

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (12/5)**

BUTTER: Grade AA closed at \$1.8950. The weekly average for Grade AA is \$1.9725 (-.0208).

CHEESE: Barrels closed at \$1.5500 and 40# blocks at \$1.5800. The weekly average for barrels is \$1.5830 (-.1078) and blocks, \$1.6540 (-.0602).

BUTTER HIGHLIGHTS: Butter churn operators are actively filling seasonally strong print orders. Some plants are running full schedules to keep up with demand. Most of the interest is domestic, as U.S. prices are not competitive in the global market. Cream supplies tightened and multiples firmed on the week. Bulk butter sales are slowing, but remain at moderate levels as prices range from 5 under to 6 over market prices, based on various time frames and averages used. Manufacturers are monitoring inventory levels closely with expectations of prices weakening after holiday demand is met. Friday at the CME Group, Grade AA butter price closed at \$1.9850, up \$0.0150 from last week's close on Wednesday. The NASS *Dairy Products* report noted October U.S. butter production totaled 148.1 million pounds, up 13.8% from last month and 1.5% higher than a year ago. January-October cumulative U.S. production totals 1.526 billion pounds, 2.1% behind 2013 during the same time span.

CHEESE HIGHLIGHTS: Cheese production is steady supported by active retail sales, good food service demand and some surplus milk sales going into the Central region under Class pricing. Many manufacturers are filling orders for the yearend holidays, but are concerned about the market outlook going into 2015. Lower priced foreign cheese is making it increasingly difficult for U.S. exporters to profitably compete in the global market. Manufacturers are also concerned about expanding inventories going into next year. *Dairy Products* (NASS) reports total U.S. cheese production for October was 976.8 million pounds which was 3.5% above September and 2.3% above October last year. Friday at the CME Group, barrels closed at \$1.5500, down \$0.0975 from last Wednesday and 40# blocks at \$1.5800, down \$0.1025 from last Wednesday.

FLUID MILK: Milk production is mostly steady throughout the regions with the exception of increases in Arizona and declines in the Pacific Northwest, Utah, and Idaho areas. Milk supplies are adequate for the most part, but are growing in the Midwest and Arizona. Trucking competition has strengthened, leaving some processors short of trucks. Bottling sales generally improved as the week wore on as schools and stores restocked post-Thanksgiving. Condensed skim volumes are heavy

with prices weakening. Holiday products such as eggnog, cream cheese, and other Class II items are seeing a bump in sales.

DRY PRODUCTS: Nonfat dry milk prices fell sharply in light of active spot trading and significantly lower index pricing. Supplies are exceeding demand, causing additional sellers to discount spot loads. High heat NDM production is limited due to tight drying schedules. Dry buttermilk prices shifted lower on a weak market as suppliers with growing inventories discounted spots loads. Whole milk powder imports are pressuring U.S. prices lower to remain competitive. Dry whey prices softened as some manufacturers adjusted prices to keep pace with the weaker export market, while others moved supplies to clean up yearend inventories. Whey protein concentrate 34% prices are mostly unchanged as new sales are limited with an increasing amount of competing alternative products available at lower prices. The lactose market is weakening following increased competition from the international marketplace. Domestic supplies are readily available.

INTERNATIONAL DAIRY MARKET NEWS (DMN):
WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Western Europe milk production is mixed with some countries showing steady production, having just come off the seasonal low point, while other countries are showing marginal increases. Farmgate milk prices are declining and for those producers who are over quota, there is serious consideration being given to reducing milk production soon. Various strategies will be implemented by dairy producers to not only avoid or reduce super levees, but also how to best position themselves for the start of the non-quota season in 2015. Various European dairy industry members feel it is likely the European Commission will extend the PSA program for butter and SMP through February 2015. Manufacturing milk supplies are expected to increase over the yearend holiday period. The weaker Euro, compared to the U.S. Dollar, over the past number of weeks has made European dairy commodities more competitively priced and improved export interest. China in particular has shown and continues to show interest in purchasing increased volumes of various dairy commodities from Europe.

EASTERN OVERVIEW: Eastern European milk production is at or just beyond the seasonal low point. Cream and milk volumes continue to be shipped to Belarus from Eastern Europe. The European Commission has announced a 28 million Euro, approximately \$40 million U.S. Dollar, aid package for dairy farmers in Estonia, Latvia, and Lithuania. The financial aid will assist individual farmers who have encountered liquidity

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CME GROUP CASH TRADING

COMMODITY	MONDAY DEC 01	TUESDAY DEC 02	WEDNESDAY DEC 03	THURSDAY DEC 04	FRIDAY DEC 05	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.6475 (N.C.)	\$1.5875 (-.0600)	\$1.5800 (-.0075)	\$1.5500 (-.0300)	\$1.5500 (N.C.)	:: (-.0975)	:: \$1.5830 (-.1078)
40# BLOCKS	\$1.7100 (+.0275)	\$1.6600 (-.0500)	\$1.6600 (N.C.)	\$1.6600 (N.C.)	\$1.5800 (-.0800)	:: (-.1025)	:: \$1.6540 (-.0602)
NONFAT DRY MILK							
GRADE A	\$1.1150 (N.C.)	\$1.1100 (-.0050)	\$1.1100 (N.C.)	\$1.1100 (N.C.)	\$1.1100 (N.C.)	:: (-.0050)	:: \$1.1110 (-.0115)
BUTTER							
GRADE AA	\$1.9225 (-.0475)	\$1.9850 (+.0625)	\$1.9850 (N.C.)	\$1.9850 (N.C.)	\$1.9850 (N.C.)	:: (+.0150)	:: \$1.9725 (-.0208)

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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problems brought about by the Russian embargo. Some dairy producers in Finland were unhappy about having been left out of the aid package scheme.

OCEANIA OVERVIEW: Australian milk production is beginning to trend downward, but remains above year ago levels. Persistent dry conditions in western Victoria and dry weather in Tasmania over the past fortnight may accelerate the downward trend in the coming weeks. The milk production forecast by some cooperatives remains around 2% above last year. Some badly needed rains covered some of the dairy producing areas of Victoria and the southern portions of New South Wales. The rains will help pasture and forage growth, but are hampering the barley harvest. Hay harvest activities are well underway in the dairy producing regions and yield assessments are variable, but generally below average. Demand is strong for 2015 hay supplies with current prices steady to firm. The recently signed Free Trade Agreement with China will benefit infant formula manufacturers with a phase out of the current 15% tariff over the next four years. The GDT auction will begin offering Australian skim milk powder beginning in January 2015 with trading event 132. According to Dairy Australia, October 2014 milk production in Australia was 6.0% above October 2013. The state changes from a year earlier are: New South Wales, +6.5%; Victoria, +5.3%; Queensland, -3.4%; South Australia, +0.5%; Western Australia, +5.8% and Tasmania +17.8%. Australia's milk production season to date (July-October) is +3.8%, compared to last season. Milk production in **New Zealand** is moving lower with steeper declines noted on the South Island. Milk production is above year ago levels and manufacturers are busy processing current milk volumes. Farmgate prices are lower this season, compared to last with many producers forgoing supplemental feeding. This situation may lead to a shorter season as producers may dry off cows earlier in light of the marginal returns on extended production. Some New Zealand cooperatives have increased their investment in milk powder, infant formula and UHT processing. The additional investments by these cooperatives will help reduce their exposure to the more volatile bulk commodity prices. October milk production as reported by DCANZ was 3.30 million MT, up 4.5% from October 2013 and 10.2% higher than the level two years ago. October milksolids reflected a 5.4% increase compared October 2013. At the December 2 GDT event #129, average prices ranged from 7.1% lower to 9.3% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,817 +9.0%; butter, \$2,849 +7.3%; buttermilk powder, \$2,560 +8.8%; cheddar cheese, \$3,017 +5.2%; lactose, n.a.; rennet casein, \$7,255 +9.3%; skim milk powder, \$2,423 +5.7%; sweet whey powder, \$1,205 n.a.; and whole milk powder, \$2,229 -7.1%.

NOVEMBER AGRICULTURAL PRICES (NASS): The All Milk price received by farmers was \$23.40 in November, down \$1.50 from October 2014, but up \$1.80 from November 2013. The alfalfa hay price was \$184.00 in November down \$4.00 from November 2013. The corn price was \$3.57 in November, down \$.80 from November 2013. The soybean price was \$10.10 in November, down \$2.60 from November 2013. The milk-feed price ratio was 2.80 in November, up 53 from November 2013. The index of prices received by farmers for dairy products during the month of November 2014 was down 8 points to 116 from October 2014. Compared to November 2013, the index was up 9 points (8.4%). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in November 2014 was down 1 point to 110. Compared with November 2013, the index was up 4 points (3.8%).

NOVEMBER FEDERAL MILK ORDER CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the November 2014 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$19.91 (-\$2.02), Class III: \$21.94 (-\$1.88), and Class IV: \$18.21 (-\$3.14). Under the Federal milk order pricing system, the butterfat price for November 2014 is \$2.2011 per pound. Thus, the Class II butterfat price is \$2.2081 per pound. The protein and other solids prices for November 2014 are \$3.9018 and \$0.4505 per pound, respectively. These component prices set the Class III skim milk price at \$14.75 per cwt. The November 2014 Class IV skim milk price is \$10.89, which is derived from the nonfat solids price of \$1.2102 per pound. The product price averages for November 2014 are: butter: \$1.9891, nonfat dry milk: \$1.3902, cheese: \$2.1305, and dry whey: \$0.6365.

OCTOBER DAIRY PRODUCTS (NASS): Butter production was 148.1 million pounds, 1.5% above October 2013 and 13.8% above September 2014. American type cheese production totaled 383.5 million pounds, 3.2% above October 2013 and 5.8% above September 2014. Total cheese output (excluding cottage cheese) was 976.8 million pounds, 2.3% above October 2013 and 3.5% above September 2014. Nonfat dry milk production, for human food, totaled 132.3 million pounds, 54.1% above October 2013 and 15.1% above September 2014. Dry whey production, for human food, was 69.6 million pounds, 1.0% below October 2013 but 0.2% above September 2014. Ice cream regular (hard) production totaled 60.4 million gallons, 7.5% below October 2013 and 2.6% below September 2014.

AUGUST MAILBOX MILK PRICES (AMS & CDFA): In August 2014, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$24.29 per cwt, up \$0.93 from the July 2014 average, and up \$4.70 per cwt from the August 2013 average. The component tests of producer milk in August 2014 were: butterfat, 3.65%; protein, 3.05%; and other solids, 5.74%. The August Mailbox prices increased an average of \$1.02/cwt across all Federal milk order reporting areas when compared to the previous month. The August 2014 mailbox prices increased in all areas. The Southeast States experienced the greatest increase of \$1.46/cwt. Mailbox prices in August 2014 ranged from \$28.67 in Florida to \$21.10 in New Mexico.

CONSUMER PRICE INDEX (BLS): The CPI for all food during October 2014 is 245.2, up 3.1% from a year ago. The October dairy products index is 228.8, up 5.6% from last October. The following are the October to October changes for selected products: fresh whole milk is +8.3%; cheese, +8.9%; and butter, +29.8%.

CME GROUP

MONDAY, DECEMBER 1, 2014

CHEESE -- SALES: 3 CARS 40# BLOCKS: 1 @ \$1.6900, 1 @ \$1.6975, 1 @ \$1.7100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$1.9500, 1 @ \$1.9000, 1 @ \$1.9225; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

TUESDAY, DECEMBER 2, 2014

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.6000, 2 @ \$1.5900; 1 CAR 40# BLOCKS @ \$1.6600; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6600; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5875
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A @ \$1.1100; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.1000; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9850; LAST OFFER UNCOVERED: NONE

WEDNESDAY, DECEMBER 3, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.5800
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.1000; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, DECEMBER 4, 2014

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.6600; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5500
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0850; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.9850; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

FRIDAY, DECEMBER 5, 2014

CHEESE -- SALES: 8 CARS BARRELS: 1 @ \$1.4600, 1 @ \$1.4700, 1 @ \$1.4800, 1 @ \$1.4900, 1 @ \$1.5000, 1 @ \$1.5100, 1 @ \$1.5200, 1 @ \$1.5500; 2 CARS 40# BLOCKS @ \$1.5700; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5800; LAST OFFER UNCOVERED: 10 CARS BARRELS @ \$1.5600; 1 CAR 40# BLOCKS @ \$1.6000
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.1100; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.1200
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS**NORTHEAST**

Cream supplies were heavy during the holiday weekend and leading into the week; however, supplies are currently noted as somewhat balanced. Butter production is mixed, with steady to increasing churning at most plants. Producers are cautious in building inventories. Domestic demand is good. Food service orders are active. Overall, lower prices are encouraging some last minute purchases, as a few careful buyers place final yearend orders. The market undertone is steady. Reported spot transactions involving bulk butter are marginal. The current bulk butter prices for domestic sales are 5 under to 6 cents over the market, with various time frames and averages used. At the CME Group, Grade AA butter closed Tuesday at \$1.9850, down \$0.0050 from a week ago. The CME Group monthly average price for Grade AA butter during November 2014 was \$1.9968, compared to \$1.6126 a year ago.

CENTRAL

Butter sales continue to be very good following strong promotions at retail stores for Christmas and Hanukkah. The market tone is firm in the near-term with some market participants expecting a softening post-holidays. Some butter makers note full production schedules for the next two weeks to complete current orders. Cream supplies tightened on the week as a few Central butter manufacturers had to resort to purchasing cream from outside regions to satisfy needs. Bulk butter interest is steady, but mostly for fresh product. Bulk butter prices are ranging from market to 6 cents over, with various time frames and averages used. Supplies range from light to moderate levels. Wednesday at the CME Group, Grade AA butter closed at \$1.9850, up \$0.0150 from last Wednesday. The CME Group monthly average price for Grade AA butter during November was \$1.9968, compared to \$1.6126 a year ago.

WEST

Churning in the West is active but manufacturers are also trying to keep inventories in balance. Some are actively working to clear butter stocks. Current contract orders are being met but production beyond that level is avoided at some locations. Bottlers continue to consume volumes of fluid milk. Prices remain steady. Demand is strong as orders continue to climb. Dairy Products (NASS) reports total 2014 U.S. butter production for October is 1.48 billion pounds which increased from October 2013 by 1.5% and last month by 13.8%. In the West, total butter production for October 2014 was 71.6 million pounds which is down 5.2% from October 2013. Total cumulative U.S. butter production through October was 1.526 billion pounds which is 2.1% below production during the same time frame last year. Bulk butter prices range from 4.5 cents under to 2 cents over the CME.

NATIONAL DAIRY PRODUCTS SALES REPORT**U.S. AVERAGES AND TOTAL POUNDS**

<u>WEEK ENDING</u>	<u>BUTTER</u>	<u>CHEESE 40# BLOCKS</u>	<u>CHEESE BARRELS 38% MOISTURE</u>	<u>DRY WHEY</u>	<u>NDM</u>
November 29, 2014	2,0046 2,874,468	2,0229 10,197,572	1,9683 8,631,812	.6218 5,083,406	1,3313 16,846,822

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

Cheese production is steady. Available milk supplies, in general, support full schedules at most cheese facilities. Retail sales are active as yearend consumer specialty needs accompany regular demand. Cream cheese orders remain seasonally strong. Most production is designated for preexisting near-term contractual arrangements, while a few new orders are being added. The market tone remains unsettled to weak. The weekly average cheese prices, on the CME Group, continue to trend lower for blocks and barrels. This week, cheese prices for wholesale 40# block and muenster fell \$0.0925 as process 5# sliced fell \$0.1550. Grade A Swiss cheese prices are flat. The CME Group daily cash prices on Tuesday saw barrels close at \$1.5875, down \$0.1175 from a week ago, while blocks closed at \$1.6600, down \$0.0700 from a week ago. The CME Group, November 2014, monthly average cheese price for barrels was \$1.9326, compared to \$1.7833 a year ago. Blocks monthly average price was \$1.9513, compared to \$1.8478 a year ago.

