

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (3/6)

BUTTER: Grade AA closed at \$1.7500. The weekly average for Grade AA is \$1.7560 (+.0950).

CHEESE: Barrels closed at \$1.4950 and 40# blocks at \$1.5600. The weekly average for barrels is \$1.4935 (+.0080) and blocks, \$1.5520 (+.0070).

BUTTER HIGHLIGHTS: Butter prices are mixed. Production is steady to increasing as orders have increased for the Spring holidays. Manufacturers are building inventories for print butter. The higher milk volumes have led to churns running at or near capacity. Cream availability is mixed throughout the regions. Cream is clearing into churns. Cream prices are mixed in the Central region and moving higher in the East. Bulk butter is available. This week, a cooperative export assistance program accepted requests for 385,809 pounds of butter. The NASS *Dairy Products* report noted January U.S. butter production totaled 179.5 million pounds, up 7.1% from last month but 1.6% lower than a year ago. The CME Group monthly average price for Grade AA butter during February was \$1.7293, compared to \$1.8047 a year ago. Friday at the CME Group, Grade AA butter closed at \$1.7500, up \$.0550 from a week ago.

CHEESE HIGHLIGHTS: This week has continued a period of relative price stability for cheese markets. Increasing milk supplies in much of the country are leading to more milk going into cheese production. Heavier production schedules are accommodated by good cheese buying interest, as well as manufacturer interest in building inventory levels. Contracted cheese sales are being delivered and taken on schedule in the majority of locations. Demand for domestic foreign type cheeses is good. End user inventories were stretched thin in Q4 2014 and have been slow to rebuild. Domestic aging programs for cheddar and Italian type cheeses are also rebuilding. European mature cheese stocks are considerably lower with much of the stock committed for Easter holiday delivery. *Dairy Products* (NASS) reports that January 2015 total cheese output was 980.1 million pounds, 2.8% above January 2014 but 1.9% below December 2014. The CME Group February 2015 monthly average price for barrels, \$1.4849, is down \$.0146 from January and down \$.6908 from one year ago. Blocks' February average price, \$1.5382, is up \$.0164 from January but down \$.6563 from one year ago. Friday in CME Group trading, barrels closed at \$1.4950, up \$.0025 from last Friday and 40# blocks closed at \$1.5600, up \$.0150 from last Friday.

FLUID MILK: Fluid milk production is generally steady to increasing seasonally. In the West, milk volumes from the farm are increasing compared to a week ago. Milk production is steady to seasonally strong in the East. Production and demand are steady despite inclement weather in the Northeast. Colder temperatures are affecting dairy operations in the North Central, pulling milk production down slightly. Fluid milk demand and production in Florida are mostly level. Some plants in the West are ramping up production of holiday related milk-based drinks. Bottler demand is mixed, reflecting several issues, including inclement weather. Some bottlers in the West are focusing on the possible decreasing sales in the next few months as educational facilities close for spring recesses. Bottling demand is steady in the East, but down in the Central region. Spot loads are available at under Class pricing in the Central region. Supplies are sufficient around the country. Trucking delays have also been an issue as the southern part of the Central region is getting unfavorable weather. Buyers in the Central region are handling contract loads and taking extra loads on a hand to mouth basis.

DRY PRODUCTS: Nonfat dry milk prices are steady to lower. The above year ago levels of milk have led to an increase in production. Dry buttermilk prices are mixed. Demand is steady to lower and inventory levels are adequate to high. Due to higher butter churning, production of buttermilk is active. Dry whole milk prices are mixed. Dry whey prices are steady to lower in a weak market. Production levels are increasing and producers are accumulating inventory. Prices for WPC 34% are mixed as production is active due to higher cheese production. Lactose pricing shifted lower in a generally weak market. Casein prices are unchanged.

INTERNATIONAL DAIRY MARKET NEWS (DMN): WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Milk production volumes continue to reflect the efforts of producers restricting their herds' milk production in order to reduce their over quota levee liability. Market participants are uncertain how milk production will react to the upcoming non-quota environment. Market activity has slowed for most or all dairy commodities as buyers have their short term needs covered and are willing to wait for the eventual increase in milk and commodity production in April.

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CME GROUP CASH TRADING

| COMMODITY | MONDAY MAR 02 | TUESDAY MAR 03 | WEDNESDAY MAR 04 | THURSDAY MAR 05 | FRIDAY MAR 06 | WEEKLY CHANGE* | WEEKLY AVERAGE# |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------|----------------------------|
| CHEESE | | | | | | | |
| BARRELS | \$1.4925 (N.C.) | \$1.4925 (N.C.) | \$1.4925 (N.C.) | \$1.4950 (+.0025) | \$1.4950 (N.C.) | :: (+.0025) | :: \$1.4935 :: (+.0080) |
| 40# BLOCKS | \$1.5450 (N.C.) | \$1.5450 (N.C.) | \$1.5500 (+.0050) | \$1.5600 (+.0100) | \$1.5600 (N.C.) | :: (+.0150) | :: \$1.5520 :: (+.0070) |
| NONFAT DRY MILK | | | | | | | |
| GRADE A | \$1.1550 (N.C.) | \$1.1250 (-.0300) | \$1.1000 (-.0250) | \$1.0500 (-.0500) | \$1.0250 (-.0250) | :: (-.1300) | :: \$1.0910 :: (-.0130) |
| BUTTER | | | | | | | |
| GRADE AA | \$1.7800 (+.0850) | \$1.7500 (-.0300) | \$1.7500 (N.C.) | \$1.7500 (N.C.) | \$1.7500 (N.C.) | :: (+.0550) | :: \$1.7560 :: (+.0950) |

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

Total 2014 exports for the EU-28 were released with SMP exports setting an all-time high. Yearly increases were also noted for WMP and Butter. Whey exports saw a marginal decline. ESTAT - Newcronos reported EU-28 total 2014 milk collections 4.6% higher than 2013. Various member states showed the following milk delivery increases for 2014 compared to 2013: Germany, 3.5%; France, 5.7%; UK, 8.3%; Belgium, 6.3%; Italy, 3.1%; and Ireland, 4.3%. Total 2014 milk delivery data showed increases for all countries in Western Europe with the exception of Greece -5.1%. **EASTERN OVERVIEW:** Eastern European milk production increases are slowing as some producers in Poland are reducing their milk production as they near or exceed quota levels. Total European milk deliveries for 2014 reported by ESTAT - Newcronos, showed the following year over year changes for selected countries: Poland, +6.7%; Lithuania, +7.2%; Latvia, +9.4%; Estonia, +6.3%; and the Czech Republic, +1.4%. According to Eurostat, Poland's 2014 milk production increases resulted in the following dairy product production increases: butter, 4.2%; SMP, 49.9%; and WMP, 11.6%. **OCEANIA OVERVIEW:** Australian milk production is holding fairly steady compared to recent weeks. Many producers continue to utilize summer forages and provide supplemental feeds rather than hay. A strong cyclone made landfall in Queensland last week and triggered numerous thunderstorms and showers over most of the major dairy producing regions. Commodity prices have moved significantly higher in recent weeks and as a result some commodities are experiencing some fluctuations in demand. Increased prices have also narrowed the margins between commodities, prompting some manufacturers to alter production schedules. According to Dairy Australia, January 2015 milk production in Australia was 0.6% above January 2014. The state changes from a year earlier are: New South Wales, +7.6%; Victoria, -1.5%; Queensland, -2.8%; South Australia, +2.5%; Western Australia, +6.5% and Tasmania +5.5%. Australia's milk production season to date (July-January) is +2.4%, compared to last season. **New Zealand's** milk production continues to decline. The rate of decline has accelerated significantly and will lead to a shorter season, compared to last year. Producers have increased their cull rates and are moving to once a day milking schedules. The Canterbury region on the South Island continues to be very dry. As commodity prices have increased in recent weeks, manufacturers have adopted flexible production schedules for the various commodities in order to capture the best returns. January milk production as reported by DCANZ was 2.481 million MT, up 0.3% from January 2014 and 7.8% higher than the level two years ago. January milksolids reflected a 1.3% decrease compared to January 2014. At the March 3 GDT event #135, average prices ranged from 2.2% lower to 10.8% 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, \$4,237 -2.2%; butter, \$3,912 +2.5%; buttermilk powder, \$2,681 +6.8%; cheddar cheese, \$3,377 +10.8%; lactose, n.a.; rennet casein, \$8,694 -0.7%; skim milk powder, \$2,935 +5.9%; sweet whey powder, n.a.; and whole milk powder, \$3,241 -1.0%.

JANUARY AGRICULTURAL PRICES (NASS): The All Milk price received by farmers was \$17.60 in January, down \$5.90 from January 2014. Milk Cows price was \$1,990 in January up \$550 from January 2014. Alfalfa hay price was \$174.00 in January, down \$12.00 from January 2014. Corn price was \$3.81 in January, down \$0.61 from January 2014. Soybean price was \$10.30 in January, down \$2.60 from January 2014. The milk-feed price ratio was 2.09 in January, down 0.37 from January 2014. The index of prices received by farmers for dairy products during the month of January 2015 was down 2 points to

99. Compared to January 2014, the index down 1 point (1.0 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in January 2015 was down 2 points to 109. Compared with January 2014, the index was up 1 point (0.9 percent).

JANUARY DAIRY PRODUCTS (NASS): Butter production was 179.5 million pounds, 1.6 percent below January 2014 but 7.1 percent above December 2014. **American type cheese** production totaled 393.4 million pounds, 3.4 percent above January 2014 and 0.9 percent above December 2014. **Total cheese** output (excluding cottage cheese) was 980.1 million pounds, 2.8 percent above January 2014 but 1.9 percent below December 2014. **Nonfat dry milk** production, for human food, totaled 165.8 million pounds, 19.4 percent above January 2014 and 1.5 percent above December 2014. **Dry whey** production, for human food, was 75.5 million pounds, 9.5 percent above January 2014 and 1.7 percent above December 2014. **Ice cream, regular hard** production totaled 54.8 million gallons, 1.1 percent below January 2014 but 7.0 percent above December 2014.

FEBRUARY FEDERAL MILK ORDER CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the February 2015 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$14.48 (-\$1.70), Class III: \$15.46 (-\$0.72), and Class IV: \$13.82 (+\$0.59). Under the Federal milk order pricing system, the butterfat price for February 2015 is \$1.8296 per pound. Thus, the Class II butterfat price is \$1.8366 per pound. The protein and other solids prices for February 2015 are \$2.4051 and \$0.3273 per pound, respectively. These component prices set the Class III skim milk price at \$9.39 per cwt. The February 2015 Class IV skim milk price is \$7.69, which is derived from the nonfat solids price of \$0.8544 per pound. The product price averages for February 2015 are: butter: \$1.6823, nonfat dry milk: \$1.0308, cheese: \$1.5446, and dry whey: \$0.5169.

ANNUAL FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY (DAIRY PROGRAMS): Handler reports of receipts and utilization under the Federal milk order system for 2014 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During 2014, more than 129.4 billion pounds of milk were received from Federally pooled producers. This volume of milk is 2.0% lower than the 2013 pooled volume. In 2014 and 2013, here were volumes of milk not pooled due to intraorder disadvantageous price relationships. Regulated handlers pooled 41.420 billion pounds of producer milk as Class I products, down 3.1% when compared to 2013. Class I utilization decreased in all 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 32%, Class II = 11%, Class III = 45%, and Class IV = 12%. The weighted average statistical uniform price was \$23.54 per cwt, \$4.10 higher than 2013's \$19.44.

NATIONAL RETAIL REPORT-DAIRY (DMN): Advertised Prices at Major Retail Supermarket Outlets 03/06 to 03/12/2015. National ad volumes for conventional dairy products decreased 4% while ads for organic dairy products nearly doubled. The U.S. average advertised price for 8 ounce cheese blocks, \$2.33, is 12 cents higher than one week ago, but 11 cents lower than a year ago, while 8 ounce shredded cheese at \$2.68 is up 27 cents from one week ago, and 34 cents higher from one year ago. Greek 4-6 ounce yogurt ad volume is the highest ad volume of all other categories and sizes of yogurt.

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

The average price of 4-6 ounce Greek yogurt, \$0.98, is up 3 cents from last week, but 1 cent lower than one year ago. Ads for 4-6 ounce yogurt have an average price of 48 cents, unchanged from last week and 2 cents lower from one year ago. National average prices for butter, cottage cheese and ice cream all increased. The national average prices and their increases compared to last week are: 1# butter \$3.02, up 25 cents; cottage cheese in 16 ounce containers \$2.26, up 56 cents; and ice cream in 48-64 ounce containers \$3.06, up 1 cent. The organic - conventional half gallon milk price spread is \$1.69, down \$0.06 from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$1.99, up 36 cents from one week ago, and the average for organic half gallon milk, \$3.68, up 30 cents from last week. The 2015 price spread has ranged from \$1.19 to \$2.39.

