

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (1/16)**

**BUTTER:** Grade AA closed at \$1.5500. The weekly average for Grade AA is \$1.5450 (+.0050).

**CHEESE:** Barrels closed at \$1.4500 and 40# blocks at \$1.4700. The weekly average for barrels is \$1.5085 (-.0345) and blocks, \$1.5180 (-.0580).

**BUTTER HIGHLIGHTS:** Butter production continues to be strong as cream supplies are readily available at profitable margins for churning. Export orders are improving, spurring additional volumes of 82% production. Domestic sales are mostly steady with some variance from region to region. Stocks are generally building. Bulk butter is actively exchanging hands with prices ranging from 4 cents under to 7 cents over the market, based on various time frames and averages used. Friday at the CME Group, Grade AA butter closed at \$1.5500, up \$0.0100 from a week ago. This week, a cooperative export assistance program accepted requests for 11.7 million pounds of butter. According to FAS, January–November U.S. butter exports total 150.6 million pounds, 16% below last year during the same time span.

**CHEESE HIGHLIGHTS:** Cheese supplies are building throughout much of the country this week. Milk flows into cheese plants continue to be strong, keeping production active. Some plants are balancing extra milk into cheese. This is occurring even as less spot milk is being shopped around, reflecting continued strong milk production. Reports indicate that food service orders are sluggish due to lower restaurant business following the holiday weeks. Demand for mozzarella is expected to increase in the near term as pizza sales will increase when colleges and universities begin their spring terms. Domestic foreign type cheese prices rebounded this week. Some wholesalers are looking to contract beyond Q2 in their current negotiations and are finding that deals can be made at lower prices. Friday in CME Group trading, barrels closed at \$1.4500, down 9 1/2 cents from last Friday and 40# blocks closed at \$1.4700, down 12 cents from last Friday.

**FLUID MILK:** Milk production for a majority of the nation is trending steady to increasing. Exception to the trend is the Upper Midwest where recent frigid temperatures have reduced milk intakes. Florida and New Mexico have also noted some slightly lower milk production. Class I demand is higher as schools and colleges are returning and is particularly strong in the Southeast region as the threat of ice and snow storms have prompted retail runs on dairy products.

Milk is being handled and clearing on time and better in balance in most areas of the country, but the Northeast still having excess loads moved at a discount. Cream supplies were heavy in the East with some loads moving at discounts to the Midwest. Demand is fair to good over most of the country with some increases in ice cream production, due to lower prices compared to last year.

**DRY PRODUCTS:** Nonfat dry milk low/medium heat prices are sharply lower, reflecting lower spot prices and changes in index pricing. The market undertone is weak. Supplies are readily available and building in most regions. Production is generally active across the nation. Domestic demand is uneven with some renewed export interest. High heat prices are trending lower. Supplies are limited with some increase in production in the East. Buttermilk prices have softened and the market tone is weak with marginal increase in spot sales. Interest remains light as inventories are heavy to moderate. Whey prices are steady to lower. The market tone is weakening. Stocks are adequate for current demand. WPC prices are weaker. The market tone is softening as production remains steady. Domestic demand varies while export interest is light. Lactose prices are weaker as the undertone is softening. Production remains steady as inventory levels are increasing. Casein prices are unchanged while the market tone is weaker. Supplies are readily available but buyers are waiting to see if prices go lower.

**ORGANIC DAIRY MARKET NEWS (DMN):** AMS reports total organic milk products sales for October 2014, 215 million pounds, were up 10.7% from September 2013 and up 10.1% year to date compared with 2013. Organic whole milk sales for October 2014, 68 million pounds, were up 21.0% compared with October 2013 and up 20.8% year to date compared with 2013. Organic reduced fat milk sales for October, 56 million pounds, were -5.2% below October 2013 sales but up 13.9% year to date compared with 2013. The U.S. weighted average advertised price of organic milk half gallons is \$3.56, down 9 cents. One year ago the price was \$3.45. The U.S. weighted average price of organic milk in 8 ounce cartons is \$1.00, up 4 cents from the last week and steady with one year ago. Organic cheese (8 ounce blocks) has an average price of \$3.99, up 6 cents from

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NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY JAN 12	TUESDAY JAN 13	WEDNESDAY JAN 14	THURSDAY JAN 15	FRIDAY JAN 16	WEEKLY CHANGE*	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$1.5950 (+.0500)	\$1.5950 (N.C.)	\$1.4425 (-.1525)	\$1.4600 (+.0175)	\$1.4500 (-.0100)	:: (-.0950)	:: \$1.5085 (-.0345)
40# BLOCKS	\$1.5900 (N.C.)	\$1.5900 (N.C.)	\$1.4700 (-.1200)	\$1.4700 (N.C.)	\$1.4700 (N.C.)	:: (-.1200)	:: \$1.5180 (-.0580)
<b>NONFAT DRY MILK</b>							
GRADE A	\$.9875 (N.C.)	\$.9650 (-.0225)	\$.9550 (-.0100)	\$.9500 (-.0050)	\$.9500 (N.C.)	:: (-.0375)	:: \$.9615 (-.0360)
<b>BUTTER</b>							
GRADE AA	\$1.5400 (N.C.)	\$1.5425 (+.0025)	\$1.5425 (N.C.)	\$1.5500 (+.0075)	\$1.5500 (N.C.)	:: (+.0100)	:: \$1.5450 (+.0050)

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

NATIONAL DAIRY MARKET NEWS AT A GLANCE

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the last survey period. Shredded organic cheese (8 ounce) has an average price of \$3.99, with no ads the last survey period. All ads are in the Northeast, all priced \$3.99. In the Northeast, something of a pay price competition has developed. National accounts are offering contract pricing averaging \$36.80 per cwt before deducting for trucking. Regional accounts have more aggressively been seeking producer contracts as well, also increasing pay prices, reportedly \$36.30 per cwt with no trucking charge. Producers located closer to plants, or on milk routes with additional capacity to haul milk, may be able to negotiate even better pay prices.

Grassmilk organic producers are even more sought after. There are reports of pay prices of \$40.38 being attained as a contractual basis for these organic producers in New England.

**NATIONAL RETAIL REPORT-DAIRY (DMN):** Ad volume for 1# butter has declined this week, with a U.S average advertised price of \$3.00, down from last week, by 35 cents. Other products heavily advertised during holiday weeks have lower ad numbers. The average price for 16 ounce cottage cheese, \$2.25, is down 10 cents from last week while the price of 8 ounce cream cheese, \$1.97, is up 14 cents. Greek 4-6 ounce yogurt ad volume leads the yogurt category with nearly double the ads of 4-6 ounce yogurt. The average price of 4-6 ounce Greek yogurt, 96 cents, is up 1 cent from last week but down 2 cents from one year ago. Ads for 4-6 ounce yogurt have an average price of 47 cents, even with last week but down 2 cents from one year ago. The U.S average price for 8 ounce blocks, \$2.33, is 3 cents lower than one week ago but 4 cents higher than a year ago, while 8 ounce shredded cheese at \$2.54 is down 5 cents from the prior week but up 15 cents from the prior year. Block cheese ad volume is down from last week but volume for 8 ounce shredded cheese is up. The organic versus conventional half gallon price spread is \$1.19, down 43 cents from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.37, up from \$2.03, and the average for organic half gallon milk, \$3.56, down from \$3.65.

**OCTOBER MAILBOX MILK PRICES (AMS & CDFA):** In October 2014, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$24.88 per cwt, down \$1.04 from the September 2014 average, and up \$4.05 per cwt from the October 2013 average. The component tests of producer milk in October 2014 were: butterfat, 3.79%; protein, 3.16%; and other solids, 5.73%. When compared to the previous month, the October Mailbox prices decreased in all Federal milk order reporting areas with an average decrease of \$0.99/cwt. The Northwest states experienced the greatest decrease of \$1.82/cwt. Mailbox prices in October 2014 ranged from \$28.10 in Florida to \$22.59 in New Mexico.

**DECEMBER MILK SUPPLY AND DEMAND ESTIMATES (WAOB):** The milk production estimate for 2014 and the forecast for 2015 are lowered from last month on slower growth in cow numbers and milk per cow. Skim-solids export forecasts are raised for 2014 and 2015 primarily on stronger sales of whey and nonfat dry milk. Fat basis exports are unchanged for 2014 but slightly higher in 2015. Ending stocks for 2014 are raised as domestic demand has been weaker than expected. Dairy product prices for 2015 are reduced as carry-in stocks are higher and supplies remain relatively large, especially in the first half of the year. However, demand is expected to strengthen later in the year with lower price levels, limiting further price declines. The Class III and Class IV prices for 2015 are lowered on weaker product prices. The all milk price is lowered to \$17.75-18.55 per cwt for 2015.

**NOVEMBER MILK SALES (FMO & CDFA):** During November, 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 6.0% lower than November 2013. Estimated sales of total conventional fluid milk products decreased 6.5% from November 2013 and estimated sales of total organic fluid milk products increased 4.2% from a year earlier.

**CME GROUP**

MONDAY, JANUARY 12, 2015

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.5850, 2 @ \$1.5950; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9600; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9900  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.5400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

TUESDAY, JANUARY 13, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9600; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9650  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5425; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JANUARY 14, 2015

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.4500, 1 @ \$1.4475, 1 @ \$1.4450, 1 @ \$1.4425; 4 CARS 40# BLOCKS @ \$1.4700; LAST BID UNFILLED: 2 CARS 40# BLOCKS @ \$1.4700; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4500  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9500; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9550  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5425; LAST OFFER UNCOVERED: NONE

THURSDAY, JANUARY 15, 2015

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$1.4700; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4600; 2 CARS 40# BLOCKS @ \$1.4700; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.9500; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9300; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5500; LAST OFFER UNCOVERED: NONE

FRIDAY, JANUARY 16, 2015

\*\*CORRECTED ORDER OF SALES AND LAST BID PRICE FOR CHEESE AFTER INITIALLY PUBLISHED

\*\* CHEESE -- SALES: 6 CARS BARRELS: 1 @ \$1.4575, 1 @ \$1.4600, 1 @ \$1.4575, 1 @ \$1.4550, 1 @ \$1.4525, 1 @ \$1.4500; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4450; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4700

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9400; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5400; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5700

**BUTTER MARKETS**

**NORTHEAST**

Cream flows to churns are mostly steady with last week and keeping butter production active. Some butter makers are increasing their production of 82% to fill export orders. Export and domestic demand for butter is good. Current supplies are moving through contracts with some increases in spot sales as retail demand has improved. Supplies are mostly in balance with needs. Some butter makers are anticipating increased export interest in the near term, due to readily available domestic supplies at globally competitive prices. The current bulk butter prices for domestic sales are 5-7 cents over the CME Group market, with various time frames and averages used. At the CME Group, Grade AA butter closed Tuesday at \$1.5425 up \$0.0025 from a week ago.

**WEST**

Western butter prices continued to move lower this week. There have been some reported spot sales. Some Western butter manufacturers are reporting inventories are building while demand is weakening. Some companies are looking into contract bulk butter for export markets as the international and domestic markets even out. Cream supplies are increasing due to the above average milk supply. Prices for bulk butter range from market to 4 cents under, based on the CME with various time frames and averages used. According to National Retail Report-Dairy, the U.S. average advertised national price for a pound of butter was \$3.35, up \$0.29 from last week. In the Northwest, the average retail butter price was at \$3.49.

**CENTRAL**

Cream continues to be readily available within and from other regions at advantageous pricing for butter churn operators. A few manufacturers elected to sell some cream spot loads. Butter production remains strong with some plants running full schedules. Print sales have slowed, but continue at levels that are limiting stock building. Export orders are picking up. The market tone is steady. Bulk butter is moving in and out of the region as prices are ranging from market to 6 cents over the market, with various time frames and averages used. Wednesday at the CME Group, Grade AA butter closed at \$1.5425, up \$0.0025 from last Wednesday. This week, a cooperative export assistance program accepted requests for 11.7 million pounds of butter. According to FAS, January–November U.S. butter exports total 150.6 million pounds, 16% below last year during the same time span.

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

	(Million Lb.)	% Change From 1 Year Ago
November Total	6.4	- 68
Total, Jan - Nov	150.6	- 16
1 Saudi Arabia	33.0	- 17
2 Morocco	18.1	+ 13
3 Iran	16.9	- 24
4 Egypt	10.5	- 15
5 Mexico	10.0	+ 71

**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 10, 2015	1,558 4,489,240	1,5984 15,434,788	1,5322 10,718,107	.5885 7,420,741	1.0618 22,617,053

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

**CHEESE MARKETS**

**NORTHEAST**

Wholesale cheese prices rebounded this week as prices moved higher for cheddar blocks, process slices and Muenster, while Swiss prices held unchanged. Milk flows going into cheese plants continue to be strong, keeping production active. Demand from retail outlets has increased as store managers restock ahead of the NFL playoffs and the Super Bowl. Food service orders are sluggish as restaurant business is down following the holidays. Demand for mozzarella is expected to increase in the near term as pizza sales will increase as colleges and universities start their spring terms. Cheese supplies are building, but are not seen as burdensome. The CME Group daily cash prices, on Tuesday, saw barrels close at \$1.5950 up \$0.0550 from a week ago, while blocks closed at \$1.5900, up \$0.0200 from a week ago.

