NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (7/11)

BUTTER: Grade AA closed at $2.3725. The weekly average for Grade AA is $2.3845 (-.0505).

CHEESE: Barrels closed at $1.9875 and 40# blocks at $1.9700. The weekly average for barrels is $1.9645 (-.0261) and blocks, $1.9555 (-.0264).

BUTTER HIGHLIGHTS: Demand from ice cream and cream cheese accounts for cream supplies continues to restrict butter churn activity. Some butter manufacturers are supplementing production rates by microfixing additional volumes of bulk supplies to fill immediate needs. Domestic buyer interest is active. International demand is light. Inventories are steady to generally lower. Bulk butter prices ranged from 4 to 6 cents over the market in the Northeast, market to 6 cents over in the Central, and 3 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 $2.3725, 1.75 cents lower than last week's close. The CME Group monthly average price for Grade AA butter during June was $2.2630, compared to $1.5105 a year ago. The DMN National Dairy Retail Report noted the surveyed national weighted average price for a 1 pound package of butter was $3.04, 47 cents below two weeks ago, but 50 cents above a year ago. Advertised prices ranged from $1.98 to $3.99. The NASS Dairy Products report noted U.S. butter production during May totals 164.6 million pounds, down 0.7% from a month ago, but 0.5% above last year. January – May 2014, U.S. butter output totals 842.1 million pounds, 3.6% behind the same time span during 2013. This week, a cooperative export assistance program accepted requests for 1.246 million pounds of butter.

CHEESE HIGHLIGHTS: Extra holiday milk found its way to cheese vats last weekend in much of the country. This week, milk availability and thus cheese production, varies. Western cheese production is active, with steady milk supplies, except in the Southwest where milk availability is variable. Midwest production is steady to slightly lower, due to tighter milk supplies. Northeast production is steady to higher. Advertised U.S. cheese prices as reported in the *National Dairy Retail Report* showed higher weighted average prices from two weeks ago for packages of 8 oz. block ($2.57, +.13), 8 oz. shred ($2.58, +$.28), and 2 lb. block ($8.15, +.31). Retail prices were lower for the 1 lb. block ($3.99, -.44), and 1 lb. shred ($3.23, -1.49). NASS *Dairy Products* reports total cheese production in the U.S. in May reached 965.0 million pounds, up 2.2% (21.2 million pounds) from May 2013. Cumulative 2014 total cheese output for the U.S. is 4.685 billion pounds, up 1.7% (77.7 million pounds) from 2013. According to FAS, U.S. exports of cheese and curd for January-May 2014 total 363.9 million pounds, up 34% from 2013. Exports for May 2014 are 70.1 million pounds, up 15% from May 2013. At the CME Group, barrels closed the week at $1.9875, up $.0025 from last week's close and blocks closed at $1.9700, up $.0025 from last week's close.

DRY PRODUCTS: F.O.B spot loads of low/medium heat NDM are trading steady to lower, while price basing points moved higher. Supplies are generally growing as buyer interest is mostly restricted to immediate needs. High heat NDM prices are mixed. Prices of dry buttermilk are unchanged to lower on a weaker market. Dry whey prices vary, while demand is steady to declining between domestic and international buyers. Prices of whey protein concentrate 34% are steady to lower on a varying market. Production levels are steady to lower for those taking risk management actions. Lactose prices are mixed on a weakening market. Rennet casein prices shifted lower, while acid casein remained steady.

ORGANIC DAIRY MARKET NEWS (DMN): AMS reports total organic milk products sales for April 2014, 205 million pounds, were up 7.4% from April last year and up 13.4% year to date compared with last year.

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

CME GROUP CASH TRADING

COMMODITY	MONDAY JUL 07	TUESDAY JUL 08	WEDNESDAY JUL 09	THURSDAY JUL 10	FRIDAY JUL 11	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	$1.9850 (N.C.)	$1.9450 (-.0400)	$1.9450 (N.C.)	$1.9600 (+.0150)	$1.9875 (+.0275)	(+.0025)	$1.9645 (-.0261)
40# BLOCKS	$1.9550 (-.0125)	$1.9550 (N.C.)	$1.9475 (-.0075)	$1.9500 (+.0025)	$1.9700 (+.0200)	(+.0025)	$1.9555 (-.0264)
NONFAT DRY MILK GRADE A	$1.7725 (N.C.)	$1.7725 (N.C.)	$1.7725 (N.C.)	$1.7350 (-.0375)	$1.7350 (N.C.)	(-.0375)	$1.7575 (-.0163)
BUTTER GRADE AA	$2.3950 (+.0050)	$2.3850 (-.0100)	$2.3850 (N.C.)	$2.3850 (N.C.)	$2.3725 (-.0125)	(-.0175)	$2.3845 (-.0505)

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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Organic whole milk sales for April 2014, 60 million pounds, were up 18.7% compared with April last year and up 21.5% year to date compared with last year. Organic reduced fat milk sales for April, 62 million pounds, were 8.3% above sales one year earlier and up 19.4% year to date compared with last year. The U.S. weighted average advertised price of organic milk half gallons is $3.82, up 2 cents from 2 weeks ago. One year ago the national price was $3.54. The lowest price is unchanged at $2.99, while the top of the price range is up 20 cents to $4.48. The lowest advertised price, $2.99, is advertised in the Southwest. The highest advertised price, $4.48, is found in the Northeast. Ads for 32 ounce organic yogurt lead the organic yogurt category in numbers. The national average price is $3.85, down 2 cents from two weeks ago up 66 cents from one year ago. The lowest priced ads are in the South Central region, $3.49, while the highest priced ads, $3.99, are in the Northwest. The next greatest number of organic yogurt ads is for 4-6 ounce organic Greek yogurt, which has a national average price of $1.05, up 5 cents from 2 weeks ago and one year ago. Prices ranged from $1.00 in the Northeast and Southeast, to $1.25 in the Northeast.

NATIONAL DAIRY RETAIL REPORT (DMN): Traditionally strong selling summer dairy products such as sour cream, cream cheese and ice cream experienced increased advertising volumes over the period spanning the 4th of July. Sour cream ad volume more than doubled. The national weighted average price is $1.82, down 12 cents from two weeks ago but up 16 cents from last year. Cream cheese, at $1.65, also experienced an increase in ad numbers, with the price down 7 cents from two weeks ago and down 17 cents from last year. Ads for 48-64 ounce ice cream increased 37%. The price, $3.15, is up 12 cents from two weeks ago and up 23 cents from last year. Prices ranged from $1.88 in the Southwest, to $4.99 in the Southeast and South Central regions. Cheese ad volume increased 14% nationally from two weeks ago. The national weighted average advertised price of 8 ounce shredded cheese, $2.58, is up 28 cents from the last report and up 42 cents from last year. 8 ounce block cheese has an average price of $2.57, 13 cents higher than two weeks ago and 27 cents above last year. The most advertised yogurt product is 4-6 ounce Greek yogurt, with more than double the ad count of 4-6 ounce yogurt, the number two most advertised yogurt. The average price of 4-6 ounce Greek yogurt, $0.98, is up 1 cent from two weeks ago but down 2 cents from a year ago. With a national average price of $.53, 4-6 ounce yogurt is down 3 cents from two weeks ago but up 6 cents from a year ago. The conventional-organic milk half gallon price spread is $.68. Last year at this time, the price spread was $1.17. The spread is calculated from the conventional milk half gallon average advertised price of $3.14, and the organic milk half-gallon price, $3.82.

MAY DAIRY PRODUCTS: BUTTER production was 164.6 million pounds, 0.5% above May 2013 but 0.7% below April 2014. AMERICAN TYPE CHEESE production totaled 391.4 million pounds, 1.0% above May 2013 and 3.9% above April 2014. TOTAL CHEESE output (excluding cottage cheese) was 965.0 million pounds, 2.2% above May 2013 and 1.3% above April 2014. NONFAT DRY MILK production, for human food, totaled 163.6 million pounds, 8.7% above May 2013 and 3.2% above April 2014. DRY WHEY production, for human food, was 79.9 million pounds, 5.6% above May 2013 and 7.5% above April 2014. ICE CREAM (hard) production totaled 69.9 million gallons, 8.9% below May 2013 but 1.8% above April 2014.

CME GROUP

MONDAY, JULY 7, 2014

CHEESE -- SALES: 6 CARS 40# BLOCKS: 1 @ $1.9650, 2 @ $1.9600, 3 @ $1.9550; LAST BID UNFILLED: 1 CAR BARRELS @ $1.9850; 3 CARS 40# BLOCKS @ $1.9500; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ $1.9575

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

BUTTER -- SALES: 5 CARS GRADE AA: 2 @ $2.3700, 1 @ $2.3800, 1 @ $2.3900, 1 @ $2.3950; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ $2.4000

TUESDAY, JULY 8, 2014

CHEESE -- SALES: 6 CARS BARRELS: 2 @ $1.9850, 2 @ $1.9800, 2 @ $1.9450; 6 CARS 40# BLOCKS: 4 @ $1.9550, 1 @ $1.9525, 1 @ $1.9550; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ $1.9500; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ $1.7725; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $1.7725

BUTTER -- SALES: 6 CARS GRADE AA: 1 @ $2.3950, 1 @ $2.3900, 4 @ $2.3850; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ $2.3850

WEDNESDAY, JULY 9, 2014

CHEESE -- SALES: 1 CAR BARRELS @ $1.9450; 9 CARS 40# BLOCKS: 7 @ $1.9550, 1 @ $1.9500, 1 @ $1.9475; LAST BID UNFILLED: 1 CAR BARRELS @ $1.9450; 1 CAR 40# BLOCKS @ $1.9425; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $1.7725

BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ $2.3500; LAST OFFER UNCOVERED: NONE

THURSDAY, JULY 10, 2014

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

NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ $1.7350; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

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

FRIDAY, JULY 11, 2014

CHEESE -- SALES: 6 CARS BARRELS: 1 @ $1.9675, 1 @ $1.9700, 2 @ $1.9725, 1 @ $1.9750, 1 @ $1.9825; 7 CARS 40# BLOCKS: 2 @ $1.9525, 1 @ $1.9625, 1 @ $1.9650, 1 @ $1.9750, 1 @ $1.9775, 1 @ $1.9725; LAST BID UNFILLED: 1 CAR BARRELS @ $1.9875; 1 CAR 40# BLOCKS @ $1.9650; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ $1.9700

NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ $1.7350; LAST BID UNFILLED: 1 CAR GRADE A @ $1.7250; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 9 CARS GRADE AA: 2 @ $2.3400, 2 @ $2.3500, 3 @ $2.3600, 1 @ $2.3700, 1 @ $2.3725; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

The cream supply situation continues to slow butter output, as minimal production volumes clear into inventories of the region’s balancing plants. In some cases, significant reductions in butter stocks result from working inventories to fulfill short-term contractual orders. Overall, buyers are somewhat reluctant to make butter purchases outside of immediate needs. The market remains unsettled. The current bulk butter prices for domestic sales are reported 4-6 cents over the market of the CME Group, with various time frames and averages used. According to the *National Dairy Retail Report*, the U.S. advertised weighted average price for 1-pound butter is $3.04, 47 cents less than two weeks ago. The price in the Northeast was $3.57, 64 cents less than two weeks ago. At the CME, Grade AA butter closed Tuesday at $2.3850, down $0.0650 from a week ago. This week, a cooperative export assistance program accepted requests for 1.246 million pounds of butter. The Foreign Agricultural Service (FAS) reports that May 2014 U.S. exports of butter and milkfat totaled 12.1 million pounds, an 8% decrease from last year. DAIRY PRODUCTS: According to the NASS, U.S. butter production for May 2014 totals 164.6 million pounds, up 0.5% from last year, but down 0.7% from a month ago. Butter output in the Atlantic region totals 15.9 million pounds, down 16.6% from May 2013 and down 6.1% from a month ago.

CENTRAL

Some butter churn operators were able to secure additional cream supplies over the holiday weekend. However, many manufacturers noted tighter cream supplies as the week progressed. The market tone remains firm on account of constricted bulk butter and cream supplies hindering the rebuilding of stocks. Production rates are steady to slightly higher compared to a week ago. Export activity has stalled recently, however U.S. butter prices and various global markets have been converging. Domestic sales are very good for food service, retail, and industrial use. Contacts noted the higher butter price generally hasn’t affected retail demand. Industrial buyers and resellers are valuing fresh over frozen product at a greater precedence. Manufacturer supplies are steady to declining in some instances. Current 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 $2.3850, down 1.5 cents since last Wednesday. The CME Group monthly average price for Grade AA butter during June was $2.2630, compared to $1.5105 a year ago. The DMN *National Dairy Retail Report* noted the surveyed national weighted average price for a 1 lb. package of butter was $3.04, 47 cents below two weeks ago, but 50 cents above a year ago. The weighted average price in the Midwest region was $2.58, $1.21 lower than two weeks ago. In the South Central region, butter averaged $3.06, 6 cents above two weeks ago. Advertised prices ranged from $1.98 to $3.49 in the two regions. The NASS *Dairy Products* report noted U.S. butter production during May totals 164.6 million pounds, down 0.7% from a month ago, but 0.5% above last year.