CME GROUP

MONDAY, MARCH 2, 2015

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.5450; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4925; 1 CAR 40# BLOCKS @ \$1.5450; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5000; 1 CAR 40# BLOCKS @ \$1.5500

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0800; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 16 CARS GRADE AA: 1 @ \$1.7350, 1 @ \$1.7400, 3 @ \$1.7500, 3 @ \$1.7600, 1 @ \$1.7650, 3 @ \$1.7700, 1 @ \$1.7750, 3 @ \$1.7800; LAST BID UNFILLED: 3 CARS GRADE AA @ \$1.7700; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.7900

TUESDAY, MARCH 3, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: 2 CARS 40# BLOCKS @ \$1.5450; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: 6 CARS GRADE A @ \$1.1250; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.1100; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$1.1250

BUTTER -- SALES: 16 CARS GRADE AA: 1 @ \$1.7675, 1 @ \$1.7600, 3 @ \$1.7525, 1 @ \$1.7550, 1 @ \$1.7575, 2 @ \$1.7600, 1 @ \$1.7575, 1 @ \$1.7550, 1 @ \$1.7525, 2 @ \$1.7500, 1 @ \$1.7525, 1 @ \$1.7500; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7300; LAST OFFER UNCOVERED: NONE

WEDNESDAY, MARCH 4, 2015

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.5500; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.4925; 2 CARS 40# BLOCKS @ \$1.5450; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.1000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$1.1100

BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, MARCH 5, 2015

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.5525, 1 @ \$1.5600; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4950; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.5650

NONFAT DRY MILK -- SALES: 6 CARS GRADE A @ \$1.0500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7800

FRIDAY, MARCH 6, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.4950; 1 CAR 40# BLOCKS @ \$1.5600; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: 18 CARS GRADE A: 2 @ \$1.0200, 9 @ \$1.0300, 7 @ \$1.0250; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$1.0250

BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7700

BUTTER MARKETS**NORTHEAST**

Butter production is primarily steady although seasonal demand from Class II production is pulling on regional cream supplies. With the rise in cream demand and reallocations of milk supplies, due to winter weather, some plants are forfeiting butter processing as available cream supplies clear to satisfy contractual requirements. Butter orders are increasing; however, some manufacturers are concerned that current market volatility will be an obstacle to positional demand. With the approaching Easter holiday, new production is filling the majority of manufacturers' commitments. The butter market's undertone is even. The current bulk butter prices for domestic sales are reported 4 to 6 cents over the market of the CME Group, with various time frames and averages used. According to the *DMN National Retail Report-Dairy*, for February 27-March 05, the national weighted average advertised price for 1-pound butter is \$2.77, a decline of \$0.41 from a week ago. The price in the Northeast is \$3.44, a \$0.53 increase over last week. The Southeast butter price is \$2.45, a decline of \$.80 compared to a week ago. The CME Group monthly average price for Grade AA butter during February 2015 was \$1.7293, compared to \$1.8047 a year ago. Trading is active with 32 sales occurring since Monday. Tuesday's CME Group cash trading saw Grade AA butter close at \$1.7500, up \$0.1075 from a week ago.

CENTRAL

Central butter prices moved higher at the beginning of the week, down on Tuesday and have not changed through midweek. Retail butter sales are increasing as the spring holidays near. Print butter inventory levels are average to increasing and available cream is moving to churns. Cream levels are mixed as some reports indicate a tight market, while others are showing surpluses. Bulk butter prices range from market to 6 cents over the market, with various

time frames and averages used. Bulk butter inventories are adequate. According to the *DMN National Retail Report-Dairy*, the weighted average advertised price for a 1 lb. package of butter in the Midwest was \$1.99. The national weighted average price is \$2.77, a 41 cent decrease from last week but 20 cents higher than a year ago. This week, a cooperative export assistance program accepted requests for 385,809 pounds of butter. The NASS Dairy Products report noted January U.S. butter production totaled 179.5 million pounds, up 7.1% from last month but 1.6% lower than a year ago. January production in the Central region totaled 74.2 million pounds, 4.9% higher than a month ago and 4.1% above last year. The CME Group monthly average price for Grade AA butter during February was \$1.7293, compared to \$1.8047 a year ago. The Grade AA butter price at the CME Group closed Wednesday at \$1.7500, a 10.75 cent increase from last Wednesday.

WEST

There was renewed focus this week in parts of the West, with manufacturing bulk butter. Cream was moving from Arizona into California to facilitate increased churning of bulk butter, in addition to maintaining print butter volumes. Some manufacturers determined that current multiples and pricing based off the decline in the last weekly average for butter was favorable to building bulk butter inventories for future use in the West and elsewhere in the country. Elsewhere in the West, print butter churning was described as "strong" or "plugging along". Some plants continue to fill orders with deliveries scheduled through March. Bulk butter ranges from 4.5 cents under to 1 cent over the CME Group with various basing points.

CONTINUED ON PAGE 2A**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 |
|--------------------|---------------------|----------------------|--------------------------------|---------------------|----------------------|
| February 28, 2015 | 1,7068 4,527,474 | 1,5529 14,495,567 | 1,5257 9,890,187 | 0,4879 8,619,181 | 1,0580 26,221,144 |

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

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The DMN *National Retail Report-Dairy* ads for the week of February 27 – March 5, shows the U.S. weighted average advertised retail price for a one pound pack of butter at \$2.77, down \$.41 from last week, which follows a decline of \$.44 the previous week. The current average price is \$.20 higher than one year ago. Butter ad prices averaged \$2.83 in the Southwest and \$2.99 in the Northwest. The CME Group February 2015 monthly average price for Grade AA butter, \$1.7293, is up \$.1579 from January and up \$.0754 from February one year ago. The Grade AA butter price at the CME Group on Wednesday closed at \$1.7500, up \$.1075 from a week ago. NASS reports that January 2015 U.S. butter production was 179.5 million pounds, 1.6% below January 2014 but 7.1% above December 2014.

CHEESE MARKETS

NORTHEAST

Production at Northeast cheese plants is steady. Cheese inventories are sufficient for existing near-term needs. Swiss stock clearing to various outlets is at an unanticipated level for some manufacturers, with active interest for other varieties as well. Export demand continues to lag, as domestic market demand remains steady. Market participants are noting the probability of the current market environment continuing through the spring flush. This week, the Northeast wholesale cheese prices for cheddar and muenster rose \$0.0025; process prices are unchanged. The Grade A Swiss price is steady. The Class and Component price release is scheduled for this week on March 4. The Northeast monthly average price for cheddar 40# block during February 2015 was \$2.0672, compared to \$2.7654 one year ago; process 5# sliced average price was \$1.9488, in comparison to \$2.6657 one year ago. According to the DMN *National Retail Report-Dairy*, for February 27-March 05, the national weighted average advertised cheese price for 8 oz. blocks in the Northeast is \$2.23, 2 cents more than the national average, but 31 cent less than a week ago. The Southeast 8 oz. block cheese price is \$1.97, 91 cents less than a week ago. Tuesday's CME Group daily cash prices saw barrels close at \$1.4925, down \$0.0100 from a week ago; blocks closed at \$1.5450, unchanged from a week ago.

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

| | | |
|-----------------------------|---|---------------|
| Cheddar 40# Block | : | 1.9425-2.2275 |
| Process 5# Sliced | : | 1.7100-2.1900 |
| Muenster | : | 1.9625-2.3125 |
| Grade A Swiss Cuts 10 - 14# | : | 3.8925-4.2150 |

MIDWEST

With the CME Group block market remaining unchanged all last week and until Wednesday this week, and little price change in barrels, it continues to be a very stable cheese market situation. Midwest manufacturers view this period as one where business as usual is being done. Heavy milk supplies continue to move to Midwest cheese vats as a preference to other dairy products. Buyers continue buying cheese, although at a slower pace in some plants than others, as inventories begin to fill. Fresh cheddar is fairly easy to locate and purchase. Many cheese sellers do not anticipate any imminent factor that will significantly move markets off the current resting point, although there remains a "calm before the possible storm" apprehension with other manufacturers, who are nervous about the market's lack of any clear direction and dread the unknown. Overall the sense of cheese manufacturers and buyers is to keep making and buying cheese consistent with the current market stability. The *National Retail Report - Dairy* (DMN) found that February 27 to March 5 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.53, 12 cents higher than the national average, \$2.41. One year ago the national average price was \$2.40. The Midwest price range is \$1.88 to \$3.00. For 8 ounce blocks, the Midwest average price is \$2.32, 11 cents higher than the national average price, \$2.21. One year ago the national average price was \$2.32. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese and Swiss are unchanged and the remaining varieties increased \$.0025. The CME Group February 2015 monthly average price for barrels, \$1.4849, is down \$.0146 from January and down \$.6908 from February one year ago. Blocks' February average price, \$1.5382, is up \$.0164 from January but down \$.6563 from one year ago. In CME Group cheese trading, barrels closed Wednesday this week at \$1.4925, up 1 cent from Wednesday last week and blocks closed at \$1.5500, up 1/2 cent.

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

| | | |
|---|---|---------------|
| Process American 5# Loaf | : | 1.5925-1.9525 |
| Brick And/Or Muenster 5# | : | 1.9225-2.3475 |
| Cheddar 40# Block | : | 1.6500-2.0450 |
| Monterey Jack 10# | : | 1.8975-2.1025 |
| Blue 5# | : | 2.1900-3.1775 |
| Mozzarella 5 - 6# (Low Moisture, Part Skim) | : | 1.7675-2.6625 |
| Grade A Swiss Cuts 6 - 9# | : | 3.4100-3.5275 |

WEST

Most Western cheese plants are receiving slightly more milk this week than last week, which keeps schedules full. There is a general feeling of confidence in price stability, following mostly unchanged CME Group cheese prices many days last week into this week. With milk to be processed, cheese seems a choice many processors are making. Customers continue to place orders and receive cheese deliveries, although in some plants at a slightly slower pace than recent weeks. Inventories are being built with confidence, both by customers and manufacturers. Cheese manufacturers with contracted sales report that customers are taking cheese on time with no pushback. Contract and spot cheese customers in the West are said to have a "good appetite" for cheese. On the horizon some weeks ahead is awareness of the potential for what some manufacturers believe could be minor softening in domestic cheese prices, as the spring flushes in the U.S. and EU progress. Where that thought is expressed, the potential does not appear to be materially changing current production or plans. The DMN *National Retail Report-Dairy* for the week of February 27 - March 5 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.41, down \$.05 from last week but \$.01 higher than a year ago. Packs averaged \$2.50 in the Southwest and \$2.38 in the Northwest. Western wholesale prices are unchanged for process and Swiss, but up \$.0025 for the remaining varieties. The CME Group February 2015 monthly average price for barrels, \$1.4849, is down \$.0146 from January and down \$.6908 from February one year ago. Blocks' February average price, \$1.5382, is up \$.0164 from January but down \$.6563 from one year ago. In CME Group cheese trading, barrels closed Wednesday this week at \$1.4925, up 1 cent from Wednesday last week and blocks closed at \$1.5500, up 1/2 cent. NASS reports that January 2015 total cheese output was 980.13 million pounds, 2.8% above January 2014 but 1.9% below December 2014. Total American cheese production, 393.38 million pounds, was 3.4% above January 2014 and 0.9% above the prior month. Other cheese production for January, 101.69 million pounds, was 1.5% below January 2014 and 4.1% below December 2014.

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

| | | |
|---------------------------|---|---------------|
| Process 5# Loaf | : | 1.6075-1.8650 |
| Cheddar 40# Block | : | 1.6550-2.1000 |
| Cheddar 10# Cuts | : | 1.8350-2.0550 |
| Monterey Jack 10# | : | 1.8450-2.0050 |
| Grade A Swiss Cuts 6 - 9# | : | 3.4700-3.9000 |

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

| | BUTTER | : | CHEESE |
|----------|--------|---|--------|
| 03/02/15 | 9,660 | : | 95,740 |
| 03/01/15 | 9,406 | : | 96,003 |
| CHANGE | 254 | : | -263 |
| % CHANGE | 3 | : | -0 |

CHEESE MARKETS

CONTINUED FROM PAGE 3

FOREIGN

Prices for domestic foreign type cheese varieties moved marginally higher this week. Imported cheese varieties and Swiss cheese prices were unchanged. Demand for domestic foreign type cheeses is good. End user inventories were stretched thin in Q4 2014 and have been slow to rebuild. Domestic aging programs for cheddar and Italian type cheeses are also rebuilding. European mature cheese stocks are considerably lower with much of the stock committed for Easter holiday delivery.

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

| VARIETY | NEW YORK | |
|--------------------------|-----------------|------------------|
| | IMPORTED | DOMESTIC |
| Blue | : 2.6400-5.3800 | : 2.0825-3.5700* |
| Gorgonzola | : 3.6900-6.4900 | : 2.5900-3.2875* |
| Parmesan (Italy) | : -0- | : 3.4725-5.5625* |
| Provolone (Italy) | : -0- | : 2.1250-2.3775* |
| Romano (Cows Milk) | : -0- | : 3.2725-5.4225* |
| 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- | : 3.9900-4.3125 |
| 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 | 43 | 00 | 0 | 00 | 0 | 70 |
| SOUTHEAST STATES | 0 | 0 | 0 | 0 | 0 | 0 |

Farm-level milk production is steady in the Northeast region. Processors' milk supplies are sufficient. Class I demand is at seasonal levels. Mid-Atlantic milk production is seasonally active. Manufacturing supplies are adequate, although some managers are experiencing lower than expected milk intakes. Bottling orders are steady. The Southeast's milk output is steady to incrementally higher. Add-on milk loads are clearing to bottling as orders increase with forecasts of a new winter storm moving toward the area. Retail stores are preparing for yet another run on fluids by consumers. Anticipated closings of schools could potentially balance increases in Class I consumer outlet sales. Florida's milk production has been on the rise; however, warmer temperatures are expected to slow production slightly. Statewide, temperatures are 32 degrees at night to 87 degrees during the day. Bottling orders are steady. Surplus milk supplies prompted 43 spot shipments exported this week. According to the NASS *Crop Progress & Condition Report*, for February 23-March 1, winter pasture growth in the panhandle is vulnerable to cold, overcast conditions. According to the DMN *National Retail Report-Dairy*, for February 27- March 05, the U.S. weighted average advertised price for a gallon of milk was \$3.27, an increase of \$0.56 compared to one week ago. **Cream supplies** are less available in comparison to last week. Buyers are increasingly looking for loads to fill holiday needs. Prices have firmed slightly in the East. Buyers/sellers expect multipliers to move higher as the market advances into the holiday season. The market undertone imparts uncertainty, as some contacts allude to doubt concerning where the market is headed, as butter prices fluctuate. **Cream multiples for all Classes range 1.13-1.23.** Contracted orders are being filled to Class II production, with noted Class III spot interest. At the CME Group, Grade AA butter closed Wednesday at \$1.7500, up \$0.1075 from a week ago. **Condensed skim** is available. Transactions are fairly quiet in the spot market. Drying remains active, as manufacturers' condensed skim supplies clear to nonfat dry milk processing.