**WEST**

Wholesale cheese prices in the West are higher this week. Swiss cheese prices are steady. The market tone remains steady this week. Cheese production is mostly steady to higher as milk supplies in the West slowly increase. Cheese stocks are building. Export demand is low but starting to pick up. According to *National Retail Report- Dairy*, the average national price for a 1 pound block of cheese was \$3.95, \$.21 above last week. The U.S. average advertised price in the Southwest was \$5.49. Cheese prices at the CME Group on Wednesday had barrels closing at \$1.4425. This is a \$.1025 slide from last Wednesday. Blocks closed at \$1.4700, a \$.1000 decline from a week ago.

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

Cheddar 40# Block	:	1.9725-2.2575
Process 5# Sliced	:	1.7675-2.2475
Muenster	:	1.9925-2.3525
Grade A Swiss Cuts 10 - 14#	:	4.1050-4.4275

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

Process 5# Loaf	:	1.6700-1.9275
Cheddar 40# Block	:	1.7050-2.1500
Cheddar 10# Cuts	:	1.8850-2.1050
Monterey Jack 10#	:	1.8950-2.0550
Grade A Swiss Cuts 6 - 9#	:	3.6825-4.1125

**MIDWEST**

Midwest cheese manufacturing is hunkered down, moving milk through the plants. Inventory levels and sales vary plant to plant. Some plants have lower sales than recent weeks, which resulted in inventory levels increasing. Other plants feel milk intakes are balanced with output and are comfortable with the current production/sales/inventory situation. Spot milk supplies and discounts are less evident although some plants are balancing extra milk into cheese manufacturing. Most production schedules are back closer to normal as the holiday weeks fade into the past. Early year uncertainty about 2015 market price signals now must process the first CME Group cheese price decreases of 2015 Wednesday, sharp decreases, with barrels down 15 1/4 cents to \$1.4425 and blocks down 12 cents to \$1.4700. The sudden magnitude of lower prices is not an unexpected trend considering present conditions and factors looking ahead. The *National Retail Report - Dairy* (DMN) found that January 9 to 15th Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.25, 34 cents lower than the national average, \$2.59. One year ago the national average price was \$2.39. The Midwest price range is \$1.49 to \$3.00. For 8 ounce blocks, the Midwest average price is \$1.99, 37 cents lower than the national average price, \$2.36. One year ago the national average price was \$2.29. The Midwest price range is \$1.49 to \$3.00. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese increased \$.0625, Swiss is unchanged and the remaining varieties increased \$.0425.

**FOREIGN**

Domestic foreign type cheese prices rebounded this week. Some price changes were noted for three import varieties with the remainder unchanged and Swiss cuts were unchanged. Following the yearend holidays, there is consensus among most wholesalers that there is plenty of cheese available domestically, as well as globally. Some wholesalers are looking to contract beyond Q2 in their current negotiations and are finding that deals can be made at lower prices. There are many uncertainties in the current market, which contributes to a weak undertone. The Foreign Agriculture Service has requested public comment on proposed rule to amend the dairy tariff-rate import quota licensing program. The deadline for comments is February 23. Additional information on the proposed rule changes can be found via the following website: <http://www.regulations.gov/#!documentDetail;D=FAS-2013-0001-0001>

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.1125-3.6000*
Gorgonzola	: 3.6900-6.4900*	: 2.6200-3.3175*
Parmesan (Italy)	: -0-	: 3.5025-5.5925*
Provolone (Italy)	: -0-	: 2.1550-2.4075*
Romano (Cows Milk)	: -0-	: 3.3025-5.4525*
Sardo Romano (Argentine)	: 2.8500-4.4900	: -0-
Reggianito (Argentine)	: 3.2900-4.7500*	: -0-
Jarlsberg-(Brand)	: 2.9500-6.2500*	: -0-
Swiss Cuts Switzerland	: -0-	: 4.2025-4.5250
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

\*= Price change.

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

Process American 5# Loaf	:	1.6500-2.0100
Brick And/Or Muenster 5#	:	1.9525-2.3775
Cheddar 40# Block	:	1.6575-2.0750
Monterey Jack 10#	:	1.9275-2.1325
Blue 5#	:	2.2200-3.2075
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7975-2.6925
Grade A Swiss Cuts 6 - 9#	:	3.6225-3.7400

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## CHEESE MARKETS

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

	(Million Lb.)	% Change From 1 Year Ago
November	54.1	- 13
Total Jan.-Nov.	752.3	+ 20
1 Mexico	161.9	+ 1
2 South Korea	145.6	+ 48
3 Japan	114.9	+ 85
4 Australia	37.5	+ 59
5 Saudi Arabia	33.3	+ 43

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

	<u>BUTTER</u>	:	<u>CHEESE</u>
		:	
01/12/15	4,124	:	96,867
01/01/15	3,004	:	96,221
CHANGE	1,120	:	646
% CHANGE	37	:	1

## FLUID MILK AND CREAM

## EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	150	0	0	0	22	0
SOUTHEAST STATES	0	0	0	0	0	0

Manufacturing milk volumes are more manageable than in recent weeks in the Northeast region, but continue to keep balancing plants very busy. The situation has eased somewhat in the Mid-Atlantic region where strong Class I demand from the Southeast and Florida is lowering manufacturing milk volumes. Milk production is steady to increasing in both regions. Manufacturing milk supplies in the Southeast region have been greatly reduced due to the huge Class I demand. Weather forecasters have put forth the possibility of ice and snow in the forecast, which has prompted retail runs on dairy products. A significant number of loads have been pulled from manufacturing plants to cover the demand coming from bottlers. Florida milk production has leveled off over the past couple of weeks as weather has been lowering cow comfort levels with variable temperatures and plenty of rain. Class I demand is very strong, prompting 150 spot loads to be imported into the state this week. Cream was sloppy again this week with numerous loads having to be shipped out of region to find a home. Multiples for all Classes moved lower and were in a wide range this week, from **1.05-1.20**. **Condensed skim** volumes were more manageable this week with some spot loads going to Class II manufacturers. Overall, condensed skim demand is improving, but discounts are still needed to move spot loads and volumes going to Class IV production remain fairly heavy.

## 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 -	1.6170-1.8480
F.O.B. producing plants: Upper Midwest -	1.6324-1.9250

## PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	.80-1.33
Northeast - Class III - spot prices -	1.00-1.35

## MIDWEST

Recent colder weather led to a few reduced milk intake levels as cows expended additional feed energy for body warmth in place of milk production. Some cheese plants expressed additional interest for spot milk this week. Milk handlers noted milk volumes are closer to balance as spot loads are ranging from \$4 under Class to Class. Bottling sales are improving with stores and schools restocking supplies. Class II demand is beginning to pick up as the Super Bowl related orders start. Butter churn operators continue to pull heavy on cream supplies. **Cream multiples ranged from 1.06 to 1.25**. The weekly *Cow Slaughter under Federal Inspection* report shows U.S. dairy cow slaughter for the week ending December 27, at 42,400 head, 3,200 head or 7% less than the comparable week a year ago.

## WEST

CALIFORNIA milk production is mainly steady with recent weeks. Some handlers are seeing slight increases in milk supplies, yet are unwilling to declare a trend. Milk is available for all usages. Class I interest is higher but beginning to stabilize as needs are met from schools and colleges returning. ARIZONA milk output is trending higher and January supplies are building. Additional cow numbers, more feeding, and a slight push for cash flow are noted reasons. Processing plants have room for the milk but are becoming more strategic. Class I demand is flat and uneventful. Milk production for NEW MEXICO is steady to slightly lower, reflected in lower milk receipts at the plant level. Class I interest is higher this week. Some processing plants are taking maintenance breaks. Milk is being handled orderly and clearing on time. Cream demand is fair to good for January. Ice cream producers are taking more volumes than expected. Lower pricing compared to last year is the main reason producers are pulling more cream as they rebuild holdings. Butter production is active and more shifting to bulk butter is noted as print needs slow. Western cream multiples are unchanged and range from 1.15 to 1.55. At the CME Group, Grade AA butter closed Wednesday at \$1.5425, up \$.0025 compared to a week earlier. Milk production in the PACIFIC NORTHWEST is increasing along seasonally expected volumes. Moderate winter temperatures are helping to increase production in the region. No major problems have been reported in moving milk to various manufacturing plants but there have been reports of trucking issues due to a shortage of drivers. Lack of significant snowfall is becoming more of a concern as reservoirs are at reduced levels for this year's irrigation needs. UTAH and IDAHO milk production continues to improve. Lower milk prices are encouraging dairies to increase herd size. According to the Farm Service Agency, USDA Secretary Tom Vilsack announced that more than half of all dairy farms in the country have enrolled in the Margin Protection Program. This has exceeded expectations as the participation in the crop insurance program is 30 to 80%.

## NONFAT DRY MILK, BUTTERMILK &amp; 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:** Some low/medium heat nonfat dry milk (NDM) suppliers made large volume sales at lower prices as reflected in the bottom of the mostly price series. Additional market participants finalized 2015 contracts with many making index basing point changes mostly tied to the CME Group NDM prices. The undertone is softening with supplies readily available at discounted rates. Production is mostly steady with some manufacturers producing at capacity, while others seen marginal declines as more milk went into Class I this week. Domestic demand is light as buyers have many options available. Export interest is starting to pick up, most notably in Mexico, as U.S. prices are becoming more competitive with international markets. HIGH HEAT NDM prices shifted significantly lower due to contract basing point adjustments and reduced F.O.B spot sale prices. However, supplies of high heat NDM are limited as low/medium heat NDM production remains strong, restricting dryer time for high heat NDM production. Buyer interest is light to moderate. Wednesday at the CME Group, Grade A NDM closed at \$0.9550, down \$0.0450 from last Wednesday. According to FAS, January-November U.S. NDM exports totaled 1.128 billion pounds, an increase of 0.2% compared to the same time span in 2013.

**EAST:** Eastern low heat nonfat dry milk prices declined. Current production schedules are very active in the Northeast but lessening in the Mid-Atlantic region where good Class I demand has pulled milk away from dryers. Spot sales of low heat NDM by some manufacturers to clear inventories created sales volume at the lower end of the price range. This clearing activity is mostly played out. Buying demand has been generally good, but increased inventories built up over holiday weeks have been a significant factor pushing prices lower. Eastern high heat nonfat dry milk prices have also declined. Lower manufacturing milk volumes have allowed some increases in high heat nonfat dry milk production in the region. Some buyers with sufficient current inventories for immediate needs are slowing high heat buying, believing that current prices are expensive.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .9500 - 1.1900 MOSTLY: .9800 - 1.1050  
HIGH HEAT: 1.0475 - 1.2800

## NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are sharply lower. Spot pricing is being traded at lower prices and additional offerings are being made at lower prices to stimulate buying interest. Index basing points have changed for most market participants in 2015, with most interest for the CME Group and limited use of the DPMRP. Contacts are hoping to avoid market price circularity. The market tone continues to trend weaker. Demand is uneven. Some buyers are looking to claim product at current prices, while others are skeptical of the market. Production is active as milk supplies build in the region. Stocks are indicated to be building. The CME weekly average last week was \$.9975, down \$.0025 from the prior week. Western high heat prices are lower to sharply lower as reflected in basing point changes and spot overages in 2015. In addition, the impact of declining low heat prices is noted. High heat production continued to move downward, as dryer space is needed for throughput. Spot interest is limited; contract interest is light.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .9500 - 1.1600 MOSTLY: .9500 - 1.0700  
HIGH HEAT: 1.0375 - 1.2300

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

	2014 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	93.9	- 7
TOTAL, JAN - NOV	1,128.4	+ 0.2
1 Mexico	411.6	+ 12
2 Philippines	151.3	+ 27
3 China	101.3	- 16
4 Indonesia	93.6	- 20
5 Vietnam	74.3	- 2

## DRY BUTTERMILK - CENTRAL AND EAST

**CENTRAL:** Prices of dry buttermilk softened on the bottom of the range due to lower F.O.B spot trading. The market tone is weak as sellers and resellers are facing lots of competition in the marketplace and are making aggressive price adjustments to move supplies. Spot activity picked up this week. However, interest overall remains light. Buttermilk drying rates are mostly steady. Inventory levels are mostly moderate to heavy.

**EAST:** Eastern dry buttermilk prices declined this week, reflecting increasing supplies and weak demand. Some potential buyers retain higher than desired inventories with a price basis above current pricing. Buying interest is minimal until they work through inventories. Some manufacturers consider dry buttermilk to be burdensome, with heavy supplies that are building. Future price weakness is widely expected.

F.O.B. CENTRAL/EAST: .6500 - 1.0575

## DRY BUTTERMILK - WEST

Western dry buttermilk prices are lower and the market tone remains weak. The erosion of both the fat and solids values is impacting buttermilk demand. Buyer interest has been limited in the current environment. Dry buttermilk output is active, reflecting butter production. Stocks of dry buttermilk are adequate to long of current needs.

F.O.B. WEST: .8900 - 1.0900 MOSTLY: .9500 - 1.0500

## DRY WHOLE MILK - NATIONAL

Pricing for dry whole milk is mixed. The overall market tone is weaker, reflecting both lower solids and butterfat pricing. There are reports of DWM being available from producers not able to secure or execute export sales. Production levels are light with several manufacturers now drying NDM instead of DWM. Stock levels remain high.

