

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (11/26)**

BUTTER: Grade AA closed at \$1.9700. The weekly average for Grade AA is \$1.9933 (+.0023).

CHEESE: Barrels closed at \$1.6475 and 40# blocks at \$1.6825. The weekly average for barrels is \$1.6908 (-.1562) and blocks, \$1.7142 (-.0928).

BUTTER HIGHLIGHTS: Churning schedules during the Thanksgiving holiday week are strong across the country. Cream supplies are readily available, with no noted plant capacity issues. Buyers are assessing the aftermath of Thanksgiving holiday sales, before taking a position in the post-holiday market. Christmas print butter accounts that were transacted previously are clearing. While print production remains heavy, market participants expect orders to slow and prices to decline prior to year end. Bulk butter prices for domestic sales are 3 under to 6 over market prices, based on various time frame and averages used. The market undertone is steady. According to the DMN National Dairy Retail Report, the U.S. weighted average advertised price for 1-pound butter is \$3.28, a decrease of \$0.35 compared to two weeks ago. The NASS Cold Storage report noted U.S. butter stocks on October 31 were 138.2 million pounds, 5% lower than last month and 24% below a year ago. Wednesday at the CME Group, Grade AA butter price closed the holiday shortened week at \$1.9700, down \$0.0300 from last Friday.

CHEESE HIGHLIGHTS: Cheese plants this Thanksgiving week will have extra milk available as bottling demand lessens. Cheese production schedules are very active and some plants will be using extra milk, but managers are also wary of allowing inventories get too far ahead of demand. Significantly declining cheese prices in recent weeks have some commercial bulk cheese buyers slowing purchasing until they feel prices are more stabilized. This has left some manufacturers with more inventories than they prefer, but that is expected to correct as bulk cheese purchases accelerate. NASS reports that total U.S. October 31, 2014 natural cheese stocks were 983.8 million pounds, 96% of October 31, 2013, and 97% of September 30, this year. Wednesday at the CME Group, barrels closed the holiday shortened week at \$1.6475, down 9 1/4 cents from last Friday and 40# blocks at \$1.6825, down 4 3/4 cents from last Friday.

FLUID MILK: Milk production and manufacturing for this holiday week vary among the regions. Transportation issues continue to plague manufacturers. Northeast and Mid-Atlantic manufacturing milk supplies are sufficient with increasing production schedules leading up to the holiday. There is a surplus of cream and that is expected to increase. Midwest milk production is mixed with overall production above year ago

levels. Demand has declined due to the holiday. Cream availability increased and butter operations are working at capacity. Farm milk production in California and Arizona is building steadily while New Mexico milk production is uneven. Cream remains tight as buyers are looking to turn whipped products. Pacific Northwest milk production is nearing the end of seasonal lows. In Utah and Idaho, manufacturing is pushing fluid milk to other processors.

DRY PRODUCTS: Nonfat dry milk prices are mixed throughout all regions. Spot sale are light. Demand is slow. Inventories are adequate as manufacturers are offering discounts to clear. The market tone is weakening, as international markets pressure prices lower. Production is very active as balancing plants are receiving high volumes as bottling orders decline. Dry buttermilk prices are decreasing. The market tone is weakening, as protein values decline. Inventories are growing and offerings are increasing. The market undertone is soft. Dry whole milk prices are unchanged and there is little interest beyond contract sales. Dry whey prices are steady to weakening. The market tone is mixed. Production is steady with contract loads moving on schedule. Whey protein concentrate 34% prices are steady. The market tone continues to weaken. Lactose prices are unchanged. Production is active and inventories are steady to building. Casein prices are unchanged and supplies are readily available.

ORGANIC DAIRY MARKET OVERVIEW: AMS reports total organic milk products sales for July 2014, 205 million pounds, were up 8.3% from July last year and up 11.6% year to date compared with last year. Organic whole milk sales for July 2014, 61 million pounds, were up 18.5% compared with July last year and up 22.0% year to date compared with last year. Organic reduced fat milk sales for July, 65 million pounds, were 23.7% above sales one year earlier and up 18.0% year to date compared with last year. The U.S. weighted average advertised price of organic milk half gallons is \$3.63, down 3 cents from 2 weeks ago. One year ago the price was \$3.68. The lowest price is down 80 cents to \$2.69, while the top of the price range is up 40 cents to \$4.39. Organic cheese (8 ounce blocks and shredded) has an average price of \$3.99, unchanged from two weeks ago. The weighted average price of 4-6 ounce organic yogurt is \$.99, 4-6 ounce organic Greek yogurt is \$1.25, and 32 ounce organic yogurt is \$3.49.

CONTINUED ON PAGE 1A

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

ORGANIC DAIRY MARKET NEWS (PAGES 8-8A)
OCTOBER COLD STORAGE REPORT (PAGE 9)
JULY MILK SALES (PAGE 10)

DAIRY GRAPHS (G1-G2)
NATIONAL DAIRY RETAIL REPORT (ATTACHED)

CME GROUP CASH TRADING

COMMODITY	MONDAY NOV 24	TUESDAY NOV 25	WEDNESDAY NOV 26	THURSDAY NOV 27	FRIDAY NOV 28	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.7200 (-.0200)	\$1.7050 (-.0150)	\$1.6475 (-.0575)	CME Closed	CME Closed	:: :: (-.0925)	:: :: \$1.6908 :: (-.1562)
40# BLOCKS	\$1.7300 (N.C.)	\$1.7300 (N.C.)	\$1.6825 (-.0475)			:: :: (-.0475)	:: :: \$1.7142 :: (-.0928)
NONFAT DRY MILK							
GRADE A	\$1.1375 (N.C.)	\$1.1150 (-.0225)	\$1.1150 (N.C.)			:: :: (-.0225)	:: :: \$1.1225 :: (-.0430)
BUTTER							
GRADE AA	\$2.0200 (+.0200)	\$1.9900 (-.0300)	\$1.9700 (-.0200)			:: :: (-.0300)	:: :: \$1.9933 :: (+.0023)

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

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CONTINUED FROM PAGE 1

NATIONAL DAIRY MARKET NEWS RETAIL REPORT

(DMN): Dairy products were heavily featured in Thanksgiving holiday themed advertisements this reporting period. The national advertised average price of a 1 pound butter package, \$3.28, declined 35 cents from two weeks ago, but was \$0.99 higher than one year ago. The national average 8 ounce block cheese price was \$2.55, down 6 cents from two weeks ago, but 20 cents higher than a year ago. For 8 ounce shreds, at \$2.50, were down 6 cents from two weeks ago, but 24 cents higher than one year ago. The cream cheese price was \$1.53, 8 cents lower than two weeks ago, but 21 cents higher than a year ago. Sour cream ads averaged \$1.77, equal to two weeks ago, but 19 cents higher than a year ago. Egg nog half gallons averaged \$4.02, up 10 cents from two weeks ago and 57 cents higher than a year ago. Greek yogurt in 4-6 ounce packages averaged 95 cents, down 1 cent from two weeks ago and 5 cents lower compared to a year ago. Regular yogurt in 4-6 ounce packages, at 49 cents, is down 3 cents from two weeks ago and 8 cents from one year ago. The organic versus conventional half gallon price spread is \$1.19, down 32 cents from two weeks ago. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.44, and the average for organic half gallon milk, \$3.63. One year ago, the price spread was \$2.68, caused by a limited test on conventional milk.

COLD STORAGE (NASS): On October 31, U.S. cold storage holdings of butter totaled 138.2 million pounds, down 5% from the previous month and 24% from October 2013. Natural American cheese holdings total 612.2 million pounds, 3% less than the previous month and 2% from October 2013. Total natural cheese stocks were 983.8 million pounds, 3% less than last month and 4% down from October 2013.

JULY MILK SALES (FMO & CDFM): During July, 3.9 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 3.4% lower than July 2013. Estimated sales of total conventional fluid milk products decreased 4.0% from July 2013 and estimated sales of total organic fluid milk products increased 8.3% from a year earlier.

CME GROUP

MONDAY, NOVEMBER 24, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: 3 CARS BARRELS @ \$1.7000; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7200
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.1100; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.0200; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

TUESDAY, NOVEMBER 25, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7050
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.1150; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.1100; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$2.0175, 3 @ \$1.9900; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.9900

WEDNESDAY, NOVEMBER 26, 2014

CHEESE -- SALES: 1 CAR BARRELS @ \$1.6500; 1 CAR 40# BLOCKS @ \$1.7300; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6475; 1 CAR 40# BLOCKS @ \$1.6825
 NONFAT DRY MILK -- SALES: 6 CARS GRADE A @ \$1.1150; LAST BID UNFILLED: 2 CARS GRADE A @ \$1.1150; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.9700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, NOVEMBER 27, 2014

CME CLOSED

FRIDAY, NOVEMBER 28, 2014

CME CLOSED

BUTTER MARKETS

NORTHEAST

Cream supplies increased, prompting a slight upswing in the Northeast churning rate in the holiday week. Buyers are assessing current butter inventories and expected sales to calculate remaining Q4 butter needs. Market participants are anticipating a decline in butter prices as yearend customer commitments are satisfied. The current bulk butter prices for domestic sales are market to 6 cents over, with 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 \$3.28, a decrease of \$0.35 compared to two weeks ago. The price in the Northeast was \$3.25, a decrease of \$0.80 compared to two weeks ago. The price in the Southeast was \$3.09, a decrease of \$0.37 compared to two weeks ago. At the CME Group, Grade AA butter closed Tuesday at \$1.9900, up \$0.0025 from a week ago.

CENTRAL

Butter production is strong ahead of the Thanksgiving Day holiday with some plants operating at capacity levels. Demand is very good with strong retail orders. Food service demand is also good. Cream volumes going to churns have increased, but are balanced with current production schedules. Inventory levels are steady to declining as many plants are busy filling yearend holiday orders. Demand for bulk butter is steady with prices ranging from 2 cents under the market to 6 cents over, with various time frames and averages used. Monday at the CME Group, Grade AA butter closed at \$2.0200, up \$0.0325 from last Monday. The DMN National Dairy Retail Report noted the national weighted average advertised price for a 1 pound package of butter was \$3.28, down \$0.35 from two weeks ago, but \$0.99 higher than a year ago. The weighted average price in the Midwest region was \$2.82, \$0.11 lower than two weeks ago. In the South Central region, the average was \$3.27, \$0.50 lower than two weeks ago.

