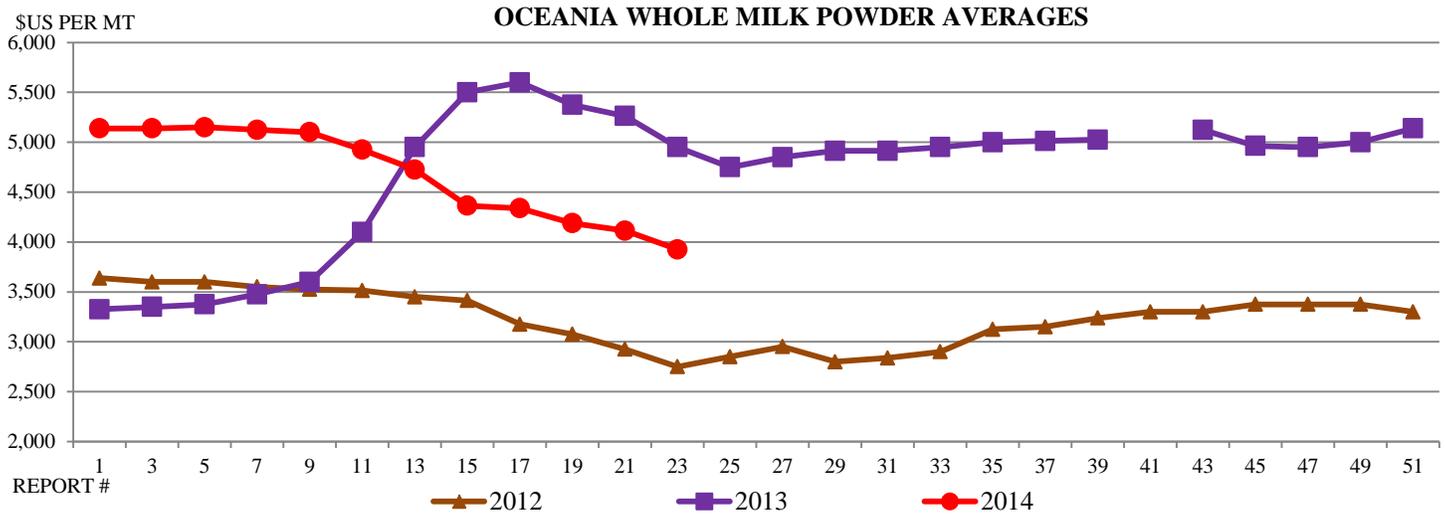
Average price US\$/pound and % change from previous event.

International Dairy Market News – Europe Graphs



DATA SOURCE: USDA, DMN

International Dairy Market News – Oceania Graphs



DATA SOURCE: USDA, DMN

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

Month	05/22	05/23	05/26	05/27	05/28	05/29	05/30	06/02	06/03	06/04
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
MAY 14	22.59 (4749)	22.58 (4774)	NO TRADING	22.57 (4746)	22.57 (4762)	22.53 (4724)	22.63 (4719)	22.61 (4719)	22.62 (4705)	22.57 (4443)
JUN 14	20.98 (4732)	21.06 (4760)		21.78 (4820)	21.03 (4711)	20.58 (4691)	20.83 (4637)	21.06 (4666)	20.94 (4658)	21.21 (4686)
JUL 14	20.69 (3536)	20.58 (3573)		21.32 (3551)	20.57 (3610)	20.24 (3681)	20.62 (3752)	20.78 (3803)	20.40 (3804)	20.33 (3863)
AUG 14	20.31 (2912)	20.23 (2955)		20.76 (2957)	20.12 (3135)	20.15 (3139)	20.30 (3111)	20.33 (3142)	20.29 (3168)	20.21 (3170)
SEP 14	20.29 (2590)	20.31 (2624)		20.70 (2651)	20.34 (2659)	20.28 (2684)	20.34 (2668)	20.35 (2680)	20.31 (2692)	20.23 (2687)
OCT 14	20.00 (2095)	19.99 (2127)		20.00 (2180)	20.00 (2192)	20.04 (2207)	19.98 (2212)	19.95 (2232)	19.90 (2256)	19.85 (2258)
NOV 14	19.49 (1968)	19.49 (1991)		19.65 (2000)	19.58 (2013)	19.50 (2017)	19.52 (2019)	19.45 (2025)	19.45 (2053)	19.42 (2053)
DEC 14	18.96 (1799)	18.94 (1822)		19.10 (1894)	19.00 (1901)	19.00 (1921)	19.01 (1917)	19.00 (1921)	18.94 (1940)	18.95 (1945)
JAN 15	18.40 (832)	18.47 (828)		18.49 (829)	18.47 (826)	18.49 (826)	18.50 (847)	18.44 (850)	18.44 (854)	18.45 (855)
FEB 15	18.20 (633)	18.23 (641)		18.25 (649)	18.21 (661)	18.21 (662)	18.26 (666)	18.27 (669)	18.27 (669)	18.26 (683)
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
MAY 14	22.58 (1679)	22.65 (1681)	NO TRADING	22.65 (1678)	22.75 (1670)	22.70 (1660)	22.59 (1660)	22.59 (1660)	22.56 (1660)	22.65 (1752)
JUN 14	22.26 (1517)	22.55 (1512)		22.60 (1526)	22.60 (1536)	22.55 (1567)	22.70 (1565)	22.55 (1565)	22.55 (1565)	22.55 (1567)
JUL 14	21.93 (1165)	22.32 (1169)		22.50 (1193)	22.49 (1194)	22.30 (1211)	22.10 (1216)	22.09 (1215)	21.87 (1223)	21.87 (1232)
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
MAY 14	204.90 (1069)	204.90 (1069)	NO TRADING	205.50 (1068)	205.25 (1065)	205.25 (1063)	205.00 (1063)	205.00 (1063)	204.58 (1063)	204.77 (1072)
JUN 14	213.13 (1129)	216.50 (1110)		219.98 (1117)	219.75 (1120)	219.98 (1136)	219.03 (1145)	218.25 (1147)	217.25 (1147)	216.00 (1149)
JUL 14	205.00 (925)	210.00 (925)		215.00 (910)	212.00 (908)	210.00 (912)	207.63 (935)	207.25 (940)	205.50 (949)	204.50 (961)
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
MAY 14	187.13 (745)	187.65 (747)	NO TRADING	187.75 (745)	188.00 (741)	186.75 (741)	186.50 (737)	186.50 (737)	186.50 (737)	187.68 (719)
JUN 14	179.00 (626)	180.25 (621)		180.75 (623)	180.75 (631)	179.75 (653)	179.50 (652)	179.50 (652)	179.50 (654)	181.25 (651)
JUL 14	179.50 (496)	180.03 (486)		180.00 (493)	181.00 (502)	179.75 (504)	179.00 (510)	178.73 (510)	177.03 (519)	177.50 (538)
WHEY (Electronic-Traded) (¢/lb)										
MAY 14	67.65 (435)	67.65 (435)	NO TRADING	67.65 (435)	66.95 (435)	66.95 (435)	67.50 (434)	67.50 (433)	67.50 (433)	67.45 (456)
JUN 14	65.70 (478)	66.50 (477)		66.50 (475)	65.50 (476)	65.25 (469)	67.23 (465)	66.33 (467)	67.00 (469)	68.38 (470)
JUL 14	62.75 (369)	62.88 (369)		62.88 (369)	62.00 (375)	62.00 (382)	64.95 (394)	64.00 (395)	65.00 (401)	65.50 (408)
CHEESE CSC (Electronic-Traded) (\$/lb)										
MAY 14	2.17 (1696)	2.17 (1696)	NO TRADING	2.17 (1696)	2.17 (1689)	2.17 (1689)	2.17 (1688)	2.17 (1688)	2.17 (1688)	2.17 (1879)
JUN 14	2.01 (1792)	2.01 (1790)		2.08 (1796)	2.01 (1788)	1.97 (1777)	1.98 (1778)	2.01 (1776)	2.00 (1773)	2.02 (1820)
JUL 14	1.99 (1467)	1.99 (1471)		2.06 (1470)	1.98 (1511)	1.95 (1499)	1.97 (1479)	1.99 (1490)	1.97 (1497)	1.95 (1522)
AUG 14	1.97 (1331)	1.97 (1331)		2.02 (1344)	1.97 (1471)	1.97 (1475)	1.97 (1481)	1.97 (1481)	1.98 (1485)	1.96 (1474)
SEP 14	1.98 (1239)	1.98 (1239)		2.02 (1247)	1.99 (1247)	1.99 (1264)	2.00 (1270)	2.00 (1276)	1.99 (1283)	1.98 (1244)
OCT 14	1.96 (1216)	1.97 (1224)		1.98 (1226)	1.96 (1235)	1.98 (1247)	1.98 (1253)	1.98 (1265)	1.97 (1273)	1.96 (1280)

