

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (10/31)**

BUTTER: Grade AA closed at \$1.8900. The weekly average for Grade AA is \$1.8400 (-.1095).

CHEESE: Barrels closed at \$2.11 and 40# blocks at \$2.1400. The weekly average for barrels is \$2.0345 (+.0095) and blocks, \$2.1260 (-.1375).

BUTTER HIGHLIGHTS: Butter prices fluctuated throughout the week on an unsettled market. Some buyers are actively placing holiday print orders, while others are shopping around and are optimistic prices could fall further. Export orders remain at light levels. Contacts indicate butterfat imports continue to make their way to the U.S. Butter manufacturers are linking production strongly with orders, and disinclined to build stocks. However, some regions are facing growing milk and cream supplies, resulting in gradually increasing warehouse inventories. Butter makers are mainly working current cream and bulk butter supplies lower, minimizing spot load purchases unless orders support them. Bulk butter prices ranged from 10 cents under to 4 cents over market, with various time frames and averages used. The DMN *National Dairy Retail Report* noted the national weighted average advertised price for a 1 lb. package of butter was \$3.82, down \$0.38 from two weeks ago, but \$1.08 higher than a year ago. Advertised butter prices ranged from \$3.33 to \$4.99. Friday at the CME Group, Grade AA butter closed at \$1.8900, up \$0.08 from last Friday. This week, a cooperative export assistance program accepted requests for 1.98 million pounds of butter.

CHEESE HIGHLIGHTS: Manufacturing cheese and getting it to stores to meet end of year holiday demand, is an increasingly active interest of manufacturers and buyers. Cheese manufacturers have adequate milk supplies and production is generally steady. Some plants are operating at capacity. Manufacturers are conscious of balancing schedules and orders to keep inventory controlled. Some manufacturers expect order interest to increase in early November, when converters typically accelerate preparing bulk cheese for retail sale. Foreign cheese is increasingly competing with domestic cheese on a price basis. World cheese prices coupled with a strengthening dollar are making exporting U.S. cheese more challenging. Friday at the CME Group, barrels closed at \$2.1100 up 18 3/4 cents from a week ago and 40# blocks at \$2.1400, unchanged from a week ago.

FLUID MILK: West milk production is steady to higher. Fluid milk orders are unchanged to lower throughout the West. East milk

production is steady. Northeast bottler demand remains steady. Mid-Atlantic fluid sales are steady and Florida demand is strong. Central milk production continues to surpass year ago levels. Bottled milk sales are declining while fluid processors are getting ready for holiday and eggnog orders.

DRY PRODUCTS: Nonfat dry milk prices are steady to declining and the undertone is softening. Manufacturers have taken opportunities to lighten inventories, and now quantities on hand vary from planned levels to tight. NDM production is active. Dry buttermilk prices are lower to unchanged. Interest is mixed. Inventories vary based on contractual commitments. Dry whole milk prices are steady but the market is weak. Production is decreasing due to comfortable inventories. Dry whey prices are steady to declining and the undertone is softening. Spot markets revealed ample offerings and discounts. Inventories are mixed, with some manufacturers clearing out and others trying to keep higher stocks on hand for contract fulfillment. Production is strong. Export orders have declined due to the higher than global market prices. Buyers are careful to control purchases. Whey protein concentrate 34% prices have shifted lower. There are producers, who have inventories on hand, that are taking discounts. Production rates are steady. Export orders are flat. Lactose prices are unchanged on the mostly price series. The market tone remains weak. Manufacturers are producing at high levels. Domestic demand is light and inventories vary. Casein prices are unchanged.

ORGANIC DAIRY MARKET NEWS: The U.S. weighted average advertised price of organic milk half gallons is \$3.32, down 15 cents from 2 weeks ago. One year ago the price was \$3.73. The lowest price is down 19 cents to \$2.50, while the top of the price range is down \$1.00 to \$4.29. Organic cheese (8 ounce blocks) has an average price of \$3.83 down from \$4.39 two weeks ago. Advertised prices range from \$3.39 to \$3.99. Organic cheese (8 ounce shredded) has an average price of \$3.99. There were no ads two weeks ago. All advertised prices are \$3.99. The first ads of the holiday season for organic egg nog appeared this survey period. All ads for quart size appeared in the Southeast, all priced \$3.49. Current reports from Maine to Georgia to Arizona and even California of fluid organic milk shortages have origins tracing back to 2012.

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

ORGANIC DAIRY MARKET NEWS (PAGES 8-8A)
DAIRY GRAPHS (G1-G2)

NATIONAL DAIRY RETAIL REPORT (ATTACHED)

CME GROUP CASH TRADING

COMMODITY	MONDAY OCT 27	TUESDAY OCT 28	WEDNESDAY OCT 29	THURSDAY OCT 30	FRIDAY OCT 31	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.9225 (N.C.)	\$2.0100 (+.0875)	\$2.0650 (+.0550)	\$2.0650 (N.C.)	\$2.1100 (+.0450)	:: (+.1875)	:: \$2.0345 (+.0095)
40# BLOCKS	\$2.1400 (N.C.)	\$2.1000 (-.0400)	\$2.1150 (+.0150)	\$2.1350 (+.0200)	\$2.1400 (+.0050)	:: (N.C.)	:: \$2.1260 (-.1375)
NONFAT DRY MILK GRADE A	\$1.2400 (-.0050)	\$1.2400 (N.C.)	\$1.2400 (N.C.)	\$1.2425 (+.0025)	\$1.2425 (N.C.)	:: (-.0025)	:: \$1.2410 (-.0545)
BUTTER GRADE AA	\$1.8000 (-.0100)	\$1.7700 (-.0300)	\$1.8500 (+.0800)	\$1.8900 (+.0400)	\$1.8900 (N.C.)	:: (+.0800)	:: \$1.8400 (-.1095)

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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The primary impact of tighter organic milk supplies, until now, has been reduced availability of organic dairy products made from milk, such as organic cream, organic butter, organic whey and organic nonfat dry milk. This has led a number of processors of organic dairy products to cut back, or in some cases, leave organic dairy processing. Thus, the shortage has been ongoing but less visible to most consumers.

NATIONAL DAIRY RETAIL REPORT (DMN): Increases in ice cream ads may have been prompted by the unusually warm fall weather covering most of the country. The weighted average price of a 48-64 ounce container was \$3.23, 29 cents higher than 2 weeks ago. The number of sour cream ads declined substantially as the weighted average price increased 12 cents from the last reporting period to \$1.82. Cream cheese ad numbers increased from 2 weeks ago with 8 ounce packages averaging \$1.64, down 14 cents. The national average price of 1 pound butter, \$3.82, decreased by 38 cents from the last period, but is \$1.08 higher than one year ago. The national weighted average cheese price for 8 ounce blocks is down 22 cents from two weeks ago to \$2.41, while a year ago the price was \$2.43. The 8 ounce shred category at \$2.46 is down 23 cents from two weeks ago, but 18 cents higher from one year ago. Greek yogurt in 4-6 ounce packages averaged 98 cents, up 1 cent from two weeks ago, but 1 cent lower compared to a year ago. Regular yogurt in 4-6 ounce packages, at 50 cents, are down 1 cent from two weeks ago and down 2 cents from one year ago. The organic versus conventional half gallon price spread is \$1.02, down 61 cents from two weeks ago. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.30, and the average for organic half gallon milk, \$3.32. One year ago the price spread was \$2.08.

CME GROUP

MONDAY, OCTOBER 27, 2014

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$2.1400; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.9225; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.9500
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.2400
 BUTTER -- SALES: 10 CARS GRADE AA: 2 @ \$1.7600, 1 @ \$1.7650, 1 @ \$1.7700, 1 @ \$1.7800, 1 @ \$1.7900, 1 @ \$1.7925, 1 @ \$1.7950, 1 @ \$1.7975, 1 @ \$1.8000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

TUESDAY, OCTOBER 28, 2014

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$2.0975, 1 @ \$2.1000; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.0100; 1 CAR 40# BLOCKS @ \$2.0900; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.2400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7700

WEDNESDAY, OCTOBER 29, 2014

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$2.1000; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.0650; 1 CAR 40# BLOCKS @ \$2.1150; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.2300; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 4 CARS GRADE AA: 2 @ \$1.7500, 1 @ \$1.7900, 1 @ \$1.8500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, OCTOBER 30, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$2.1350; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.2425; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 6 CARS GRADE AA: 1 @ \$1.8500, 2 @ \$1.8600, 1 @ \$1.8800, 1 @ \$1.8875, 1 @ \$1.8900; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

FRIDAY, OCTOBER 31, 2014

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$2.1475; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.1100; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$2.1400
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

Lower butter price averages and increased cream volumes define the market. Butter production remains seasonally active. A few plants are selling cream supplies. Demand from retail accounts is good for print butter, as consumer-buying habits are steady to increasing. Butter is trading more actively in the spot market, as buyers safeguard holiday needs. Inventories are mixed. The current bulk butter prices for domestic sales are \$0.0200 under to \$0.0200 over the market, based on various time frames and averages used. According to the DMN *National Dairy Retail Report*, the U.S. weighted average advertised price for 1-pound butter is \$3.82, a decrease of \$0.38 compared to two weeks ago. The price in the Northeast was \$4.37, an increase of \$0.56 compared to two weeks ago. The price in the Southeast was \$3.51, a decrease of \$0.43 compared to two weeks ago. At the CME, Grade AA butter closed Tuesday at \$1.7700, down \$0.2625 from a week ago. This week, a cooperative export assistance program accepted requests for 1.984 million pounds of butter. COLD STORAGE: According to NASS, U.S. butter in storage on September 30, 2014 totaled 146.1 million pounds, 37% less than a year ago and 11% less than the previous month.

