

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (1/9)**

BUTTER: Grade AA closed at \$1.5400 on Friday. The weekly average for Grade AA is \$1.5400(-.0150).

CHEESE: Barrels closed at \$1.5450 and 40# blocks at \$1.5900 on Friday. The weekly average for barrels is \$1.5430(+.0636) and blocks, \$1.5760(+.0416).

BUTTER HIGHLIGHTS: Butter prices were mostly steady on the week. The market tone is unsettled. Supplies are generally building as print orders are stepping down considerably from peak season levels. However, buyer interest is better than some manufacturers expected. Many churn operators took advantage of purchasing excess cream available at discounted prices. Production rates were steady to higher. Bulk butter demand varies from region to region as prices are ranging from 3.5 cents under to 6 cents over the market, based on various time frames and averages used. Friday at the CME Group, Grade AA butter closed at \$1.5400, down \$0.0150 from a week ago.

CHEESE HIGHLIGHTS: Throughout the country more milk is flowing toward cheese plants than most people would have expected for the first full week of January, based on looking at this period in recent prior years. Many plants are producing cheese well ahead of orders. There is uncertainty about cheese prices in coming weeks and months, due to the new reality of milk supplies and production levels as well as the difficulty of exporting cheese considering global pricing and currency factors. In fact, increased cheese imports are challenging domestic cheese production. According to GTIS, European cheese exports for October to the U.S. were 25% higher than year ago levels. Discounted milk continues to be available this week. In some parts of the Midwest, spot milk has moved to cheese plants at \$6.00 to \$6.50 below Class, depending on location and timing. Sales are mixed, with some plants moving increased product along but others report some diminished buyer interest attributed to adopting more hand to mouth patterns hoping for further price weakness. This leads some plants to sustain building inventory levels beyond preferences. *Dairy Products* (NASS) reports total 2014 U.S. cumulative cheese production through November, 10.4 billion pounds, leads last year through November by 2.8%. Friday in CME Group trading, barrels closed at \$1.5450, up 1/2 cent from last Friday and 40# blocks closed at \$1.5900, up 2 cents from last Friday.

FLUID MILK: Snow, ice, and subfreezing temperatures caused some additional delays in transportation throughout many areas of the U.S. The delays along with heavy milk supplies in several areas resulted in a few loads being discarded. However, milk handlers noted the milk situation is becoming more manageable. Milk production is mostly steady

coast-to-coast. Bottling sales are generally picking up with the pipelines of K-12 schools being refilled. Condensed skim is readily available at discounts. Class II demand for cream is reduced. Some ice cream manufacturers restarted production following the holidays.

DRY PRODUCTS: Buyer interest for low/medium nonfat dry milk is light and contracting is slow out of the gate for 2015 with supplies readily available in the spot market. Dry buttermilk supplies are exceeding demand, initiating generally lower prices on a weak market. Dry whey prices are steady to lower on a softening market as supplies are becoming more available. Whey protein concentrate 34% prices are weaker on spot trades and new contract adjustments. Many buyers reduced committed volumes for 2015. Prices of lactose were mostly lower on weaker spot, monthly, and quarterly pricing.

INTERNATIONAL DAIRY MARKET NEWS (DMN): WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Western Europe milk production is mixed with some countries showing weekly intakes below year ago levels. Overall production for Western Europe is increasing and remains above year ago levels. Lower dairy commodity prices are foretelling additional declines in forthcoming farmgate price adjustments. Producers over quota are putting on the milk production brakes to avoid paying super levees. Lower producing milk cows are being culled at an increasing rate. Winter weather conditions have turned seasonably cool, but are not seen as restricting milk production. Butter and skim milk powder are the manufacturers' commodities of choice with expanding production schedules.

EASTERN OVERVIEW: Milk production in Eastern Europe is increasing and above year ago levels. Production in Poland is above quota levels, but producers are expected to take measures to reduce production in order to avoid paying levees. Loads of milk and cream going into Belarus have been restricted, and as a result, various commodity supplies have increased and are readily available for export. Winter weather conditions are typical for this time of year and are not detrimental to milk production.

OCEANIA OVERVIEW: Australian milk production is on its typical seasonal downward trend. Dry conditions in some areas have accelerated milk production declines in those regions. Current market outlooks estimate this season's production to be about equal to last year. Trading activity has been slow to develop beyond the holiday period as market participants are waiting for an indication as to how the market will move in the New Year.

CONTINUED ON PAGE 1A-

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

INTERNATIONAL DAIRY MARKET NEWS (PAGE 8-8B)
DAIRY FUTURES (PAGE 9)
DECEMBER MONTHLY AVERAGES (PAGES 10-12)
NOVEMBER DAIRY PRODUCTS (PAGE 13)

SEPTEMBER MILK SALES (PAGE 14)
OCTOBER MILK SALES (PAGE 15)
SEPTEMBER MAILBOX MILK PRICES (PAGE 16)
DAIRY GRAPHS (G1-G4)

CME GROUP CASH TRADING

COMMODITY	MONDAY JAN 05	TUESDAY JAN 06	WEDNESDAY JAN 07	THURSDAY JAN 08	FRIDAY JAN 09	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.5400 (N.C.)	\$1.5400 (N.C.)	\$1.5450 (+.0050)	\$1.5450 (N.C.)	\$1.5450 (N.C.)	:: (+.0050)	:: \$1.5430 :: (+.0636)
40# BLOCKS	\$1.5700 (N.C.)	\$1.5700 (N.C.)	\$1.5700 (N.C.)	\$1.5800 (+.0100)	\$1.5900 (+.0100)	:: (+.0200)	:: \$1.5760 :: (+.0416)
NONFAT DRY MILK							
GRADE A	\$1.0000 (N.C.)	\$1.0000 (N.C.)	\$1.0000 (N.C.)	\$1.0000 (N.C.)	\$.9875 (-.0125)	:: (-.0125)	:: \$.9975 :: (-.0025)
BUTTER							
GRADE AA	\$1.5400 (-.0150)	\$1.5400 (N.C.)	\$1.5400 (N.C.)	\$1.5400 (N.C.)	\$1.5400 (N.C.)	:: (-.0150)	:: \$1.5400 :: (-.0150)

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

NATIONAL DAIRY MARKET NEWS AT A GLANCE**-CONTINUED FROM PAGE 1-**

Hay demand declined over the holiday period and resulted in a leveling off of hay prices. Supplies of high quality hay are in short supply. Dairy producers in Victoria are increasingly looking for vetch hay as their pastures dry out. Many growers and traders of vetch have a majority of their supplies either contracted or sold. According to Dairy Australia, November 2014 milk production in Australia was 3.0% above November 2013. The state changes from a year earlier are: New South Wales, +7.9%; Victoria, +1.9%; Queensland, -5.6%; South Australia, -2.4%; Western Australia, +5.2% and Tasmania, +11.9%. Australia's milk production season to date (July-November) is +3.5%, compared to last season. Dairy Australia also reported production of various dairy commodities for October 2014 showing the following percentage changes compared to 2013: butter, +9.9%; butteroil, +14.2%; skim milk powder, +11.0%; whole milk powder, -9.5%; buttermilk powder, +8.1%; cheese, +13.3%; and whey powder, -2.5%. The combination of low payout prices and hot, dry weather, which is limiting pasture growth, are bringing about accelerated declines in New Zealand's milk production. Dry conditions cover all of New Zealand, but are more severe on the South Island and have resulted in numerous wildfires. Dairy product trading has been very light over the yearend holiday period. Manufacturers will be keeping a close eye on milk production declines and available supplies to ensure that future contract commitments can be met. At the January 6 GDT event #131, average prices ranged from 1.6% higher to 13.2% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,493 +6.8%; butter, \$3,558 +13.2%; buttermilk powder, \$2,736 +10.5%; cheddar cheese, \$3,090 +3.2%; lactose, n.a.; rennet casein, \$7,911 +4.2%; skim milk powder, \$2,386 +2.8%; sweet whey powder, n.a.; and whole milk powder, \$2,307 +1.6%.

NOVEMBER DAIRY PRODUCTS (NASS): Butter production was 135.5 million pounds, 4.7% below November 2013 and 5.7% below October 2014. American type cheese production totaled 372.3 million pounds, 4.5% above November 2013 but 2.9% below October 2014. Total cheese output (excluding cottage cheese) was 948.7 million pounds, 2.9% above November 2013 but 3.3% below October 2014. Nonfat dry milk production, for human food, totaled 150.7 million pounds, 48.9% above November 2013 and 11.5% above October 2014. Dry whey production, for human food, was 69.0 million pounds, 5.8% below November 2013 and 0.2% below October 2014. Ice cream (hard) production totaled 52.6 million gallons, 0.5% below November 2013 and 12.8% below October 2014.

SEPTEMBER MILK SALES (FMO & CDFA): During September 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.7% lower than September 2013. Estimated sales of total conventional fluid milk products decreased 2.0% from September 2013 and estimated sales of total organic fluid milk products increased 4.7% from a year earlier.

OCTOBER MILK SALES (FMO & CDFA): During October 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.9% lower than October 2013. Estimated sales of total conventional fluid milk products decreased 3.5% from October 2013 and estimated sales of total organic fluid milk products increased 10.7% from a year earlier.

SEPTEMBER MAILBOX MILK PRICES (AMS & CDFA): In September 2014, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$25.92 per cwt, up \$1.63 from the August 2014 average, and up \$5.79 per cwt from the September 2013 average. The component tests of producer milk in September 2014 were: butterfat, 3.71%; protein, 3.11%; and other solids, 5.73%. When compared to the previous month, the September Mailbox prices increased in all Federal milk order reporting areas with an average increase of \$1.43/cwt. Minnesota experienced the greatest increase of \$2.54/cwt. Mailbox prices in September 2014 ranged from \$29.25 in Florida to \$22.88 in New Mexico.

CME GROUP

MONDAY, JANUARY 5, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0000; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 3 CARS GRADE AA @ \$1.5400; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.5400; LAST OFFER UNCOVERED: NONE

TUESDAY, JANUARY 6, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9900; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.0500
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.5400; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5400; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JANUARY 7, 2015

CHEESE -- SALES: 1 CAR BARRELS @ \$1.5450; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9800; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.0000
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5400; LAST OFFER UNCOVERED: NONE

THURSDAY, JANUARY 8, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5800; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9700; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.0000
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5400; LAST OFFER UNCOVERED: NONE

FRIDAY, JANUARY 9, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5900; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A @ \$0.9900; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9500; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9875
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.5400; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5300; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

Some cream based operations have returned to production from extended holiday shutdowns. However, cream supplies are adequate for butter output close to previous weeks' levels. The current butter price is considered favorable to some processors, as churning increases at those facilities. Buyers are reported actively securing and putting away butter. Plant butter inventories are building seasonally. Spot market activity is fairly moderate. The current bulk butter prices for domestic sales are flat to 5 over the market, with various time frames and averages used. At the CME Group, Grade AA butter closed Tuesday at \$1.5400 down \$0.0150 from a week ago. The December 2014 CME Group monthly average price for Grade AA butter is \$1.7633 compared to \$1.5963 one year ago.

DAIRY PRODUCTS: According to NASS, U.S. butter production for November 2014 totals 135.5 million pounds, down 4.7% from last year, and down 5.7% from a month ago. Butter output in the Atlantic region totals 14.6 million pounds, up 13.7% from November 2013 but down 7.8% from a month ago.

CENTRAL

Butter production is exceeding incoming orders, resulting in inventories to moderately grow. Given the current cream prices and availability, many manufacturers are processing internal cream supplies and looking to obtain cream in the spot market. Most print butter production is being done through churning. Demand for bulk butter is reduced as prices range from market to 6 cents over the market, with various time frames and averages used. Export orders are light, while imports continue to come in the U.S. On Wednesday at the CME Group, Grade AA butter closed at \$1.5400, down \$0.0150 from last Wednesday. The CME Group monthly average price for Grade AA butter during December was \$1.7633, compared

to \$1.5963 a year ago. The NASS *Dairy Products* report noted November U.S. butter production totaled 135.5 million pounds, down 5.7% from last month and 4.7% lower than a year ago. January-November cumulative U.S. production totals 1.657 billion pounds, 2.5% behind 2013 during the same time span. November production in the Central region totaled 54.7 million pounds, 10.6% lower than a month ago and 2.6% below last year. The Central region accounted for 40% of U.S. production in November. January-November Central production totals 649.6 million pounds, 1.7% behind the same time span in 2013.

WEST

Western butter prices are weaker this week and look to be going downward. Print butter demand has slowed but the demand for bulk butter is on the rise for some sellers. Manufacturers continue to use on hand cream for bulk butter but are not purchasing any extra. Manufacturers are taking a wait and see approach in this first full week of the New Year to watch where the prices will go. According to the NASS *Dairy Products* report, November butter production for the U.S. totals 135.5 million pounds, down 4.7% from November 2013. Cumulative output through November for the U.S. is 1.658 billion pounds, down 2.5% from the same period in 2013. November output in the Western region totals 66.2 million pounds, down 9.5% from November 2013. Prices for bulk butter range from market to 3.5 cents under, based on the CME with various time frames and averages used. Butter prices at the CME Group on Wednesday closed at \$1.5400, down 1.5 cents from a week ago.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

<u>WEEK ENDING</u>	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
January 3, 2015	1.6166 2,527,650	1.6111 12,288,486	1.5672 9,122,463	.5941 3,290,908	1.1395 13,082,732

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 active following the end of the New Year holiday period. Milk supplies remain sufficient and continue to boost output rates, with most plants operating a 6-7 day production week. Cheddar aging programs are steady and adding to inventories for later use. The cheese market's undertone is unsettled. Spot activity is limited. Last week, the weekly average cheese prices on the CME Group saw declines for both blocks and barrels. This week, wholesale prices for 40# block and muenster moved lower \$0.0275, as process 5# sliced fell \$0.0175. Grade A Swiss Cuts price dropped \$0.0875, reflecting Class III price adjustments. The CME Group daily cash prices, on Tuesday, saw barrels close at \$1.5400 up \$0.1125 from a week ago, while blocks closed at \$1.5700, up \$0.0500 from a week ago. The December 2014 CME Group monthly average cheese price for blocks is \$1.5938, compared to \$1.9431 one year ago; the barrels average is \$1.5305 compared to \$1.8651 one year ago. According to the NASS *Dairy Products* report, U.S. total cheese production in November 2014 was 948.7 million pounds, 2.9% more than a year ago but 3.3% less than the previous month. In the Atlantic region, total cheese production for November 2014 was 116.6 million pounds, 0.2% less than a year ago and 7.9% less than the previous month. The region produced 12% of U.S. cheese in November. Total cheese production and percent changes from one year ago are the following: New York 66.8 million pounds, +0.7%; Pennsylvania 32.3 million pounds, +1.0%; Vermont 10.6 million pounds, +11.3%.