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

MONTHLY SUMMARY AND AVERAGES FOR MAY 2014 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	:::REPORT NUMBER 18	:::REPORT NUMBER 19	:::REPORT NUMBER 20	:::REPORT NUMBER 21	:::REPORT NUMBER 22	::: 2014	::: 2013
	:-----:-----:-----:-----:-----:-----					Monthly	Monthly
	::: MAY 01 - 02	::: MAY 05 - 09	::: MAY 12 - 16	::: MAY 19 - 23	::: MAY 26 - 30	::: Average	::: Average

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	::: 2.3125 - 2.6725	::: 2.2250 - 2.5850	::: 2.1400 - 2.5000	::: 2.0725 - 2.4325	::: 2.0850 - 2.4450	::: 2.3301	::: 2.2688
-- Brick And/Or Muenster 5#	::: 2.5950 - 3.0200	::: 2.5100 - 2.9350	::: 2.4225 - 2.8475	::: 2.3825 - 2.8075	::: 2.3625 - 2.7875	::: 2.6513	::: 2.4425
-- Cheddar 40# Block	::: 2.3000 - 2.7175	::: 2.2150 - 2.6325	::: 2.1275 - 2.5450	::: 2.0875 - 2.5050	::: 2.0675 - 2.4850	::: 2.3526	::: 2.6550
-- Monterey Jack 10#	::: 2.5700 - 2.7750	::: 2.4850 - 2.6900	::: 2.3975 - 2.6025	::: 2.3575 - 2.5625	::: 2.3375 - 2.5425	::: 2.5163	::: 2.6400
-- Blue 5#	::: 2.8625 - 3.8500	::: 2.7775 - 3.7650	::: 2.6900 - 3.6775	::: 2.6500 - 3.6375	::: 2.6300 - 3.6175	::: 3.2001	::: 2.9750
-- Mozzarella 5 - 6#	::: 2.4400 - 3.3350	::: 2.3550 - 3.2500	::: 2.2675 - 3.1625	::: 2.2275 - 3.1225	::: 2.2075 - 3.1025	::: 2.7313	::: 2.6263
-- Grade A Swiss Cuts 6 - 9#	::: 3.3175 - 3.4350	::: 3.5675 - 3.6850	::: 3.5675 - 3.6850	::: 3.5675 - 3.6850	::: 3.5675 - 3.6850	::: 3.6024	::: 2.9764

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 40# Block	::: 2.6150 - 2.9000	::: 2.5300 - 2.8150	::: 2.4425 - 2.7275	::: 2.4025 - 2.6875	::: 2.3825 - 2.6675	::: 2.6013	::: 2.3738
-- Process 5# Sliced	::: 2.4350 - 2.9150	::: 2.3475 - 2.8275	::: 2.2625 - 2.7425	::: 2.1950 - 2.6750	::: 2.2075 - 2.6875	::: 2.5126	::: 2.1838
-- Muenster	::: 2.6350 - 2.9950	::: 2.5500 - 2.9100	::: 2.4625 - 2.8225	::: 2.4225 - 2.7825	::: 2.4025 - 2.7625	::: 2.6588	::: 2.4313
-- Grade A Swiss Cuts 10 - 14#	::: 3.8000 - 4.1225	::: 4.0500 - 4.3725	::: 4.0500 - 4.3725	::: 4.0500 - 4.3725	::: 4.0500 - 4.3725	::: 4.1874	::: 3.5589

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	::: 2.3400 - 2.5975	::: 2.2525 - 2.5100	::: 2.1675 - 2.4250	::: 2.1000 - 2.3575	::: 2.1125 - 2.3700	::: 2.3064	::: 1.9800
-- Cheddar 40# Block	::: 2.3400 - 2.6925	::: 2.2550 - 2.6075	::: 2.1675 - 2.5200	::: 2.1275 - 2.4800	::: 2.1075 - 2.4600	::: 2.3601	::: 2.1275
-- Cheddar 10# Cuts	::: 2.5200 - 2.7400	::: 2.4350 - 2.6550	::: 2.3475 - 2.5675	::: 2.3075 - 2.5275	::: 2.2875 - 2.5075	::: 2.4738	::: 2.2413
-- Monterey Jack 10#	::: 2.5300 - 2.6900	::: 2.4450 - 2.6050	::: 2.3575 - 2.5175	::: 2.3175 - 2.4775	::: 2.2975 - 2.4575	::: 2.4538	::: 2.2213
-- Grade A Swiss Cuts 6 - 9#	::: 3.3775 - 3.8075	::: 3.6275 - 4.0575	::: 3.6275 - 4.0575	::: 3.6275 - 4.0575	::: 3.6275 - 4.0575	::: 3.8187	::: 3.1901

FLUID PRODUCTS

SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)

-- Northeast - f.o.b	::: 2.4281 - 2.5609	::: 2.5406 - 2.7376	::: 2.7449 - 2.8950	::: 2.7449 - 2.9870	::: 2.7087 - 2.9254	::: 2.7563	::: 2.0118
-- Upper Midwest - f.o.b	::: 2.4282 - 2.5799	::: 2.4816 - 2.6785	::: 2.7020 - 2.9165	::: 2.7273 - 2.9870	::: 2.6871 - 2.9580	::: 2.7396	::: 2.0211

PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.