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NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
July 5, 2014					
	2.2823	2.0412	2.0479	0.6942	1.8585
	2,929,655	9,849,296	8,683,292	5,923,192	22,306,200

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

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January – May 2014, U.S. butter output totals 842.1 million pounds, 3.6% behind the same time span during 2013. Butter production in the Central region during May totals 63.8 million pounds, 0.1% higher than last month and 8.5% more than a year ago. The Central region accounted for 39% of U.S. production in May. Cumulative 2014 Central production totals 322.7 million pounds, 4.8% behind the same time span during 2013. This week, a cooperative export assistance program accepted requests for 1.246 million pounds of butter. According to FAS, January – May 2014, U.S. butter and milkfat exports total 101.1 million pounds, an increase of 80% compared to last year.

WEST

Prices for Western butter are unchanged on the domestic market. Western butter production is unchanged to lower, with decreases in milk intake volumes yielding fewer loads of cream to send to the churns. Ice cream/frozen novelties and cream cheese production also continue to channel cream volumes away from the churns. Manufacturers report inventories are comfortable for near term contract fulfillment. Churn operators are also looking ahead to inventory building for meeting Q4 retail holiday needs. Butter makers have longstanding orders for the last quarter, and cream supplies at that time are not sufficient to cover those orders. Thus, many churn operators will send a large portion of their available cream volumes to retail butter production through the balance of Q3. According to the NASS *Dairy Products* report, May butter production for the U.S. totals 164.6 million pounds, up 0.5% (0.8 million pounds) from May 2013, but 0.7% lower (1.1 million pounds) than April 2014. Cumulative 2014 output for the U.S. is 842.1 million pounds, down 3.6% (31.1 million pounds) from the same period in 2013. May output in the Western region totals 85.0 million pounds, down 1.2% (1.0 million pounds) compared to May 2013. The West produced 52% of the butter in the U.S. in May. According to FAS, U.S. exports of butter and milkfat for January-May 2014 total 101.1 million pounds, up 80% from 2013. Exports for May amounted to 12.1 million pounds, down 8% from May 2013. The butter and milkfat exports equate to 12% of butter production in the U.S. for January-May 2014. This week, a cooperative export assistance program accepted requests for 1.246 million pounds of butter. CME Group average price for June 2014 for butter was $2.2630 compared to $1.5105 for June 2013.Prices for bulk butter range from 2 cents over the market to 3 cents under, based on the CME with various time frames and averages used.

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

	(Million Lb.)	% Change From 1 Year Ago
May Total	12.1	- 8
Total, Jan – May	101.1	+ 80
1 Saudi Arabia	24.9	+ 1
2 Morocco	13.7	*+ 531
3 Egypt	9.5	+ 173
4 Iran	7.1	- 24
5 Bahrain	5.1	** --

*There were 2.2 million pounds to Morocco last year Jan.-May
**There were 2,100 pounds to Bahrain last year Jan.-May

CHEESE MARKETS

NORTHEAST

Cheese production continues at a steady to higher rate, with additional milk supplies made available, as some dairy plants closed over the July 4th holiday period. Most cheese vats operate on a 6-7 day week. Interest from some wholesale customers eased slightly prompted by seasonal catering drop-offs, school closings, and consumers vacationing. Demand for domestic cheese is mixed, with moderate spot market interest. According to the *National Dairy Retail Report*, the weighted average price for 8 oz. cheese blocks in the Northeast was $2.55, 2 cents less than the national weighted average price and 9 cents less than two weeks ago. The Southeast 8 oz. block cheese price was $2.55, 33 cents more than two weeks ago. The weighted average price for 8 oz. shredded cheese in the Northeast was $2.83, 25 cents more than the national price and 17 cents more than the previous price report. The Southeast 8 oz. shredded cheese price was $2.55, 37 cents more than two weeks ago. Last week, the weekly average cheese prices on the CME Group led to a $0.0425 decline in the Northeast wholesale price for 40# cheddar blocks and muenster, while process 5# sliced declined $0.0400. Grade A Swiss prices rose by $0.1100 with adjustments based on Class III component prices. The CME Group daily cash prices on Tuesday saw barrels move lower $0.0400 to close $1.9450, but blocks closed unchanged at $1.9550. This week, a cooperative export assistance program accepted requests for 15.615 million pounds of cheese. The Foreign Agricultural Service (FAS), reports that May 2014 U.S. cheese and curd exports totaled 70.1 million pounds, a 15% increase from last year.
DAIRY PRODUCTS: According to *NASS*, U.S. total cheese production in May 2014 was 965.0 million pounds, 2.2% more than May 2013. In May, total cheese production in the Atlantic region was 116.9 million pounds, 0.2% less than the same month last year. The Atlantic region produced 13% of U.S. cheese in March. Total cheese production for New York was 66.6 million pounds, 2.9% less than one year ago, Pennsylvania produced 37.0 million pounds, 8.0% less, and Vermont produced 10.9 million pounds, 2.1% more. Foreign Agricultural Service (FAS) reports that, March 2014 U.S. cheese and curd exports totaled 79.7 million pounds, a 37% increase from last year.

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

Cheddar 40# Block	: 2.3750-2.6600
Process 5# Sliced	: 2.2125-2.6925
Muenster	: 2.3950-2.7550
Grade A Swiss Cuts 10 - 14#	: 4.1575-4.4800

MIDWEST

Fourth of July holiday weekend milk was readily available to cheese plants looking for extra milk. This post-holiday week some Wisconsin cheese manufacturers seeking extra milk were unsuccessful in finding it. Both manufacturers who have not been buying surplus milk in recent weeks but are now seeking more milk to compensate for milk production declines, as well as manufacturers who have regularly been buying surplus milk during recent weeks, are not finding surplus milk this week. This tighter milk supply situation has kept cheese production at less than desired levels. Condensed skim is being used in some cheese plants to extend vat yields. Nevertheless, some distressed milk found its way to some other cheese manufactures. Location seems to matter more this week as to surplus milk availability. Sales of cheese overall are strong, with some manufacturers struggling to fill contracted orders. Barrels are being purchased in Wisconsin this week at a premium to CME Group pricing due to some supply tightness. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese decreased $.0425; Swiss increased $.1100; and the remaining varieties decreased $.0425. Cheese has been selling on CME Group trading this week, with 21 cars of blocks sold through Wednesday and 7 cars of barrels. Blocks closed Wednesday at $1.9475 and barrels at $1.9450, both down in the first three days of trading for the week. The National Dairy Retail Report (DMN) found that Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of $2.13, 45 cents lower than the national average, $2.58. Midwest prices range from $1.49 to $2.50. One year ago the national average was $2.16. For 8 ounce blocks, the Midwest average price is $1.91, 66 cents below the national average price, $2.57. Midwest ad prices range from $1.49 to $2.25. One year ago the national average was $2.30. Nationally cheese ad numbers are 14% higher than two weeks ago. Dairy Products (NASS) reports total 2014 U.S. cumulative cheese production through May, 4,685.2 million pounds, leads last year through May by 1.7%. Cheese production through May this year compared with last for various types of cheese includes: American, -0.2%; cheddar, -0.2%; total Italian, +4.6%; mozzarella, +6.7%; and other Italian cheese types, +11.0%. Central region total cheese production for May 2014, 430.3 million pounds, was up 1.3% from April this year, the same percentage increase as total national production. May Central region production was up 0.2% from May last year, in contrast with a 2.2% national increase. American and cheddar cheese production percentage increases in the Central region lead national percentage increases, both this May compared with April, as well as this May compared with May last year. The Central region total Italian cheese production percentage change declined slightly less than the national change for May compared with April this year, but declined comparing May this year with last year, in contrast with a national increase. Some larger Wisconsin manufacturers of Italian cheese varieties were not aware of production declines in Wisconsin that would explain the Central region data relative to national production levels.

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

Process American 5# Loaf	: 2.0900-2.4500
Brick And/Or Muenster 5#	: 2.3550-2.7800
Cheddar 40# Block	: 2.0600-2.4775
Monterey Jack 10#	: 2.3300-2.5350
Blue 5#	: 2.6225-3.6100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 2.2000-3.0950
Grade A Swiss Cuts 6 - 9#	: 3.6750-3.7925

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CHEESE MARKETS

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WEST

Cheese prices are mostly lower, following declines in CME Group weekly average prices. Cheese producers report domestic buyers are taking contract cheese loads as agreed. Buyers are watching prices and limiting many buying agreements to near-by timeframes. Western cheese production is active, with steady milk supplies in Idaho, Utah, and the Pacific Northwest. In the Southwest, milk clearing into cheese production is variable as daytime temperatures have had some impact on manufacturing milk volumes. According to the NASS *Dairy Products* report, total cheese production in the U.S. in May reached 965.0 million pounds, up 2.2% (21.2 million pounds) from May 2013. Cumulative 2014 total cheese output for the U.S. is 4.685 billion pounds, up 1.7% (77.7 million pounds) from 2013. May total cheese production in the Western region was 417.8 million pounds, up 5.2% (20.6 million pounds) from May 2013. The West produced 43% of all the cheese in the U.S. in May. According to FAS, US exports of cheese and curd for January-May 2014 total 363.9 million pounds, up 34% from 2013. Exports for May 2014 are 70.1 million pounds, up 15% from May 2013. Cheese and curd exports for the period equate to 8% of U.S. cheese production. This week, a cooperative export assistance program accepted requests for 15.615 million pounds of cheese. The CME Group monthly average price for June 2014 for barrels is $1.9856 compared to June 2013 at $1.7184, while blocks averaged $2.0237 for June 2014 compared to $1.7140 a year ago.

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

Process 5# Loaf	: 2.1150-2.3725
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#	: 3.7350-4.1650

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

	(Million Lb.)	% Change From 1 Year Ago
May Total	70.1	+ 15
Total Jan.-May	363.9	+ 34
1 Mexico	72.6	+ 10
2 South Korea	63.1	+ 45
3 Japan	56.1	+ 83
4 Saudi Arabia	20.7	+ 106
5 Australia	18.9	+ 102

FOREIGN

Imported wholesale cheese prices were unchanged this week, while domestic prices moved $0.0425 lower. Domestic Swiss prices increased 11 cents following adjustments based on Class III milk prices. The European cheese market has been active with stocks of aged cheeses declining with firmer prices coming into play in negotiations for yearend needs. According to NASS, U.S. parmesan production during May totaled 26.6 million pounds, 5.4% less than May 2013. Provolone production during May totaled 31.4 million pounds, 1.9% more than a year ago. Romano production during May totaled 3.6 million pounds, 2.8% less than a year ago. Swiss production during May totaled 26.6 million pounds, 0.4% more than a year ago.

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

VARIETY	NEW YORK IMPORTED	NEW YORK DOMESTIC
Blue	2.6400-5.3800	2.5150-4.0025*
Gorgonzola	3.6900-6.9700	3.0175-3.4300*
Parmesan (Italy)	-0-	3.9050-5.9950*
Provolone (Italy)	-0-	2.5575-2.7150*
Romano (Cows Milk)	-0-	3.7050-5.8550*
Sardo Romano (Argentine)	2.8500-3.6900	-0-
Reggianito (Argentine)	3.2900-4.5600	-0-
Jarlsberg-(Brand)	2.9500-5.6300	-0-
Swiss Cuts Switzerland	-0-	4.2550-4.5775*
Swiss Cuts Finnish	2.6700-2.9300	-0-

* = Price change.

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

	BUTTER	CHEESE
07/07/14	21,395	92,151
07/01/14	21,626	91,273
CHANGE	-231	878
% CHANGE	-1	1

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	48	0	130	0	70
SOUTHEAST STATES	0	0	0	0	0	0

Northeast farm-level milk volumes saw a drop as Hurricane Arthur brought significant rainfall, heat and humidity in areas of the region. Milk intake volumes are slightly down from last week at most balancing plants. Milk haulers in the Mid-Atlantic are either removing or consolidating routes as high temperatures continue to slow down milk production. Loads moving into bottling plants picked back up this week following several plants closing for the July 4th holiday. Southeast milk production is down, compared to last week, as area temperatures moved higher. With most fluid milk going to bottling, sales are good. Manufacturing milk supplies are adequate. Florida's farm-level milk output is experiencing rapid decline, due to daily high temperatures and continuous thunderstorms affecting cow comfort. A contact noted the closing of an ultrafiltration plant due to a lack in surplus milk volumes. Spot milk shipments totaled 48 export loads compared to 130 last week. Class I demand is at seasonal levels. **Cream multiples for all** Classes saw a marginal increase, ranging **1.33-1.44**, as ice cream production picked back up this week following a short July 4th holiday break. Demand from cream cheese manufacturers is steady. Some producers are still comfortable with curbing their butter production, as cream supplies clear to other cream based operations. Last week, the CME Group Grade AA butter weekly average butter price was $2.4350, up $0.0985 from the previous week. **Condensed skim** is heavy and being utilized in various manufacturing classes. Some dairy processors are limiting volumes clearing to NDM production as strong condensed sales to Class II and III pull on 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 -	3.2386-3.5064
F.O.B. producing plants: Upper Midwest -	3.0924-3.5308

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

Northeast - Class II - includes monthly formula prices -	1.85-1.93
Northeast - Class III - spot prices -	1.63-1.66

MIDWEST

Milk production in the Central region is beyond peak, trending generally lower. Spot loads of milk ranged from $2.00 under to $1.00 over Class. Supplies are obtainable as a few distressed loads were offered. However, availability has tightened compared to previous weeks. Some cheese makers are looking to secure additional spot loads of milk. Bottling interest is light, but a few milk handlers noted improved sales. Soft serve ice cream orders are good. Cultured product demand is very good. Cream supplies were looser over the holiday weekend, and then retighten over the early part of the week, but not to the degree as in prior weeks. **Class II cream multiples ranged from 1.27 to 1.40.** Some butter churn operators continue to sell cream supplies to ice cream and cream cheese manufacturers. Wednesday at the CME Group, Grade AA butter closed unchanged at $2.3850, down 1.5 cents since last Wednesday. The DMN monthly average of the range price series for Upper Midwest Class II cream during June was $2.9734, compared to $1.9873 a year ago. The DMN *National Dairy Retail Report* noted the surveyed national weighted average price for 1 gallon of milk was $3.04, 7 cents below two weeks ago, but 15 cents higher than a year ago. The weighted average price in the Midwest region was $2.71, 15 cents higher than two weeks ago, while in the South Central region the average was $2.44, 21 cents above two weeks ago. The NASS *Dairy Products* report noted U.S. ice cream, regular (hard), production during May totals 69.9 million gallons, up 1.8% from a month ago, but 8.9% below last year. January – May 2014, U.S. production totals 321.2 million gallons, 5.7% behind the same time span during 2013. Ice cream, regular (hard), production in the Central region during May totals 37.9 million gallons, 3.3% less than last month and 9.7% below a year ago. The Central region accounted for 54% of U.S. production in May. Cumulative 2014 Central production totals 180.5 million gallons, 5.4% behind the same time span during 2013. The weekly *Cow Slaughter under Federal Inspection* report shows U.S. dairy cow slaughter for the week ending June 21, at 48,700 head, 5,000 head or 9% less than the comparable week a year ago.