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

Cheddar 40# Block	:	1.9300-2.2150
Process 5# Sliced	:	1.7050-2.1850
Muenster	:	1.9500-2.3100
Grade A Swiss Cuts 10 - 14#	:	4.1050-4.4275

MIDWEST

With the holiday season over, cheesemakers are cautiously looking forward, wary of getting too far over the tips of their skis, but aware of the volume of milk flowing behind them which must be reckoned with. The current situation is unusual for early January. Milk volume available to cheesemakers remains unusually high. Cheese production is ahead of orders for many plants, due to higher than typical milk production for January seeking a home every day. This week some milk spot loads in the Midwest moved at \$6.00 to \$6.50 below class, depending on location and timing. Obviously, this is keeping cheese production very high in many plants. Sales are mixed. Some plants report slower sales while others report good sales. Some potential buyers are reportedly pulling back in hopes of lower prices in coming weeks. This is causing inventory levels to build in some plants beyond preferred levels. At a cheese plant in the region which suffered a major fire loss leading to lost production, meeting previous sales commitments for coming weeks is a challenge. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese declined \$.0175, Swiss declined \$.0875 and the remaining varieties declined \$.0275. *Dairy Products* (NASS) reports total 2014 U.S. cumulative cheese production through November, 10.4 billion pounds, leads last year through November by 2.8%. For various types of cheese, U.S. production through November compared with the same period last year includes: American, +1.9%; cheddar, +1.8%; total Italian, +4.8%; mozzarella, +6.6%; and other Italian cheese types, +6.1%. Total U.S. cheese production for November, 948.7 million pounds, was 3.3% below October but 2.9% above November last year. In the Central region, cheese production for November 2014 compared with Novem-

ber 2013 was: total cheese, +3.0%; American cheese, +4.5%; cheddar cheese, +5.1%; total Italian cheese, +3.3%; and mozzarella cheese, +1.7%. CME Group trading closed Wednesday with barrels at \$1.5450, up \$.0150 from last Wednesday and blocks at \$1.5700, up \$.0175 from last Wednesday.

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

Process American 5# Loaf	:	1.5875-1.9475
Brick And/Or Muenster 5#	:	1.9100-2.3350
Cheddar 40# Block	:	1.6150-2.0325
Monterey Jack 10#	:	1.8850-2.0900
Blue 5#	:	2.1775-3.1650
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7550-2.6500
Grade A Swiss Cuts 6 - 9#	:	3.6225-3.7400

WEST

Western wholesale cheese prices are moving lower. Swiss cheese prices are also slightly lower. According to the NASS *Dairy Products* report, total cheese production in the U.S. in November reached 948.7 million pounds, up 2.9% from November 2013. Cumulative total cheese output for the U.S. through November is 10.4 billion pounds, up 2.8% from 2013. November total cheese production in the Western region was 410.0 million pounds, up 3.6% from November 2013. Swiss output for the U.S. in November is 23.6 million pounds, up 0.5% from a year ago. Cheese prices at the CME Group have barrels on Wednesday closing at \$1.5450, up \$.0150 from a week ago and blocks remain at \$1.5700, up \$.0175.

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

Process 5# Loaf	:	1.6075-1.8650
Cheddar 40# Block	:	1.6625-2.1075
Cheddar 10# Cuts	:	1.8425-2.0625
Monterey Jack 10#	:	1.8525-2.0125
Grade A Swiss Cuts 6 - 9#	:	3.6825-4.1125

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

	BUTTER	:	CHEESE
01/05/15	3,194	:	96,231
01/01/15	3,004	:	96,221
CHANGE	190	:	10
% CHANGE	6	:	0

CONTINUED ON PAGE 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

FOREIGN

Prices for domestic foreign type cheese moved lower this week, imported cheese prices were unchanged and domestic Swiss cheese prices declined. Retail stores are busy ordering and restocking after the New Year's holiday. The latest cheese export data from Europe shows the effect of the Russian ban is still being felt, but recovering with increased exports to South Korea, Mexico and the U.S. According to GTIS, European cheese exports for January-October are 7% below year ago levels. October exports to the U.S. were 25% higher than year ago levels with South Korea up 53% and Mexico up 252%.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.0700-3.5575*
Gorgonzola	: 3.6900-6.9700	: 2.5775-3.2750*
Parmesan (Italy)	: -0-	: 3.4600-5.5500*
Provolone (Italy)	: -0-	: 2.1125-2.3650*
Romano (Cows Milk)	: -0-	: 3.2600-5.4100*
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-	: 4.2025-4.5250*
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	0	0	0	0	50
SOUTHEAST STATES	0	0	0	0	0	0

Wintery weather may have some impact on milk distribution as snowfall accumulates in parts of the Northeast and Mid-Atlantic regions. Milk production volumes are steady to heavy. Class I demand is good with the reopening of schools. Conditions at balancing plants are more manageable, as milk intakes return to normal. Some plants have employed schedules to carry out maintenance projects. Milk supplies in the Southeast are avoiding most manufacturing facilities as bottling add-ons increase, prompted by a wintery snow and ice scare. Class I demand is good but not as anticipated, as students return from the holiday break. Florida is seeing plenty of milk produced at the farm level. Production may see a rise near the end of the week, as cooler temperatures prevail. Milk shipments in and out of the state remain balanced. Class I demand is steady to higher following the New Year's holiday and schools reopening. Cream supplies are moving toward equilibrium as manufacturing plants in the Northeast and Mid-Atlantic resumed ice cream production. Multiples for all Classes strengthened this week, and ranged **1.15-1.25**. The availability of **condensed skim** continues to be strong. Demand is light to moderate. The reported wide range of Class II condensed skim spot prices reflects a few transactions initiated over the weekend that cleared into this week. Loads are finding homes in other regions.

DAIRY PRODUCTS: According to NASS, U.S. hard ice cream production in the Atlantic region for November 2014 totaled 11.1 million gallons, 2.1% less than a year ago and 14.4% less than the previous month. U.S. yogurt production for November 2014 totaled 322.1 million pounds, down 2.7% from a year ago and down 5.1% from the previous month. Cumulative 2014 production through November totals 4.351 billion pounds, 0.4% higher than 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 -	1.7882-1.9437
F.O.B. producing plants: Upper Midwest -	1.7105-1.8660

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	.70-1.35
Northeast - Class III - spot prices -	1.00-1.35

MIDWEST

Winter storms and cold weather created additional problems for transports. Contacts noted the combination of road conditions, trucking availability, and excess milk supplies resulted in a few loads of milk being dumped. Milk production is mostly steady, but milk handlers expect the recent colder temperatures will take a toll on cow production. Milk supplies remain abundant with milk spot loads ranging from \$12 under to \$2.00 under Class. Most condensed skim volumes are exchanging hands with discounts. Bottling orders picked up as school pipelines were refilled. Class II sales on items such as yogurt and sour cream are slow. Cream is plentiful with

most interest coming from butter churn operators. **Cream multiples ranged from 1.10 to 1.20**. The DMN monthly average of the range price series for Upper Midwest Class II cream during November was \$2.3049, compared to \$2.0721 a year ago. The weekly Cow Slaughter under Federal Inspection report shows U.S. dairy cow slaughter for the week ending December 20, at 59,400 head, 2,100 head or 3% less than the comparable week a year ago.

WEST

Milk production in CALIFORNIA is flat to slightly lower throughout the state. Dairy industry members indicate the decrease in milk prices, coupled with assessments from some processors, has hit dairy operators doubly in the last few months. Some operators are trying to stretch feed inputs on hand until new crop hay becomes available in late March. Operators are also changing rations to stretch feed dollars. Class 1 sales are steady to higher for the week as K-12 schools start the new semester. Some universities have another week before resumption of classes, and orders for bottled milk are building to accommodate demand from that sector. The latest snow survey shows that statewide, the average snow water equivalent is at 43% of the normal amount, as of January 6. ARIZONA milk production is steady to marginally higher. Plant operators are managing the intakes, but some delays in unloading are occurring from time to time. Shipments into the state are lower for the week. Bottlers are actively taking in loads to refill the pipeline serving K-12 schools. Milk production in NEW MEXICO is steady. However, haulers report some loads have been lost due to delays in transportation. Sales into Class I are mostly steady. Processing plant operators are putting in long hours to keep equipment running during a spate of low temperatures. Cream is readily clearing into churns this week as sales into holiday-related products are lower. Ice cream plants also took in some cream to start production of the favorite flavors. Demand from aerated cream and sour cream producers is lower. Some operations are choosing to churn instead of selling at disadvantageous prices. The cream multiples range is steady, with some state pricing hampering out of state sales. The full multiples range is 1.15 to 1.55. At the CME Group, Grade AA butter closed Wednesday at \$1.5400, down \$.0150 compared to last Wednesday's closing price. Milk production in the PACIFIC NORTHWEST is still showing higher than normal volumes as it moves off of seasonal lows. Some manufacturers are reporting a 4% increase in fluid milk intake over this time last year. Weather conditions are not causing any difficulties in either moving milk or stressing of dairy cows. UTAH and IDAHO milk production is mostly steady to increasing slightly. Trucking continues to be an issue but no serious problems were reported in moving milk in the area. Processing capacity in the region is almost at full capacity with current production levels. Manufacturers state they are using milk supplies on hand or taking contract loads but they do not have capacity for any extra.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Low/medium heat nonfat dry milk prices moved lower on active spot trading and new index based transactions. Some agreements shifted index basing points from the National Dairy Product Sales Report to formulas based off the CME Group NDM prices. Some buyers are delaying or choosing not to renew contracts, while a few noted retracted pricing on new agreements. The market tone is weak. Production remains strong, with some manufacturers running full schedules with heavy incoming milk. Buyer interest domestically is light to moderate as buyers are mainly bargain shopping. Export orders are limited. Supplies are steady to growing. HIGH HEAT NDM prices are lower due to downward pressure from low/medium heat NDM. Demand for high heat NDM is moderate, while supply availability is limited due to minimal production occurring. Production is reduced from heavy drying schedules of low/medium heat. Wednesday at the CME Group, Grade A NDM closed at \$1.0000, unchanged from last Wednesday. The CME Group monthly average price for Grade A NDM during December was \$1.0506, compared to \$2.0762 a year ago. The December monthly average of the range price series for Central and East high heat was \$1.3527, compared to \$2.0757 a year ago. The NASS Dairy Products Report noted U.S. human NDM production during November was 150.7 million pounds, up 11.5% from a month ago and 48.9% higher than last year. Total U.S. NDM human month ending stocks for November was 216.9 million pounds, 10.6% higher than last month and 89.7% above a year ago. January - November, U.S. human NDM production totals 1.597 billion pounds, 18.1% more than the same time span in 2013. November production in the Central region totaled 24.1 million pounds, 4.5% more than last month and 47.0% higher than a year ago. The Central region accounted for 16% of the total U.S. production. Cumulative 2014 production in the Central region totals 259.3 million pounds, 9.7% more than the same time span in 2013.

EAST: Prices for nonfat dry milk in the East moved lower through the range and mostly series due to f.o.b. spot activity and adjustments to pricing indices. Nonfat dry milk production remains active, although stronger Class I demand has lowered milk intakes, marginally, at some drying facilities. Low/medium heat nonfat dry milk manufacturers are long on stock, as outputs continue to add to available inventories. Most buyers are acquisitioning low heat nonfat dry milk based on immediate needs, while purchases of large quantities are limited as the market settles. Prices for high heat nonfat are steady to lower. High heat nonfat production is intermittent, due to limited dryer availability. Inventory levels in the region are fairly light; however, contractual commitments are being met. The December 2014 Dairy Market News monthly average for the Central/East regions nonfat dry milk mostly price series is \$1.1639 compared to \$2.0245 a year ago.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .9500 - 1.2575 MOSTLY: .9900 - 1.1800
 HIGH HEAT: 1.2125 - 1.3075

NONFAT DRY MILK - WEST

Prices for low/medium heat nonfat dry milk are mixed, following movements on various pricing bases. The market tone remains weak. Buyer interest in contracting on a quarterly, 6 month, or annual basis has been light, as the market has offered a ready supply of loads as needed. However, now that 2015 is underway, there is some expectation that end users will want to know their cost basis for the

near term. Low/medium heat nonfat dry milk production is active at most locations. However, as colder temperatures swept through areas of the southwest, some operations ran into problems with freezing pipes and other issues exacerbated by the cold weather. These problems slowed throughput and lowered day-to-day output of low/medium heat NDM. Western high heat nonfat dry milk prices shifted lower across the range, in step with pricing bases. Production is light and based on near term contract needs. Interest outside of contracts is negligible. According to NASS, in November 2014, California produced 61.1 million pounds of NDM, about 40.6% of the national monthly production. NDM production in the West region totaled 103.8 million pounds, 50.4% more than one year ago. This is about 69.0% of total November production in the U.S. Cumulative Western region 2014 production totals 1.082 billion pounds, an 18.1% increase compared to 2013. The December 2014 Dairy Market News average of the mostly price series for Western low/medium heat nonfat dry milk was \$1.1225 compared to \$2.0036 one year ago. The average for Western high heat nonfat dry milk was \$1.4328 compared to \$2.0330 one year ago.

DAIRY PRODUCTS: NASS reports U.S. production of human food NONFAT DRY MILK during November 2014 totaled 150.7 million pounds, a 48.9% increase from one year ago. Cumulative nonfat dry milk production for 2014 totals 1.597 billion pounds, 18.1% higher than 2013. Month ending stocks, at 216.9 million pounds, are 89.7% higher than one year ago. November 2014 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 30.6 million pounds, 45.5% lower than one year ago. Cumulative 2014 skim milk powder production totals 491.9 million pounds, a 14.1% decrease compared to 2013.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .9500 - 1.1900 MOSTLY: .9900 - 1.1000
 HIGH HEAT: 1.2300 - 1.3800

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices shifted significantly lower on active spot trading at discounted rates. Supplies are heavily outweighing current demand. Production is steady to higher. Some suppliers are looking to increase contracted volumes of condensed buttermilk. Resellers note difficulty moving loads of dry buttermilk. The market tone is weak. The NASS Dairy Products Report noted U.S. dry buttermilk production during November totaled 8.7 million pounds, 0.7% lower than last month, but 6.9% more than a year ago. Total U.S. dry buttermilk month ending stocks for November were 22.5 million pounds, 10.4% more than a month ago and 132.2% above last year.