WEST

Butter manufacturers are finished churning print butter for Thanksgiving orders, and are now gearing up production for end of the year holiday orders. Cream availability is expected over the holiday as manufacturers are using stocks on hand. According to the National Dairy Retail Report, U.S. butter prices showed a weighted average price of \$3.28 per one pack compared to \$3.63 two weeks ago and \$2.29 a year ago. Butter ads increased 37% from two weeks ago. Western advertised prices for 1# packs ranged from \$2.50 – 4.99 per pound. The weighted average price for butter in the Northwest was \$3.61 and \$3.96 in the Southwest. Butter prices at the CME Group on Tuesday closed at \$1.9900. Trading at the exchange is limited to the first three days of the holiday week.

COLD STORAGE: According to NASS, U.S. butter in storage on October 31, 2014 totaled 138.2 million pounds, 24% less than a year ago and 5% less than the previous month.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

<u>WEEK ENDING</u>	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
--------------------	--------	-------------------	--------------------------------	----------	-----

(Information is unavailable
at publication time.)

Further data and revisions may be found on the internet (2:00 pm CT) at: <http://www.ams.usda.gov/AMSV1.0/DairyProductMandatoryReporting>

CHEESE MARKETS

NORTHEAST

Extra milk cleared into cheese plants, resulting from a decline in Class I orders. Available supplies are prompting slightly higher cheese production leading into the holiday. Domestic cheese demand is steady, with interest for mozzarella and provolone. Contract sales are the forefront of most transactions. The market tone is unsettled to weak. According to the DMN *National Dairy Retail Report*, the weighted average advertised price for 8 oz. cheese blocks in the Northeast was \$2.44, 11 cents less than the national price and 12 cents less than two weeks ago. The Southeast 8 oz. block cheese price was \$2.45, 30 cents less than two weeks ago. The weighted average price for 8 oz. shredded cheese in the Northeast was \$2.72, 22 cents more than the national price and 19 cents more than two weeks ago. The Southeast 8 oz. shredded cheese price was \$2.44, 3 cents more than two weeks ago. Last week, the weekly average cheese prices, on the CME Group, decreased for both blocks and barrels. Cheese prices, this week, for wholesale 40# block and muenster declined \$0.2050, while process 5# sliced declined \$0.1200. Grade A Swiss cheese prices are steady. The CME Group daily cash prices on Tuesday saw barrels close at \$1.7050, down \$0.2100 from a week ago, while blocks closed at \$1.7300, down \$0.1200 from a week ago. COLD STORAGE: According to NASS, U.S. stocks of total natural cheese as of October 31, 2014 totaled 983.8 million pounds, 4% less than a year ago and 3% less than the previous month. Other cheese totaled 346.0 million pounds, 5% less than a year ago and 3% less than the previous month. Swiss cheese totaled 25.6 million pounds, 8% less than a year ago but unchanged from the previous month.

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

Cheddar 40# Block	:	2.2000-2.4850
Process 5# Sliced	:	2.0700-2.5500
Muenster	:	2.2200-2.5800
Grade A Swiss Cuts 10 - 14#	:	3.9250-4.2475

MIDWEST

The significant downward correction of cheese prices over the last couple of weeks is said to have caused some commercial bulk cheese buyers to slow purchasing. With milk supplies currently available to Midwest cheesemakers being strong, coupled with lower Class I demand anticipated over Thanksgiving resulting in extra milk looking for an outlet, some manufacturers are concerned about the potential for cheese inventory levels increasing. The difficulty of exporting cheese with international cheese prices so low relative to domestic prices also remains a matter of concern. The *National Dairy Retail Report* (DMN) found that national cheese ad numbers increased 45% from two weeks ago. Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.14, 36 cents lower than the national average, \$2.50. One year ago the national average price was \$2.26. For 8 ounce blocks, the Midwest average price is \$2.13, 42 cents lower than the national average price, \$2.55. One year ago the national average price was \$2.35. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese decreased \$.1200, Swiss is unchanged, and the remaining varieties decreased \$.2050. NASS reports that October 31, 2014 East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio) other cheese stocks were 87% of October last year, and 96% of September 30 this year. East North Central region American cheese stocks were 92% of October last year, and 97% of this September. Total U.S. October 31, 2014 natural cheese stocks were 983.8 million pounds, 96% of October 31, 2013, and 97% of September 30, this year. Total U.S. Swiss cheese

stocks ending October this year, 25.6 million pounds, were 92% of October 31 last year even with September 30 this year. CME Group trading closed Tuesday with barrels at \$1.7050, down \$.2100 from last Tuesday, and blocks at \$1.7300, down \$.1200 from last Tuesday.

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

Process American 5# Loaf	:	1.9475-2.3075
Brick And/Or Muenster 5#	:	2.1800-2.6050
Cheddar 40# Block	:	1.8850-2.3025
Monterey Jack 10#	:	2.1550-2.3600
Blue 5#	:	2.4475-3.4350
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.0250-2.9200
Grade A Swiss Cuts 6 - 9#	:	3.4425-3.5600

WEST

The holiday season is making for a strong retail demand. Cheese plants are generally busy. Manufacturing milk availability is higher due to lower bottled milk needs. Plant managers indicate they are taking in milk from outside sources, in some cases, but are watching production and inventory closely to not overrun near term needs. As the year end approaches, some operations are concerned about carrying 2014 production into 2015 on their balance sheets. Stocks are reported to be at a comfortable level for current needs. Advertised U.S. cheese prices as reported in the *National Dairy Retail Report* showed prices were mostly lower from two weeks ago. However, the weighted average price for the 1# block was at \$4.36, 41 cents higher than two weeks ago and 83 cents higher than last year. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of October 2014 are 983.8 million pounds, 35.9 million pounds less than a year ago. American, Swiss and other natural stocks were all also lower compared to year ago levels. At the CME on Tuesday barrels closed at \$1.7050, 21 cents lower than a week ago and blocks closed at \$1.73, 12 cents lower than last Tuesday. Trading at the CME Group is limited to the first three days of the week.

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

Process 5# Loaf	:	1.9725-2.2300
Cheddar 40# Block	:	1.9325-2.2850
Cheddar 10# Cuts	:	2.1125-2.3325
Monterey Jack 10#	:	2.1225-2.2825
Grade A Swiss Cuts 6 - 9#	:	3.5025-3.9325

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

BUTTER : CHEESE

	:	
11/24/14	6,299	92,361
11/01/14	12,593	95,011
CHANGE	-6,294	-2,650
% CHANGE	-50	-3

CONTINUED ON PAGE 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

FOREIGN

Prices for domestic foreign type cheese declined significantly again this week. Seasonal retail demand for most cheese varieties is good. Imported and Swiss cheese prices were unchanged. Importers are reminded that December 31 is the last day to make entries to fulfill the requirement to use 85% of their calendar year license amount.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.3400-3.8275*
Gorgonzola	: 3.6900-6.9700	: 2.8475-3.5450*
Parmesan (Italy)	: -0-	: 3.7300-5.8200*
Provolone (Italy)	: -0-	: 2.3825-2.6350*
Romano (Cows Milk)	: -0-	: 3.5300-5.6800*
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-	: 4.0225-4.3450
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	90	0	105	0	47	0
SOUTHEAST STATES	0	0	0	0	0	0

Farm milk production in the Northeast and Mid-Atlantic regions is along seasonal trends and above last year. Fluid supplies are sufficient into manufacturing. Processors expect Class I demand to recover and decrease current milk levels by next week. Southeast manufacturing milk supplies increased coming into the holiday week. Balancing plants are managing supplies with relative ease. A few loads cleared to supporting manufacturing plants. Florida's milk production is unchanged. Class I demand is still strong. Projected weather conditions will likely improve cow comfort, with cooler temperatures through the holiday week. Grade A spot milk shipments included 90 imported loads, 15 less than the previous week. Prices for **cream multiples for all Classes ranged 1.15-1.35**. Overall, cream supplies exceed demand, pushing multiples lower this holiday week. Contacts noted cream availability is expected to increase significantly around midweek. Buyer/seller transactions are active across regions. Last week, the CME Group Grade AA weekly average butter price was \$1.9910, down \$0.0020 from the previous week. **Condensed skim** supplies are more than adequate, due to holiday milk volumes. Condensed skim supplies are being channeled primarily to Class IV low heat nonfat production. According to the National Dairy Retail Report, the U.S. weighted average advertised price for 1 gallon of milk was \$3.58, a \$0.03 increase compared to two weeks ago. According to NASS, milk production in the 23 major States during October 2014 totaled 16.0 billion pounds, up 3.9% from one year ago.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. producing plants: Northeast -	2.2896-2.6878
F.O.B. producing plants: Upper Midwest -	2.2897-2.5883

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:	
Northeast - Class II - includes monthly formula prices -	1.50-1.53
Northeast - Class III - spot prices -	1.74-1.77

MIDWEST

Milk production in the Central region is mixed with some areas marginally decrease, while other areas are marginally increasing. Overall, milk production remains above year ago levels. Most processing facilities are operating at near capacity ahead of the Thanksgiving Day holiday. Class I demand has declined as most schools will close at mid-week. A winter storm across the Upper Midwest caused some transportation problems ahead of the holiday. Spot loads of fluid milk are being discounted \$2.00-\$3.00 under class. Cream volumes into plants have increased prior to the holiday with numerous loads being offered from outside the region. Most butter operations are working at capacity to handle the extra cream volumes. Some Class II operations are taking advantage of the available supplies and taking additional loads. Cream multiples moved lower this week with **cream multiples ranging from 1.15 to 1.23**. Tuesday at the CME Group, Grade AA butter closed at \$1.9900, up \$0.0025

from last Tuesday. The weekly Cow Slaughter under Federal Inspection report shows U.S. dairy cow slaughter for the week ending November 8, at 55,900 head, 5,600 head or 9.1% less than the comparable week a year ago. The NASS Livestock Slaughter reports October dairy cow slaughter at 252,000 head, 14,000 head more than last month, but 25,000 head less than a year ago. January-October cumulative dairy cow slaughter totals 2.341 million head, compared to 2.619 million head during the same time span in 2013.