WEST

Milk production in CALIFORNIA has seen declines from week to week in some areas, but handlers also report short term gains under changeable weather patterns. Plant managers note all manufacturing milk loads can access processing capacity in-state. However, under agreements, there are some loads that continue to clear out of state on a weekly basis. Bottlers placed restocking orders after the long holiday week. Ice cream/frozen dessert manufacturers are taking steady numbers of milk loads and condensed skim. NEW MEXICO milk production regained some volumes with the arrival of cooler temperatures and rain showers late last week, but haulers indicate those gains were short in duration. By the middle of this week, milk production was once again heading seasonally lower. Class I demand is light and continues to trend downward. Class II plants and butter/ powder plants are benefiting from decreasing orders from bottlers. Orders from ice cream/mix facilities are steady. Some additional milk loads are clearing into the state from surrounding states to find processing room. Milk production in ARIZONA continues to decline under pressure from high daytime temperatures. Milk use is following seasonal patterns, with light demand from bottlers, steady orders from Class II operations, and balancing plants handling remaining volumes. Cream demand is steady into ice cream/frozen desserts and cream cheese. Butter manufacturers are waiting for Class II demand to weaken, to allow more cream to move toward butter production. Cream multiples are firm, ranging from 1.11 to 1.40, reflecting intrastate and interstate sales. At the CME Group, Grade AA butter closed on Wednesday at $2.3850, down 1.5 cents from a week ago. Pacific Northwest milk production is steady for the week, but a trend toward higher daytime temperatures has alerted handlers that milk production may be declining within the next 7 – 10 days. In IDAHO and UTAH, milk production is unchanged. Milk supplies are being balanced within the area, with addition milk loads from other Western states filling supply gaps on a weekly basis. Cream sales are active. Alfalfa harvest continues in the Pacific Northwest.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: LOW/MEDIUM HEAT nonfat dry milk prices are steady to higher on various indices. The market tone is uneven. Production rates are mostly steady and in some instances higher. Domestic buyers are purchasing in a hand-to-mouth fashion. International orders are ongoing, but at reduced volumes. Inventories are steady to higher. The prices for HIGH HEAT NDM are mixed. Production levels are improving. Buyer interest is moderate. Supply availability is limited. Wednesday at the CME Group, Grade A NDM closed unchanged at $1.7725, up 0.25 cents since last Wednesday. The NASS *Dairy Products* report noted U.S. NDM human production during May was 163.6 million pounds, up 3.2% from a month ago and 8.7% higher than last year. January-May, U.S. NDM human production totals 764.3 million pounds, 3.6% ahead of the same time span in 2013. Total U.S. NDM human month ending stocks for May were 220.6 million pounds, 7.9% lower than last month and 4.0% below last year. May production in the Central region totals 31.5 million pounds, 23.2% higher than last month, and 11.2% lower than a year ago. The Central region accounted for 19% of the total U.S. production. According to FAS, January – May 2014, U.S. NDM exports total 529.2 million pounds, a decrease of 9% compared to last year.

EAST: Eastern low/medium heat nonfat dry milk prices are steady to higher for the range and mostly series due to indices adjusting higher. This week, nonfat dry milk production varied. Some manufacturers shut down dryers as sales of condensed skim supplies cleared substantial volumes. In general, low/medium nonfat dry milk inventories continue to grow. Some buyers are limiting their purchases to immediate needs, with expectations the market may soften. The market undertone is unsettled. Prices for high heat nonfat dry milk are mixed. A few plants are currently maintaining production schedules. Others anticipate producing high heat nonfat as decreases in fluid milk supplies creates dryer availability. The June 2014 Dairy Market News average of the mostly price series for Central/East nonfat dry milk, low/medium heat was $1.8170 compared to $1.7091 in May 2013. According to Foreign Agricultural Service (FAS), May 2014 U.S. exports of nonfat dry milk totaled 133.1 million pounds, an 8% increase from last year.

DAIRY PRODUCTS: According to NASS, U.S. production of human food nonfat dry milk for the Atlantic region totaled 29.3 million pounds, 8.0% more than a year ago.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT:	1.7500 - 1.9675	MOSTLY:	1.7800 - 1.8900
HIGH HEAT:			1.9100 - 2.0175

NONFAT DRY MILK - WEST

Western low/medium nonfat dry milk prices are lower and higher. A few FOB spot loads cleared at lower prices, while prices on index-based contract loads shifted higher. Market sentiment is mixed as to the near term direction of prices. Buyers anticipate a bearish turn to pricing in the next few weeks. Conversely, manufacturers report NDM inventories are building in step with near term domestic and international obligations. Customers in Mexico are expected to return soon to the NDM marketplace as milk production in that country trends seasonally lower. Western low/medium heat NDM production is steady, but plants are operating below capacity at most locations. High heat NDM prices also are lower and higher. Production takes up occasional slots on dryer schedules, depending on upcoming contract fulfillment needs. According to NASS, NDM production in the West region totaled 102.8 million pounds during May 2014, 8.1% more than one year ago. This is about 63% of total May production in the U.S. California produced 61.8 million pounds of NDM during May, about 38% of the national monthly production. Cumulative Western region 2014 production totals 522.6 million pounds, a 5.6% increase compared to 2013. The June 2014 Dairy Market News average of the mostly price series for Western low/medium heat nonfat dry milk was $1.8333, compared to $1.7056 one year ago. The average for Western high heat nonfat dry milk was $1.9395 compared to $1.7388 one year ago.

DAIRY PRODUCTS: NASS reports US production of human food NONFAT DRY MILK during May 2014 totaled 163.6 million pounds, an 8.7% increase from one year ago. Cumulative nonfat dry milk production for 2014 totals 764.3 million pounds, 3.6% higher than 2013. Month ending stocks, at 220.6 million pounds, are 4.0% lower than one year ago. May 2014 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 58.2 million pounds, 6.2% higher than one year ago. Cumulative 2014 skim milk powder production totals 243.8 million pounds, a 4.5% increase compared to 2013.

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

LOW/MEDIUM HEAT:	1.7225 - 1.9300	MOSTLY:	1.8000 - 1.8800
HIGH HEAT:			1.8800 - 1.9800

U.S. NDM Exports, H.S. Code 0402100000(FAS)

	2014 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	133.1	+ 8
TOTAL, JAN – MAY	529.2	+ 10
1 Mexico	175.6	+ 3
2 Philippines	70.9	+ 56
3 China	53.2	+ 124
4 Indonesia	43.2	- 18
5 Vietnam	40.0	+ 13

CONTINUED ON PAGE 5A

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

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DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk moved lower on the bottom of the range. The market tone is sluggish as limited F.O.B spot loads are being traded. Production rates are mostly steady at reduced rates. Some butter churn operators continue to sell cream and steady interest from ice cream manufacturers for condensed buttermilk constrains production. Buyer interest is slowing. International demand is light. Inventories are steady to higher. The DMN monthly average of the range price series for Central and East dry buttermilk during June was $1.7844, compared to $1.5600 a year ago. The NASS *Dairy Products* report noted U.S. dry buttermilk production during May totaled 9.7 million pounds, 4.0% higher than last month, but 5.5% less than a year ago. Total U.S. dry buttermilk month ending stocks for May were 20.8 million pounds, 11.0% higher than a month ago and 28.1% above last year.

EAST: Prices for dry buttermilk moved lower at the bottom of the range but held steady at the top of the range. Dry buttermilk production varies, being dependent upon butter producers' commitments to churning in lieu of selling cream supplies. Dryer rates were lessened due to interest for condensed buttermilk. Dry buttermilk inventories are sufficient for short-term needs. Transactions in the spot market are light. The market tone remains unsettled. The June 2014 Dairy Market News monthly average for the Central/East region dry buttermilk range price series is $1.7844 compared to $1.7400 one month ago and $1.5600 in 2013.

DAIRY PRODUCTS: According to NASS, U.S. production of dry buttermilk during May 2014 totaled 9.7 million pounds, 4.0% more than one month ago but 5.5% less than a year ago. Month ending stocks were 20.8 million pounds, 11.0% more than one month ago and 28.1% more than a year ago.

F.O.B. CENTRAL/EAST: 1.6700 - 1.8550

DRY BUTTERMILK - WEST

Prices for Western dry buttermilk are unchanged to lower on the range, and lower on the mostly series. The market tone is weak, and buyers shopping the FOB spot market are looking for - and getting - some lower priced loads compared to previous weeks. Buyers are receiving loads as agreed on contract fulfillment. A few brokers report they have limited access to dry buttermilk loads beyond contract volumes from manufacturers. Dry buttermilk production is steady, but below full capacity. Cream is still heading to ice cream/ frozen desserts plants. The June 2014 Dairy Market News average of the mostly price series for West dry buttermilk was $1.8198 compared to $1.5622 one year ago.

DAIRY PRODUCTS: NASS reports dry buttermilk production in the US for May 2014 totals 9.7 million pounds, down 5.5% from one year ago. Cumulative 2014 dry buttermilk production totals 52.1 million pounds, a 12.0% decrease compared to 2013. Stocks at the end of May were 20.8 million pounds, a 28.1% increase from one year ago.

F.O.B. WEST: 1.7300 - 1.8500 MOSTLY: 1.7300 - 1.8250

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are unchanged for the week on a mixed market. Spot market trading is light. International pricing continues to put pressure on domestic dry whole milk prices. Manufacturers have contract commitments to meet during the next few months and production is being scheduled intermittently. However, some plants have built up DWM inventories and switched to NDM/SMP powder. The June 2014 Dairy Market News average of the price series for dry whole milk was $2.0362, compared to $1.8763 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: 1.9700 - 2.1250

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
July 4	$1.8161	14,233,424
June 27	$1.8202	11,626,362

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 between various basing points and F.O.B. spot trading. The market tone is showing signals of weakening as buyers report improved spot load availability. Production rates are mostly steady. Some manufacturers are shipping out additional volumes of condensed whey, saving dryer time and decreasing the risk for off specification product as a result of the humid, summer weather. Other whey operators are shifting from various whey protein concentrates to higher production levels of dry whey. Domestic dry whey buyer interest is diminishing. Export orders are light. Inventories of dry whey are mostly in balance. Prices of ANIMAL FEED WHEY are mixed, but are generally trending towards the bottom of the range. The market tone is weakening. Production rates are steady to higher. Domestic demand is active. Additional spot loads of feed whey are being offered. The DMN monthly average of the mostly price series for Central dry whey during June was $0.6608, compared to $0.5434 a year ago. The monthly average of the range price series for Central animal feed whey during May was $0.5855, compared to $0.4738 last year. The NASS *Dairy Products* report noted U.S. total dry whey production for May was 81.3 million pounds, 7.3% above last month ago and 2.0% higher than a year ago. January-May U.S. total dry whey production totals 360.6 million pounds, 14.9% below the same time span in 2013. U.S. total dry whey month ending stocks for May were 63.4 million pounds, 11.4% higher than a month ago, but 3.3% lower than last year. Dry whey human production in the Central region during June totals 36.9 million pounds, 0.8% higher than last month, but 1.2% below a year ago. The Central region accounted for 46% of the U.S. dry whey human production. According to FAS, January – May 2014, U.S. dry whey exports total 234.4 million pounds, an increase of 12% compared to last year.

F.O.B. CENTRAL: .5800 - .7225 MOSTLY: .6250 - .6900
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4950 - .6400

DRY WHEY - NORTHEAST

Dry whey prices are steady to lower. Active production from cheese makers has led to increases in dry whey stocks. Domestic demand is moderate. Export demand has slowed. Some manufacturers are clearing liquid whey for whey protein concentrate processing. The June 2014 Dairy Market News monthly average price for Northeastern dry whey mostly series averaged $.7257 compared to $.5813 a year ago. According to the Foreign Agricultural Service (FAS), U.S. dry whey exports for January-May 2014 totaled 234.4 million pounds, up 12.0% from a year ago.