CENTRAL

Butter production in the Central region is rising as suppliers fill orders mainly for the upcoming holidays. Ample milk and cream supplies have also contributed to higher production levels. Many production lines are focused on 80%, salted butter. Given the current volatility in prices and overall softening undertone, many manufacturers are reluctant to build stocks. However, some butter makers note supplies are growing incrementally. International demand remains light due to price differentials between U.S. and international markets. Imports continue to come into the U.S. Domestic buyer interest for retail and food service accounts improved following lower prices. Bulk butter demand is moderate while prices reported ranged from 2 cents under the market to 4 cents over the

market, with various time frames and averages used. The DMN *National Dairy Retail Report* noted the national weighted average advertised price for a 1 lb. package of butter was \$3.82, down \$0.38 from two weeks ago, but \$1.08 higher than a year ago. The weighted average price in the Midwest region was \$4.08, \$0.44 higher than two weeks ago. In the South Central region, the average was \$3.81, \$1.00 lower than two weeks ago. Wednesday at the CME Group, Grade AA butter closed at \$1.8500, down \$0.1400 from last Wednesday. This week, a cooperative export assistance program accepted requests for 1.98 million pounds of butter.

WEST

The butter market is unsettled, with some Q4 demand to be filled, but buyers are shopping price whenever possible. Some producers indicate that all current production is still heading toward contract fulfillment. Interest for spot loads is mixed. There are buying opportunities for those needing butter now, but market participants indicate lower prices may emerge as Q4 advances. According to the *National Dairy Retail Report*, Western advertised butter prices were lower compared to two weeks ago and ranged from \$3.49-3.99 (-\$0.10 to -\$1.00 respectively) per pound. The weighted average price for butter in the Northwest was \$3.85 and the Southwest was \$3.83. Bulk butter prices range from 3 cents over the market to 10 cents under, based on the CME with various time frames and averages used. Butter prices at the CME Group at midweek closed at \$1.8500. Compared to last Wednesday, butter prices are 14.0 cents lower. According to the NASS *Cold Storage* report, U.S. stocks of butter as of September 30, 2014, total 146.1 million pounds, down 37% from a year ago. Butter stocks are 11% less than the end of August 2014.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
October 25, 2014	2.1995 3,498,298	2.2243 13,335,658	2.1701 9,883,909	0.6392 7,683,060	1.4915 17,053,007

CHEESE MARKETS

NORTHEAST

In general, ample milk volumes and holiday orders are pressuring plants to operate on 6-7 day production schedules. Supplies are adequate for most needs. Domestic demand is active as holiday trade progresses. A variety of cheeses is having seasonally strong sales. As the expectation that prices will fall looms, some cheese manufacturers note the challenge in maintaining tight inventories and the ability to accommodate seasonal demand. According to the DMN *National Dairy Retail Report*, the weighted average advertised price for 8 oz. cheese blocks in the Northeast was \$2.49, 8 cents more than the national price but 22 cents less than two weeks ago. The Southeast 8 oz. block cheese price was \$2.50, 33 cents less than two weeks ago. The weighted average price for 8 oz. shredded cheese in the Northeast was \$2.43, 3 cents less than the national price and 23 cents less than two weeks ago. The Southeast 8 oz. shredded cheese price was \$2.77, 2 cents less than two weeks ago. Last week, the weekly average cheese prices on the CME Group varied. Wholesale prices for 40# block and muenster increased \$0.0250, while process 5# sliced declined \$0.0800. Grade A Swiss prices are unchanged. Tuesday's CME Group cash closing saw barrels end the day at \$2.0100, retreating \$0.0250 from a week ago, while blocks closed at \$2.1000, declining \$0.2250 from a week ago.

Cold Storage: According to NASS, U.S. stocks of total natural cheese as of September 30, 2014, totaled 1.013 billion pounds, 5% less than a year ago and 3% less than the previous month. Other cheese totaled 356.8 million pounds, 6% less than a year ago, and 2% less than the previous month. Swiss cheese totaled 25.2 million pounds, 16% less than a year ago and 7% less than the previous month.

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

Cheddar 40# Block	:	2.6575-2.9425
Process 5# Sliced	:	2.2475-2.7275
Muenster	:	2.6775-3.0375
Grade A Swiss Cuts 10 - 14#	:	3.8500-4.1725

MIDWEST

Orders for cheese leading into the holiday season are increasing, but more ordering is still anticipated. Midwest milk production is generally strong, resulting in good milk availability for cheesemaking. Some manufacturers expect production to increase further in the weeks leading toward Thanksgiving. Blocks are in balance in much of the Midwest, with barrels slightly tighter. Cheese orders are slower this week than some manufacturers expect will soon be the case. Two factors are expected to increase cheese ordering in the near future. The timing of holidays ahead with the need to replenish/increase store inventory levels is one factor. A more immediate factor may be that a number of cheese converters who typically pay for cheese based on the monthly price average of the previous month, are believed to be awaiting November (next week) to increase ordering, when the pricing average becomes October rather than September. This seems likely to reduce the price paid and send increased volumes of cheese moving through the distribution system. Foreign cheese is increasingly competing with domestic production on a price basis. World dairy product prices lower than U.S. prices, coupled with a strengthening dollar, make imported cheese more competitive in the U.S. It is said that "lots of cheese" is now on boats heading toward the U.S. The *National Dairy Retail Report* (DMN) found that Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$1.66, 80 cents lower than the national average, \$2.46. Midwest prices range from \$1.25 to \$2.25. For 8 ounce blocks, the Midwest average price is \$2.04, 37 cents lower than the national average price, \$2.41. Midwest ad prices range from

\$1.25 to \$2.50. Nationally, cheese ad numbers are 20% lower than two weeks ago. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese decreased \$.0800, Swiss was unchanged and the remaining varieties increased \$.0250. CME Group trading closed Wednesday with barrels at \$2.0650 down \$.0050 from last Wednesday and blocks at \$2.1150, down \$.2550 from last Wednesday.

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

Process American 5# Loaf	:	2.1250-2.4850
Brick And/Or Muenster 5#	:	2.6375-3.0625
Cheddar 40# Block	:	2.3425-2.7600
Monterey Jack 10#	:	2.6125-2.8175
Blue 5#	:	2.9050-3.8925
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.4825-3.3775
Grade A Swiss Cuts 6 - 9#	:	3.3675-3.4850

WEST

Cheese demand from Western buyers is steady, but buyers are aware of the recent shifts in market tone. Buyers are watching in-house inventories closely, and tying spot purchasing activities to near term needs. Western wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese decreased \$.0800, Swiss was unchanged, and the remaining varieties increased \$.0250. Cheese production is steady at most locations as milk production is unchanged for the week. Producers report ready availability of condensed skim and/or nonfat dry milk in the region, but there are fewer purchases for fortification due to the mixed market. In the Pacific Northwest, milk intakes are hovering near the seasonal low point, but some plant operators are keeping cheese plants running at capacity. Those cheese volumes are reportedly fully contracted to clear before the end of the year to both domestic and international buyers. According to the NASS *Cold Storage* report, U.S. stocks of natural cheese as of September 30, 2014, total 1.013 billion pounds, 3% lower than one month ago and 5% lower than one year ago.

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

Process 5# Loaf	:	2.1550-2.4125
Cheddar 40# Block	:	2.3850-2.7375
Cheddar 10# Cuts	:	2.5650-2.7850
Monterey Jack 10#	:	2.5750-2.7350
Grade A Swiss Cuts 6 - 9#	:	3.4275-3.8575

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

	BUTTER	:	CHEESE
		:	
10/27/14	14,208	:	94,354
10/01/14	16,938	:	92,958
CHANGE	-2,730	:	1,396
% CHANGE	-16	:	2

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CHEESE MARKETS

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FOREIGN

Domestic foreign type cheese prices increased for the second consecutive week, while Swiss and imported cheese prices were unchanged. Demand is slowing as most retailers have their orders in for the holiday season. Cheese supplies domestically and internationally are increasing.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.7975-4.2850*
Gorgonzola	: 3.6900-6.9700	: 3.3000-4.0025*
Parmesan (Italy)	: -0-	: 4.1875-6.2775*
Provolone (Italy)	: -0-	: 2.8400-3.0925*
Romano (Cows Milk)	: -0-	: 3.9875-6.1375*
Sardo Romano (Argentine)	: 2.8500-4.4900	: -0-
Reggianito (Argentine)	: 3.2900-4.4900	: -0-
Jarlsberg-(Brand)	: 2.9500-6.0800	: -0-
Swiss Cuts Switzerland	: -0-	: 3.9475-4.2700
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

*= Price change.