WEST

Milk production in CALIFORNIA is building steadily in most areas as weather throughout the state moderates. Sales to fluid plants are active in the early part of this week, but lower for the long holiday weekend. Sale barns are regularly scheduling auctions for dairy operators choosing to either reduce herd sizes or disperse completely as sale prices for cows are strong. Recent auction prices on excellent quality Holstein cows ranged from \$2,300 to \$2,800. Dry cow prices stretched from \$2,300 to \$2,525. Dairy operator interest in contracting new crop alfalfa hay is light to moderate as buyers are unsure about future milk prices. October 2014 POOL RECEIPTS of milk in CALIFORNIA total 3.32 billion pounds, 3.4% higher compared to October last year, according to California Department of Food and Agriculture. Year-to-date through October 2014 receipts are 4.0% higher from the comparable months in 2013. The October Value at Test price is \$22.86, \$0.69 lower than September 2014 but \$3.49 higher than October 2013. The percentage of receipts used in Class 1 products is 14.89%. The October quota price is \$23.19 and the over quota price is \$21.49. These prices are \$0.96 lower than September but \$3.39 higher than a year ago. Milk production in ARIZONA continues to climb away from the seasonal low point. Class I and II buyers are managing purchases of milk and condensed skim loads around planned short days and holiday shutdowns, and this is shifting late-week milk toward butter/powder production. NEW MEXICO milk production is uneven. Snowy roads slowed some transportation of milk loads, which may account for manufacturing loads appearing lighter than last week. Overall orders clearing into bottling uses are declining as much of those volumes were delivered over the weekend. Manufacturers are bracing for higher intakes from Thursday through Sunday morning as some outside milk is also clearing into the state to find processing room. Cream availability remains tight in the West. Lower milk volumes at midweek clearing to bottlers are yielding few cream loads from standardizing. Cream buyers looking for loads to send into aerated cream end products indicate the offers are lighter than in past weeks. Also, transportation problems are hindering some cream loads clearing to interstate buyers. Churn operators are running. Some operators are concentrating on using internal cream sources to build stock for the yearend holidays. Cream multiples are unchanged, ranging from 1.20 to 1.32. At the CME Group, Grade AA butter closed Tuesday at \$1.9900, up \$0.0025 compared to a week ago. Milk production in the PACIFIC NORTHWEST is at seasonal lows. The Thanksgiving holiday should allow for some extra milk to find its way to bottling and balancing plants. Milk handlers anticipate few problems with the added supplies. The snowy weather has not been a factor. If fact, farmers are hoping for more snow to fill the reservoirs this spring. UTAH and IDAHO milk production is mostly steady to declining in recent weeks. With the seasonal low nearing its end, production is expected to pick up around the first of the year. Lower manufacturing demand in the region from various plants has other factories working at full volume levels.

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: Prices for low/medium heat nonfat dry milk (NDM) were mixed this week. Spot sales activity is light going into the holiday week. Production is strong as manufacturing milk volumes have increased. Some manufacturers are offering multiple loads at a discount in order to clear building inventories. Export demand interest is light as U.S. prices are above competing global markets. The market tone is weak. Prices for HIGH HEAT NDM are unchanged in light trading. Production has declined as manufacturers focus on low heat production to better clear milk supplies over the holiday period. Tuesday at the CME Group, Grade A NDM closed at \$1.11150, down \$0.0675 from last Tuesday.

EAST: Nonfat dry milk prices are mostly steady in a weak market. Dryer schedules are heavier, as the Thanksgiving holiday week expands the volumes of condensed skim available at manufacturing plants. Low/medium heat nonfat dry milk production is consuming most of the dryer time. Demand is slow. Manufacturers' inventories of low/medium nonfat dry milk are moderate. Demand for high heat is seasonally good. Purchases from the baking industry are active. Some processors are looking to modify dryer availability to facilitate high heat nonfat production. Trading in the spot market remains light. Most processors' inventories are adequate for current needs.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.0800 - 1.5325 MOSTLY: 1.1575 - 1.3750
 HIGH HEAT: 1.4450 - 1.6000

WEST

Prices for Western low/medium nonfat dry milk are unchanged to lower on a weak market. Contract loads are clearing, but pushback is ongoing as buyers try to curtail financial losses. FOB spot offers are available from several manufacturers, but others are readily clearing current production loads to Mexico and other locales south of the U.S. border. Shipping deadlines to clear through the border are approaching. Resellers are searching through the marketplace for NDM, with price points in mind, and are a little surprised at the light offers from other resellers and brokers at competitive prices. Production of low/medium heat nonfat dry milk is very active. Balancing plants are receiving high intake volumes as bottlers lighten orders. Most orders for consumer-packaged milk were completed earlier in the week. Many butter/powder facilities have extended schedules in place for the balance of the week as small plants close for the holiday weekend. High heat nonfat dry milk prices are unchanged to lower. The market is weak and looking for a level of support. High heat NDM production is off the weekly schedules at many Western facilities due to increasing milk intakes as the holiday approaches. Plants are focusing on clearing condensed skim to low/medium heat NDM to maximize production rates.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.0650 - 1.4625 MOSTLY: 1.1000 - 1.3500
 HIGH HEAT: 1.4200 - 1.5500

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices decreased this week with prices at the upper end of the range moving lower. The market undertone is weak. Production is strong as many churns are operating at near capacity levels this holiday week. Spot sales activity is light with most transactions moving through contracts.

EAST: Dry buttermilk prices declined at the top of the range. The dry buttermilk production rate is higher, as churning supports additional milk intakes at those plants capable of producing butter. Some plants are busy working on Christmas orders during the Thanksgiving holiday week. Butter offerings are increasing, as inventories grow. The market undertone remains soft.

F.O.B. CENTRAL/EAST: 1.0000 - 1.1250

DRY BUTTERMILK - WEST

Prices for Western dry buttermilk are unchanged to lower, and the market is weak as dairy protein values trend lower and butterfat values remain mixed. Manufacturers' spot offers are available in the West, but not from all sources. Resellers' stocks on hand are building weekly as buyers are willing to try pushback on contract loads to control their inventories. Condensed buttermilk production is active in the West as cream clears actively to the churns. Plant operators indicate time slots for dry buttermilk production are decreasing as holiday milk intakes increase. Manufacturers' inventories are building steadily.

F.O.B. WEST: 1.1000 - 1.3400 MOSTLY: 1.2000 - 1.2500

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged on a weak market. Producers remark there is little interest for acquiring dry whole milk loads outside of active contracts. Interest in contracting for 2015 is limited as buyers have access to international whole milk powder in the near term, and many feel they can wait out the domestic market. Dry whole milk production is low for the week as additional loads of milk clear to manufacturing and dryer time is locked into clearing condensed skim to nonfat dry milk.

F.O.B. PRODUCING PLANT: 1.6000 - 1.8000

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
November 21	\$1.3839	14,247,064
November 14	\$1.4196	11,945,145

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

Central dry whey prices are unchanged for the week on light trading. The market tone is mixed. Some cooperatives indicate inventories are building as cheese production increases seasonally, but other manufacturers are controlling cheese production to match short term needs. Those manufacturers indicate dry whey inventories are comfortable to short. Buyers are readily taking contract loads, but interest in spot loads falters from time to time. Brand, packaging, and location play a part in buyer interest. Production is steady to higher as milk intakes into several cheese plants are scheduled to increase by midweek. ANIMAL FEED DRY WHEY prices are steady. Several end users indicate they are receiving contract loads as agreed, and that is keeping them out of the market.

F.O.B. CENTRAL: 4000 - .6800 MOSTLY: .5400 - .6300
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3500 - .5700

DRY WHEY - NORTHEAST

Northeast dry whey prices are steady to slightly lower this week. Whey production is adequate for most contractual needs. Spot market activity is fairly light as product is difficult to move while prices move lower. Inventories continue to build. Domestic demand is sluggish, as the market continues to weaken.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6100 - .6800

DRY WHEY - WEST

Western dry whey prices are unchanged. There were reported spot loads. Demand is steady. Contract loads are moving on schedule although trucking issues are still present. The weaker market tone for whey markets, coupled with lower pricing for other dry dairy products, overhang market decisions. Buyers are negotiating 2015 whey contracts, and are looking for changes in pricing structure or length of contract. Lower prices in international markets continue to be a factor. Cheese production is strong leading into the holidays, which further influences the whey market outlook.

NONHYGROSCOPIC: .4800 - .6775 MOSTLY: .5400 - .6300

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are steady for the week on light trading. The market tone continues to weaken in step with the nonfat dry milk market. With alternative protein sources readily available for the feed market, sales into that market sector are slow. Edible market sales are generally steady. A few manufacturers and buyers have started discussions on 2015 contracts. Price structures for those contracts are unchanged to carrying reduced premiums to the market. Buyers have been assertive in obtaining future price concessions. Whey protein concentrate 34% production is ongoing, with higher manufacturing milk volumes boosting production through the second half of the week. Inventory conditions range from comfortable to well above near term needs.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.0800 - 1.4500 MOSTLY: 1.1500 - 1.3750

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged for the week on limited transactions. Some 2015 annual contracts are in place, but Q1 contracting is slow to build momentum. European contract offers to customers in Asia reportedly sit in the mid twenty cent range, and U.S. manufacturers indicate clients from Asia are prepared to use this as a price bargaining chip. A few producers are looking for finer mesh lactose to fulfill orders from offshore buyers. Some sellers report loads bound for Southeast Asia are being warehoused as shipping delays mount. Sellers indicate dockworker slowdowns at some ports mean some loads have missed shipping dates. The additional costs to place loads in temporary warehouses and pay in/out charges are chipping away at profits on these loads. Cheese and lactose production are active as manufacturing milk supplies are steady to higher this week due to declining volumes clearing into bottling accounts. Inventories are steady to building.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2000 - .5600 MOSTLY: .3200 - .4800

CASEIN - NATIONAL

Prices for rennet and acid casein are unchanged. Market activity is focused on contract negotiations for 2015 as most buyers have their needs covered through the end of 2014. Casein production is strong in Oceania, but has slowed in Europe. Supplies are readily available. Price declines over the past number of weeks have prompted some buyers to negotiate contracts to cover their needs well into 2015. Others have been slow to finalize contracts knowing supplies are more than ample with the possibility of lower prices in the future.