DAIRY PRODUCTS: According to NASS, U.S. production of human food dry whey in May 2014 totaled 79.9 million pounds, 5.6% higher than a year ago. In the Atlantic region, May production of human food dry whey totaled 21.1 million pounds, 4.5% less than a year ago. May 2014 U.S. month ending stocks of human food dry whey totaled 62.9 million pounds, 0.6% less than May 2013. Cumulative 2014 total dry whey production is 360.6 million pounds, 14.9% lower than 2014 production during the same time span.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6875 - .7525

DRY WHEY - WEST

The Western dry whey range increased on the top, but the bottom is steady. The mostly series is unchanged for the week. Demand is steady from domestic purchasers. Producers serving the international markets are offering some price discounts to mitigate transportation costs. Manufacturing milk supplies are steady into some Western cheese plants, while in other areas milk intakes have moved lower. Dry whey production is respectively steady to lower. Inventories are variable. Some brokers/traders indicate their holdings are equal to or below what is needed to fulfill contracts due to some plant slowdowns and production of occasional off-specification loads. According to the Foreign Agricultural Service, U.S. exports of dry whey for January-May 2014 total 234.4 million pounds, up 12% from 2013. The exports equate to 65% of the total dry whey production in the U.S. for that period. According to the NASS *Dairy Products* report, edible U.S. whey production in May 2014 totals 79.9 million pounds, up 5.6% (4.2 million pounds) from May 2013. The Western region produced 22.0 million pounds of human food dry whey in May, up 34.8% (5.7 million pounds) from a year ago. The West produced 27% of the human food dry whey in the U.S. in May. Year to date U.S. total dry whey production for 2014 is 360.6 million pounds, down 14.9% (63.2 million pounds) from a year ago. U.S. manufacturers' stocks at the end of May for total dry whey are 63.4 million pounds, down 3.3% (2.2 million pounds) from a year ago. The May 2014 Dairy Market News monthly average price for the Western dry whey mostly series averaged $.6569 compared to $.5881 a year ago.

NONHYGROSCOPIC: .5800 - .7175 MOSTLY: .6200 - .6950

U.S. Dry Whey Exports. H.S. Code 0404104000(FAS)

	2014 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	50.0	+ 2
TOTAL, JAN – MAY	234.4	+ 12
1 China	74.5	+ 7
2 Mexico	27.9	+ 146
3 Japan	19.9	+ 38
4 Canada	19.0	- 7
5 Vietnam	12.3	+ 77

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices on the whey protein concentrate 34% market are unchanged to lower on a mixed market. Manufacturers' inventories vary from ample to short. Brokers and end users report there are a few producers offering FOB spot loads to the market, while other manufacturers continue to focus on supplying key relationship end users. FOB spot load pricing varies from below to above the market, along with a few decreases in regular brand premiums. WPC 34% production is steady to lower in the Central and West regions. A few plant operators have switched out of WPC 34% as an end product as a means of controlling inventories and near term market exposure. The June 2014 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was $1.6612 compared to $1.3172 one year ago.

-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-

DAIRY PRODUCTS: NASS reports US production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during May 2014 totaled 26.6 million pounds, 25.1% higher than one year ago. Cumulative production for 2014 totals 124.1 million pounds, 24.6% higher than 2013. Manufacturers' end-of-month stocks totaled 24.3 million pounds, 1.5% higher than one year ago.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.5000-1.7600 MOSTLY: 1.5500-1.6850

U.S. WPC ≤ 80% Exports, H.S. Code 0404100500(FAS)

	2014 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	19.0	- 28
TOTAL, JAN – MAY	102.0	- 2
1 China	40.1	+ 78
2 Mexico	18.0	- 41
3 Canada	15.1	+ 15
4 Singapore	4.5	+ 33
5 Indonesia	3.4	--

LACTOSE - CENTRAL AND WEST

Prices on the lactose market are lower and higher as some variable contracts engage. Demand for ground lactose, 100 – 200+ mesh, is active, but the overall market tone is weak due to unground lactose volumes in bags and totes being available via FOB and secondary sources. Some manufacturers are moving beyond looking for spot market relief for uncommitted inventories of unground lactose by initiating longer term contracts with some buyers. They feel this will have the double benefit of providing an exit for lactose volumes not contracted on a monthly or quarterly basis while also removing these long term prices from most reported price series. Other producers indicate a few international monthly/quarterly buyers have returned, looking for additional volumes with pricing incentives. Manufacturers' responses indicate some additional lactose volumes are available, but prices will be based on active contracts. Lactose production is steady at most facilities, with some variability as a few plants complete minor maintenance/inspection projects. The June 2014 Dairy Market News average of the mostly price series for Central and West lactose was $0.5699, compared to $0.6450 one year ago.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows US HUMAN and ANIMAL LACTOSE production during May 2014 totaled 97.3 million pounds, an 11.6% increase from one year ago. Cumulative 2014 lactose production totals 475.1 million pounds, a 12.7% increase from 2013. Month ending stocks, at 99.9 million pounds, are 16.3% higher than one year ago.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .4000-.6900 MOSTLY: .5000-.5950

U.S. Lactose Exports, H.S. Code 1702110000(FAS)

	2014 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	40.9	- 11
TOTAL, JAN – MAY	199.9	- 5
1 New Zealand	34.2	+ 5
2 China	26.4	- 28
3 Mexico	24.3	- 14
4 Japan	19.1	+ 24
5 Indonesia	17.3	+ 55

CASEIN - NATIONAL

Casein prices are mixed for the first full week of Q3 with rennet casein prices moving lower, while acid casein prices are unchanged. Demand for rennet casein has been and remains unsettled as some buyers continue to monitor supplies closely, unwilling to expand inventories beyond current needs. An imitation cheese manufacturer is going out of business, which is contributing to the uneasiness in the rennet casein market. Demand for acid casein is good and is reflective of the varied utilization in a number of products.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	4.6500 - 5.0000
ACID:	4.8000 - 5.4000

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

	(Million Lb.)	% Change From 1 Year Ago
May Imports	8.7	- 48
Jan. – May Imports	81.4	- 8

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
06/21/2014	48.7	1,359.4	53.7	1,522.1

WEBSITE: http://www.ams.usda.gov/mnreports/sj_ls714.txt
SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2009	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95

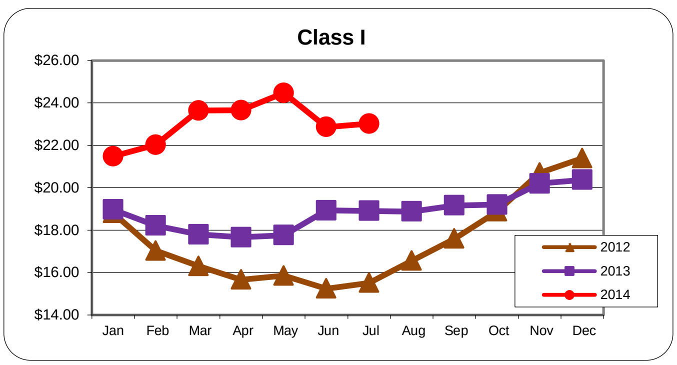
CLASS IV MILK PRCES (3.5%)

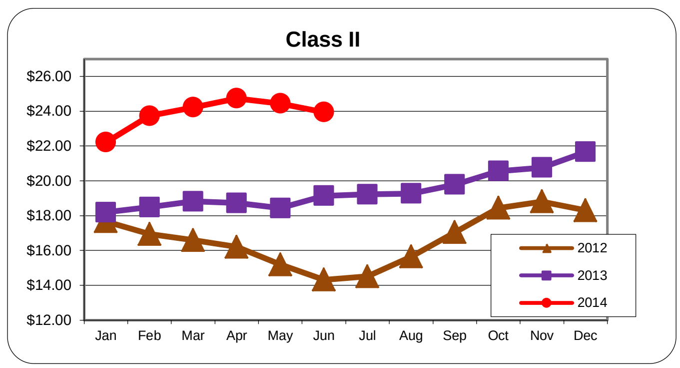
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87
2012	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41	18.54	18.66	17.83
2013	17.63	17.75	17.75	18.10	18.89	18.88	18.90	19.07	19.43	20.17	20.52	21.54

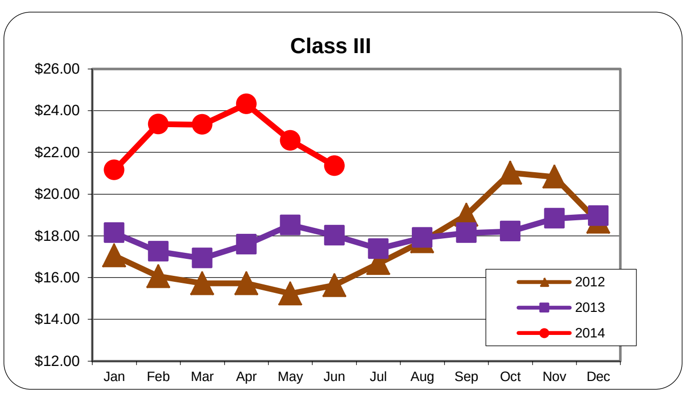
FEDERAL MILK ORDER CLASS PRICES FOR 2014 (3.5%)

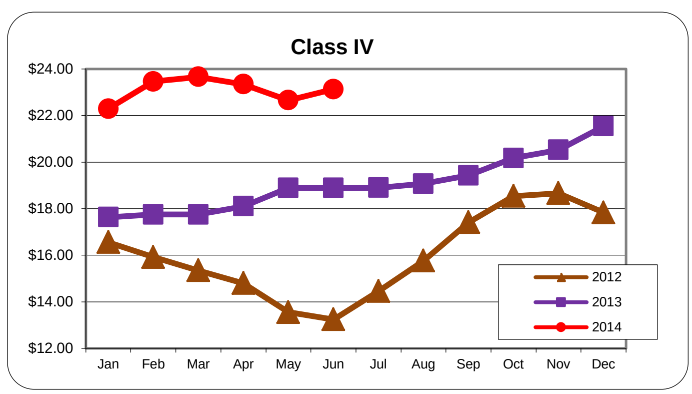
CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	21.48	22.02	23.64	23.65	24.47	22.86	23.02					
II	22.21	23.73	24.22	24.74	24.44	23.94						
III	21.15	23.35	23.33	24.31	22.57	21.36						
IV	22.29	23.46	23.66	23.34	22.65	23.13						

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









ORGANIC DAIRY MARKET NEWS

Information gathered June 30 - July 11, 2014

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales. AMS reports total organic milk products sales for April 2014, 205 million pounds, were up 7.4% from April last year and up 13.4% year to date compared with last year.

Organic whole milk sales for April 2014, 60 million pounds, were up 18.7% compared with April last year and up 21.5% year to date compared with last year.

Organic reduced fat milk sales for April, 62 million pounds, were 8.3% above sales one year earlier and up 19.4% year to date compared with last year.

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

Product Name	Sales April Mil. Lbs.	Sales Y-T-D	Change from: 2/ Prev Yr. Percent	Change from: 2/ Y-T-D
ORGANIC PRODUCTION PRACTICE				
Whole Milk	60	236	18.7	21.5
Reduced Fat Milk (2%)	62	247	8.3	19.4
Low Fat Milk (1%)	39	161	6.3	12.6
Fat-Free Milk (Skim)	34	141	-7.7	-1.2
Flavored Fat-Reduced Milk	11	40	4.5	-0.7
Other Fluid Milk Products	0	2	--	--
Total Fat-Reduced Milk 3/	134	550	3.2	11.5
Tot. Organic Milk Products	205	828	7.4	13.4

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

Organic Dairy News. Current organic milk supply tightness has varied impacts on the market for organic dairy dry products. A company located in South American seeking to import organic whole milk powder and organic skim milk powder for manufacturing has recently had difficulty in securing any export commitment from varied U.S. sources, whether manufacturers or traders. A large manufacturer told the prospective customer that there is not organic powder available to sell and the situation is unlikely to change until mid-next year at the soonest. This is a situation of supplies not being available, not a failure to agree on price.

A food manufacturer in New England which uses organic nonfat dry milk, now more often obtains it from New Zealand than U.S. sources. Several factors are cited. First, according to the manufacturer, pricing and supply have tended to be more stable when buying from New Zealand sources than U.S. sources.

Second, according to the manufacturer, little if any organic nonfat dry milk is manufactured in the eastern U.S., which leads to looking to manufacturers in the west. Freight costs for this manufacturer to ship organic NDM from California to the east by rail are higher than moving it from New Zealand by ship.

Another dimension to the tightness of organic NDM in the United States is the use by some domestic food manufacturers of imported organic E.U. certified dairy powders to supply protein. U.S. organic certified NDM is more expensive for the food manufacturer in the eastern U.S. than imported E.U certified organic dairy powder. This imported organic product is not certified as organic under U.S. standards but is used for food products manufactured in the U.S., then exported for sale outside the U.S.

Pricing currently quoted to U.S. customers for organic NDM ranges from $3.80 to $6.00.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy ad numbers have declined from the highest of the year two weeks ago, to slightly below average this two week period spanning the 4th of July. Organic yogurt ads are slightly above average but organic milk ads number slightly below average.