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	170	0	160	0	120	0
SOUTHEAST STATES	0	0	0	0	0	0

Milk production in the Northeast is somewhat steady. Class I demand is steady. Manufacturing milk supplies are sufficient for most production, although it's noted that seasonal milk increases above last year are hampering the level of specialty powder production in some channels. Mid-Atlantic farm level production is steady and above last year's numbers at this time. Manufacturing supplies are adequate, as most producers are comfortable with current levels. Classes I sales are steady. Class II sales are mixed. Production is even at the farm level in Florida. Favorable weather for cow comfort is expected over the weekend. Spot shipments of Grade A milk into Florida totaled 170 loads, 10 above last week. Class I demand is strong again this week. The Southeast farm-level milk output remains steady. Milk distributed to bottling facilities is rising as orders increase. Contacts note milk orders are being placed for the Christmas holiday. Milk supplies clearing to manufacturing are marginal. Fluid sales are good. **Cream multiples for all Classes range 1.11-1.28.** Cream supplies are readily available for most dairy manufacturing needs. Demand from all milk Classes is active. Contacts state buyers are seeking loads, as some cream users look to catch up following limited production, while butterfat prices moved lower. Sales of cream into cream cheese, sour cream and dips are steady to higher. Yogurt production has declined. Last week, the CME Group Grade AA weekly average butter price was \$1.9495, down \$0.3525 from the previous week. **Condensed skim** volumes are adequate. Supplies are primarily clearing through contracts, as demand from seasonal production improves. Condensed skim volumes moving through the spot market have slowed, as a result Class IV condensed skim processing is steady to increasing in some channels. According to the *National Dairy Retail Report*, the U.S. weighted average price for one gallon of milk was \$3.78, a \$0.08 increase compared to two weeks ago. The weighted average price in the Northeast was \$4.49, a decrease of \$0.09 compared to two weeks ago.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. producing plants: Northeast -	2.1639-2.4954
F.O.B. producing plants: Upper Midwest -	2.2419-2.5344

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.55-1.58
Northeast - Class III - spot prices -	1.46-1.60

MIDWEST

Milk production in the Central region continues to exceed levels of last year at this time. The extra milk supplies are starting to outpace demand as premiums for spot loads of milk are fewer and farther in-between. Milk spot loads ranged from \$2.50 under Class to \$0.50 over. Many processors are strategizing holiday milk arrangements. Bottling sales are lackluster with noted marginal declines in sales. Eggnog production is building for fourth quarter as more retail

accounts place eggnog orders. Interest for Class II cultured products is improving. Cream demand picked up on lower butter prices and increased orders from buyers looking to fill holiday orders. **Cream multiples ranged from 1.15 to 1.30.** Wednesday at the CME Group, Grade AA butter closed at \$1.8500, down \$0.14 from last Wednesday. The *DMN National Dairy Retail Report* noted the national weighted average advertised price for one gallon of milk was \$3.78, up \$0.08 from two weeks ago. The weighted average price in the Midwest region was \$2.87, \$0.06 higher than two weeks ago. The weekly *Cow Slaughter under Federal Inspection* report shows U.S. dairy cow slaughter for the week ending October 11, at 55,300 head, 5,000 head or 8.3% less than the comparable week a year ago. The *NASS Crop Progress Report* noted corn harvested in the 18 selected states as of October 26 was at 46%, compared to the 5-year average of 65% for the comparable week. Soybean harvested was at 70%, compared to the 5-year average of 76%.

WEST

Milk production in CALIFORNIA is steady to higher as cooler temperatures support cow comfort in the region. However, on the feed side of milk production, availability of supreme quality dairy cow alfalfa is tight. Recent sales for delivered, in-state or out-of-state dairy cow alfalfa hay ranged from \$320 to \$350/ton. Dry cow hay prices run from \$220 - \$235/ton, delivered. Operators report processing plants are operating below peak levels. Maintenance projects at some locations are pushing some milk loads toward other locations. Class 1 orders are unchanged. September 2014 POOL RECEIPTS of milk in CALIFORNIA total 3.18 billion pounds, 3.3% higher compared to September last year, according to California Department of Food and Agriculture. Year-to-date through September 2014 receipts are 4.1% higher from the comparable months in 2013. The September Value at Test price is \$23.55, \$1.03 higher than August 2014 and \$4.89 higher than September 2013. The percentage of receipts used in Class 1 products is 14.58%. The September quota price is \$24.15 and the over quota price is \$22.45. These prices are \$0.81 higher than August and \$4.71 higher than a year ago. NEW MEXICO milk production is working toward reversing the summer downward trend. Pickup volumes moved higher at several locations. Sales into Class I shifted lower, as some out-of-state buyers pushed back loads. Class II orders are for contract volumes only. Milk producers in ARIZONA report production is higher throughout the state. In addition to increasing in-state milk volumes, some processors are also handling out-of-state surplus loads. Fluid orders are unchanged. Ice cream manufacturers are taking decreased volumes as that season retreats. Buyers and sellers report spot cream loads are readily available in many parts of the West. Sales into ice cream/frozen dessert plants slowed recently. The next focus for ice cream makers is holiday related specialty flavors, but those production volumes are generally lower than summer specialty flavors. Sour cream and cream cheese producers are making gradual increases in production, and taking additional cream loads via contracts and spot buying. Churning is ongoing at several locations as butter orders for the balance of the year have to be filled. However, spot demand for butter is lower as buyers are generally reluctant to go long in a declining market. Cream multiples are lower and higher, ranging from .80 to 1.26. Some cream loads traded below the market to find interest, but other loads, due to location and other factors, garnered steady interest. Grade AA butter at the CME Group closed on Wednesday at \$1.85, down 14 cents from a week ago.

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FLUID MILK AND CREAM

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Milk production in the PACIFIC NORTHWEST is mixed. Overall milk production is generally above last year's totals, but week to week intakes are declining toward the seasonal low point. Processing plant operators indicate they are selectively filling some plants and keeping others below capacity, depending on the product mix needed. IDAHO and UTAH milk production is steady from week to week. Milk is clearing between some PACIFIC NORTHWEST states and the Southwest region to fill production needs and find processing room.

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 (NDM) spot loads were actively traded at lower prices, while certain indexes pushed higher. The undertone is softening behind nervousness of cheaper international pricing and growing milk supplies. Production rates continue to be strong. Domestic sales are moderate, while export orders are slowing. Supplier inventories of low/medium heat NDM are generally increasing incrementally. High heat NDM prices are steady to lower as some basing points declined. Spot load availability is limited. Demand is picking up as baking season nears. Wednesday at the CME Group, Grade A NDM closed at \$1.2400, down \$0.07 from last Wednesday.

EAST: Prices for nonfat dry milk are mixed, as the market undertone weakens. Drying operations are steadily producing low/medium heat nonfat dry milk comparable to last week's levels. As the market continues to trend downward, domestic demand is somewhat lethargic as potential buyers delay purchases outside of current needs. Volumes are primarily clearing through existing contracts. Low/medium heat nonfat output is adding to moderate stocks. Transactions remain light in the spot market. Contacts indicate a slight increase in the manufacturing of high heat nonfat dry milk. Manufacturers are mostly filling current orders, as domestic buyer interest improves. Inventories are tight. The bulk of new high heat nonfat dry milk is committed to contracts.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.2000 - 1.5850 MOSTLY: 1.3200 - 1.5050
 HIGH HEAT: 1.4350 - 1.6000

NONFAT DRY MILK - WEST

Prices for Western low/medium heat nonfat dry milk moved lower on the full range and on the bottom of the mostly price series. A few manufacturers took opportunities to lighten inventories built earlier in the year to steady interest. Market participants indicate more transactions are ongoing within the resale community. Discussions for 2015 contracts are ongoing. Buyers voiced concerns about potential elimination of some contract bases. Other buyers are considering going into 2015 with a different business model that depends on weekly spot transactions. Nonfat dry milk production is active, especially in the Southwest, where dairy producers report milk production is gradually trending upward. Nonfat dry milk inventories vary. High heat nonfat dry milk prices are unchanged to higher, based on FOB spot and contract sales. Production of high heat NDM is scheduled intermittently. Inventories are at planned quantities, suited to contract fulfillment.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.2000 - 1.5350 MOSTLY: 1.2800 - 1.4700
 HIGH HEAT: 1.4800 - 1.5900

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Prices of dry buttermilk are steady to lower on decreased basing points. Buyer interest is weakening as dry sales are generally slower. Supplier inventories vary based on contractual commitments, ranging from balanced to growing.

EAST: Dry buttermilk prices decreased at the top of the range due to lower F.O.B spot sales. A significant drop from the previous week's cream volumes has led to reductions in the region's churning rates, and a decline in dry buttermilk production. In general, inventories are modest but adequate for near term commitments. Producers are managing stock levels with a focus on holiday requirements. Buyer interest is light, with the mode of hand-to-mouth expediting most purchases, as prices trend lower. The dry buttermilk market undertone continues to soften.

F.O.B. CENTRAL/EAST: 1.0800 - 1.2700

DRY BUTTERMILK - WEST

The Western dry buttermilk mostly price series narrowed, but the range series is steady. The market is mixed as some producers report steady streams of inquiries for near term purchases of dry buttermilk. In contrast, other producers and resellers indicate demand is light outside of existing contracts. Some producers are purchasing dry buttermilk loads from other manufacturers to ensure having enough on hand for all Q4 needs. Butter production is active and buttermilk drying is ongoing. Some condensed buttermilk is clearing into ice cream, although demand from that market sector is seasonally lower.

F.O.B. WEST: 1.1600 - 1.4300 MOSTLY: 1.3000 - 1.3800

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are steady, but the market is weak. With the recent decrease in Grade AA butter pricing, the butterfat component value within the dry whole milk price is declining. Customers are tentative about making more than single load commitments without price considerations. Oceania product is reportedly filling some current domestic needs. Production is lower at several locations as manufacturers have comfortable inventories to fill near term contracts. Some FOB and resale offers surfaced this week to limited interest. Dryer schedules are focused on clearing condensed skim into various nonfat products.