EAST: East dry buttermilk prices dropped significantly due to lower f.o.b. spot sales. Dry buttermilk production continues to be strong, encouraged by the region's active churning. Inventories are expanding, as buyers/sellers negotiate 2015 contracts. Considerations for an approved price basing index are delaying the establishing of contracts for some market participants. Supplies are filling current deliverables with limited spot movement. The market undertone is unsettled. The December 2014 Dairy Market News monthly average for the Central/East regions dry buttermilk range price series is \$1.0215 compared to \$1.8490 a year ago.

F.O.B. CENTRAL/EAST: .6800 - 1.0575

CONTINUED ON PAGE 5A

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

CONTINUED FROM PAGE 5

DRY BUTTERMILK - WEST

Dry buttermilk prices in the Western region are unchanged to lower on a weak market. Interest in dry buttermilk from end users through contracts or FOB spot offers is light as some bakery accounts have finished holiday production schedules. Broker/trader interest is often based on back-to-back transaction fulfillment. Manufacturers and buyers report progress on contracting for 2015 needs is stalled as the market seeks a price base from which to rebuild. Butter production is active, as is dry buttermilk production. Inventories are steady to building. Some plant operators have internal uses for condensed or dry buttermilk. In those plants, inventories are less burdensome than at other locations. The December 2014 Dairy Market News average of the mostly price series for West dry buttermilk was \$1.0527 compared to \$1.8376 one year ago.

DAIRY PRODUCTS: NASS reports dry buttermilk production in the U.S. for November 2014 totals 8.7 million pounds, up 6.9% from one year ago. Cumulative 2014 dry buttermilk production totals 101.1 million pounds, a 6.6% decrease compared to 2013. Stocks at the end of November were 22.5 million pounds, a 132.2% increase from one year ago.

F.O.B. WEST: .9000 - 1.1000 MOSTLY: .9600 - 1.0800

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
January 2	\$1.1562	4,766,967
December 26	\$1.1997	4,659,420

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.

DRY WHOLE MILK - NATIONAL

Dry whole milk prices held steady on light trading. End users remain hesitant to commit to lengthy contracts, especially since this market has been slow to show the effects of recent declines in dairy protein and butterfat. Production is limited, with some manufacturers now switching to a made-to-order basis. Inventories are higher than needed to fulfill nearby contract volumes at other locations. The December 2014 Dairy Market News average of the price series for dry whole milk was \$1.5430, compared to \$2.0667 one year ago.

DAIRY PRODUCTS: NASS reports U.S. dry whole milk production during November 2014 totaled 7.1 million pounds, 28.1% higher than one year ago. Cumulative 2014 production totals 95.4 million pounds, a 42.5% increase compared to 2013. Month ending stocks, at 21.8 million pounds, are 151.1% higher than stocks of one year ago.

F.O.B. PRODUCING PLANT: 1.4000 - 1.5800

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Dry whey prices are mostly lower on moderate spot activity and new index adjustments. Some buyers were able to secure heavily discounted loads in the spot market. New contracts are generally steady to lower on index pricing with reduced volumes being committed. The market tone is softening. End users note supplies are becoming more available. Some purchasers are working current inventories lower, prior to taking a new position. Production rates are steady to higher following strong cheese production. Supplies are steady to growing. ANIMAL FEED WHEY prices are slightly lower on the top of the range. Spot activity was light this week. Buyer interest is also light. The DMN monthly average of the mostly price series for Central dry whey during December was \$0.5701, compared to \$0.5552 a year ago. The monthly average of the range price series for Central animal feed whey during December was \$0.4526, compared to \$0.4693 a year ago. The NASS *Dairy Products Report* noted U.S. total dry whey production for November was 70.1 million pounds, down 0.2% from last month and 5.5% lower than a year ago. January-November U.S. total dry whey production totals 795.2 million pounds, 9.3% behind the same time span in 2013. U.S. total dry whey month ending stocks for November was 63.0 million pounds, 15.4% higher than a month ago and 6.6% more than last year. November dry whey (human) production in the Central region totaled 32.6 million pounds, 2.0% more than last month and 2.8% higher than a year ago. The Central region accounted for 47% of the U.S. production in November. Cumulative 2014 Central dry whey (human) production totals 371.0 million pounds, 10% behind the same time span in 2013.

F.O.B. CENTRAL: .4000 - .6275 MOSTLY: .5000 - .5800
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3500 - .5400

DRY WHEY - NORTHEAST

Dry whey prices are steady to lower this week as the market undertone continues to soften. Cheese production is robust, increasing liquid whey volumes clearing to the dryers. Inventories are sufficient for contract needs with available stocks on hand for spot market transactions. The market is fairly quiet as a majority of buyers utilize a wait-and-see approach as New Year contract negotiations continue. The December 2014 Dairy Market News monthly average for the Northeast region whey powder range price series is \$0.6015 compared to \$0.5986 a year ago.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5200 - .6200

DRY WHEY - WEST

Whey prices are weaker. Demand is decreasing although product still seems to be moving. Export demand is steady. Producers are trying to keep stocks at minimal levels. The monthly average price for December was \$0.5307, with the average of the mostly at \$0.5423. This is down from \$0.5846 and \$0.5849, respectively. According to the NASS *Dairy Products* report, edible U.S. dry whey production in November totals 70.1 million pounds, down 5.5% from November of last year. The Western region produced 16.3 million pounds of human food dry whey in November, down 31.2% from last year. Manufacturers' stocks at the end of November

for total dry whey are 63.0 million pounds, up 6.6% from last year.

NONHYGROSCOPIC: .4000 - .6175 MOSTLY: .4400 - .5200

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Spot market activity for whey protein concentrate 34% picked up this week as some buyers were able to secure supplies at discounted prices. New contracts are mostly weaker in pricing and overall committed volumes are significantly reduced. Some buyers chose not to renew contracts, while a few are waiting until second quarter to negotiate. Resellers noted difficulty in moving WPC 34%. Production is outpacing supplies for some suppliers. A few manufacturers have shifted from WPC 80% to WPC 34% production. International demand is moderate. Buyer interest is light from those who blend other dairy proteins in place of WPC 34%. For high-tier product, interest is moderate. The market tone is weak. The DMN monthly average of the mostly price series for Central and West WPC extra grade 34% protein during December was \$1.2326, compared to \$1.6908 a year ago. The NASS *Dairy Products Report* noted U.S. total WPC production for November was 44.9 million pounds, down 3.4% from last month, but 3.9% higher than a year ago. January - November U.S. total WPC production totals 492.0 million pounds, 9.1% ahead of the same time span in 2013. U.S. total WPC month ending stocks for November was 61.0 million pounds, 4.4% higher than a month ago and 24.3% higher than last year.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.0000 - 1.3650 MOSTLY: 1.0800 1.3150

LACTOSE - CENTRAL AND WEST

Lactose prices moved significantly lower on the mostly price series. A wide price range has developed and is dependent on mesh sizes and brands. Most spot activity is in the twenties. New quarterly and monthly contracts were considerably lower than previous agreements. The market tone is weak. Production is mostly steady. Domestic interest is light. Export demand is moderate. Some manufacturers' supplies are growing, while a few are in a sold-out position. The DMN monthly average of the mostly price series for Central and West lactose during December was \$0.3880, compared to \$0.6362 a year ago. The NASS *Dairy Products Report* noted U.S. lactose, human and animal, production for November was 93.7 million pounds, down 4.7% from last month, but 8.0% higher than a year ago. January - November U.S. lactose production totals 1.068 billion pounds, 12.9% ahead of the same time span in 2013. U.S. total lactose month ending stocks for November were 128.5 million pounds, 6.0% higher than a month ago and 33.3% more than last year.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .1700-.4800 MOSTLY: .2700-.3900

-CONTINUED ON PAGE 6A-

WHEY, WPC 34%, LACTOSE & CASEIN

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

-CONTINUED FROM PAGE 6-

CASEIN - NATIONAL

Casein prices for both rennet and acid significantly decreased going into Q1. The acid casein market has a wide range as contracts negotiated a number of weeks ago reflect the upper end of the range, while more recent contracts and spot sales reflect the low end of the range. Demand is weak and trading activity is light as many buyers continue to take a wait and see attitude towards the market. Increased skim milk powder production and lower prices globally are contributing to the weak market undertone. Negotiations for Q2 are underway with expectations of lower prices. At the January 6 GDT event 131, the average winning price for rennet casein for all contract periods increased 4.2% to \$7,911/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:	3.6500 - 4.0000
ACID:	3.8000 - 4.4000

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered December 22, 2014 - January 9, 2015.

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 weekly intakes below year ago levels. Overall production for Western Europe is increasing and remains above year ago levels. Lower dairy commodity prices are foretelling additional declines in forthcoming farmgate price adjustments. Producers over quota are putting on the milk production brakes to avoid paying super levees. Lower producing milk cows are being culled at an increasing rate. Winter weather conditions have turned seasonably cool, but are not seen as restricting milk production. Butter and skim milk powder are the manufacturers' commodities of choice with expanding production schedules.

BUTTER/BUTTEROIL: Butter prices decreased to start the New Year. Over the past few weeks, global butter prices have converged, and as a result, European butter is very competitively priced on the world market. Domestic demand has eased following the holidays, allowing for increased supplies to be available for export. Export demand has been slow to develop going into the New Year with many buyers waiting for additional market information prior to making additional purchases. Production has increased, but only marginally as fluid cream demand remains strong. PSA stock levels through the third week of December amounted to 20.9 MT. Butteroil exports continue to be limited as prices remain above Oceania levels, but the pricing gap has narrowed. Most of the current trading is being done through existing contracts. Butter exports for the EU-28 January-October period, as reported by GTIS, increased 22% over year ago levels. EU butter exports for October increased, compared to September with Saudi Arabia, Turkey and the United States expanding their import volumes.

82% BUTTERFAT: 3,200 - 3,600
99% BUTTERFAT: 3,850 - 4,400

SKIM MILK POWDER (SMP): Prices for SMP moved lower following the yearend holidays. Drying schedules for skim milk powder have expanded following the seasonal increase in milk production. The weaker Euro, compared to the U.S. dollar, has sparked increased buyer interest. Trading activity in the first full week of the New Year has been light, but is expected to increase in the near future. Supplies have been increasing, but are not seen as burdensome. PSA stock levels through the third week of December amounted to 16.4 MT. Exports of SMP for January to October 2014, as reported by GTIS, showed an increase of 56%, compared to the same period last year. October exports increased 7% over the previous month. China was the top destination with Japan and the United Arab Emirates doubling their imports compared to September.

1.25% BUTTERFAT: 2,000 - 2,275

WHOLE MILK POWDER (WMP): Prices moved lower on both ends of the range going into the New Year. The whole milk powder market is experiencing light trading coming off the yearend holiday period. Trading activity is mostly confined to existing contract transactions. The decline in the Euro, compared to the U.S. dollar, has made whole milk powder more competitive on the international marketplace. Some increased interest for European sourced WMP is coming from Western Africa. Production of WMP is steady with recent levels and supplies are in balance with needs. GTIS reported EU-28 whole milk powder exports for January-October 2014 up 5% compared to last year. October exports increased compared to September and were equal to year ago levels. Top destinations for EU whole milk powder were Nigeria, Algeria and the Dominican Republic.

26% BUTTERFAT: 2,600 - 2,850

SWEET WHEY POWDER: Whey prices were unchanged to lower with declines noted on the low end of the range. Dry whey production continues to be restricted by the decrease in overall cheese production in Europe. Dry whey supplies are viewed as fairly tight. Export demand is steady with increased competition coming from the U.S. Exports of sweet dry whey for January to October 2014, as reported by GTIS, showed a decrease of 1.7%, compared to the same period last year. October exports were comparable with the previous month's volumes. The top three destinations are China, Indonesia and Malaysia.

NONHYGROSCOPIC: 1,000 - 1,300

EASTERN OVERVIEW: Milk production in Eastern Europe is increasing and above year ago levels. Production in Poland is above quota levels, but producers are expected to take measures to reduce production in order to avoid paying levees. Loads of milk and cream going into Belarus have been restricted, and as a result, various commodity supplies have increased and are readily available for export. Winter weather conditions are typical for this time of year and are not detrimental to milk production.

**Exchange rates for selected foreign currencies:
January 5, 2015**

.1169 Argentina Peso	.0084 Japan Yen
.8085 Australian Dollar	.0669 Mexican Peso
.8502 Canadian Dollar	.7686 New Zealand Dollar
1.1933 Euro	.2781 Poland Zloty
.0158 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0669) = 14.9477 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered December 22 , 2014 - January 9, 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 on its typical seasonal downward trend. Dry conditions in some areas have accelerated milk production declines in those regions. Current market outlooks estimate this season's production to be about equal to last year. Trading activity has been slow to develop beyond the holiday period as market participants are waiting for an indication as to how the market will move in the New Year. Hay demand declined over the holiday period and resulted in a leveling off of hay prices. Supplies of high quality hay are in short supply. Dairy producers in Victoria are increasingly looking for vetch hay as their pastures dry out. Many growers and traders of vetch have a majority of their supplies either contracted or sold. According to Dairy Australia, November 2014 milk production in Australia was 3.0% above November 2013. The state changes from a year earlier are: New South Wales, +7.9%; Victoria, +1.9%; Queensland, -5.6%; South Australia, -2.4%; Western Australia, +5.2% and Tasmania +11.9%. Australia's milk production season to date (July-November) is +3.5%, compared to last season. Dairy Australia also reported, production of various dairy commodities for October 2014 showing the following percentage changes compared to 2013: butter, +9.9%; buttermilk powder, +8.1%; cheese, +13.3%; and whey powder, -2.5%. The combination of low payout prices and hot, dry weather, which is limiting pasture growth, are bringing about accelerated declines in **NEW ZEALAND'S** milk production. Dry conditions cover all of New Zealand, but are more severe on the South Island and have resulted in numerous wildfires. Dairy product trading has been very light over the yearend holiday period. Manufacturers will be keeping a close eye on milk production declines and available supplies to ensure that future contract commitments can be met. At the January 6 GDT event #131, average prices ranged from 1.6% higher to 13.2% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,493 +6.8%; butter, \$3,558 +13.2%; buttermilk powder, \$2,736 +10.5%; cheddar cheese, \$3,090 +3.2%; lactose, n.a.; rennet casein, \$7,911 +4.2%; skim milk powder, \$2,386 +2.8%; sweet whey powder, n.a.; and whole milk powder, \$2,307 +1.6%.