-- Class II	::: 2.04 - 2.07	::: 2.04 - 2.07	::: 2.04 - 2.07	::: 2.04 - 2.07	::: 1.83 - 1.92	::: 2.0207	::: 1.5341
-- Class III	::: 2.01 - 2.04	::: 2.09 - 2.12	::: 2.09 - 2.12	::: 2.09 - 2.12	::: 1.95 - 2.09	::: 2.0812	::: 1.4225

MONTHLY SUMMARY AND AVERAGES FOR MAY 2014 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	:::REPORT NUMBER 18	:::REPORT NUMBER 19	:::REPORT NUMBER 20	:::REPORT NUMBER 21	:::REPORT NUMBER 22	::: 2014	::: 2013
	-----	-----	-----	-----	-----	Monthly	Monthly
	::: MAY 01 - 02	::: MAY 05 - 09	::: MAY 12 - 16	::: MAY 19 - 23	::: MAY 26 - 30	::: Average	::: Average
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	::: 1.7200 - 2.0900	::: 1.7000 - 2.1000	::: 1.7000 - 2.0350	::: 1.7400 - 1.9850	::: 1.7500 - 1.9425	::: 1.8736	::: 1.7023
-- Mostly	::: 1.8400 - 2.0700	::: 1.8000 - 2.0800	::: 1.7500 - 1.9775	::: 1.7400 - 1.9175	::: 1.7500 - 1.8650	::: 1.8715	::: 1.7066
-- High Heat	::: 2.0800 - 2.1500	::: 2.0550 - 2.1500	::: 1.9500 - 2.0850	::: 1.9500 - 2.0350	::: 1.9300 - 1.9925	::: 2.0304	::: 1.7560
-- West (f.o.b.)							
-- Low/Medium Heat	::: 1.7500 - 2.0800	::: 1.7700 - 2.0600	::: 1.7200 - 2.0000	::: 1.7600 - 2.0000	::: 1.7600 - 1.9600	::: 1.8831	::: 1.6769
-- Mostly	::: 1.8600 - 2.0300	::: 1.8000 - 2.0375	::: 1.7800 - 1.9500	::: 1.7650 - 1.9375	::: 1.7650 - 1.8975	::: 1.8757	::: 1.6907
-- High Heat	::: 2.0700 - 2.2100	::: 2.0700 - 2.1500	::: 2.0175 - 2.1300	::: 1.9975 - 2.0900	::: 1.9500 - 2.0650	::: 2.0689	::: 1.7363
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	::: 0.6450 - 0.7400	::: 0.6500 - 0.7700	::: 0.6450 - 0.7700	::: 0.6425 - 0.7500	::: 0.6425 - 0.7400	::: 0.7009	::: 0.5514
-- Mostly	::: 0.6450 - 0.6700	::: 0.6525 - 0.6725	::: 0.6525 - 0.6825	::: 0.6500 - 0.6825	::: 0.6450 - 0.6850	::: 0.6646	::: 0.5402
-- West (f.o.b.)	::: 0.6200 - 0.7125	::: 0.6300 - 0.7200	::: 0.6050 - 0.7200	::: 0.6050 - 0.7200	::: 0.5950 - 0.7325	::: 0.6661	::: 0.5884
-- Mostly	::: 0.6200 - 0.6975	::: 0.6400 - 0.7050	::: 0.6300 - 0.7025	::: 0.6300 - 0.6950	::: 0.6250 - 0.6950	::: 0.6649	::: 0.5796
-- Northeast (f.o.b.)	::: 0.6700 - 0.7300	::: 0.6800 - 0.7375	::: 0.6800 - 0.7375	::: 0.6925 - 0.7425	::: 0.6975 - 0.7575	::: 0.7136	::: 0.5779
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	::: 1.5500 - 1.9225	::: 1.5575 - 1.9350	::: 1.5500 - 1.9200	::: 1.5500 - 1.9100	::: 1.5200 - 1.8900	::: 1.7309	::: 1.3484
-- Mostly	::: 1.6700 - 1.8600	::: 1.6750 - 1.8600	::: 1.6750 - 1.8475	::: 1.6600 - 1.8200	::: 1.6600 - 1.8100	::: 1.7530	::: 1.2786
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	::: 0.4875 - 0.6325	::: 0.4875 - 0.6475	::: 0.4875 - 0.6475	::: 0.4875 - 0.6475	::: 0.5200 - 0.6475	::: 0.5699	::: 0.4738
BUTTERMILK (Min. 30% protein)							
-- Central And East (f.o.b.)	::: 1.8500 - 1.9500	::: 1.8000 - 1.9500	::: 1.8000 - 1.9300	::: 1.8000 - 1.9150	::: 1.8000 - 1.8975	::: 1.8658	::: 1.5584
-- West (f.o.b.)	::: 1.8600 - 2.0200	::: 1.8600 - 2.0100	::: 1.8200 - 2.0000	::: 1.7500 - 1.9675	::: 1.7500 - 1.9675	::: 1.8968	::: 1.5150
-- Mostly	::: 1.9100 - 1.9400	::: 1.9100 - 1.9400	::: 1.8500 - 1.9350	::: 1.8200 - 1.9125	::: 1.8200 - 1.9050	::: 1.8914	::: 1.5185
WHOLE MILK POWDER							
-- National (f.o.b.)	::: 2.0500 - 2.2000	::: 2.0500 - 2.2000	::: 2.0500 - 2.2000	::: 2.0500 - 2.1000	::: 2.0500 - 2.1000	::: 2.1036	::: 1.8900
LACTOSE							
-- Central And West (f.o.b.)	::: 0.4500 - 0.7200	::: 0.4000 - 0.7125	::: 0.4500 - 0.7050	::: 0.4300 - 0.6875	::: 0.4300 - 0.6875	::: 0.5651	::: 0.6080
-- Mostly	::: 0.5700 - 0.6550	::: 0.5600 - 0.6500	::: 0.5600 - 0.6350	::: 0.5400 - 0.6325	::: 0.5400 - 0.6325	::: 0.5959	::: 0.6450
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	::: 4.7500 - 5.2000	::: 4.7500 - 5.2000	::: 4.7500 - 5.2000	::: 4.7500 - 5.2000	::: 4.7500 - 5.2000	::: 4.9750	::: 4.5659
-- Nonrestricted - Acid	::: 5.0000 - 5.4000	::: 5.0000 - 5.4000	::: 5.0000 - 5.4000	::: 5.0000 - 5.4000	::: 4.9000 - 5.4000	::: 5.1905	::: 4.8784

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CME GROUP AVERAGES FOR MAY 2014

COMMODITY	REPORT NUMBER 18 MAY 1 - 2	REPORT NUMBER 19 MAY 5 - 9	REPORT NUMBER 20 MAY 12 - 16	REPORT NUMBER 21 MAY 19 - 23	REPORT NUMBER 22 MAY 27 - 30	2014 * Average	2013 * Average
BUTTER*							
-- GRADE AA							
--Monday		2.1000	2.1675	2.1550	1/		
--Tuesday		2.1500	2.1750	2.1675	2.2500		
--Wednesday		2.1500	2.1600	2.1625	2.2950		
--Thursday	2.0025	2.1550	2.1600	2.1700	2.2950		
--Friday	2.0750	2.1675	2.1600	2.1800	2.3000	2.1713	1.5997
--Weekly Average**	1.9695	2.1445	2.1645	2.1670	2.2850		
CHEESE*							
-- BARRELS							
--Monday		2.0550	2.0200	1.9600	1/		
--Tuesday		2.0375	1.9600	1.9600	2.0325		
--Wednesday		2.0375	1.9600	1.9600	1.9450		
--Thursday	2.1000	2.0525	1.9600	2.0200	1.9200		
--Friday	2.0550	2.0200	1.9600	2.0200	1.9325	1.9985	1.7251
--Weekly Average**	2.1250	2.0405	1.9720	1.9840	1.9575		
-- 40# BLOCKS							
--Monday		2.0700	2.0450	1.9800	1/		
--Tuesday		2.0375	1.9975	1.9600	2.0200		
--Wednesday		2.0425	1.9975	1.9600	2.0000		
--Thursday	2.1000	2.0450	1.9975	2.0200	1.9600		
--Friday	2.0700	2.0450	1.9975	2.0200	1.9600	2.0155	1.8052
--Weekly Average**	2.1350	2.0480	2.0070	1.9880	1.9850		
NONFAT DRY MILK*							
-- *** EXTRA GRADE							
-- GRADE A							
--Monday		1.7775	1.7800	1.7875	1/		
--Tuesday		1.7775	1.7800	1.7925	1.7975		
--Wednesday		1.7800	1.7800	1.7925	1.8225		
--Thursday	1.7875	1.7875	1.7825	1.7925	1.8325		
--Friday	1.7775	1.7800	1.7850	1.7925	1.8450	1.7919	1.7002
--Weekly Average**	1.7915	1.7805	1.7815	1.7915	1.8244		

1/ - CME Group closed.