F.O.B. PRODUCING PLANT: 1.6000 - 1.8200

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
October 24	\$1.4939	9,290,632
October 17	\$1.5034	9,093,789

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 declined on active F.O.B. spot loads trading at mostly lower prices along with index prices weakening. The undertone is softening. Buyers noted additional offerings and discounts in the spot market. A few manufacturers are looking to clean out inventories before year's end. Production rates are strong, mirroring cheese vat schedules. Domestic interest ranges from light to moderate. Export orders are slow as U.S. prices continue to exceed competing global markets. Animal feed whey prices were steady on limited spot sales.

F.O.B. CENTRAL: .4800 - .6925 MOSTLY: .5500 - .6450
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3500 - .5900

DRY WHEY - NORTHEAST

Dry whey prices are unchanged to lower, in a softening market. Production is steady. Inventories are moderate. Buyers of dry whey are careful to control purchases. Dry whey domestic demand is fair from bakeries and confectionary accounts.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6100 - .7025

DRY WHEY - WEST

Prices for Western dry whey are steady. Market participants report the market has a weaker undertone developing as U.S. prices, which are higher than world prices, are limiting export opportunities. Resale transactions outpaced reported FOB spot sales. Production is active as Western region milk production is either regaining some volumes, or manufacturers are choosing cheese over powder production. Dry whey inventories are mixed, with some manufacturers reporting higher stocks on hand. Other manufacturers report stocks are comfortable and tuned to order fulfillment. Some offers of Western dry whey to new customers for Q1 are reported, and negotiations are underway.

NONHYGROSCOPIC: .5000 - .6875 MOSTLY: .5500 - .6450

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices of whey protein concentrate (WPC) 34% shifted lower. Seller strategies vary as some with additional supplies on hand are taking discounts, while others are in a mostly committed position. Production rates are steady at high rates with a few plants at capacity levels. Domestic buyer interest is mostly steady for those who cannot reformulate WPC 34%, while demand from others who can use alternative dairy proteins is light. Export orders are mainly flat with a few manufacturers noting slightly improving sales.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.2000-1.5325 MOSTLY: 1.2300-1.4025

LACTOSE - CENTRAL AND WEST

Lactose prices were mostly unchanged outside of a slightly lower bottom of the range and higher top of the range prices. The market tone remains weak. Manufacturers continue to produce at high production levels. Domestic demand overall is light. However, interest varies on mesh sizes and end uses as some suppliers note improved interest, while other contacts note sales slowing. Manufacturers' stocks differ greatly, ranging from growing volumes to a mainly committed position.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2525-.6075 MOSTLY: .3500-.4800

CASEIN - NATIONAL

Acid and rennet casein prices are unchanged for the week. Casein manufacturing plants in Oceania are operating at near capacity levels, due to the seasonally heavy milk intakes. Global supplies of casein are increasing and prompting some buyers to hold off purchases in hopes that prices will move lower. Most sales transactions are contract based at this time. Some sellers are anxious to put sales on the books and are agreeing to price concessions to finalize agreements for Q1.

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: 4.2000 - 4.8000
ACID: 4.4000 - 5.0000

U.S. Dairy Cow Slaughter (1000 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
10/11/2014	55.3	2,201.6	60.3	2,462.6

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

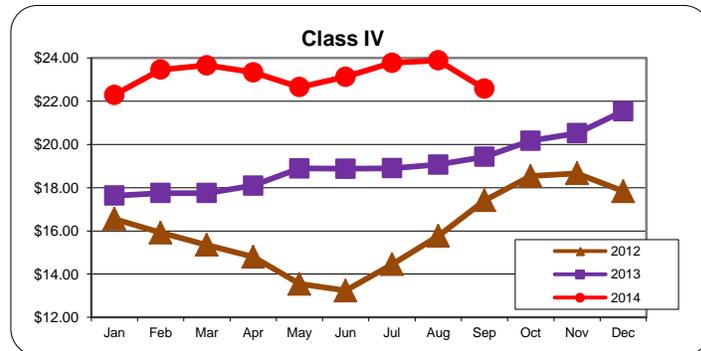
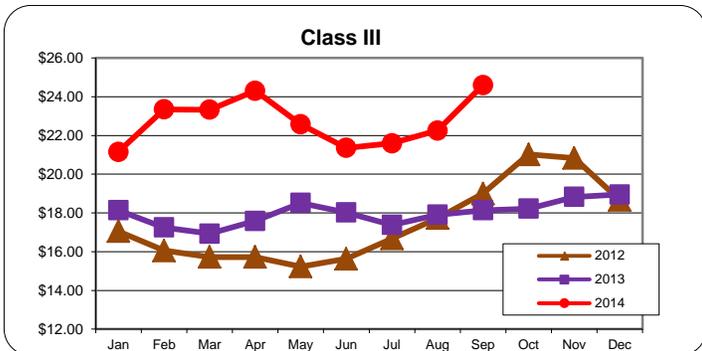
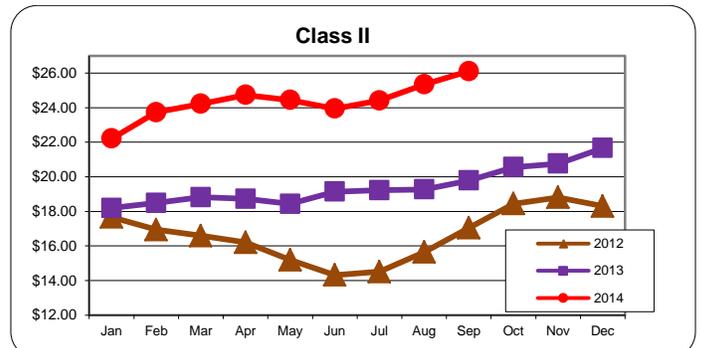
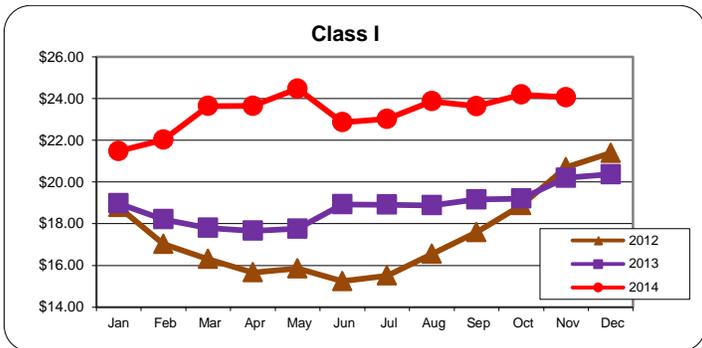
CLASS IV MILK PRICES (3.5%)

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	23.02	23.87	23.63	24.19	24.06	
II	22.21	23.73	24.22	24.74	24.44	23.94	24.41	25.34	26.11			
III	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60			
IV	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58			

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 October 20 - 31, 2014

ORGANIC DAIRY FLUID OVERVIEW

Organic Dairy News. Current reports from Maine to Georgia to Arizona and even California of fluid organic milk shortages, have origins tracing back to 2012. The primary impact of tighter organic milk supplies, until now, has been reduced availability of organic dairy products made from milk, such as organic cream, organic butter, organic whey and organic nonfat dry milk. This has led a number of processors of organic dairy products to cut back, or in some cases, leave organic dairy processing. Thus, the shortage has been ongoing but less visible to most consumers.

In recent weeks the tightness of organic milk has reached retail dairy coolers, causing increasing awareness among consumers that organic fluid milk is in shorter supply. This shortness is not a new development.

Some supermarkets in the Northeast, South and Southwest have posted signs on dairy coolers advising consumers that organic milk is in short supply. There have been instances of various brands of organic milk being temporarily being sold out.

Part of the reason for the current shortage of organic milk sold as packaged milk is seasonal. Now is the time of year when milk production tends to be at a low level, whether organic or conventional. Milk production typically begins to increase later in the year, then continuing through the new year toward the spring flush.

Yet the current situation has causal factors which transcend seasonal production cycles. The 2012 drought resulted in less organic feed, lower quality feed, and more expensive feed, a situation which carried into 2013. This led to higher production costs and lower milk output for many organic dairy producers. Increasing costs led some producers to feed less, or feed lower quality feed, which further reduced organic milk production per cow. Lower economic returns then prompted some producers to sell organic cows to help make ends meet. There was not recovery from the effects of 2012 in 2013, so the situation carried into 2014.

This continuing cycle has resulted in less organic milk being produced, some reduction in herd sizes on some farms, and some producers leaving organic milk production.

Organic dairy producer organizations in the Northeast and Northwest have been seeking increases in contracted organic milk pay prices. The increases are sought to break the cycle and help organic milk production rebound. Price increases are also sought to generate new organic dairy producers to begin transitioning into organic certification and then, milk production.

Organic producer representatives acknowledge that normal seasonal milk production increases will ease the current situation in coming months, but point out that even at the seasonal peak of milk production, organic milk output will not meet current demand. Resolution will require more organic dairy producers and more organic cows being milked.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy ad volume has rebounded from recent survey periods to the fourth highest level of 2014. This outcome results in significant part from the combination of the second highest 2014 level of 8 ounce organic milk ads, coupled with very high 8 ounce organic cheese ad numbers.