F.O.B. PRODUCING PLANT: 1.2700 - 1.6000

## CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
January 9	\$1.0155	13,139,595
January 2	\$1.1562	4,766,967

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**WHEY, WPC 34%, LACTOSE & CASEIN**

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

**DRY WHEY - CENTRAL**

Buyers are indicating offerings are increasing. Many end users are sitting on the sidelines with adequate supplies on hand and in anticipation of lower pricing ahead. However, some purchasers placed orders, which were generally at a discount. The market tone is weakening as market participants note declining prices in the CME Group Whey Futures market. Drying schedules are mostly steady this week. Domestic interest is light to moderate. Export demand is limited as U.S. prices are uncompetitive against international markets. ANIMAL FEED WHEY prices are lower on the top of the range due to weaker index pricing. Some suppliers were cleaning out supplies at discounted rates this week. According to FAS, January-November U.S. whey exports total 471.3 million pounds, 2% below the same time span in 2013.

F.O.B. CENTRAL: .4000 - .6275 MOSTLY: .5000 - .5700  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3500 - .5200

**DRY WHEY - NORTHEAST**

Northeast dry whey prices are steady but the market has a weak undertone. Heavy milk volumes going into cheese are keeping whey production steady and inventories are building at current production levels. Efforts to control inventories led some manufacturers to offer spot sales at discounted prices near the lower end of the price range.

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

**DRY WHEY - WEST**

Western dry whey prices are unchanged. The market tone is weaker. Whey production is mostly steady as manufacturers balance production to meet projected domestic needs and export sales. Demand for whey is good for available spot offerings, although customers tend to be taking a wait and see approach above immediate needs to see if prices fall. Dry whey stocks are adequate for needs, but supplies are described as available.

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

U.S. Dry Whey Exports, H.S. Code 0404104000(FAS)		
	2014 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	36.7	- 17
TOTAL, JAN - NOV	471.3	- 2
1 China	153.1	- 3
2 Mexico	59.5	+ 48
3 Canada	39.9	- 9
4 Japan	31.0	- 12
5 Malaysia	27.4	+ 25

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

The combination of increased spot load availability of whey protein concentrate 34% and advantageous weaker priced alternatives are pressuring WPC 34% prices lower. The market tone is softening. Additional market participants completed 2015 contracts. Generally commitments were reduced going into feed blending, while steady to higher for food application accounts. Production rates are mostly steady. Whey stream decisions for some manufacturers are fluctuating from plant to plant depending on sales between WPC 34% and 80%. Domestic demand varies between end use, ranging from light to moderate. Export interest is light. According to FAS, January-November U.S. WPC less than 80% exports total 204.3 million pounds, 12% below the same time span in 2013.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.0000-1.3475 MOSTLY: 1.0800-1.2975

U.S. WPC ≤ 80% Exports, H.S. Code 0404100500(FAS)		
	2014 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	15.2	- 25
TOTAL, JAN - NOV	204.3	- 12
1 China	74.7	N.C.
2 Canada	34.7	+ 13
3 Mexico	32.7	- 40
4 Singapore	8.8	+ 66
5 Indonesia	8.3	+ 42

**LACTOSE - CENTRAL AND WEST**

Additional lactose agreements for first quarter and monthly contracts came in at mostly weaker pricing. The undertone is softening as demand is lackluster within the States. Competition for Asian marketshare is fierce with U.S. manufacturers competing for it. Asian buyers realize the market and are electing to work inventories to low levels before taking new positions in hopes of lower pricing in the future. U.S. suppliers are noting increasing port problems on the West coast leading to delays in shipments. Production rates of lactose are mostly steady. Inventory levels are maintaining to increasing for the most part. According to FAS, January-November U.S. lactose exports total 433.1 million pounds, 3% below the same time span in 2013.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1900-.4750 MOSTLY: .2700-.3700

U.S. Lactose Exports, H.S. Code 1702110000(FAS)		
	2014 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	39.3	+ 18
TOTAL, JAN - NOV	433.1	- 3
1 New Zealand	73.9	+ 20
2 China	65.9	- 16
3 Mexico	48.1	- 21
4 Japan	42.2	+ 21
5 Indonesia	27.8	+ 11



U.S. Dairy Cow Slaughter (1000 head) under Federal Inspection & Comparable Week 2013

WEEK ENDING	2014 WEEKLY DAIRY COWS	2014 CUMULATIVE DAIRY COWS	2013 WEEKLY DAIRY COWS	2013 CUMULATIVE DAIRY COWS
12/27/2014	42.4	2,805.7	45.6	3,110.4

WEBSITE: [http://www.ams.usda.gov/mnreports/sj\\_ls714.txt](http://www.ams.usda.gov/mnreports/sj_ls714.txt)

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

CLASS III MILK PRICES (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82

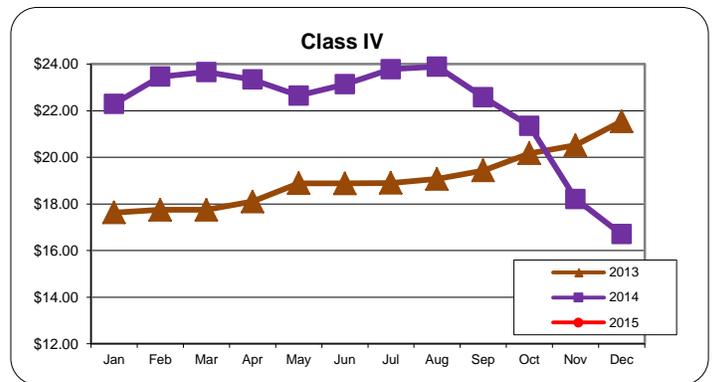
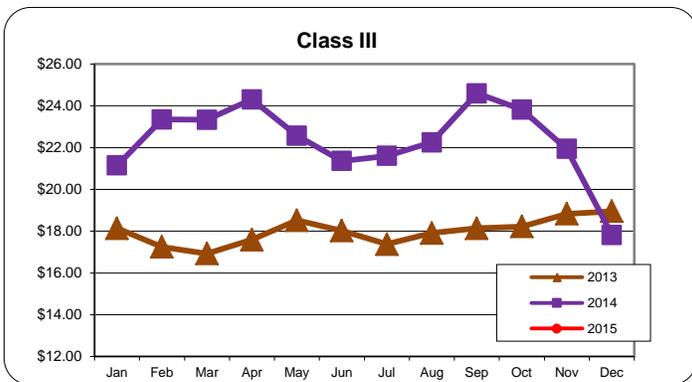
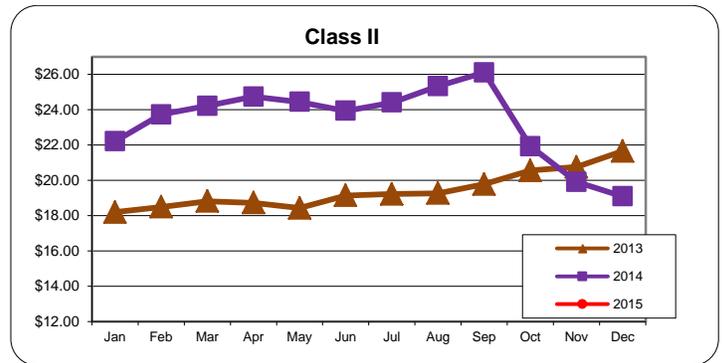
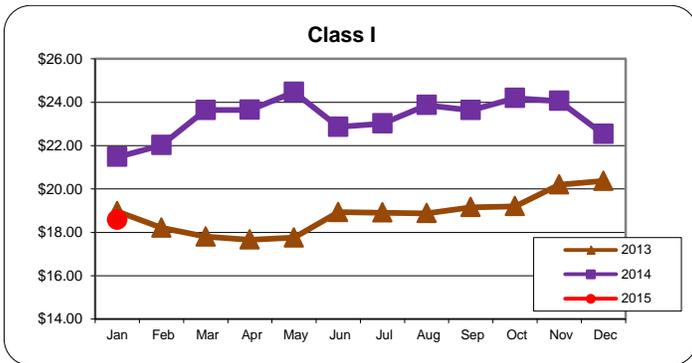
CLASS IV MILK PRICES (3.5%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87
2012	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41	18.54	18.66	17.83
2013	17.63	17.75	17.75	18.10	18.89	18.88	18.90	19.07	19.43	20.17	20.52	21.54
2014	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35	18.21	16.70

FEDERAL MILK ORDER CLASS PRICES FOR 2015 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.58											
II												
III												
IV												

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



## ORGANIC DAIRY MARKET NEWS

Information gathered January 5 -16, 2015

## ORGANIC DAIRY FLUID OVERVIEW

**Milk Product Sales.** AMS reports total organic milk products sales for October 2014, 215 million pounds, were up 10.7% from September 2013 and up 10.1% year to date compared with 2013.

Organic whole milk sales for October 2014, 68 million pounds, were up 21.0% compared with October 2013 and up 20.8% year to date compared with 2013.

Organic reduced fat milk sales for October, 56 million pounds, were -5.2% below October 2013 sales but up 13.9% year to date compared with 2013.

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

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

## 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
Tot. Organic Milk Products	215	2,063	10.7	10.1

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.

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

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

## 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
Tot. Organic Milk Products	200	1,848	4.7	10.0

**Organic News.** The increases in organic milk sales detailed above have a mixed impact. Organic milk production is not increasing at the rate of sales. This has tightened organic milk availability.

In Wisconsin, the state with the largest number of organic dairy farms, signs have been taped to some retail dairy coolers in the state capitol, advising that organic milk is in short supply.

Dairy brokers in the Northeast seeking organic nonfat dry milk if they can find it, face prices of \$3.95 a pound. Buyers are told that prices will soon increase, but there is no assurance of availability.

Dairy manufacturers in the West comment that tight supplies of organic milk or components for food product manufacturing are

nearing prohibitively expensive levels.

There is activity in some areas by processors to secure contracts with organic dairy producers. In the Northeast, something of a pay price competition has developed. National accounts are offering contract pricing averaging \$36.80 per cwt before deducting for trucking. Regional accounts have more aggressively been seeking producer contracts as well, also increasing pay prices, reportedly \$36.30 per cwt with no trucking charge. Producers located closer to plants, or on milk routes with additional capacity to haul milk, may be able to negotiate even better pay prices.

Grassmilk organic producers are even more sought after. There are reports of pay prices of \$40.38 being attained as a contractual basis for these organic producers in New England. Grass fed organic milk is characterized by feeding cows only pasture and conserved forage such as grass and legume hay, baleage, silage, etc.

## ORGANIC DAIRY RETAIL OVERVIEW

## NATIONALLY ADVERTISED PRICE COMPARISON

**Organic Dairy Overview.** Organic milk and yogurt ad numbers are up but organic cheese ad numbers are lower. Over twice as many ads for 8 ounce organic milk appeared than for organic milk half gallons.

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads ending for the period January 16 to January 22, 2015, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

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

**Organic Milk Half Gallons.** The U.S. weighted average advertised price of organic milk half gallons is \$3.56, down 9 cents. One year ago the price was \$3.45.

The lowest advertised price, \$2.99, is in the South Central Region. The highest advertised price, \$4.99, is found in the Northeast.

**Organic Milk 8 Ounce.** The U.S. weighted average price of organic milk in 8 ounce cartons is \$1.00, up 4 cents from the last week and steady with one year ago. All prices in all regions are \$1.00, with ads split between ads for a national brand and store brands.

**8 Ounce Block Organic Cheese.** Organic cheese (8 ounce blocks) has an average price of \$3.99, up 6 cents from the last survey period. All current ads are in the Northeast, all priced \$3.99.

**8 Ounce Shredded Organic Cheese.** Shredded organic cheese (8 ounce) has an average price of \$3.99, with no ads the last survey period. All ads are in the Northeast, all priced \$3.99.

**2# Block Organic Cheese.** All ads for 2# block organic cheese are in the Southwest, all priced \$7.99. No ads for this item ran during the last period.

**Organic Yogurt.** The U.S. weighted average price of Organic Greek 4-6 ounce yogurt, \$1.02, is unchanged from the last period. One year ago the average price was \$1.16. Northeast ads were all priced \$1.25 but in all other regions, \$1.00.

32 ounce organic Greek yogurt has an average price of \$4.99. There were no ads during the last period or one year ago. All ads are in the Southwest and South Central Regions, all \$4.99.

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**ORGANIC DAIRY MARKET NEWS**Information gathered January 5 -16, 2015

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**CONTINUED FROM PAGE -8-**

**ORGANIC GRAIN AND FEEDSTUFF MARKETS:** Organic grain prices are trending generally steady. Spot market activity has been slow to moderate. Demand for organic corn and organic wheat is light to good, for organic hay and organic straw moderate to good, and for all other organic grains light to moderate. Concerns involve quality issues, protein levels, current and future availability, future prices, and transportation issues, especially concerning ports on the West Coast.