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 - | 1.8769-2.0430 |
| F.O.B. producing plants: Upper Midwest - | 1.9600-2.0763 |

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

| | |
|--|-----------|
| Northeast - Class II - includes monthly formula prices - | 1.02-1.10 |
| Northeast - Class III - spot prices - | 1.05-1.25 |

MIDWEST

Milk production rates are still above year ago levels, but the colder weather has decreased production levels. The milk spot load prices reflect the availability with pricing ranging from \$3.00 under Class to Class. Bottling orders were down and extra milk supplies moved from Class I. Class II manufacturers are beginning to ramp up production for Easter demand. Cream supplies are robust, leaving many butter churn operators with higher stocks. A few ice cream makers are

taking cream supplies as well. Many Class III manufacturers are mostly sticking to committed contracted milk loads with a few hand-to-mouth spot load purchases. Snow storms in Texas have led to several issues, including trucking and crop production. **Cream multiples are mixed this week, ranging from 1.18 to 1.25.** The NASS *Agricultural Prices* report noted the National alfalfa hay price received during January averaged \$174 per ton, compared to \$186 a year ago. The average corn price for January was \$3.81 per bushel, compared to \$4.42 last year, while soybeans averaged \$10.30 per bushel, compared to \$12.90 a year ago. The all milk price averaged \$17.60 per cwt, compared to \$20.40 a year ago. The average price received for milks cows in January was \$1,990, compared to \$1,440 a year ago. The milk-feed ratio was 2.09, compared to 2.46 a year ago. According to DMN *National Retail Report-Dairy*, the national weighted average advertised price for the week of February 27 through March 5 for a gallon of milk was \$3.27 compared to \$2.99 a year ago and \$2.71 a week ago. In the Midwest, the advertised price for a gallon of milk was \$3.15.

WEST

California milk volumes coming off the farms are trending higher compared to just a week ago. Rain storms that rolled through southern California did not impact milk production. Sales into fluid accounts are generally unchanged for the week. Some plants are ramping up production of holiday related milk-based drinks. Sales into educational systems are steady, but bottlers are already preparing for changes to orders related to the upcoming spring recess. Many school systems are rotating that recess between the last week of March and the first full week of April. The third snow survey showed the Sierra Nevada snowpack is below normal. Statewide, the water content in the snowpack is 19% of the historical average for this time of year. The winter months are generally the wettest months of the year in California, but the 2014/2015 winter hasn't delivered much in the way of precipitation. Without the arrival of additional rain or snow in March, California may be facing a fourth consecutive year of drought. The February 4a price (butter/powder) in CALIFORNIA is \$13.46, up \$0.37 from January 2015, but \$9.62 lower than last year. This compares to the Federal Order Class IV price of \$13.82 for February. The February 4b price (cheese) is \$13.78, \$0.03 higher than last month, but \$7.36 lower than last year. This compares to the Federal Order Class III price for February at \$15.46. Milk production in ARIZONA continues to increase from week to week, bolstered by near-perfect temperatures. Processors report plants in the state are busy trying to clear regular intakes as well as handle loads from out of state. Fluid demand is generally steady at seasonal levels. In-state cream demand from Class II facilities is steady to slightly higher. Cream is also clearing readily into California to keep churns operating close to capacity. Fieldwork is progressing and alfalfa harvesting is ongoing throughout the state. NEW MEXICO milk production plateaued this week, staying level with volumes of the previous week. Haulers reported hazardous driving conditions during the weekend and early in the week. Hauling times were extended due to those conditions. Classes I and II orders stepped higher early in the week. Production problems at a few plants forced some milk loads toward NDM production. Milk loads continue to move toward the west to find processing room. Fieldwork is a few weeks away in most parts of New Mexico. Alfalfa fields are starting to green up, especially on the western side of the state.

CONTINUED ON PAGE 4A

FLUID MILK AND CREAM

CONTINUED FROM PAGE 4

Cream is actively clearing into butter churns while some ice cream facilities scale back orders temporarily. Some ice cream/frozen dessert plant operators anticipate a decline in cream prices after the spring holidays. Cream multiples are unchanged, 1.15 to 1.25. At the CME Group, Grade AA butter closed Wednesday at \$1.7500, up \$.1075 compared to a week earlier. Washington and Oregon milk production is up slightly over last week. Oregon weather is in the 60s and sunny, which is expected to help continue production increases. Milk supplies continue to support heavy cheese production schedules. Although parts of Utah received 20 inches of snow this week, temperatures remain comfortable with sunny skies, which will have a melting effect. Idaho has been partly sunny with temperatures heading into the 60s toward the end of the week, with plenty of moisture to support good pasture growth. Milk production in both states is up on a weekly basis and dairy producers are in a good situation with feed supplies and anticipated pasture conditions. No disruptions in milk transportation or processing are reported

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: Central low/medium heat nonfat dry milk prices are moving down. Stocks in warehouses have increased over year ago levels, but some producers' stocks are low. Domestic demand is steady while international demand has increased slightly. HIGH HEAT prices are lower on the top of the range. Demand is increasing as right now there are not many manufacturers producing high heat. The CME Group monthly average price for Grade A NDM during February was \$1.1067, compared to \$2.0329 a year ago. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during February was \$1.0750, compared to \$2.0914 a year ago. The February monthly average of the range price series for Central and East high heat was \$1.1745, compared to \$2.1576 a year ago. According to NASS, production of human food nonfat dry milk during January 2015 for the Central region totaled 25.6 million pounds, 14.9% more than a year ago but 2.9% less than the previous month. Wednesday at the CME Group, Grade A NDM closed at \$1.1000, even with last Wednesday.

EAST: This week, low/medium nonfat dry milk prices reflect downward pressure prompted by spot sales and adjustments to pricing indices. Drying of low/medium is seasonally strong. Nonfat contract transactions are active, but spot market sales are sporadic. Offers are available from producers and the resale market. The perspective of sellers suggests that some end-users are hesitating with purchasing beyond short-term and immediate needs. Overall, interest is light to moderate as buyers in general wait for viable market indications. Inventories continue to build for most manufacturers. High heat nonfat dry milk prices are steady to lower. Regional supplies increased with active production from a few manufacturers this week. Drying schedules are typically planned to address current commitments and circumvent the accumulation of holdings in a weak market. The nonfat dry milk market undertone implies uncertainty.

DAIRY PRODUCTS: According to NASS, U.S. production of human food nonfat dry milk during January 2015 totaled 165.8 million pounds, 19.4% higher than a year ago. The Atlantic region production of nonfat dry milk totaled 29.8 million pounds, 52.9% more than a year ago.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.0300 - 1.1725 MOSTLY: 1.1000 - 1.1500
HIGH HEAT: 1.1500 - 1.2500

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are lower on an unsettled market. Buyers are limiting interest to present use and buying on an as needed basis. FOB offers to the market, outside of contracts, are moderate, with some manufacturers regularly pushing volumes for clearance while others recognize inventories are building, but they are not ready to drop prices to make sales. Low/medium heat NDM production is ongoing, with manufacturing milk volumes available for processing generally increasing on a week to week basis. Western high heat nonfat dry milk prices are unchanged to lower on limited activity. Buyers report high heat nonfat is available from several outlets in the Western region, making price a deciding factor between offers. Inventories are light to moderate. Production is intermittent. According to NASS, in January 2015, California produced 63.8 million pounds of NDM, about 38.5% of the national monthly production and 17.3% more than one year ago. NDM production in the West region totaled 110.4 million pounds, 13.7% more than one year ago. This is about 66.6% of total January

production in the U.S. The February 2015 Dairy Market News average of the mostly price series for Western low/medium heat nonfat dry milk was \$1.0475 compared to \$2.0725 one year ago. The average for Western high heat nonfat dry milk was \$1.1355 compared to \$2.1232 one year ago.

DAIRY PRODUCTS: NASS reports U.S. production of human food NONFAT DRY MILK during January 2015 totaled 165.8 million pounds, a 19.4% increase from one year ago. Month ending stocks, at 239.8 million pounds, are 60.8% higher than one year ago. January 2015 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 41.2 million pounds, 30.0% lower than one year ago.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9700 - 1.1550 MOSTLY: 1.0400 - 1.1200
HIGH HEAT: 1.1000 - 1.2250

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices are mixed. The bottom is coming down and the top is moving up, making the range wider. Some manufacturers have had requests for condensed buttermilk. Demand for dry buttermilk is steady. Inventory levels are adequate. The DMN monthly average of the range price series for Central and East dry buttermilk during February was \$.8871, compared to \$1.9338 a year ago.

EAST: Prices for dry buttermilk are mixed. Production remains active to process available buttermilk solids coming off the churns. Stocks are moderate, as inventories build. Buyers are in the "wait and see" mode, as the market continues to indicate an upward movement. Demand is good, with dry buttermilk sales to ice cream exhibiting an increase. The market undertone is firm.

DAIRY PRODUCTS: According to NASS, U.S. production of dry buttermilk during January 2015 totaled 10.3 million pounds, 9.6% less than a year ago but 1.3% more than the previous month. Month ending stocks were 24.8 million pounds, 92.4% more than a year ago but 4.3% less than the previous month.

F.O.B. CENTRAL/EAST: .8400 - 1.0500

DRY BUTTERMILK - WEST

Western dry buttermilk prices are mixed, moving lower and higher on an unsettled market. Buyers indicate offers from the west are sporadic. Interest has been mixed as well, with limited demand on a regular basis. Large quantity sales, when offered, capture lower prices, while sales of single loads carry higher prices. Production is active throughout the west, following the recent butter production trend. The February 2015 Dairy Market News average of the mostly price series for West dry buttermilk was \$0.8993 compared to \$1.9367 one year ago.

DAIRY PRODUCTS: NASS reports dry buttermilk production in the U.S. for January 2015 totals 10.3 million pounds, down 9.6% from one year ago. Stocks at the end of January were 24.8 million pounds, a 92.4% increase from one year ago.

F.O.B. WEST: .7500 - 1.0200 MOSTLY: .8800 - .9225

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 WHOLE MILK - NATIONAL

Prices for dry whole milk are mixed, moving lower and higher on a lightly tested market. Spot loads are available from several manufacturers. Production is light at some facilities, but other facilities are making good use of milk priced under Class by ramping up dry whole milk production. The February 2015 Dairy Market News average of the price series for dry whole milk was \$1.3995, compared to \$2.1367 one year ago.

DAIRY PRODUCTS: NASS reports U.S. dry whole milk production during January 2015 totaled 6.2 million pounds, 9.6% higher than one year ago. Month ending stocks, at 22.8 million pounds, are 229.4% higher than stocks of one year ago.

F.O.B. PRODUCING PLANT: 1.3000 - 1.5800

CALIFORNIA MANUFACTURING PLANTS - NDM

| WEEK ENDING | PRICE | TOTAL SALES |
|-------------|----------|-------------|
| February 27 | \$1.0512 | 8,144,002 |
| February 20 | \$.9985 | 13,141,466 |

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

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Central dry whey prices are moving lower. Inventories are high. Some sellers are offering a discount in order to decrease stocks. Production levels have increased. The strength of the dollar is bringing down export demand. ANIMAL FEED WHEY prices are steady. Demand is picking up. The DMN monthly average of the mostly price series for Central dry whey during February was \$0.4782, compared to \$0.6040 a year ago. The monthly average of the range price series for Central animal feed whey during February was \$0.4013, compared to \$0.5101 a year ago. According to NASS, production of human food dry whey in January 2015 for the Central region totaled 34.2 million pounds, 4.1% more than a year ago.

CENTRAL: .4000 - .5600 MOSTLY: .4200 - .4800
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3000 - .5000

DRY WHEY - NORTHEAST

Prices for Eastern dry whey are steady to lower. As available milk supplies clear to active cheese vats, dry whey output is steady to higher. Contracts are being fulfilled on schedule. Inventories are adequate for current and short-term needs. The whey market continues to show weakness.

DAIRY PRODUCTS: According to NASS, U.S. production of human food dry whey in January 2015 totaled 75.5 million pounds, 9.5% more than a year ago. Month ending stocks totaled 58.9 million pounds, 2.8% more than a year ago. In the Atlantic region, January production totaled 23.3 million pounds, 9.0% more than a year ago.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4300 - .5600

DRY WHEY - WEST

Prices for Western dry whey are lower on the top of the range and mostly. Factors being discussed include many customers already stocked for current needs, volumes of whey clearing through resale this week to reduce holdings, and little spot market activity. Many holders of whey available for spot sale have little buyer interest. Some manufacturers are resuming shipments toward ports of contracted exports to Asian nations. Much domestic demand is secured by existing contracts, requiring that increased whey production be moved into export. Many exporters are now finding that export pricing is weaker than some domestic index pricing. Continuing heavy cheese production in the region signals continuing whey availability. The market tone for whey is weak.

DAIRY PRODUCTS: NASS reports January 2015 U.S. dry whey production, 75.5 million pounds, is up 1.7% from December 2014 and up 9.5% from January 2014. Western dry whey production is up 12.6% from December 2014 and up 22% from January 2014.

NONHYGROSCOPIC: .3800 - .5325 MOSTLY: .4200 - .4700

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are mixed. The generally weak market tone continues, especially for those brands having a limited customer base with the infant food market. Active production continues as manufacturers in most regions have adequate whey stream volumes coming out of cheese plants. Inventories are mixed. One or two producers are comfortable on inventories, but others indicate holdings are above what is needed for near term contract fulfillment. The February 2015 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$1.0970 compared to \$1.7799 one year ago.

DAIRY PRODUCTS: NASS reports US production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during January 2015 totaled 24.5 million pounds, 7.7% lower than one year ago. Manufacturers' end-of-month stocks totaled 30.8 million pounds, 43.0% higher than one year ago.