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

*** NOTICE: Effective January 26, 2014, the Extra Grade NDM no longer trades.

MAY AGRICULTURAL PRICES HIGHLIGHTS

The All Milk price received by farmers was \$24.70 in May, down \$.60 from April 2014, but up \$5.00 from April 2013. The alfalfa hay price was \$224.00 in May, up \$3.00 from May 2013. The corn price was \$4.71 in May, down \$2.26 from May 2013. The soybean price was \$14.50 in May, down \$.40 from May 2013. The milk-feed price ratio was 2.58 in May, up \$.75 from May 2013.

The index of prices received by farmers for dairy products during the month of May 2014 was down 3 points to 123. Compared to May 2013, the index was up 25 points (25.5 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in May 2014 was up 1 point to 112. Compared with May 2013, the index was up 6 points (5.7 percent).

SELECTED MILK PRICES, MILK COWS, AND FEED PRICES, SELECTED STATES AND U.S., MAY 2014 WITH COMPARISONS

State	All-Milk price ^{1/2/}				Alfalfa hay, baled		Corn for Grain		Soybeans	
	Dollars per cwt.				Dollars per ton		Dollars per bushel		Dollars per bushel	
	April		May		May		May		May	
	2013	2014	2013	2014 ^{3/}	2013	2014 ^{3/}	2013	2014 ^{3/}	2013	2014 ^{3/}
AZ	18.60	24.30	19.00	23.90	240.00	240.00	---	---	---	---
CA	18.01	23.41	18.23	22.30	202.00	260.00	---	---	---	---
CO	19.80	25.00	19.70	24.90	245.00	215.00	6.98	4.80	---	---
ID	18.50	24.50	19.10	23.70	190.00	195.00	---	---	---	---
IN	20.10	25.50	20.30	25.10	--	--	7.16	4.90	---	---
IA	20.00	26.20	20.40	25.80	275.00	180.00	7.05	4.70	14.90	14.50
MI	19.90	25.40	20.00	25.00	250.00	170.00	6.65	4.60	14.50	14.50
MN	20.00	26.60	20.50	25.90	265.00	186.00	6.83	4.55	14.70	14.40
NM	18.40	23.40	18.20	23.40	265.00	265.00	---	---	---	---
NY	20.70	26.30	20.50	25.90	205.00	223.00	---	---	---	---
OH	20.90	25.80	20.60	25.40	232.00	165.00	7.00	4.70	---	---
PA	21.10	26.80	20.90	26.50	221.00	230.00	7.14	5.05	---	---
TX	19.80	26.20	19.80	26.00	243.00	252.00	7.18	5.38	---	---
WA	19.80	25.70	20.10	24.80	225.00	190.00	---	---	---	---
WI	19.70	26.30	20.40	25.60	275.00	175.00	6.77	4.55	14.60	14.30
U.S.	19.50	25.30	19.70	24.70	221.00	224.00	6.97	4.71	14.90	14.50

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

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

MILK-FEED PRICE RATIO, SELECTED STATES AND U.S., MAY 2014 WITH COMPARISONS

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ^{1/}			
State ^{2/}	May 2013	April 2014	May 2014 ^{3/}
IA	1.45	2.67	2.61
MI	1.53	2.76	2.60
MN	1.51	2.74	2.62
OH	1.62	2.84	2.88
WI	1.48	2.77	2.66
U.S.	1.53	2.43	2.28

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

^{3/} Preliminary.

GENERAL PRICE MEASURES, U.S., MAY 2014 WITH COMPARISONS

Item	May 2013	April 2014	May 2014 ^{1/}
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for dairy products	98	126	123
Prices paid by farmers for commodities and services, interest taxes, and wage rates	106	111	112

^{1/} Preliminary.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, May 2014.*

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, MAY

Class Prices: The following are the May 2014 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$24.44 (-\$0.30), Class III: \$22.57 (-\$1.74), and Class IV: \$22.65 (-\$0.69).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for May 2014 is \$2.2721 per pound. Thus, the Class II butterfat price is \$2.2791 per pound. The protein and other solids prices for May 2014 are \$3.9553 and \$0.4897 per pound, respectively. These component prices set the Class III skim milk price at \$15.15 per cwt. The May 2014 Class IV skim milk price is \$15.23, which is derived from the nonfat solids price of \$1.6919 per pound.

Product Price Averages: The product price averages for May 2014 are: butter: \$2.0477, nonfat dry milk: \$1.8768, cheese: \$2.1703, and dry whey: \$0.6745.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT ^{1/2/}						
Federal Milk Order Marketing Areas ^{3/}	Order Number	May 2014				June 2014
		Class I	Class II	Class III	Class IV	Class I
		Dollars Per 100 Pounds				
Northeast (Boston) ^{4/}	001	27.72	24.44	22.57	22.65	26.11
Appalachian (Charlotte) ^{5/ 6/}	005	27.87	24.44	22.57	22.65	26.26
Florida (Tampa) ^{6/ 7/}	006	29.87	24.44	22.57	22.65	28.26
Southeast (Atlanta) ^{6/ 8/}	007	28.27	24.44	22.57	22.65	26.66
Upper Midwest (Chicago) ^{9/}	030	26.27	24.44	22.57	22.65	24.66
Central (Kansas City) ^{10/}	032	26.47	24.44	22.57	22.65	24.86
Mideast (Cleveland) ^{11/}	033	26.47	24.44	22.57	22.65	24.86
Pacific Northwest (Seattle) ^{12/}	124	26.37	24.44	22.57	22.65	24.76
Southwest (Dallas) ^{13/}	126	27.47	24.44	22.57	22.65	25.86
Arizona (Phoenix)	131	26.82	24.44	22.57	22.65	25.21
All-Market Average	---	27.36	24.44	22.57	22.65	25.75

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

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

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

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

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

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

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

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

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

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

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

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

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

APRIL 2014 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 158.4 million pounds, 4.9 percent below April 2013 and 4.2 percent below March 2014. **AMERICAN TYPE CHEESE** production totaled 376.7 million pounds, slightly above April 2013 but 0.7 percent below March 2014. **TOTAL CHEESE** output (excluding cottage cheese) was 950.4 million pounds, 2.2 percent above April 2013 but 1.4 percent below March 2014. **NONFAT DRY MILK** production, for human food, totaled 158.2 million pounds, 1.2 percent below April 2013 and 2.7 percent below March 2014. **DRY WHEY** production, for human food, was 73.0 million pounds, 10.9 percent below April 2013 but 5.1 percent above March 2014. **ICE CREAM** (hard) production totaled 68.5 million gallons, 5.1 percent below April 2013 but slightly above March 2014.