Additional livestock and grain market news information is available at: [www.ams.usda.gov/LMarketNews](http://www.ams.usda.gov/LMarketNews)

2014 MONTHLY AVERAGES

AREA and PRODUCT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL AVERAGE*
CHICAGO MERCANTILE EXCHANGE 1/													
BUTTER - DAILY TRADING													
GRADE AA	1.7756	1.8047	1.9145	1.9357	2.1713	2.2630	2.4624	2.5913	2.9740	2.3184	1.9968	1.7633	2.1643
CHEESE - DAILY TRADING													
BARRELS													
40# BLOCKS	2.1727	2.1757	2.2790	2.1842	1.9985	1.9856	1.9970	2.1961	2.3663	2.0782	1.9326	1.5305	2.0747
NONFAT DRY MILK - DAILY TRADING													
EXTRA GRADE**													
GRADE A	2.0705	2.0329	2.0330	1.8994	1.7919	1.8349	1.7166	1.4365	1.3554	1.3345	1.1724	1.0506	1.6441
DAIRY MARKET NEWS /2													
CHEESE													
WISCONSIN													
PROCESS AMERICAN 5# LOAF	2.3638	2.4832	2.5281	2.4960	2.3301	2.2493	2.2881	2.3967	2.6336	2.4314	2.2757	1.8627	2.3616
BRICK AND/OR MÜNSTER 5#	2.7320	2.8154	2.8929	2.8783	2.6513	2.6017	2.5783	2.6902	2.9387	2.8188	2.6211	2.2184	2.7031
CHEDDAR 40# BLOCKS	2.4333	2.5166	2.5941	2.5795	2.3526	2.3029	2.2795	2.3915	2.6399	2.5200	2.3224	1.9197	2.4043
MONTEREY JACK 10#	2.5970	2.6804	2.7579	2.7433	2.5163	2.4667	2.4433	2.5552	2.8037	2.6838	2.4861	2.0834	2.5681
BLUE 5#	3.2808	3.3641	3.4416	3.4270	3.2001	3.1504	3.1270	3.2390	3.4874	3.3675	3.1699	2.7672	3.2518
MOZZARELLA 5 - 6#	2.8120	2.8954	2.9729	2.9583	2.7313	2.6817	2.6583	2.7702	3.0187	2.8988	2.7011	2.2984	2.7831
GRADE A SWISS CUTS 6 - 9#	3.0428	3.0953	3.1233	3.3308	3.6024	3.6243	3.7188	3.5457	3.4249	3.4225	3.4804	3.7080	3.4266
NORTHEAST													
CHEDDAR 40# BLOCKS	2.6820	2.7654	2.8429	2.8283	2.6013	2.5517	2.5283	2.6402	2.8887	2.7688	2.5711	2.1684	2.6531
PROCESS 5# SLICED	2.5463	2.6657	2.7106	2.6785	2.5126	2.4318	2.4706	2.5792	2.8161	2.6139	2.4582	2.0402	2.5436
MÜNSTER	2.7395	2.8229	2.9004	2.8858	2.6588	2.6092	2.5858	2.6977	2.9462	2.8263	2.6286	2.2259	2.7106
GRADE A SWISS CUTS 10 - 14#	3.6278	3.6803	3.7083	3.9158	4.1874	4.2093	4.3038	4.1307	4.0099	4.0075	4.0654	4.2930	4.0116
WEST													
PROCESS 5# LOAF	2.3426	2.4619	2.5068	2.4744	2.3064	2.2255	2.2638	2.3741	2.6123	2.4101	2.2519	1.8315	2.3384
CHEDDAR 40# BLOCKS	2.4383	2.5216	2.5992	2.5870	2.3601	2.3117	2.2901	2.4015	2.6499	2.5300	2.3349	1.9809	2.4171
CHEDDAR 10# CUTS	2.5520	2.6354	2.7130	2.7008	2.4738	2.4255	2.4039	2.5152	2.7637	2.6438	2.4486	2.0484	2.5270
MONTEREY JACK 10#	2.5320	2.6154	2.6930	2.6808	2.4538	2.4055	2.3839	2.4952	2.7437	2.6238	2.4286	2.0284	2.5070
GRADE A SWISS CUTS 6 - 9#	3.2590	3.3116	3.3395	3.5470	3.8187	3.8406	3.9350	3.7619	3.6412	3.6388	3.6967	3.9242	3.6429
FLUID PRODUCTS /2													
CLASS II CREAM													
NORTHEAST - F.O.B.	2.0487	2.1900	2.3856	2.5580	2.7563	3.0306	3.4102	3.3892	3.8992	3.0249	2.6001	2.2475	2.7950
UPPER MIDWEST - F.O.B.	2.0578	2.2562	2.3969	2.5568	2.7396	2.9734	3.3099	3.2873	3.7346	3.0600	2.4570	2.3049	2.7612
CONDENSED SKIM - NORTHEAST - F.O.B.													
CLASS II	1.9840	2.0982	2.1436	2.1500	2.0207	1.8521	1.8839	1.8840	1.7550	1.5418	1.5539	1.2386	1.8422
CLASS III	1.6124	1.8118	2.0045	2.0286	2.0812	1.7943	1.6566	1.5974	1.5869	1.5727	1.6925	1.5318	1.7476

1/ Monthly averages are a simple average of all the closes during the month.

2/ 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. \*Annual averages are simple averages of the twelve monthly averages. \*\* NOTICE: Effective January 26, 2014, the Extra Grade NDM no longer trades.

2014 MONTHLY AVERAGES

AREA and PRODUCT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL AVERAGE*
DAIRY MARKET NEWS, CONTINUED /2													
DRY PRODUCTS													
NONFAT DRY MILK													
CENTRAL/EAST - LOW/MEDIUM HEAT	2.0867	2.1018	2.0951	2.0059	1.8736	1.8520	1.8326	1.6270	1.4345	1.3984	1.3113	1.1755	1.7329
-- MOSTILY	2.0795	2.0914	2.1083	2.0382	1.8715	1.8170	1.8201	1.6873	1.4760	1.4277	1.3119	1.1639	1.7411
CENTRAL/EAST - HIGH HEAT	2.1492	2.1576	2.1954	2.1315	2.0304	1.9384	1.9495	1.8633	1.6230	1.5494	1.5425	1.3527	1.8736
WEST - LOW/MEDIUM HEAT	2.0664	2.0536	2.0740	1.9768	1.8831	1.8434	1.7960	1.6055	1.4301	1.3986	1.2992	1.1567	1.7153
-- MOSTILY	2.0693	2.0725	2.0875	2.0172	1.8757	1.8333	1.8145	1.6629	1.4250	1.3886	1.2611	1.1225	1.7192
WEST - HIGH HEAT	2.0874	2.1232	2.1868	2.1763	2.0689	1.9395	1.9074	1.8181	1.6124	1.5398	1.5081	1.4328	1.8667
WHEY POWDER													
CENTRAL -	0.5889	0.6193	0.6491	0.6740	0.7009	0.6589	0.6520	0.6502	0.6185	0.5919	0.5400	0.5234	0.6223
-- MOSTILY	0.5760	0.6040	0.6246	0.6463	0.6646	0.6608	0.6591	0.6569	0.6412	0.6105	0.5869	0.5701	0.6251
WEST -	0.6065	0.6242	0.6448	0.6569	0.6661	0.6528	0.6600	0.6607	0.6242	0.5974	0.5788	0.5307	0.6253
-- MOSTILY	0.6051	0.6201	0.6427	0.6516	0.6649	0.6569	0.6655	0.6676	0.6192	0.5991	0.5869	0.5423	0.6268
NORTHEAST - EXTRA AND GRADE A	0.6145	0.6463	0.6698	0.6936	0.7136	0.7257	0.7113	0.7043	0.7001	0.6671	0.6478	0.6015	0.6746
WHEY PROTEIN CONCENTRATE													
CENTRAL AND WEST	1.7622	1.7869	1.7793	1.7577	1.7309	1.6630	1.6279	1.5350	1.4296	1.3756	1.2913	1.2452	1.5821
-- MOSTILY	1.7663	1.7799	1.7694	1.7682	1.7530	1.6612	1.6089	1.5549	1.4355	1.3358	1.2751	1.2326	1.5784
ANIMAL FEED													
CENTRAL - MILK REPLACER	0.4905	0.5101	0.5230	0.5416	0.5699	0.5855	0.5673	0.5340	0.5229	0.4755	0.4619	0.4526	0.5196
DRY BUTTERMILK													
CENTRAL/EAST	1.9113	1.9338	1.9169	1.9026	1.8658	1.7844	1.7463	1.5813	1.3500	1.2393	1.0982	1.0215	1.6126
WEST	1.9018	1.9340	1.9619	1.9441	1.8968	1.8255	1.7602	1.6735	1.5324	1.3502	1.2492	1.0559	1.6738
-- MOSTILY	1.8919	1.9367	1.9543	1.9348	1.8914	1.8198	1.7687	1.6908	1.5729	1.3887	1.2708	1.0527	1.6811
DRY WHOLE MILK													
NATIONAL	2.1132	2.1367	2.1538	2.1430	2.1036	2.0362	2.0538	2.0267	1.9248	1.7282	1.7050	1.5430	1.9723
LACTOSE													
CENTRAL AND WEST	0.5650	0.5650	0.5645	0.5795	0.5651	0.5457	0.5224	0.4936	0.4600	0.4171	0.4069	0.3552	0.5033
-- MOSTILY	0.5952	0.5950	0.5983	0.6175	0.5959	0.5699	0.5473	0.5349	0.4693	0.4218	0.4050	0.3880	0.5282
CASEIN													
RENNET	5.0357	5.0500	5.0500	4.9716	4.9750	4.9726	4.8386	4.8012	4.7595	4.5000	4.5000	4.5000	4.8295
ACID	5.1952	5.2000	5.2000	5.2000	5.1905	5.1476	5.1000	5.1000	5.0214	4.7000	4.7000	4.7000	5.0379

2/ 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.

\*Annual averages are simple averages of the twelve monthly averages.

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

In October 2014, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$24.88 per cwt, down \$1.04 from the September 2014 average, and up \$4.05 per cwt from the October 2013 average. The component tests of producer milk in October 2014 were: butterfat, 3.79%; protein, 3.16%; and other solids, 5.73%. When compared to the previous month, the October Mailbox prices decreased in all Federal milk order reporting areas with an average decrease of \$0.99/cwt. The Northwest states experienced the greatest decrease of \$1.82/cwt. Mailbox prices in October

Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	October 2013	September 2014	October 2014
	Dollars per hundredweight		
New England States <u>3/</u>	22.42	27.18	25.80
New York	21.38	26.39	24.85
Eastern Pennsylvania <u>4/</u>	21.49	26.25	24.85
Appalachian States <u>5/</u>	21.85	27.14	26.11
Southeast States <u>6/</u>	22.16	27.98	26.79
Southern Missouri <u>7/</u>	21.91	27.34	26.44
Florida	23.89	29.25	28.10
Western Pennsylvania <u>8/</u>	21.27	26.27	25.24
Ohio	21.33	25.83	24.88
Indiana	20.76	25.35	24.31
Michigan	20.51	25.50	23.69
Wisconsin	20.64	26.27	25.76
Minnesota	20.57	26.52	25.91
Iowa	21.03	26.22	25.55
Illinois	21.08	26.40	26.00
Corn Belt States <u>9/</u>	20.06	24.55	23.88
Western Texas <u>10/</u>	19.85	24.10	23.65
New Mexico	18.87	22.88	22.59
Northwest States <u>11/</u>	20.73	25.86	24.04
All Federal Order Areas <u>12/</u>	20.83	25.92	24.88
California <u>13/</u>	19.26	23.31	22.66

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. 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](mailto:lorie.warren@ams.usda.gov) or 202-720-4405

DECEMBER MILK SUPPLY AND DEMAND ESTIMATES

The milk production estimate for 2014 and the forecast for 2015 are lowered from last month on slower growth in cow numbers and milk per cow. Skim-solids export forecasts are raised for 2014 and 2015 primarily on stronger sales of whey and nonfat dry milk. Fat basis exports are unchanged for 2014 but slightly higher in 2015. Ending stocks for 2014 are raised as domestic demand has been weaker than expected. Dairy product prices for 2015 are reduced as carry-in stocks are higher and supplies remain relatively large, especially in the first half of the year. However, demand is expected to strengthen later in the year with lower price levels, limiting further price declines. The Class III and Class IV prices for 2015 are lowered on weaker product prices. The all milk price is lowered to \$17.75-18.55 per cwt for 2015.

U.S. MILK SUPPLY AND USE					
Commodity	2013	2014		2015 Projected	
		Projected	Estimated		
		December	January	December	January
<b>BILLION POUNDS</b>					
MILK					
PRODUCTION	201.2	206.2	206.0	212.2	211.7
FARM USE	1.0	1.0	1.0	1.0	1.0
FAT BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	12.2	11.2	11.2	11.1	11.3
MARKETINGS	200.2	205.2	205	211.3	210.7
IMPORTS	3.7	4.1	4.2	3.8	3.8
TOTAL COMMERCIAL SUPPLY	216.2	220.5	220.4	226.2	225.8
FAT BASIS USE					
COMMERCIAL EXPORTS	12.4	12.3	12.3	11	11.1
ENDING COMMERCIAL STOCKS	11.2	11.1	11.3	12.2	11.9
CCC DONATIONS	0	0	0	0	0
DOMESTIC COMMERCIAL USE	192.6	197.1	196.8	203	202.9
SKIM-SOLID BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	12.4	11.6	11.6	11.9	13.1
MARKETINGS	200.2	205.2	205	211.3	210.7
IMPORTS	5.3	5.8	5.6	5.4	5.5
TOTAL COMMERCIAL SUPPLY	217.9	222.7	222.3	228.6	229.3
SKIM-SOLIDS BASIS USE					
COMMERCIAL EXPORTS	38.5	38.7	39.1	37.4	37.6
ENDING COMMERCIAL STOCKS	11.6	11.9	13.1	12.6	12.9
CCC DONATIONS	0	0	0	0	0
DOMESTIC COMMERCIAL USE	167.7	172.1	170.1	178.6	178.8

NOTE: Totals may not add due to rounding.