For the entire year 2014 until now, cumulative organic milk ad numbers lag the same period of 2013. Organic yogurt ads this year to date, lead the same period last year by about 50%. Overall organic dairy ad numbers for this year are slightly greater than last year to this point.

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period June 30 to July 11, 2014, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

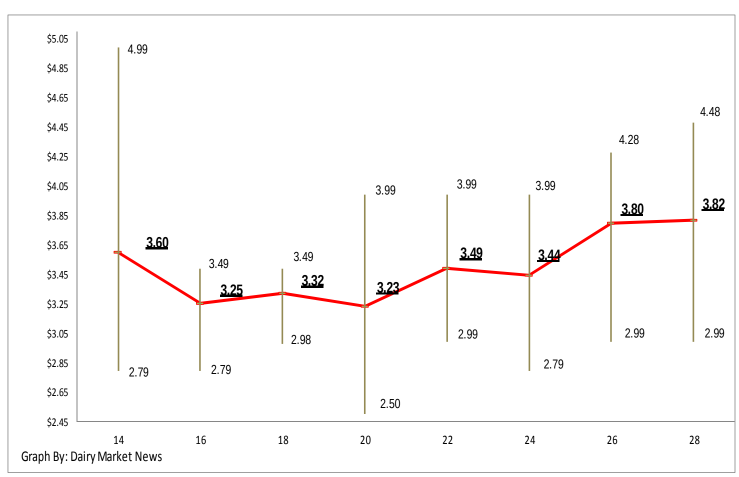
Complete results of this bi-weekly survey providing additional graphs, tables, and regional delineation, follow at the end of Dairy Market News, or can be accessed at: http://www.ams.usda.gov/AMSv1.0/DairyRetailReport

Regional Organic Dairy Ad Trends. Organic dairy ads appeared in all 6 regions. The percentage change in ad numbers increased from two weeks ago in the Northeast, 32%, but declined in the other regions: Midwest, -67%; Southeast, -92%; South Central, -59%; Southwest, -24%; and Northwest, -54%.

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is $3.82, up 2 cents from 2 weeks ago. One year ago the national price was $3.54.

The lowest price is unchanged at $2.99, while the top of the price range is up 20 cents to $4.48. The lowest advertised price, $2.99, is advertised in the Southwest. The highest advertised price, $4.48, is found in the Northeast.

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



CONTINUED ON PAGE 8-A

ORGANIC DAIRY MARKET NEWS

Information gathered June 30 - July 11, 2014

CONTINUED FROM PAGE 8

With the first half of 2014 now over, averaging the two week average prices of organic milk half gallons yields a cumulative six month national weighted average advertised price for organic milk half gallons of $3.47. The six month weighted average price for each region, and the region's average percentage of total ads for organic milk half gallons are: Northeast, $4.16 (7%); Southwest, $3.55 (25%); Southeast, $3.44 (23%); Midwest, $3.40 (16%); South Central, $3.24 (19%); and Northwest, $3.22 (11%).

Half gallon containers of private label organic milk bottled in Colorado, in a plant receiving organic milk from herds in Colorado and Texas, were noted in Wisconsin and Illinois supermarkets this week.

Organic - Conventional Milk Half Gallon Price Spread. The conventional-organic milk half gallon price spread is $.68. Last year at this time, the price spread was $1.17. The spread is calculated from the organic milk half-gallon price, $3.82, and the conventional milk half gallon average advertised price of $3.14. The price spread this year has ranged between $0.67 and $2.55.

Organic 8 Ounce Milk. Ad volume for organic 8 ounce milk is below average. The U.S. weighted average advertised price is $.84, down 20 cents from two weeks ago. One year ago the national price was $1.00. All ads were priced $.84.

Organic Yogurt. Ads for 32 ounce organic yogurt lead the organic yogurt category in numbers. The national average price is $3.85, down 2 cents from two weeks ago up 66 cents from one year ago. The lowest priced ads are in the South Central region, $3.49, while the highest priced ads, $3.99, are in the Northwest.

The next greatest number of organic yogurt ads is for 4-6 ounce organic Greek yogurt, which has a national average price of $1.05, up 5 cents from 2 weeks ago and one year ago. Prices ranged from $1.00 in the Northeast and Southeast, to $1.25 in the Northeast.

Organic 48-64 Ounce Ice Cream. All ads for 48-64 ounce organic ice cream ran in the Southwest, all priced $5.99. There were no ads two weeks ago. One year ago, when over 8 times as many ads for 48-64 ounce organic ice cream ran, the average price was $3.81.

SUPERMARKET PRICE COMPARISON:

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

ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE
2014 REPORTING WEEK 28

	MADISON, WISCONSIN LOW (in Dollars)	HIGH	RANGE
FLUID MILK			
MILK - gallon			
Whole	5.99	7.49*	1.50*
Reduced fat (2%)	5.99	7.49*	1.50*
Low fat (1%)	5.99	7.49*	1.50*
Nonfat (Skim)	5.99	7.49*	1.50*
MILK - half gallon			
Whole	3.99	5.19*	1.20*
Reduced fat (2%)	3.99	5.19*	1.20*
Low fat (1%)	3.99	5.19*	1.20*
Nonfat (Skim)	3.99	5.19*	1.20*
FLAVMILK - half gallon			
All fat tests	4.09	5.69	1.60
YOGURT			
Yogurt - 4-6 oz			
Yogurt	0.49	0.79	0.30
CHEESE			
Cheese - 8 oz block			
Mozzarella	3.75	5.99	2.24
Mild Cheddar	3.69	5.39	1.70
Monterey Jack	3.39	5.39	2.00
Pepper Jack	3.49	5.99	2.50
Cheese - 6 oz string			
Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	5.69	1.80
BUTTER			
Butter - 1 Pound	4.99	6.79*	1.80*

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

ORGANIC GRAIN AND FEEDSTUFF MARKETS:

Prices for organic corn and soybeans are trending generally steady. Market activity is slow to active for organic corn and soybeans and slow to moderate for the balance of reported grains. Winter wheat is still being harvested and yields are lower than expected. Demand for organic corn and soybeans is light to moderate. There is good interest on winter wheat. Corn and soybean growers are discussing the recent storm activity and flooding throughout the Midwest, as well as generally optimal growing conditions.

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

MAY 2014 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 164.6 million pounds, 0.5 percent above May 2013 but 0.7 percent below April 2014. **AMERICAN TYPE CHEESE** production totaled 391.4 million pounds, 1.0 percent above May 2013 and 3.9 percent above April 2014. **TOTAL CHEESE** output (excluding cottage cheese) was 965.0 million pounds, 2.2 percent above May 2013 and 1.3 percent above April 2014. **NONFAT DRY MILK** production, for human food, totaled 163.6 million pounds, 8.7 percent above May 2013 and 3.2 percent above April 2014. **DRY WHEY** production, for human food, was 79.9 million pounds, 5.6 percent above May 2013 and 7.5 percent above April 2014. **ICE CREAM** (hard) production totaled 69.9 million gallons, 8.9 percent below May 2013 but 1.8 percent above April 2014.

PRODUCTION OF DAIRY PRODUCTS

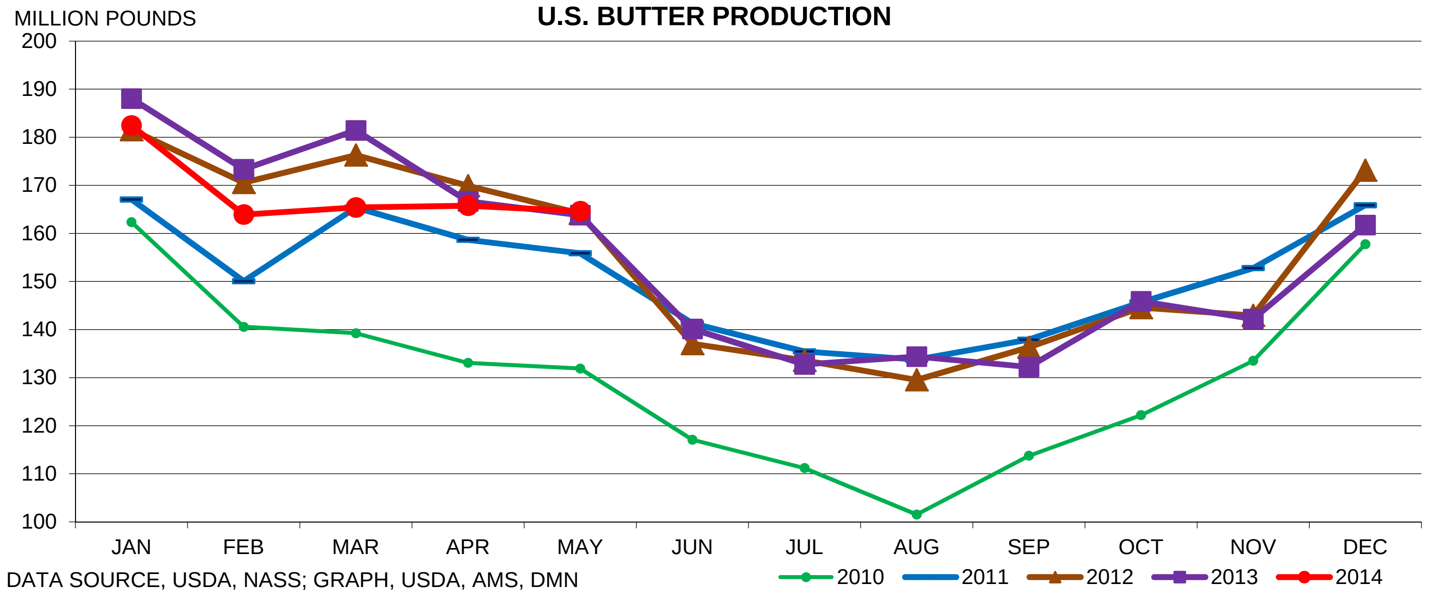
PRODUCT	MAY 2014 1,000 LBS.	PERCENT CHANGE FROM: MAY 2013	APR 2014	YEAR TO DATE 1/	PRODUCT	MAY 2014 1,000 LBS.	PERCENT CHANGE FROM: MAY 2013	APR 2014	YEAR TO DATE 1/
BUTTER	164,618	0.5	-0.7	-3.6	YOGURT (PLAIN AND FLAVORED)	406,931	0.7	2.3	3.2
CHEESE					DRY WHEY, HUMAN FOOD	79,923	5.6	7.5	---
AMERICAN TYPES [2]	391,432	1.0	3.9	-0.2	DRY WHEY, ANIMAL FEED	1,338	-66.0	-3.9	---
CHEDDAR	288,313	2.5	2.0	-0.2	DRY WHEY, TOTAL [8]	81,261	2.0	7.3	-14.9
OTHER AMERICAN	103,119	-3.0	9.6	---	REDUCED LACTOSE AND MINERALS				
BRICK & MUENSTER	14,857	-3.0	8.3	---	HUMAN FOOD	1,921	-28.5	20.9	---
CREAM & NEUFCHATEL	63,535	-1.9	-6.8	---	ANIMAL FEED	6,948	26.7	13.2	---
HISPANIC	20,795	3.9	5.3	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	97,296	11.6	6.1	12.7
TOTAL ITALIAN TYPES	413,690	5.1	-0.4	4.6	WHEY PROTEIN CONCENTRATE				
MOZZARELLA	328,894	7.1	-0.3	6.7	HUMAN FOOD [9]	47,323	12.0	4.7	---
ALL OTHER ITALIAN	84,796	-2.0	-0.8	---	ANIMAL FEED [9]	893	-21.4	74.8	---
SWISS	26,565	0.4	4.7	---	TOTAL [9]	48,216	11.1	5.4	13.0
ALL OTHER TYPES	34,081	-5.7	1.7	---	25.0-49.9 PERCENT [10]	26,555	25.1	7.4	---
TOTAL	964,955	2.2	1.3	1.7	50.0-89.9 PERCENT [10]	21,661	-2.3	3.1	---
COTTAGE CHEESE, CURD [3]	29,754	-5.2	-3.6	---	WHEY PROTEIN ISOLATES [11]	6,944	-0.6	5.0	---
COTTAGE CHEESE, CREAM [4]	24,138	-7.1	-1.5	-4.0					
COTTAGE CHEESE, LOWFAT [5]	28,858	-7.0	---	-5.7	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
DRY BUTTERMILK	9,740	-5.5	4.0	---	ICE CREAM (HARD)	69,947	-8.9	1.8	-5.7
DRY WHOLE MILK	12,217	132.3	164.0	---	ICE CREAM, LOWFAT (HARD)	17,872	-12.9	-7.2	---
MILK PROTEIN CONC. (MPC), TOTAL [6]	16,200	30.9	6.1	---	ICE CREAM, LOWFAT (SOFT)	21,350	-3.0	7.3	---
NONFAT DRY MILK (NDM), HUMAN	163,623	8.7	3.2	3.6	ICE CREAM, LOWFAT (TOTAL)	39,222	-7.8	0.2	-5.4
SKIM MILK POWDERS (SMP) [7]	58,204	6.2	19.5	4.5	SHERBET, HARD	3,617	-21.6	-10.5	-9.9
SOUR CREAM	91,319	-0.6	4.5	1.7	FROZEN YOGURT (TOTAL)	6,522	-25.6	7.8	-21.0