BUTTER: Butter prices moved higher on both ends of the range. Butter production is showing the typical seasonal decline for this time of year, due to the declines in milk production. Pricing is two tiered in Oceania with higher prices in Australia, supported by good domestic demand and reduced supplies for export, while New Zealand has readily available supplies and prices on the lower end of the range. As a result of this situation, the bulk of butter exports coming out of Oceania are New Zealand sourced. Butteroil production has declined, but demand remains fairly active with some increased interest coming from Russia. According to Dairy Australia, July-October exports of butter were down 25.2% compared to the same period a year ago. At the January 6 GDT event #131, NZ butter averaged \$3,575/MT for the March 2015 contracts, +12.7% from the prior event. Butter for all regions and contracting periods averaged \$3,558/MT, +13.2%. New Zealand AMF prices averaged \$4,509/MT for the March contracts, +6.5% from the prior

event. For all contracting periods, the AMF price average was \$4,493/MT, +6.8%.

82% BUTTERFAT: 3,200 - 3,800

SKIM MILK POWDER (SMP): Prices for skim milk powder were unchanged. Production of skim milk powder remains active in the face of declining milk supplies as butter/SMP production are more financially viable than WMP production. The strength in cream cheese production is also a contributing factor in maintaining milk flows to skim milk powder dryers. There is increased competition in the market as prices have converged worldwide and supplies from other global sources are readily available. Demand over the yearend holiday period was light. Oceania supplies are building. According to Dairy Australia, July-October exports of SMP were 27.5% above year ago levels. At the January 6 GDT event 131, SMP for all regions and contracting periods averaged \$2,386 per MT, +2.8%. For trading in contract period 2, March, prices averaged \$2,420 for NZ sourced medium heat product, up \$50 from the prior event.

1.25% BUTTERFAT: 2,200 - 2,600

CHEDDAR CHEESE: The cheddar market has been steady in light trading. Production is holding steady compared to recent weeks. Current supplies are filling contract commitments. A majority of supplies for some cheddar manufacturers are committed through Q1. There is increased competition coming from Europe and the U.S. Demand for cheddar in Asia is active. According to Dairy Australia, July-October cheddar exports were down 7.1% compared to year ago levels.

39% MAXIMUM MOISTURE: 3,400 - 4,000

WHOLE MILK POWDER (WMP): Prices for whole milk powder are unchanged going into the New Year. The WMP market continues to show limited interest from China, but some major distributors in China are showing some increased interest. Demand from the Middle East, Africa and Southeast Asia remains active. Recent increases in the Oceania butter market may be foretelling of possible price increases in the weeks ahead. A majority of the January and February supplies are committed. According to Dairy Australia, July-October exports of WMP declined by 27.6% compared to the same period a year ago. At the January 6 GDT event 131, the WMP pricing index, across all contracting periods, averaged \$2,307 per MT, up 1.6% compared to the prior event. For contract periods 1 and 2, February and March, NZ regular WMP averaged \$2,235 and \$2,245 per MT.

26% BUTTERFAT: 2,200 - 2,700

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 131 Recap - January 6, 2015													
	Contract 1 Feb-15		Contract 2 Mar-15		Contract 3 Apr-15		Contract 4 May-15		Contract 5 Jun-15		Contract 6 Jul-15		All Contracts	
Anhydrous Milk Fat	n.a.	\$4,509	6.5%	\$4,521	7.5%	\$4,460	5.9%	\$4,420	6.9%	\$4,496	9.1%	\$4,493	6.8%	
Butter	n.a.	\$3,575	12.7%	\$3,565	13.5%	\$3,392	9.2%	\$3,855	23.0%		n.a.	\$3,558	13.2%	
Buttermilk Powder	n.a.	\$2,715	12.0%	\$2,805	5.1%		n.a.		n.a.		n.a.	\$2,736	10.5%	
Cheddar	n.a.	\$3,178	4.4%	\$3,021	2.2%	\$3,060	2.7%		n.a.		n.a.	\$3,090	3.2%	
Lactose	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Rennet Casein	n.a.	\$7,784	3.9%	\$8,008	3.5%	\$8,300	7.7%		n.a.		n.a.	\$7,911	4.2%	
Skim Milk Powder	n.a.	\$2,327	3.5%	\$2,455	2.7%	\$2,469	0.4%	\$2,511	1.4%	\$2,559	-0.4%	\$2,386	2.8%	
Sweet Whey Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Whole Milk Powder	\$2,267	-4.4%	\$2,267	1.5%	\$2,319	3.3%	\$2,379	1.7%	\$2,379	-2.6%	\$2,419	-1.6%	\$2,307	1.6%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 131 Recap - January 6, 2015													
	Contract 1 Feb-15		Contract 2 Mar-15		Contract 3 Apr-15		Contract 4 May-15		Contract 5 Jun-15		Contract 6 Jul-15		All Contracts	
Anhydrous Milk Fat	n.a.	\$2.0453	6.5%	\$2.0507	7.5%	\$2.0230	5.9%	\$2.0049	6.9%	\$2.0394	9.1%	\$2.0380	6.8%	
Butter	n.a.	\$1.6216	12.7%	\$1.6171	13.5%	\$1.5386	9.2%	\$1.7486	23.0%		n.a.	\$1.6139	13.2%	
Buttermilk Powder	n.a.	\$1.2315	12.0%	\$1.2723	5.1%		n.a.		n.a.		n.a.	\$1.2410	10.5%	
Cheddar	n.a.	\$1.4415	4.4%	\$1.3703	2.2%	\$1.3880	2.7%		n.a.		n.a.	\$1.4016	3.2%	
Lactose	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Rennet Casein	n.a.	\$3.5308	3.9%	\$3.6324	3.5%	\$3.7649	7.7%		n.a.		n.a.	\$3.5884	4.2%	
Skim Milk Powder	n.a.	\$1.0555	3.5%	\$1.1136	2.7%	\$1.1199	0.4%	\$1.1390	1.4%	\$1.1608	-0.4%	\$1.0823	2.8%	
Sweet Whey Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Whole Milk Powder	\$1.0283	-4.4%	\$1.0283	1.5%	\$1.0519	3.3%	\$1.0791	1.7%	\$1.0791	-2.6%	\$1.0973	-1.6%	\$1.0464	1.6%

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

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

Month	12/18	12/19	12/22	12/23	12/24	12/25	12/26	12/29	12/30	12/31	01/01	01/02	01/05
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)													
DEC 14	17.77 (5176)	17.73 (5012)	17.71 (4912)	17.74 (4944)	17.73 (4901)	NO TRADING	17.72 (4943)	17.74 (4987)	17.75 (4982)	17.82 (4512)	NO TRADING		
JAN 15	16.23 (5331)	16.40 (5597)	16.78 (5951)	16.26 (5929)	15.89 (5946)		15.75 (5986)	15.75 (5998)	15.95 (6011)	15.91 (5884)		15.92 (5971)	15.72 (5944)
FEB 15	15.56 (5023)	15.75 (5062)	15.83 (5100)	15.38 (5113)	15.19 (5113)		15.22 (5121)	15.40 (5125)	15.78 (5167)	15.69 (5242)		15.49 (5294)	14.99 (5366)
MAR 15	15.15 (4587)	15.36 (4626)	15.36 (4653)	15.03 (4717)	14.96 (4716)		14.94 (4744)	15.14 (4783)	15.50 (4809)	15.42 (4840)		15.27 (4863)	14.86 (4884)
APR 15	15.03 (3941)	15.12 (3953)	15.07 (3962)	14.92 (4013)	14.89 (4021)		14.95 (4082)	15.02 (4097)	15.23 (4098)	15.20 (4129)		14.99 (4155)	14.56 (4224)
MAY 15	15.34 (3817)	15.29 (3804)	15.28 (3819)	15.07 (3868)	15.05 (3886)		15.08 (3899)	15.12 (3921)	15.34 (3939)	15.38 (3958)		15.16 (3969)	14.75 (4062)
JUN 15	15.74 (3483)	15.66 (3539)	15.65 (3539)	15.55 (3599)	15.51 (3625)		15.53 (3652)	15.54 (3653)	15.70 (3661)	15.75 (3674)		15.54 (3766)	15.22 (3803)
JUL 15	15.80 (2681)	15.85 (2718)	15.84 (2725)	15.79 (2752)	15.90 (2747)		15.92 (2755)	16.03 (2752)	16.22 (2769)	16.22 (2825)		16.15 (2837)	15.88 (2877)
AUG 15	16.03 (2643)	16.01 (2687)	15.99 (2700)	16.00 (2743)	16.09 (2745)		16.10 (2759)	16.22 (2760)	16.39 (2763)	16.34 (2783)		16.32 (2786)	16.24 (2783)
SEP 15	16.47 (2527)	16.40 (2574)	16.40 (2578)	16.40 (2649)	16.40 (2649)		16.40 (2662)	16.53 (2663)	16.66 (2669)	16.61 (2679)		16.63 (2676)	16.45 (2681)
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)													
DEC 14	16.58 (931)	16.58 (931)	16.58 (931)	16.58 (932)	16.45 (932)	NO TRADING	16.55 (932)	16.58 (927)	16.65 (929)	16.70 (1313)	NO TRADING		
JAN 15	14.85 (352)	14.99 (356)	14.99 (358)	14.90 (375)	14.80 (376)		14.70 (376)	14.51 (379)	14.70 (381)	14.62 (379)		14.62 (379)	14.50 (379)
FEB 15	14.48 (312)	14.61 (315)	14.61 (317)	14.61 (329)	14.60 (329)		14.50 (329)	14.40 (329)	14.33 (331)	14.51 (327)		14.51 (327)	14.27 (329)
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)													
DEC 14	184.50 (1019)	184.68 (1019)	185.00 (1015)	185.08 (1011)	185.08 (1011)	NO TRADING	188.00 (1011)	188.00 (1011)	188.48 (1015)	190.49 (1046)	NO TRADING		
JAN 15	165.70 (692)	165.60 (712)	167.00 (713)	165.45 (715)	163.00 (719)		159.00 (725)	157.00 (721)	160.25 (735)	160.00 (736)		161.00 (736)	158.50 (735)
FEB 15	164.50 (826)	165.20 (822)	165.00 (823)	164.00 (825)	161.00 (837)		160.00 (843)	156.03 (844)	158.00 (840)	158.50 (840)		162.00 (838)	159.00 (845)
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)													
DEC 14	125.50 (733)	125.50 (733)	125.50 (733)	125.50 (733)	125.00 (733)	NO TRADING	125.00 (733)	126.00 (733)	127.00 (733)	125.54 (773)	NO TRADING		
JAN 15	116.50 (595)	116.83 (596)	116.83 (596)	116.85 (594)	116.50 (599)		116.13 (597)	117.25 (599)	117.25 (604)	116.25 (629)		115.00 (630)	114.00 (633)
FEB 15	112.75 (624)	113.00 (625)	113.00 (625)	113.25 (618)	113.50 (618)		113.50 (618)	113.50 (616)	113.50 (621)	113.50 (627)		113.75 (636)	112.50 (637)
WHEY (Electronic-Traded) (¢/lb)													
DEC 14	58.13 (412)	58.30 (408)	58.58 (408)	58.58 (409)	58.38 (407)	NO TRADING	59.13 (407)	59.13 (407)	59.13 (407)	58.71 (400)	NO TRADING		
JAN 15	51.23 (818)	51.75 (802)	52.43 (798)	52.75 (796)	52.00 (792)		53.18 (792)	53.98 (791)	54.40 (785)	55.00 (780)		54.00 (780)	53.55 (783)
FEB 15	46.25 (826)	46.25 (826)	45.88 (827)	46.00 (835)	46.00 (829)		47.30 (828)	46.98 (826)	47.75 (825)	48.48 (820)		48.13 (820)	47.70 (825)
CHEESE CSC (Electronic-Traded) (\$/lb)													
DEC 14	1.74 (2525)	1.73 (2534)	1.73 (2536)	1.73 (2536)	1.73(2536)	NO TRADING	1.73 (2541)	1.73 (2541)	1.73 (2543)	1.74 (2409)	NO TRADING		
JAN 15	1.63 (3875)	1.64 (3915)	1.68 (3887)	1.62 (3888)	1.59 (3913)		1.57 (3957)	1.56 (3992)	1.58 (3994)	1.57 (3983)		1.57 (3983)	1.56 (3995)
FEB 15	1.60 (3762)	1.61 (3813)	1.61 (3836)	1.58 (3870)	1.55 (3903)		1.55 (3905)	1.58 (3915)	1.61 (3902)	1.60 (3900)		1.58 (3912)	1.53 (3946)
MAR 15	1.58 (3745)	1.60 (3802)	1.61 (3822)	1.57 (3860)	1.57 (3876)		1.56 (3894)	1.59 (3927)	1.62 (3942)	1.61 (3939)		1.60 (3962)	1.56 (4026)
APR 15	1.57 (3252)	1.59 (3312)	1.59 (3322)	1.57 (3347)	1.58 (3348)		1.58 (3395)	1.59 (3407)	1.61 (3409)	1.61 (3425)		1.59 (3441)	1.55 (3472)
MAY 15	1.59 (3088)	1.60 (3139)	1.60 (3138)	1.59 (3168)	1.59 (3168)		1.59 (3177)	1.60 (3178)	1.62 (3190)	1.63 (3206)		1.61 (3210)	1.57 (3250)

Source: http://www.cmegroup.com/daily_bulletin/current/Section04_Agricultural_Soft_AltInvestment_Futures.pdf

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

COMMODITY	:::REPORT NUMBER 49	:::REPORT NUMBER 50	:::REPORT NUMBER 51	:::REPORT NUMBER 52	:::REPORT NUMBER 53	::: 2014	:	2013
	:-----:-----:-----:-----:-----					Monthly	:	Monthly
	DEC 01 - 05	DEC 08 - 12	DEC 15 - 19	DEC 22 - 26	DEC 29 - 31	Average	:	Average