F.O.B. EXTRA GRADE 34% PROTEIN: .8800 - 1.2500 MOSTLY: .9400 - 1.1600

LACTOSE - CENTRAL AND WEST

Lactose prices are fractional lower on the top of the mostly, but held steady on the range. The market is weak, but some market participants anticipate the bottom may be near. Demand for standardization is light at this time as Oceania producers of SMP are gearing down as their milk production season tapers off. Manufacturers selling into the international infant formula market report interest is steady and often brand specific. This area has also benefited from some shortfall of lactose availability in the EU. Some seasonal interest from Central and South American re-emerged this week. Lactose production is steady as it follows cheese production trends. Inventories vary from comfortable to above what is needed for near term contract fulfillment. The February 2015 Dairy Market News average of the mostly price series for Central and West lactose was \$0.2870, compared to \$0.5950 one year ago. DAIRY PRODUCTS: NASS's Dairy Products report shows US HUMAN and ANIMAL LACTOSE production during January 2015 totaled 89.5 million pounds, a 7.7% decrease from one year ago. Month ending stocks, at 127.3 million pounds, are 25.9% higher than one year ago.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1800-.4100 MOSTLY: .2100 - .3200

CASEIN - NATIONAL

Prices for acid and rennet casein are unchanged. Demand is light. A majority of buyers have their near term needs covered and are anticipating increased supply availability and possible lower prices as milk production increases in the northern hemisphere in the coming weeks. The market undertone is weak. At the March 3 GDT event 135, the average winning price for rennet casein for all contract periods decreased -0.7% to \$8,694/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: 3.7000 - 4.4000

U.S. Dairy Cow Slaughter (1000 head) under Federal Inspection

| WEEK ENDING | 2015 WEEKLY DAIRY COWS | 2015 CUMULATIVE DAIRY COWS | 2014 WEEKLY DAIRY COWS | 2014 CUMULATIVE DAIRY COWS |
|-------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| 02/14/2015 | 63.7 | 434.9 | 57.8 | 412.0 |

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

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

CLASS III MILK PRICES (3.5% BF)

| YEAR | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 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 |

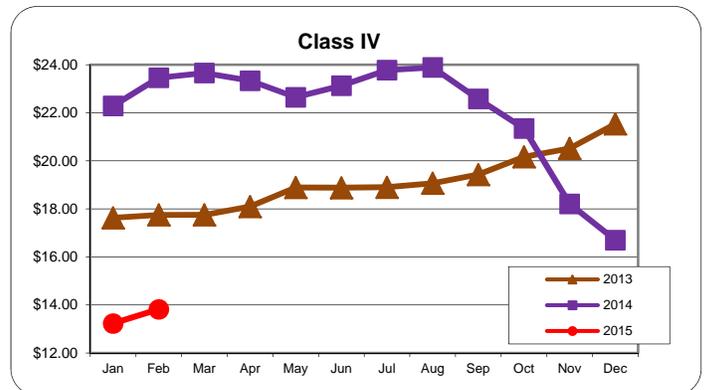
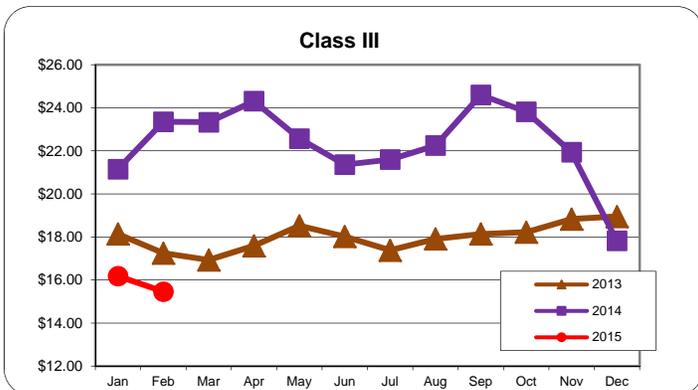
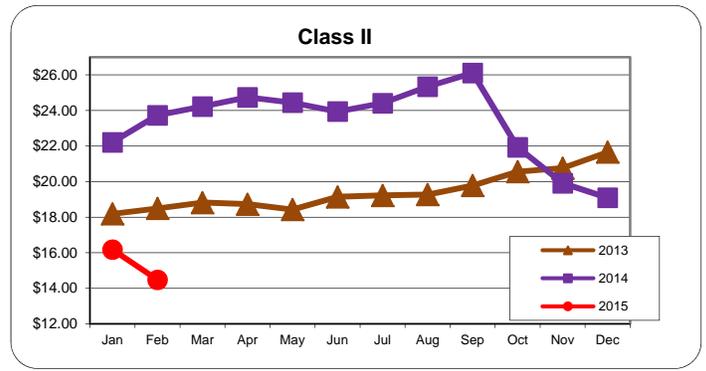
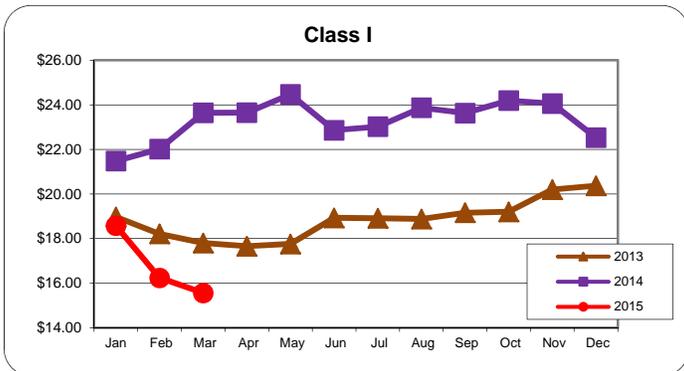
CLASS IV MILK PRICES (3.5%)

| 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 | 16.24 | 15.56 | | | | | | | | | |
| II | 16.18 | 14.48 | | | | | | | | | | |
| III | 16.18 | 15.46 | | | | | | | | | | |
| IV | 13.23 | 13.82 | | | | | | | | | | |

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



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered February 23 - March 6, 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: Milk production volumes continue to reflect the efforts of producers restricting their herd's milk production in order to reduce their over quota levee liability. Market participants are uncertain how milk production will react to the upcoming non-quota environment. Market activity has slowed for most or all dairy commodities as buyers have their short term needs covered and are willing to wait for the eventual increase in milk and commodity production in April. Total 2014 exports for the EU-28 were released with SMP exports setting an all-time high. Yearly increases were also noted for WMP and Butter. Whey exports saw a marginal decline. Estat - Newcronos reported EU-28 total 2014 milk collections 4.6% higher than 2013. Various member states showed the following milk delivery increases for 2014 compared to 2013: Germany, 3.5%; France, 5.7%; UK, 8.3%; Belgium, 6.3%; Italy, 3.1%; and Ireland, 4.3%. Total 2014 milk delivery data showed increases for all countries in Western Europe with the exception of Greece -5.1%.

BUTTER/BUTTEROIL: The butter price range narrowed in a mixed market. Export activity has slowed and can be attributed to some buyers having their near term needs covered and willing to wait for the possibility of lower prices in the future. A majority of supplies are committed through March. Some traders were offering butter at a discount and below manufacturers' prices. According to Eurostat, EU butter production for 2014 was estimated to be 2.9% above 2013 with France, Ireland and the Netherlands recording production increases of 6.9%, 9.1% and 7.1% respectively. Total butter exports for the EU-28 in 2014, as reported by GTIS, increased 21% over 2013. EU butter exports for December marginally declined, compared to November with Uzbekistan, Saudi Arabia and Egypt the top three destinations. PSA stock levels through February 22 amounted to 30,870 MT. Butter volumes going into PSA increased from Belgium, France, Germany and the Netherlands in February and reflected the typical seasonal increase in winter butter stock for use later in the year. Butteroil prices are steady to weak. Market activity is light and largely confined to domestic transactions. Export trade continues to be with repeat customers who prefer European product.

82% BUTTERFAT: 3,550 - 3,925
99% BUTTERFAT: 4,050 - 4,625

SKIM MILK POWDER (SMP): Prices for SMP moved lower on both ends of the range. Export market activity has slowed. Most buyers have covered their near term needs and are anticipating increased availability going into the new season, beginning in April. Current SMP production is below expectations as the rate of seasonal milk production increases have slowed. According to Eurostat, European SMP production increased 23.6% in 2014. Selected countries showing SMP production increases were: France, +24.3%; Germany, +13.0%; Belgium, +25.7% and Ireland, +51.8%. PSA stock levels through February 22 amounted to 12,596 MY, reflecting a substantial decline from the February 8 cumulative total of 20,531 MT. Exports of SMP for January to December 2014, as reported by GTIS, showed an increase of 58%, compared to 2013. Total EU SMP exports for 2014 were 657,000 MT and set a new historic high. December exports increased compared to the previous month. Algeria

received over 25% of Europe's December exports. China's purchases were slightly higher compared to the previous month.

1.25% BUTTERFAT: 2,250 - 2,600

WHOLE MILK POWDER (WMP): Prices increased substantially on both ends of the range this reporting period. The WMP market is firming as export interest has increased. The weaker euro has made European WMP more competitively priced with New Zealand. According to Eurostat, European WMP production increased 12.7% in 2014. Selected countries' WMP production increases were: France, +32.3%; Germany, +3.3%; Belgium, +27.8% and the Netherlands, +9.4%. GTIS reported EU-28 whole milk powder exports for all of 2014 up 4% compared to 2013. December exports increased compared to November with Oman, Algeria and Nigeria the top destinations.

26% BUTTERFAT: 2,950 - 3,400

SWEET WHEY POWDER: Whey prices declined marginally on the low end of the range. The market is stable with current supplies in balance with demand. Decreased milk production volumes ahead of levee payments have restricted cheese and sweet dry whey production. Some manufacturers are willing to increase production and are seeking additional loads of whey concentrate with limited success. According to GTIS, total EU-28 exports of dry whey for 2014 decreased by 3%, compared to 2013. China's imports of dry whey for January 2014 were 13% below year ago levels. Half of January's volume going into China originated in Europe, primarily from France, Poland and the Netherlands.

NONHYGROSCOPIC: 950 - 1,200

EASTERN OVERVIEW: Eastern European milk production increases are slowing as some producers in Poland are reducing their milk production as they near or exceed quota levels. Total European milk deliveries for 2014 reported by Estat - Newcronos, showed the following year over year changes for selected countries: Poland, +6.7%; Lithuania, +7.2%; Latvia, +9.4%; Estonia, +6.3%; and the Czech Republic, +1.4%. According to Eurostat, Poland's 2014 milk production increases resulted in the following dairy product production increases: butter, 4.2%; SMP, 49.9%; and WMP, 11.6%.

**Exchange rates for selected foreign currencies:
March 2, 2015**

| | |
|-------------------------|--------------------------|
| .1145 Argentina Peso | .0083 Japan Yen |
| .7765 Australian Dollar | .0666 Mexican Peso |
| .7977 Canadian Dollar | .7510 New Zealand Dollar |
| 1.1185 Euro | .2690 Poland Zloty |
| .0162 India Rupee | |

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0666) = 15.0150 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered February 23 - March 6, 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.

AUSTRALIAN milk production is holding fairly steady compared to recent weeks. Many producers continue to utilize summer forages and provide supplemental feeds rather than hay. A strong cyclone made landfall in Queensland last week and triggered numerous thunderstorms and showers over most of the major dairy producing regions. Commodity prices have moved significantly higher in recent weeks and as a result some commodities are experiencing some fluctuations in demand. Increased prices have also narrowed the margins between commodities, prompting some manufacturers to alter production schedules. According to Dairy Australia, January 2015 milk production in Australia was 0.6% above January 2014. The state changes from a year earlier are: New South Wales, +7.6%; Victoria, -1.5%; Queensland, -2.8%; South Australia, +2.5%; Western Australia, +6.5% and Tasmania +5.5%. Australia's milk production season to date (July-January) is +2.4%, compared to last season. **NEW ZEALAND'S** milk production continues to decline. The rate of decline has accelerated significantly and will lead to a shorter season, compared to last year. Producers have increased their cull rates and are moving to once a day milking schedules. The Canterbury region on the South Island continues to be very dry. As commodity prices have increased in recent weeks, manufacturers have adopted flexible production schedules for the various commodities in order to capture the best returns. January milk production as reported by DCANZ was 2.481 million MT, up 0.3% from January 2014 and 7.8% higher than the level two years ago. January milksolids reflected a 1.3% decrease compared to January 2014. At the March 3 GDT event #135, average prices ranged from 2.2% lower to 10.8% 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, \$4,237 -2.2%; butter, \$3,912 +2.5%; butter-milk powder, \$2,681 +6.8%; cheddar cheese, \$3,377 +10.8%; lactose, n.a.; rennet casein, \$8,694 -0.7%; skim milk powder, \$2,935 +5.9%; sweet whey powder, n.a.; and whole milk powder, \$3,241 -1.0%.

BUTTER: Butter prices moved higher this reporting period. Demand is good and export buying interest has increased from some regions. Market activity was fairly active as some buyers are securing supplies ahead of possible future price increases. Supplies are more readily available in New Zealand than Australia, as Australian stocks are mostly committed to cover domestic needs. Export demand is primarily coming from the Middle East and Southeast Asia. Butteroil prices moved higher this reporting period with buyer concerns about reduced future supplies and increased buying activity from Southeast Asia. According to GTIS, China's January 2015 butter imports reflected a 16% decline compared to last year, but above the 2013 volumes. AMF imports were down 67% for the same period last year and below 2013 levels. New Zealand accounted for the vast majority of butter and AMF going into China. At the March 3 GDT event #135, NZ butter averaged \$3,930/MT for May contracts, +3.6% from the prior event. Butter for all regions and contracting periods averaged \$3,912/MT, +2.5%. New Zealand AMF prices averaged \$4,246/MT for May contracts, -1.1% from the prior event. For all contracting periods, the AMF price average was \$4,237/MT, -2.2%.

82% BUTTERFAT: 3,800 - 4,150

SKIM MILK POWDER (SMP): Prices for SMP moved higher on both ends of the range this reporting period. Demand is mixed as some buyers are starting to show some price resistance and holding off purchases if possible, while some increased buying was noted coming from Singapore as blenders have expanded their production schedules. Supplies are readily available in both Australia and New Zealand. Global supplies are expected to increase in the coming weeks as milk production increases in the northern hemisphere. According to GTIS, China's January imports of SMP were 32% below year ago levels. New Zealand exports to China for the month were near the same levels achieved in 2014, suppliers from Europe and the U.S. saw their share of exports into China drop substantially. At the March 3 GDT event 135, SMP for all regions and contracting periods averaged \$2,935 per MT, +5.9%. For trading in contract period 2, May, prices averaged \$2,945 for NZ sourced medium heat product, up \$300 from the prior event.

1.25% BUTTERFAT: 2,750 - 3,050

CHEDDAR CHEESE: Cheddar prices were steady to lower as the price at the upper end of the range decreased. Export demand remains fairly good with active interest coming from Southeast Asia and China. Australia's available supplies for export have increased as domestic sales have slowed in the face of recent price increases. Some export buyers are considering the U.S. market to source additional supplies. According to GTIS, January cheese imports into China were 15% lower, compared to last year. New Zealand accounted for over 65% of the import volume going into China, while Australian and U.S. exporters made up the rest of the total.