MANUFACTURERS' STOCKS, END OF MONTH 12/

PRODUCT	MAY 2014 1,000 LBS.	PERCENT OF: MAY 2013	APR 2014	PRODUCT	MAY 2014 1,000 LBS.	PERCENT OF: MAY 2013	APR 2014
DRY WHEY, HUMAN FOOD	62,936	-0.6	11.5	WHEY PROTEIN CONCENTRATE			
DRY WHEY, ANIMAL FEED	513	-77.7	-7.4	HUMAN FOOD [9]	46,335	-18.2	1.3
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL [13]	9,935	35.1	3.0	ANIMAL FEED [9]	1,378	-28.7	4.7
LACTOSE, HUMAN FOOD & ANIMAL FEED	99,876	16.3	4.5	TOTAL [9]	47,713	-18.6	1.4
DRY BUTTERMILK	20,794	28.1	11.0	25.0-49.9 PERCENT [10]	24,262	1.5	4.1
NONFAT DRY MILK (NDM), HUMAN FOOD	220,616	-4.0	-7.9	50.0-89.9 PERCENT [10]	23,451	-32.4	-1.3
				WHEY PROTEIN ISOLATES [11]	10,667	11.0	-2.1

[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, July 2014.*


MILLION POUNDS
U.S. BUTTER PRODUCTION
200
190
180
170
160
150
140
130
120
110
100
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
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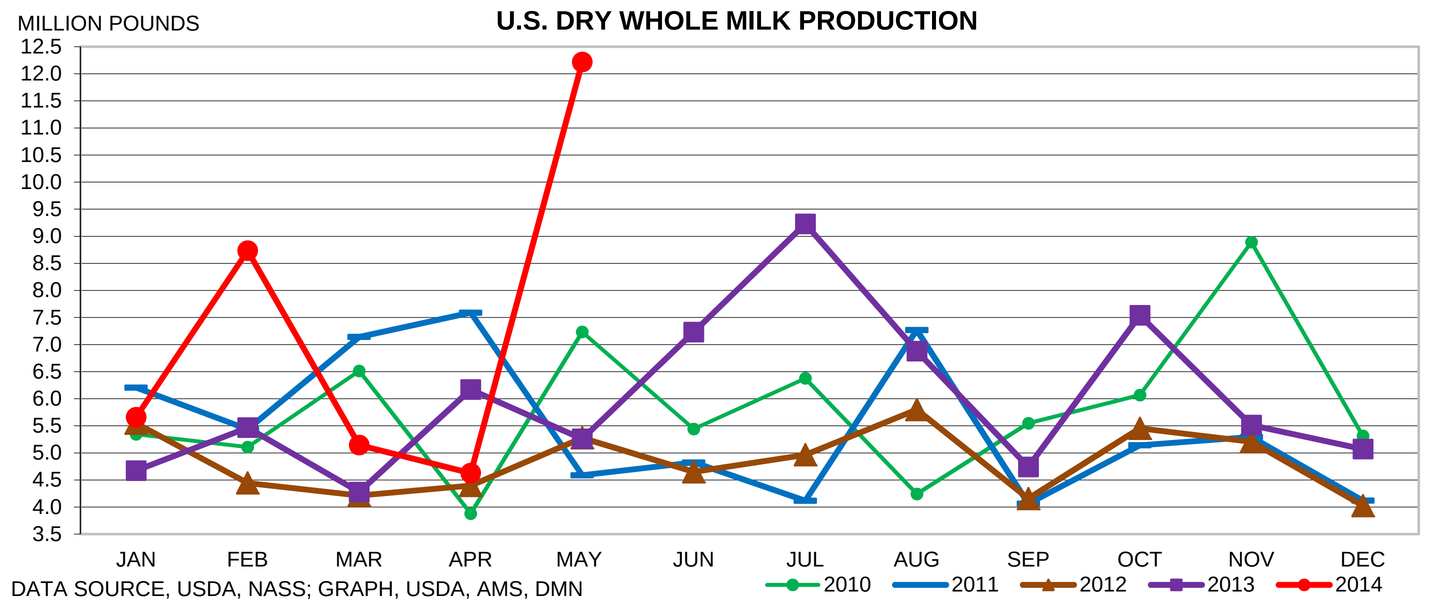
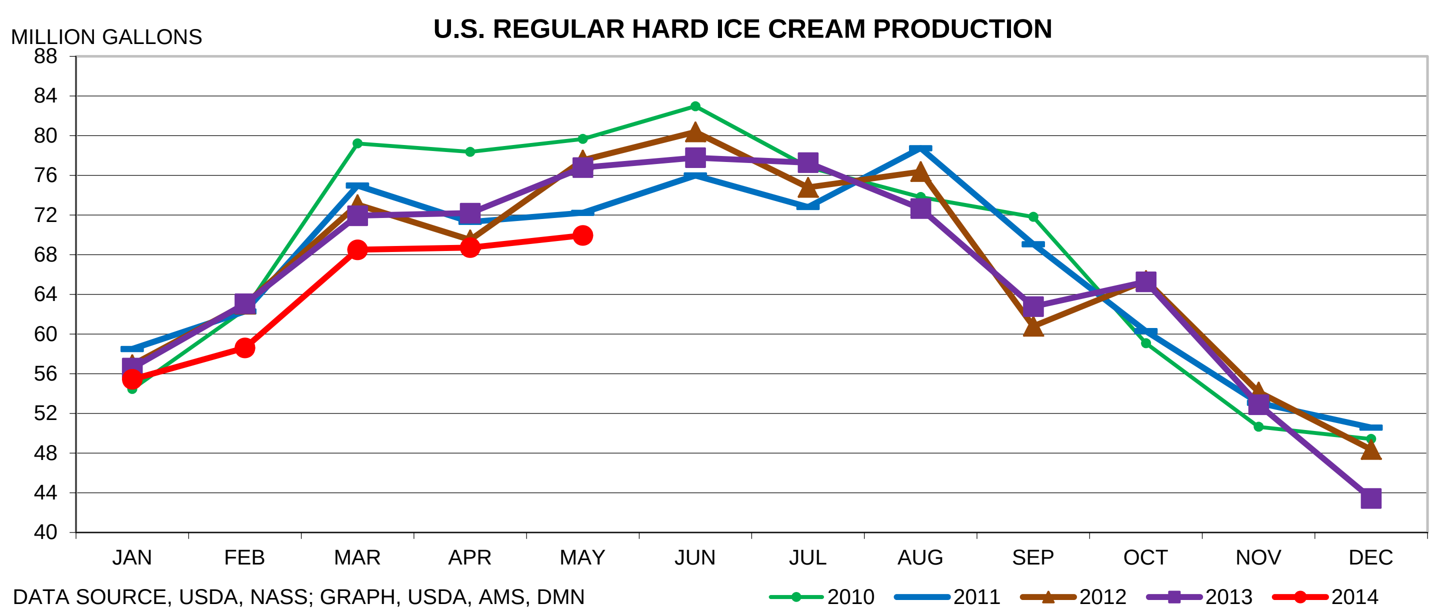
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2010
2011
2012
2013
2014


MILLION POUNDS
U.S. DRY WHOLE MILK PRODUCTION
12.5
12.0
11.5
11.0
10.5
10.0
9.5
9.0
8.5
8.0
7.5
7.0
6.5
6.0
5.5
5.0
4.5
4.0
3.5
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2010
2011
2012
2013
2014


MILLION GALLONS
U.S. REGULAR HARD ICE CREAM PRODUCTION
88
84
80
76
72
68
64
60
56
52
48
44
40
JAN
FEB
MAR
APR
MAY
JUN
JUL
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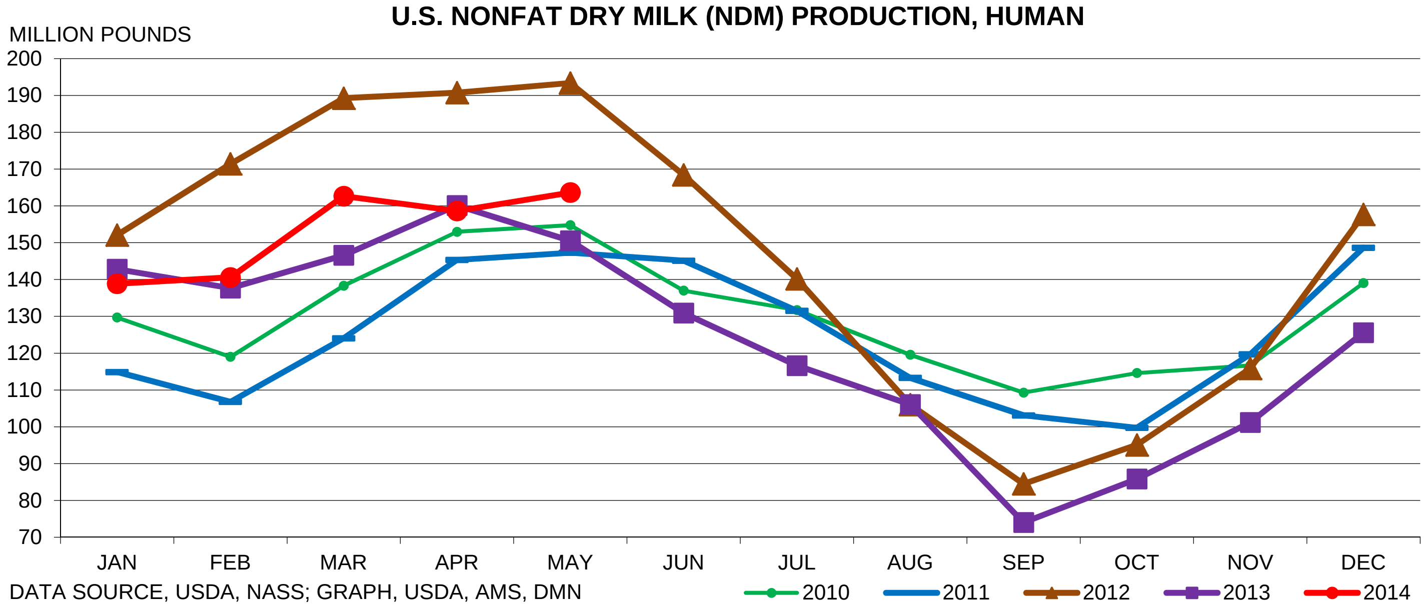
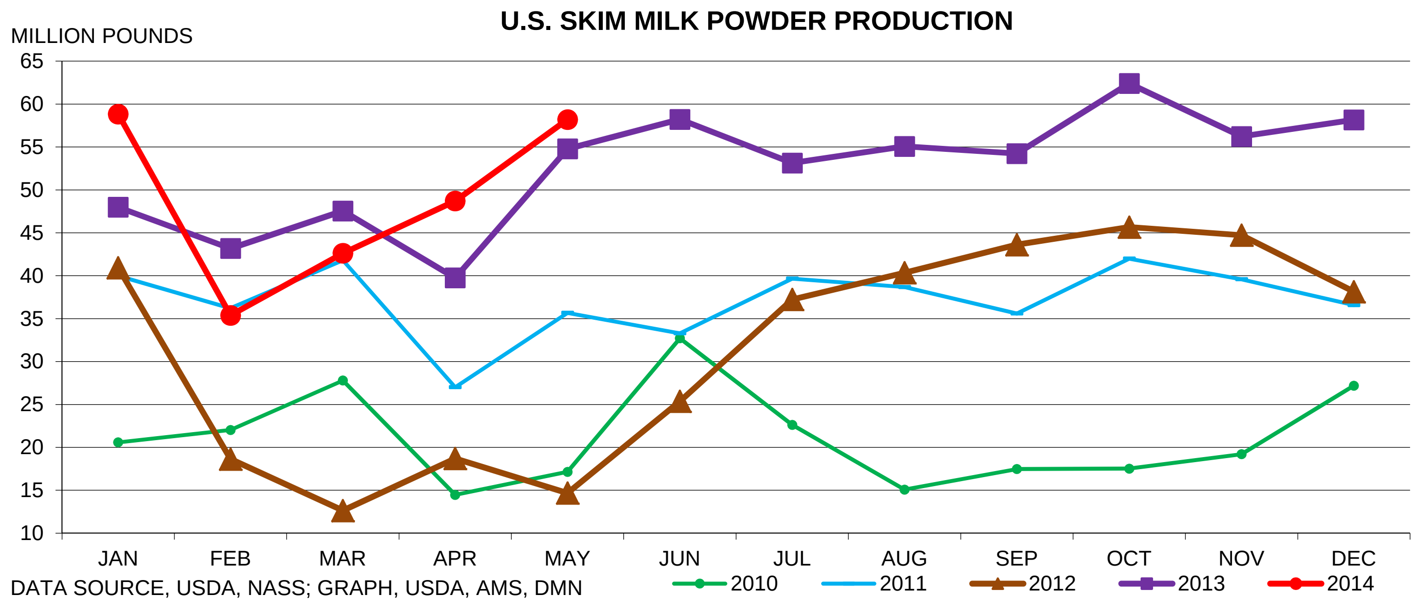
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2010
2011
2012
2013
2014


U.S. NONFAT DRY MILK (NDM) PRODUCTION, HUMAN
MILLION POUNDS
200
190
180
170
160
150
140
130
120
110
100
90
80
70
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2010
2011
2012
2013
2014