Continued on page 13

DECEMBER MILK SUPPLY AND DEMAND ESTIMATES-cont'd

U.S. DAIRY PRICES					
Commodity	2013	2014		2015 Projected	
		Projected	Estimated	December	January
		December	January		
<b>DOLLARS PER POUND</b>					
PRODUCT PRICES <sup>1</sup>					
CHEESE	1.7683	2.150-2.160	2.1551	1.625-1.705	1.590-1.670
BUTTER	1.5451	2.125-2.155	2.1361	1.665-1.775	1.600-1.710
NONFAT DRY MILK	1.7066	1.760-1.780	1.7682	1.340-1.400	1.270-1.330
DRY WHEY	0.5902	0.650-0.660	0.6538	0.560-0.590	0.550-0.580
<b>DOLLARS PER CWT</b>					
MILK PRICES <sup>2/</sup>					
CLASS III	17.99	22.30-22.40	22.34	16.55-17.35	16.20-17.00
CLASS IV	19.05	22.05-22.25	22.09	16.45-17.35	15.60-16.50
ALL MILK <sup>3/</sup>	20.05	24.05-24.15	23.97	18.45-19.25	17.75-18.55
<b>QUARTERLY</b>					
	2014 IV	2015 I <sup>4/</sup>	2015 II <sup>4/</sup>	2015 III <sup>4/</sup>	2015 IV <sup>4/</sup>
<b>BILLION POUNDS</b>					
MILK PRODUCTION	50.9	52.6	54.3	52.4	52.4
<b>DOLLARS PER CWT.</b>					
ALL MILK PRICE <sup>2/3/</sup>	22.73	18.85-19.25	16.55-17.25	17.30-18.30	18.30-19.30
CLASS III PRICE <sup>2/</sup>	21.19	15.60-16.00	15.70-16.40	16.40-17.40	17.10-18.10
CLASS IV PRICE <sup>2/</sup>	18.75	14.20-14.70	14.90-15.70	16.45-17.55	16.80-17.90

<sup>1/</sup> Simple average of monthly prices calculated from AMS (formerly NASS) weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/DairyMarketStatistics>; then select "Prices;" then select "Description." <sup>2/</sup> Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. <sup>3/</sup> Does not reflect any deductions from producers as authorized by legislation. <sup>4/</sup> Projection.

**Source:** U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-537, January 12, 2015.* Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Uthra Raghunathan, AMS; Paul Kiendl, FAS; Roger Hoskin, ERS; and Milton Madison, FSA].

## NOVEMBER MILK SALES

During November 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 6.0 percent lower than November 2013. Estimated sales of total conventional fluid milk products decreased 6.5 percent from November 2013 and estimated sales of total organic fluid milk products increased 4.2 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, NOVEMBER 2014, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	November	Year to Date	Previous Year	Year to Date
	<i>million pounds</i>		<i>Percent</i>	
Conventional Production Practice				
Whole Milk	1,105	12,039	-2.3	-0.7
Flavored Whole Milk	46	488	-16.7	-6.4
Reduced Fat Milk (2%)	1,358	15,541	-9.1	-3.4
Low Fat Milk (1%)	585	6,145	-0.2	-3.4
Fat-Free Milk (Skim)	472	5,393	-13.4	-11.6
Flavored Fat-Reduced Milk	308	3,336	-7.7	-3.1
Buttermilk	45	442	-13.7	-3.0
Other Fluid Milk Products	48	104	-----	-----
Total Fat-Reduced Milk 3/	2,722	30,416	-8.0	-4.9
Total Conventional Milk Products	3,966	43,489	-6.5	-3.8
Organic Production Practice				
Whole Milk	62	675	13.4	20.0
Reduced Fat Milk (2%)	57	671	-3.2	12.2
Low Fat Milk (1%)	38	432	0.7	4.5
Fat-Free Milk (Skim)	31	370	-9.9	-4.7
Flavored Fat-Reduced Milk	11	112	118.0	11.7
Other Fluid Milk Products	0	4	-----	-----
Total Fat-Reduced Milk 3/	138	1,585	0.8	5.7
Total Organic Milk Products	201	2,264	4.2	9.5
Total Fluid Milk Products	4,167	45,752	-6.0	-3.2
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](mailto:Daniel.manzoni@ams.usda.gov) or 202-720-2352

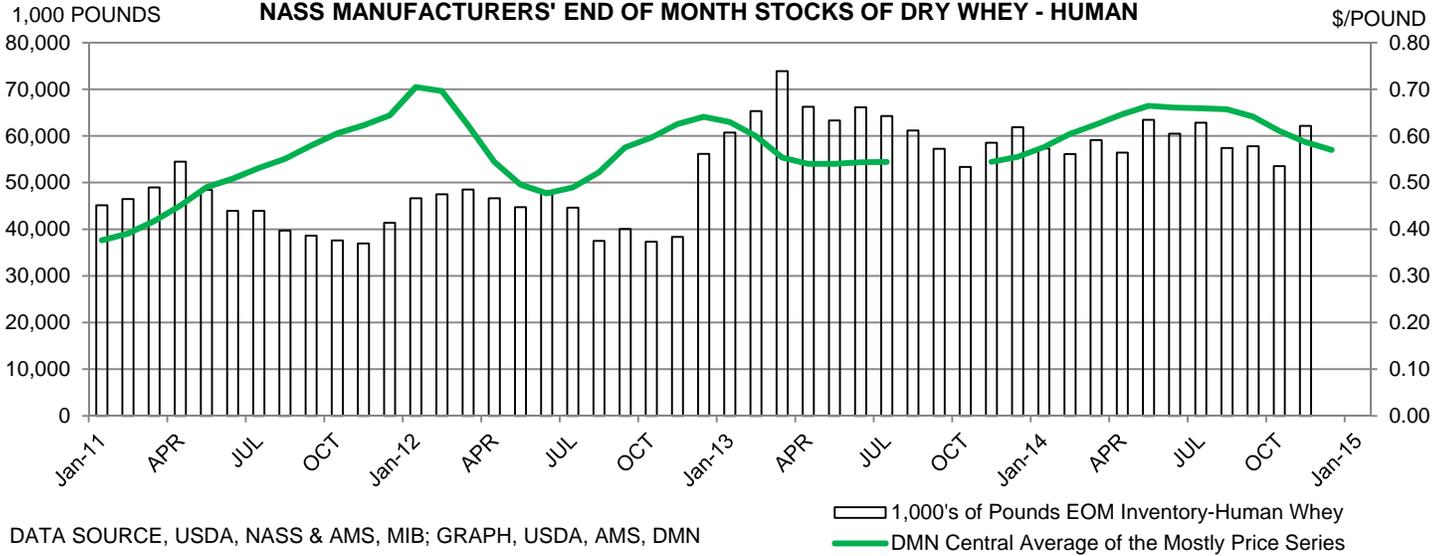
## PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS AND CALIFORNIA, NOVEMBER 2014, WITH COMPARISONS 1/

Marketing Area	Order Number	Sales		Change from: 2/	
		November	Year to Date	Previous Year	Year to Date
		<i>million pounds</i>		<i>percent</i>	
Northeast	001	705	7,742	-8.2	-4.4
Appalachian	005	271	2,978	-6.7	-3.8
Florida	006	225	2,487	-5.0	-2.8
Southeast	007	379	4,190	-4.8	-1.5
Upper Midwest	030	323	3,546	-5.3	-2.8
Central	032	358	3,885	-5.7	-4.1
Mideast	033	463	5,031	-5.7	-3.4
Pacific Northwest	124	166	1,834	-6.6	-4.2
Southwest	126	378	4,032	-3.3	-2.1
Arizona	131	89	1,004	-9.0	-2.9
California	---	477	5,364	-6.2	-3.9
All Orders (Total)		3,357	36,729	-6.0	-3.1
All Areas (Total)		3,834	42,093	-6.0	-3.2

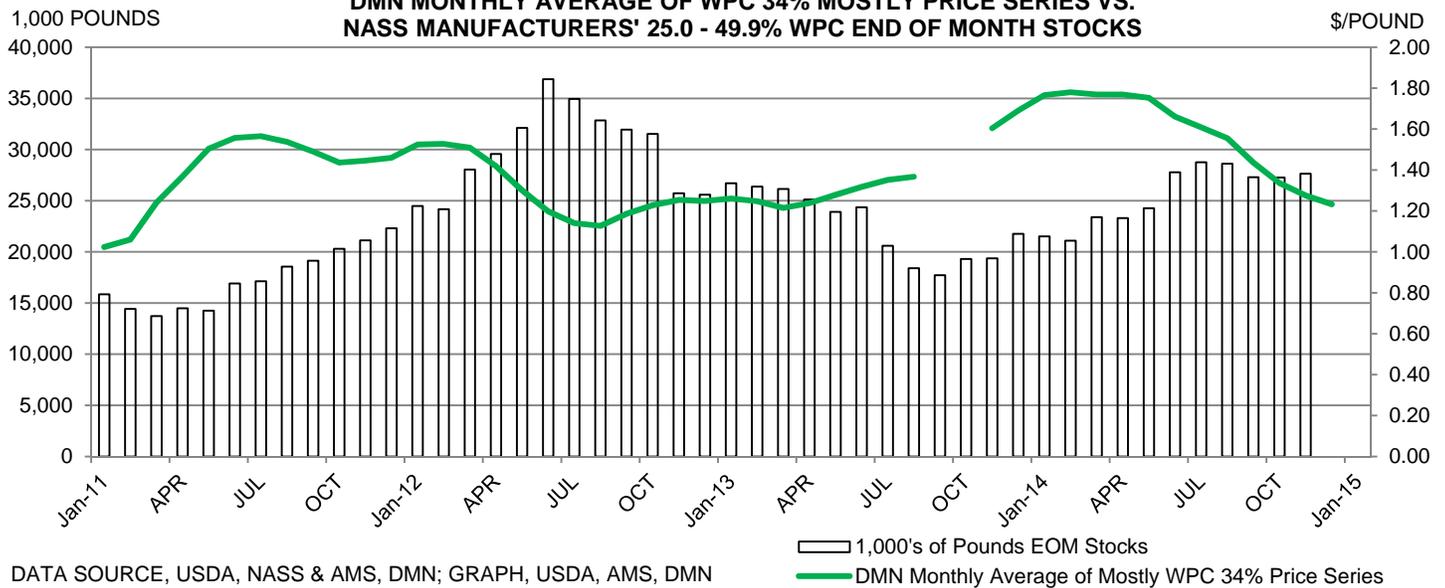
1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 4/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis.

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

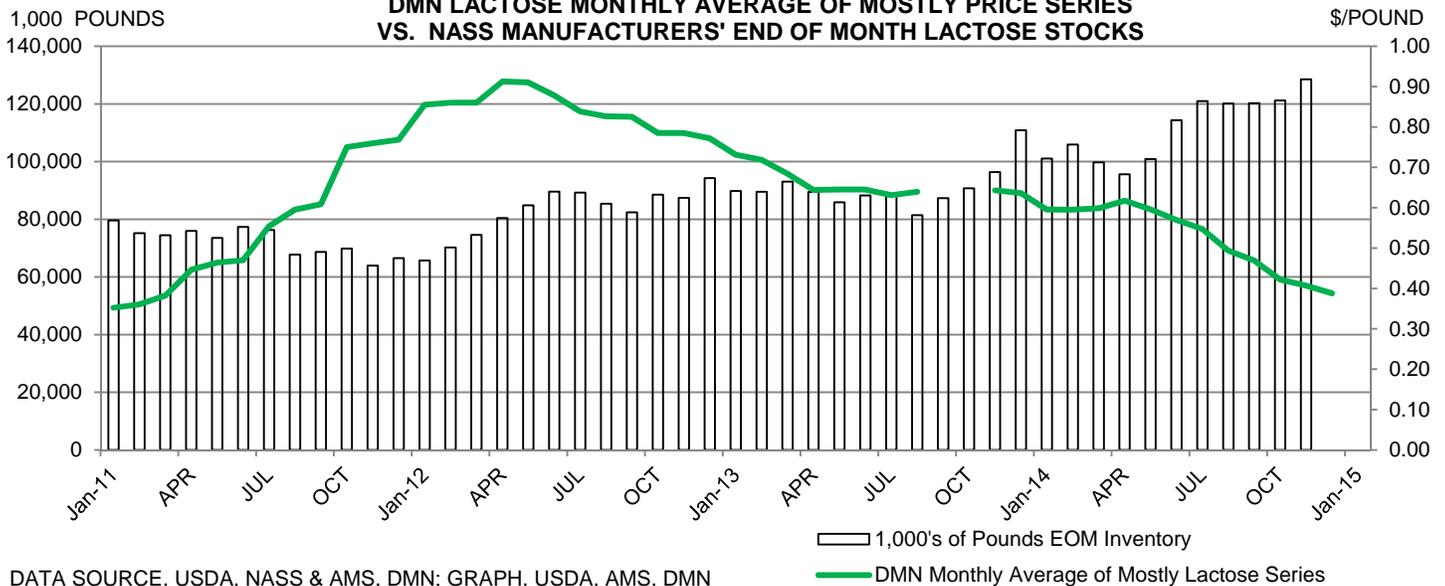
**DMN MONTHLY AVERAGE OF CENTRAL DRY WHEY MOSTLY PRICE SERIES VS. NASS MANUFACTURERS' END OF MONTH STOCKS OF DRY WHEY - HUMAN**