WEST

Cheese production is steady for retail buyers. The market is softening. Inventories are uneven. Many manufacturers are meeting orders, but remain wary about allowing inventory levels to increase. Lower price levels of foreign cheese concerns manufacturers but opportunities to export are still presenting themselves. Some manufacturers, who have been exporting cheese to Mexico, are increasingly being challenged on a price basis by cheese moving from other regions at prices that are very difficult for U.S. manufacturers to profitably meet. *Dairy Products* (NASS) reports total U.S. cheese production for October was 976.8 million pounds which was 3.5% above September and 2.3% above October last year. Total Western cheese production for October 2014 was 413.9 million pounds which was up 1.7% from September and 2.4% from October 2013.

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

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

Cheddar 40# Block	:	2.1075-2.3925
Process 5# Sliced	:	1.9150-2.3950
Muenster	:	2.1275-2.4875
Grade A Swiss Cuts 10 - 14#	:	3.9250-4.2475

Process 5# Loaf	:	1.8175-2.0750
Cheddar 40# Block	:	1.8400-2.2850
Cheddar 10# Cuts	:	2.0200-2.2400
Monterey Jack 10#	:	2.0300-2.1900
Grade A Swiss Cuts 6 - 9#	:	3.5025-3.9325

MIDWEST

Midwest cheese production is mostly steady, but ahead of current buyer interest. Surplus milk is being purchased by some cheesemakers near \$3 below Class. This is encouraging cheese production beyond current buyer interest, keeping production schedules active. Surplus milk near \$5 below Class is anticipated near the week of Christmas. Buying interest for retail sales is lower this week, but food service demand for cheese remains strong in terms of the normal seasonal pattern of food service sales. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese decreased \$.1500, Swiss is unchanged, and the remaining varieties decreased \$.0925. CME Group trading closed Tuesday with barrels at \$1.5875, down \$.1175 from last Tuesday, and blocks at \$1.6600, down \$.0700 from last Tuesday. The CME Group monthly average price for November 2014 for barrels is \$1.9326 compared to \$1.7833 a year ago. Blocks averaged \$1.9513 for November 2014 compared with \$1.8478 for the previous year.

FOREIGN

Domestic foreign type cheese prices declined for the third consecutive week. Imported and Swiss cheese prices were unchanged. Retail demand is slowing as most holiday orders are filled. Wholesalers are assessing their inventories and determining their needs for their Q1 2015 orders.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.2475-3.7350*
Gorgonzola	: 3.6900-6.9700	: 2.7550-3.4525*
Parmesan (Italy)	: -0-	: 3.6375-5.7275*
Provolone (Italy)	: -0-	: 2.2900-2.5425*
Romano (Cows Milk)	: -0-	: 3.4375-5.5875*
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.

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

Process American 5# Loaf	:	1.7975-2.1575
Brick And/Or Muenster 5#	:	2.0875-2.5125
Cheddar 40# Block	:	1.7925-2.2100
Monterey Jack 10#	:	2.0625-2.2675
Blue 5#	:	2.3550-3.3425
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9325-2.8275
Grade A Swiss Cuts 6 - 9#	:	3.4425-3.5600

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

	<u>BUTTER</u>	<u>CHEESE</u>
12/01/14	5,642	94,184
12/01/14	5,642	94,184
CHANGE	0	0
% CHANGE	0	0

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	76	0	90	0	79	0
SOUTHEAST STATES	0	0	0	0	0	0

Northeast and Mid-Atlantic milk production is mostly steady but there are marginal increases in some areas. Bottling plants are pulling heavily on milk supplies, as they resume full schedules. Class I demand is ample, as stores restock and schools restart classes. Manufacturing milk intakes are lighter, although adequate for production needs. Southeast milk production is flat. Bottling orders are steady to increasing, as Class I demand recovers from the holiday period. Milk volumes clearing into manufacturing are marginal. A shortage of drivers caused minimal distribution delays. Milk production in Florida is steady. Grade A spot milk imports totaled 76 loads, 14 below last week. Bottling orders have bounced back from Thanksgiving week volumes, helped by the arrival of vacationers into the state. Class I demand is steady but not at expected levels, coming off the Thanksgiving holiday. Cream availability is adequate; however, some buyers expect supplies to tighten as the week progresses. Cream demand is good, as end-users ramp up production following the Thanksgiving holiday break. Contacts note strong pulls from eggnog, cream cheese, and ice cream production. **Cream multiples for all Classes ranged 1.15-1.32.** The DMN monthly average of the range price series for Northeast Class II cream during November 2014 was \$2.6001, compared to \$2.1770 a year ago. Last week, the CME Group Grade AA weekly average butter price was \$1.9933, up \$0.0023 from the previous week. Condensed skim volumes remain heavy in the region. Loads are primarily clearing through contracts. Prices moved lower in the spot market as supplies considerably outweigh demand. Weak interest in the spot market has led to heavy drying schedules for some manufacturers. Buyers/sellers are clearing F.O.B. spot loads at discounts into other regions. The DMN monthly average of the range price series for Northeast Class II condensed skim during November 2014 was \$1.5539, compared to \$1.8984 a 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 -	2.2923-2.6312
F.O.B. producing plants: Upper Midwest -	2.4518-2.6511

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.00-1.45
Northeast - Class III - spot prices -	1.65-1.70

MIDWEST

Central milk production ranges from marginally decreasing to slightly higher rates on week with year on year numbers steadily above year ago levels. The increased over year ago levels are largely due to expanding herd sizes. Milk is moving intraregional with Wisconsin being the common destination. Spot loads of milk are abundant and range from Class to \$4.00 under. Condensed skim supplies are heavy and being further discounted in the spot market. Bottling sales have slowed, but expectations are orders will pick up in the weeks leading up to Christmas. Cream cheese and sour cream sales are improving

upon holiday demand. Cream supplies tightened, while cream multiples ranged from 1.23 to 1.33. Wednesday at the CME Group, Grade AA butter closed at \$1.9850, up \$0.0150 from last Wednesday. The DMN monthly average of the range price series for Upper Midwest Class II cream during November was \$2.4570, compared to \$2.1178. The weekly Cow Slaughter under Federal Inspection report shows U.S. dairy cow slaughter for the week ending November 15, at 56,500 head, 4,400 head or 7.2% less than the comparable week a year ago.

WEST

Milk production is steady in most areas of California. With Thanksgiving in the rearview mirror, processors are turning their attention to managing milk intakes over the December/January back to back holiday weeks. Some smaller processors expect to take some downtime during those weeks, sending milk loads toward larger processors. Sales into fluid accounts improved as schools reopen and resume meal offerings. The northern portion of California received some rain during the last week as temperatures declined. The southern portion of the state is still dry. The last of alfalfa harvesting is ongoing. As the year draws to a close, recent reports indicate some dairy cooperatives are looking for ways to recoup recent losses in the commodity markets. Options reportedly include assessing cooperative members on the amount of milk produced in 2014. The November 4a price (butter/powder) in CALIFORNIA is \$18.14, down \$3.37 from October 2014, and \$2.49 lower than last year. This compares to the Federal Order Class IV price of \$18.21 for November. The November 4b price (cheese) is \$18.70, \$2.24 less than last month, but \$1.40 higher than last year. This compares to the Federal Order Class III price for November at \$21.94. Milk handlers in ARIZONA report milk production is steady to increasing as temperatures settle into a comfortable range for dairy cows. Processors report the portion of milk intakes clearing into powder are increasing. Sales into Class I are steady. Alfalfa harvesting is ongoing, with excellent field conditions for baling. Milk production in New Mexico is mostly steady. Processors indicate sales into Class I operations rebounded this week as bottlers respond to orders destined to refill depleted consumer outlets. Sales are active into cheese production as those manufacturers respond to late orders for the holidays as well as regular week to week orders. FOB spot cream offers in the West are steady to slightly higher. Interest is variable as some churn operators indicate they are focusing on clearing internal cream supplies and do not want to take in additional volumes. Market participants noted there is a gloom and doom aspect to the market due to January futures predicting a sharp price decline. Some Western cream is clearing into Central region churning operations. The competition for trucking equipment and drivers continues as seasonal commodities, such as holiday trees, need those transportation services. Cream multiples are unchanged to higher, ranging from 1.25 to 1.32. At the CME Group, Grade AA butter closed Wednesday at \$1.9850, up \$.0150 compared to a week ago. Colder than usual weather is bringing milk production down in the PACIFIC NORTHWEST. The high milk prices have flooded the market with fluid milk. Demand has been steady. Supplies are adequate for manufacturing needs even though bottling plants continue to take a portion of the supply. UTAH and IDAHO milk production is declining at seasonal low levels. However, manufacturers are reporting that there is enough volume to fulfill obligations. Declining futures prices have manufacturers concerned. Idaho weather has been mild, reaching the 40s during the day and barely freezing at night.

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) prices decreased significantly following lower priced spot trading and large declines in various index pricing. The undertone is softening as supplies are exceeding current demand. The lower F.O.B. spot prices have spurred some additional orders from buyers using supplies for fortifying in cheese production and others for feed blending applications. Milk supplies are heavy and pushing some NDM drying schedules to capacity. Most sales are limited to domestic use with marginal activity in the export market. Inventory levels range from moderate to heavy. HIGH HEAT NDM prices moved lower on moderate trading. Spot load availability is limited due to manufacturers allocating most of the dryer times to low/medium heat NDM to keep up with incoming milk volumes. A few manufacturers noted plans on increasing production in the coming weeks. Demand is moderate for high heat NDM. Wednesday at the CME Group, Grade A NDM closed at \$1.1100, down \$0.0050 from last Wednesday. The CME Group monthly average price for Grade A NDM during November was \$1.1724, compared to \$1.9554 a year ago. The October monthly average of the range price series for Central and East high heat was \$1.5425, compared to \$1.9846 a year ago. The NASS Dairy Products Report noted U.S. human NDM production during October was 132.3 million pounds, up 15.1% from a month ago and 54.1% higher than last year. Total U.S. NDM human month ending stocks for October was 195.3 million pounds, 9.7% higher than last month and 75.7% above a year ago. January-October, U.S. human NDM production totals 1.444 billion pounds, 15.4% more than the same time span in 2013. October production in the Central region totaled 23.1 million pounds, 26.2% more than last month and 68.2% higher than a year ago. The Central region accounted for 17.5% of the total U.S. production. Cumulative 2014 production in the Central region totals 235.2 million pounds, 6.9% more than the same time span in 2013.

EAST: Nonfat dry milk prices dipped lower through the mostly series, reflecting significant declines in indices and f.o.b. spot prices. In general, the market undertone for nonfat dry milk remains weak. Production of low/medium nonfat is higher. Limited condensed skim transactions in the spot market and current inventory levels are collectively expanding regional volumes, as drying rates increase. Contacts expect current drying levels to fall off since condensed skim supplies typically clear to elevated post-holiday ice cream production. Demand for low/medium nonfat dry milk is steady. Buyer interest is restrained and determined by immediate needs. A few buyers note that they're willing to purchase beyond necessities, if the price is really appealing. Production is adequate for high heat nonfat dry milk. High heat nonfat dryer time is limited at most facilities, as volumes of condensed skim on-hand dictates low/medium heat nonfat production. Inventories are being managed to accommodate near term contractual obligations. The November 2014 DMN monthly average for the Central and East low/medium heat nonfat dry milk mostly price series is \$1.3119/lb. compared to \$1.9283/lb. a year ago.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.0500 - 1.3675 MOSTLY: 1.1200 - 1.2975
HIGH HEAT: 1.3600 - 1.5000

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices shifted lower, following changes on various pricing bases. The market tone is weak. Buyers anticipate further declines in the market will happen in the near future, but some Western manufacturers report their uncommitted inventories are light and they plan for limited engagement with the FOB spot market. That may mean that FOB spot loads available for sale at lower prices are restricted at this time, and few lower prices will feed

into various pricing bases. Current interest is largely price dependent for FOB and reseller sales outside of contracts. Low/medium heat nonfat dry milk production is increasing steadily at most locations. One or two plants are taking downtime for repairs, or for processing specialty NDM orders. This will allow more scheduled production time for commodity NDM through the balance of the month. The November 2014 Dairy Market News average of the mostly price series for Western low/medium heat nonfat dry milk was \$1.2611 compared to \$1.9113 one year ago. According to NASS, in October 2014, California produced 47.4 million pounds of NDM, about 36% of the national monthly production. NDM production in the West region totaled 88.3 million pounds, 46.3% more than one year ago. This is about 67% of total October production in the U.S. Cumulative Western region 2014 production totals 978.7 million pounds, a 15.5% increase compared to 2013. High heat prices in the West are unchanged to lower. The market tone is weak. Some manufacturers indicate weak interest extends into 2015 contracting. Brokers and end users anticipate that availability on the FOB spot market will be ample from week to week, which negates some of the need to contract for the early part of 2015. The average for Western high heat nonfat dry milk was \$1.5081 compared to \$1.9917 one year ago. DAIRY PRODUCTS: NASS reports U.S. production of human food NONFAT DRY MILK during October 2014 totaled 132.3 million pounds, a 54.1% increase from one year ago. Cumulative nonfat dry milk production for 2014 totals 1.444 billion pounds, 15.4% higher than 2013. Month ending stocks, at 195.3 million pounds, are 75.7% higher than one year ago. October 2014 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 41.1 million pounds, 34.1% lower than one year ago. Cumulative 2014 skim milk powder production totals 459.0 million pounds, an 11.1% decrease compared to 2013.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.0450 - 1.3575 MOSTLY: 1.0650 - 1.2700
HIGH HEAT: 1.4075 - 1.5500

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Prices of dry buttermilk shifted lower on weaker spot trading. Sales activity is light and supplies are generally growing. The market tone is weak. Most dry buttermilk movement is contract based. The DMN monthly average of the range price series for Central and East dry buttermilk during November was \$1.0982, compared to \$1.7989 a year ago. The NASS Dairy Products Report noted U.S. dry buttermilk production during October totaled 8.9 million pounds, 7.9% more than last month and 5.6% higher than a year ago. Total U.S. dry buttermilk month ending stocks for October was 20.5 million pounds, 9.9% higher than a month ago and 137.9% above last year.

EAST: East dry buttermilk continues to display weakness, with prices declining in the range. Recent declines in Grade AA butterfat cash market prices are causing a greater awareness of butter production levels, which will impact dry buttermilk output. Dry buttermilk production is steady to slightly higher as manufacturers manage butter output to accommodate existing yearend butter orders. With increases in post-Thanksgiving orders, some butter makers acquired cream supplies through the spot market, in addition to fixed intakes, adding to dry buttermilk production. Dry buttermilk clearing to Class II is good as ice cream operations ramp up production following the holiday period. Dry buttermilk inventories are mixed, with most being moderate. The November 2014 Dairy Market News monthly average for the Central/East regions dry buttermilk range series is \$1.0982, compared to 1.7989 last year.