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
11/08/2014	55.9	2,424.0	61.5	2,704.3

WEBSITE: http://www.ams.usda.gov/mnreports/sj_ls714.txt

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES (3.5% BF)

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

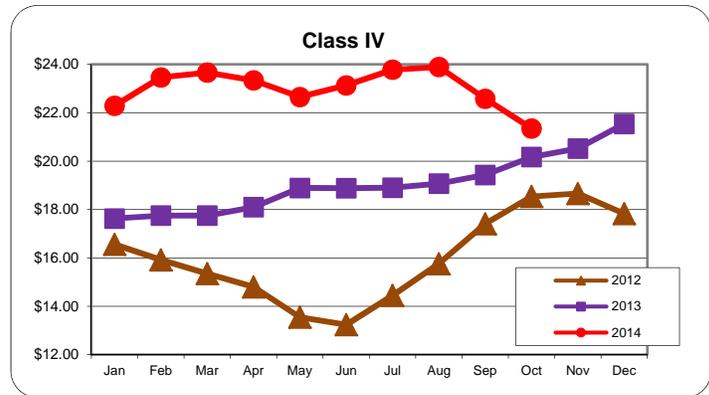
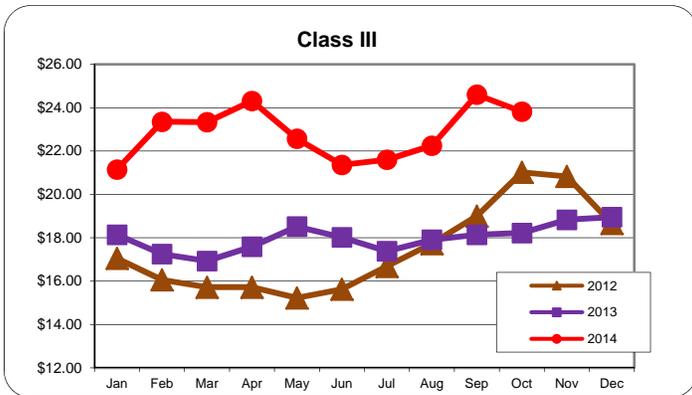
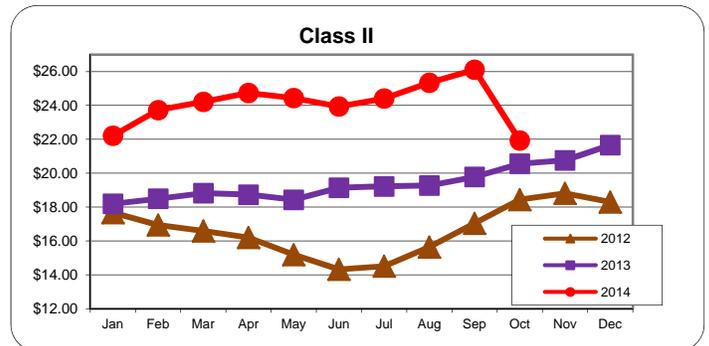
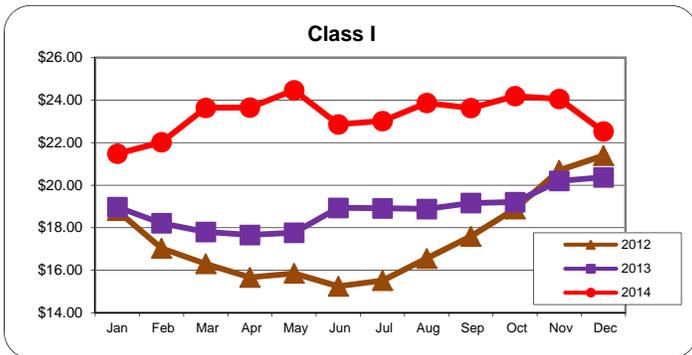
CLASS IV MILK PRICES (3.5%)

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	22.53
II	22.21	23.73	24.22	24.74	24.44	23.94	24.41	25.34	26.11	21.93		
III	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82		
IV	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35		

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 November 17 - 28, 2014

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales. AMS reports total organic milk products sales for July 2014, 205 million pounds, were up 8.3% from July last year and up 11.6% year to date compared with last year.

Organic whole milk sales for July 2014, 61 million pounds, were up 18.5% compared with July last year and up 22.0% year to date compared with last year.

Organic reduced fat milk sales for July, 65 million pounds, were 23.7% above sales one year earlier and up 18.0% year to date compared with last year.

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

Product Name	Sales		Change from: 2/	
	July	Y-T-D	Prev Yr.	Y-T-D
	Mil. Lbs.		Percent	

ORGANIC PRODUCTION PRACTICE

Whole Milk	61	420	18.5	22.0
Reduced Fat Milk (2%)	65	433	23.7	18.0
Low Fat Milk (1%)	39	280	-6.1	7.2
Fat-Free Milk (Skim)	33	241	-4.3	-2.5
Flavored Fat-Reduced Milk	7	67	-21.4	5.1
Other Fluid Milk Products	0	3	-67.8	-1.2
Total Fat-Reduced Milk 3/	144	1,021	4.8	7.9
Tot. Organic Milk Products	205	1,444	8.3	11.6

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. Organic milk prices received are contracted and vary by producer, processor and region. Price reports from members of an organic milk producers' association illustrate some variations. In Northern Vermont, the September organic milk pay price with premiums was \$33.74. In Southern Vermont, there was a report of \$34.48, including premiums. A report of producer pricing in southeast Pennsylvania was \$35.11 plus a \$.10 quality premium. Farm level pricing in the middle Atlantic region offers organic producers a \$32.75 base, with an additional \$2.50 for butterfat above 3.2%.

In the area spanning the Northeast to Middle Atlantic States, competition for organic producer's milk is increasing. There are currently at least 9 other dairies currently looking for organic milk from new organic milk sources, in addition to the traditional national organic brands which have been contracting in the regions for a number of years.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. There was little targeting of traditionally pre-Thanksgiving advertised conventional dairy products such as butter, sour cream, cream cheese or egg nog, in organic dairy ads this period. Organic milk ads led the organic dairy category but at the second lowest level since July. Organic cheese ad numbers are second, maintaining the relatively high level of

recent periods compared with the 2014 bi-weekly average.

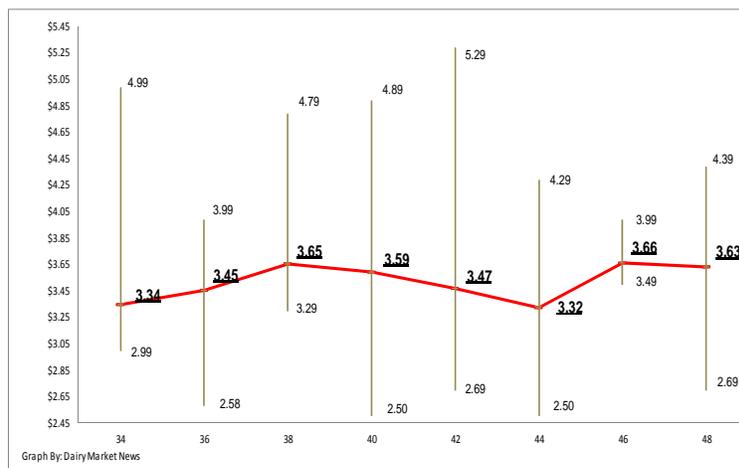
Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period November 17 to November 26, 2014, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket 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>

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is \$3.63, down 3 cents from 2 weeks ago. One year ago the price was \$3.68.

The lowest price is down 80 cents to \$2.69, while the top of the price range is up 40 cents to \$4.39. The lowest advertised price, \$2.69, is in the South Central Region. The highest advertised price, \$4.39, is found in the South Central, Southwest and Northwest.

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 \$1.19. This spread is calculated from the organic milk half gallon average advertised price, \$3.63, and the conventional milk half gallon average advertised price of \$2.44. The price spread this year has ranged between \$0.67 and \$2.55.

Organic Milk Gallons. The U.S. weighted average price of organic milk gallons this period is \$6.49. There were no ads two weeks ago and the price one year ago was \$5.25. All ads are priced \$6.49 and are in the Northeast.

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

8 Ounce Block Organic Cheese. Organic cheese (8 ounce blocks) has an average price of \$3.99 unchanged from two weeks ago.

8 Ounce Shredded Organic Cheese. Organic cheese (8 ounce shredded) has an average price of \$3.99, unchanged from two weeks ago.

ORGANIC DAIRY MARKET NEWS

Information gathered November 17 - 28, 2014

CONTINUED FROM PAGE -8-

Organic Butter 1 Pound. All ads for organic butter appeared in the Midwest, priced \$6.99. Two weeks ago the average price was \$6.49 and one year ago, \$3.99.

Organic Yogurt. The weighted average price of 4-6 ounce organic yogurt is \$.99, 4-6 ounce organic Greek yogurt is \$1.25, and 32 ounce organic yogurt is \$3.49.

Organic Ice Cream 48-64 ounce. Organic ice cream in 48-64 ounce containers has a national average price of \$5.99. There were no ads two weeks ago or one year ago. Organic ice cream ads last appeared during July. This period all ads are in the Southwest.