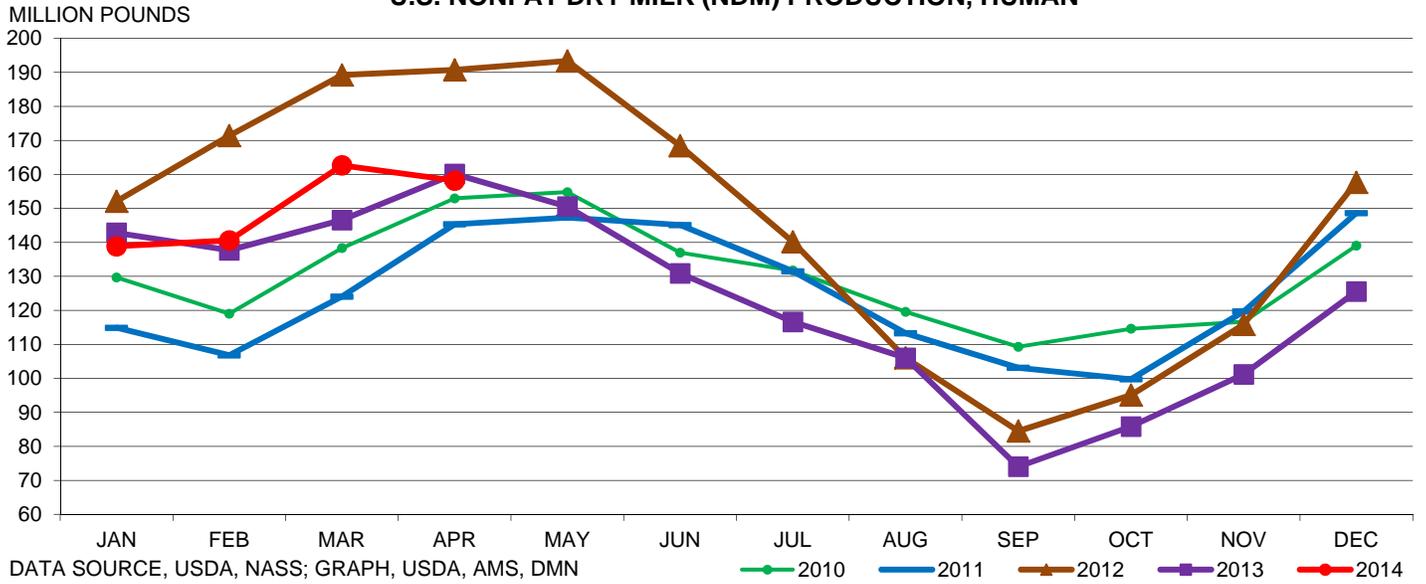
PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	APR 2014	PERCENT CHANGE FROM:			PRODUCT	APR 2014	PERCENT CHANGE FROM:		
	1,000 LBS.	APR 2013	MAR 2014	YEAR TO DATE 1/		1,000 LBS.	APR 2013	MAR 2014	YEAR TO DATE 1/
BUTTER	158,423	-4.9	-4.2	-5.5	YOGURT (PLAIN AND FLAVORED)	397,716	2.5	-11.2	3.9
CHEESE					DRY WHEY, HUMAN FOOD	73,035	-10.9	5.1	---
AMERICAN TYPES 2/	376,745	---	-0.7	-0.6	DRY WHEY, ANIMAL FEED	1,429	-57.9	-28.3	---
CHEDDAR	281,771	1.0	1.5	-1.0	DRY WHEY, TOTAL 8/	74,464	-12.8	4.1	-19.2
OTHER AMERICAN	94,974	-2.8	-6.7	---	REDUCED LACTOSE AND MINERALS				
BRICK & MÜNSTER	14,277	2.4	2.4	---	HUMAN FOOD	1,831	-11.6	-19.5	---
CREAM & NEUFCHÂTEL	66,541	4.0	5.8	---	ANIMAL FEED	6,562	15.4	17.7	---
HISPANIC	19,585	-2.0	-12.2	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	92,201	8.8	-7.6	13.2
TOTAL ITALIAN TYPES	413,877	5.2	-2.8	4.3	WHEY PROTEIN CONCENTRATE				
MOZZARELLA	327,817	8.3	-2.0	6.5	HUMAN FOOD 9/	45,153	14.1	1.7	---
OTHER ITALIAN	86,060	-5.4	-6.1	---	ANIMAL FEED 9/	508	-38.3	34.4	---
SWISS	25,366	-2.1	-0.9	---	TOTAL 9/	45,661	13.0	1.9	13.5
ALL OTHER TYPES	33,994	-4.2	1.3	---	25.0-49.9 PERCENT 10/	24,677	23.2	4.2	---
TOTAL	950,385	2.2	-1.4	1.5	50.0-89.9 PERCENT 10/	20,984	3.0	-0.6	---
COTTAGE CHEESE, CURD 3/	32,351	10.0	1.9	---	WHEY PROTEIN ISOLATES 11/	6,612	8.4	6.0	---
COTTAGE CHEESE, CREAM 4/	24,259	-1.3	-2.8	-3.4					
COTTAGE CHEESE, LOWFAT 5/	29,486	-3.3	-0.1	-4.9	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
DRY BUTTERMILK	10,143	-11.2	-5.5	---	ICE CREAM (HARD)	68,527	-5.1	---	-4.8
DRY WHOLE MILK	4,627	-25.0	-10.1	---	ICE CREAM, LOWFAT (HARD)	19,055	1.9	6.2	---
MILK PROTEIN CONC. (MPC), TOTAL 6/	14,897	38.6	21.4	---	ICE CREAM, LOWFAT (SOFT)	19,800	-50.2	16.1	---
NONFAT DRY MILK (NDM), HUMAN	158,185	-1.2	-2.7	2.2	ICE CREAM, LOWFAT (TOTAL)	38,855	-33.6	11.0	-39.8
SKIM MILK POWDERS (SMP) 7/	48,806	22.8	14.5	4.0	SHERBET, HARD	3,978	-11.8	-5.5	-6.9
SOUR CREAM	85,579	6.5	-0.6	1.9	FROZEN YOGURT (TOTAL)	6,131	-21.1	-0.6	-19.3

MANUFACTURERS' STOCKS, END OF MONTH 12/							
PRODUCT	APR 2014	PERCENT OF:		PRODUCT	APR 2014	PERCENT OF:	
	1,000 LBS.	APR 2013	MAR 2014		1,000 LBS.	APR 2013	MAR 2014
DRY WHEY, HUMAN FOOD	55,055	-16.9	-6.9	WHEY PROTEIN CONCENTRATE			
DRY WHEY, ANIMAL FEED	560	-75.0	-5.9	HUMAN FOOD 9/	45,143	-17.3	-5.7
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 13/	9,361	41.0	1.1	ANIMAL FEED 9/	1,314	-16.5	7.4
LACTOSE, HUMAN FOOD & ANIMAL FEED	94,918	6.1	-4.8	TOTAL 9/	46,457	-17.3	-5.4
DRY BUTTERMILK	18,913	8.3	11.9	25.0-49.9 PERCENT 10/	22,516	-10.4	-3.7
NONFAT DRY MILK (NDM), HUMAN FOOD	239,129	15.2	11.7	50.0-89.9 PERCENT 10/	23,941	-22.9	-6.9
				WHEY PROTEIN ISOLATES 11/	10,893	1.7	-1.3