39% MAXIMUM MOISTURE: 3,400 - 3,850

WHOLE MILK POWDER (WMP): Prices for whole milk powder increased substantially on both ends of the range. The price increases over the past number of weeks have improved returns for WMP, and as a result, some additional milk flows have been diverted to expand production. A few buyers who haven't booked adequate supplies are into the market trying to cover their needs. Demand is beginning to show some signs of slowing as some buyers with adequate supplies are willing to hold off purchases. Some contacts are of the opinion that the market is at or near its high point. According to GTIS, China's whole milk powder imports for January increased significantly compared to the previous month. Nearly all of the supply imported into China came from New Zealand. January 2015 whole milk powder imports into China were 37% below year ago levels, but comparable with 2013. At the March 3 GDT event 135, the WMP pricing index, across all contracting periods, averaged \$3,241 per MT, down 1.0% compared to the prior event. For contract periods 1 and 2, April and May, NZ regular WMP averaged \$3,190 and \$3,195 per MT.

26% BUTTERFAT: 3,175 - 3,800

INTERNATIONAL DAIRY MARKET NEWS

| US\$/MT | Global/Dairy Trading (gDT) Event 135 Recap - March 3, 2015 | | | | | | | | | | | | | |
|--------------------|--|---------|----------------------|---------|----------------------|---------|----------------------|---------|----------------------|---------|----------------------|---------|---------------|-------|
| | Contract 1 Apr-15 | | Contract 2 May-15 | | Contract 3 Jun-15 | | Contract 4 Jul-15 | | Contract 5 Aug-15 | | Contract 6 Sep-15 | | All Contracts | |
| Anhydrous Milk Fat | n.a. | \$4,246 | -1.1% | \$4,188 | -3.6% | \$4,259 | -2.2% | \$4,248 | -3.7% | \$4,323 | -2.5% | \$4,237 | -2.2% | |
| Butter | n.a. | \$3,930 | 3.6% | \$3,825 | 0.0% | \$4,005 | 4.4% | \$4,075 | 3.4% | n.a. | | \$3,912 | 2.5% | |
| Buttermilk Powder | n.a. | \$2,621 | 5.7% | \$2,980 | 11.6% | n.a. | | n.a. | | n.a. | | \$2,681 | 6.8% | |
| Cheddar | n.a. | \$3,351 | 11.6% | \$3,316 | 8.4% | \$3,485 | 12.6% | n.a. | | n.a. | | \$3,377 | 10.8% | |
| Lactose | n.a. | n.a. | | n.a. | | |
| Rennet Casein | n.a. | \$8,895 | 0.1% | \$8,518 | -1.6% | \$8,812 | 0.2% | n.a. | | n.a. | | \$8,694 | -0.7% | |
| Skim Milk Powder | n.a. | \$2,910 | 4.8% | \$2,989 | 7.8% | \$2,880 | 7.2% | \$2,968 | 4.5% | \$2,947 | 3.7% | \$2,935 | 5.9% | |
| Sweet Whey Powder | n.a. | n.a. | | n.a. | | |
| Whole Milk Powder | \$3,227 | 12.8% | \$3,245 | -0.1% | \$3,240 | -0.8% | \$3,263 | 0.3% | \$3,239 | -2.9% | \$3,228 | -5.2% | \$3,241 | -1.0% |

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

| US\$/Pound | Global/Dairy Trading (gDT) Event 135 Recap - March 3, 2015 | | | | | | | | | | | | | |
|--------------------|--|----------|----------------------|----------|----------------------|----------|----------------------|----------|----------------------|----------|----------------------|----------|---------------|-------|
| | Contract 1 Apr-15 | | Contract 2 May-15 | | Contract 3 Jun-15 | | Contract 4 Jul-15 | | Contract 5 Aug-15 | | Contract 6 Sep-15 | | All Contracts | |
| Anhydrous Milk Fat | n.a. | \$1.9260 | -1.1% | \$1.8997 | -3.6% | \$1.9319 | -2.2% | \$1.9269 | -3.7% | \$1.9609 | -2.5% | \$1.9219 | -2.2% | |
| Butter | n.a. | \$1.7826 | 3.6% | \$1.7350 | 0.0% | \$1.8167 | 4.4% | \$1.8484 | 3.4% | n.a. | | \$1.7745 | 2.5% | |
| Buttermilk Powder | n.a. | \$1.1889 | 5.7% | \$1.3517 | 11.6% | n.a. | | n.a. | | n.a. | | \$1.2161 | 6.8% | |
| Cheddar | n.a. | \$1.5200 | 11.6% | \$1.5041 | 8.4% | \$1.5808 | 12.6% | n.a. | | n.a. | | \$1.5318 | 10.8% | |
| Lactose | n.a. | n.a. | | n.a. | | |
| Rennet Casein | n.a. | \$4.0347 | 0.1% | \$3.8637 | -1.6% | \$3.9971 | 0.2% | n.a. | | n.a. | | \$3.9436 | -0.7% | |
| Skim Milk Powder | n.a. | \$1.3200 | 4.8% | \$1.3558 | 7.8% | \$1.3064 | 7.2% | \$1.3463 | 4.5% | \$1.3368 | 3.7% | \$1.3313 | 5.9% | |
| Sweet Whey Powder | n.a. | n.a. | | n.a. | | |
| Whole Milk Powder | \$1.4638 | 12.8% | \$1.4719 | -0.1% | \$1.4697 | -0.8% | \$1.4801 | 0.3% | \$1.4692 | -2.9% | \$1.4642 | -5.2% | \$1.4701 | -1.0% |

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

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

| Month | 02/19 | 02/20 | 02/23 | 02/24 | 02/25 | 02/26 | 02/27 | 03/02 | 03/03 | 03/04 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| CLASS III MILK FUTURES (Pit-Traded) (\$/cwt) | | | | | | | | | | |
| FEB 15 | 15.73 (5529) | 15.54 (5472) | 15.49 (5201) | 15.50 (5012) | 15.50 (4964) | 15.49 (4956) | 15.49 (4937) | 15.49 (4939) | 15.49 (4939) | 15.46 (5909) |
| MAR 15 | 15.81 (5888) | 15.53 (5856) | 15.36 (5895) | 15.40 (5844) | 15.37 (5863) | 15.50 (5842) | 15.69 (5779) | 15.46 (5748) | 15.48 (5781) | 15.46 (5725) |
| APR 15 | 15.73 (5421) | 15.32 (5520) | 15.12 (5603) | 15.25 (5628) | 15.21 (5709) | 15.49 (5695) | 15.87 (5654) | 15.65 (5690) | 15.53 (5709) | 15.40 (5671) |
| MAY 15 | 16.07 (4981) | 15.66 (5049) | 15.48 (5084) | 15.61 (5177) | 15.64 (5230) | 15.85 (5238) | 16.13 (5260) | 15.88 (5323) | 15.72 (5350) | 15.60 (5395) |
| JUN 15 | 16.68 (4751) | 16.28 (4749) | 16.14 (4779) | 16.34 (4800) | 16.37 (4830) | 16.60 (4835) | 16.93 (4839) | 16.79 (4846) | 16.58 (4848) | 16.42 (4841) |
| JUL 15 | 17.20 (3654) | 16.74 (3669) | 16.74 (3681) | 16.95 (3688) | 17.01 (3697) | 17.18 (3702) | 17.41 (3721) | 17.25 (3766) | 17.12 (3772) | 16.93 (3812) |
| AUG 15 | 17.66 (3060) | 17.15 (3111) | 17.09 (3117) | 17.38 (3135) | 17.45 (3143) | 17.59 (3147) | 17.84 (3196) | 17.65 (3259) | 17.55 (3264) | 17.37 (3286) |
| SEP 15 | 17.68 (2936) | 17.22 (3019) | 17.19 (3032) | 17.40 (3035) | 17.47 (3042) | 17.60 (3038) | 17.83 (3060) | 17.62 (3114) | 17.54 (3114) | 17.42 (3129) |
| OCT 15 | 17.57 (2644) | 17.34 (2647) | 17.27 (2650) | 17.51 (2646) | 17.54 (2655) | 17.65 (2672) | 17.85 (2684) | 17.66 (2729) | 17.54 (2748) | 17.49 (2755) |
| NOV 15 | 17.44 (2476) | 17.25 (2499) | 17.25 (2499) | 17.41 (2524) | 17.50 (2529) | 17.62 (2526) | 17.71 (2556) | 17.51 (2582) | 17.50 (2588) | 17.50 (2590) |
| CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt) | | | | | | | | | | |
| FEB 15 | 14.25 (294) | 14.02 (294) | 14.02 (294) | 14.02 (294) | 13.97 (294) | 13.83 (295) | 13.84 (295) | 13.84 (295) | 13.84 (295) | 13.82 (454) |
| MAR 15 | 15.63 (369) | 15.42 (369) | 15.05 (369) | 15.02 (369) | 14.96 (369) | 14.96 (369) | 15.14 (369) | 15.14 (369) | 15.14 (372) | 15.10 (372) |
| APR 15 | 16.30 (350) | 15.71 (370) | 15.47 (370) | 15.47 (370) | 15.47 (370) | 15.41 (374) | 15.94 (374) | 15.94 (374) | 15.88 (374) | 15.65 (375) |
| CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb) | | | | | | | | | | |
| FEB 15 | 172.00 (848) | 169.25 (848) | 169.03 (863) | 169.25 (864) | 169.25 (864) | 169.25 (864) | 169.02 (864) | 169.20 (864) | 169.20 (864) | 168.23 (972) |
| MAR 15 | 179.03 (889) | 179.00 (889) | 175.00 (867) | 174.63 (880) | 174.63 (880) | 175.98 (880) | 179.00 (880) | 180.15 (890) | 176.50 (879) | 176.25 (879) |
| APR 15 | 182.35 (711) | 180.00 (725) | 176.00 (728) | 176.75 (766) | 176.50 (767) | 179.63 (769) | 182.75 (769) | 183.50 (769) | 180.03 (784) | 179.50 (811) |
| NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb) | | | | | | | | | | |
| FEB 15 | 106.00 (676) | 105.10 (674) | 105.05 (674) | 105.05 (676) | 103.78 (690) | 103.05 (690) | 103.15 (690) | 103.15 (683) | 103.00 (683) | 103.08 (734) |
| MAR 15 | 117.10 (694) | 114.05 (691) | 111.03 (677) | 111.05 (674) | 111.05 (685) | 111.05 (685) | 115.03 (684) | 115.03 (684) | 113.00 (685) | 113.00 (712) |
| APR 15 | 123.00 (676) | 119.00 (674) | 117.38 (689) | 117.40 (687) | 117.50 (688) | 117.03 (698) | 121.03 (701) | 121.25 (701) | 118.00 (714) | 117.00 (736) |
| WHEY (Electronic-Traded) (¢/lb) | | | | | | | | | | |
| FEB 15 | 54.35 (695) | 53.00 (697) | 53.00 (696) | 53.00 (696) | 52.90 (696) | 52.50 (697) | 52.50 (697) | 52.50 (697) | 52.50 (697) | 51.69 (682) |
| MAR 15 | 49.30 (870) | 48.50 (857) | 48.25 (858) | 48.50 (856) | 48.50 (856) | 49.25 (854) | 49.25 (853) | 49.25 (851) | 49.25 (850) | 49.25 (845) |
| APR 15 | 45.50 (811) | 45.50 (810) | 44.50 (808) | 45.13 (810) | 45.13 (810) | 46.50 (809) | 47.70 (805) | 47.70 (805) | 47.38 (805) | 46.00 (805) |
| CHEESE CSC (Electronic-Traded) (\$/lb) | | | | | | | | | | |
| FEB 15 | 1.55 (4349) | 1.55 (4357) | 1.54 (4353) | 1.54 (4353) | 1.54 (4342) | 1.54 (4339) | 1.54 (4344) | 1.55 (4344) | 1.54 (4345) | 1.55 (4588) |
| MAR 15 | 1.59 (4753) | 1.57 (4752) | 1.55 (4763) | 1.56 (4769) | 1.55 (4776) | 1.56 (4770) | 1.58 (4762) | 1.56 (4764) | 1.56 (4763) | 1.56 (4773) |
| APR 15 | 1.60 (4175) | 1.57 (4205) | 1.55 (4235) | 1.56 (4291) | 1.55 (4307) | 1.58 (4312) | 1.61 (4319) | 1.58 (4308) | 1.57 (4313) | 1.57 (4314) |
| MAY 15 | 1.65 (3954) | 1.61 (3975) | 1.59 (4005) | 1.61 (4009) | 1.61 (4026) | 1.63 (4036) | 1.65 (4041) | 1.62 (4040) | 1.62 (4046) | 1.61 (4045) |
| JUN 15 | 1.72 (3800) | 1.67 (3803) | 1.67 (3807) | 1.68 (3818) | 1.69 (3846) | 1.72 (3846) | 1.74 (3852) | 1.72 (3856) | 1.71 (3858) | 1.70 (3861) |
| JUL 15 | 1.77 (2903) | 1.73 (2920) | 1.73 (2938) | 1.74 (2938) | 1.75 (2937) | 1.76 (2937) | 1.80 (2944) | 1.79 (2944) | 1.77 (2968) | 1.75 (2966) |

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

DAIRY MARKET NEWS MONTHLY SUMMARY AND AVERAGES FOR FEBRUARY 2015 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

| COMMODITY | :::REPORT NUMBER 5 | :::REPORT NUMBER 6 | :::REPORT NUMBER 7 | :::REPORT NUMBER 8 | ::: | 2015 | : | 2014 |
|-----------|---------------------------------|--------------------|--------------------|--------------------|-----|------------|---|---------|
| | :-----:-----:-----:-----:-----: | | | | | Monthly | : | Monthly |
| | :: FEB 02 - 06 | :: FEB 09 - 13 | :: FEB 16 - 20 | :: FEB 23 - 27 | :: | :: Average | : | Average |