**DMN MONTHLY AVERAGE OF WPC 34% MOSTLY PRICE SERIES VS. NASS MANUFACTURERS' 25.0 - 49.9% WPC END OF MONTH STOCKS**

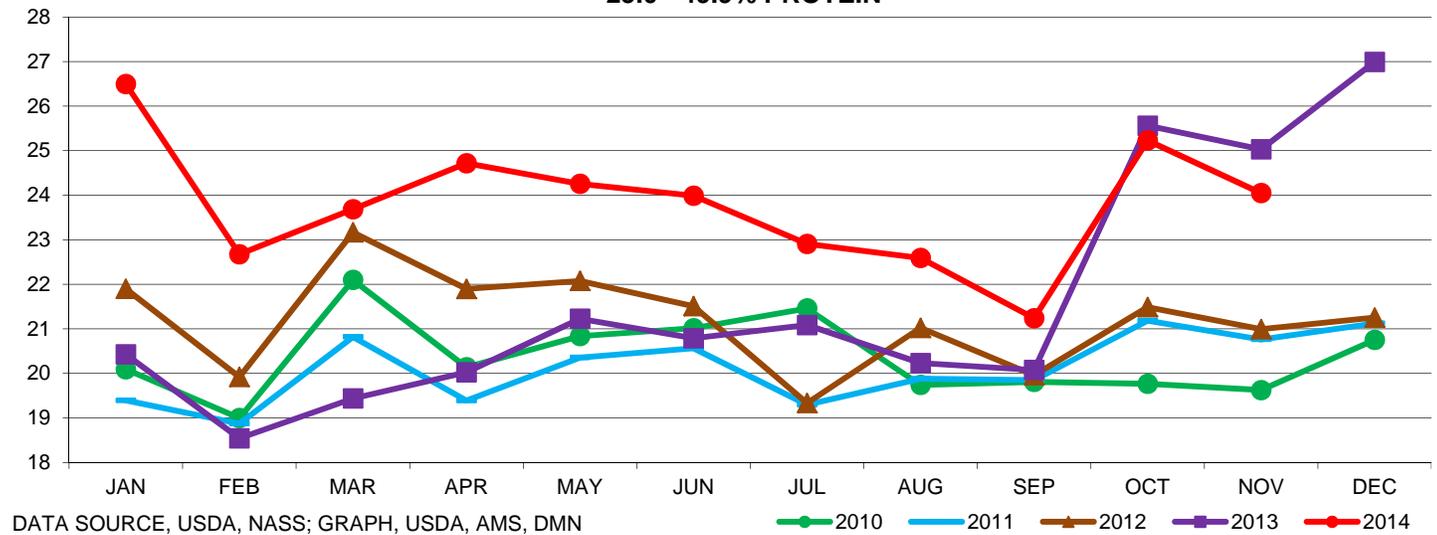


**DMN LACTOSE MONTHLY AVERAGE OF MOSTLY PRICE SERIES VS. NASS MANUFACTURERS' END OF MONTH LACTOSE STOCKS**



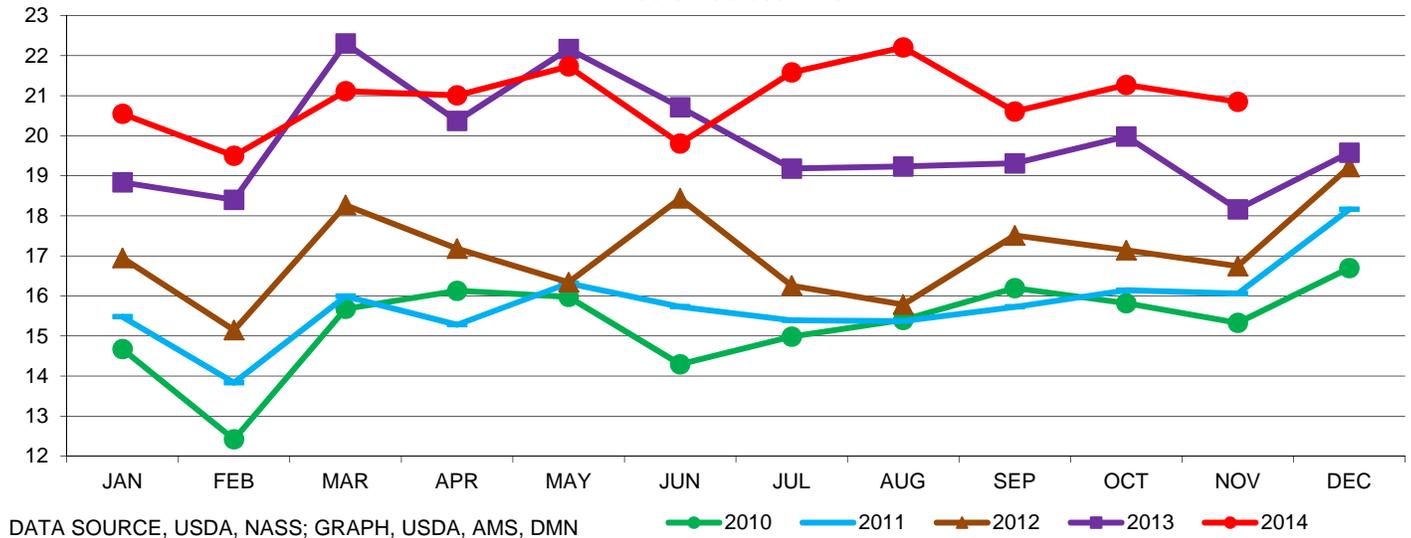
**U.S. TOTAL DRY WPC PRODUCTION, HUMAN AND ANIMAL,  
25.0 - 49.9% PROTEIN**

MILLION POUNDS



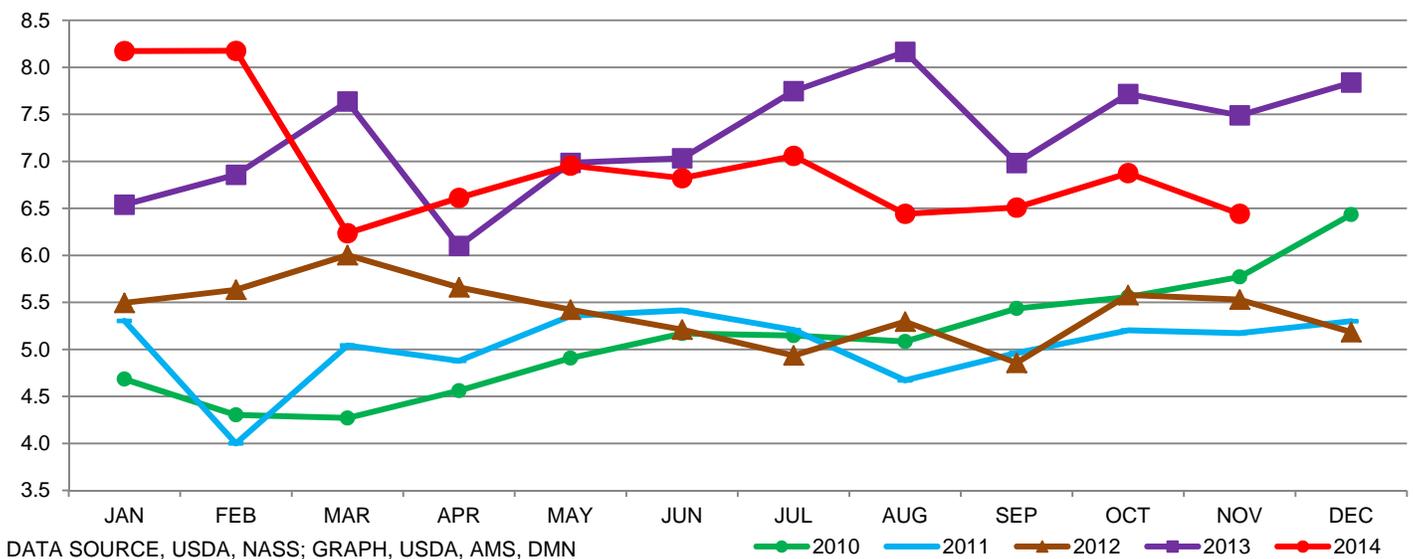
**U.S. TOTAL DRY WPC PRODUCTION, HUMAN AND ANIMAL,  
50.0 - 89.9% PROTEIN**

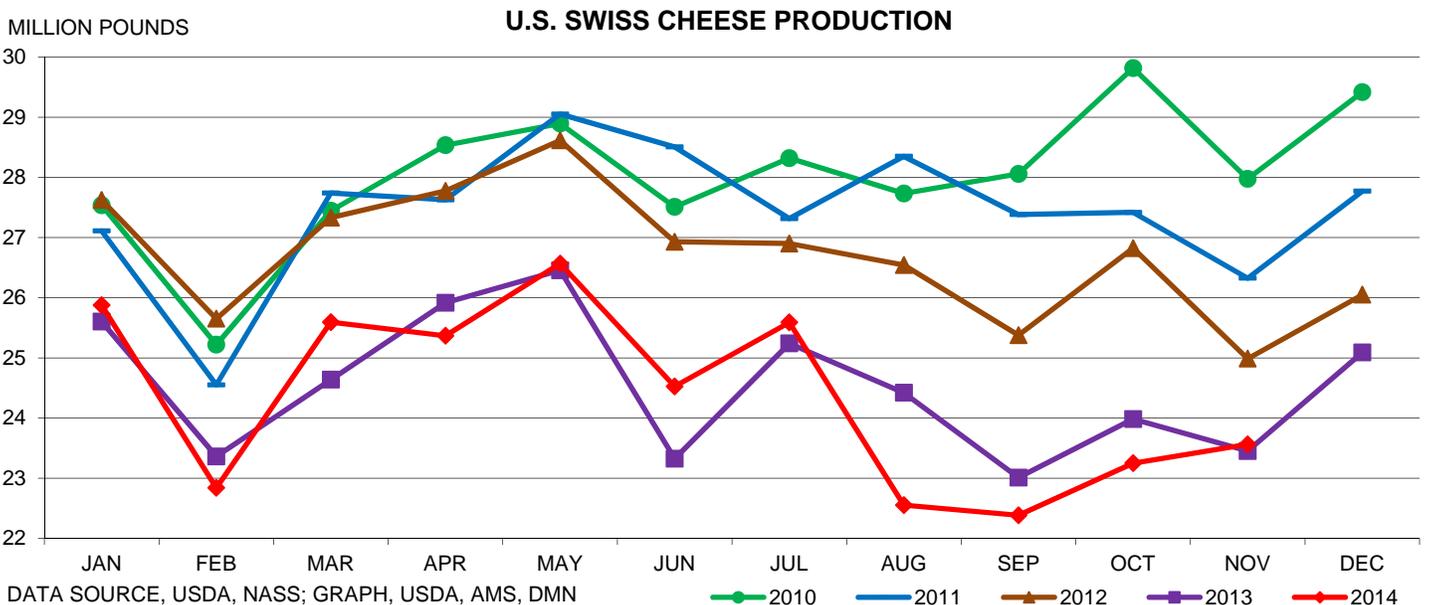
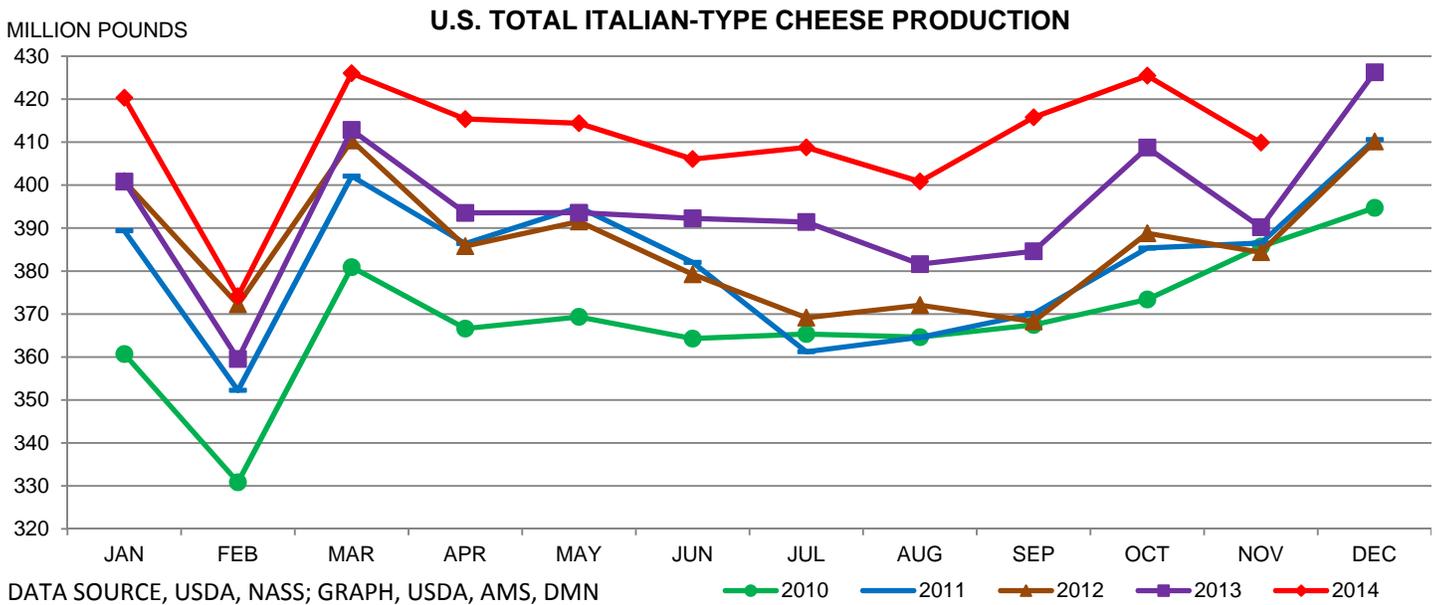
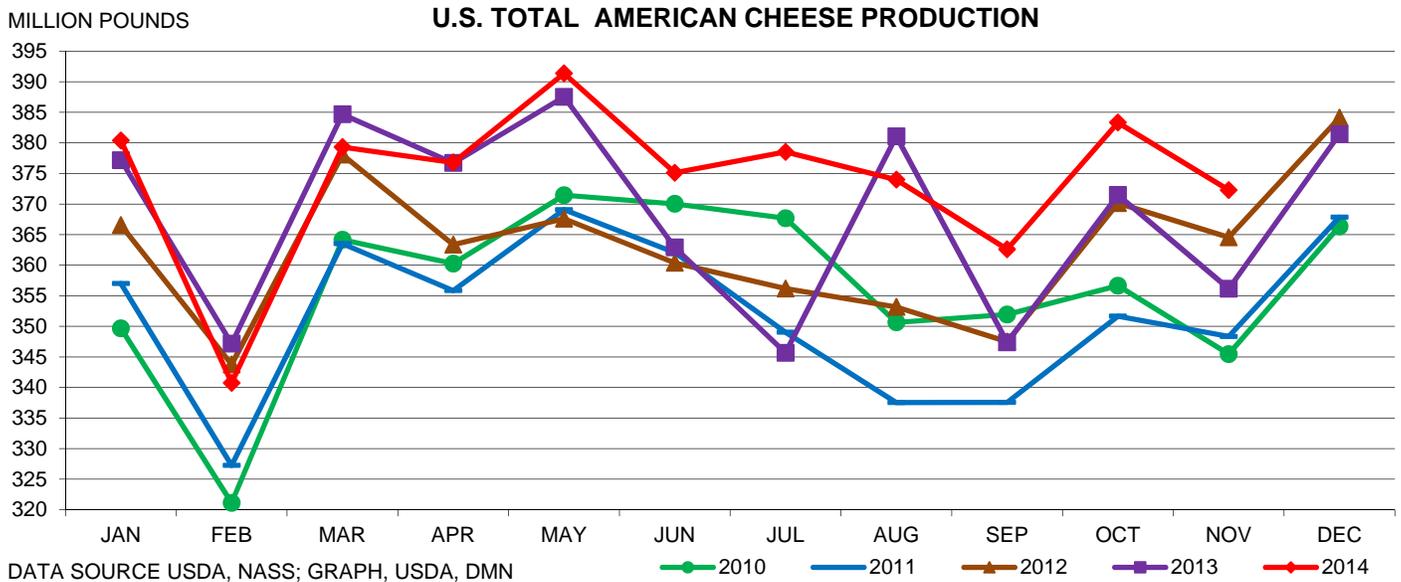
MILLION POUNDS