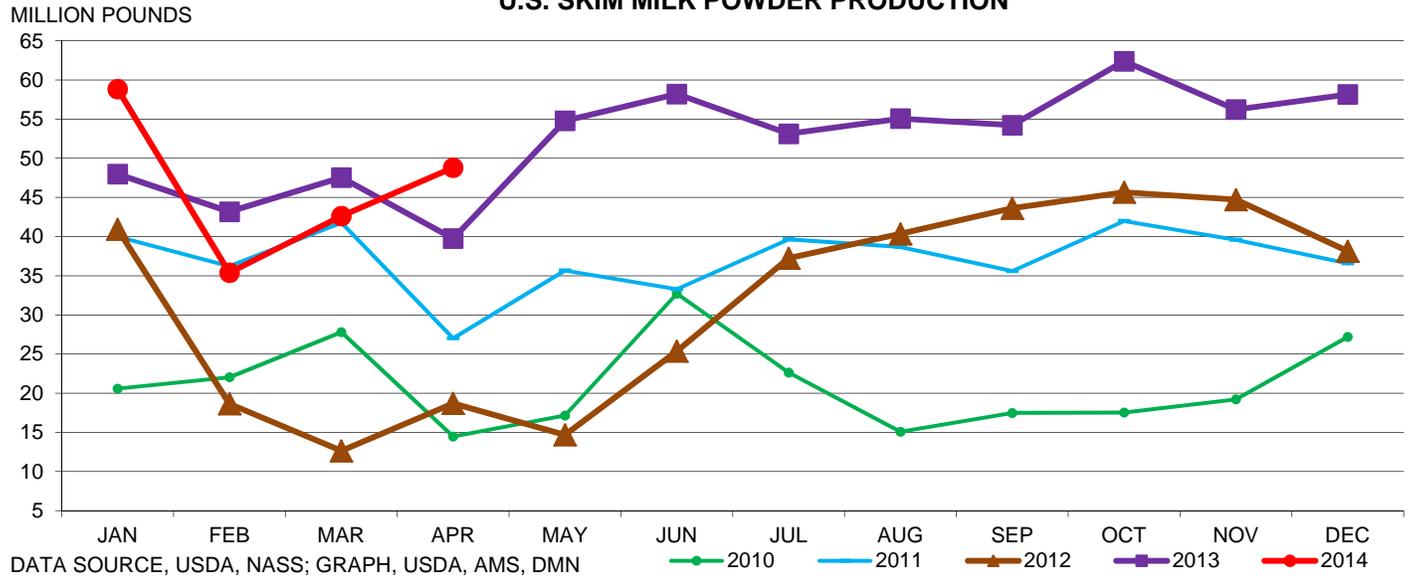
1/ 2014 cumulative as percent change of 2013 cumulative. 2/ Includes Cheddar, Colby, Monterey and Jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Dry milk protein concentrate, 40-89.9 percent. 7/ Includes protein standardized and blends. 8/ Excludes all modified dry whey products. 9/ Whey protein concentrate, 25.0 to 89.9 percent. 10/ Whey protein concentrate, human and animal. 11/ Whey protein isolates, 90.0 percent or greater. 12/ Stocks held by manufacturers at all points and in transit. 13/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Dairy Products, June 2014.*

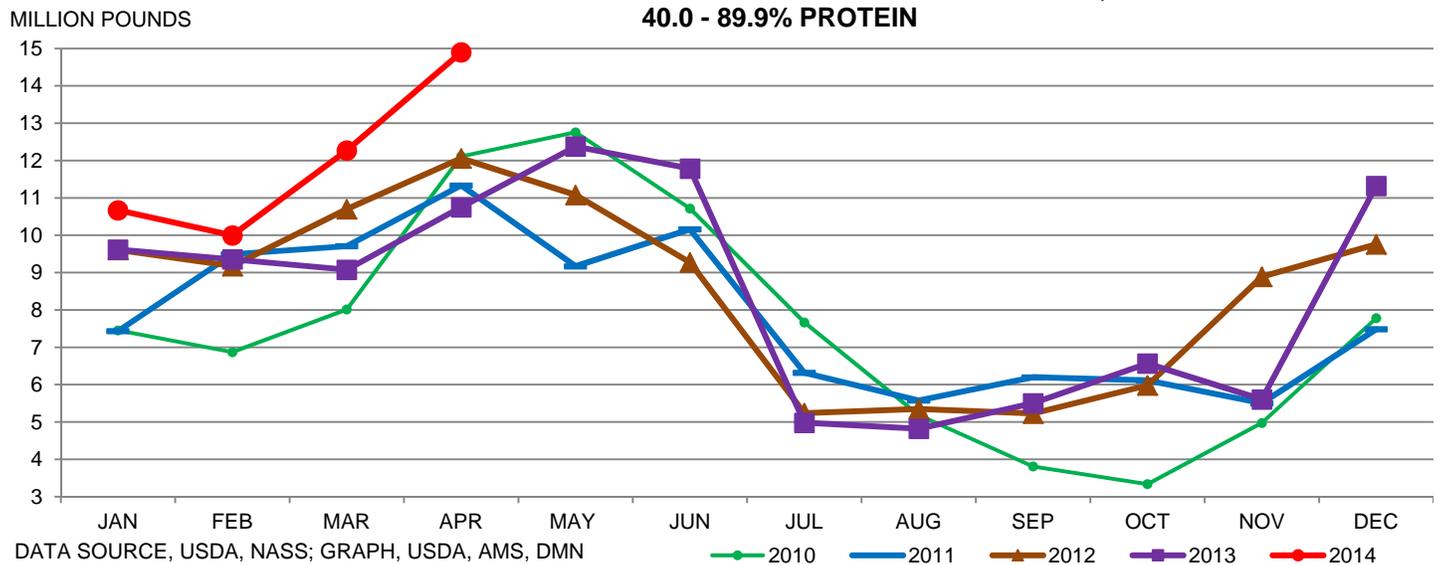
U.S. NONFAT DRY MILK (NDM) PRODUCTION, HUMAN