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

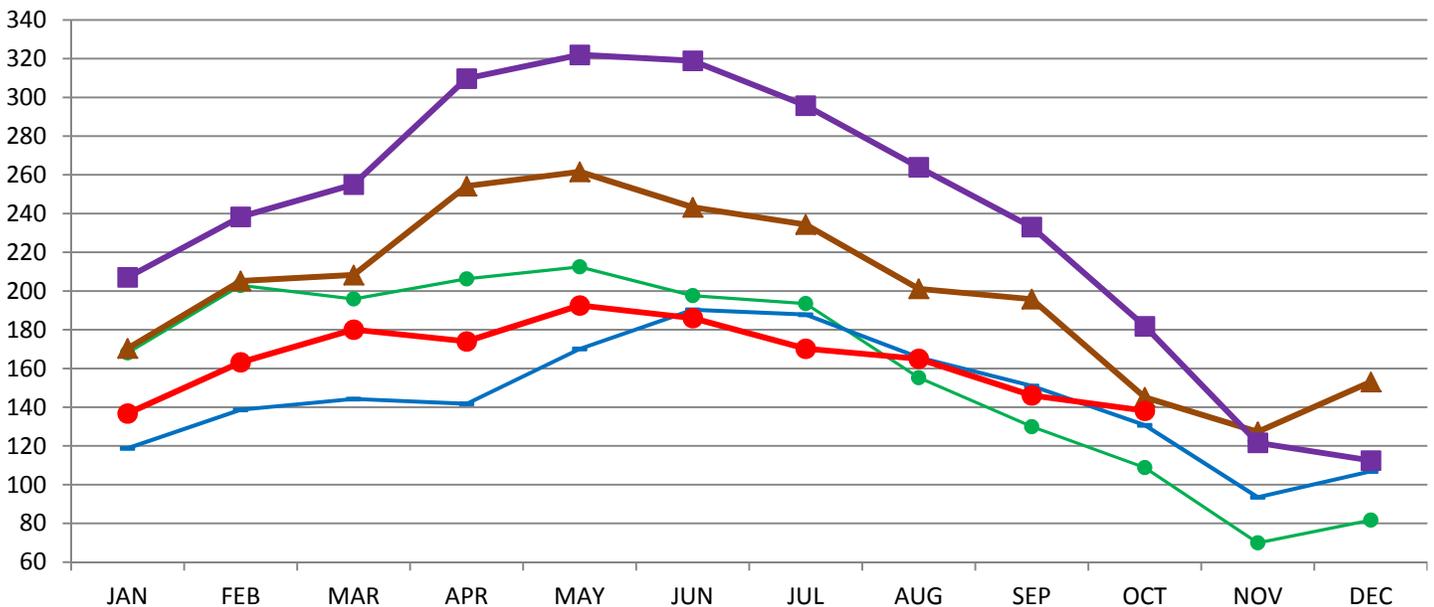
U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	SEP 30, 2012	SEP 30, 2013	REVISED SEP 30, 2014	OCT 31, 2012	OCT 31, 2013	OCT 31, 2014
Butter	195,819	233,031	146,088	145,098	181,799	138,184
Cheese, Natural American	641,685	661,046	631,279	610,931	626,161	612,188
Cheese, Swiss	28,933	29,975	25,684	30,021	27,923	25,596
Cheese, Other Natural	369,388	379,676	356,819	354,411	365,632	345,992
Total Cheese	1,040,006	1,070,697	1,013,782	995,363	1,019,716	983,776

OCTOBER STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
New England	36,310	50,453	62,938	---	---	---	988	881	1,271
Middle Atlantic	42,990	57,387	52,312	---	---	---	16,809	15,440	19,491
East North Central	256,748	250,588	230,866	---	---	---	259,466	263,012	229,910
West North Central	103,449	91,101	100,573	---	---	---	32,081	40,175	41,999
South Atlantic	530	548	680	---	---	---	4,590	4,619	3,493
East South Central	5,361	4,636	4,861	---	---	---	12,523	6,484	17,373
West South Central	15,935	8,374	19,704	---	---	---	489	461	624
Mountain	50,891	51,431	51,388	---	---	---	6,912	3,426	2,340
Pacific	98,717	111,643	88,866	---	---	---	20,553	31,134	29,491
TOTAL	610,931	626,161	612,188	145,098	181,799	138,184	354,411	365,632	345,992

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

MILLION POUNDS

BUTTER COLD STORAGE HOLDINGS



DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

● 2010 ■ 2011 ▲ 2012 ■ 2013 ● 2014

JULY MILK SALES

During July, 3.9 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 3.4 percent lower than July 2013. Estimated sales of total conventional fluid milk products decreased 4.0 percent from July 2013 and estimated sales of total organic fluid milk products increased 8.3 percent from a year earlier. Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYeartoDate>.

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

Product Name	Sales		Change from: 2/	
	July	Year to Date	Previous Year	Year to Date
	<i>million pounds</i>		<i>Percent</i>	
Conventional Production Practice				
Whole Milk	1,114	7,632	-1.1	-0.2
Flavored Whole Milk	43	305	0.5	-1.6
Reduced Fat Milk (2%)	1,435	9,957	-2.9	-2.0
Low Fat Milk (1%)	484	3,823	-5.9	-4.6
Fat-Free Milk (Skim)	465	3,480	-12.2	-10.9
Flavored Fat-Reduced Milk	142	1,998	-4.1	-4.0
Buttermilk	40	278	-3.2	-0.9
Other Fluid Milk Products	4	28	48.0	22.4
Total Fat-Reduced Milk 3/	2,526	19,258	-5.4	-4.5
Total Conventional Milk Products	3,727	27,500	-4.0	-3.2
Organic Production Practice				
Whole Milk	61	420	18.5	22.0
Reduced Fat Milk (2%)	65	433	23.7	18.0
Low Fat Milk (1%)	39	280	-6.1	7.2
Fat-Free Milk (Skim)	33	241	-4.3	-2.5
Flavored Fat-Reduced Milk	7	67	-21.4	-5.1
Other Fluid Milk Products	0	3	-67.8	-1.2
Total Fat-Reduced Milk 3/	144	1,021	4.8	7.9
Total Organic Milk Products	205	1,444	8.3	11.6
Total Fluid Milk Products	3,932	28,944	-3.4	-2.6
Total Fluid Milk Products Adjusted 4/	*	*	*	*