The first ads for organic egg nog of the holiday season appeared this survey period.

Organic yogurt ad numbers continue the recent trend of being well below average.

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period October 20 to October 31, 2014, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

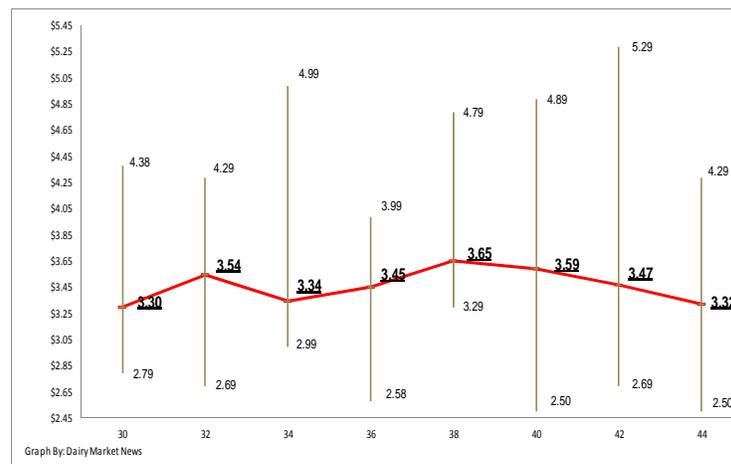
Complete results of this bi-weekly survey providing additional graphs, tables, and regional delineation, follow at the end of Dairy Market News, or can be accessed at: <http://www.ams.usda.gov/AMSV1.0/DairyRetailReport>

Regional Organic Dairy Ad Trends. Organic dairy ads appeared in all regions. The percentage change in ad numbers increased from two weeks ago in all regions, including the Southwest, 158%; South Central, 138%; Southeast, 101%; Northwest, 86%; Midwest, 27%; and Northeast, 14%.

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is \$3.32, down 15 cents from 2 weeks ago. One year ago the price was \$3.73.

The lowest price is down 19 cents to \$2.50, while the top of the price range is down \$1.00 to \$4.29. The lowest advertised price, \$2.50, is in the South Central. The highest advertised price, \$4.29, is found in the Southwest.

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



Organic - Conventional Milk Half Gallon Price Spread. The conventional-organic milk half gallon average advertised price spread is \$1.02. This spread is calculated from the organic milk half-gallon average advertised price, \$3.32, and the conventional milk half gallon average advertised price of \$2.30. The price spread this year has ranged between \$0.67 and \$2.55.

Organic 8 Ounce Milk. The U.S. weighted average price of organic 8 ounce milk this period is \$1.00, up 8 cents from two weeks ago and up 4 cents from one year ago. All ads are priced \$1.00.

Organic Milk Gallons. Ad numbers for organic milk gallons are about one-half of the average bi-weekly level this year. All ads are in the Northeast, with a national average price of \$5.99. Two weeks ago the national average price was \$6.59.

8 Ounce Block Organic Cheese. Organic cheese (8 ounce blocks) has an average price of \$3.83 down from \$4.39 two weeks ago. Advertised prices range from \$3.39 to \$3.99.

CONTINUED ON PAGE -8A-

ORGANIC DAIRY MARKET NEWS

Information gathered October 20 - 31, 2014

CONTINUED FROM PAGE -8-

8 Ounce Shredded Organic Cheese. Organic cheese (8 ounce shredded) has an average price of \$3.99. There were no ads two weeks ago. All advertised prices are \$3.99.

8 Ounce Organic Cream Cheese. All ads for organic cream cheese appeared in the Northwest, priced \$2.99, down from \$3.89 two weeks ago.

16 Ounce Organic Sour Cream. All ads for organic sour cream appeared in the Northeast and Southeast, priced \$2.99-\$3.00.

32 Ounce Organic Yogurt. All ads for 32 ounce organic yogurt, the only organic yogurt advertised, appeared in the Northeast, with an average advertised price of \$3.61. Prices range from \$2.99-\$3.99.

Quart Organic Egg Nog. All ads for quart size organic egg nog appeared in the Southeast, all priced \$3.49.

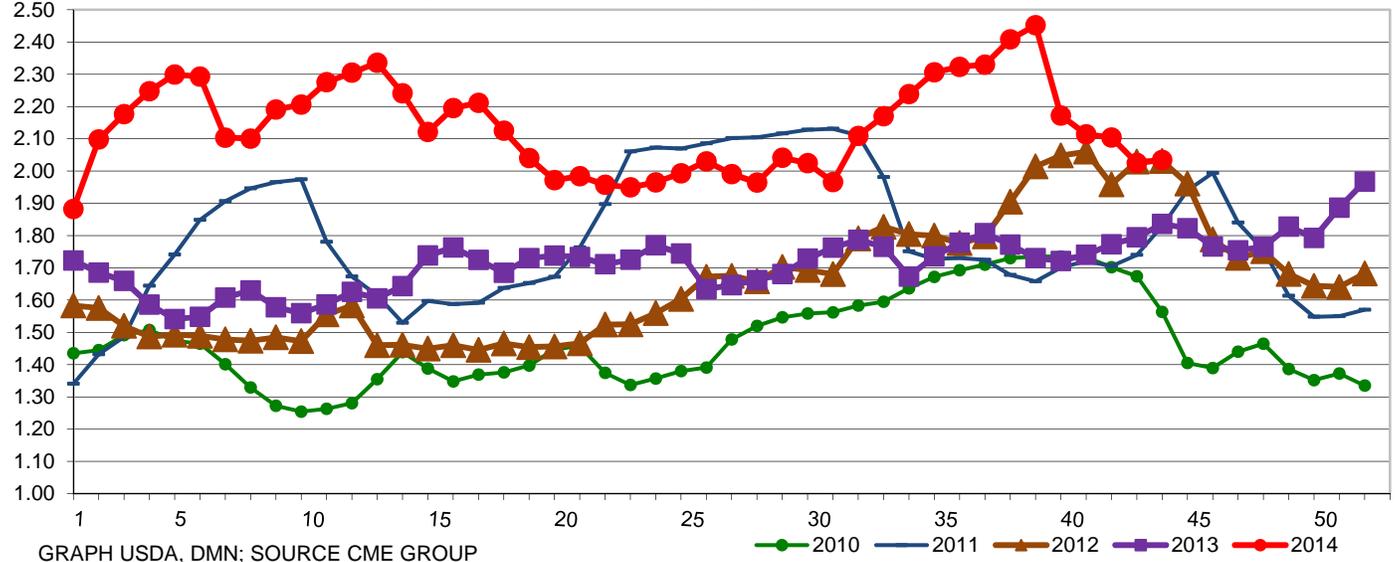
ORGANIC GRAIN AND FEEDSTUFF MARKETS:

Prices of organic corn are steady to lower and steady for all other reported commodities. Market activity is mostly slow, to occasionally moderate for organic corn and soybeans. Market activity for organic wheat and organic smaller grains (i.e. barley, oats, and rye) is moderate to active. Demand for organic corn and soybeans is light to moderate, organic wheat is moderate to good and especially good for food grade quality, and for other organic smaller grains, light to moderate. Interest continues as to current harvesting efforts, associated yields, and quality. Other concerns include transportation, storage, moisture levels, drying costs, mixed wheat yields, and protein levels.