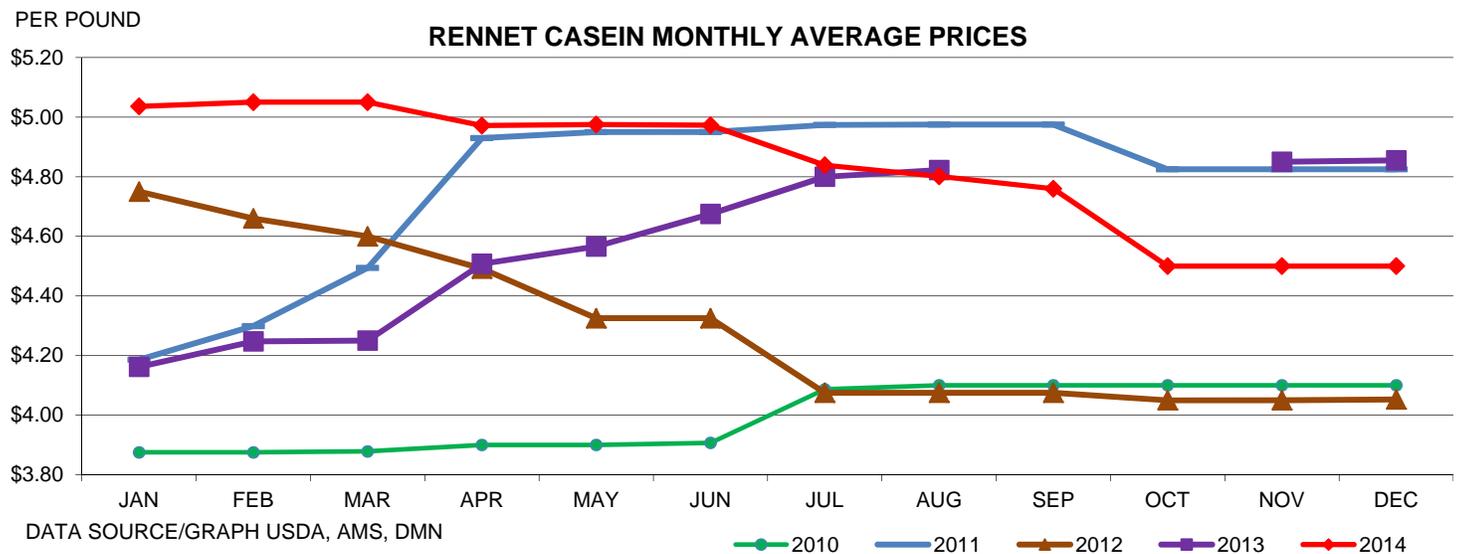
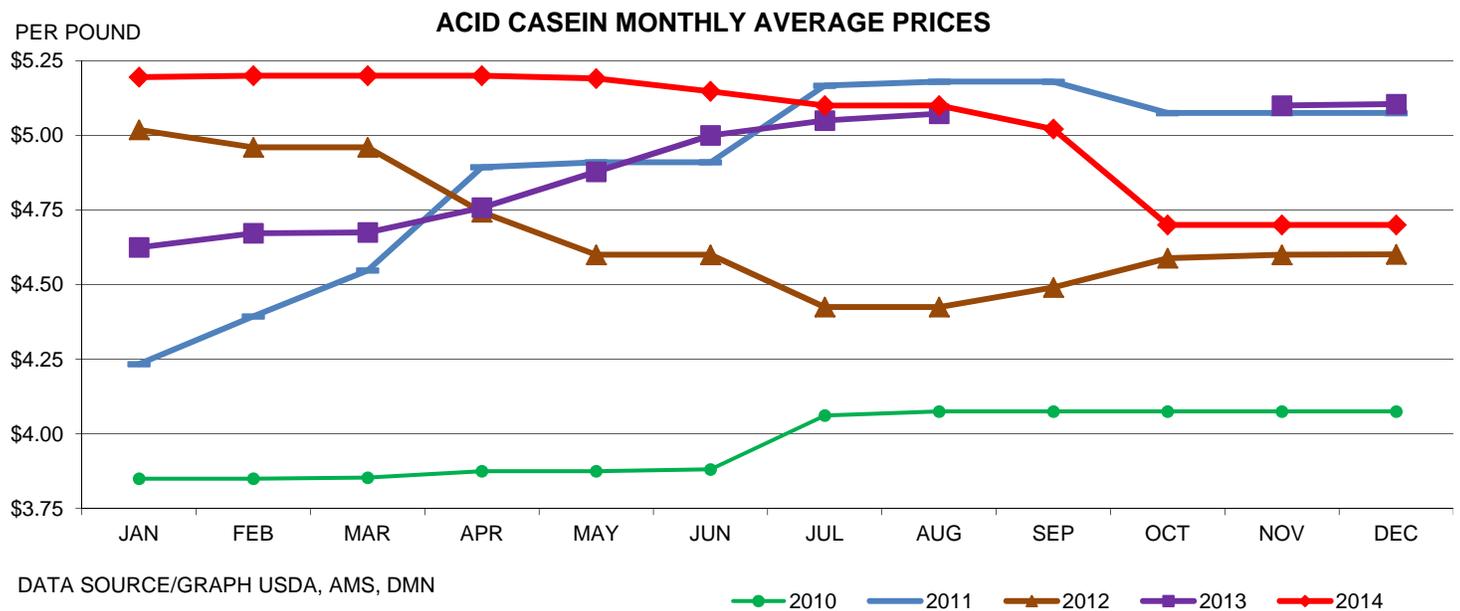
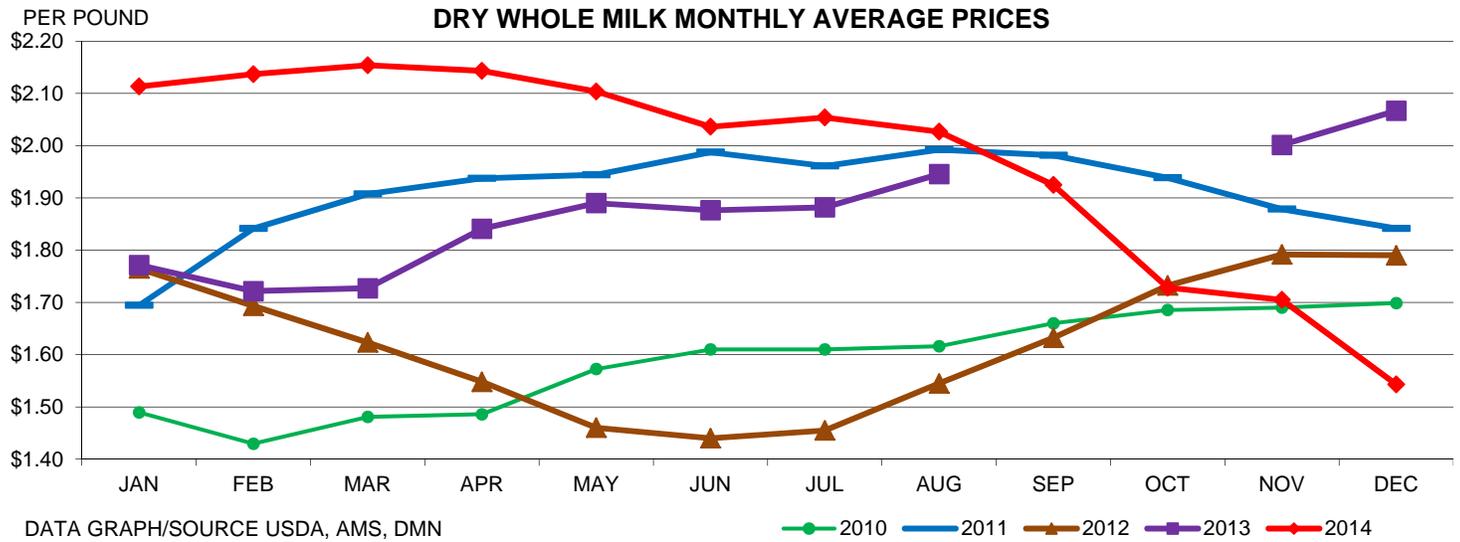


**U.S. WHEY PROTEIN ISOLATE PRODUCTION**

MILLION POUNDS









## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Retail Report - Dairy

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

Volume 82- Number 2

Issued Weekly

Friday, January 16, 2015

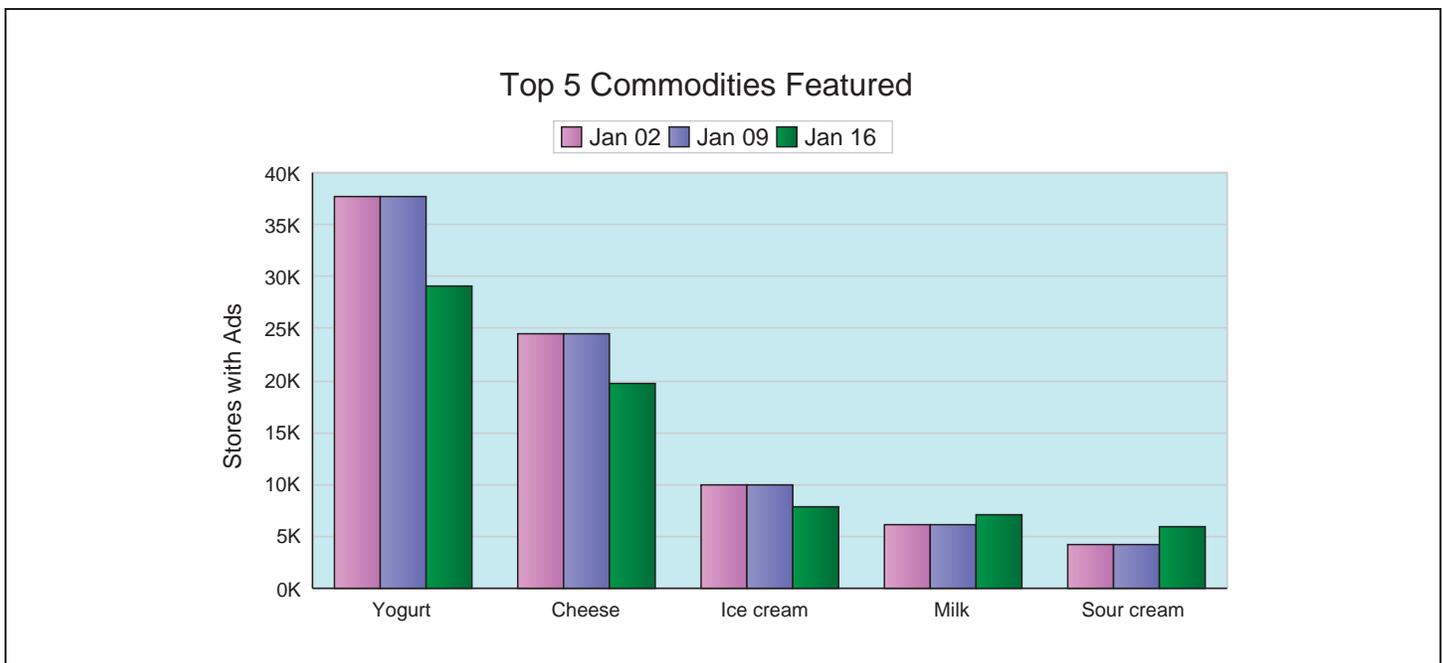
### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 01/16 to Jan 22

Ad volume for 1# butter has declined this week, with a U.S average advertised price of \$3.00, down from last week, by 35 cents. Other products heavily advertised during holiday weeks have lower ad numbers. The average price for 16 ounce cottage cheese, \$2.25, is down 10 cents from last week while the price of 8 ounce cream cheese, \$1.97, is up 14 cents.