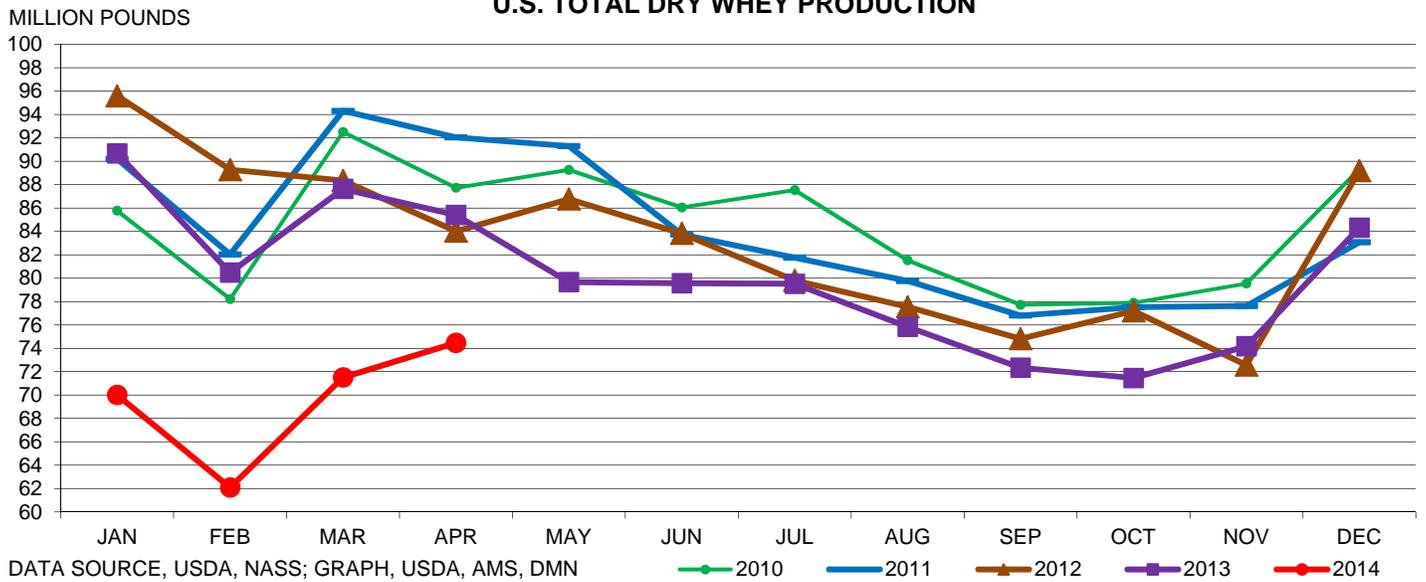
U.S. SKIM MILK POWDER PRODUCTION



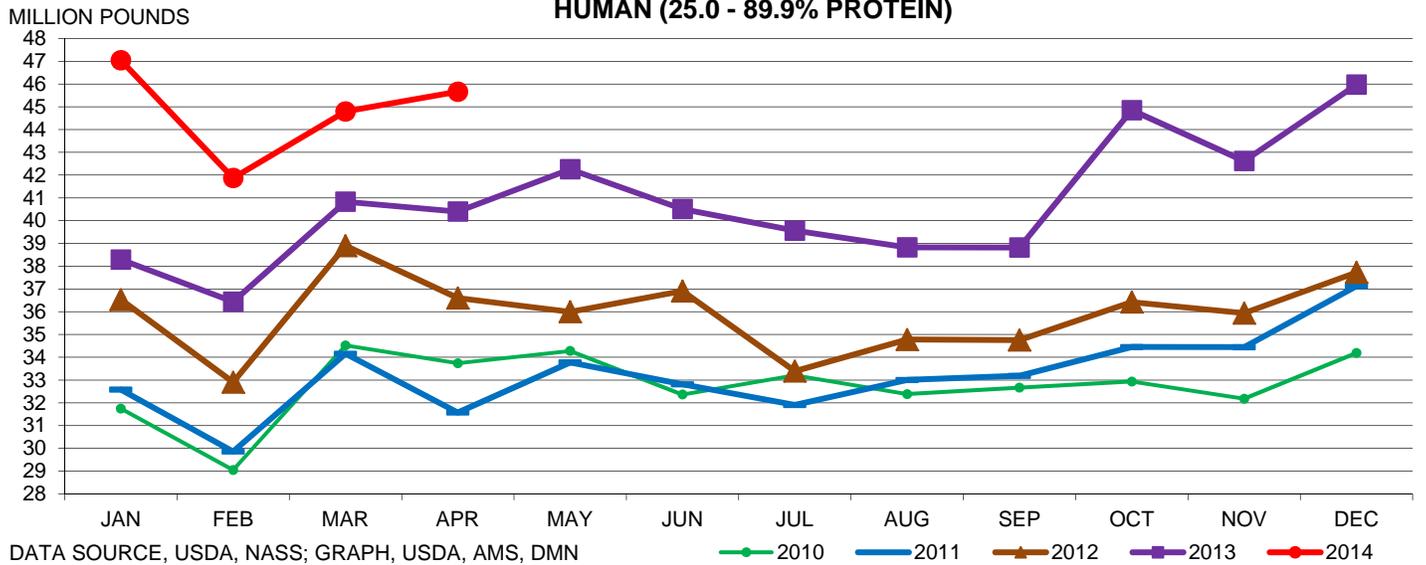
U.S. MILK PROTEIN CONCENTRATE PRODUCTION, 40.0 - 89.9% PROTEIN



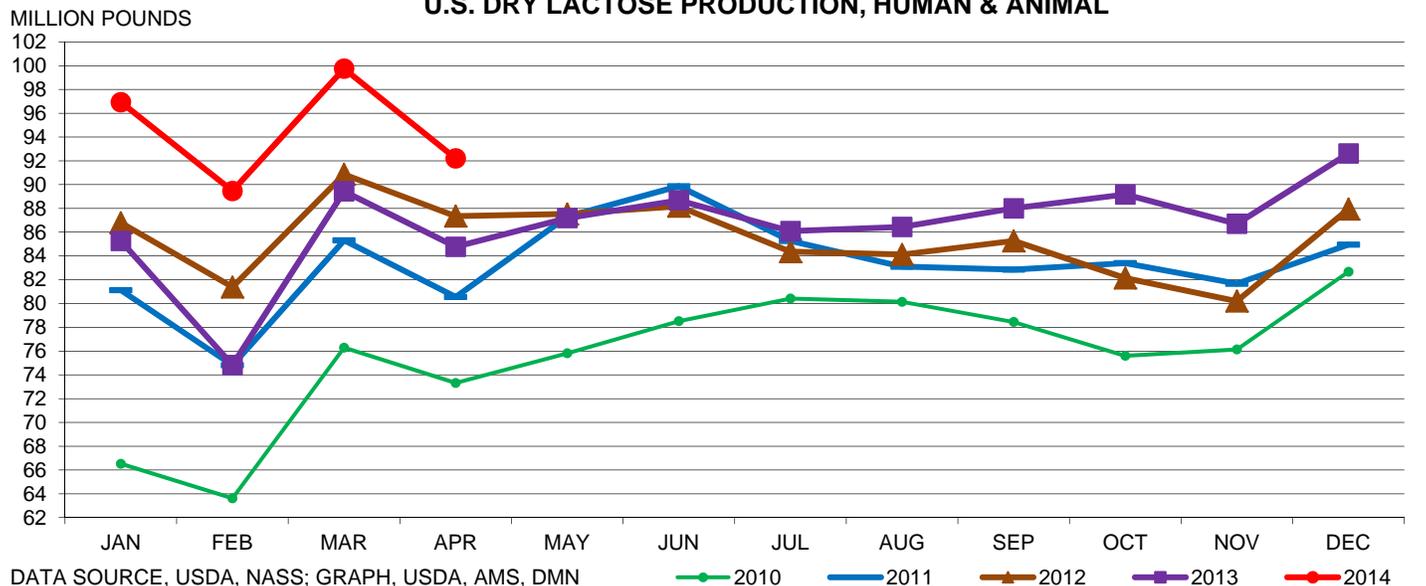
U.S. TOTAL DRY WHEY PRODUCTION

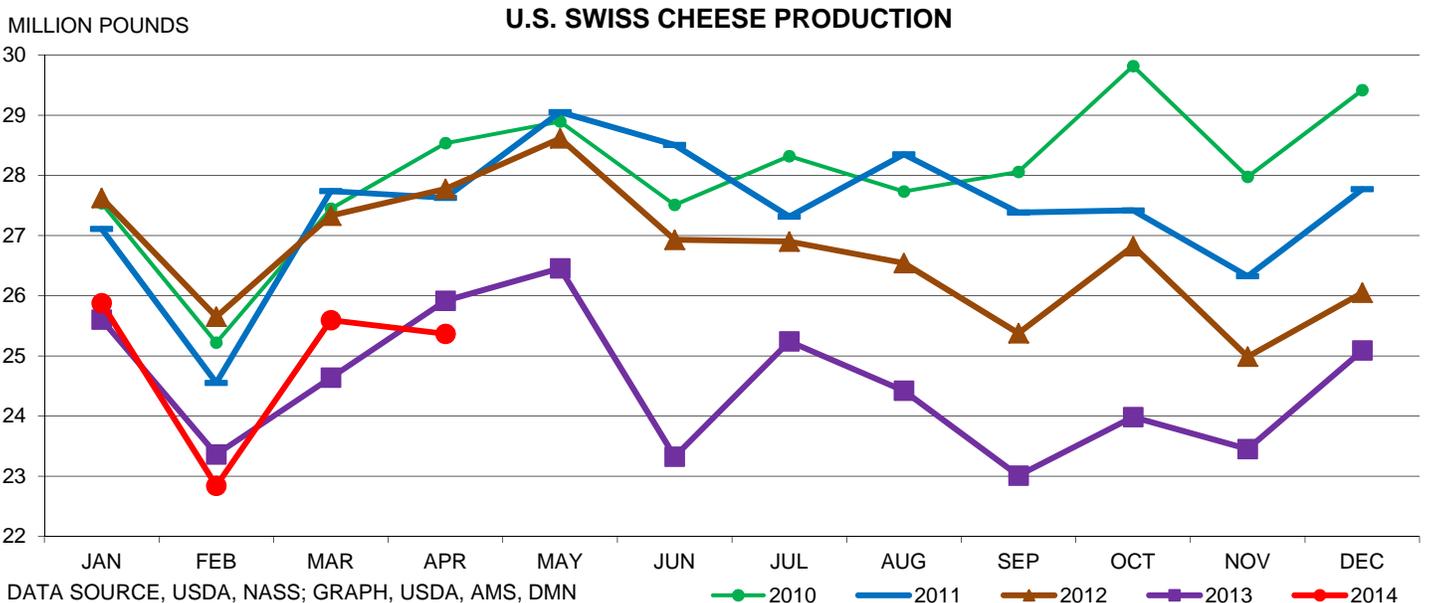