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

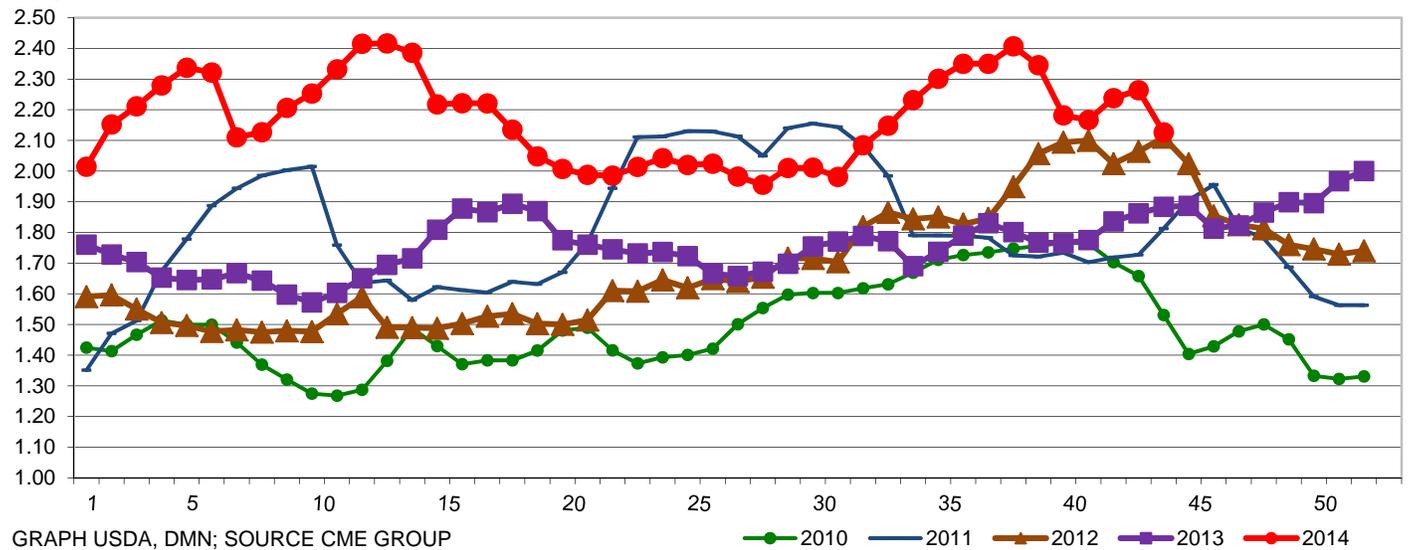
U.S. \$ PER POUND

CME WEEKLY AVERAGE CASH BARREL PRICES



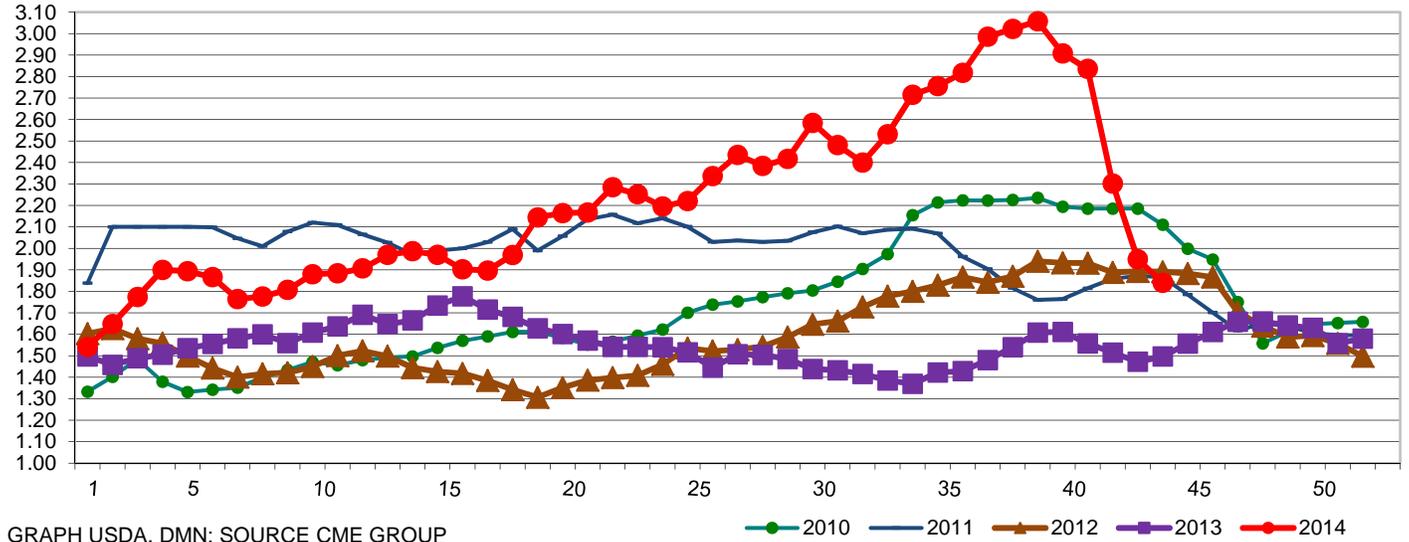
U.S. \$ PER POUND

CME WEEKLY AVERAGE CASH CHEDDAR BLOCK PRICES

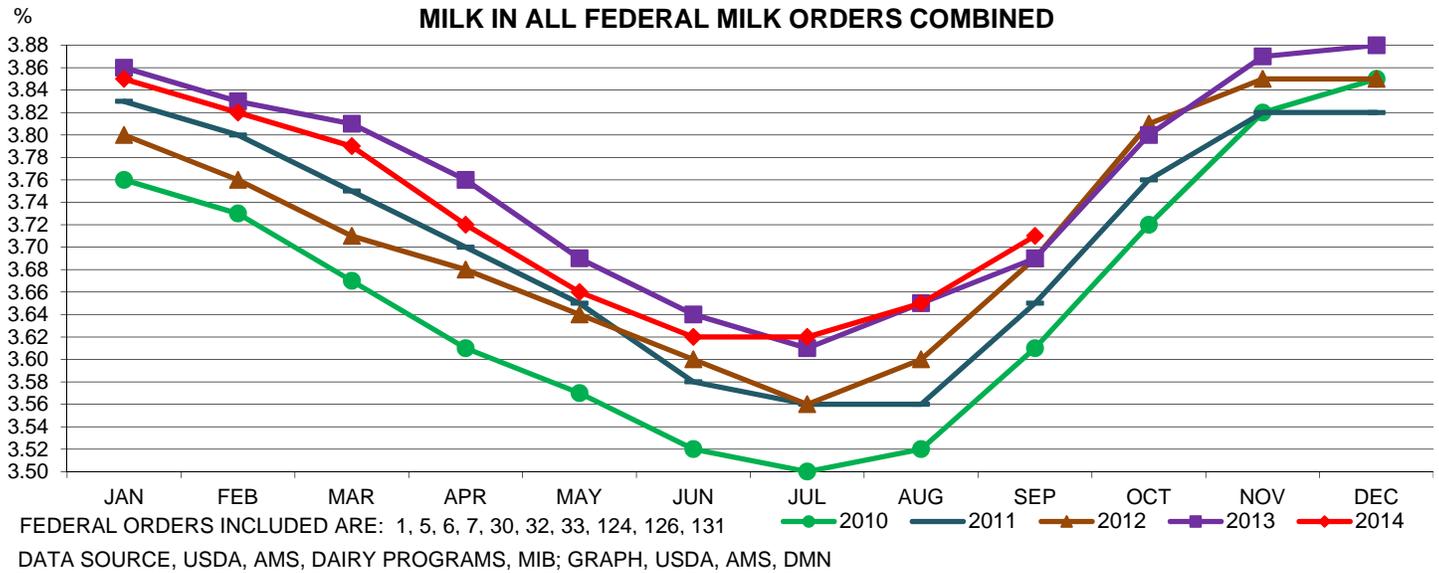


U.S. \$ PER POUND

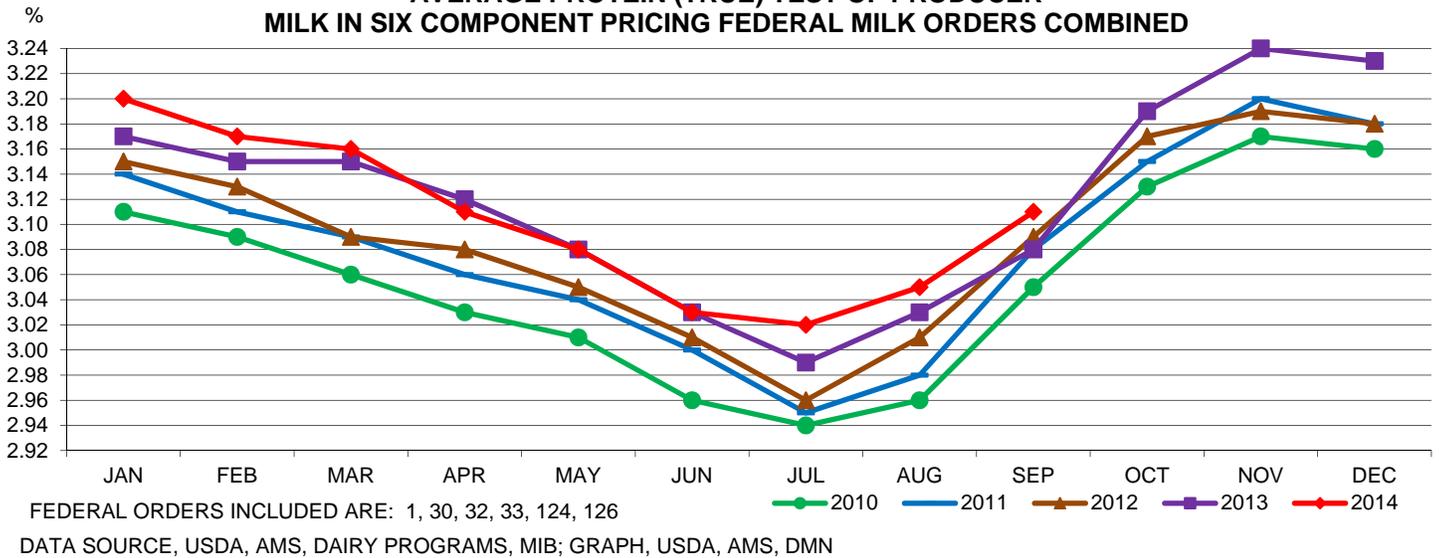
CME WEEKLY AVERAGE CASH GRADE AA BUTTER PRICES



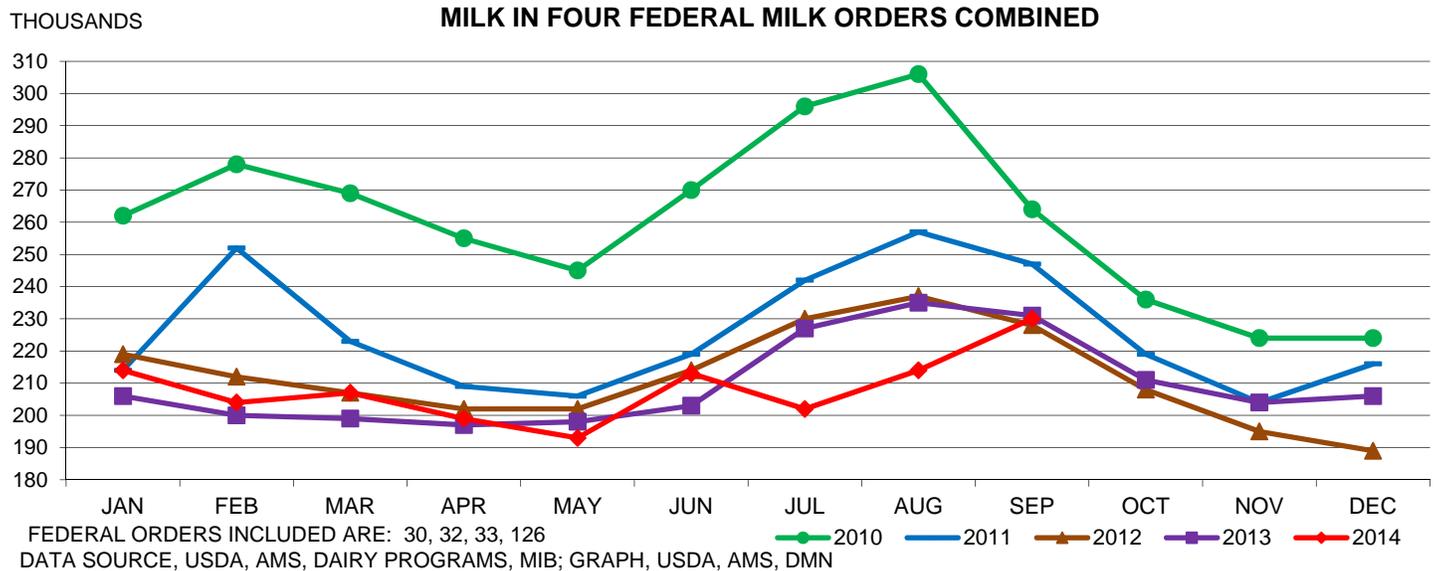
AVERAGE BUTTERFAT TEST OF PRODUCER MILK IN ALL FEDERAL MILK ORDERS COMBINED



AVERAGE PROTEIN (TRUE) TEST OF PRODUCER MILK IN SIX COMPONENT PRICING FEDERAL MILK ORDERS COMBINED



AVERAGE SOMATIC CELL COUNT OF PRODUCER MILK IN FOUR FEDERAL MILK ORDERS COMBINED





Dairy Market News Branch

**Agricultural
Marketing
Service**

National Dairy Retail Report

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

Volume 81- Number 44

Issued Biweekly

Thursday, October 30, 2014

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 10/20 to 10/31

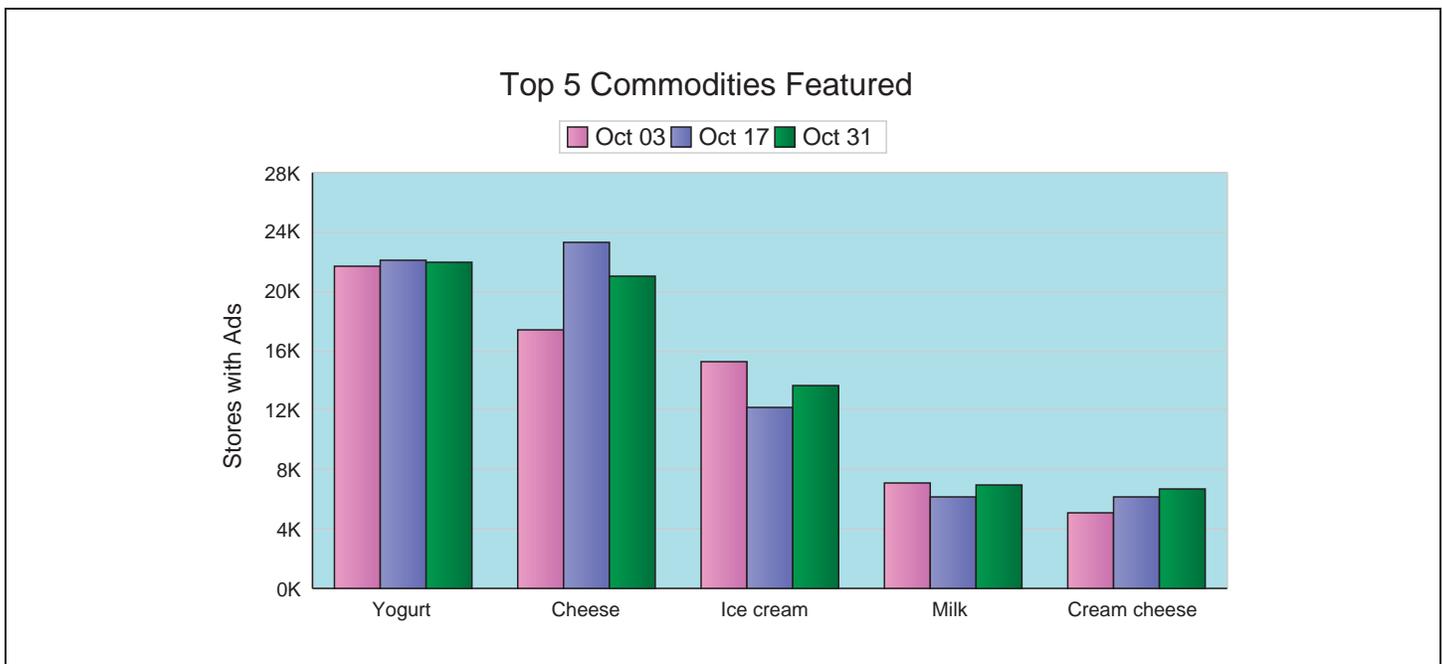