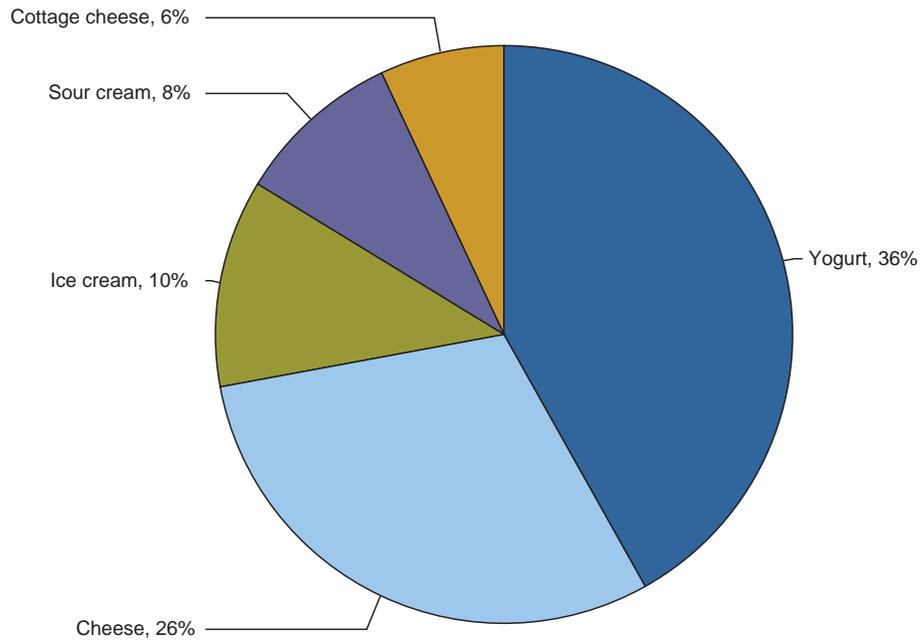
Greek 4-6 ounce yogurt ad volume leads the yogurt category with nearly double the ads of 4-6 ounce yogurt. The average price of 4-6 ounce Greek yogurt, 96 cents, is up 1 cent from last week but down 2 cents from one year ago. Ads for 4-6 ounce yogurt have an average price of 47 cents, even with last week but down 2 cents from one year ago.

The U.S average price for 8 ounce blocks, \$2.33, is 3 cents lower than one week ago but 4 cents higher than a year ago, while 8 ounce shredded cheese at \$2.54 is down 5 cents from the prior week but up 15 cents from the prior year. Block cheese ad volume is down from last week but volume for 8 ounce shredded cheese is up.

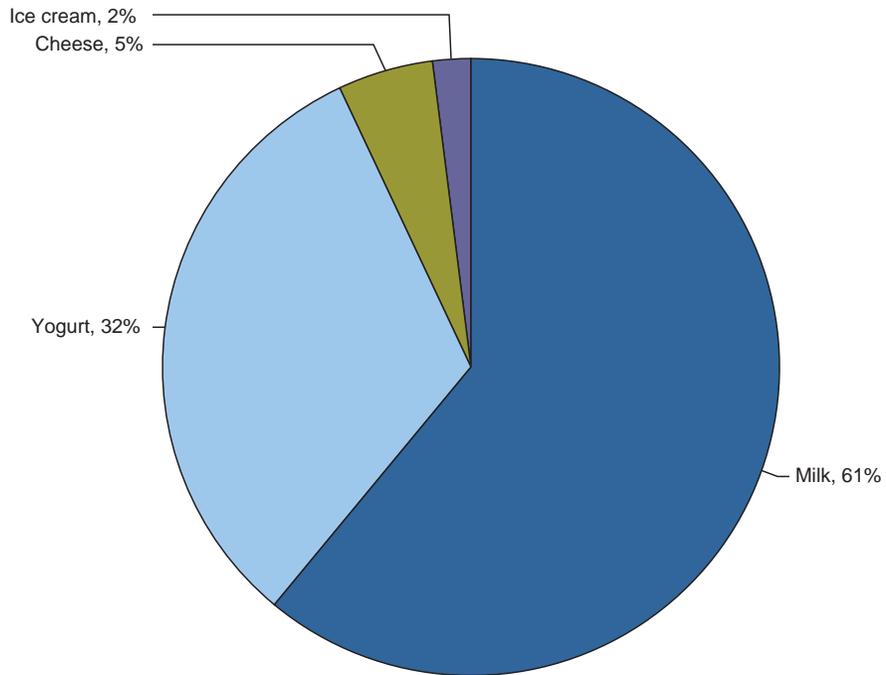
The organic versus conventional half gallon price spread is \$1.19, down 43 cents from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.37, up from \$2.03, and the average for organic half gallon milk, \$3.56, down from \$3.65.



### Top 5 Percentage of Total Conventional Ads



### Top 5 Percentage of Total Organic Ads





### NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	1710	3.00	2594	3.35	2542	2.88
Cheese	Natural Varieties	8 oz block	6270	2.33	8616	2.36	9123	2.29
Cheese	Natural Varieties	1 # block	1862	4.25	2363	3.95	1092	4.07
Cheese	Natural Varieties	2 # block	1412	7.88	1133	7.28	1325	6.11
Cheese	Natural Varieties	8 oz shred	8340	2.54	8115	2.59	8591	2.39
Cheese	Natural Varieties	1 # shred	1591	4.28	2004	3.89	1403	3.46
Cottage cheese		16 oz	4491	2.25	4906	2.35	4001	1.90
Cream cheese		8 oz	3103	1.97	5834	1.83	2533	1.58
Egg nog		quart					160	3.27
Egg nog		half gallon			114	3.49	71	4.79
Flavored milk	All fat tests	half gallon	105	3.79	1411	2.72	882	2.93
Flavored milk	All fat tests	gallon	310	3.88	330	3.18	71	3.65
Ice cream		48-64oz	7649	3.11	9965	3.11	11720	3.17
Milk	All fat tests	half gallon	2093	2.37	833	2.03	252	1.65
Milk	All fat tests	gallon	1193	2.92	2216	2.55	2010	3.07
Sour cream		16 oz	5910	1.73	4223	1.81	6558	1.57
Yogurt	Greek	4-6 oz	16906	.96	20667	.95	16799	.98
Yogurt	Greek	32 oz	1347	4.19	1554	5.01	2100	3.37
Yogurt	Yogurt	4-6 oz	8504	.47	13806	.47	9906	.49
Yogurt	Yogurt	32 oz	450	2.70	511	2.40	1149	2.73

### REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.00-4.99	1067	3.18	2.50	64	2.50	2.29-2.88	510	2.68
Cheese	Natural Varieties	8 oz block	1.99-3.29	2224	2.37	1.99-2.50	1116	2.24	1.98-2.50	827	2.20
Cheese	Natural Varieties	1 # block	3.99-4.99	394	4.71	3.99-4.99	1086	4.07	2.99-4.99	319	4.33
Cheese	Natural Varieties	2 # block				7.48	195	7.48			
Cheese	Natural Varieties	8 oz shred	1.99-4.59	2318	2.64	1.60-3.00	1644	2.33	1.98-3.99	770	2.58
Cheese	Natural Varieties	1 # shred	3.99	110	3.99	3.99	1002	3.99	2.99-4.99	319	4.33
Cottage cheese		16 oz	1.50-2.69	2332	2.18	1.25-2.69	1371	2.47	2.00-2.29	222	2.14
Cream cheese		8 oz	1.50-2.89	1271	2.07	1.50-2.50	566	2.39	1.00-2.33	709	1.62
Flavored milk	All fat tests	gallon							3.49	69	3.49
Ice cream		48-64oz	2.50-3.99	2929	3.00	2.50-5.00	1500	2.74	2.50-3.99	971	3.14
Milk	All fat tests	half gallon	2.79-2.99	280	2.95	1.00-1.99	173	1.30	1.00-2.99	824	2.15
Milk	All fat tests	gallon	3.49	137	3.49	2.59-2.98	285	2.86	1.99-4.98	363	2.68
Sour cream		16 oz	1.29-2.00	1422	1.72	1.25-2.00	1219	1.85	1.50-2.00	560	1.84
Yogurt	Greek	4-6 oz	0.75-1.00	2646	.95	1.00	2945	1.00	0.75-1.00	5299	.93

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Greek	32 oz	3.99-4.99	573	4.27	4.48	195	4.48	3.99	213	3.99
Yogurt	Yogurt	4-6 oz	0.44-0.60	2238	.52	0.40-0.60	2913	.49	0.39-0.60	2301	.44
Yogurt	Yogurt	32 oz	2.50-3.99	207	2.93						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #							2.99	69	2.99
Cheese	Natural Varieties	8 oz block	1.88-2.99	1352	2.35	1.99-2.50	517	2.30	2.49-3.49	234	2.94
Cheese	Natural Varieties	1 # block				3.99	63	3.99			
Cheese	Natural Varieties	2 # block	8.99	235	8.99	5.99-8.99	527	8.04	5.99-7.49	455	7.29
Cheese	Natural Varieties	8 oz shred	1.98-3.00	1522	2.39	1.99-3.00	1497	2.62	1.99-3.49	589	2.86
Cheese	Natural Varieties	1 # shred	6.99	99	6.99				4.99	61	4.99
Cottage cheese		16 oz				1.99	334	1.99	1.50-2.50	232	2.17
Cream cheese		8 oz	1.19-2.50	425	1.77	1.99	63	1.99	1.39	69	1.39
Flavored milk	All fat tests	half gallon							3.79	105	3.79
Flavored milk	All fat tests	gallon				3.99	241	3.99			
Ice cream		48-64oz	2.50-5.00	1025	3.56	3.33-3.50	671	3.47	2.49-3.50	553	3.37
Milk	All fat tests	half gallon	2.19-2.59	281	2.40	2.99	246	2.99	2.49	289	2.49
Milk	All fat tests	gallon				2.99	408	2.99			
Sour cream		16 oz	1.25-2.00	1017	1.58	1.25-1.95	1171	1.77	1.50-1.67	521	1.59
Yogurt	Greek	4-6 oz	0.88-1.00	1809	.96	0.88-1.00	3026	.99	1.00	1181	1.00
Yogurt	Greek	32 oz				4.99	200	4.99	2.50-3.50	166	2.87
Yogurt	Yogurt	4-6 oz	0.40-0.50	484	.41	0.40-0.50	463	.43	0.50	105	.50
Yogurt	Yogurt	32 oz							2.00-3.99	243	2.50

### NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #			442	5.14		
Cheese	Natural Varieties	8 oz block	84	3.99	1098	3.99		
Cheese	Natural Varieties	2 # block	107	7.99				
Cheese	Natural Varieties	8 oz shred	84	3.99	1098	3.93		
Cream cheese		8 oz			221	3.29		
Ice cream		48-64oz	137	5.99				
Milk	All fat tests	half gallon	1029	3.56	2530	3.65	3648	3.45

Wtd Avg - Simple weighted average



Milk	All fat tests	gallon						543	5.08
Milk	All fat tests	8 oz UHT	2677	1.00	450	.96		165	1.00
Yogurt	Greek	4-6 oz	1639	1.02	906	1.02		1783	1.16
Yogurt	Greek	32 oz	189	4.99					
Yogurt	Yogurt	4-6 oz	114	1.00	218	.72		143	.50
Yogurt	Yogurt	32 oz			137	2.99		769	2.96

### REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz block	3.99	84	3.99						
Cheese	Natural Varieties	8 oz shred	3.99	84	3.99						
Milk	All fat tests	half gallon	3.99-4.99	168	4.49	3.29-3.49	210	3.40	3.29-3.69	405	3.47
Milk	All fat tests	8 oz UHT	1.00	147	1.00	1.00	195	1.00	1.00	200	1.00
Yogurt	Greek	4-6 oz	1.25	147	1.25				1.00	348	1.00

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	2 # block				7.99	107	7.99			
Ice cream		48-64oz				5.99	137	5.99			
Milk	All fat tests	half gallon	2.99	141	2.99				3.49	105	3.49
Milk	All fat tests	8 oz UHT	1.00	349	1.00	1.00	1208	1.00	1.00	578	1.00
Yogurt	Greek	4-6 oz	1.00	114	1.00	1.00	741	1.00	1.00	289	1.00
Yogurt	Greek	32 oz	4.99	72	4.99	4.99	117	4.99			
Yogurt	Yogurt	4-6 oz	1.00	114	1.00						

### REGIONAL DEFINITIONS

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

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

# DAIRY MARKET NEWS

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