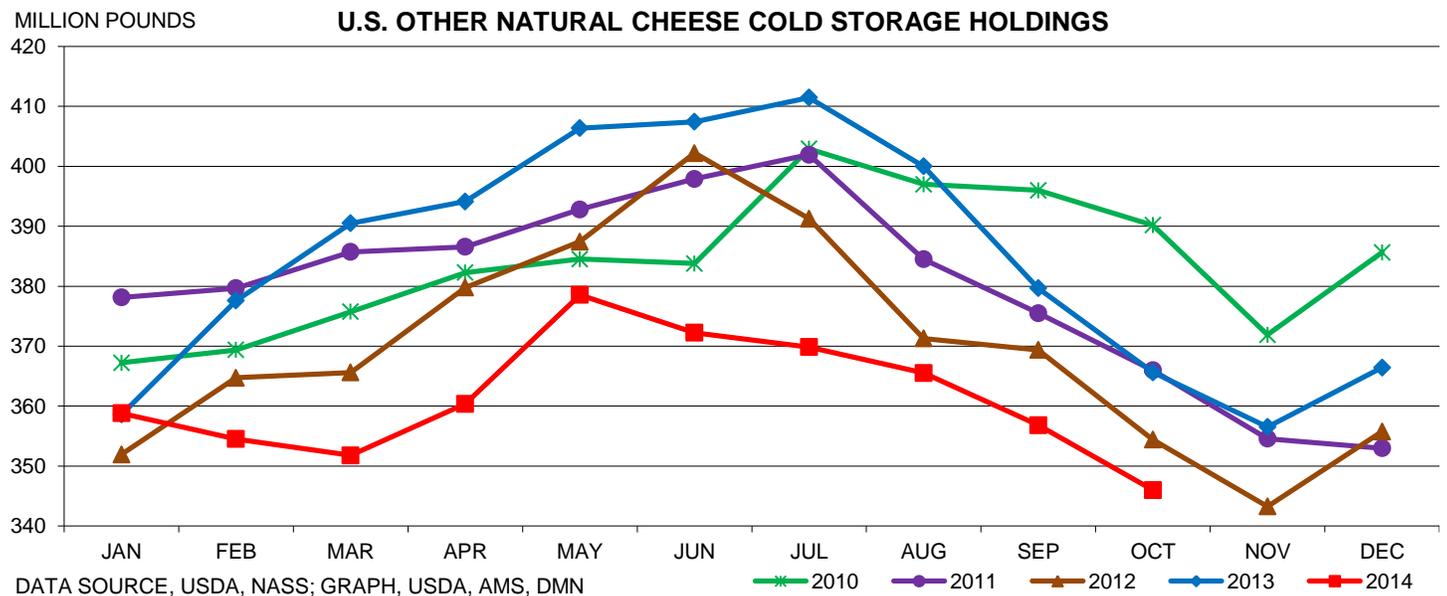
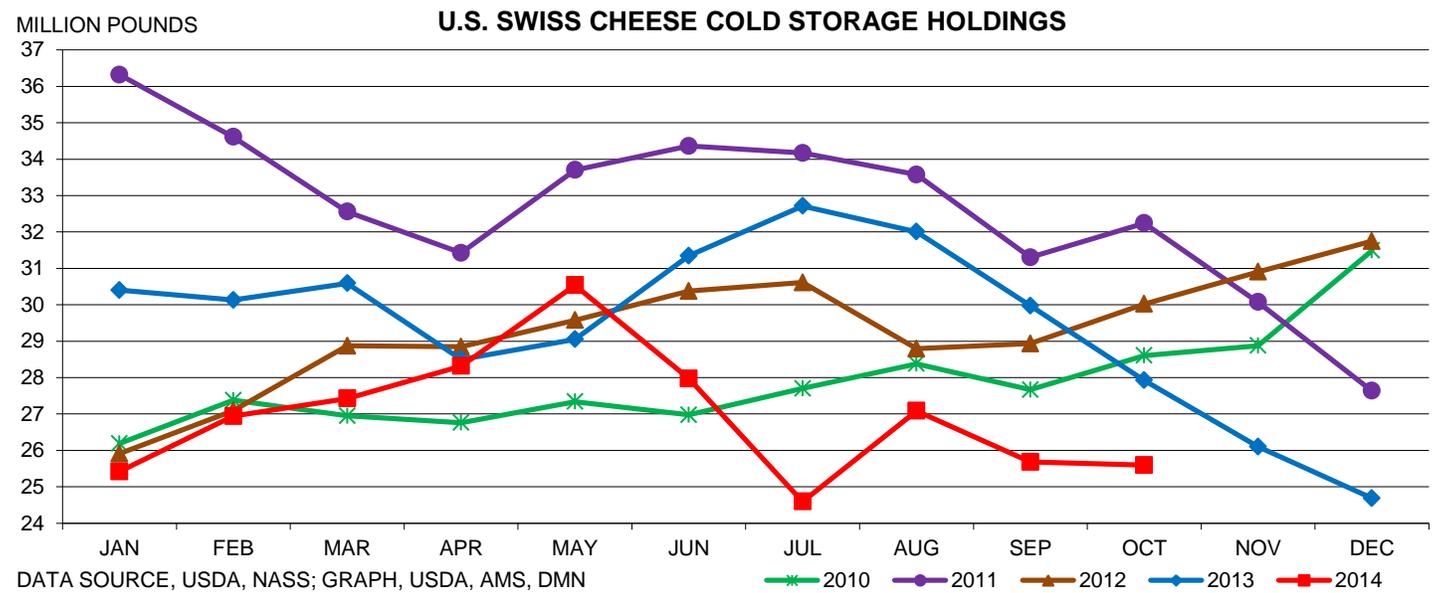
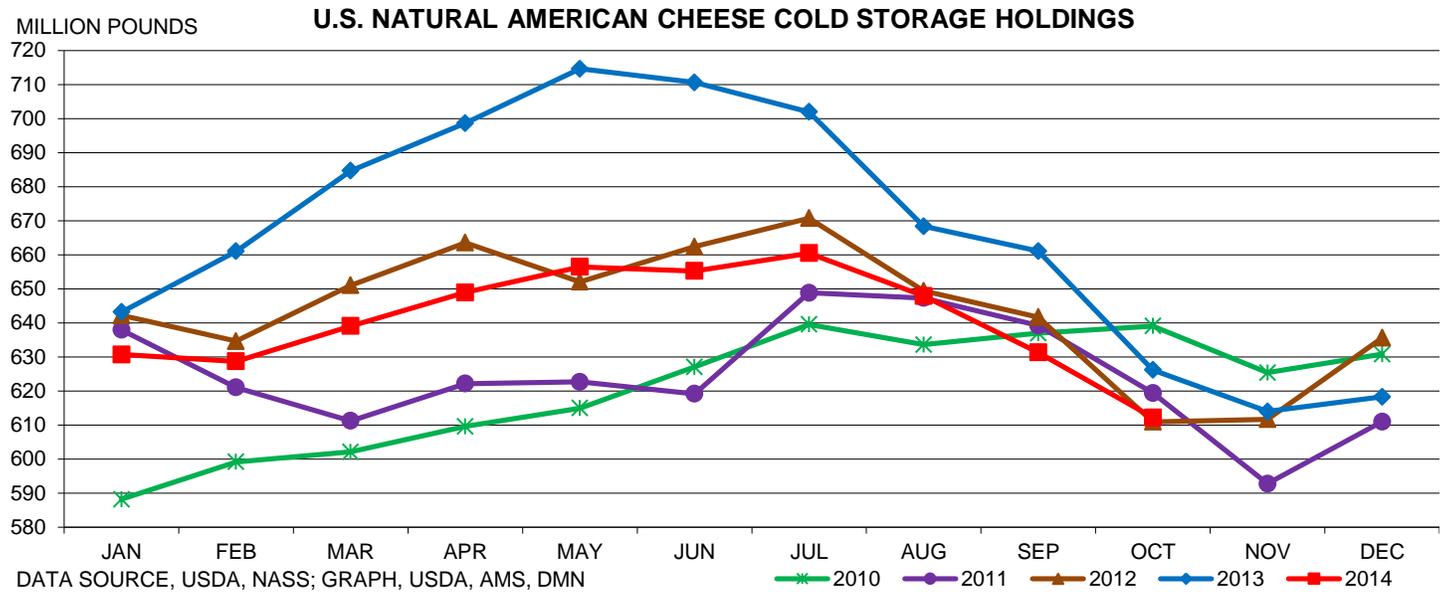
* Total Fluid Milk Products Adjusted for Calendar Composition will not be published until the release of "An Overview of Calendar Composition of Fluid Milk Sales." 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which 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. 4/ Sales volumes and percent changes have been adjusted for calendar composition. Report contact: Daniel Manzoni, Daniel.manzoni@ams.usda.gov or 202-720-2352

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS AND CALIFORNIA, JULY 2014, WITH COMPARISONS 1/

Marketing Area	Order Number	Sales		Change from: 2/	
		July	Year to Date	Previous Year	Year to Date
		<i>million pounds</i>		<i>percent</i>	
Northeast	001	667	4,925	-5.1	-3.4
Appalachian	005	261	1,880	-2.9	-3.7
Florida	006	212	1,587	-3.7	-2.4
Southeast	007	356	2,636	-2.5	-1.0
Upper Midwest	030	304	2,244	-3.5	-2.4
Central	032	329	2,443	-4.1	-3.7
Mideast	033	428	3,175	-2.4	-2.5
Pacific Northwest	124	161	1,169	-3.3	-2.7
Southwest	126	342	2,534	-1.6	-0.7
Arizona	131	86	639	-1.7	-0.9
California	---	470	3,396	-4.0	-3.1
All Orders (Total)		3,147	23,232	-3.3	-2.5
All Areas (Total)		3,618	26,628	-3.4	-2.6

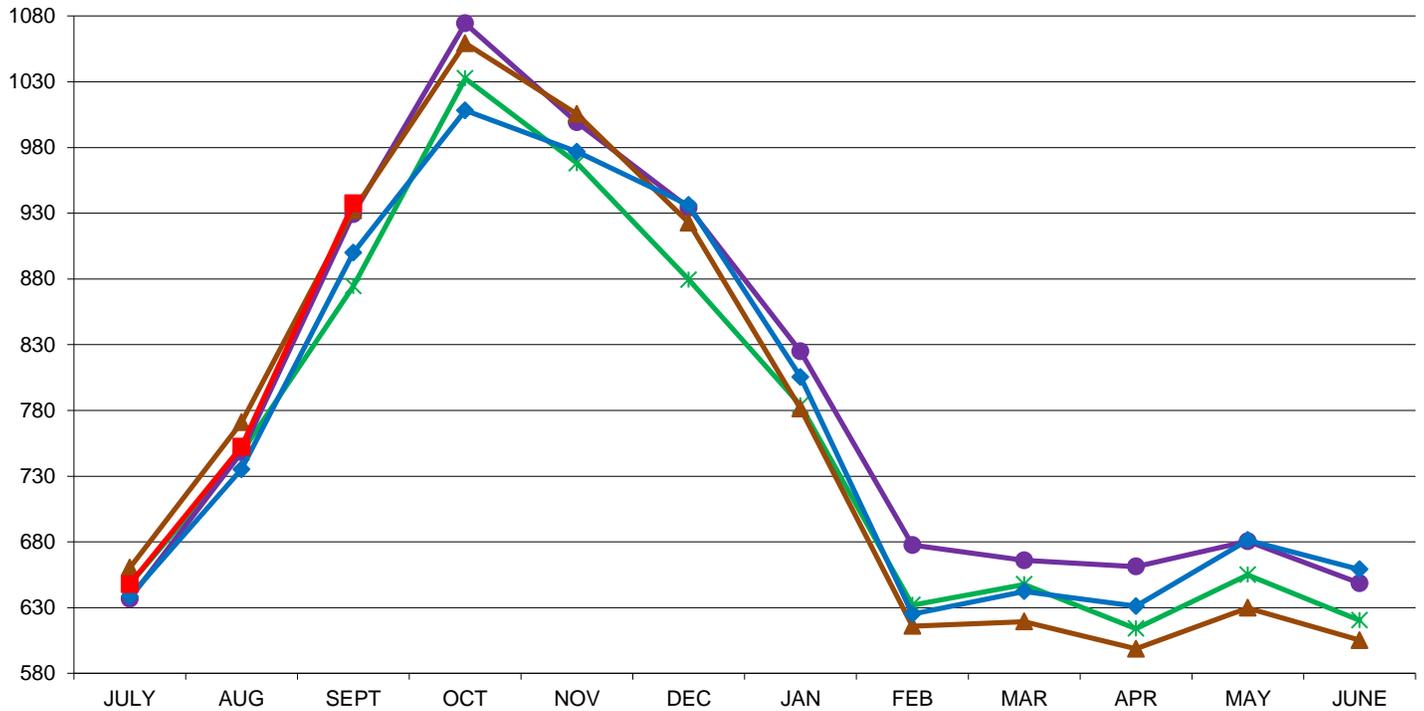
1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 4/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis.

Source: U.S. Department of Agriculture. California Department of Food and Agriculture. Milk Stabilization Branch. *California Dairy Information Bulletin*, July 2014.