F.O.B. CENTRAL/EAST: .9900 - 1.1125

-CONTINUED ON PAGE 5-

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.

-CONTINUED FROM PAGE 5A-**DRY BUTTERMILK - WEST**

Western dry buttermilk prices are lower on a continuing weak market. Some plant operators indicate they would prefer to divert cream from the churns, but light regional interest, pricing differences between states, and transportation costs are hampering sales. Cream demand from frozen dessert operations is at seasonally low volumes. Demand from sour cream and cream cheese manufacturers is steady to higher to meet upcoming holiday orders, and taking some cream away from the churns. Dry buttermilk production is ongoing, and inventories are building. The November 2014 Dairy Market News average of the mostly price series for West dry buttermilk was \$1.2708 compared to \$1.7589 one year ago. **DAIRY PRODUCTS:** NASS reports dry buttermilk production in the U.S. for October 2014 totals 8.9 million pounds, up 5.6% from one year ago. Cumulative 2014 dry buttermilk production totals 92.5 million pounds, a 7.6% decrease compared to 2013. Stocks at the end of October were 20.5 million pounds, a 138% increase from one year ago.

F.O.B. WEST: . 9600 - 1.2500 MOSTLY: 1.0500 - 1.1200

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are unchanged to lower on a weak market. Availability of international whole milk powder within the U.S. is satisfying a portion of the current domestic need at competitive prices. A few end users report they negotiated contracts to carry them through the first half of 2015. Most of those contracts are based on imported dry whole milk powder. Production of dry whole milk is on hold at several locations. Butter/powder facilities are dealing with heavy milk volumes and are clearing intakes to condensed skim. The November 2014 Dairy Market News average of the price series for dry whole milk was \$1.7050, compared to \$2.0013 one year ago. **DAIRY PRODUCTS:** NASS reports U.S. dry whole milk production during October 2014 totaled 6.8 million pounds, 9.7% lower than one year ago. Cumulative 2014 production totals 89.3 million pounds, a 45.4% increase compared to 2013. Month ending stocks, at 21.8 million pounds, are 148.8% higher than stocks of one year ago.

F.O.B. PRODUCING PLANT: 1.6000 - 1.6500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
November 28	\$1.3501	9,667,257
November 21	\$1.3839	14,247,064

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 moved mostly lower on declining spot sale prices and weaker contract basing points. Most sales going at or near the bottom of the range are going for export to compete with lower global markets. The market tone is unsettled. Production is mostly steady, but generally below last year numbers as increasing whey streams are being shifted to higher whey protein blends. Demand is light domestically and internationally. Domestic end users have most needs covered for the remainder of the year and are mainly only looking for bargain opportunities. International buyers have many offers to choose from as competition is strong in the export market, in particular those coming from Europe. Manufacturers' supplies range from sold-out positions to marginally growing. Prices of ANIMAL FEED DRY WHEY are slightly lower on the top of the range with most sales activity working towards the bottom of the range. Interest is light for the most part as buyers have adequate supplies in the near-term. The DMN monthly average of the mostly price series for Central dry whey during November was \$0.5869, compared to \$0.5446 a year ago. The monthly average of the range price series for Central animal feed whey during November was \$0.4619, compared to \$0.4657 a year ago. The NASS *Dairy Products Report* noted U.S. total dry whey production for October was 70.6 million pounds, down 0.2% from last month and 1.2% lower than a year ago. January-October U.S. total dry whey production totals 725.5 million pounds, 9.6% behind the same time span in 2013. U.S. total dry whey month ending stocks for October was 54.9 million pounds, 6.3% lower than a month ago, but 0.5% more than last year. October dry whey (human) production in the Central region totaled 32.0 million pounds, 0.7% more than last month, but 1.6% less than a year ago. The Central region accounted for 46% of the U.S. production in October. Cumulative 2014 Central dry whey (human) production totals 338.3 million pounds, 10.7% behind the same time span in 2013.

F.O.B. CENTRAL: .4000 - .6675 MOSTLY: .5300 - .6250
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3500 - .5650

DRY WHEY - NORTHEAST

Northeast dry whey prices moved lower at the bottom of the range due to declining f.o.b. spot prices. With cheese plants running at/near capacity, dry whey production levels are marginally higher than last week. Stocks are growing, as whey output increases while very few spot transactions pull from those volumes. Demand is light. Most transactions are contract based. Whey market contract discussions for 2015 have begun in some channels. The November 2014 Dairy Market News monthly average for the Northeast region dry whey range series is \$.6478 compared to \$.5853 a year ago.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5800 - .6800

DRY WHEY - WEST

Whey market remains steady. Contract negotiations for 2015 are underway. There is a strong buying interest. Producers are considering packaging in bulk and storing for a more favorable market. Western whey prices are steady with few spot loads. Current

inventory levels are mixed, with some concerns about increased inventory. Whey pricing allows exporting to remain competitive. The November 2014 CME monthly average price for Western dry whey range was \$0.5788; the Western dry whey mostly series averaged \$.5869. According to the NASS *Dairy Products* report, West total dry whey production in October was 16 million pounds which is up 0.4% from last month and 3.0% from a year ago. Cumulative total dry whey production for the first ten months of the year is 725.5 million pounds, down 9.6% from the same period in 2013. Manufacturers' stocks at the end of October are 54.9 million pounds which is up 0.5% from last year and down 6.3% from last month.

NONHYGROSCOPIC: .4800 - .6650

MOSTLY: .5400 - .6200

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are mostly steady with the exception of the top of the range decreasing. The market tone is weak. Spot load activity was light this week. Buyers are cautious to take a position amidst the steadily declining NDM market and other weakening alternative products. Market participants are wrapping up 2015 contract negotiations with a few electing not to renew old contracts and become more active in the spot market. Demand is light unless a buyer has a specific need for a brand, end use, or facing a logistic constraint. Spot load availability is improving. Production rates are mostly unchanged. The DMN monthly average of the mostly price series for Central and West WPC extra grade 34% protein during November was \$1.2751, compared to \$1.6046 a year ago. The NASS *Dairy Products Report* noted U.S. total WPC production for October was 46.3 million pounds, up 10.7% from last month and 1.7% higher than a year ago. January-October U.S. total WPC production totals 447.0 million pounds, 9.6% ahead of the same time span in 2013. U.S. total WPC month ending stocks for October were 58.4 million pounds, 0.4% lower than a month ago, but 15.9% higher than last year.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.0800 - 1.4125 MOSTLY: 1.1500-1.3750

LACTOSE - CENTRAL AND WEST

Prices of lactose decreased on the top of the range and bottom of the mostly price series. Generally, spot sales and new monthly contracts in place are weaker than prior agreements. Many European sellers are aggressively discounting lactose in the low to mid-twenties, which is causing some U.S. suppliers to adjust prices to remain competitive in the global markets. Negotiations for 2015 are beginning to become finalized. Interest and sales are picking up marginally, but many sales are commonly being made in a hand-to-mouth fashion. Inventory levels vary greatly based on brand, mesh size, and location, including those in sold-out positions to others seeing stocks build. The DMN monthly average of the mostly price series for Central and West lactose during November was \$0.4050, compared to \$0.6430 a year ago.

CONTINUED TO PAGE 6A

WHEY, WPC 34%, LACTOSE & CASEIN

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

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The NASS *Dairy Products Report* noted U.S. lactose, human and animal, production for October was 97.2 million pounds, down 2.8% from last month, but 9.0% higher than a year ago. January-October U.S. lactose production totals 973.7 million pounds, 13.2% ahead of the same time span in 2013. U.S. total lactose month ending stocks for October was 121.4 million pounds, 0.9% higher than a month ago and 33.8% more than last year.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2000-.5200 MOSTLY: .3100- .4800

CASEIN - NATIONAL

Pricing for both acid and rennet casein are unchanged in light trading. Most buyers have needs in place for the remainder of the year. Some contract negotiations are ongoing with some buyers holding off finalizing contracts for the possibility of lower prices. Global market signals remain weak for dairy proteins. At the December 2 GDT event 129, the average winning price for rennet casein for all contract periods increased 9.3% to \$7,255/MT.

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
11/15/2014	56.5	2,480.5	60.9	2,765.2

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

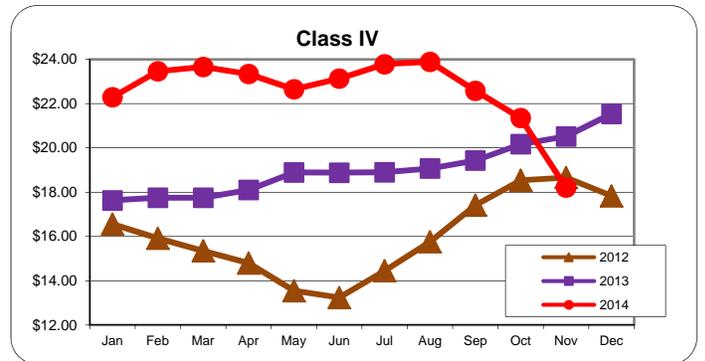
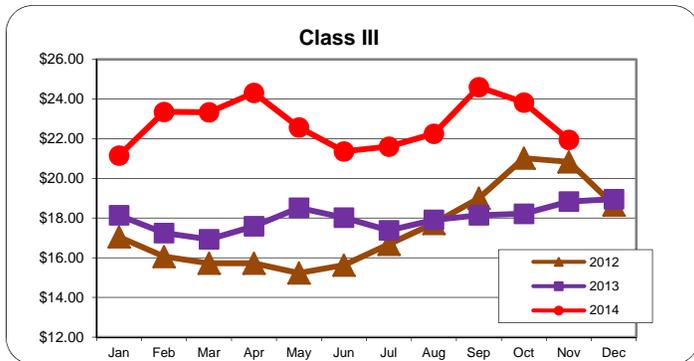
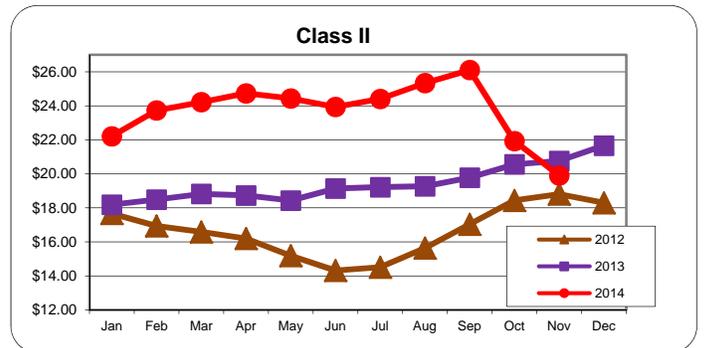
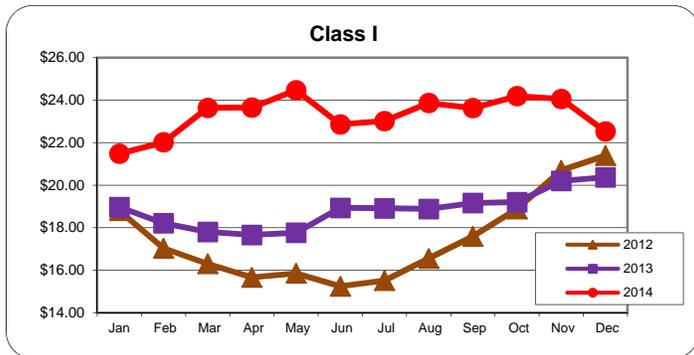
CLASS IV MILK PRICES (3.5%)

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	19.91	
III	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	
IV	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35	18.21	

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



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered November 24 - December 5, 2014

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN OVERVIEW: Western European milk production is mixed with some countries showing steady production, having just come off the seasonal low point, while other countries are showing marginal increases. Farmgate milk prices are declining and for those producers who are over quota, there is serious consideration being given to reducing milk production soon. Various strategies will be implemented by dairy producers to not only avoid or reduce super levees, but also how to best position themselves for the start of the non-quota season in 2015. Various European dairy industry members feel it is likely the European Commission will extend the PSA program for butter and SMP through February 2015. Manufacturing milk supplies are expected to increase over the yearend holiday period. The weaker Euro, compared to the U.S. Dollar, over the past number of weeks has made European dairy commodities more competitively priced and improved export interest. China in particular has shown and continues to show interest in purchasing increased volumes of various dairy commodities from Europe.

BUTTER/BUTTEROIL: Butter and butteroil prices moved lower this week in light export trading. Cream demand in Europe is strong and keeping butter production in balance with overall demand. Butter production will likely increase once the holiday cream demand is filled. Domestic demand is strong ahead of the yearend holidays. Export demand has marginally slowed, but there is the occasional spot sale if delivery schedules can be met. Negotiations for Q1 2015 are ongoing with some finalized agreements at marginally weaker prices. PSA volumes are estimated to be near 20,000MT. The butteroil price differential between Europe and New Zealand sourced product is substantial and limits new export opportunities for European manufacturers. According to GTIS, China's October butter imports decreased compared to the previous month. France, a main exporter of butter to China, saw its share decline. Butteroil exports to China increased in October with the Netherlands improving its share.

82% BUTTERFAT: 3,450 - 3,775
99% BUTTERFAT: 4,150 - 4,750

SKIM MILK POWDER (SMP): Prices for skim milk powder continued to trend downward this reporting period with prices at both ends of the range moving lower. Production of skim milk powder has marginally declined as demand for skim milk concentrate has increased ahead of the yearend holidays for the production of seasonal products. Production of SMP over the yearend holidays is expected to increase. There is increasing conversation within the dairy industry in Europe regarding the likelihood of SMP prices declining to intervention levels. Current export demand is quiet. Negotiations are ongoing for Q1 and Q2 2015 with indications that contract prices may be below current market levels. The market has a weak undertone with supplies increasing in Europe and globally into 2015. According to GTIS, China's imports of skim milk powder were down for the third

consecutive month, but imports from Ireland and Denmark significantly improved, showing monthly increases of 315% and 623% respectively.

1.25% BUTTERFAT: 2,100 - 2,500

WHOLE MILK POWDER (WMP): Prices for whole milk powder moved lower on the upper end of the range. Whole milk powder production is about steady with recent weeks. Some of the milk flow diverted away from cheese production has found its way to the WMP stream. In recent weeks European WMP prices have become more competitive on the global market; price declines observed for New Zealand sourced WMP this reporting period will likely discourage future export interest in the near term. According to GTIS, China's whole milk powder imports for October showed an increase for the first time in six months. France was the top European exporter of WMP to China.

26% BUTTERFAT: 2,575 - 2,950

SWEET WHEY POWDER: Dry whey prices moved marginally lower. Dry whey powder production continues to be restricted, due to the lower cheese production levels brought about by the Russian ban on European cheese imports. Supplies are balanced and export demand is holding steady, compared to recent weeks. Demand is fairly good with interest coming from the Middle East and Southeast Asia. According to GTIS, Germany and Ireland were able to increase their share of exports into China during October.

NONHYGROSCOPIC: 1,125 - 1,300

EASTERN OVERVIEW: Eastern European milk production is at or just beyond the seasonal low point. Cream and milk volumes continue to be shipped to Belarus from Eastern Europe. The European Commission has announced a 28 million Euro, approximately \$40 million U.S. Dollar, aid package for dairy farmers in Estonia, Latvia, and Lithuania. The financial aid will assist individual farmers who have encountered liquidity problems brought about by the Russian embargo. Some dairy producers in Finland were unhappy about having been left out of the aid package scheme.