U.S. SKIM MILK POWDER PRODUCTION
MILLION POUNDS
65
60
55
50
45
40
35
30
25
20
15
10
JAN
FEB
MAR
APR
MAY
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2010
2011
2012
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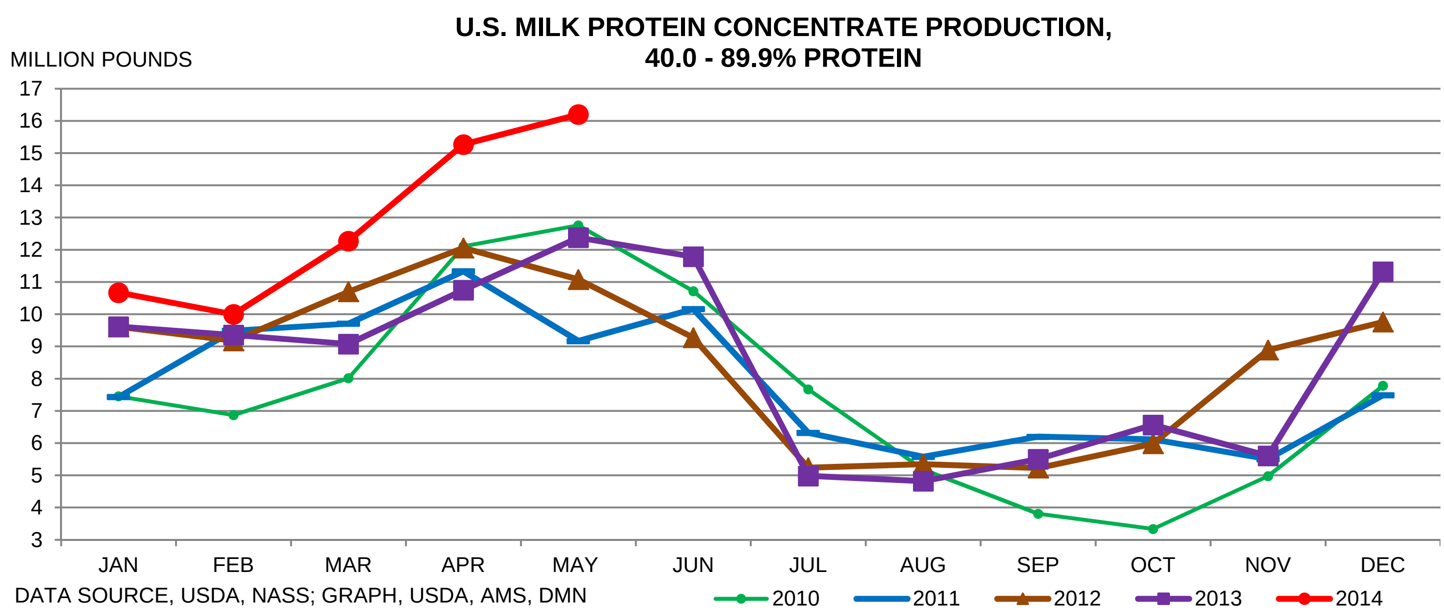
2014


U.S. MILK PROTEIN CONCENTRATE PRODUCTION,
40.0 - 89.9% PROTEIN
MILLION POUNDS
17
16
15
14
13
12
11
10
9
8
7
6
5
4
3
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
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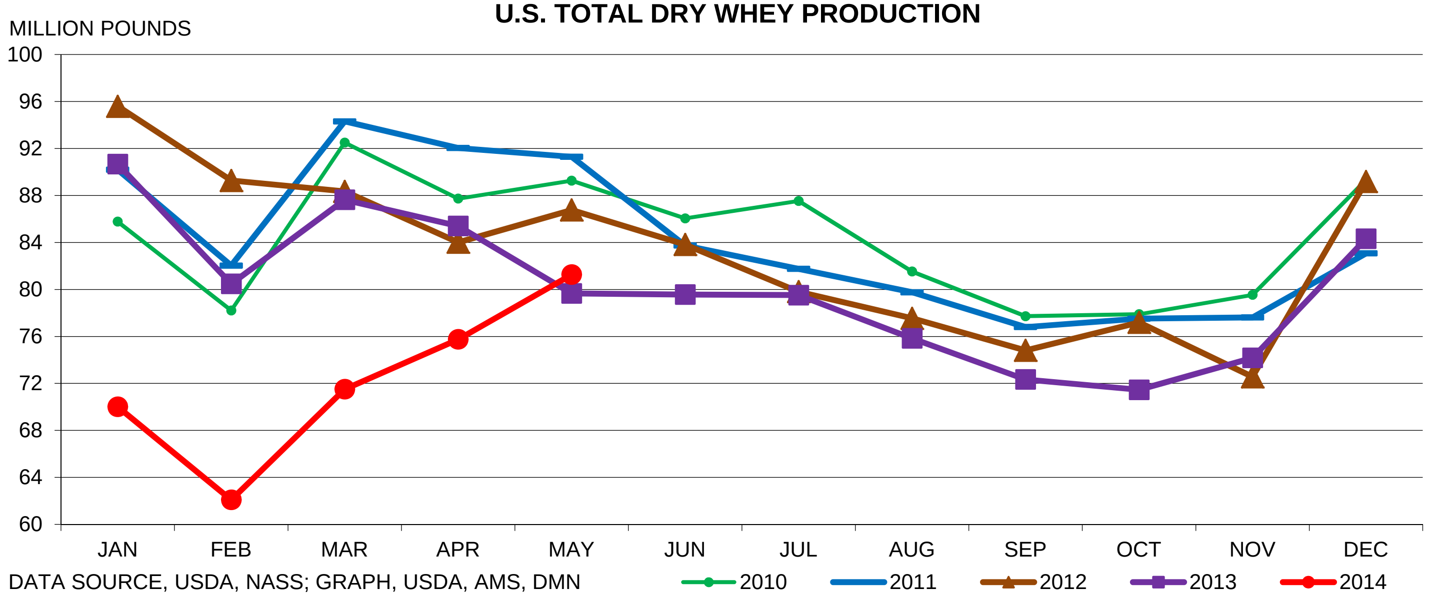
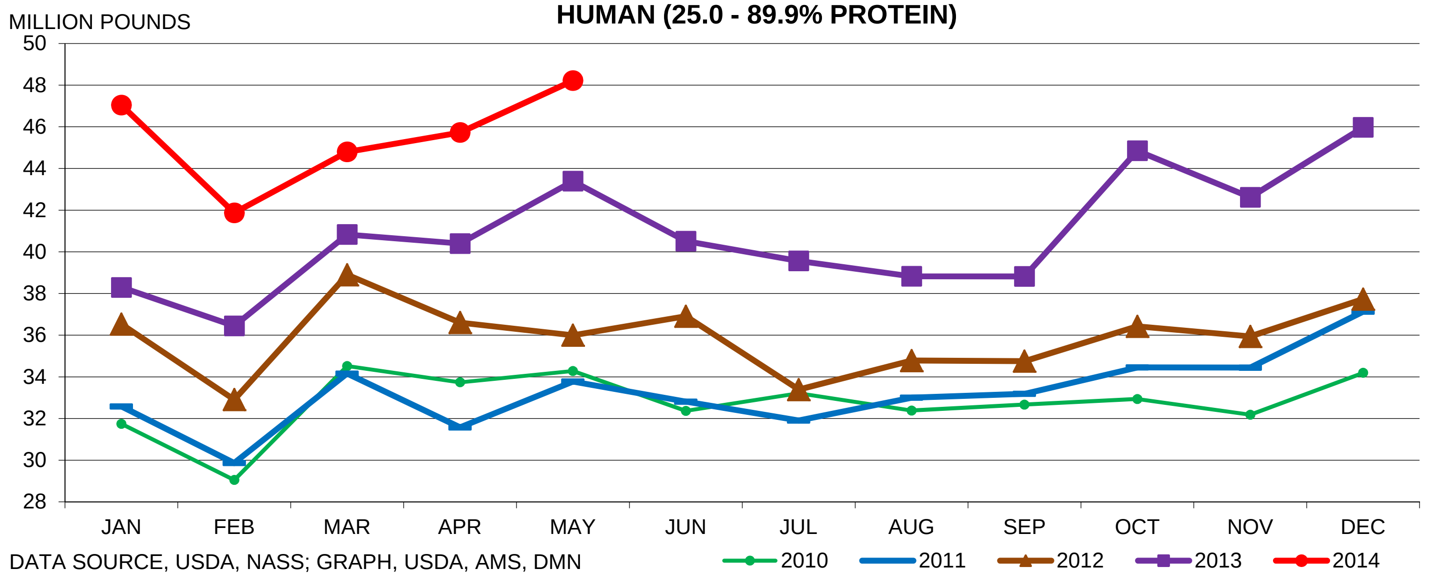
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2010
2011
2012
2013
2014

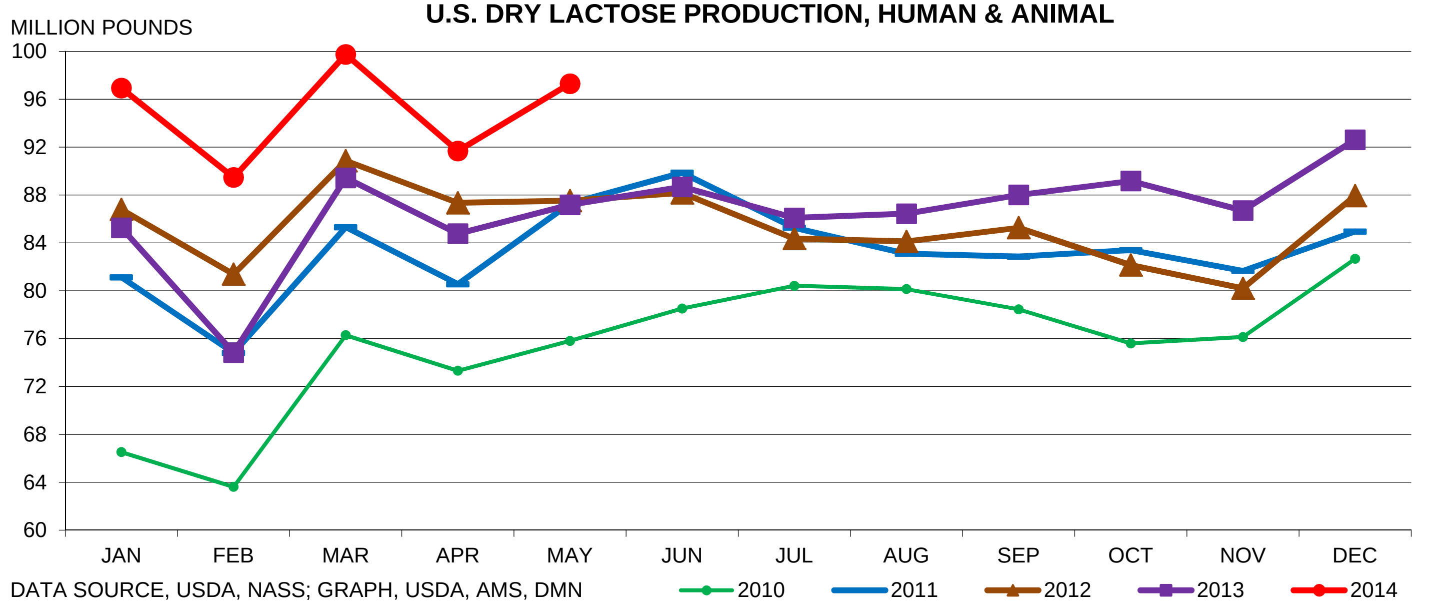
U.S. TOTAL DRY WHEY PRODUCTION



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



U.S. DRY LACTOSE PRODUCTION, HUMAN & ANIMAL



USDA

Agricultural Marketing Service

Dairy Market News Branch

National Dairy Retail Report

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

Volume 81- Number 28 | Issued Biweekly | Thursday, July 10, 2014

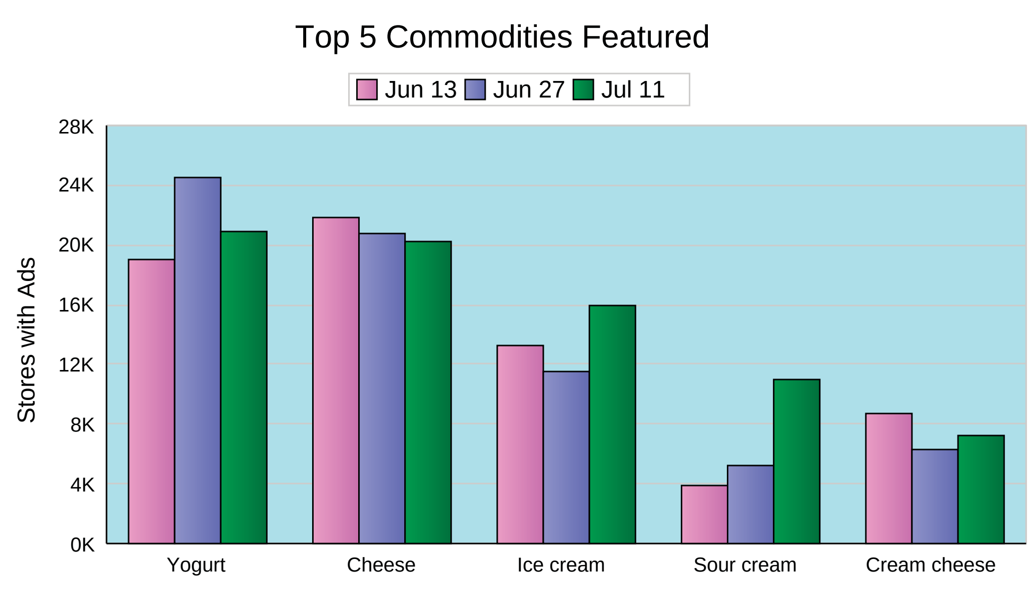
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 06/30 to 07/11

Traditionally strong selling summer dairy products such as sour cream, cream cheese and ice cream experienced increased advertising volume over the period spanning the 4th of July. Sour cream ad volume more than doubled. The national weighted average price is $1.82, down 12 cents from two weeks ago but up 16 cents from last year. Cream cheese, at $1.65, also experienced an increase in ad numbers, with the price down 7 cents from two weeks ago and down 17 cents from last year. Ads for 48-64 ounce ice cream increased 37%. The price, $3.15, is up 12 cents from two weeks ago and up 23 cents from last year. Prices ranged from $1.88 in the Southwest, to $4.99 in the Southeast and South Central regions.