CHEESE

WISCONSIN (WSP, Delivered, LTL)

| | | | | | | | | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|----|-----------|---|--------|
| -- Process American 5# Loaf | :: 1.5875 - 1.9475 | :: 1.5950 - 1.9550 | :: 1.5900 - 1.9500 | :: 1.5925 - 1.9525 | :: | :: 1.7713 | : | 2.4832 |
| -- Brick And/Or Muenster 5# | :: 1.8775 - 2.3025 | :: 1.9125 - 2.3375 | :: 1.9100 - 2.3350 | :: 1.9200 - 2.3450 | :: | :: 2.1172 | : | 2.8154 |
| -- Cheddar 40# Block | :: 1.5825 - 2.0000 | :: 1.6175 - 2.0350 | :: 1.6150 - 2.0325 | :: 1.6250 - 2.0425 | :: | :: 1.8185 | : | 2.5166 |
| -- Monterey Jack 10# | :: 1.8525 - 2.0575 | :: 1.8875 - 2.0925 | :: 1.8850 - 2.0900 | :: 1.8950 - 2.1000 | :: | :: 1.9822 | : | 2.6804 |
| -- Blue 5# | :: 2.1450 - 3.1325 | :: 2.1800 - 3.1675 | :: 2.1775 - 3.1650 | :: 2.1875 - 3.1750 | :: | :: 2.6660 | : | 3.3641 |
| -- Mozzarella 5 - 6# | :: 1.7225 - 2.6175 | :: 1.7575 - 2.6525 | :: 1.7550 - 2.6500 | :: 1.7650 - 2.6600 | :: | :: 2.1972 | : | 2.8954 |
| -- Grade A Swiss Cuts 6 - 9# | :: 3.6225 - 3.7400 | :: 3.4100 - 3.5275 | :: 3.4100 - 3.5275 | :: 3.4100 - 3.5275 | :: | :: 3.5247 | : | 3.0953 |

NORTHEAST (WSP, Delivered, LTL)

| | | | | | | | | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|----|-----------|---|--------|
| -- Cheddar 40# Block | :: 1.8975 - 2.1825 | :: 1.9325 - 2.2175 | :: 1.9300 - 2.2150 | :: 1.9400 - 2.2250 | :: | :: 2.0672 | : | 2.7654 |
| -- Process 5# Sliced | :: 1.7050 - 2.1850 | :: 1.7125 - 2.1925 | :: 1.7075 - 2.1875 | :: 1.7100 - 2.1900 | :: | :: 1.9488 | : | 2.6657 |
| -- Muenster | :: 1.9175 - 2.2775 | :: 1.9525 - 2.3125 | :: 1.9500 - 2.3100 | :: 1.9600 - 2.3100 | :: | :: 2.1234 | : | 2.8229 |
| -- Grade A Swiss Cuts 10 - 14# | :: 4.1050 - 4.4275 | :: 3.8925 - 4.2150 | :: 3.8925 - 4.2150 | :: 3.8925 - 4.2150 | :: | :: 4.1097 | : | 3.6803 |

WEST COAST (WSP, Delivered, LTL)

| | | | | | | | | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|----|-----------|---|--------|
| -- Process 5# Loaf | :: 1.6075 - 1.8650 | :: 1.6150 - 1.8725 | :: 1.6100 - 1.8675 | :: 1.6075 - 1.8650 | :: | :: 1.7388 | : | 2.4619 |
| -- Cheddar 40# Block | :: 1.6300 - 2.0750 | :: 1.6650 - 2.1100 | :: 1.6625 - 2.1075 | :: 1.6525 - 2.0975 | :: | :: 1.8745 | : | 2.5216 |
| -- Cheddar 10# Cuts | :: 1.8100 - 2.0300 | :: 1.8450 - 2.0650 | :: 1.8425 - 2.0625 | :: 1.8325 - 2.0525 | :: | :: 1.9420 | : | 2.6354 |
| -- Monterey Jack 10# | :: 1.8200 - 1.9800 | :: 1.8550 - 2.0150 | :: 1.8525 - 2.0125 | :: 1.8425 - 2.0025 | :: | :: 1.9220 | : | 2.6154 |
| -- Grade A Swiss Cuts 6 - 9# | :: 3.6825 - 4.1125 | :: 3.4700 - 3.9000 | :: 3.4700 - 3.9000 | :: 3.4700 - 3.9000 | :: | :: 3.7409 | : | 3.3116 |

FLUID PRODUCTS

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

| | | | | | | | | |
|--------------------------|--------------------|--------------------|--------------------|--------------------|----|-----------|---|--------|
| -- Northeast - f.o.b | :: 1.8144 - 2.1278 | :: 1.9882 - 2.2232 | :: 1.8813 - 2.1229 | :: 1.9278 - 2.0990 | :: | :: 2.0242 | : | 2.1900 |
| -- Upper Midwest - f.o.b | :: 1.8804 - 2.0619 | :: 1.9883 - 2.2413 | :: 2.0367 - 2.1748 | :: 2.0139 - 2.1688 | :: | :: 2.0689 | : | 2.2562 |

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

| | | | | | | | | |
|--------------|----------------|----------------|----------------|----------------|----|-----------|---|--------|
| -- Class II | :: 0.93 - 1.08 | :: 0.95 - 1.08 | :: 0.95 - 1.08 | :: 1.06 - 1.10 | :: | :: 1.0295 | : | 2.0982 |
| -- Class III | :: 1.10 - 1.35 | :: 1.00 - 1.25 | :: 1.00 - 1.25 | :: 1.05 - 1.25 | :: | :: 1.1579 | : | 1.8118 |

DAIRY MARKET NEWS MONTHLY SUMMARY AND AVERAGES FOR FEBRUARY 2015 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

| COMMODITY | ::REPORT NUMBER | | | | 2015 | | 2014 | |
|--|--------------------|--------------------|--------------------|--------------------|---------|-----------|---------|---------|
| | 5 | 6 | 7 | 8 | Monthly | Monthly | Monthly | Monthly |
| | FEB 02 - 06 | FEB 09 - 13 | FEB 16 - 20 | FEB 23 - 27 | Average | Average | Average | Average |
| DRY PRODUCTS | | | | | | | | |
| NONFAT DRY MILK | | | | | | | | |
| -- Central And East (f.o.b.) | | | | | | | | |
| -- Low/Medium Heat | :: 0.9000 - 1.1000 | :: 0.9100 - 1.1500 | :: 1.0500 - 1.2000 | :: 1.0725 - 1.2050 | :: | :: 1.0707 | : | 2.1018 |
| -- Mostly | :: 0.9725 - 1.0525 | :: 1.0325 - 1.0700 | :: 1.0700 - 1.1300 | :: 1.1200 - 1.1625 | :: | :: 1.0750 | : | 2.0914 |
| -- High Heat | :: 1.0800 - 1.1800 | :: 1.1050 - 1.2050 | :: 1.1500 - 1.2700 | :: 1.1500 - 1.2700 | :: | :: 1.1745 | : | 2.1576 |
| -- West (f.o.b.) | | | | | | | | |
| -- Low/Medium Heat | :: 0.9250 - 1.0800 | :: 0.9500 - 1.1300 | :: 1.0200 - 1.2000 | :: 1.0250 - 1.1700 | :: | :: 1.0600 | : | 2.0536 |
| -- Mostly | :: 0.9500 - 1.0250 | :: 1.0000 - 1.0500 | :: 1.0500 - 1.1200 | :: 1.0700 - 1.1300 | :: | :: 1.0475 | : | 2.0725 |
| -- High Heat | :: 0.9750 - 1.2325 | :: 1.0075 - 1.1850 | :: 1.0900 - 1.2500 | :: 1.1000 - 1.2575 | :: | :: 1.1355 | : | 2.1232 |
| WHEY POWDER (Nonhygroscopic) | | | | | | | | |
| -- Central (f.o.b.) | :: 0.4000 - 0.6275 | :: 0.4000 - 0.6275 | :: 0.4000 - 0.6175 | :: 0.4000 - 0.5775 | :: | :: 0.5061 | : | 0.6193 |
| -- Mostly | :: 0.4800 - 0.5400 | :: 0.4500 - 0.5100 | :: 0.4300 - 0.5000 | :: 0.4300 - 0.4800 | :: | :: 0.4782 | : | 0.6040 |
| -- West (f.o.b.) | :: 0.3800 - 0.6025 | :: 0.3800 - 0.6000 | :: 0.3800 - 0.6000 | :: 0.3800 - 0.5500 | :: | :: 0.4838 | : | 0.6242 |
| -- Mostly | :: 0.4200 - 0.4900 | :: 0.4200 - 0.4800 | :: 0.4200 - 0.4800 | :: 0.4200 - 0.4800 | :: | :: 0.4513 | : | 0.6201 |
| -- Northeast (f.o.b.) | :: 0.4300 - 0.6150 | :: 0.4300 - 0.6075 | :: 0.4300 - 0.5900 | :: 0.4300 - 0.5775 | :: | :: 0.5139 | : | 0.6463 |
| WHEY PROTEIN CONCENTRATE | | | | | | | | |
| -- Central And West (f.o.b.) | | | | | | | | |
| -- Extra Grade 34% Protein | :: 0.8950 - 1.2800 | :: 0.9000 - 1.2800 | :: 0.9000 - 1.2600 | :: 0.8800 - 1.2500 | :: | :: 1.0807 | : | 1.7869 |
| -- Mostly | :: 1.0200 - 1.2250 | :: 0.9900 - 1.2250 | :: 0.9500 - 1.2250 | :: 0.9500 - 1.1875 | :: | :: 1.0970 | : | 1.7799 |
| ANIMAL FEED - WHEY | | | | | | | | |
| -- Central (f.o.b.) | | | | | | | | |
| -- Milk Replacer | :: 0.3000 - 0.5050 | :: 0.3000 - 0.5050 | :: 0.3000 - 0.5000 | :: 0.3000 - 0.5000 | :: | :: 0.4013 | : | 0.5101 |
| BUTTERMILK (Min. 30% protein) | | | | | | | | |
| -- Central And East (f.o.b.) | :: 0.7200 - 1.0000 | :: 0.7200 - 1.0000 | :: 0.7700 - 0.9700 | :: 0.8700 - 1.0400 | :: | :: 0.8871 | : | 1.9338 |
| -- West (f.o.b.) | :: 0.7500 - 1.0200 | :: 0.7825 - 0.9850 | :: 0.8000 - 0.9850 | :: 0.8850 - 1.0100 | :: | :: 0.9027 | : | 1.9340 |
| -- Mostly | :: 0.9000 - 0.9525 | :: 0.8500 - 0.9150 | :: 0.8500 - 0.9000 | :: 0.8950 - 0.9225 | :: | :: 0.8993 | : | 1.9367 |
| DRY WHOLE MILK | | | | | | | | |
| -- National (f.o.b.) | :: 1.2700 - 1.4300 | :: 1.2500 - 1.5200 | :: 1.2700 - 1.6000 | :: 1.2700 - 1.6000 | :: | :: 1.3995 | : | 2.1367 |
| LACTOSE | | | | | | | | |
| -- Central And West (f.o.b.) | :: 0.1900 - 0.4400 | :: 0.1600 - 0.4700 | :: 0.1900 - 0.4300 | :: 0.1800 - 0.4100 | :: | :: 0.3087 | : | 0.5650 |
| -- Mostly | :: 0.2500 - 0.3700 | :: 0.2300 - 0.3500 | :: 0.2100 - 0.3450 | :: 0.2100 - 0.3275 | :: | :: 0.2870 | : | 0.5950 |
| CASEIN - Edible - National (f.o.b.) | | | | | | | | |
| -- Nonrestricted - Rennet | :: 3.6500 - 4.0000 | :: 3.6500 - 4.0000 | :: 3.6500 - 4.0000 | :: 3.6500 - 4.0000 | :: | :: 3.8250 | : | 5.0500 |
| -- Nonrestricted - Acid | :: 3.7000 - 4.4000 | :: 3.7000 - 4.4000 | :: 3.7000 - 4.4000 | :: 3.7000 - 4.4000 | :: | :: 4.0500 | : | 5.2000 |

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 FEBRUARY 2015

| COMMODITY | :REPORT NUMBER 5 :REPORT NUMBER 6 :REPORT NUMBER 7 :REPORT NUMBER 8 : | | | | : 2015 * : 2014 * | |
|--------------------|---|--------------|---------------|---------------|---------------------|-----------|
| | :-----:-----:-----:-----:-----:-----: | | | | : Monthly : Monthly | |
| | : FEB 2 - 6 | : FEB 9 - 13 | : FEB 17 - 20 | : FEB 23 - 27 | : Average | : Average |
| BUTTER* | | | | | | |
| -- GRADE AA | | | | | | |
| --Monday | :: 1.7625 | :: 1.7450 | :: 1/ | :: 1.6700 | :: | : |
| --Tuesday | :: 1.7900 | :: 1.7450 | :: 1.7200 | :: 1.6425 | :: | : |
| --Wednesday | :: 1.8500 | :: 1.7100 | :: 1.7200 | :: 1.6425 | :: | : |
| --Thursday | :: 1.8400 | :: 1.7100 | :: 1.7225 | :: 1.6550 | :: | : |
| --Friday | :: 1.7950 | :: 1.7200 | :: 1.7225 | :: 1.6950 | :: 1.7293 | : 1.8047 |
| --Weekly Average** | :: 1.8075 | :: 1.7260 | :: 1.7213 | :: 1.6610 | :: | : |
| CHEESE* | | | | | | |
| -- BARRELS | | | | | | |
| --Monday | :: 1.4975 | :: 1.4825 | :: 1/ | :: 1.4850 | :: | : |
| --Tuesday | :: 1.4875 | :: 1.4800 | :: 1.4850 | :: 1.4825 | :: | : |
| --Wednesday | :: 1.4850 | :: 1.4800 | :: 1.4850 | :: 1.4825 | :: | : |
| --Thursday | :: 1.4850 | :: 1.4800 | :: 1.4850 | :: 1.4850 | :: | : |
| --Friday | :: 1.4825 | :: 1.4850 | :: 1.4850 | :: 1.4925 | :: 1.4849 | : 2.1757 |
| --Weekly Average** | :: 1.4875 | :: 1.4815 | :: 1.4850 | :: 1.4855 | :: | : |
| -- 40# BLOCKS | | | | | | |
| --Monday | :: 1.5350 | :: 1.5350 | :: 1/ | :: 1.5450 | :: | : |
| --Tuesday | :: 1.5350 | :: 1.5350 | :: 1.5400 | :: 1.5450 | :: | : |
| --Wednesday | :: 1.5350 | :: 1.5300 | :: 1.5400 | :: 1.5450 | :: | : |
| --Thursday | :: 1.5350 | :: 1.5300 | :: 1.5400 | :: 1.5450 | :: | : |
| --Friday | :: 1.5350 | :: 1.5300 | :: 1.5450 | :: 1.5450 | :: 1.5382 | : 2.1945 |
| --Weekly Average** | :: 1.5350 | :: 1.5320 | :: 1.5413 | :: 1.5450 | :: | : |
| NONFAT DRY MILK* | | | | | | |
| -- GRADE A | | | | | | |
| --Monday | :: 1.0100 | :: 1.0950 | :: 1/ | :: 1.0975 | :: | : |
| --Tuesday | :: 1.0525 | :: 1.0925 | :: 1.1700 | :: 1.0825 | :: | : |
| --Wednesday | :: 1.0550 | :: 1.1250 | :: 1.2000 | :: 1.1000 | :: | : |
| --Thursday | :: 1.0600 | :: 1.1375 | :: 1.1500 | :: 1.0850 | :: | : |
| --Friday | :: 1.1000 | :: 1.1500 | :: 1.1100 | :: 1.1550 | :: 1.1067 | : 2.0329 |
| --Weekly Average** | :: 1.0555 | :: 1.1200 | :: 1.1575 | :: 1.1040 | :: | : |

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.