**Exchange rates for selected foreign currencies:
December 1, 2014**

.1172 Argentina Peso	.0085 Japan Yen
.8489 Australian Dollar	.0715 Mexican Peso
.8817 Canadian Dollar	.7866 New Zealand Dollar
1.2470 Euro	.2986 Poland Zloty
.0162 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0715) = 13.9860 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered November 24 - December 5 2014

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

AUSTRALIAN milk production is beginning to trend downward, but remains above year ago levels. Persistent dry conditions in western Victoria and dry weather in Tasmania over the past fortnight may accelerate the downward trend in the coming weeks. The milk production forecast by some cooperatives remains around 2% above last year. Some badly needed rains covered some of the dairy producing areas of Victoria and the southern portions of New South Wales. The rains will help pasture and forage growth, but are hampering the barley harvest. Hay harvest activities are well underway in the dairy producing regions and yield assessments are variable, but generally below average. Demand is strong for 2015 hay supplies with current prices steady to firm. The recently signed Free Trade Agreement with China will benefit infant formula manufacturers with a phase out of the current 15% tariff over the next four years. The GDT auction will begin offering Australian skim milk powder beginning in January 2015 with trading event 132. According to Dairy Australia, October 2014 milk production in Australia was 6.0% above October 2013. The state changes from a year earlier are: New South Wales, +6.5%; Victoria, +5.3%; Queensland, -3.4%; South Australia, +0.5%; Western Australia, +5.8% and Tasmania +17.8%. Australia's milk production season to date (July-October) is +3.8%, compared to last season. **NEW ZEALAND** Milk production is moving lower with steeper declines noted on the South Island. Milk production is above year ago levels and manufacturers are busy processing current milk volumes. Farmgate prices are lower this season, compared to last with many producers forgoing supplemental feeding. This situation may lead to a shorter season as producers may dry off cows earlier in light of the marginal returns on extended production. Some New Zealand cooperatives have increased their investment in milk powder, infant formula and UHT processing. The additional investments by these cooperatives will help reduce their exposure to the more volatile bulk commodity prices. October milk production as reported by DCANZ was 3.30 million MT, up 4.5% from October 2013 and 10.2% higher than the level two years ago. October milksolids reflected a 5.4% increase compared October 2013. At the December 2 GDT event #129, average prices ranged from 7.1% lower to 9.3% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,817 +9.0%; butter, \$2,849 +7.3%; buttermilk powder, \$2,560 +8.8%; cheddar cheese, \$3,017 +5.2%; lactose, n.a.; rennet casein, \$7,255 +9.3%; skim milk powder, \$2,423 +5.7%; sweet whey powder, \$1,205 n.a.; and whole milk powder, \$2,229 -7.1%.

BUTTER: Butter prices moved higher on both ends of the range. Butter production is active with some marginal reductions in Australia as holiday cream demand is strong and restricting some cream volumes going to churns. Butter supplies in Australia are tight under good domestic demand and restricting supplies available for export. New Zealand supplies are readily available. Demand is fairly good coming from the Middle East and Asia. According to GTIS, China's January to October butter imports show a 76% increase, compared to last year with AMF imports up 93% for the same period. New Zealand's October butter exports into China declined compared to the previous month. China's butteroil imports increased compared to the previous month, with New Zealand the largest supplier. At the December 2 GDT event #129, NZ butter averaged \$2,890/MT for the February 2015 contracts, +9.7% from the prior event. Butter for all regions and contracting periods averaged \$2,849/MT, +7.3%. New Zealand AMF prices averaged

\$3,794/MT for the February 2015 contracts, +9.5% from the prior event. For all contract periods, the AMF price average was \$3,817/MT, +9.0%.

82% BUTTERFAT: 2,775 - 3,400

SKIM MILK POWDER (SMP): Skim milk powder prices moved lower on the upper end of the range. Production of SMP is strong and supplies are building. Demand is fairly good, but there is some buyer hesitancy as increasing global supplies in the coming weeks and months may possibly lower prices. Many buyers have their Q1 needs covered and are negotiating contracts for Q2 and Q3 and in some cases through Q4. The market undertone is weak as international supplies are outstripping demand. According to GTIS, China's imports of skim milk powder decreased for the third consecutive month in October. New Zealand's share declined as well as the U.S. share, but some European countries showed increases. The January to October totals show China's SMP imports 27% over year ago levels. At the December 2 GDT event 129, SMP for all regions and contracting periods averaged \$2,423 per MT, +5.7%. For trading in contract period 2, February 2015, prices averaged \$2,385 for NZ sourced medium heat product, up \$100 from the prior event.

1.25% BUTTERFAT: 2,200 - 2,600

CHEDDAR CHEESE: Cheddar cheese prices moved lower on both ends of the range. Cheddar cheese production is very active. Domestic demand in Australia is strong and keeping supplies tight for exports. Negotiations are ongoing with Japan for 2015 supplies. These negotiations are very competitive, involving a number of international cheddar suppliers. The market has a weak undertone going into 2015, due to the readily available global supplies. According to GTIS, October cheese imports into China declined, compared to the previous, with the U.S. share declining 49%. January to October cheese imports into China are 48% above year ago levels.

39% MAXIMUM MOISTURE: 3,400 - 4,100

WHOLE MILK POWDER (WMP): Prices moved lower for whole milk powder with sales to China still sluggish. Whole milk powder production is active in New Zealand, but marginally reduced in Australia as some milk flows are being diverted away from WMP and into cheese, butter and SMP production. Prospective buyers are negotiating for long term contracts into 2015. Some contacts are commenting that lower consumer prices for WMP products in China have increased sales. According to GTIS, China's whole milk powder imports for October showed the first increase in six months. New Zealand remains the largest exporter of WMP into China. January to October whole milk powder imports into China are cited at 41% above year ago levels. At the December 2 GDT event 129, the WMP pricing index, across all contracting periods, averaged \$2,229 per MT, down 7.1% compared to the prior event. For contract periods 2 and 3, January 2015 and February 2015, NZ regular WMP averaged \$2,340 and \$2,110 per MT.

26% BUTTERFAT: 2,100 - 2,700

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US\$/MT	Global/Dairy Trading (gDT) Event 129 Recap - December 2, 2014													
	Contract 1 Jan-15		Contract 2 Feb-15		Contract 3 Mar-15		Contract 4 Apr-15		Contract 5 May-15		Contract 6 Jun-15		All Contracts	
Anhydrous Milk Fat	n.a.	\$3,794	9.5%	\$3,824	8.9%	\$3,828	7.7%	\$3,832	9.3%	\$3,904	10.5%	\$3,817	9.0%	
Butter	n.a.	\$2,890	9.7%	\$2,781	3.0%	\$2,870	9.5%	\$2,865	6.5%	n.a.		\$2,849	7.3%	
Buttermilk Powder	n.a.	\$2,530	10.7%	\$2,740	3.2%		n.a.		n.a.		n.a.	\$2,560	8.8%	
Cheddar	n.a.	\$2,933	-0.3%	\$3,057	6.7%	\$3,069	9.9%		n.a.		n.a.	\$3,017	5.2%	
Lactose	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Rennet Casein	n.a.	\$7,262	9.4%	\$7,312	9.1%	\$7,161	-6.0%		n.a.		n.a.	\$7,255	9.3%	
Skim Milk Powder	n.a.	\$2,364	6.0%	\$2,397	3.8%	\$2,553	5.6%	\$2,707	9.3%	\$2,920	n.a.	\$2,423	5.7%	
Sweet Whey Powder	n.a.	\$1,205	n.a.		n.a.		n.a.		n.a.		n.a.	\$1,205	n.a.	
Whole Milk Powder	\$2,372	-7.3%	\$2,137	-8.9%	\$2,208	-7.9%	\$2,411	-1.5%	\$2,659	-0.6%	\$2,781	3.2%	\$2,229	-7.1%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 129 Recap - December 2, 2014													
	Contract 1 Jan-15		Contract 2 Feb-15		Contract 3 Mar-15		Contract 4 Apr-15		Contract 5 May-15		Contract 6 Jun-15		All Contracts	
Anhydrous Milk Fat	n.a.	\$1.7209	9.5%	\$1.7346	8.9%	\$1.7364	7.7%	\$1.7382	9.3%	\$1.7708	10.5%	\$1.7314	9.0%	
Butter	n.a.	\$1.3109	9.7%	\$1.2615	3.0%	\$1.3018	9.5%	\$1.2996	6.5%		n.a.	\$1.2923	7.3%	
Buttermilk Powder	n.a.	\$1.1476	10.7%	\$1.2429	3.2%		n.a.		n.a.		n.a.	\$1.1612	8.8%	
Cheddar	n.a.	\$1.3304	-0.3%	\$1.3866	6.7%	\$1.3921	9.9%		n.a.		n.a.	\$1.3685	5.2%	
Lactose	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Rennet Casein	n.a.	\$3.2940	9.4%	\$3.3167	9.1%	\$3.2482	-6.0%		n.a.		n.a.	\$3.2908	9.3%	
Skim Milk Powder	n.a.	\$1.0723	6.0%	\$1.0873	3.8%	\$1.1580	5.6%	\$1.2279	9.3%	\$1.3245	n.a.	\$1.0991	5.7%	
Sweet Whey Powder	n.a.	\$0.5466	n.a.		n.a.		n.a.		n.a.		n.a.	\$0.5466	n.a.	
Whole Milk Powder	\$1.0759	-7.3%	\$0.9693	-8.9%	\$1.0015	-7.9%	\$1.0936	-1.5%	\$1.2061	-0.6%	\$1.2615	3.2%	\$1.0111	-7.1%

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

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

Month	11/20	11/21	11/24	11/25	11/26	11/27	11/28	12/01	12/02	12/03
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
NOV 14	21.92 (4477)	21.90 (4452)	21.91 (4428)	21.89 (4430)	21.93 (4450)	NO TRADING	21.93 (4450)	21.89 (4456)	21.91 (4713)	21.94 (4469)
DEC 14	18.69 (4687)	18.92 (4993)	18.58 (5056)	18.38 (5156)	18.00 (5201)		18.00 (5201)	17.75 (5095)	17.92 (5112)	17.85 (5090)
JAN 15	17.24 (4231)	17.35 (4272)	17.41 (4313)	17.27 (4355)	16.80 (4460)		16.80 (4460)	16.21 (4636)	16.60 (4687)	16.60 (4802)
FEB 15	16.88 (4133)	16.96 (4216)	16.97 (4265)	16.72 (4312)	16.49 (4402)		16.49 (4402)	15.74 (4465)	15.99 (4579)	16.02 (4676)
MAR 15	16.66 (3619)	16.72 (3686)	16.77 (3736)	16.66 (3741)	16.51 (3786)		16.51 (3786)	15.82 (3924)	15.98 (3951)	16.03 (4012)
APR 15	16.63 (3007)	16.66 (3025)	16.75 (3025)	16.66 (3037)	16.52 (3060)		16.52 (3060)	16.07 (3126)	16.10 (3127)	16.06 (3186)
MAY 15	16.70 (2875)	16.74 (2898)	16.80 (2937)	16.74 (2944)	16.59 (2953)		16.59 (2953)	16.25 (3062)	16.32 (3078)	16.35 (3094)
JUN 15	16.75 (2734)	16.77 (2753)	16.85 (2776)	16.83 (2781)	16.74 (2804)		16.74 (2804)	16.60 (2856)	16.65 (2867)	16.57 (2881)
JUL 15	16.79 (2037)	16.82 (2046)	16.85 (2058)	16.86 (2074)	16.83 (2099)		16.83 (2099)	16.65 (2196)	16.70 (2224)	16.67 (2275)
AUG 15	17.12 (1994)	17.12 (2014)	17.15 (2015)	17.11 (2026)	17.10 (2072)		17.10 (2072)	16.98 (2120)	16.98 (2148)	16.96 (2184)
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
NOV 14	18.35 (1069)	18.37 (1070)	18.35 (1063)	18.35 (1063)	18.40 (1053)	NO TRADING	18.40 (1053)	18.15 (1049)	18.15 (1049)	18.21 (1165)
DEC 14	17.24 (951)	17.26 (937)	17.33 (938)	17.02 (935)	17.02 (941)		17.02 (941)	17.02 (941)	17.02 (939)	17.37 (932)
JAN 15	16.06 (366)	16.14 (341)	16.14 (341)	15.88 (337)	15.90 (337)		15.90 (337)	15.90 (337)	15.70 (338)	15.93 (341)
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
NOV 14	196.00 (1210)	196.00 (1210)	198.00 (1207)	197.80 (1215)	197.40 (1215)	NO TRADING	197.40 (1215)	197.50 (1225)	198.10 (1230)	198.91 (1217)
DEC 14	179.33 (1014)	179.50 (1023)	180.50 (1020)	178.45 (1021)	176.00 (1031)		176.00 (1031)	176.00 (1036)	181.00 (1036)	190.00 (1016)
JAN 15	171.00 (550)	171.53 (552)	171.58 (552)	170.50 (552)	169.75 (560)		169.75 (560)	169.25 (583)	172.75 (587)	177.75 (600)
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
NOV 14	143.25 (620)	143.25 (620)	142.00 (622)	142.00 (622)	142.00 (627)	NO TRADING	142.00 (627)	139.35 (627)	139.35 (627)	139.02 (589)
DEC 14	137.00 (729)	137.50 (747)	137.50 (747)	137.50 (754)	137.50 (755)		137.50 (755)	133.50 (752)	132.28 (752)	131.78 (758)
JAN 15	126.55 (566)	127.75 (567)	127.75 (567)	126.03 (574)	125.70 (564)		125.70 (564)	124.00 (565)	123.00 (565)	123.50 (565)
WHEY (Electronic-Traded) (¢/lb)										
NOV 14	63.00 (343)	63.00 (345)	63.00 (346)	63.00 (346)	63.00 (347)	NO TRADING	63.00 (347)	63.00 (347)	63.00 (347)	63.65 (410)
DEC 14	59.25 (445)	60.33 (428)	60.35 (424)	60.38 (424)	59.93 (419)		59.93 (419)	58.00 (418)	59.00 (419)	60.00 (419)
JAN 15	53.25 (628)	54.50 (634)	54.40 (636)	54.00 (643)	53.08 (660)		53.08 (660)	51.00 (674)	52.13 (703)	52.50 (716)
CHEESE CSC (Electronic-Traded) (\$/lb)										
NOV 14	2.13 (2207)	2.14 (2207)	2.13 (2207)	2.13 (2206)	2.13 (2206)	NO TRADING	2.13 (2206)	2.13 (2206)	2.13 (2202)	2.13 (2198)
DEC 14	1.82 (2612)	1.84 (2605)	1.81 (2606)	1.79 (2605)	1.75 (2606)		1.75 (2606)	1.74 (2585)	1.74 (2586)	1.73 (2590)
JAN 15	1.72 (2755)	1.72 (2811)	1.73 (2811)	1.72 (2837)	1.68 (2967)		1.68 (2967)	1.63 (3044)	1.65 (3097)	1.66 (3125)
FEB 15	1.70 (2606)	1.71 (2681)	1.71 (2683)	1.69 (2729)	1.68 (2828)		1.68 (2828)	1.61 (2931)	1.61 (3052)	1.63 (3071)
MAR 15	1.71 (2629)	1.71 (2703)	1.71 (2741)	1.70 (2727)	1.70 (2778)		1.70 (2778)	1.64 (2926)	1.65 (2985)	1.65 (3042)
APR 15	1.71 (2267)	1.70 (2289)	1.69 (2295)	1.70 (2297)	1.69 (2330)		1.69 (2330)	1.65 (2413)	1.65 (2468)	1.65 (2513)