MILLION LITRES

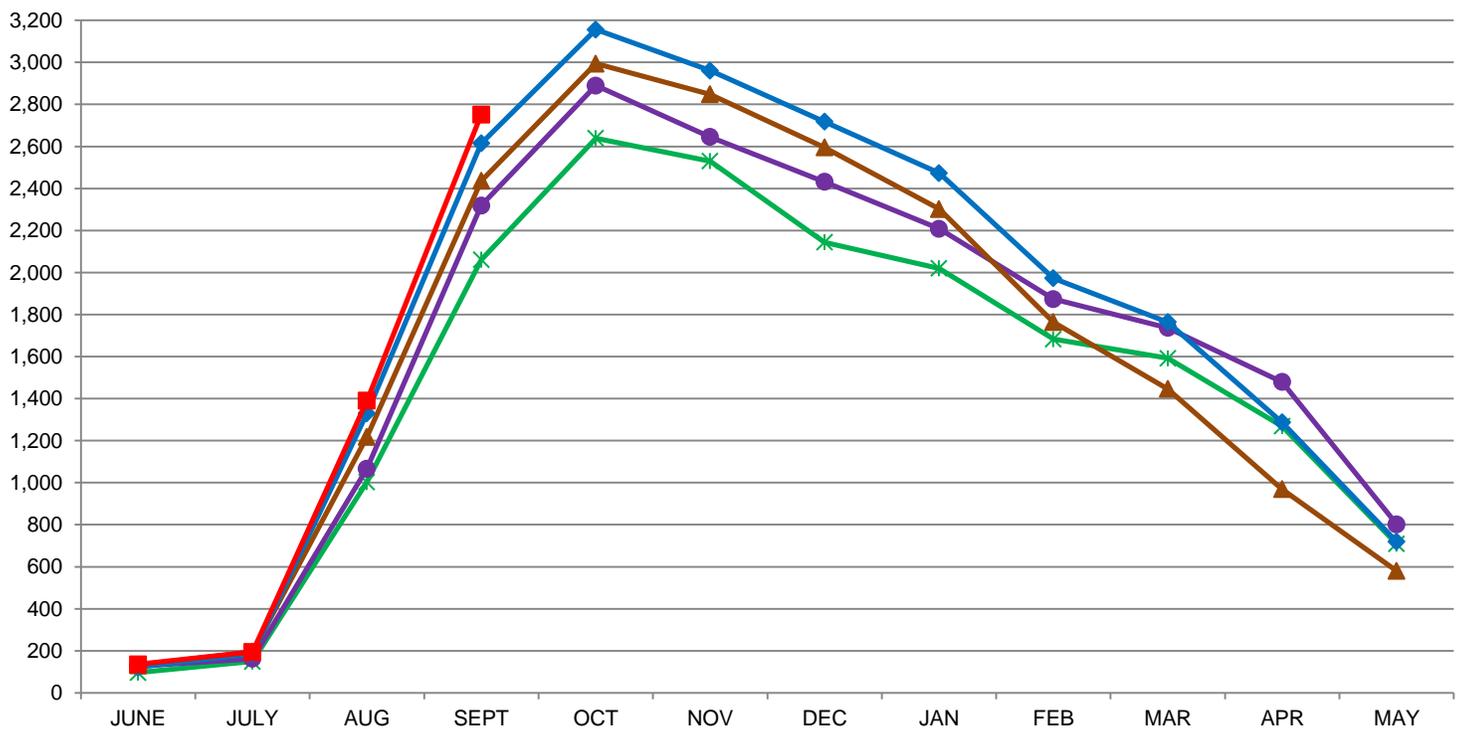
MONTHLY AUSTRALIAN MILK PRODUCTION



DATA SOURCE, DAIRY AUSTRALIA LTD.; GRAPH, USDA, AMS, DMN

MONTHLY NEW ZEALAND MILK PRODUCTION

1,000 MT



DATA SOURCE, DCANZ; GRAPH, USDA, AMS, DMN



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 48

Issued Biweekly

Tuesday, November 25, 2014

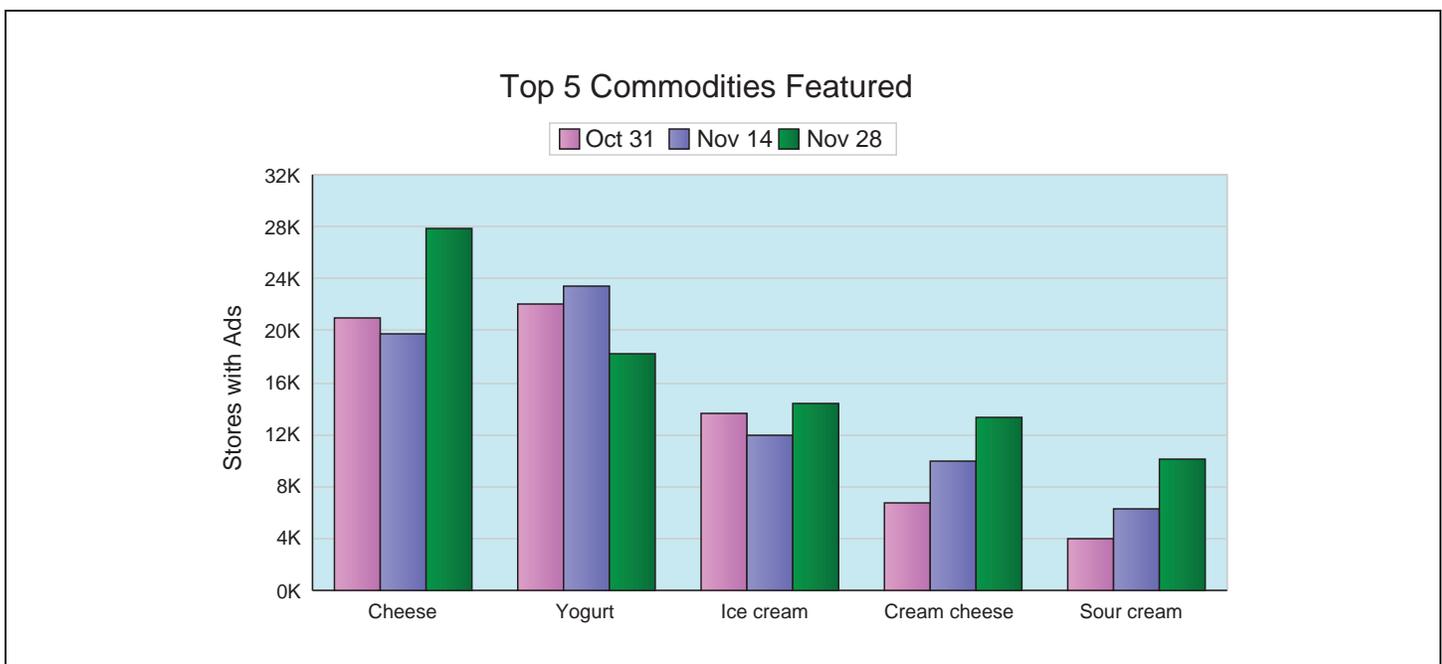
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 11/17 to 11/28

Dairy products were heavily featured in Thanksgiving holiday themed advertisements this reporting period. The national advertised average price of a 1 pound butter package, \$3.28, declined 35 cents from two weeks ago, but was \$0.99 higher than one year ago. The national average 8 ounce block cheese price was \$2.55, down 6 cents from two weeks ago, but 20 cents higher than a year ago. For 8 ounce shreds, at \$2.50, were down 6 cents from two weeks ago, but 24 cents higher than one year ago.

The cream cheese price was \$1.53, 8 cents lower than two weeks ago, but 21 cents higher than a year ago. Sour cream ads averaged \$1.77, equal to two weeks ago, but 19 cents higher than a year ago. Egg nog half gallons averaged \$4.02, up 10 cents from two weeks ago and 57 cents higher than a year ago.

Greek yogurt in 4-6 ounce packages averaged 95 cents, down 1 cent from two weeks ago and 5 cents lower compared to a year ago. Regular yogurt in 4-6 ounce packages, at 49 cents, is down 3 cents from two weeks ago and 8 cents from one year ago.

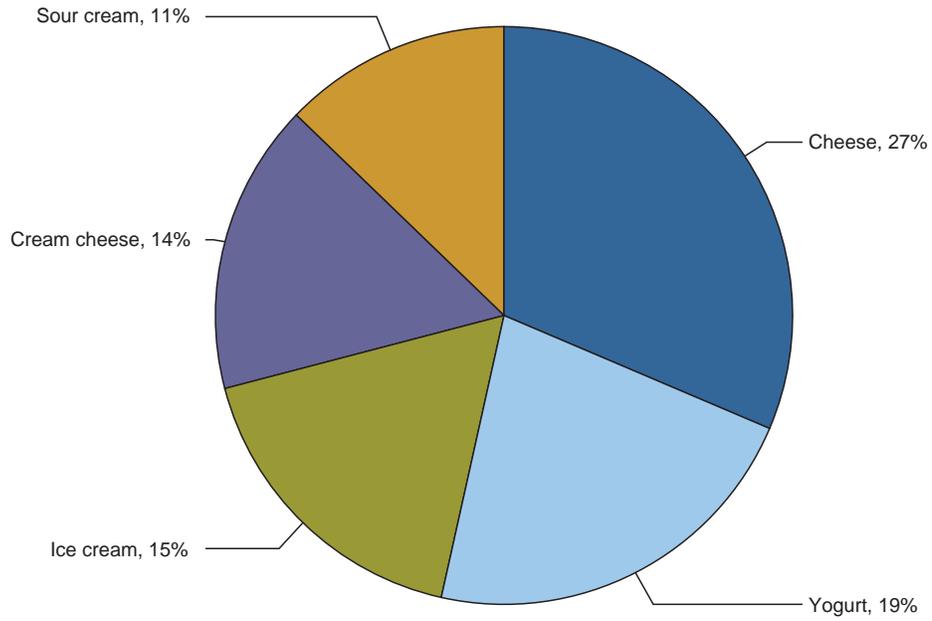
The organic versus conventional half gallon price spread is \$1.19, down 32 cents from two weeks ago. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.44, and the average for organic half gallon milk, \$3.63. One year ago, the price spread was \$2.68, caused by a limited test on conventional milk.