Increases in ice cream ads may have been prompted by the unusually warm fall weather covering most of the country. The weighted average price of a 48-64 ounce container was \$3.23, 29 cents higher than 2 weeks ago. The number of sour cream ads declined substantially as the weighted average price increased 12 cents from the last reporting period to \$1.82. Cream cheese ad numbers increased from 2 weeks ago with 8 ounce packages averaging \$1.64, down 14 cents.

The national average price of 1 pound butter, \$3.82, decreased by 38 cents from the last period, but is \$1.08 higher than one year ago.

The national weighted average cheese price for 8 ounce blocks is down 22 cents from two weeks ago to \$2.41, while a year ago the price was \$2.43. The 8 ounce shred category at \$2.46 is down 23 cents from two weeks ago, but 18 cents higher from one year ago.

Greek yogurt in 4-6 ounce packages averaged 98 cents, up 1 cent from two weeks ago, but 1 cent lower compared to a year ago. Regular yogurt in 4-6 ounce packages, at 50 cents, are down 1 cent from two weeks ago and down 2 cents from one year ago.

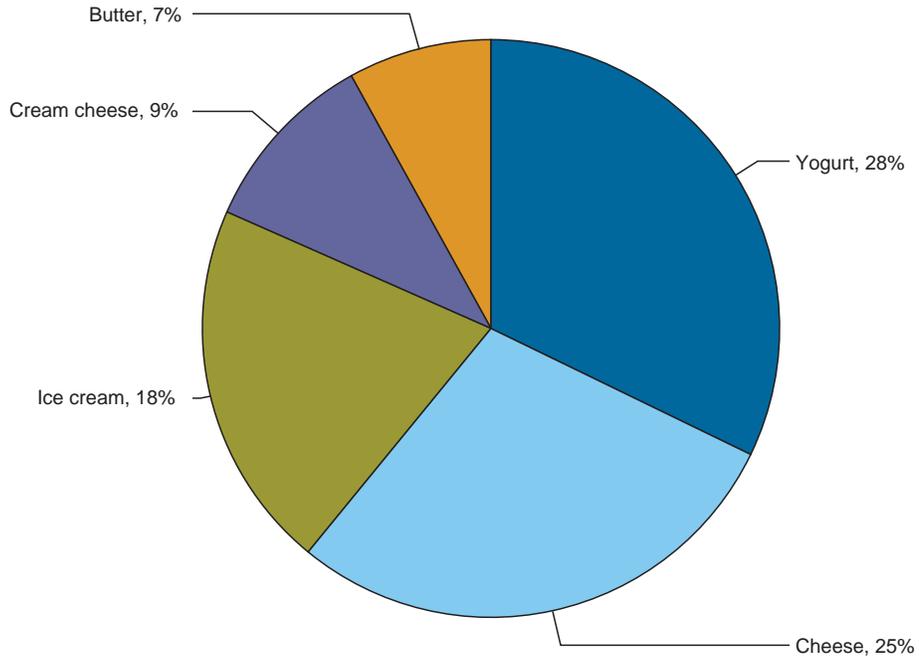
The organic versus conventional half gallon price spread is \$1.02, down 61 cents from two weeks ago. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.30, and the average for organic half gallon milk, \$3.32. One year ago the price spread was \$2.08.