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

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

COMMODITY	::REPORT NUMBER 45 ::REPORT NUMBER 46 ::REPORT NUMBER 47 ::REPORT NUMBER 48 ::				2014	2013
	::-----::-----::-----::-----::				Monthly	Monthly
	NOV 03 - 07	NOV 10 - 14	NOV 17 - 21	NOV 24 - 28	Average	Average

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 2.1350 - 2.4950	:: 2.2300 - 2.5900	:: 2.0675 - 2.4275	:: 1.9475 - 2.3075	:: 2.2757	: 2.0793
-- Brick And/Or Muenster 5#	:: 2.5000 - 2.9250	:: 2.5525 - 2.9775	:: 2.3850 - 2.8100	:: 2.1800 - 2.6050	:: 2.6211	: 2.4372
-- Cheddar 40# Block	:: 2.2050 - 2.6225	:: 2.2575 - 2.6750	:: 2.0900 - 2.5075	:: 1.8850 - 2.3025	:: 2.3224	: 2.1385
-- Monterey Jack 10#	:: 2.4750 - 2.6800	:: 2.5275 - 2.7325	:: 2.3600 - 2.5650	:: 2.1550 - 2.3600	:: 2.4861	: 2.3022
-- Blue 5#	:: 2.7675 - 3.7550	:: 2.8200 - 3.8075	:: 2.6525 - 3.6400	:: 2.4475 - 3.4350	:: 3.1699	: 2.9860
-- Mozzarella 5 - 6#	:: 2.3450 - 3.2400	:: 2.3975 - 3.2925	:: 2.2300 - 3.1250	:: 2.0250 - 2.9200	:: 2.7011	: 2.5172
-- Grade A Swiss Cuts 6 - 9#	:: 3.3675 - 3.4850	:: 3.4425 - 3.5600	:: 3.4425 - 3.5600	:: 3.4425 - 3.5600	:: 3.4804	: 3.0056

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 40# Block	:: 2.5200 - 2.8050	:: 2.5725 - 2.8575	:: 2.4050 - 2.6900	:: 2.2000 - 2.4850	:: 2.5711	: 2.3872
-- Process 5# Sliced	:: 2.2575 - 2.7375	:: 2.3525 - 2.8325	:: 2.1900 - 2.6700	:: 2.0700 - 2.5500	:: 2.4582	: 2.2618
-- Muenster	:: 2.5400 - 2.9000	:: 2.5925 - 2.9525	:: 2.4250 - 2.7850	:: 2.2200 - 2.5800	:: 2.6286	: 2.4447
-- Grade A Swiss Cuts 10 - 14#	:: 3.8500 - 4.1725	:: 3.9250 - 4.2475	:: 3.9250 - 4.2475	:: 3.9250 - 4.2475	:: 4.0654	: 3.5906

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 2.1650 - 2.4225	:: 2.2600 - 2.5175	:: 2.0925 - 2.3500	:: 1.9725 - 2.2300	:: 2.2519	: 2.0581
-- Cheddar 40# Block	:: 2.2475 - 2.6000	:: 2.3000 - 2.6525	:: 2.1375 - 2.4900	:: 1.9325 - 2.2850	:: 2.3349	: 2.1422
-- Cheddar 10# Cuts	:: 2.4275 - 2.6475	:: 2.4800 - 2.7000	:: 2.3175 - 2.5375	:: 2.1125 - 2.3325	:: 2.4486	: 2.2559
-- Monterey Jack 10#	:: 2.4375 - 2.5975	:: 2.4900 - 2.6500	:: 2.3275 - 2.4875	:: 2.1225 - 2.2825	:: 2.4286	: 2.2359
-- Grade A Swiss Cuts 6 - 9#	:: 3.4275 - 3.8575	:: 3.5025 - 3.9325	:: 3.5025 - 3.9325	:: 3.5025 - 3.9325	:: 3.6967	: 3.2218

FLUID PRODUCTS

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

-- Northeast - f.o.b	:: 2.3552 - 2.5760	:: 2.5709 - 2.9123	:: 2.5311 - 2.8899	:: 2.2896 - 2.6878	:: 2.6001	: 2.1770
-- Upper Midwest - f.o.b	:: 2.2080 - 2.4288	:: 2.4705 - 2.5910	:: 2.3916 - 2.7105	:: 2.2897 - 2.5883	:: 2.4570	: 2.1178

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

-- Class II	:: 1.55 - 1.58	:: 1.55 - 1.58	:: 1.55 - 1.58	:: 1.50 - 1.53	:: 1.5539	: 1.8984
-- Class III	:: 1.46 - 1.60	:: 1.74 - 1.77	:: 1.74 - 1.77	:: 1.74 - 1.77	:: 1.6925	: 1.6076

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COMMODITY	::REPORT NUMBER 45 ::REPORT NUMBER 46 ::REPORT NUMBER 47 ::REPORT NUMBER 48 ::				2014	2013
	::-----::-----::-----::-----::				Monthly	Monthly
	NOV 03 - 07	NOV 10 - 14	NOV 17 - 21	NOV 24 - 28	Average	Average
DRY PRODUCTS						
NONFAT DRY MILK						
-- Central And East (f.o.b.)						
-- Low/Medium Heat	:: 1.1700 - 1.5625	:: 1.1000 - 1.5450	:: 0.9700 - 1.5325	:: 1.0800 - 1.5325	:: 1.3113	: 1.9411
-- Mostly	:: 1.2300 - 1.4850	:: 1.2200 - 1.4675	:: 1.1800 - 1.3750	:: 1.1575 - 1.3750	:: 1.3119	: 1.9283
-- High Heat	:: 1.4950 - 1.6300	:: 1.4950 - 1.6300	:: 1.4450 - 1.6000	:: 1.4450 - 1.6000	:: 1.5425	: 1.9846
-- West (f.o.b.)						
-- Low/Medium Heat	:: 1.1200 - 1.5325	:: 1.1100 - 1.4925	:: 1.1100 - 1.4875	:: 1.0650 - 1.4625	:: 1.2992	: 1.9076
-- Mostly	:: 1.1500 - 1.4500	:: 1.1500 - 1.4125	:: 1.1200 - 1.3500	:: 1.1000 - 1.3500	:: 1.2611	: 1.9113
-- High Heat	:: 1.4700 - 1.6000	:: 1.4700 - 1.5700	:: 1.4200 - 1.5600	:: 1.4200 - 1.5500	:: 1.5081	: 1.9917
WHEY POWDER (Nonhygroscopic)						
-- Central (f.o.b.)	:: 0.4000 - 0.6800	:: 0.4000 - 0.6800	:: 0.4000 - 0.6800	:: 0.4000 - 0.6800	:: 0.5400	: 0.5451
-- Mostly	:: 0.5400 - 0.6375	:: 0.5400 - 0.6375	:: 0.5400 - 0.6300	:: 0.5400 - 0.6300	:: 0.5869	: 0.5446
-- West (f.o.b.)	:: 0.4800 - 0.6775	:: 0.4800 - 0.6775	:: 0.4800 - 0.6775	:: 0.4800 - 0.6775	:: 0.5788	: 0.5645
-- Mostly	:: 0.5400 - 0.6375	:: 0.5400 - 0.6375	:: 0.5400 - 0.6300	:: 0.5400 - 0.6300	:: 0.5869	: 0.5689
-- Northeast (f.o.b.)	:: 0.6100 - 0.6900	:: 0.6100 - 0.6900	:: 0.6100 - 0.6825	:: 0.6100 - 0.6800	:: 0.6478	: 0.5853
WHEY PROTEIN CONCENTRATE						
-- Central And West (f.o.b.)						
-- Extra Grade 34% Protein	:: 1.1000 - 1.5300	:: 1.0800 - 1.5300	:: 1.0800 - 1.4750	:: 1.0800 - 1.4500	:: 1.2913	: 1.5782
-- Mostly	:: 1.2000 - 1.3975	:: 1.1500 - 1.3975	:: 1.1500 - 1.3750	:: 1.1500 - 1.3750	:: 1.2751	: 1.6046
ANIMAL FEED - WHEY						
-- Central (f.o.b.)						
-- Milk Replacer	:: 0.3500 - 0.5775	:: 0.3500 - 0.5775	:: 0.3500 - 0.5700	:: 0.3500 - 0.5700	:: 0.4619	: 0.4657
BUTTERMILK (Min. 30% protein)						
-- Central And East (f.o.b.)	:: 1.0800 - 1.2250	:: 1.0000 - 1.1900	:: 1.0000 - 1.1500	:: 1.0000 - 1.1250	:: 1.0982	: 1.7989
-- West (f.o.b.)	:: 1.1600 - 1.4100	:: 1.1600 - 1.3800	:: 1.1000 - 1.3400	:: 1.1000 - 1.3400	:: 1.2492	: 1.7955
-- Mostly	:: 1.2900 - 1.3500	:: 1.2600 - 1.3400	:: 1.2000 - 1.2700	:: 1.2000 - 1.2500	:: 1.2708	: 1.7589
WHOLE MILK POWDER						
-- National (f.o.b.)	:: 1.6000 - 1.8200	:: 1.6000 - 1.8200	:: 1.6000 - 1.8000	:: 1.6000 - 1.8000	:: 1.7050	: 2.0013
LACTOSE						
-- Central And West (f.o.b.)	:: 0.2500 - 0.6200	:: 0.2450 - 0.6200	:: 0.2000 - 0.5600	:: 0.2000 - 0.5600	:: 0.4069	: 0.5937
-- Mostly	:: 0.3400 - 0.4800	:: 0.3400 - 0.4800	:: 0.3200 - 0.4800	:: 0.3200 - 0.4800	:: 0.4050	: 0.6430
CASEIN - Edible - National (f.o.b.)						
-- Nonrestricted - Rennet	:: 4.2000 - 4.8000	:: 4.2000 - 4.8000	:: 4.2000 - 4.8000	:: 4.2000 - 4.8000	:: 4.5000	: 4.8500
-- Nonrestricted - Acid	:: 4.4000 - 5.0000	:: 4.4000 - 5.0000	:: 4.4000 - 5.0000	:: 4.4000 - 5.0000	:: 4.7000	: 5.1000

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

CME GROUP AVERAGES FOR NOVEMBER 2014

COMMODITY	:REPORT NUMBER 45::REPORT NUMBER 46::REPORT NUMBER 47::REPORT NUMBER 48::				: 2014 * : 2013 *	
	:-----:-----:-----:-----:				: Monthly : Monthly	
	NOV 3 - 7	NOV 10 - 14	NOV 17 - 21	NOV 24 - 26	Average	Average
BUTTER*						
-- GRADE AA						
--Monday	:: 1.9300	:: 2.0000	:: 1.9875	:: 2.0200	::	:
--Tuesday	:: 2.0200	:: 2.0000	:: 1.9875	:: 1.9900	::	:
--Wednesday	:: 2.0500	:: 1.9900	:: 1.9875	:: 1.9700	::	:
--Thursday	:: 2.0350	:: 1.9875	:: 1.9925	:: 1/	::	:
--Friday	:: 2.0075	:: 1.9875	:: 2.0000	:: 1/	:: 1.9968	: 1.6126
--Weekly Average**	:: 2.0085	:: 1.9930	:: 1.9910	:: 1.9933	::	:
CHEESE*						
-- BARRELS						
--Monday	:: 2.1100	:: 2.1200	:: 1.9150	:: 1.7200	::	:
--Tuesday	:: 2.1100	:: 1.9475	:: 1.9150	:: 1.7050	::	:
--Wednesday	:: 2.1600	:: 1.9375	:: 1.9150	:: 1.6475	::	:
--Thursday	:: 2.1450	:: 1.9150	:: 1.7500	:: 1/	::	:
--Friday	:: 2.1200	:: 1.9150	:: 1.7400	:: 1/	:: 1.9326	: 1.7833
--Weekly Average**	:: 2.1290	:: 1.9670	:: 1.8470	:: 1.6908	::	:
-- 40# BLOCKS						
--Monday	:: 2.1400	:: 2.1800	:: 1.8800	:: 1.7300	::	:
--Tuesday	:: 2.1700	:: 2.0000	:: 1.8500	:: 1.7300	::	:
--Wednesday	:: 2.1800	:: 1.9900	:: 1.8000	:: 1.6825	::	:
--Thursday	:: 2.2000	:: 1.9425	:: 1.7750	:: 1/	::	:
--Friday	:: 2.2000	:: 1.9425	:: 1.7300	:: 1/	:: 1.9513	: 1.8478
--Weekly Average**	:: 2.1780	:: 2.0110	:: 1.8070	:: 1.7142	::	:
NONFAT DRY MILK*						
-- *** EXTRA GRADE						
-- GRADE A						
--Monday	:: 1.2425	:: 1.1725	:: 1.1875	:: 1.1375	::	:
--Tuesday	:: 1.2425	:: 1.1775	:: 1.1825	:: 1.1150	::	:
--Wednesday	:: 1.1950	:: 1.1775	:: 1.1825	:: 1.1150	::	:
--Thursday	:: 1.1800	:: 1.1800	:: 1.1375	:: 1/	::	:
--Friday	:: 1.1600	:: 1.1800	:: 1.1375	:: 1/	:: 1.1724	: 1.9554
--Weekly Average**	:: 1.2040	:: 1.1775	:: 1.1655	:: 1.1225	::	:

1/ HOLIDAY - NO DAIRY TRADING

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

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

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

NOVEMBER AGRICULTURAL PRICES HIGHLIGHTS

The All Milk price received by farmers was \$23.40 in November, down \$1.50 from October 2014, but up \$1.80 from November 2013. The alfalfa hay price was \$184.00 in November down \$4.00 from November 2013. The corn price was \$3.57 in November, down \$.80 from November 2013. The soybean price was \$10.10 in November, down \$2.60 from November 2013. The milk-feed price ratio was 2.80 in November, up 53 from November 2013.

The index of prices received by farmers for dairy products during the month of November 2014 was down 8 points to 116 from October 2014. Compared to November 2013, the index was up 9 points (8.4 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in November 2014 was down 1 point to 110. Compared with November 2013, the index was up 4 points (3.8 percent).