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.7975 - 2.1575	:: 1.6900 - 2.0500	:: 1.6075 - 1.9675	:: 1.6825 - 2.0425	:: 1.6050 - 1.9650	:: 1.8627	:	2.1108
-- Brick And/Or Muenster 5#	:: 2.0875 - 2.5125	:: 2.0275 - 2.4525	:: 1.9625 - 2.3875	:: 1.9825 - 2.4075	:: 1.9375 - 2.3625	:: 2.2184	:	2.4973
-- Cheddar 40# Block	:: 1.7925 - 2.2100	:: 1.7325 - 2.1500	:: 1.6675 - 2.0850	:: 1.6875 - 2.1050	:: 1.6425 - 2.0600	:: 1.9197	:	2.1985
-- Monterey Jack 10#	:: 2.0625 - 2.2675	:: 2.0025 - 2.2075	:: 1.9375 - 2.1425	:: 1.9575 - 2.1625	:: 1.9125 - 2.1175	:: 2.0834	:	2.3623
-- Blue 5#	:: 2.3550 - 3.3425	:: 2.2950 - 3.2825	:: 2.2300 - 3.2175	:: 2.2500 - 3.2375	:: 2.2050 - 3.1925	:: 2.7672	:	3.0460
-- Mozzarella 5 - 6#	:: 1.9325 - 2.8275	:: 1.8725 - 2.7675	:: 1.8075 - 2.7025	:: 1.8275 - 2.7225	:: 1.7825 - 2.6775	:: 2.2984	:	2.5773
-- Grade A Swiss Cuts 6 - 9#	:: 3.4425 - 3.5600	:: 3.7100 - 3.8275	:: 3.7100 - 3.8275	:: 3.7100 - 3.8275	:: 3.7100 - 3.8275	:: 3.7080	:	3.0278

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 40# Block	:: 2.1075 - 2.3925	:: 2.0475 - 2.3325	:: 1.9825 - 2.2675	:: 2.0025 - 2.2875	:: 1.9575 - 2.2425	:: 2.1684	:	2.4473
-- Process 5# Sliced	:: 1.9150 - 2.3950	:: 1.8075 - 2.2875	:: 1.7250 - 2.2050	:: 1.8000 - 2.2800	:: 1.7225 - 2.2025	:: 2.0402	:	2.2933
-- Muenster	:: 2.1275 - 2.4875	:: 2.0675 - 2.4275	:: 2.0025 - 2.3625	:: 2.0225 - 2.3825	:: 1.9775 - 2.3375	:: 2.2259	:	2.5048
-- Grade A Swiss Cuts 10 - 14#	:: 3.9250 - 4.2475	:: 4.1925 - 4.5150	:: 4.1925 - 4.5150	:: 4.1925 - 4.5150	:: 4.1925 - 4.5150	:: 4.2930	:	3.6128

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.8175 - 2.0750	:: 1.7100 - 1.9675	:: 1.6275 - 1.8850	:: 1.7025 - 1.9600	:: 1.6250 - 1.8825	:: 1.8315	:	2.0896
-- Cheddar 40# Block	:: 1.8400 - 2.2850	:: 1.7800 - 2.2250	:: 1.7150 - 2.1600	:: 1.7350 - 2.1800	:: 1.6900 - 2.1350	:: 1.9809	:	2.2035
-- Cheddar 10# Cuts	:: 2.0200 - 2.2400	:: 1.9600 - 2.1800	:: 1.8950 - 2.1150	:: 1.9150 - 2.1350	:: 1.8700 - 2.0900	:: 2.0484	:	2.3173
-- Monterey Jack 10#	:: 2.0300 - 2.1900	:: 1.9700 - 2.1300	:: 1.9050 - 2.0650	:: 1.9250 - 2.0850	:: 1.8800 - 2.0400	:: 2.0284	:	2.2973
-- Grade A Swiss Cuts 6 - 9#	:: 3.5025 - 3.9325	:: 3.7700 - 4.2000	:: 3.7700 - 4.2000	:: 3.7700 - 4.2000	:: 3.7700 - 4.2000	:: 3.9242	:	3.2440

FLUID PRODUCTS

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

-- Northeast - f.o.b	:: 2.2923 - 2.6312	:: 2.4262 - 2.6037	:: 2.3208 - 2.5142	:: 1.8073 - 1.9059	:: 1.5153 - 1.8502	:: 2.2475	:	2.1428
-- Upper Midwest - f.o.b	:: 2.4518 - 2.6511	:: 2.3867 - 2.5840	:: 2.3788 - 2.5539	:: 1.8073 - 2.0373	:: 1.6747 - 1.9938	:: 2.3049	:	2.0721

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

-- Class II	:: 1.00 - 1.45	:: 1.20 - 1.45	:: 1.20 - 1.45	:: 1.00 - 1.25	:: 1.00 - 1.25	:: 1.2386	:	1.9455
-- Class III	:: 1.65 - 1.70	:: 1.65 - 1.70	:: 1.65 - 1.70	:: 1.05 - 1.40	:: 1.05 - 1.40	:: 1.5318	:	1.6540

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

COMMODITY	:::REPORT NUMBER 49	:::REPORT NUMBER 50	:::REPORT NUMBER 51	:::REPORT NUMBER 52	:::REPORT NUMBER 53	::: 2014	::: 2013
	:::-----	:::-----	:::-----	:::-----	:::-----	::: Monthly	::: Monthly
	::: DEC 01 - 05	::: DEC 08 - 12	::: DEC 15 - 19	::: DEC 22 - 26	::: DEC 29 - 31	::: Average	::: Average
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	::: 1.0500 - 1.3675	::: 1.0400 - 1.3625	::: 0.9950 - 1.3400	::: 0.9950 - 1.2850	::: 0.9900 - 1.2850	::: 1.1755	::: 2.0460
-- Mostly	::: 1.1200 - 1.2975	::: 1.1000 - 1.2925	::: 1.0500 - 1.2700	::: 1.0000 - 1.2250	::: 1.0000 - 1.2200	::: 1.1639	::: 2.0245
-- High Heat	::: 1.3600 - 1.5000	::: 1.2400 - 1.4525	::: 1.2400 - 1.4300	::: 1.2400 - 1.4100	::: 1.2125 - 1.3900	::: 1.3527	::: 2.0757
-- West (f.o.b.)							
-- Low/Medium Heat	::: 1.0450 - 1.3575	::: 1.0450 - 1.3500	::: 0.9450 - 1.3300	::: 0.9450 - 1.2750	::: 0.9450 - 1.2725	::: 1.1567	::: 2.0040
-- Mostly	::: 1.0650 - 1.2700	::: 1.0500 - 1.2550	::: 1.0000 - 1.2000	::: 0.9900 - 1.1800	::: 0.9900 - 1.1800	::: 1.1225	::: 2.0036
-- High Heat	::: 1.4075 - 1.5500	::: 1.3800 - 1.5500	::: 1.3500 - 1.4950	::: 1.3250 - 1.4450	::: 1.3225 - 1.4450	::: 1.4328	::: 2.0330
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	::: 0.4000 - 0.6675	::: 0.4000 - 0.6625	::: 0.4000 - 0.6350	::: 0.4000 - 0.6300	::: 0.4000 - 0.6275	::: 0.5234	::: 0.5726
-- Mostly	::: 0.5300 - 0.6250	::: 0.5300 - 0.6200	::: 0.5300 - 0.6100	::: 0.5200 - 0.6050	::: 0.5200 - 0.6000	::: 0.5701	::: 0.5552
-- West (f.o.b.)	::: 0.4800 - 0.6650	::: 0.4100 - 0.6550	::: 0.4000 - 0.6250	::: 0.4000 - 0.6250	::: 0.4000 - 0.6250	::: 0.5307	::: 0.5846
-- Mostly	::: 0.5400 - 0.6200	::: 0.5400 - 0.6200	::: 0.5000 - 0.5800	::: 0.4400 - 0.5400	::: 0.4400 - 0.5400	::: 0.5423	::: 0.5849
-- Northeast (f.o.b.)	::: 0.5800 - 0.6800	::: 0.5700 - 0.6700	::: 0.5250 - 0.6500	::: 0.5250 - 0.6350	::: 0.5200 - 0.6300	::: 0.6015	::: 0.5986
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	::: 1.0800 - 1.4125	::: 1.0800 - 1.4125	::: 1.0800 - 1.4125	::: 1.0800 - 1.4100	::: 1.0800 - 1.4000	::: 1.2452	::: 1.6321
-- Mostly	::: 1.1500 - 1.3750	::: 1.1100 - 1.3625	::: 1.1100 - 1.3375	::: 1.1000 - 1.3300	::: 1.1000 - 1.3300	::: 1.2326	::: 1.6908
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	::: 0.3500 - 0.5650	::: 0.3500 - 0.5575	::: 0.3500 - 0.5550	::: 0.3500 - 0.5500	::: 0.3500 - 0.5425	::: 0.4526	::: 0.4693
BUTTERMILK (Min. 30% protein)							
-- Central And East (f.o.b.)	::: 0.9900 - 1.1125	::: 0.9500 - 1.1025	::: 0.9500 - 1.0775	::: 0.9500 - 1.0775	::: 0.9100 - 1.0650	::: 1.0215	::: 1.8490
-- West (f.o.b.)	::: 0.9600 - 1.2500	::: 0.9600 - 1.2500	::: 0.9000 - 1.1300	::: 0.9000 - 1.1300	::: 0.9000 - 1.1300	::: 1.0559	::: 1.8630
-- Mostly	::: 1.0500 - 1.1200	::: 1.0500 - 1.1000	::: 0.9600 - 1.1000	::: 0.9600 - 1.1000	::: 0.9600 - 1.1000	::: 1.0527	::: 1.8376
WHOLE MILK POWDER							
-- National (f.o.b.)	::: 1.6000 - 1.6500	::: 1.4000 - 1.6500	::: 1.4000 - 1.6500	::: 1.4000 - 1.6500	::: 1.4000 - 1.5800	::: 1.5430	::: 2.0667
LACTOSE							
-- Central And West (f.o.b.)	::: 0.2000 - 0.5200	::: 0.2000 - 0.5200	::: 0.2000 - 0.5200	::: 0.1700 - 0.5200	::: 0.1700 - 0.5200	::: 0.3552	::: 0.6324
-- Mostly	::: 0.3100 - 0.4800	::: 0.3000 - 0.4800	::: 0.3000 - 0.4800	::: 0.2800 - 0.4800	::: 0.2800 - 0.4800	::: 0.3880	::: 0.6362
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	::: 4.2000 - 4.8000	::: 4.2000 - 4.8000	::: 4.2000 - 4.8000	::: 4.2000 - 4.8000	::: 4.2000 - 4.8000	::: 4.5000	::: 4.8548
-- Nonrestricted - Acid	::: 4.4000 - 5.0000	::: 4.4000 - 5.0000	::: 4.4000 - 5.0000	::: 4.4000 - 5.0000	::: 4.4000 - 5.0000	::: 4.7000	::: 5.1048

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 DECEMBER 2014

COMMODITY	:REPORT NUMBER 49:		:REPORT NUMBER 50:		:REPORT NUMBER 51:		:REPORT NUMBER 52:		:REPORT NUMBER 53:		2014 *	2013 *
	:-----:		:-----:		:-----:		:-----:		:-----:		Monthly	Monthly
	DEC 1 - 5	DEC 8 - 12	DEC 15 - 19	DEC 22 - 26	DEC 29 - 31	Average	Average					
BUTTER*												
-- GRADE AA												
--Monday	1.9225	1.9850	1.8400	1.6250	1.5550							
--Tuesday	1.9850	1.9850	1.6100	1.6250	1.5550							
--Wednesday	1.9850	1.9200	1.5550	1.5750	1.5550							
--Thursday	1.9850	1.8900	1.6000	1/								
--Friday	1.9850	1.8900	1.6100	1.5550				1.7633			1.5963	
--Weekly Average**	1.9725	1.9340	1.6430	1.5950								
CHEESE*												
-- BARRELS												
--Monday	1.6475	1.5225	1.5775	1.5650	1.4200							
--Tuesday	1.5875	1.4900	1.5775	1.5350	1.4275							
--Wednesday	1.5800	1.4750	1.5875	1.4700	1.5300							
--Thursday	1.5500	1.5100	1.5875	1/								
--Friday	1.5500	1.5100	1.5500	1.4200				1.5305			1.8651	
--Weekly Average**	1.5830	1.5015	1.5760	1.4975								
-- 40# BLOCKS												
--Monday	1.7100	1.5800	1.6050	1.6300	1.4950							
--Tuesday	1.6600	1.5800	1.6075	1.5900	1.5200							
--Wednesday	1.6600	1.5800	1.6075	1.5325	1.5525							
--Thursday	1.6600	1.6000	1.6075	1/								
--Friday	1.5800	1.6000	1.6100	1.4950				1.5938			1.9431	
--Weekly Average**	1.6540	1.5880	1.6075	1.5619								
NONFAT DRY MILK*												
-- *** EXTRA GRADE												
-- GRADE A												
--Monday	1.1150	1.1100	1.0600	1.0025	1.0000							
--Tuesday	1.1100	1.1100	1.0050	1.0025	1.0000							
--Wednesday	1.1100	1.0975	0.9950	1.0000	1.0000							
--Thursday	1.1100	1.0975	0.9900	1/								
--Friday	1.1100	1.0850	1.0025	1.0000				1.0506			2.0762	
--Weekly Average**	1.1110	1.1000	1.0105	1.0013								

1/ HOLIDAY - NO 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 2014 Dairy Products Highlights

Butter production was 135.5 million pounds, 4.7 percent below November 2013 and 5.7 percent below October 2014. **American type cheese** production totaled 372.3 million pounds, 4.5 percent above November 2013 but 2.9 percent below October 2014. **Total cheese** output (excluding cottage cheese) was 948.7 million pounds, 2.9 percent above November 2013 but 3.3 percent below October 2014. **Nonfat dry milk** production, for human food, totaled 150.7 million pounds, 48.9 percent above November 2013 and 11.5 percent above October 2014. **Dry whey** production, for human food, was 69.0 million pounds, 5.8 percent below November 2013 and 0.2 percent below October 2014. **Ice cream (hard)** production totaled 52.6 million gallons, 0.5 percent below November 2013 and 12.8 percent below October 2014.