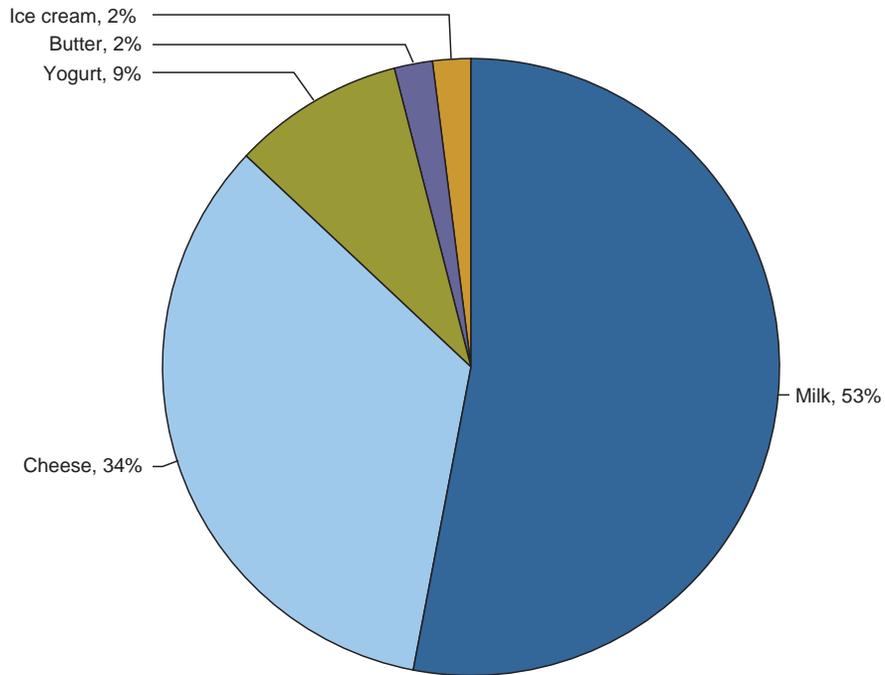
1 -- Dairy Market News surveys nearly 100 retailers, comprising over 14,000 individual stores, with online weekly advertised features.

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 #	9058	3.28	6591	3.63	10183	2.29
Cheese	Natural Varieties	8 oz block	11471	2.55	6961	2.61	11426	2.35
Cheese	Natural Varieties	1 # block	300	4.36	1546	3.95	1370	3.53
Cheese	Natural Varieties	2 # block	2823	7.60	1091	7.83	2088	6.58
Cheese	Natural Varieties	8 oz shred	10355	2.50	6357	2.56	12177	2.26
Cheese	Natural Varieties	1 # shred	545	3.87	1716	4.00	244	3.51
Cottage cheese		16 oz	950	1.92	1272	2.39	1199	2.40
Cream cheese		8 oz	13395	1.53	9893	1.61	12492	1.32
Egg nog		quart	864	3.69	217	2.22	737	2.68
Egg nog		half gallon	1604	4.02	1181	3.92	3361	3.45
Flavored milk	All fat tests	gallon					98	2.50
Ice cream		48-64oz	14184	3.26	11876	3.02	13553	3.08
Milk	All fat tests	half gallon	104	2.44	987	2.15	116	1.00
Milk	All fat tests	gallon	583	3.58	1795	3.55	1515	3.10
Sour cream		16 oz	10117	1.77	6347	1.77	10406	1.58
Yogurt	Greek	4-6 oz	11367	.95	14652	.96	8926	1.00
Yogurt	Greek	32 oz	803	4.97	1688	5.19	458	4.91
Yogurt	Yogurt	4-6 oz	3929	.49	4917	.52	2749	.57
Yogurt	Yogurt	32 oz	1593	3.00	1541	2.44	1327	2.22

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 #	2.49-4.99	1654	3.25	2.50-3.99	2906	3.09	1.99-3.50	1283	2.82
Cheese	Natural Varieties	8 oz block	1.99-3.00	2601	2.44	1.79-3.49	2776	2.45	1.25-3.00	1391	2.13
Cheese	Natural Varieties	1 # block						4.49	98	4.49	
Cheese	Natural Varieties	2 # block	5.00	68	5.00	7.48	202	7.48			
Cheese	Natural Varieties	8 oz shred	1.99-3.00	2417	2.72	1.67-3.29	2769	2.44	1.25-3.00	1666	2.14
Cheese	Natural Varieties	1 # shred	3.99	128	3.99			2.50-4.49	215	3.41	
Cottage cheese		16 oz	1.99-2.50	308	2.25	2.49	53	2.49	1.25-2.50	407	1.87
Cream cheese		8 oz	0.99-2.49	1877	1.53	1.25-2.00	3080	1.47	0.99-2.00	2070	1.45
Egg nog		quart	4.99	397	4.99	1.99-2.50	229	2.27	3.00	70	3.00
Egg nog		half gallon						3.69-4.79	295	4.44	
Ice cream		48-64oz	1.99-3.99	4083	2.96	2.50-5.00	3216	3.66	1.99-4.50	1218	3.16
Milk	All fat tests	half gallon	2.48	54	2.48						
Milk	All fat tests	gallon						2.75-2.99	160	2.84	
Sour cream		16 oz	1.19-2.00	2484	1.63	1.25-2.19	3231	1.93	1.25-2.00	1368	1.66
Yogurt	Greek	4-6 oz	0.88-1.25	2685	1.00	0.79-1.00	2744	.90	0.79-1.00	1909	.94

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	32 oz	3.50-6.99	733	5.06				3.99	70	3.99
Yogurt	Yogurt	4-6 oz	0.50-0.60	758	.57	0.40-0.60	2513	.46	0.50	165	.50
Yogurt	Yogurt	32 oz	2.49	62	2.49	1.99-2.18	260	2.14			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-3.99	1140	3.27	2.50-4.99	1479	3.96	2.50-4.59	596	3.61
Cheese	Natural Varieties	8 oz block	1.67-3.49	1271	2.55	1.97-3.99	2932	2.97	2.49-2.50	500	2.50
Cheese	Natural Varieties	1 # block							4.29	202	4.29
Cheese	Natural Varieties	2 # block	7.99	525	7.99	5.99-7.99	1134	7.83	5.99-7.99	894	7.30
Cheese	Natural Varieties	8 oz shred	1.47-2.79	1360	2.29	1.99-3.99	1513	2.80	2.49-3.49	630	2.64
Cheese	Natural Varieties	1 # shred							4.29	202	4.29
Cottage cheese		16 oz				1.99	64	1.99	0.99	118	.99
Cream cheese		8 oz	0.99-1.50	1463	1.31	1.00-3.29	3661	1.66	1.20-2.49	1244	1.66
Egg nog		quart	3.00	118	3.00				2.50	50	2.50
Egg nog		half gallon	3.49-3.99	234	3.75	3.79-3.99	777	3.96	3.99	298	3.99
Ice cream		48-64oz	1.99-4.99	1527	3.87	2.49-4.29	3268	3.05	2.50-3.99	872	3.09
Milk	All fat tests	half gallon							2.39	50	2.39
Milk	All fat tests	gallon	3.49	70	3.49	3.99	237	3.99	3.79	116	3.79
Sour cream		16 oz	1.25-2.29	1040	1.76	1.20-2.00	1246	1.74	0.99-1.99	748	1.78
Yogurt	Greek	4-6 oz	0.79-1.00	1169	.93	0.79-1.20	2284	.99	0.79-1.00	576	.97
Yogurt	Yogurt	4-6 oz	0.69	52	.69	0.50	239	.50	0.50	202	.50
Yogurt	Yogurt	32 oz	2.99	324	2.99	2.99-3.49	649	3.31	2.99-3.29	298	3.17

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 #	165	6.99	56	6.49	100	3.99
Cheese	Natural Varieties	8 oz block	1293	3.99	1109	3.99		
Cheese	Natural Varieties	1 # block			296	3.99		
Cheese	Natural Varieties	8 oz shred	944	3.99	703	3.99		
Cottage cheese		16 oz					165	3.99
Cream cheese		8 oz			56	2.99	127	2.43
Egg nog		quart					243	3.78

Wtd Avg - Simple weighted average



Ice cream		48-64oz	143	5.99				
Milk	All fat tests	half gallon	3102	3.63	824	3.66	2198	3.68
Milk	All fat tests	gallon	232	6.49			652	5.25
Milk	All fat tests	8 oz UHT	201	1.00	2616	1.00	202	1.00
Sour cream		16 oz					71	2.69
Yogurt	Greek	4-6 oz	293	1.25	68	1.50		
Yogurt	Yogurt	4-6 oz	56	.99	334	1.23		
Yogurt	Yogurt	32 oz	235	3.49	235	3.49	195	3.33

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
Butter		1 #							6.99	165	6.99
Cheese	Natural Varieties	8 oz block	3.99	112	3.99						
Milk	All fat tests	half gallon				2.99	237	2.99	2.99-4.28	615	3.34
Milk	All fat tests	gallon	6.49	232	6.49						
Milk	All fat tests	8 oz UHT							1.00	201	1.00
Yogurt	Greek	4-6 oz	1.25	128	1.25				1.25	165	1.25
Yogurt	Yogurt	4-6 oz	0.99	56	.99						
Yogurt	Yogurt	32 oz	3.49	235	3.49						

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	649	3.99	3.99	298	3.99
Cheese	Natural Varieties	8 oz shred	3.99	234	3.99	3.99	412	3.99	3.99	298	3.99
Ice cream		48-64oz				5.99	143	5.99			
Milk	All fat tests	half gallon	2.69-4.39	610	3.42	2.79-4.39	1262	3.88	2.99-4.39	378	4.05

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

DAIRY MARKET NEWS

GENERAL NUMBER
(608) 278-4200

Elizabeth Frederick
(608) 278-4150
Elizabeth.Frederick@AMS.USDA.GOV

EAST
Daniel Johnson
(608) 278-4156
Daniel.Johnson@AMS.USDA.GOV

CENTRAL
Ryan Studnicka
(608) 278-4155
Ryan.Studnicka@AMS.USDA.GOV

SOUTHWEST
Janet Linder
(608) 278-4157
Janet.Linder@AMS.USDA.GOV

NORTHWEST/MOUNTAIN
Tara Herbst
(608) 278-4254
Tara.Herbst@AMS.USDA.GOV

NATIONAL SUPERVISOR
Butch Speth
(608) 278-4152
Butch.Speth@AMS.USDA.GOV

VOLUME: 81
REPORT: 48
DATE: 11/28/2014

INTERNATIONAL
Rick Whipp
(608) 278-4151
Rick.Whipp@AMS.USDA.GOV

ORGANIC
Eric Graf
(608) 278-4153
Eric.Graf@AMS.USDA.GOV

INTERNET ADDRESS
www.ams.usda.gov/DairyMarketNews

MARKET NEWS PORTAL
www.marketnews.usda.gov

RECORDED INFORMATION SYSTEM
(608) 278-4142

FAX
(608) 278-4141

USDA, Dairy Market News
2920 Marketplace Drive, STE 202
Fitchburg, WI 53719-5337