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

State	All-Milk price ^{1/2/}				Alfalfa hay, baled		Corn for Grain		Soybeans	
	Dollars per cwt.				Dollars per ton		Dollars per bushel		Dollars per bushel	
	October		November		November		November		November	
	2013	2014	2013	2014 ^{3/}	2013	2014 ^{3/}	2013	2014 ^{3/}	2013	2014 ^{3/}
AZ	20.30	23.60	20.90	22.30	170.00	180.00	---	---	---	---
CA	19.01	22.72	20.01	20.60	208.00	225.00	---	---	---	---
CO	21.20	24.80	21.80	23.70	235.00	215.00	4.71	3.78	---	---
ID	20.10	24.20	20.70	22.90	180.00	220.00	---	---	---	---
IN	21.40	25.20	22.20	24.40	---	---	4.17	3.70	12.70	10.00
IA	21.30	25.70	22.00	24.50	193.00	153.00	4.43	3.50	12.70	10.00
MI	21.00	24.30	21.70	23.60	200.00	185.00	4.10	3.60	12.50	10.00
MN	21.10	26.30	21.90	24.60	200.00	160.00	4.30	3.75	12.60	10.40
NM	19.80	23.50	20.50	22.40	250.00	245.00	---	---	---	---
NY	22.00	25.90	22.90	24.50	205.00	195.00	---	---	---	---
OH	21.40	25.20	22.40	24.40	205.00	185.00	4.17	3.80	12.70	10.20
PA	22.00	26.10	23.20	24.80	200.00	223.00	3.99	3.86	---	---
TX	21.60	25.60	22.40	24.70	230.00	234.00	4.92	4.14	---	---
WA	21.50	25.10	22.20	23.00	195.00	215.00	---	---	---	---
WI	21.00	26.10	21.80	24.40	200.00	173.00	4.38	3.50	12.70	10.20
U.S.	20.70	24.90	21.60	23.40	188.00	184.00	4.37	3.57	12.70	10.10

^{1/} Prices are shown at reported butterfat test. ^{2/} Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.
^{3/} Preliminary. ^{4/} Withheld to avoid disclosing data for individual operations.

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

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ^{1/}			
State ^{2/}	November 2013	October 2014	November 2014 ^{3/}
IA	2.27	3.32	3.20
MI	2.28	3.05	2.81
MN	2.26	3.62	3.04
OH	2.37	3.21	2.84
WI	2.23	3.30	3.01
U.S.	2.27	2.91	2.80

^{1/} The price of commercial prepared dairy feed is based on current United States prices received for corn, soybeans, and alfalfa. The modeled feed uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa hay. ^{2/} Available states that provided all necessary data to compute milk feed price ratios.
^{3/} Preliminary.

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

Item	November 2013	October 2014	November 2014 ^{1/}
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for dairy products	107	124	116
Prices paid by farmers for commodities and services, interest taxes, and wage rates	106	111	110

^{1/} Preliminary.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, NOVEMBER

Class Prices: The following are the November 2014 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$19.91 (-\$2.02), Class III: \$21.94 (-\$1.88), and Class IV: \$18.21 (-\$3.14).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for November 2014 is \$2.2011 per pound. Thus, the Class II butterfat price is \$2.2081 per pound. The protein and other solids prices for November 2014 are \$3.9018 and \$0.4505 per pound, respectively. These component prices set the Class III skim milk price at \$14.75 per cwt. The November 2014 Class IV skim milk price is \$10.89, which is derived from the nonfat solids price of \$1.2102 per pound.

Product Price Averages: The product price averages for November 2014 are: butter: \$1.9891, nonfat dry milk: \$1.3902, cheese: \$2.1305, and dry whey: \$0.6365.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT ^{1/2/}						
Federal Milk Order Marketing Areas ^{3/}	Order Number	November 2014				December 2014
		Class I	Class II	Class III	Class IV	Class I
		Dollars Per 100 Pounds				
Northeast (Boston) ^{4/}	001	27.31	19.91	21.94	18.21	25.78
Appalachian (Charlotte) ^{5/ 6/}	005	27.46	19.91	21.94	18.21	25.93
Florida (Tampa) ^{6/ 7/}	006	29.46	19.91	21.94	18.21	27.93
Southeast (Atlanta) ^{6/ 8/}	007	27.86	19.91	21.94	18.21	26.33
Upper Midwest (Chicago) ^{9/}	030	25.86	19.91	21.94	18.21	24.33
Central (Kansas City) ^{10/}	032	26.06	19.91	21.94	18.21	24.53
Mideast (Cleveland) ^{11/}	033	26.06	19.91	21.94	18.21	24.53
Pacific Northwest (Seattle) ^{12/}	124	25.96	19.91	21.94	18.21	24.43
Southwest (Dallas) ^{13/}	126	27.06	19.91	21.94	18.21	25.53
Arizona (Phoenix)	131	26.41	19.91	21.94	18.21	24.88
All-Market Average	---	26.95	19.91	21.94	18.21	25.42

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

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

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

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

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

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

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

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

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

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

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

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

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

OCTOBER 2014 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 148.1 million pounds, 1.5 percent above October 2013 and 13.8 percent above September 2014. **AMERICAN TYPE CHEESE** production totaled 383.5 million pounds, 3.2 percent above October 2013 and 5.8 percent above September 2014. **TOTAL CHEESE** output (excluding cottage cheese) was 976.8 million pounds, 2.3 percent above October 2013 and 3.5 percent above September 2014. **NONFAT DRY MILK** production, for human food, totaled 132.3 million pounds, 54.1 percent above October 2013 and 15.1 percent above September 2014. **DRY WHEY** production, for human food, was 69.6 million pounds, 1.0 percent below October 2013 but 0.2 percent above September 2014. **ICE CREAM REGULAR** (hard) production totaled 60.4 million gallons, 7.5 percent below October 2013 and 2.6 percent below September 2014.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	OCT 2014	PERCENT CHANGE FROM:			PRODUCT	OCT 2014	PERCENT CHANGE FROM:		
	1,000 LBS.	OCT 2013	SEP 2014	YEAR TO DATE 1/		1,000 LBS.	OCT 2013	SEP 2014	YEAR TO DATE 1/
BUTTER	148,072	1.5	13.8	-2.1	YOGURT (PLAIN AND FLAVORED)	381,459	1.1	-17.4	1.7
CHEESE					DRY WHEY, HUMAN FOOD	69,563	-1.0	0.2	---
AMERICAN TYPES 2/	383,485	3.2	5.8	1.6	DRY WHEY, ANIMAL FEED	1,018	-13.6	-22.3	---
CHEDDAR	270,927	0.8	5.7	1.7	DRY WHEY, TOTAL 5/	70,581	-1.2	-0.2	-9.6
OTHER AMERICAN	112,558	9.7	6.0	---	REDUCED LACTOSE AND MINERALS				
BRICK & MUENSTER	14,360	-11.2	5.2	---	HUMAN FOOD	2,608	9.0	-14.2	---
CREAM & NEUFCHATEL	80,123	-1.4	5.9	---	ANIMAL FEED	5,696	8.2	-5.4	---
HISPANIC	22,025	3.6	6.0	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	97,175	9.0	-2.8	13.2
TOTAL ITALIAN TYPES	420,781	2.9	1.2	4.7	WHEY PROTEIN CONCENTRATE				
MOZZARELLA	329,830	3.4	-0.1	6.6	HUMAN FOOD 9/	45,966	2.5	11.6	---
ALL OTHER ITALIAN	90,951	1.2	6.1	---	ANIMAL FEED 9/	364	-47.4	-44.5	---
SWISS	23,385	-2.5	4.5	---	TOTAL 9/	46,330	1.7	10.7	9.6
ALL OTHER TYPES	32,636	1.4	-0.5	---	25.0-49.9 PERCENT 10/	25,230	-1.3	18.8	---
TOTAL	976,795	2.3	3.5	2.7	50.0-89.9 PERCENT 10/	21,100	5.6	2.4	---
COTTAGE CHEESE, CURD 3/	29,923	0.5	-1.3	---	WHEY PROTEIN ISOLATES 11/	6,872	-10.9	5.6	---
COTTAGE CHEESE, CREAM 4/	24,066	-3.4	-6.0	-1.8					
COTTAGE CHEESE, LOWFAT 5/	29,169	-1.1	-2.1	-2.7	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
DRY BUTTERMILK	8,934	5.6	7.9	---	ICE CREAM, REGULAR (HARD)	60,405	-7.5	-2.6	-5.9
DRY WHOLE MILK	6,809	-9.7	-48.0	---	ICE CREAM, LOWFAT (HARD)	16,286	7.8	-5.7	---
MILK PROTEIN CONC. (MPC), TOTAL 6/	5,728	-12.7	-9.1	---	ICE CREAM, LOWFAT (SOFT)	14,351	-4.5	-2.6	---
NONFAT DRY MILK (NDM), HUMAN	132,282	54.1	15.1	15.4	ICE CREAM, LOWFAT (TOTAL)	30,637	1.7	-4.3	-2.8
SKIM MILK POWDERS (SMP) 7/	41,149	-34.1	0.5	-11.1	SHERBET, HARD	3,026	-7.3	-12.4	-7.5
SOUR CREAM	95,133	-1.4	12.4	0.8	FROZEN YOGURT (TOTAL)	4,655	-17.9	2.4	-21.0

MANUFACTURERS' STOCKS, END OF MONTH 12/							
PRODUCT	OCT 2014	PERCENT OF:		PRODUCT	OCT 2014	PERCENT OF:	
	1,000 LBS.	OCT 2013	SEP 2014		1,000 LBS.	OCT 2013	SEP 2014
DRY WHEY, HUMAN FOOD	53,867	1.0	-6.8	WHEY PROTEIN CONCENTRATE			
DRY WHEY, ANIMAL FEED	1,031	-21.2	31.3	HUMAN FOOD 9/	57,020	15.8	-0.2
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 13/	10,033	73.5	-11.4	ANIMAL FEED 9/	1,357	22.5	-7.9
LACTOSE, HUMAN FOOD & ANIMAL FEED	121,374	33.8	0.9	TOTAL 9/	58,377	15.9	-0.4
DRY BUTTERMILK	20,479	137.9	9.9	25.0-49.9 PERCENT 10/	27,258	41.2	-0.1
NONFAT DRY MILK (NDM), HUMAN FOOD	195,276	75.7	9.7	50.0-89.9 PERCENT 10/	31,119	0.2	-0.7
				WHEY PROTEIN ISOLATES 11/	11,187	9.8	5.1

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

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

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, AUGUST 2014, WITH COMPARISONS

In August 2014, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$24.29 per cwt, up \$0.93 from the July 2014 average, and up \$4.70 per cwt from the August 2013 average. The component tests of producer milk in August 2014 were: butterfat, 3.65%; protein, 3.05%; and other solids, 5.74%. The August Mailbox prices increased an average of \$1.02/cwt across all Federal milk order reporting areas when compared to the previous month. The August 2014 mailbox prices increased in all areas. The Southeast States experienced the greatest increase of \$1.46/cwt. Mailbox prices in August 2014 ranged from \$28.67 in Florida to \$21.10 in New Mexico.

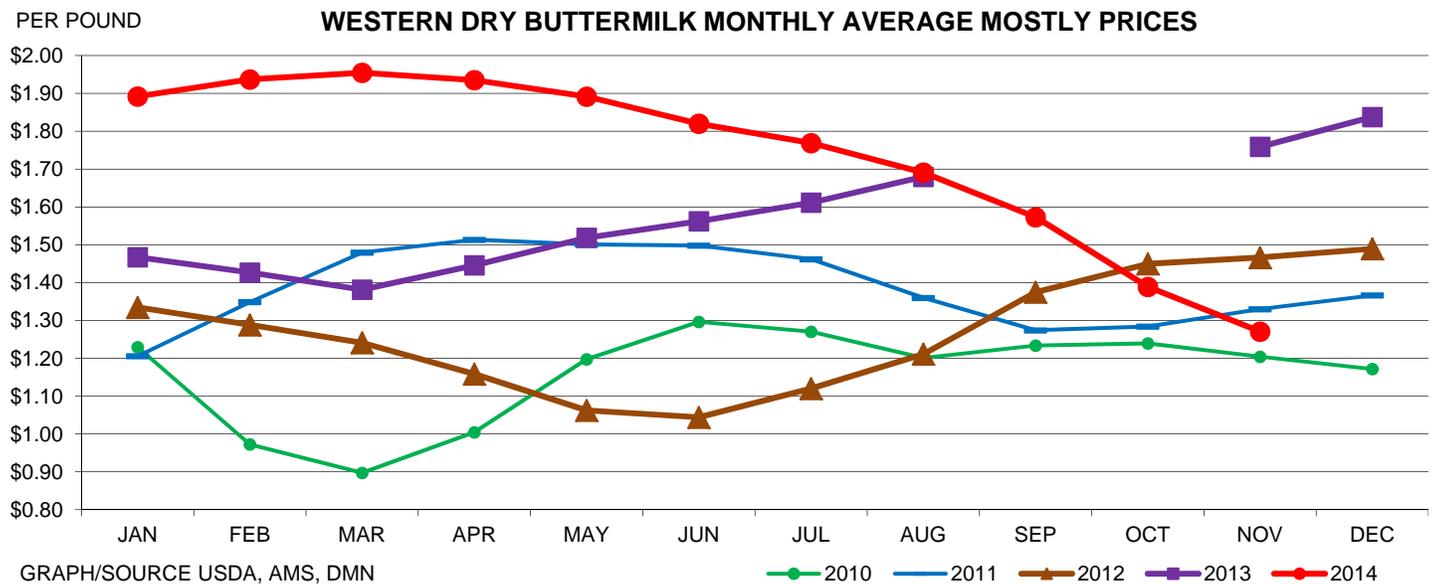
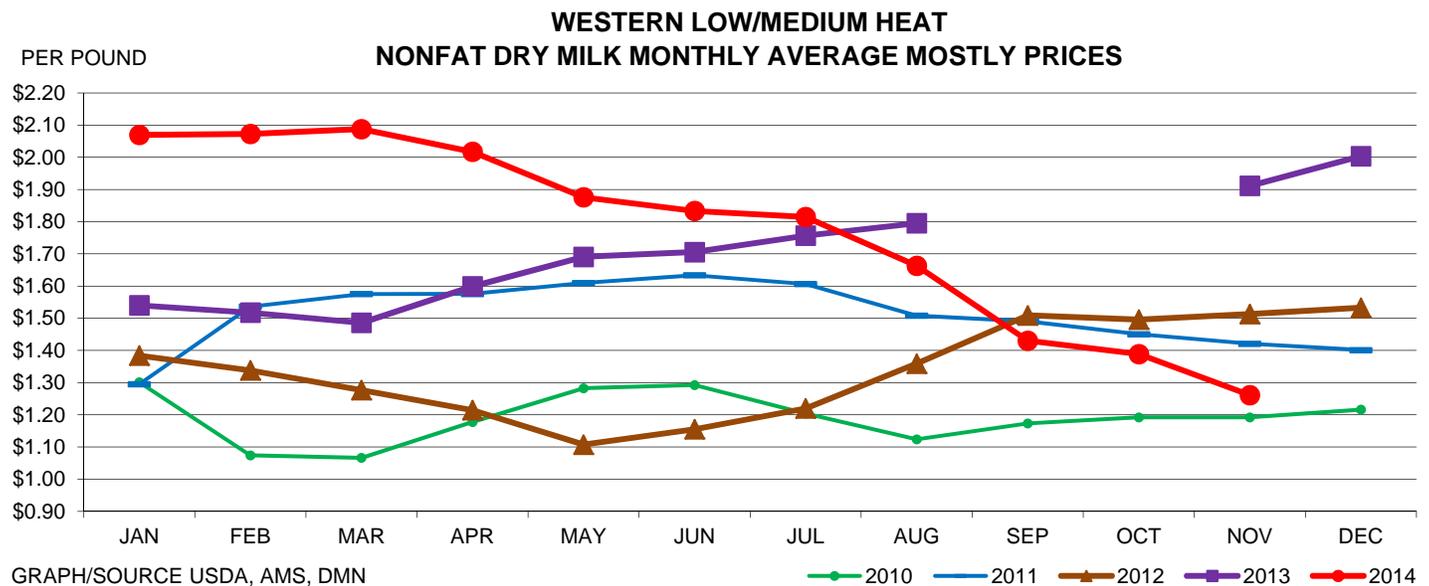
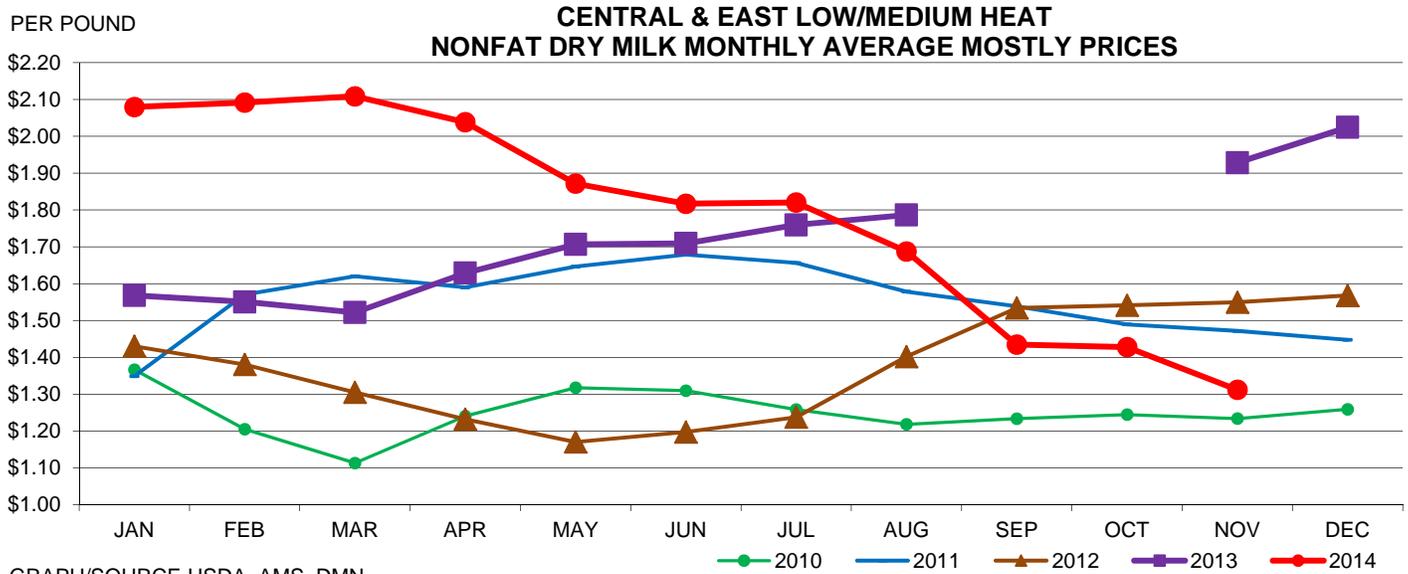
Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	August 2013	July 2014	August 2014
	Dollars per hundredweight		
New England States <u>3/</u>	21.02	25.06	25.94
New York	20.04	24.27	25.25
Eastern Pennsylvania <u>4/</u>	20.11	24.20	25.17
Appalachian States <u>5/</u>	21.24	25.27	26.46
Southeast States <u>6/</u>	21.89	25.83	27.29
Southern Missouri <u>7/</u>	20.73	24.44	25.77
Florida	23.39	27.40	28.67
Western Pennsylvania <u>8/</u>	19.86	23.83	24.89
Ohio	20.06	23.61	24.66
Indiana	19.49	22.96	24.31
Michigan	19.52	23.08	23.99
Wisconsin	19.55	23.16	23.96
Minnesota	19.30	23.11	23.98
Iowa	19.80	23.76	24.61
Illinois	19.87	23.61	24.63
Corn Belt States <u>9/</u>	18.79	21.84	22.59
Western Texas <u>10/</u>	18.21	21.56	22.37
New Mexico	17.29	20.25	21.10
Northwest States <u>11/</u>	19.15	23.47	24.38
All Federal Order Areas <u>12/</u>	19.59	23.36	24.29
California <u>13/</u>	17.87	21.32	22.27