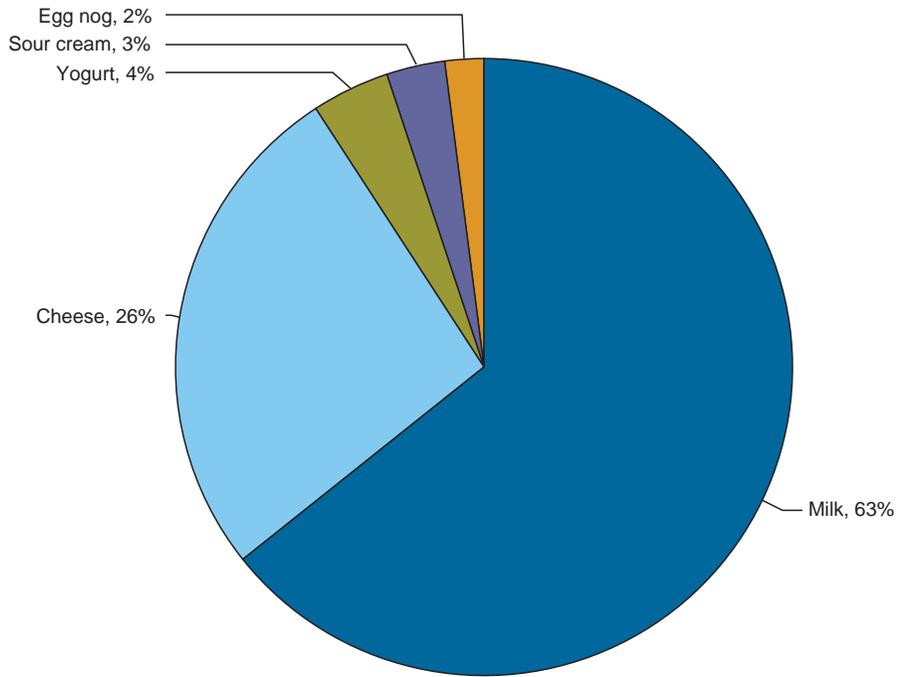
1 -- Dairy Market News surveys nearly 100 retailers, comprising over 14,000 individual stores, with online weekly advertised features.

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





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 #	5266	3.82	3729	4.20	4410	2.74
Cheese	Natural Varieties	8 oz block	6918	2.41	5610	2.63	7726	2.43
Cheese	Natural Varieties	1 # block	1439	5.30	2208	4.34	744	3.27
Cheese	Natural Varieties	2 # block	2337	8.45	2005	7.83	2350	6.29
Cheese	Natural Varieties	8 oz shred	6035	2.46	10864	2.69	7925	2.28
Cheese	Natural Varieties	1 # shred	2031	4.98	2626	4.35	352	3.05
Cottage cheese		16 oz	2989	2.02	3883	1.89	2843	2.30
Cream cheese		8 oz	6677	1.64	6104	1.78	3554	1.54
Egg nog		quart	474	2.28			50	2.50
Egg nog		half gallon			202	3.49		
Flavored milk	All fat tests	half gallon	415	2.40	271	2.28	1136	2.02
Flavored milk	All fat tests	gallon	533	3.94	259	3.28	580	3.93
Ice cream		48-64oz	13666	3.23	12227	2.94	10899	3.13
Milk	All fat tests	half gallon	443	2.30	296	1.84	259	1.65
Milk	All fat tests	gallon	1041	3.78	1600	3.70	508	3.01
Sour cream		16 oz	3706	1.84	6025	1.72	4916	1.39
Yogurt	Greek	4-6 oz	16528	.98	13928	.97	10003	.99
Yogurt	Greek	32 oz			488	5.71	887	3.14
Yogurt	Yogurt	4-6 oz	4938	.50	6999	.51	5300	.52
Yogurt	Yogurt	32 oz	167	2.49	593	3.06	1041	2.48

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 #	3.33-4.99	947	4.37	3.49-3.99	2107	3.51	3.49-4.59	377	4.08
Cheese	Natural Varieties	8 oz block	1.99-2.99	2462	2.49	1.99-3.49	1758	2.50	1.25-2.50	1065	2.04
Cheese	Natural Varieties	1 # block	3.99	128	3.99	5.99	853	5.99			
Cheese	Natural Varieties	2 # block	8.49	112	8.49						
Cheese	Natural Varieties	8 oz shred	1.99-3.99	2204	2.43	2.00-3.29	1619	2.77	1.25-2.25	333	1.66
Cheese	Natural Varieties	1 # shred	3.99-4.79	439	4.10	5.99	853	5.99	4.50-4.99	368	4.86
Cottage cheese		16 oz	1.99-3.00	1679	2.35	2.08	202	2.08	1.33	450	1.33
Cream cheese		8 oz	1.50-2.50	1339	2.12	1.25-2.50	1433	2.10	1.00-1.99	1233	1.30
Flavored milk	All fat tests	half gallon	2.50	128	2.50	2.50-2.99	119	2.77	1.75-2.50	168	2.06
Flavored milk	All fat tests	gallon	4.29	165	4.29				2.79	201	2.79
Ice cream		48-64oz	2.49-3.99	3179	2.91	2.50-5.50	4312	3.64	2.50-3.50	1433	3.09
Milk	All fat tests	half gallon	1.99-2.99	295	2.47				1.75	98	1.75
Milk	All fat tests	gallon	3.99-5.99	569	4.49				2.59-3.25	290	2.87
Sour cream		16 oz	1.29-2.00	2543	1.84	1.79-1.99	163	1.86	1.66-2.00	455	1.86

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	Greek	4-6 oz	0.88-1.25	3546	1.00	0.79-1.00	4394	.98	0.79-1.25	2716	.96
Yogurt	Yogurt	4-6 oz	0.45-0.75	1413	.54	0.45-0.50	2504	.49	0.39-0.50	235	.42

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 #	3.50-3.99	475	3.81	3.49-3.99	944	3.83	3.49-3.99	416	3.85
Cheese	Natural Varieties	8 oz block	2.00-2.50	352	2.33	1.98-2.50	961	2.33	2.50-2.99	320	2.81
Cheese	Natural Varieties	1 # block				3.99	276	3.99	4.99	182	4.99
Cheese	Natural Varieties	2 # block	7.99-8.49	403	8.13	5.99-9.49	1444	8.75	7.49-7.99	378	7.60
Cheese	Natural Varieties	8 oz shred	1.99-2.99	597	2.34	1.98-3.00	962	2.45	1.98-2.50	320	2.17
Cheese	Natural Varieties	1 # shred	3.99-5.99	255	4.41	2.50	116	2.50			
Cottage cheese		16 oz	1.34-1.50	376	1.42	1.25-2.29	282	1.89			
Cream cheese		8 oz	1.00-2.50	1109	1.28	1.00-1.50	1263	1.26	1.50-1.79	300	1.61
Egg nog		quart				2.49	222	2.49	1.99-2.50	252	2.09
Flavored milk	All fat tests	gallon				4.99	167	4.99			
Ice cream		48-64oz	2.49-5.00	1214	3.25	2.49-3.99	2896	3.04	2.50-3.99	632	3.13
Milk	All fat tests	half gallon							2.39	50	2.39
Milk	All fat tests	gallon				2.50-3.35	182	3.05			
Sour cream		16 oz	1.50	185	1.50	1.89-1.99	310	1.94	1.99	50	1.99
Yogurt	Greek	4-6 oz	0.79-1.00	1461	.94	0.77-1.25	3415	.97	0.95-1.00	996	.99
Yogurt	Yogurt	4-6 oz	0.50	53	.50	0.49-0.50	615	.50	0.40	118	.40
Yogurt	Yogurt	32 oz				2.49	167	2.49			

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 #					195	3.99
Cheese	Natural Varieties	8 oz block	1373	3.83	58	4.39		
Cheese	Natural Varieties	8 oz shred	885	3.99				
Cottage cheese		16 oz			58	5.19		
Cream cheese		8 oz	50	2.99	58	3.89		
Egg nog		quart	195	3.49				
Flavored milk	All fat tests	half gallon			58	4.49		
Milk	All fat tests	half gallon	1961	3.32	2973	3.47	1645	3.73

Wtd Avg - Simple weighted average



Milk	All fat tests	gallon	235	5.99	58	6.59	590	5.00
Milk	All fat tests	8 oz UHT	3242	1.00	1242	.92	303	.96
Sour cream		16 oz	251	3.00	56	2.99		
Yogurt	Greek	4-6 oz			112	1.50	982	1.05
Yogurt	Greek	32 oz					116	5.00
Yogurt	Yogurt	4-6 oz					108	.66
Yogurt	Yogurt	32 oz	373	3.61			353	2.99

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
Cheese	Natural Varieties	8 oz block	3.39-3.99	488	3.53						
Egg nog		quart				3.49	195	3.49			
Milk	All fat tests	half gallon	3.59	167	3.59	2.99-3.29	363	3.19	2.99	333	2.99
Milk	All fat tests	gallon	5.99	235	5.99						
Milk	All fat tests	8 oz UHT	1.00	112	1.00	1.00	558	1.00	1.00	450	1.00
Sour cream		16 oz	2.99	56	2.99	3.00	195	3.00			
Yogurt	Yogurt	32 oz	2.99-3.99	373	3.61						

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
Cheese	Natural Varieties	8 oz block	3.99	234	3.99	3.99	353	3.99	3.99	298	3.99
Cheese	Natural Varieties	8 oz shred	3.99	234	3.99	3.99	353	3.99	3.99	298	3.99
Cream cheese		8 oz							2.99	50	2.99
Milk	All fat tests	half gallon	2.50-3.29	376	3.01	2.79-4.29	722	3.64			
Milk	All fat tests	8 oz UHT	1.00	610	1.00	1.00	1134	1.00	1.00	378	1.00

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

DAIRY MARKET NEWS

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VOLUME: 81

REPORT: 44

DATE: 10/31/2014

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