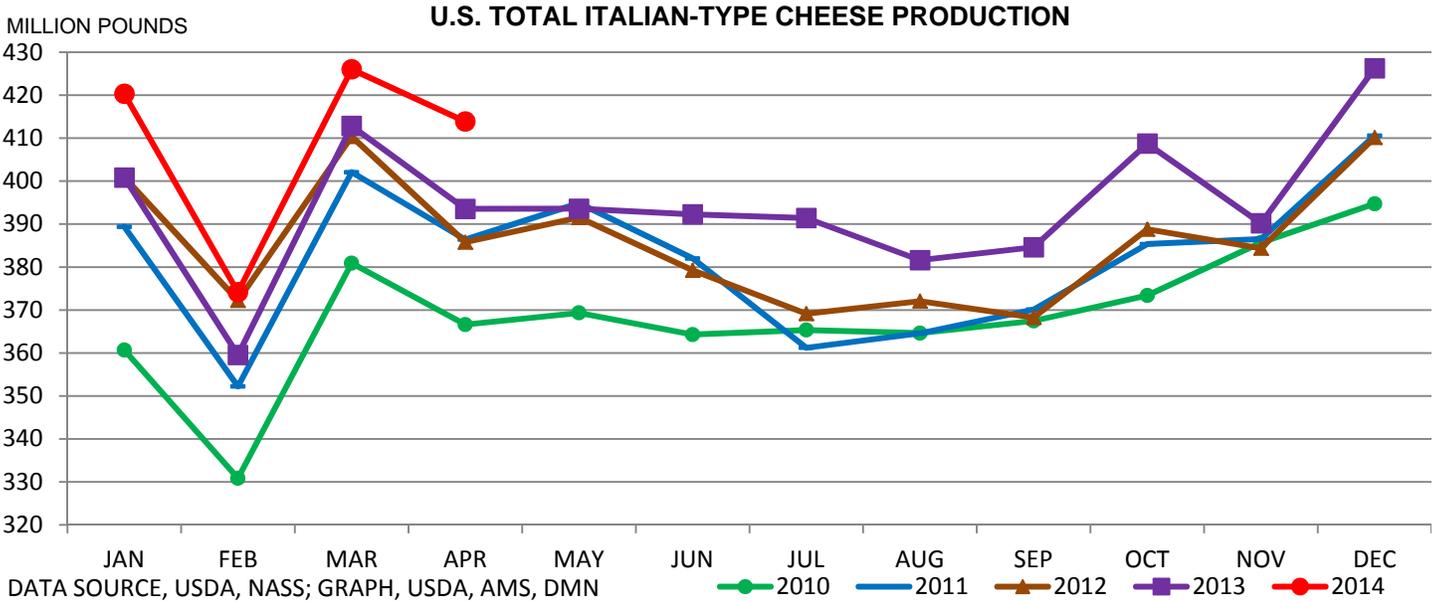
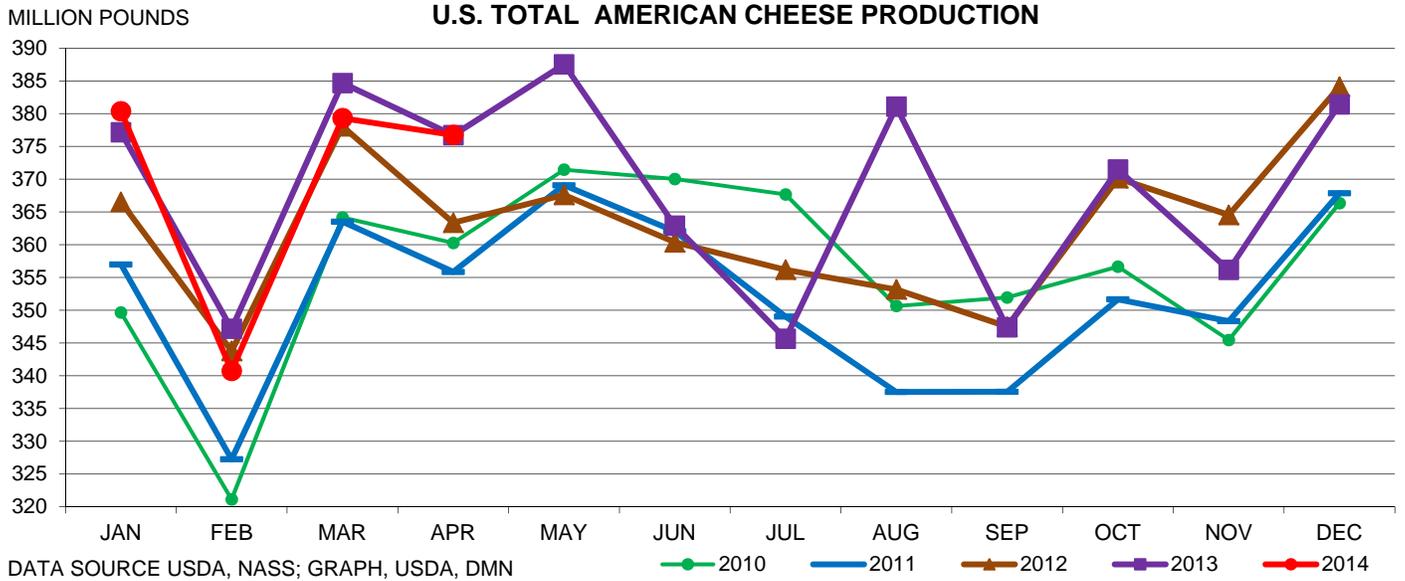


U.S. DRY WHEY PROTEIN CONCENTRATE PRODUCTION, HUMAN (25.0 - 89.9% PROTEIN)



U.S. DRY LACTOSE PRODUCTION, HUMAN & ANIMAL





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