1/ Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices reported for all orders receiving milk from the reporting area and are reported at the average butterfat tests. Prices include, for the most part, the assessment under the Cooperatives Working Together (CWT) program. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. 4/ Includes all counties to the east of those listed in 8/. 5/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 6/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 7/ Includes the counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 8/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 9/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 7/. 10/ Includes all counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 11/ Includes Oregon and Washington. 12/ Weighted average of prices for all selected reporting areas. California is simple average. 13/ Calculated by California Department of Food and Agriculture, and published at <http://cdfa.ca.gov/dairy/uploader/docs/MailBox%20Data%202014.pdf>
Report Contact: Lorie Warren, lorie.warren@ams.usda.gov or 202-720-4405

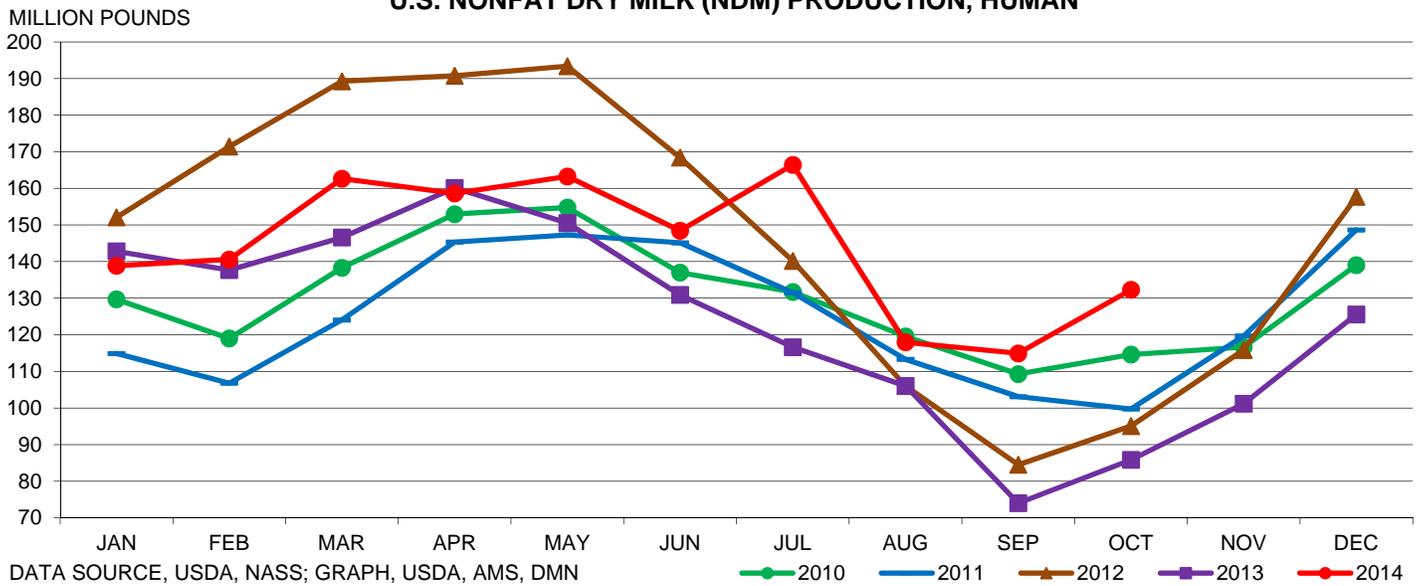
CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE ^{1/}

Month	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}
AUG	243.8	2.7	226.4	4.5	228.7	7.2	237.8	7.0	237.2	18.8	258.4	8.8
SEP	244.6	3.0	227.6	4.9	231.6	8.7	236.9	6.8	245.6	23.7	260.8	9.4
OCT	245.2	3.1	228.8	5.6	230.1	8.3	240.0	8.9	256.7	29.8	259.8	8.3
U.S. City Average Retail Prices												
Month	Whole Milk ^{4/}		Butter ^{5/}		Process Cheese ^{6/}		Natural Cheese ^{7/}		Ice Cream ^{8/}			
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013		
	Dollars											
AUG	3.673	3.448	N/A	N/A	4.482	4.135	5.580	5.465	4.751	5.034		
SEP	3.732	3.428	N/A	N/A	4.450	4.137	5.565	5.433	4.987	4.795		
OCT	3.766	3.462	N/A	N/A	4.487	4.088	5.568	5.390	4.884	4.945		

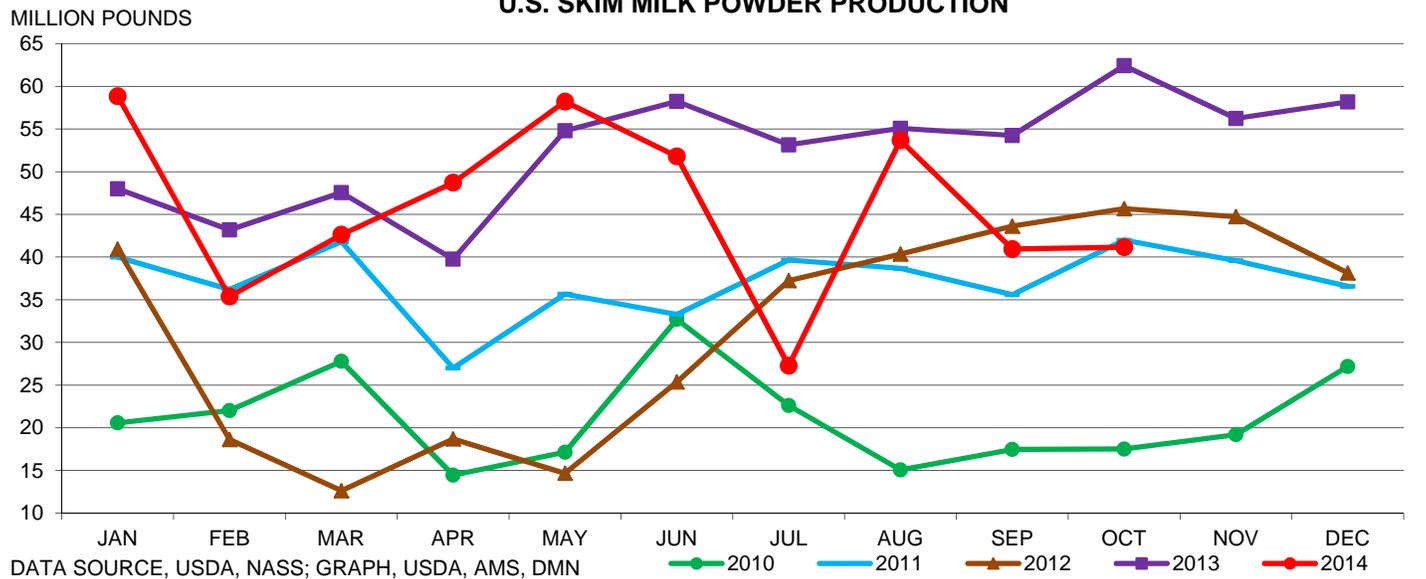
N/A = Not available. ^{1/} "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ^{2/} The standard reference base period for these indexes is 1982-1984 = 100. ^{3/} Percent change over previous year. ^{4/} Per gallon. ^{5/} Per pound. Grade AA, salted, stick butter. ^{6/} Per pound, any size and type of package. ^{7/} Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc). ^{8/} Per 1/2 gallon prepackaged regular.



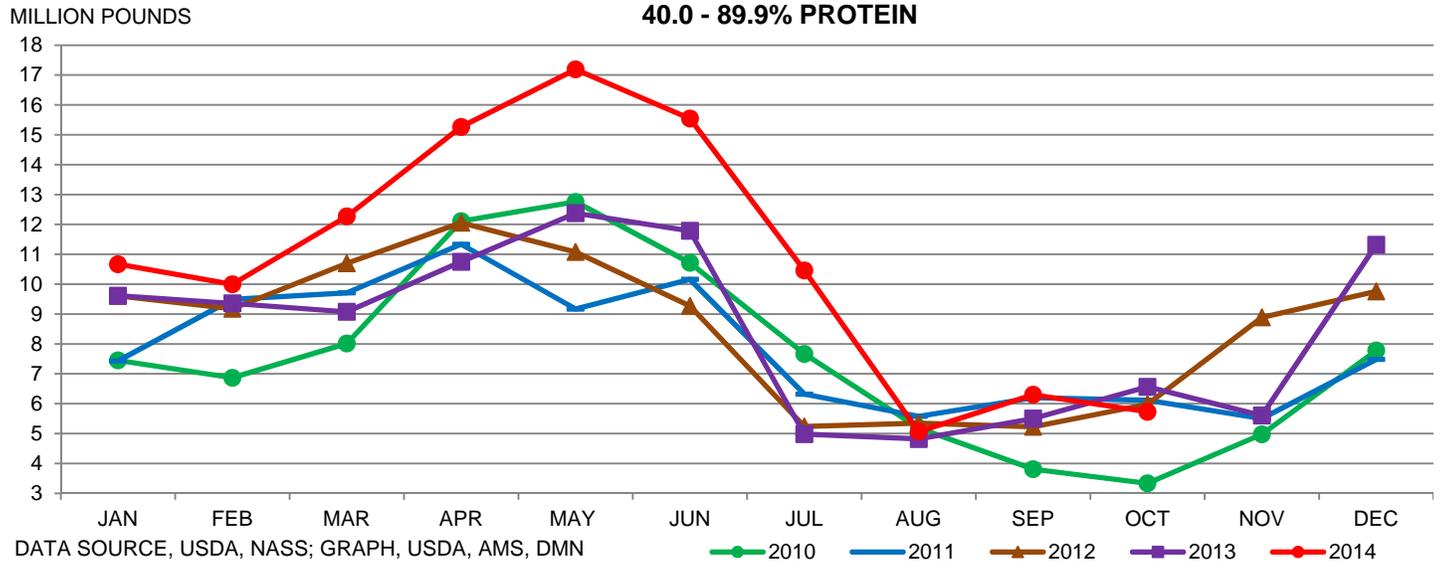
U.S. NONFAT DRY MILK (NDM) PRODUCTION, HUMAN