Production of Dairy Products									
Product	Nov 2014	Change from			Product	Nov 2014	Change from		
		Nov 2013	Oct 2014	Year to Date			Nov 2013	Oct 2014	Year to Date
	(1,000 lbs.)	(percent)				(1,000 lbs.)	(percent)		
Butter	135,547	-4.7	-5.7	-2.5	Yogurt (plain and flavored)	322,059	-2.7	-5.1	0.4
Cheese					Dry whey, human food	69,020	-5.8	-0.2	---
American types 1/	372,277	4.5	-2.9	1.9	Dry whey, animal feed	1,042	15.8	2.4	---
Cheddar	259,227	2.8	-4.3	1.8	Dry whey, total ^{8/}	70,062	-5.5	-0.2	-9.3
Other American	113,050	8.7	0.6	---	Reduced lactose & minerals				
Brick & Muenster	14,217	-8.1	-2.0	---	Human food	1,342	-52.4	-48.5	---
Cream & Neufchatel	79,113	-3.0	-1.3	---	Animal feed	6,167	26.2	8.3	---
Hispanic	20,221	-1.2	-10.0	---	Lactose, human food & animal feed	93,661	8.0	-4.7	12.9
Total Italian types	409,891	5.1	-3.7	4.8	Whey protein concentrate				
Mozzarella	322,906	5.0	-3.6	6.6	Human food ^{9/}	44,195	3.7	-4.2	---
Other Italian	86,985	5.3	-4.0	---	Animal feed ^{9/}	700	21.7	93.9	---
Swiss	23,563	0.5	1.4	---	Total ^{9/}	44,895	3.9	-3.4	9.1
All other types	29,426	-16.1	-8.0	---	25.0-49.9 percent ^{10/}	24,047	-3.9	-4.7	---
Total	948,708	2.9	-3.3	2.8	50.0-89.9 percent ^{10/}	20,848	14.8	-2.0	---
Cottage cheese, curd ^{3/}	24,574	-9.9	-18.6	---	Whey protein isolates ^{11/}	6,442	-14.0	-6.3	---
Cottage cheese, cream ^{4/}	20,487	-7.9	-15.9	-2.2					
Cottage cheese, lowfat ^{5/}	23,593	-7.2	-20.6	-2.9					
Dry buttermilk	8,722	6.9	-0.7	---	Frozen products				
Dry whole milk	7,064	28.1	21.5	---	Ice cream, hard	52,606	-0.5	-12.8	-5.5
Milk protein conc. (MPC), total ^{6/}	5,786	3.2	0.7	---	Ice cream, lowfat, hard	14,567	10.5	-10.6	---
Nonfat dry milk (NDM), human	150,656	48.9	11.5	18.1	Ice cream, lowfat, soft	11,882	-0.7	-5.4	---
Skim milk powders (SMP) ^{7/}	30,635	-45.5	-29.5	-14.1	Ice cream, lowfat, total	26,449	5.1	-8.4	-2.7
Sour cream	96,641	-1.2	22.7	-1.1	Sherbet, hard	2,750	9.6	-7.3	-6.6
					Frozen yogurt, total	4,001	-10.9	-9.6	-20.7

Manufacturers' Stocks, End of Month 12/							
Product	Nov 2014	Nov 2013	Oct 2014	Product	Nov 2014	Nov 2013	Oct 2014
	(1,000 lbs.)	(percent)			(1,000 lbs.)	(percent)	
Dry whey, human food	62,162	6.2	16.1	Whey protein concentrate			
Dry whey, animal feed	823	54.4	-20.2	Human food ^{9/}	59,504	24.3	4.2
Reduced lactose & minerals—human & animal ^{13/}	11,472	63.1	0.6	Animal feed ^{9/}	1,515	24.6	11.6
Lactose, human food & animal feed	128,528	33.3	6.0	Total ^{9/}	61,019	24.3	4.4
Dry buttermilk	22,466	132.2	10.4	25.0-49.9 percent ^{10/}	27,640	42.7	1.4
Nonfat dry milk, human food	216,910	89.7	10.6	50.0-89.9 percent ^{10/}	33,379	12.3	7.0
				Whey protein isolates ^{11/}	11,446	5.7	2.3

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

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

SEPTEMBER MILK SALES

During September 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.7 percent lower than September 2013. Estimated sales of total conventional fluid milk products decreased 2.0 percent from September 2013 and estimated sales of total organic fluid milk products increased 4.7 percent from a year earlier. Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYeartoDate>.

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

Product Name	Sales		Change from: 2/	
	September	Year to Date	Previous Year	Year to Date
	<i>million pounds</i>		<i>Percent</i>	
Conventional Production Practice				
Whole Milk	1,068	9,805	0.6	-0.6
Flavored Whole Milk	44	394	-14.8	-4.6
Reduced Fat Milk (2%)	1,380	12,768	-2.1	-2.5
Low Fat Milk (1%)	576	4,933	-1.3	-4.5
Fat-Free Milk (Skim)	474	4,425	-10.2	-11.4
Flavored Fat-Reduced Milk	379	2,637	2.8	-2.6
Buttermilk	38	355	-0.9	-1.6
Other Fluid Milk Products	6	37	-----	-----
Total Fat-Reduced Milk 3/	2,810	24,764	-2.8	-4.6
Total Conventional Milk Products	3,967	35,355	-2.0	-3.5
Organic Production Practice				
Whole Milk	63	545	19.1	20.7
Reduced Fat Milk (2%)	61	558	4.9	16.3
Low Fat Milk (1%)	36	354	-5.1	4.8
Fat-Free Milk (Skim)	32	305	-8.3	-4.0
Flavored Fat-Reduced Milk	8	84	19.7	-7.0
Other Fluid Milk Products	0	3	-----	-----
Total Fat-Reduced Milk 3/	138	1,300	-0.5	6.1
Total Organic Milk Products	200	1,848	4.7	10.0
Total Fluid Milk Products	4,167	37,204	-1.7	-2.9
Total Fluid Milk Products Adjusted 4/	*	*	*	*

* Total Fluid Milk Products Adjusted for Calendar Composition will not be published until the release of "An Overview of Calendar Composition of Fluid Milk Sales." 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. 3/ Both conventional and organic fat-reduced milk categories are total of reduced fat, lowfat, skim and flavored fat-reduced milk. 4/ Sales volumes and percent changes have been adjusted for calendar composition. Report contact: Daniel Manzoni, Daniel.manzoni@ams.usda.gov or 202-720-2352

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

Marketing Area	Order Number	Sales		Change from: 2/	
		September	Year to Date	Previous Year	Year to Date
		<i>million pounds</i>		<i>percent</i>	
Northeast	001	697	6,292	-3.8	-4.1
Appalachian	005	269	2,421	-1.4	-3.6
Florida	006	220	2,029	-2.1	-2.6
Southeast	007	386	3,410	0.1	-1.2
Upper Midwest	030	328	2,879	1.6	-2.5
Central	032	359	3,154	0.0	-4.1
Mideast	033	454	4,091	-2.0	-3.2
Pacific Northwest	124	166	1,494	-5.5	-4.2
Southwest	126	376	3,264	-0.1	-1.9
Arizona	131	90	822	-1.7	-2.1
California	---	490	4,371	-2.9	-3.5
All Orders (Total)		3,344	29,856	-1.5	-2.8
All Areas (Total)		3,834	34,227	-1.7	-2.9

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

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

OCTOBER MILK SALES

During October 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.9 percent lower than October 2013. Estimated sales of total conventional fluid milk products decreased 3.5 percent from October 2013 and estimated sales of total organic fluid milk products increased 10.7 percent from a year earlier. Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYeartoDate>.

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

Product Name	Sales		Change from: 2/	
	October	Year to Date	Previous Year	Year to Date
	<i>million pounds</i>		<i>Percent</i>	
Conventional Production Practice				
Whole Milk	1,129	10,934	-0.6	-0.6
Flavored Whole Milk	47	442	-9.3	-5.1
Reduced Fat Milk (2%)	1,414	14,183	-5.6	-2.8
Low Fat Milk (1%)	628	5,560	-3.2	-3.7
Fat-Free Milk (Skim)	496	4,922	-11.4	-11.4
Flavored Fat-Reduced Milk	391	3,029	-2.8	-2.6
Buttermilk	42	396	-1.6	-1.6
Other Fluid Milk Products	19	57	-----	-----
Total Fat-Reduced Milk 3/	2,930	27,693	-4.5	-4.6
Total Conventional Milk Products	4,167	39,523	-3.5	-3.5
Organic Production Practice				
Whole Milk	68	613	21.0	20.8
Reduced Fat Milk (2%)	56	613	-5.2	13.9
Low Fat Milk (1%)	40	394	5.3	4.9
Fat-Free Milk (Skim)	34	339	-5.8	-4.2
Flavored Fat-Reduced Milk	17	101	-----	6.3
Other Fluid Milk Products	0	4	-----	-----
Total Fat-Reduced Milk 3/	146	1,446	6.7	6.2
Total Organic Milk Products	215	2,063	10.7	10.1
Total Fluid Milk Products	4,382	41,586	-2.9	-2.9
Total Fluid Milk Products Adjusted 4/	*	*	*	*

* Total Fluid Milk Products Adjusted for Calendar Composition will not be published until the release of "An Overview of Calendar Composition of Fluid Milk Sales." 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. 3/ Both conventional and organic fat-reduced milk categories are total of reduced fat, lowfat, skim and flavored fat-reduced milk. 4/ Sales volumes and percent changes have been adjusted for calendar composition. Report contact: Daniel Manzoni, Daniel.manzoni@ams.usda.gov or 202-720-2352

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

Marketing Area	Order Number	Sales		Change from: 2/	
		October	Year to Date	Previous Year	Year to Date
		<i>million pounds</i>		<i>percent</i>	
Northeast	001	745	7,037	-3.7	-4.0
Appalachian	005	286	2,707	-2.4	-3.5
Florida	006	233	2,262	-2.5	-2.6
Southeast	007	401	3,811	-1.1	-1.2
Upper Midwest	030	343	3,222	-2.1	-2.5
Central	032	374	3,527	-3.0	-4.0
Mideast	033	478	4,569	-3.3	-3.2
Pacific Northwest	124	173	1,667	-1.3	-3.9
Southwest	126	390	3,654	-2.4	-1.9
Arizona	131	93	915	-3.2	-2.2
California	---	516	4,887	-4.7	-3.6
All Orders (Total)		3,515	33,372	-2.7	-2.8
All Areas (Total)		4,031	38,259	-2.9	-2.9

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

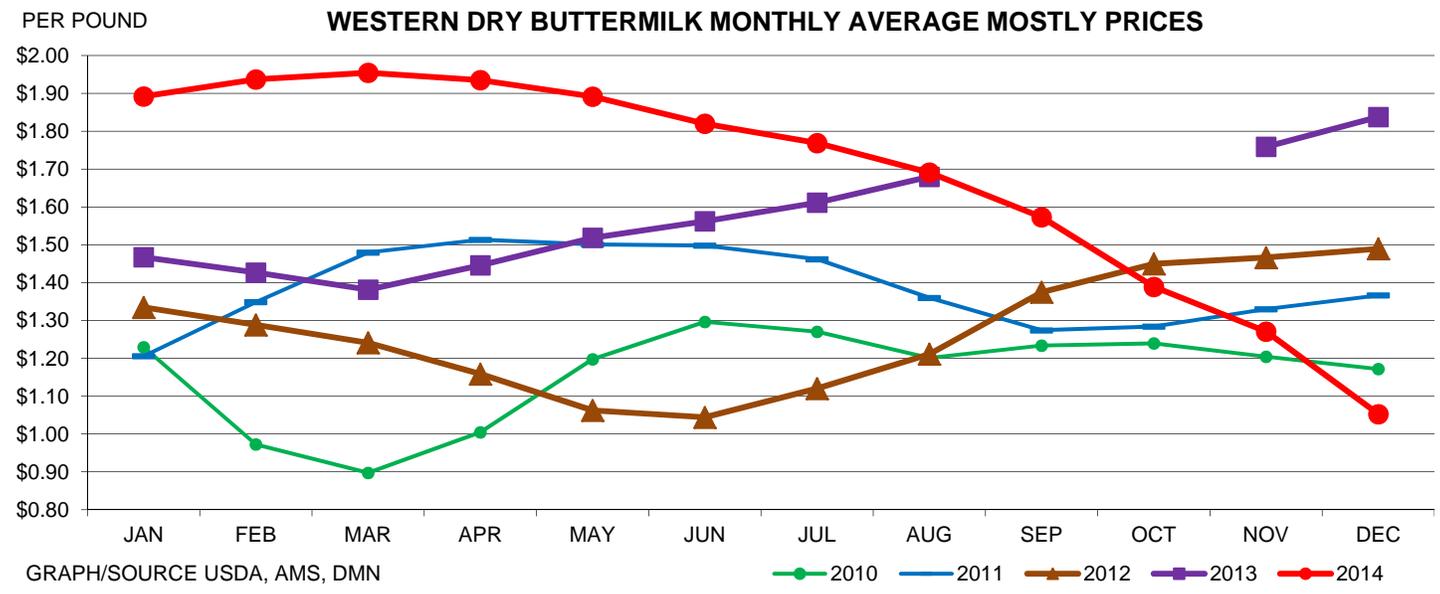
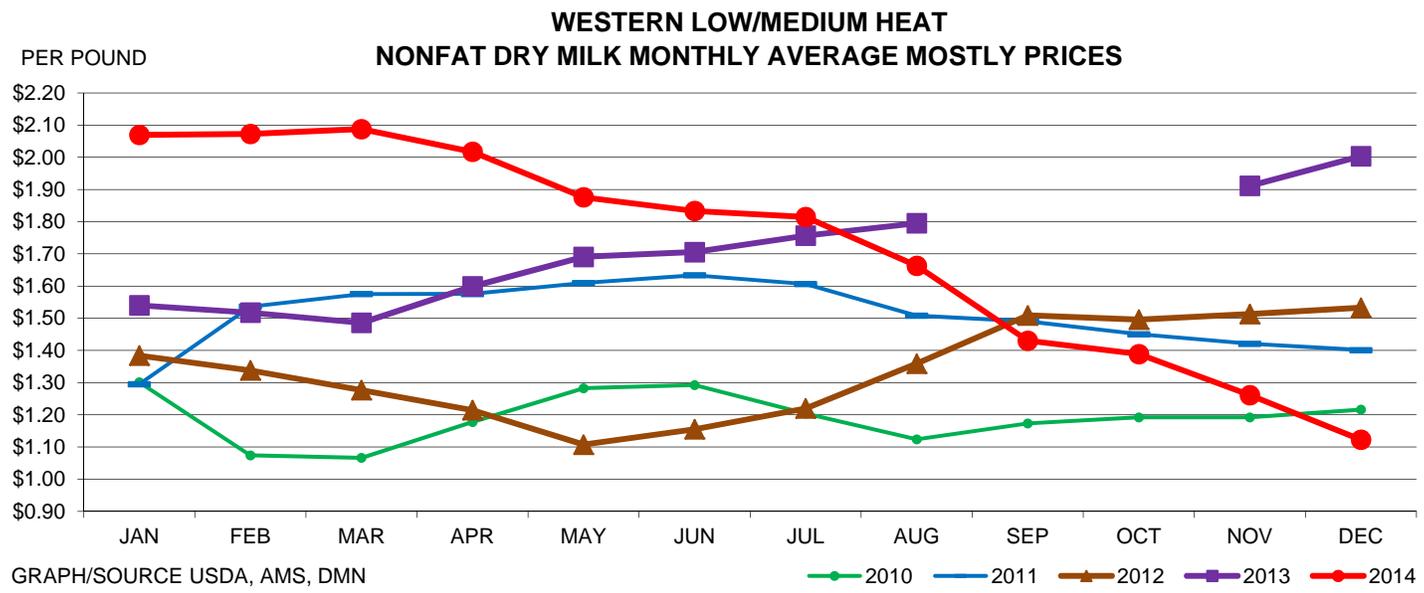
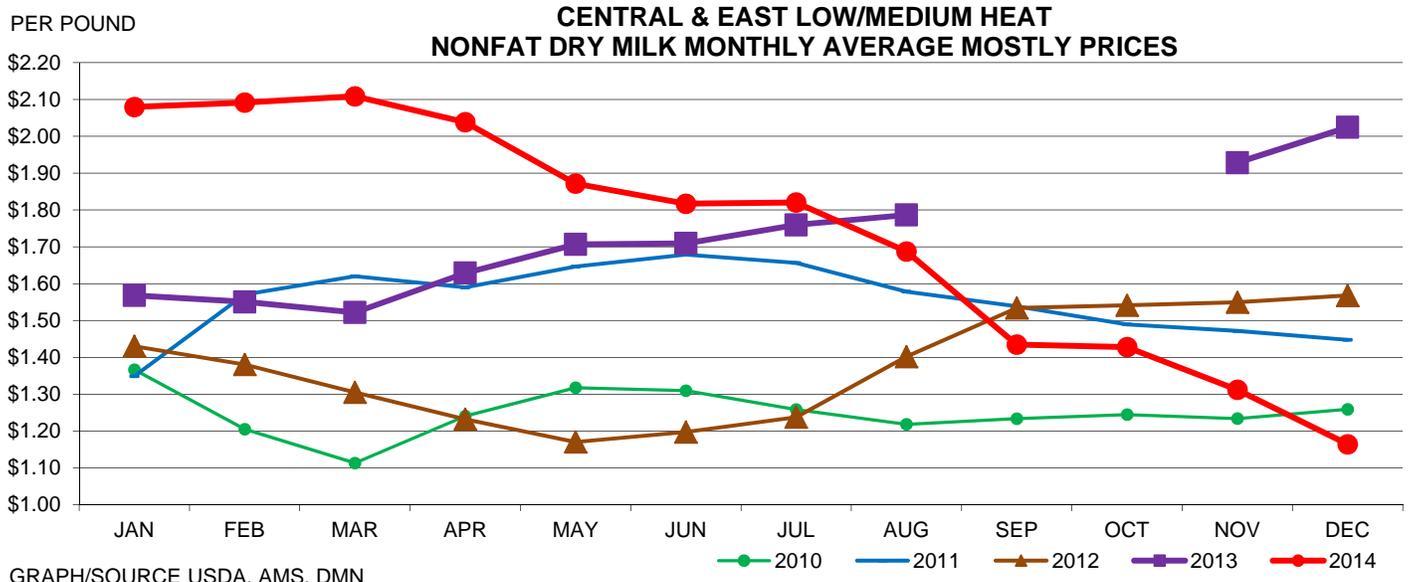
Source: U.S. Department of Agriculture. California Department of Food and Agriculture. Milk Stabilization Branch. *California Dairy Information Bulletin, October 2014*.