Annual Milk Cows and Milk Production, 2013 and 2014

| State | Milk Cows ¹ | | Milk per Cow ² | | Milk Production ² | | |
|-------------------|------------------------|---------|---------------------------|--------|------------------------------|-----------|------------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | Change from 2013 |
| | <i>(1,000 head)</i> | | <i>(pounds)</i> | | <i>(million pounds)</i> | | <i>(percent)</i> |
| AL | 9.0 | 8.0 | 13,000 | 13,625 | 117.0 | 109.0 | -6.8 |
| AK | 0.3 | 0.3 | 10,667 | 11,667 | 3.2 | 3.5 | 9.4 |
| AZ | 190.0 | 193.0 | 23,626 | 24,347 | 4,489.0 | 4,699.0 | 4.7 |
| AR | 9.0 | 7.0 | 11,667 | 13,714 | 105.0 | 96.0 | -8.6 |
| CA | 1,780.0 | 1,780.0 | 23,178 | 23,785 | 41,256.0 | 42,337.0 | 2.6 |
| CO | 137.0 | 144.0 | 24,292 | 24,951 | 3,328.0 | 3,593.0 | 8.0 |
| CT | 18.0 | 19.0 | 20,556 | 20,158 | 370.0 | 383.0 | 3.5 |
| DE | 4.8 | 4.8 | 19,521 | 20,146 | 93.7 | 96.7 | 3.2 |
| FL | 123.0 | 123.0 | 19,374 | 20,382 | 2,383.0 | 2,507.0 | 5.2 |
| GA | 80.0 | 81.0 | 19,600 | 20,790 | 1,568.0 | 1,684.0 | 7.4 |
| HI | 2.2 | 2.2 | 13,409 | 13,591 | 29.5 | 29.9 | 1.4 |
| ID | 573.0 | 575.0 | 23,440 | 24,127 | 13,431.0 | 13,873.0 | 3.3 |
| IL | 96.0 | 94.0 | 19,063 | 19,681 | 1,830.0 | 1,850.0 | 1.1 |
| IN | 176.0 | 178.0 | 21,761 | 21,865 | 3,830.0 | 3,892.0 | 1.6 |
| IA | 208.0 | 207.0 | 22,149 | 22,444 | 4,607.0 | 4,646.0 | 0.8 |
| KS | 134.0 | 141.0 | 21,881 | 22,064 | 2,932.0 | 3,111.0 | 6.1 |
| KY | 71.0 | 63.0 | 15,070 | 15,905 | 1,070.0 | 1,002.0 | -6.4 |
| LA | 16.0 | 15.0 | 12,875 | 13,600 | 206.0 | 204.0 | -1.0 |
| ME | 31.0 | 30.0 | 19,548 | 20,000 | 606.0 | 600.0 | -1.0 |
| MD | 50.0 | 50.0 | 19,440 | 19,740 | 972.0 | 987.0 | 1.5 |
| MA | 13.0 | 13.0 | 17,692 | 17,923 | 230.0 | 233.0 | 1.3 |
| MI | 380.0 | 390.0 | 24,116 | 24,638 | 9,164.0 | 9,609.0 | 4.9 |
| MN | 464.0 | 460.0 | 19,694 | 19,841 | 9,138.0 | 9,127.0 | -0.1 |
| MS | 14.0 | 13.0 | 13,286 | 14,462 | 186.0 | 188.0 | 1.1 |
| MO | 92.0 | 89.0 | 14,663 | 15,539 | 1,349.0 | 1,383.0 | 2.5 |
| MT | 14.0 | 14.0 | 21,286 | 21,500 | 298.0 | 301.0 | 1.0 |
| NE | 54.0 | 54.0 | 21,574 | 22,130 | 1,165.0 | 1,195.0 | 2.6 |
| NV | 29.0 | 29.0 | 22,034 | 23,793 | 639.0 | 690.0 | 8.0 |
| NH | 13.0 | 14.0 | 20,923 | 20,143 | 272.0 | 282.0 | 3.7 |
| NJ | 7.0 | 7.0 | 18,143 | 18,143 | 127.0 | 127.0 | --- |
| NM | 323.0 | 323.0 | 24,944 | 25,093 | 8,057.0 | 8,105.0 | 0.6 |
| NY | 610.0 | 615.0 | 22,070 | 22,330 | 13,463.0 | 13,733.0 | 2.0 |
| NC | 46.0 | 46.0 | 20,326 | 20,891 | 935.0 | 961.0 | 2.8 |
| ND | 18.0 | 16.0 | 18,944 | 20,250 | 341.0 | 324.0 | -5.0 |
| OH | 270.0 | 267.0 | 20,178 | 20,318 | 5,448.0 | 5,425.0 | -0.4 |
| OK | 45.0 | 40.0 | 17,311 | 17,425 | 779.0 | 697.0 | -10.5 |
| OR | 123.0 | 124.0 | 20,439 | 20,605 | 2,514.0 | 2,555.0 | 1.6 |
| PA | 533.0 | 530.0 | 19,797 | 20,157 | 10,552.0 | 10,683.0 | 1.2 |
| RI | 0.9 | 0.9 | 19,000 | 19,000 | 17.1 | 17.1 | --- |
| SC | 16.0 | 16.0 | 16,500 | 16,375 | 264.0 | 262.0 | -0.8 |
| SD | 94.0 | 97.0 | 21,521 | 21,742 | 2,023.0 | 2,109.0 | 4.3 |
| TN | 48.0 | 46.0 | 15,938 | 16,304 | 765.0 | 750.0 | -2.0 |
| TX | 437.0 | 463.0 | 21,991 | 22,268 | 9,610.0 | 10,310.0 | 7.3 |
| UT | 95.0 | 95.0 | 22,432 | 22,968 | 2,131.0 | 2,182.0 | 2.4 |
| VT | 134.0 | 132.0 | 19,448 | 20,197 | 2,606.0 | 2,666.0 | 2.3 |
| VA | 95.0 | 93.0 | 18,337 | 19,140 | 1,742.0 | 1,780.0 | 2.2 |
| WA | 266.0 | 273.0 | 23,820 | 24,117 | 6,336.0 | 6,584.0 | 3.9 |
| WV | 10.0 | 9.0 | 15,200 | 15,556 | 152.0 | 140.0 | -7.9 |
| WI | 1,271.0 | 1,271.0 | 21,693 | 21,869 | 27,572.0 | 27,795.0 | 0.8 |
| WY | 6.0 | 6.0 | 21,367 | 21,583 | 128.2 | 129.5 | 1.0 |
| U.S. ³ | 9,224.0 | 9,257.0 | 21,816 | 22,258 | 201,231.0 | 206,046.0 | 2.4 |

¹ Average number during year, excluding heifers not yet fresh. ² Excludes milk sucked by calves.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Milk Production, February 2015*.

January Agricultural Prices Highlights

The All Milk price received by farmers was \$17.60 in January, down \$5.90 from January 2014. Milk Cows price was \$1,990 in January up \$550 from January 2014. Alfalfa hay price was \$174.00 in January, down \$12.00 from January 2014. Corn price was \$3.81 in January, down \$0.61 from January 2014. Soybean price was \$10.30 in January, down \$2.60 from January 2014. The milk-feed price ratio was 2.09 in January, down 0.37 from January 2014.

The index of prices received by farmers for dairy products during the month of January 2015 was down 2 points to 99. Compared to January 2014, the index down 1 point (1.0 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in January 2015 was down 2 points to 109. Compared with January 2014, the index was up 1 point (0.9 percent).

Note: Beginning January 2015, NASS will publish full-month data only.

Selected Milk Prices, Milk Cows, and Feed Prices, Selected States and U.S., January 2015 with Comparisons

| State | All-Milk price ^{1,2} | | Milk cows ³ | | Alfalfa hay, baled | | Corn for Grain | | Soybeans | |
|-------|-------------------------------|-------|---------------------------|-------|--------------------------|--------|-----------------------------|------|-----------------------------|-------|
| | Jan | | Jan | | Jan | | Jan | | Jan | |
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 |
| | <i>(dollars per cwt)</i> | | <i>(dollars per head)</i> | | <i>(dollars per ton)</i> | | <i>(dollars per bushel)</i> | | <i>(dollars per bushel)</i> | |
| AZ | 22.60 | 16.40 | 1,500 | 2,000 | 200.00 | 215.00 | --- | --- | --- | --- |
| CA | 22.42 | 15.81 | 1,300 | 1,800 | 207.00 | 200.00 | --- | --- | --- | --- |
| CO | 23.00 | 18.70 | 1,540 | 2,100 | 225.00 | 195.00 | 4.52 | 4.09 | --- | --- |
| ID | 22.60 | 16.80 | 1,400 | 2,000 | 190.00 | 190.00 | --- | --- | --- | --- |
| IN | 23.90 | 18.10 | 1,500 | 2,100 | --- | --- | 4.49 | 3.86 | 13.20 | 10.50 |
| IA | 23.90 | 17.40 | 1,450 | 2,030 | 195.00 | 156.00 | 4.43 | 3.85 | 12.80 | 10.20 |
| MI | 23.50 | 17.60 | 1,650 | 2,200 | 175.00 | 185.00 | 4.13 | 3.76 | 12.80 | 10.40 |
| MN | 23.80 | 18.30 | 1,410 | 1,870 | 200.00 | 125.00 | 4.38 | 3.70 | 12.60 | 10.20 |
| NM | 22.50 | 16.40 | 1,450 | 2,000 | 245.00 | 230.00 | --- | --- | --- | --- |
| NY | 24.30 | 18.70 | 1,430 | 1,910 | 205.00 | 220.00 | --- | --- | --- | --- |
| OH | 24.10 | 18.70 | 1,450 | 2,000 | 185.00 | 180.00 | 4.36 | 3.87 | 13.10 | 10.60 |
| PA | 24.90 | 19.20 | 1,500 | 2,000 | 198.00 | 242.00 | 4.50 | 4.11 | --- | --- |
| TX | 24.40 | 18.20 | 1,450 | 2,100 | 234.00 | 233.00 | 5.04 | 4.51 | --- | --- |
| WA | 24.10 | 17.50 | 1,350 | 1,950 | 190.00 | 210.00 | --- | --- | --- | --- |
| WI | 23.80 | 18.40 | 1,570 | 2,160 | 200.00 | 136.00 | 4.40 | 3.71 | 12.80 | 10.20 |
| U.S. | 23.50 | 17.60 | 1,440 | 1,990 | 186.00 | 174.00 | 4.42 | 3.81 | 12.90 | 10.30 |

¹ Prices are shown at reported butterfat test. ² Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.

³ Animals sold for dairy herd replacement only. Quarterly United States milk cow prices are based on revised milk cow inventory.

Milk-Feed Price Ratio, Selected States and U.S., January 2015 with Comparisons

| State ² | Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ¹ | | |
|--------------------|--|----------|----------|
| | Jan 2014 | Dec 2014 | Jan 2015 |
| IA | 2.45 | 2.64 | 2.16 |
| MI | 2.60 | 2.46 | 2.05 |
| MN | 2.44 | 2.57 | 2.51 |
| OH | 2.63 | 2.55 | 2.12 |
| WI | 2.43 | 2.58 | 2.44 |
| U.S. | 2.46 | 2.38 | 2.09 |

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

General Price Measures, U.S., January 2015 with Comparisons

| Item | Jan 2014 | Dec 2014 | Jan 2015 |
|---|----------|----------|----------|
| Index Numbers (1990-92=100): | | | |
| Prices received by farmers for dairy products | 100 | 101 | 99 |
| Prices paid by farmers for commodities and services, interest taxes, and wage rates | 108 | 111 | 109 |

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, February 2015.*

January 2015 Dairy Products Highlights

Butter production was 179.5 million pounds, 1.6 percent below January 2014 but 7.1 percent above December 2014. **American type cheese** production totaled 393.4 million pounds, 3.4 percent above January 2014 and 0.9 percent above December 2014. **Total cheese** output (excluding cottage cheese) was 980.1 million pounds, 2.8 percent above January 2014 but 1.9 percent below December 2014. **Nonfat dry milk** production, for human food, totaled 165.8 million pounds, 19.4 percent above January 2014 and 1.5 percent above December 2014. **Dry whey** production, for human food, was 75.5 million pounds, 9.5 percent above January 2014 and 1.7 percent above December 2014. **Ice cream, regular hard** production totaled 54.8 million gallons, 1.1 percent below January 2014 but 7.0 percent above December 2014.