Cheese ad volume increased 14% nationally from two weeks ago. The national weighted average advertised price of 8 ounce shredded cheese, $2.58, is up 28 cents from the last report and up 42 cents from last year. 8 ounce block cheese has an average price of $2.57, 13 cents higher than two weeks ago and 27 cents above last year.

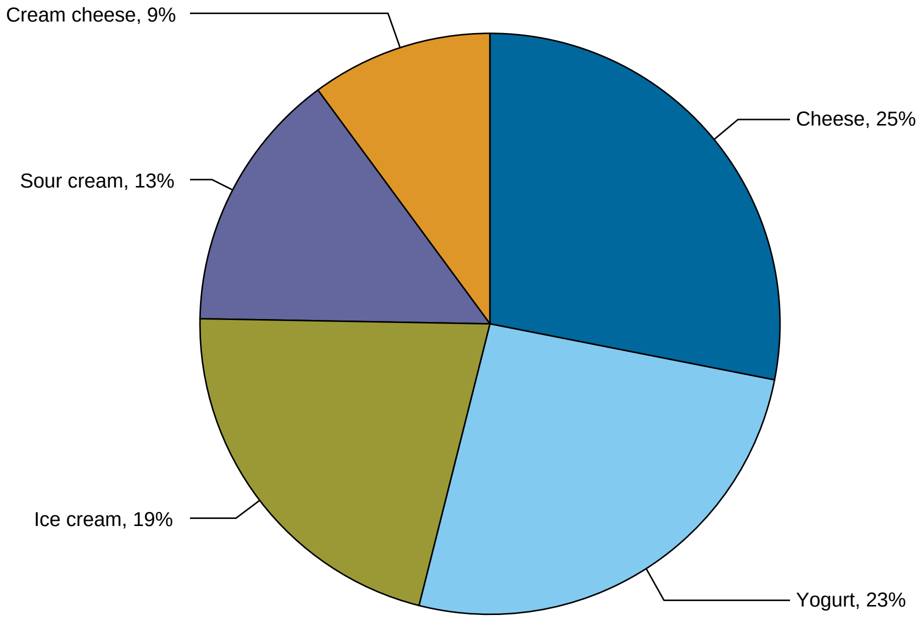
The most advertised yogurt product is 4-6 ounce Greek yogurt, with more than double the ad count of 4-6 ounce yogurt, the number two most advertised yogurt. The average price of 4-6 ounce Greek yogurt, $0.98, is up 1 cent from two weeks ago but down 2 cents from a year ago. With a national average price of $.53, 4-6 ounce yogurt is down 3 cents from two weeks ago but up 6 cents from a year ago.

The conventional-organic milk half gallon price spread is $.68. Last year at this time, the price spread was $1.17. The spread is calculated from the conventional milk half gallon average advertised price of $3.14, and the organic milk half-gallon price, $3.82.

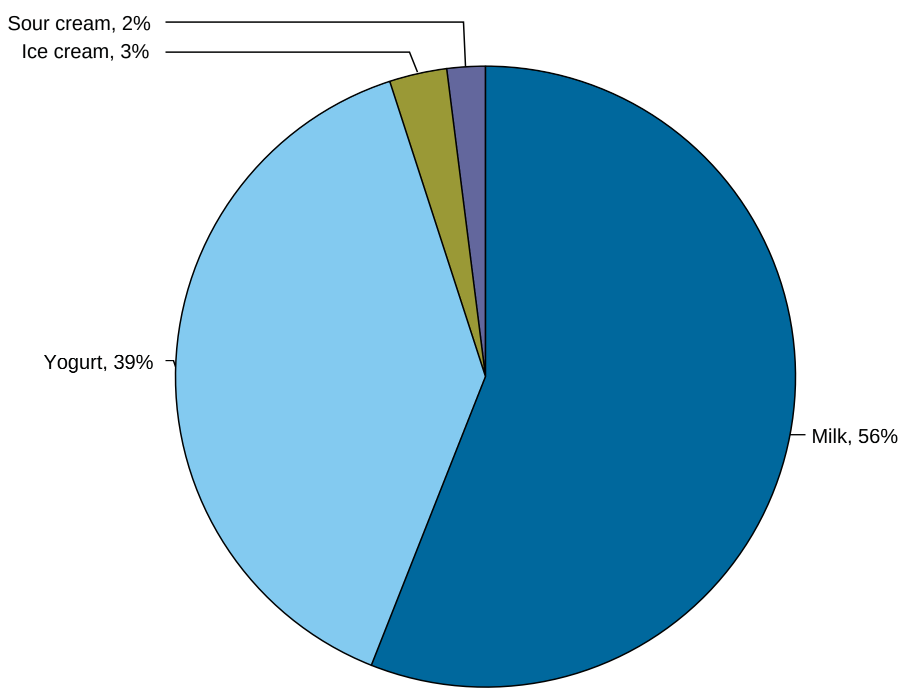


1 -- Dairy Market News surveys nearly100 retailers, comprising over 14,000 individual stores, with online weekly advertised features.
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

Top 5 Percentage of Total Conventional Ads



Top 5 Percentage of Total Organic Ads



Wtd Avg - Simple weighted average

NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	3970	3.04	3570	3.51	3444	2.54
Cheese	Natural Varieties	8 oz block	7422	2.57	6613	2.44	5818	2.30
Cheese	Natural Varieties	1 # block	361	3.99	1279	4.43	1058	3.96
Cheese	Natural Varieties	2 # block	1486	8.15	1143	7.84	257	7.29
Cheese	Natural Varieties	8 oz shred	9407	2.58	7824	2.30	6624	2.16
Cheese	Natural Varieties	1 # shred	1570	3.23	873	4.72	606	3.72
Cottage cheese		16 oz	1513	2.25	2128	2.58	1797	2.07
Cream cheese		8 oz	7248	1.65	6152	1.72	5213	1.82
Flavored milk	All fat tests	half gallon			494	2.47	362	2.21
Flavored milk	All fat tests	gallon	235	3.84	105	5.99	439	3.99
Ice cream		48-64oz	15760	3.15	11516	3.03	12874	2.92
Milk	All fat tests	half gallon	947	3.14	305	1.25	1231	2.37
Milk	All fat tests	gallon	2299	3.04	2572	3.11	4176	2.89
Sour cream		16 oz	10813	1.82	5160	1.94	7872	1.66
Yogurt	Greek	4-6 oz	11630	.98	12631	.97	7667	1.00
Yogurt	Greek	32 oz	165	3.50	438	4.32	62	3.99
Yogurt	Yogurt	4-6 oz	5467	.53	7597	.56	6598	.47
Yogurt	Yogurt	32 oz	1386	2.52	767	2.45	848	2.35

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-3.99	1150	3.57	2.49-3.00	1592	2.82	1.98-3.00	640	2.58
Cheese	Natural Varieties	8 oz block	1.99-3.29	3004	2.55	2.25-3.48	1803	2.55	1.49-2.25	636	1.91
Cheese	Natural Varieties	1 # block	3.99	128	3.99	3.99	105	3.99			
Cheese	Natural Varieties	2 # block				7.99	58	7.99			
Cheese	Natural Varieties	8 oz shred	1.99-7.99	2657	2.83	2.25-3.00	2067	2.55	1.49-2.50	1349	2.13
Cheese	Natural Varieties	1 # shred				2.99-3.99	468	3.21	2.99	450	2.99
Cottage cheese		16 oz	1.99-2.79	479	2.33	2.00-2.50	235	2.23	2.28	62	2.28
Cream cheese		8 oz	1.25-2.50	1718	1.69	1.25-2.00	2381	1.69	0.99-2.00	666	1.58
Flavored milk	All fat tests	gallon	4.19	165	4.19				3.00	70	3.00
Ice cream		48-64oz	1.99-4.19	3369	3.01	2.50-4.99	4691	3.30	1.98-3.99	2207	2.80
Milk	All fat tests	half gallon	2.00-4.29	795	3.25	1.99	102	1.99			
Milk	All fat tests	gallon	3.69-4.99	348	4.15	3.27-3.69	231	3.50	2.59-3.00	333	2.71
Sour cream		16 oz	1.50-2.50	2689	1.96	1.00-2.50	3052	1.86	0.99-2.00	1253	1.59
Yogurt	Greek	4-6 oz	0.80-1.25	3612	1.01	0.00-1.00	2687	.90	0.89-1.00	1450	.99
Yogurt	Greek	32 oz	3.50	165	3.50						
Yogurt	Yogurt	4-6 oz	0.40-0.99	2302	.54	0.49-0.60	2243	.50	0.50-1.00	377	.77

Wtd Avg - Simple weighted average

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	2.28-3.99	747	2.53	2.18-3.00	321	2.40	3.50	70	3.50

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.49-3.49	123	3.06	3.99	167	3.99	2.00-3.50	298	2.64
Cheese	Natural Varieties	8 oz block	2.00-3.99	425	2.85	1.99-3.49	1352	2.64	3.99	202	3.99
Cheese	Natural Varieties	1 # block				3.99	128	3.99			
Cheese	Natural Varieties	2 # block	7.49-8.99	234	8.27	7.99-9.99	816	8.76	5.99-6.99	378	6.78
Cheese	Natural Varieties	8 oz shred	2.29-3.00	1430	2.55	1.99-2.99	1606	2.69	2.29	298	2.29
Cheese	Natural Varieties	1 # shred	2.99	376	2.99	3.99	276	3.99			
Cottage cheese		16 oz				1.89-2.50	417	2.41	1.00-2.50	320	1.95
Cream cheese		8 oz	1.25-2.29	836	1.75	1.50-2.00	1369	1.57	1.00-1.50	278	1.28
Ice cream		48-64oz	2.49-4.99	2001	3.54	1.88-3.99	2424	3.06	2.50-3.99	1068	3.09
Milk	All fat tests	half gallon							3.69	50	3.69
Milk	All fat tests	gallon	1.99-2.88	321	2.44	1.99-3.69	768	2.85	2.89	298	2.89
Sour cream		16 oz	1.00-2.00	1053	1.34	1.39-2.50	2132	2.03	1.00-2.50	634	1.64
Yogurt	Greek	4-6 oz	1.00	833	1.00	0.95-1.00	2300	.99	1.00-1.25	748	1.02
Yogurt	Yogurt	4-6 oz	0.50	53	.50	0.49-0.50	374	.50	0.50	118	.50
Yogurt	Yogurt	32 oz	2.39	118	2.39				2.00-2.99	130	2.38

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #			202	3.98		
Cheese	Natural Varieties	8 oz block			1553	3.61		
Cheese	Natural Varieties	8 oz shred			1441	3.61		
Cream cheese		8 oz			202	1.98		
Ice cream		48-64oz	143	5.99			1166	3.81
Milk	All fat tests	half gallon	2707	3.82	1121	3.80	3141	3.54
Milk	All fat tests	gallon			2503	5.50		
Milk	All fat tests	8 oz UHT	440	.84	1149	1.04	283	1.00
Sour cream		16 oz	112	2.39				
Yogurt	Greek	4-6 oz	867	1.05	1487	1.00	453	1.00
Yogurt	Greek	32 oz			201	2.99		

Wtd Avg - Simple weighted average

Yogurt	Yogurt	4-6 oz					228	.88
Yogurt	Yogurt	32 oz	1351	3.85	1351	3.87	413	3.19

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	4.09-4.48	373	4.24	4.29	58	4.29	3.69-3.99	366	3.83
Milk	All fat tests	8 oz UHT	0.84	374	.84	0.84	66	.84			
Yogurt	Greek	4-6 oz	1.00-1.25	801	1.05	1.00	66	1.00			
Yogurt	Yogurt	32 oz	3.89	112	3.89	3.89	58	3.89			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Ice cream		48-64oz				5.99	143	5.99			
Milk	All fat tests	half gallon	3.19-3.79	234	3.48	2.99-4.39	1298	3.77	3.50-3.79	378	3.73
Sour cream		16 oz	2.39	112	2.39						
Yogurt	Yogurt	32 oz	3.49-3.79	234	3.65	3.79-3.89	649	3.84	3.99	298	3.99

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

REGIONAL DEFINITIONS

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

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

Wtd Avg - Simple weighted average

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VOLUME: 81

REPORT: 28

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