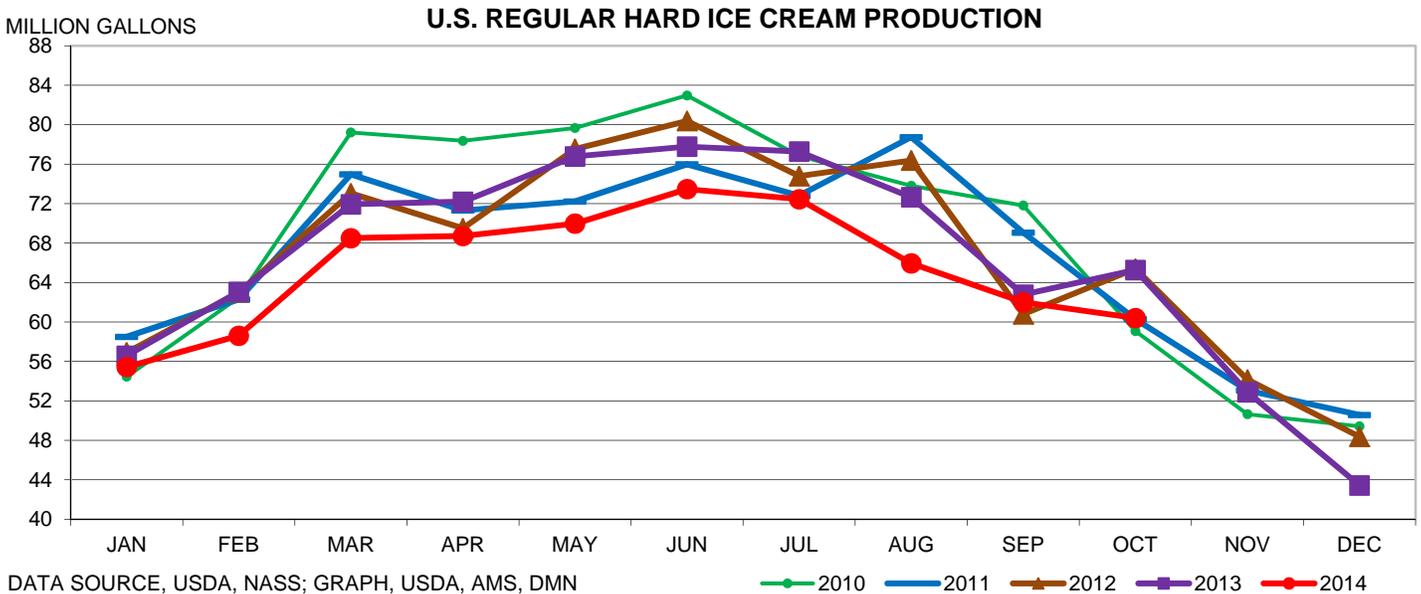
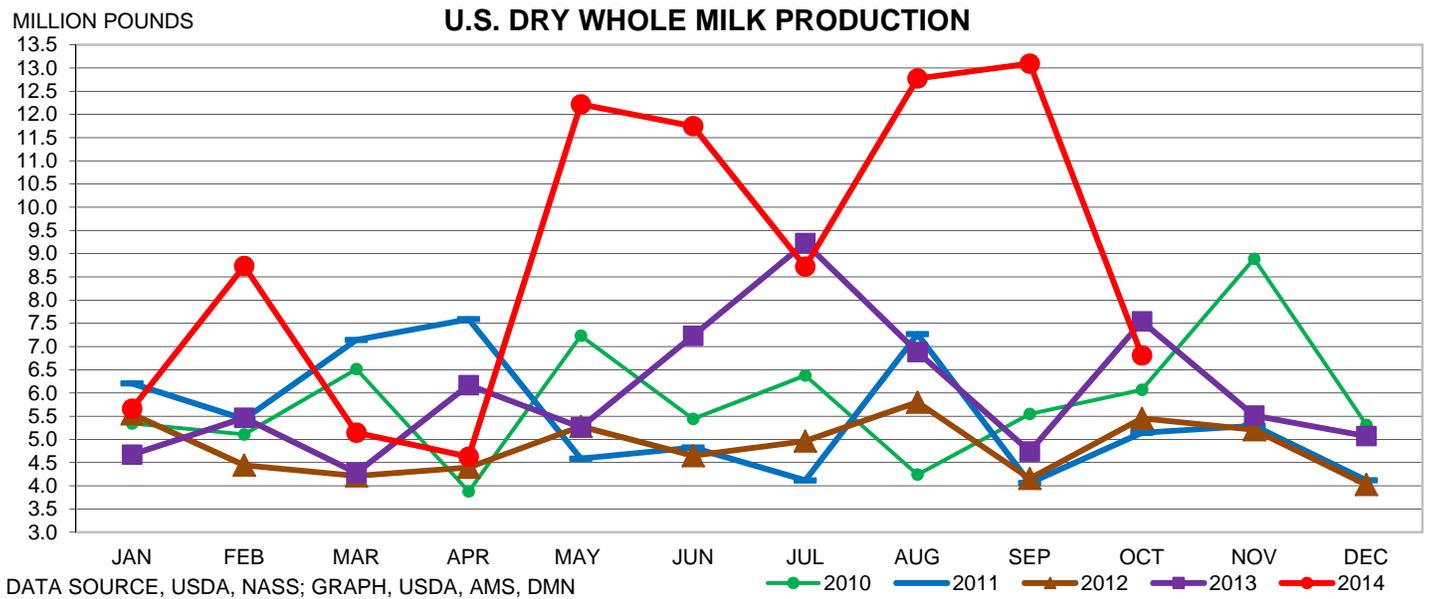
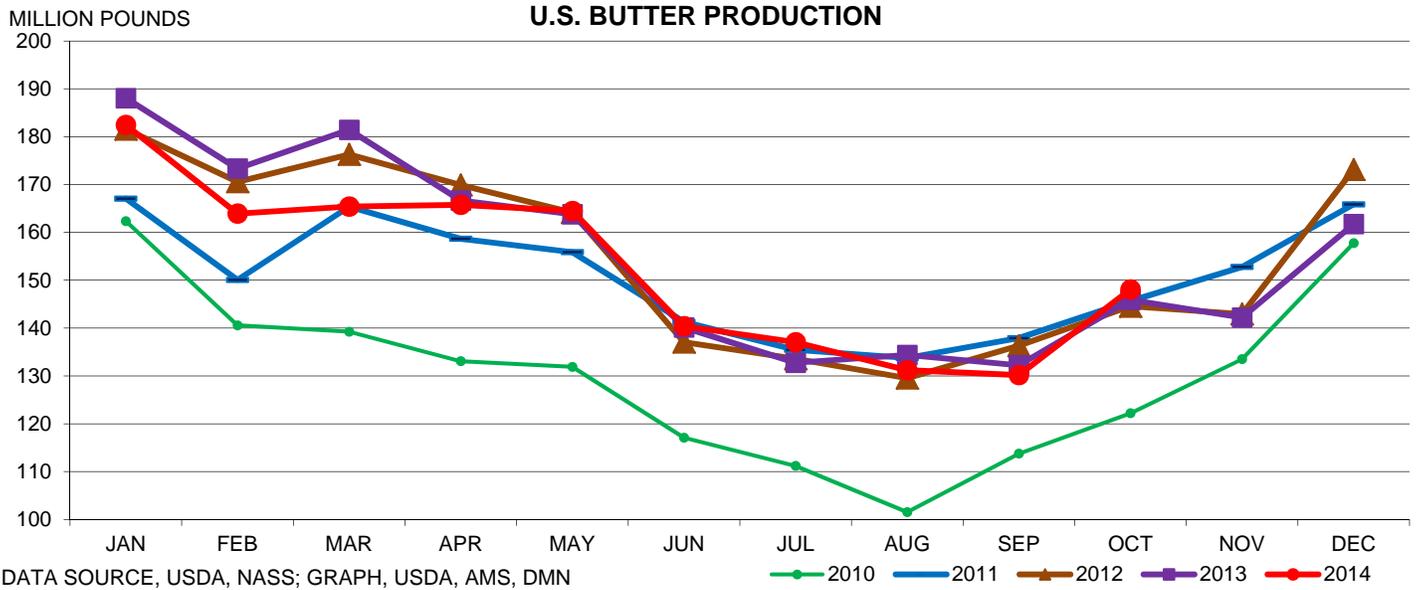


U.S. SKIM MILK POWDER PRODUCTION

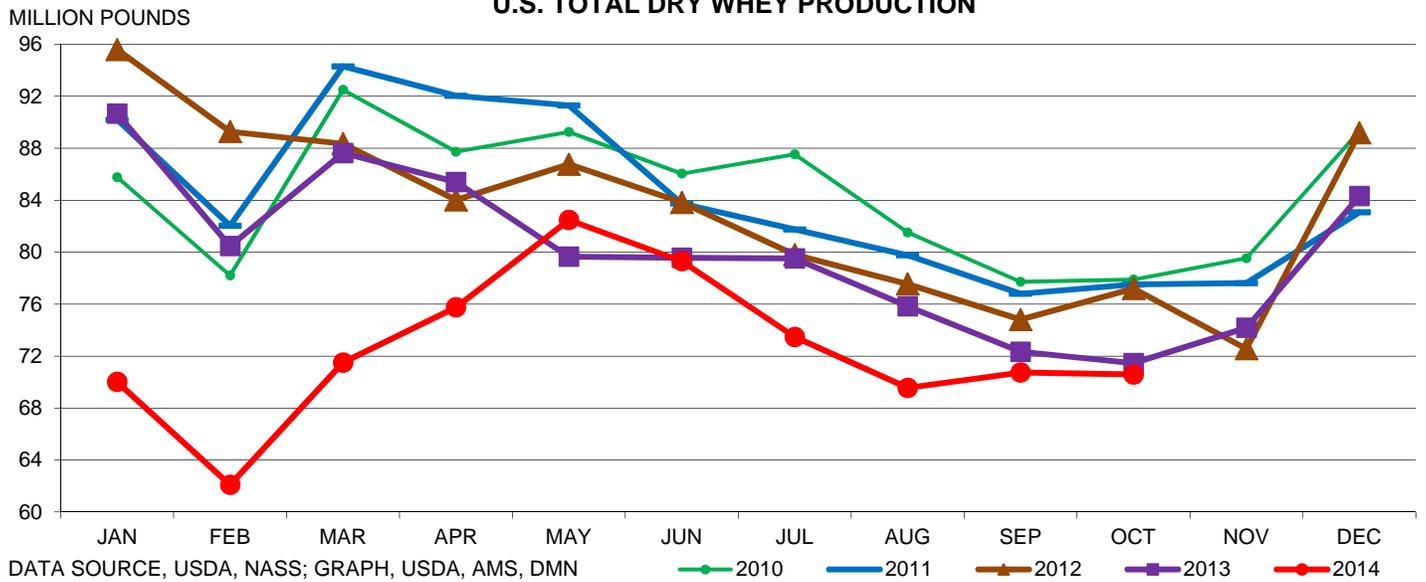


U.S. MILK PROTEIN CONCENTRATE PRODUCTION, 40.0 - 89.9% PROTEIN

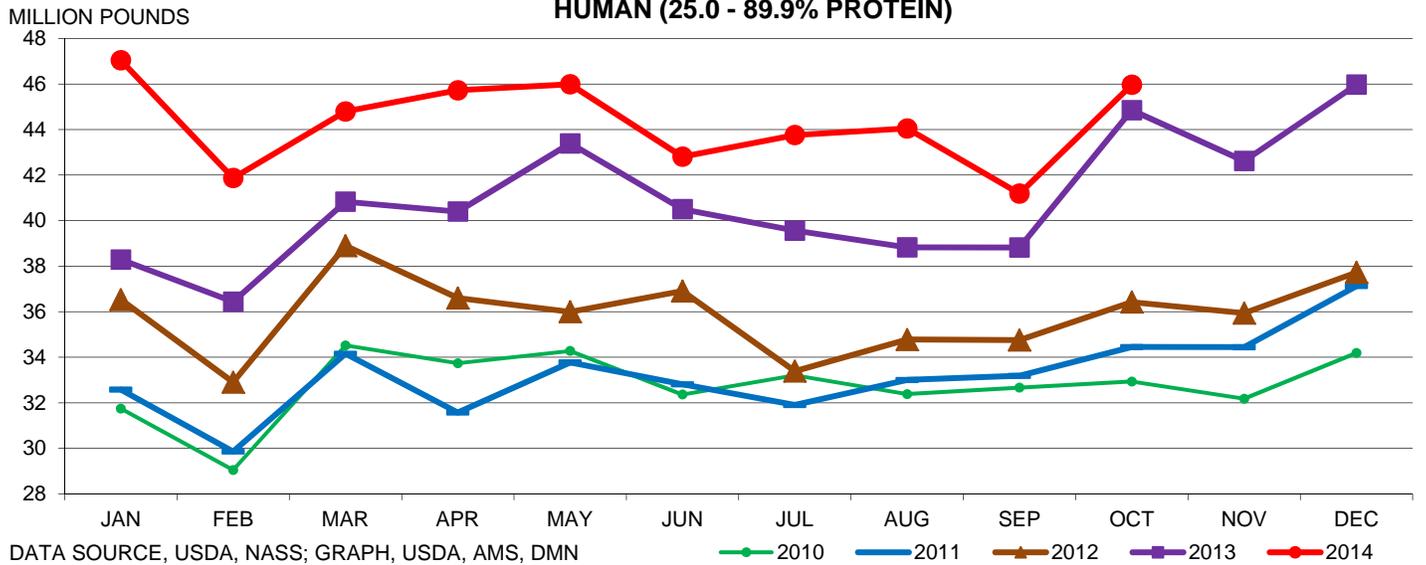




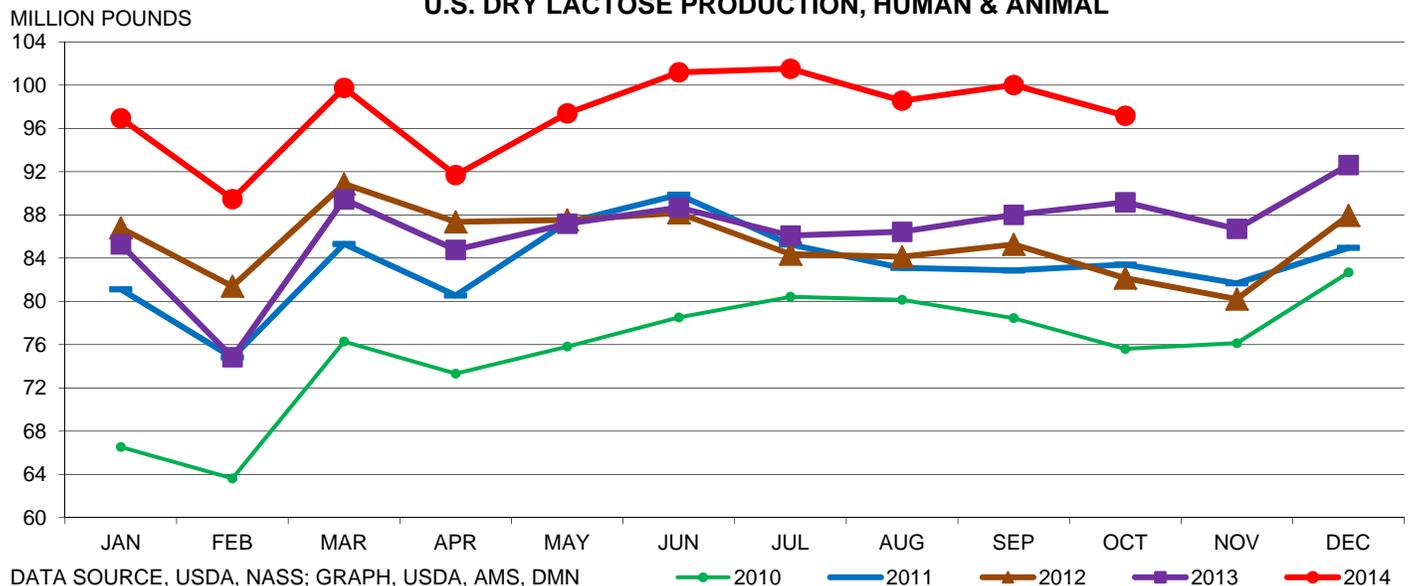
U.S. TOTAL DRY WHEY PRODUCTION



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



U.S. DRY LACTOSE PRODUCTION, HUMAN & ANIMAL



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