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

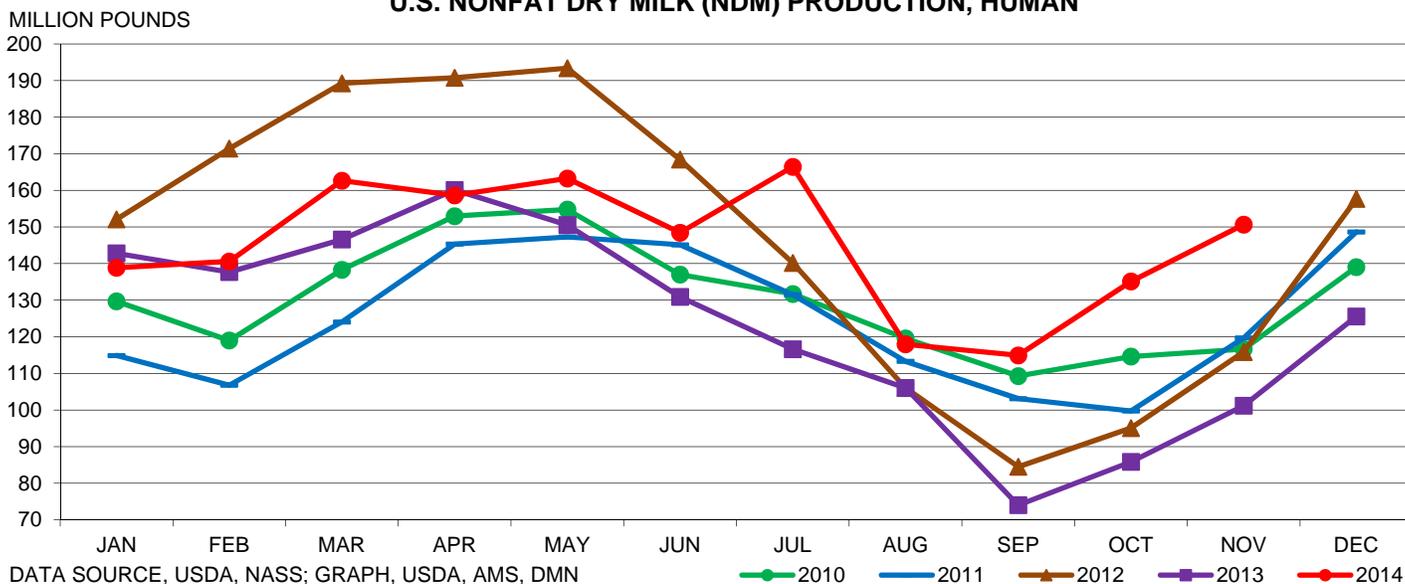
In September 2014, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$25.92 per cwt, up \$1.63 from the August 2014 average, and up \$5.79 per cwt from the September 2013 average. The component tests of producer milk in September 2014 were: butterfat, 3.71%; protein, 3.11%; and other solids, 5.73%. When compared to the previous month, the September Mailbox prices increased in all Federal milk order reporting areas with an average increase of \$1.43/cwt. Minnesota experienced the greatest increase of \$2.54/cwt. Mailbox prices in September 2014 ranged from \$29.25 in Florida to \$22.88 in New Mexico.

Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	September 2013	August 2014	September 2014
	Dollars per hundredweight		
New England States <u>3/</u>	21.67	25.94	27.18
New York	20.66	25.25	26.39
Eastern Pennsylvania <u>4/</u>	20.74	25.17	26.25
Appalachian States <u>5/</u>	21.61	26.46	27.14
Southeast States <u>6/</u>	22.08	27.29	27.98
Southern Missouri <u>7/</u>	21.13	25.77	27.34
Florida	23.40	28.67	29.25
Western Pennsylvania <u>8/</u>	20.44	24.89	26.27
Ohio	20.61	24.66	25.83
Indiana	20.12	24.31	25.35
Michigan	20.07	23.99	25.50
Wisconsin	19.97	23.96	26.27
Minnesota	19.76	23.98	26.52
Iowa	20.24	24.61	26.22
Illinois	20.40	24.63	26.40
Corn Belt States <u>9/</u>	19.31	22.59	24.55
Western Texas <u>10/</u>	19.04	22.37	24.10
New Mexico	17.96	21.10	22.88
Northwest States <u>11/</u>	19.88	24.38	25.86
All Federal Order Areas <u>12/</u>	20.13	24.29	25.92
California <u>13/</u>	18.48	22.27	23.31

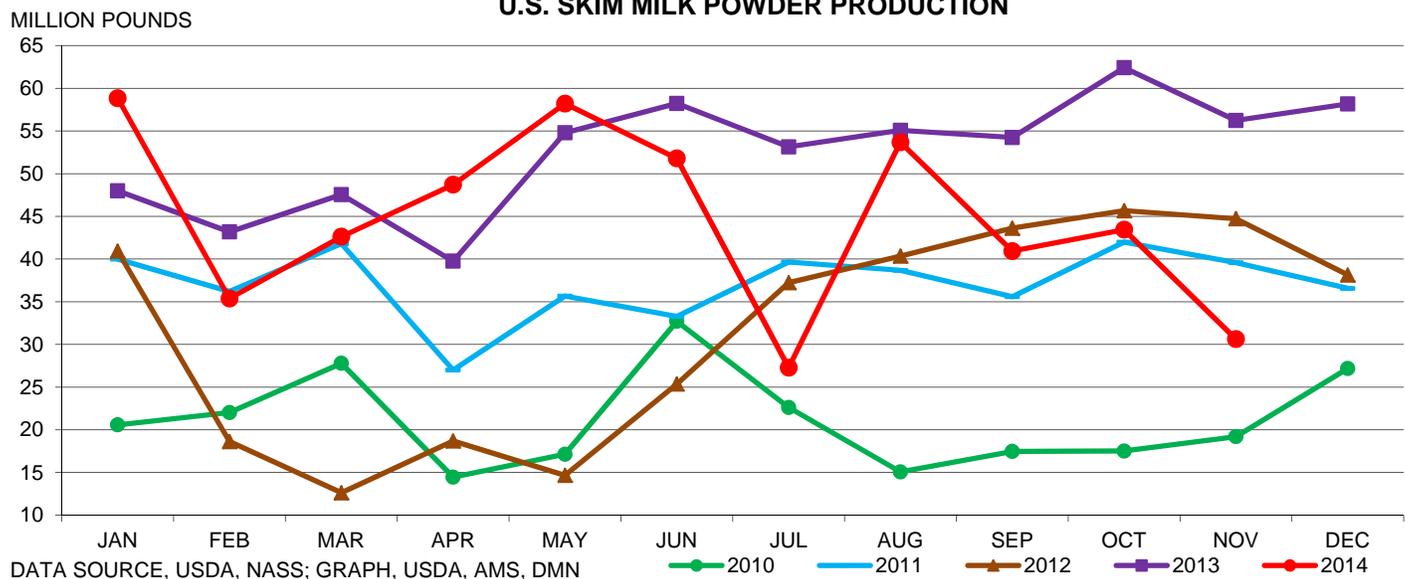
1/ Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices 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



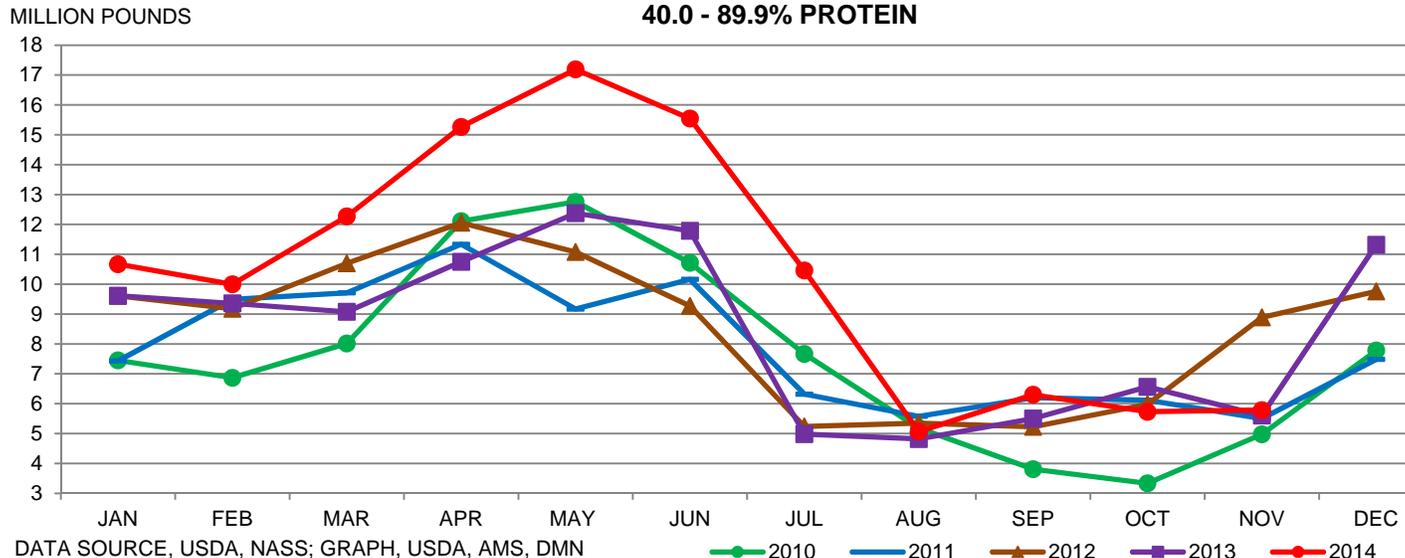
U.S. NONFAT DRY MILK (NDM) PRODUCTION, HUMAN

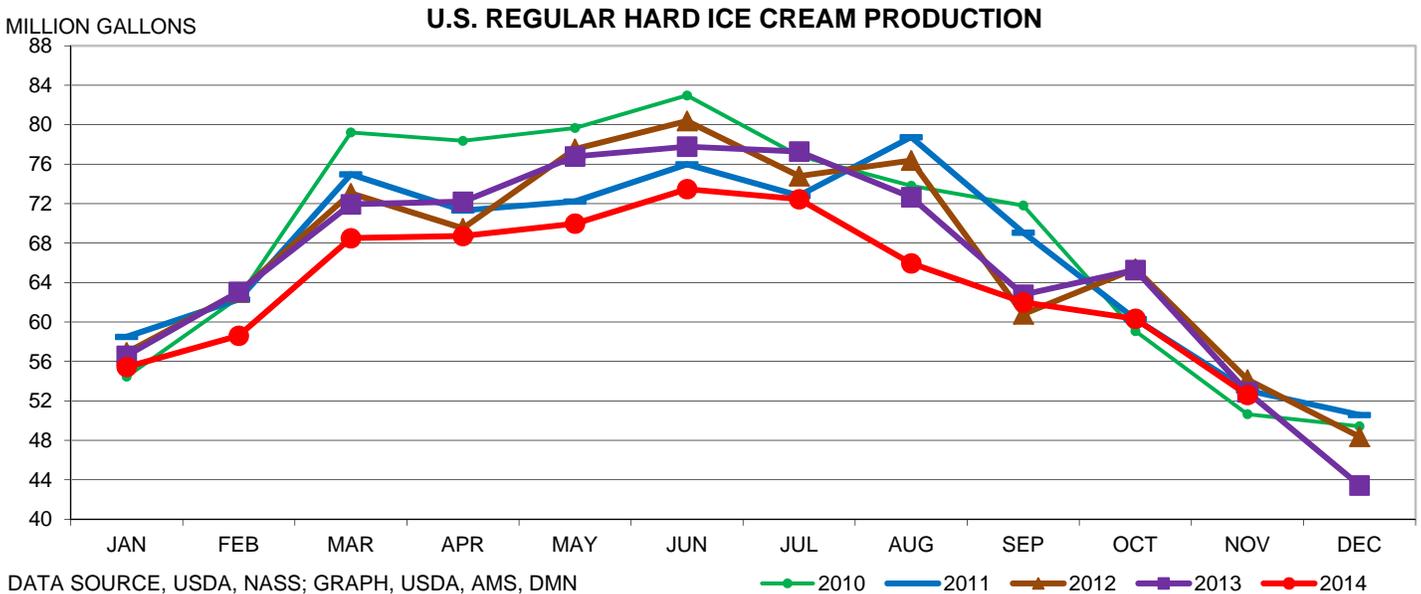
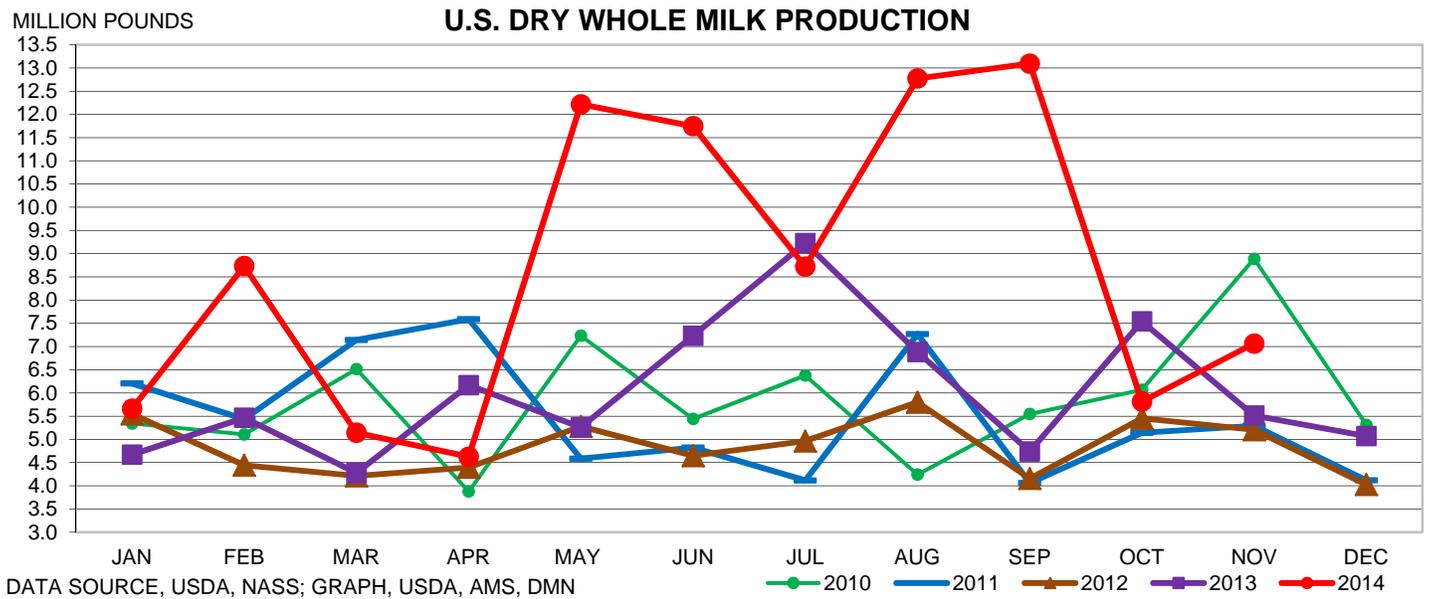
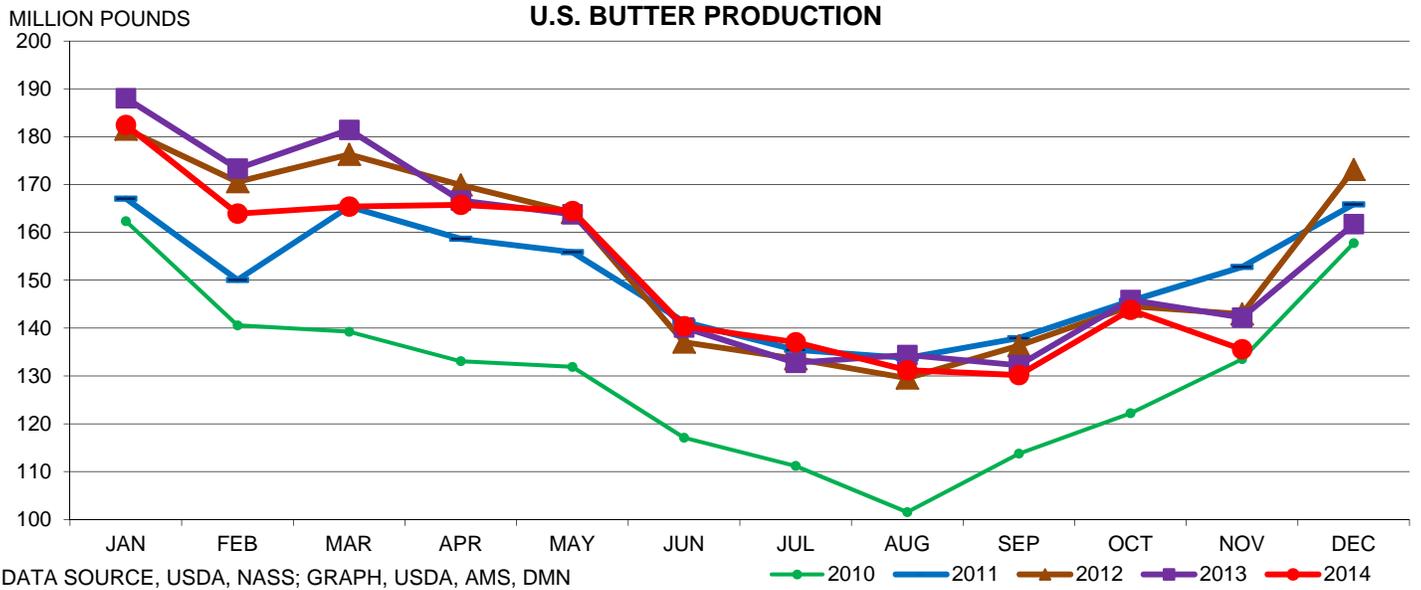


U.S. SKIM MILK POWDER PRODUCTION

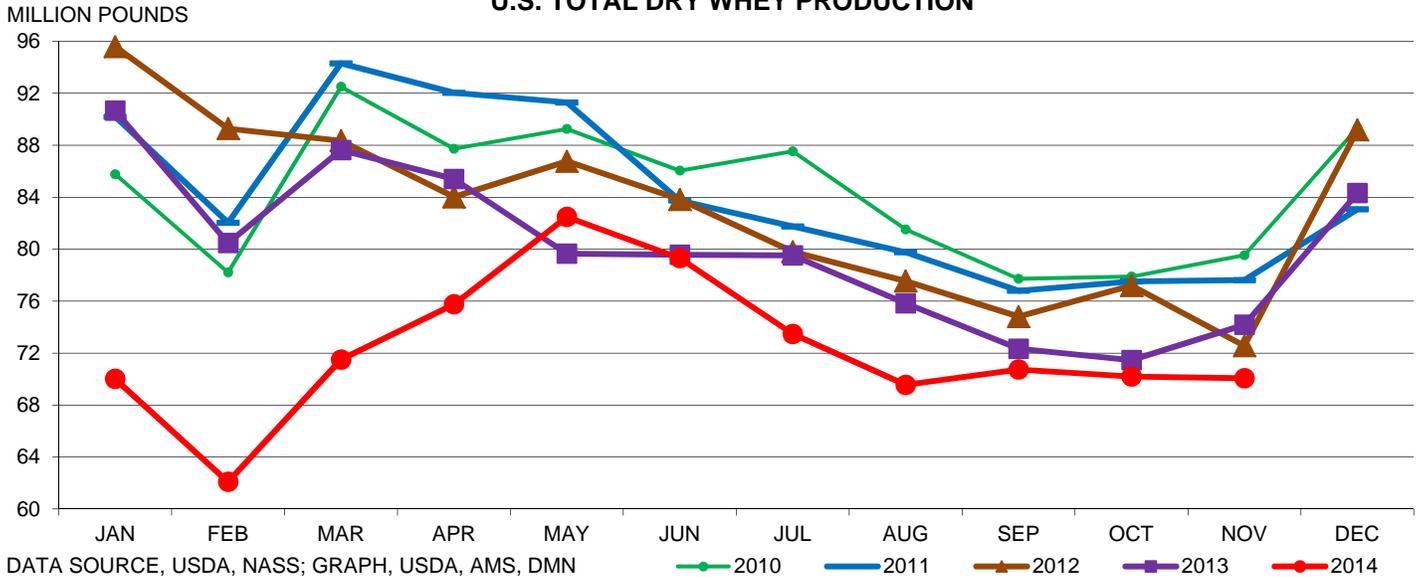


U.S. MILK PROTEIN CONCENTRATE PRODUCTION, 40.0 - 89.9% PROTEIN

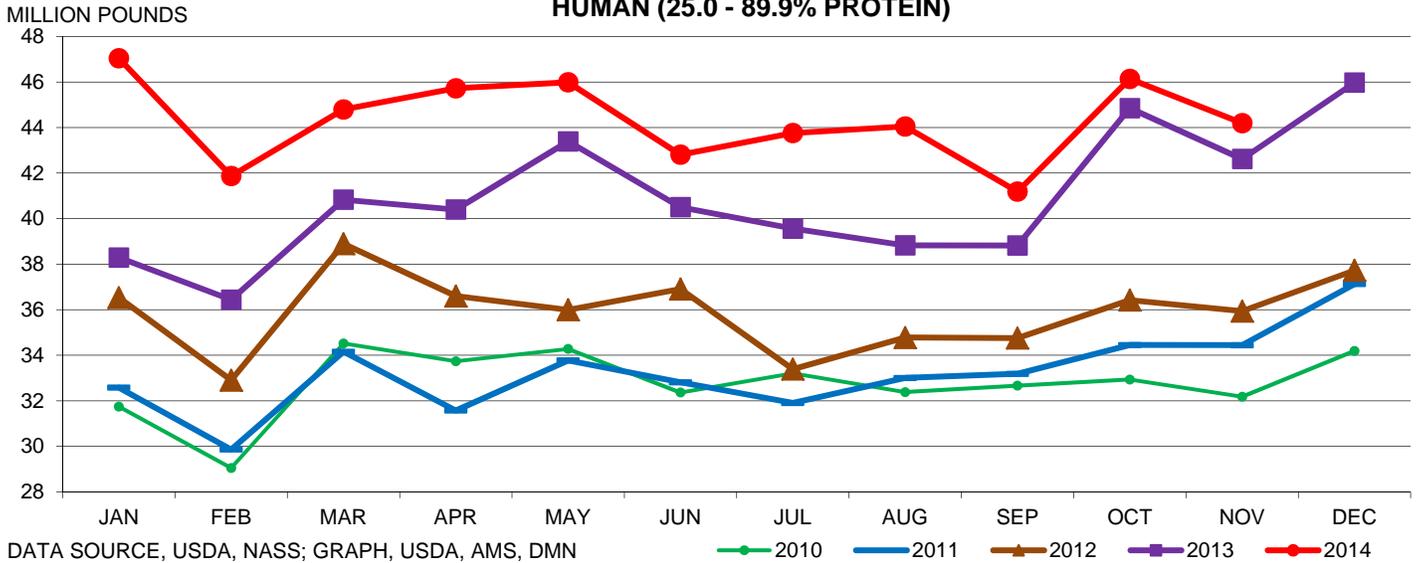




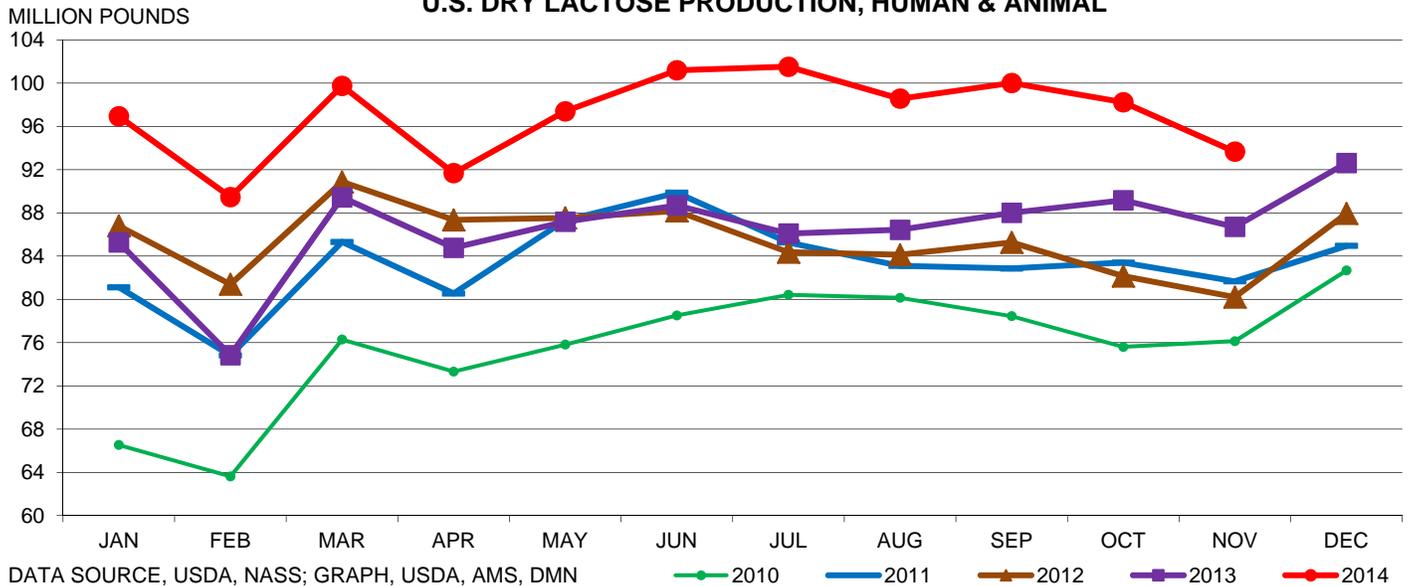
U.S. TOTAL DRY WHEY PRODUCTION



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



U.S. DRY LACTOSE PRODUCTION, HUMAN & ANIMAL



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