| Production of Dairy Products | | | | | | | | | |
|--|--------------------|------------------|----------|---------------------------|-------------------------------------|--------------------|------------------|----------|---------------------------|
| Product | Jan 2015 | Change from | | | Product | Jan 2015 | Change from | | |
| | | Jan 2014 | Dec 2014 | Year to Date ¹ | | | Jan 2014 | Dec 2014 | Year to Date ¹ |
| | <i>(1,000 lbs)</i> | <i>(percent)</i> | | | | <i>(1,000 lbs)</i> | <i>(percent)</i> | | |
| Butter | 179,495 | -1.6 | 7.1 | -1.6 | Yogurt (plain and flavored) | 375,088 | -5.1 | -3.4 | -5.1 |
| Cheese | | | | | Dry whey, human food | 75,528 | 9.5 | 1.7 | --- |
| American types ² | 393,382 | 3.4 | 0.9 | 3.4 | Dry whey, animal feed | 978 | -2.7 | 13.1 | --- |
| Cheddar | 291,695 | 5.3 | 2.8 | 5.3 | Dry whey, total ⁸ | 76,506 | 9.3 | 1.8 | 9.3 |
| Other American | 101,687 | -1.5 | -4.1 | --- | Reduced lactose & minerals | | | | |
| Brick & Muenster | 15,072 | 15.1 | 7.1 | --- | Human food | 2,058 | -14.4 | 13.8 | --- |
| Cream & Neufchatel | 61,731 | 1.6 | -16.1 | --- | Animal feed | 4,913 | -23.6 | -1.4 | --- |
| Hispanic | 19,958 | -0.6 | -7.8 | --- | Lactose, human food & animal feed | 89,501 | -7.7 | -2.4 | -7.7 |
| Total Italian types | 432,138 | 2.8 | -1.4 | 2.8 | Whey protein concentrate | | | | |
| Mozzarella | 341,682 | 2.8 | -0.4 | 2.8 | Human food ⁹ | 46,739 | 0.3 | 0.6 | --- |
| Other Italian | 90,456 | 2.9 | -4.8 | --- | Animal feed ⁹ | 329 | -24.4 | -21.7 | --- |
| Swiss | 24,864 | -3.9 | -9.6 | --- | Total ⁹ | 47,068 | 0.1 | 0.4 | 0.1 |
| All other types | 32,982 | 1.5 | -4.3 | --- | 25.0-49.9 percent ¹⁰ | 24,464 | -7.7 | 0.8 | --- |
| Total | 980,127 | 2.8 | -1.9 | 2.8 | 50.0-89.9 percent ¹⁰ | 22,604 | 10.0 | 0.0 | --- |
| Cottage cheese, curd ³ | 26,566 | -18.5 | -8.3 | --- | Whey protein isolates ¹¹ | 6,440 | -21.2 | 7.5 | --- |
| Cottage cheese, cream ⁴ | 21,244 | -16.2 | -12.6 | -16.2 | | | | | |
| Cottage cheese, lowfat ⁵ | 25,305 | -14.1 | -6.0 | -14.1 | | <i>(1,000 gal)</i> | <i>(percent)</i> | | |
| Dry buttermilk | 10,299 | -9.6 | 1.3 | --- | Frozen products | | | | |
| Dry whole milk | 6,206 | 9.6 | -12.8 | --- | Ice cream, regular hard | 54,825 | -1.1 | 7.0 | -1.1 |
| Milk protein conc. (MPC), total ⁶ | 11,420 | 7.0 | 5.2 | --- | Ice cream, lowfat, hard | 15,231 | 2.8 | 5.0 | --- |
| Nonfat dry milk (NDM), human | 165,786 | 19.4 | 1.5 | 19.4 | Ice cream, lowfat, soft | 11,421 | 6.9 | -7.2 | --- |
| Skim milk powders (SMP) ⁷ | 41,207 | -30.0 | -4.6 | -30.0 | Ice cream, lowfat, total | 26,652 | 4.5 | -7.5 | 4.5 |
| Sour cream | 85,481 | -20.8 | -13.8 | -20.8 | Sherbet, hard | 3,000 | 2.9 | 17.1 | 2.9 |
| | | | | | Frozen yogurt, total | 3,747 | -17.1 | -1.6 | -17.1 |

Manufacturers' Stocks, End of Month¹²

| Product | Jan 2015 | Jan 2014 | Dec 2014 | Product | Jan 2015 | Jan 2014 | Dec 2014 |
|---|--------------------|------------------|----------|-------------------------------------|--------------------|------------------|----------|
| | <i>(1,000 lbs)</i> | <i>(percent)</i> | | | <i>(1,000 lbs)</i> | <i>(percent)</i> | |
| Dry whey, human food | 58,898 | 2.8 | -4.2 | Whey protein concentrate | | | |
| Dry whey, animal feed | 836 | 21.2 | 11.0 | Human food ⁹ | 64,272 | 31.6 | 1.8 |
| Reduced lactose & minerals—human & animal ¹³ | 9,574 | 13.9 | 5.0 | Animal feed ⁹ | 1,035 | 7.1 | -0.7 |
| Lactose, human food & animal feed | 127,274 | 25.9 | -3.3 | Total ⁹ | 65,307 | 31.1 | 1.8 |
| Dry buttermilk | 24,792 | 92.4 | -4.3 | 25.0-49.9 percent ¹⁰ | 30,756 | 43.0 | -3.4 |
| Nonfat dry milk, human food | 239,837 | 60.8 | -0.6 | 50.0-89.9 percent ¹⁰ | 34,551 | 22.0 | 6.9 |
| | | | | Whey protein isolates ¹¹ | 11,429 | 6.6 | -3.7 |

¹ 2015 cumulative as percent change of 2014 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, March 2015*.

Federal Milk Order Class and Component Prices, February

Class Prices: The following are the February 2015 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$14.48 (-\$1.70), Class III: \$15.46 (-\$0.72), and Class IV: \$13.82 (+\$0.59).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for February 2015 is \$1.8296 per pound. Thus, the Class II butterfat price is \$1.8366 per pound. The protein and other solids prices for February 2015 are \$2.4051 and \$0.3273 per pound, respectively. These component prices set the Class III skim milk price at \$9.39 per cwt. The February 2015 Class IV skim milk price is \$7.69, which is derived from the nonfat solids price of \$0.8544 per pound.

Product Price Averages: The product price averages for February 2015 are: butter: \$1.6823, nonfat dry milk: \$1.0308, cheese: \$1.5446, and dry whey: \$0.5169.

| Federal Milk Order Minimum Class Prices for Milk of 3.5 Percent Butterfat ^{1 2} | | | | | | |
|--|--------------|---------------------------------|----------|-----------|----------|----------|
| Federal Milk Order Marketing Areas ³ | Order Number | Feb 2015 | | | | Mar 2015 |
| | | Class I | Class II | Class III | Class IV | Class I |
| | | <i>(dollars per 100 pounds)</i> | | | | |
| Northeast (Boston) ⁴ | 001 | 19.49 | 14.48 | 15.46 | 13.82 | 18.81 |
| Appalachian (Charlotte) ^{5, 6} | 005 | 19.64 | 14.48 | 15.46 | 13.82 | 18.96 |
| Florida (Tampa) ^{6, 7} | 006 | 21.64 | 14.48 | 15.46 | 13.82 | 20.96 |
| Southeast (Atlanta) ^{6, 8} | 007 | 20.04 | 14.48 | 15.46 | 13.82 | 19.36 |
| Upper Midwest (Chicago) ⁹ | 030 | 18.04 | 14.48 | 15.46 | 13.82 | 17.36 |
| Central (Kansas City) ¹⁰ | 032 | 18.24 | 14.48 | 15.46 | 13.82 | 17.56 |
| Mideast (Cleveland) ¹¹ | 033 | 18.24 | 14.48 | 15.46 | 13.82 | 17.56 |
| Pacific Northwest (Seattle) ¹² | 124 | 18.14 | 14.48 | 15.46 | 13.82 | 17.46 |
| Southwest (Dallas) ¹³ | 126 | 19.24 | 14.48 | 15.46 | 13.82 | 18.56 |
| Arizona (Phoenix) | 131 | 18.59 | 14.48 | 15.46 | 13.82 | 17.91 |
| All-Market Average | --- | 19.13 | 14.48 | 15.46 | 13.82 | 18.45 |

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

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

³ Names in parentheses are the major city in the principal pricing point of the markets.

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

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

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

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

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

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

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

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

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

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

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, ANNUAL 2014

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for 2014 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During 2014, more than 129.4 billion pounds of milk were received from Federally pooled producers. This volume of milk is 2.0 percent lower than the 2013 pooled volume. In 2014 and 2013, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. Regulated handlers pooled 41.420 billion pounds of producer milk as Class I products, down 3.1 percent when compared to 2013. Class I utilization decreased in all 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 32%, Class II = 11%, Class III = 45%, and Class IV = 12%. The weighted average statistical uniform price was \$23.54 per cwt, \$4.10 higher than 2013's \$19.44.

| PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE YEAR OF 2014 | | | | | | | | | | |
|---|-----------------|------------------------------|------------------------------|-----------------------------------|------------------------------|--|-------------|--------------|-------------|---------------------------------------|
| FEDERAL MILK ORDER MARKETING AREA 1/ | ORDER NUMBER | RECEIPTS OF PRODUCER MILK | | UTILIZATION OF MILK IN CLASS I | | UTILIZATION OF PRODUCER MILK IN ALL CLASSES | | | | UNIFORM PRICE 2/ \$ PER CWT. |
| | | TOTAL | CHANGE FROM PREV. YEAR | TOTAL | CHANGE FROM PREV. YEAR | CLASS I | CLASS II | CLASS III | CLASS IV | |
| | | MIL. LBS. | PERCENT | MIL. LBS. | PERCENT | PERCENT 4/ | | | | |
| Northeast (Boston) | 001 | 25,793.0 | 1.5 | 9,122.9 | -4.0 | 35 | 24 | 26 | 15 | 24.28 |
| Appalachian (Charlotte) | 005 | 5,593.5 | -2.4 | 3,782.7 | -1.6 | 68 | 15 | 7 | 11 | 25.62 |
| Florida (Tampa) | 006 | 2,771.2 | -2.2 | 2,343.4 | -3.3 | 85 | 10 | 2 | 3 | 27.82 |
| Southeast (Atlanta) | 007 | 5,289.0 | -13.7 | 3,905.0 | -6.2 | 74 | 11 | 8 | 7 | 26.20 |
| Upper Midwest (Chicago) | 030 3/ | 32,784.8 | -4.5 | 3,586.9 | -2.7 | 11 | 3 | 84 | 2 | 22.54 |
| Central (Kansas City) | 032 3/ | 15,062.7 | -0.9 | 4,816.2 | -1.0 | 32 | 9 | 46 | 13 | 22.90 |
| Mideast (Cleveland) | 033 3/ | 17,297.1 | 3.5 | 6,244.5 | -3.2 | 36 | 15 | 34 | 15 | 23.13 |
| Pacific Northwest (Seattle) | 124 3/ | 7,891.6 | -4.2 | 2,021.4 | -4.7 | 26 | 7 | 35 | 32 | 22.71 |
| Southwest (Dallas) | 126 3/ | 12,137.2 | -5.9 | 4,309.7 | -0.3 | 36 | 8 | 48 | 9 | 23.66 |
| Arizona (Phoenix) | 131 3/ | 4,800.5 | 4.0 | 1,287.1 | -5.2 | 27 | 10 | 26 | 37 | 23.25 |
| ALL MARKET AVERAGE OR TOTAL | 3/ | 129,420.4 | -2.0 | 41,420.0 | -3.1 | 32 | 11 | 45 | 12 | 23.54 |

1/ Names in parentheses are the major city in the principal pricing point of the market.

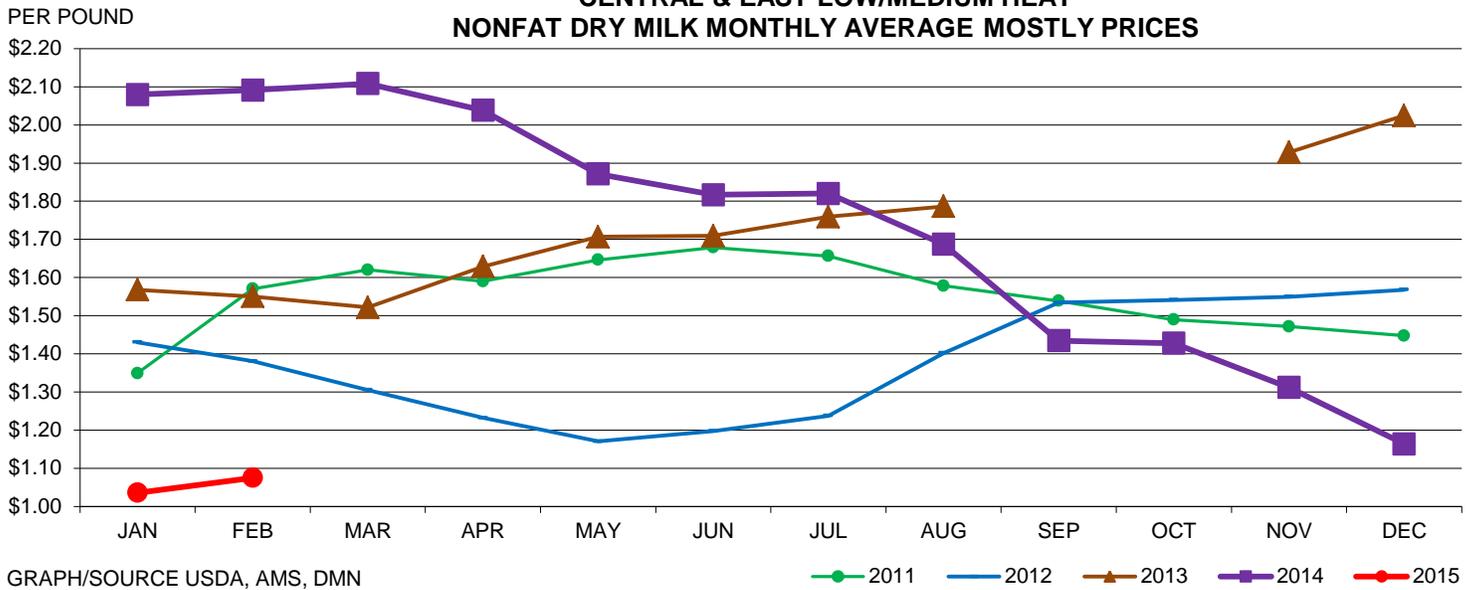
2/ Weighted average Statistical Uniform Price.

3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform price in these markets, handlers elected not to pool an estimated 11.390 billion pounds of milk that normally would have been associated with these markets. In 2013, the estimated not pooled volume of milk was 5.920 billion pounds, occurring in the same order numbers 030, 032, 033, 124, 126, and 131. After adjusting for non pooled milk, the year-to-year percent change in receipts of producer milk is down the same percentage -2.0%

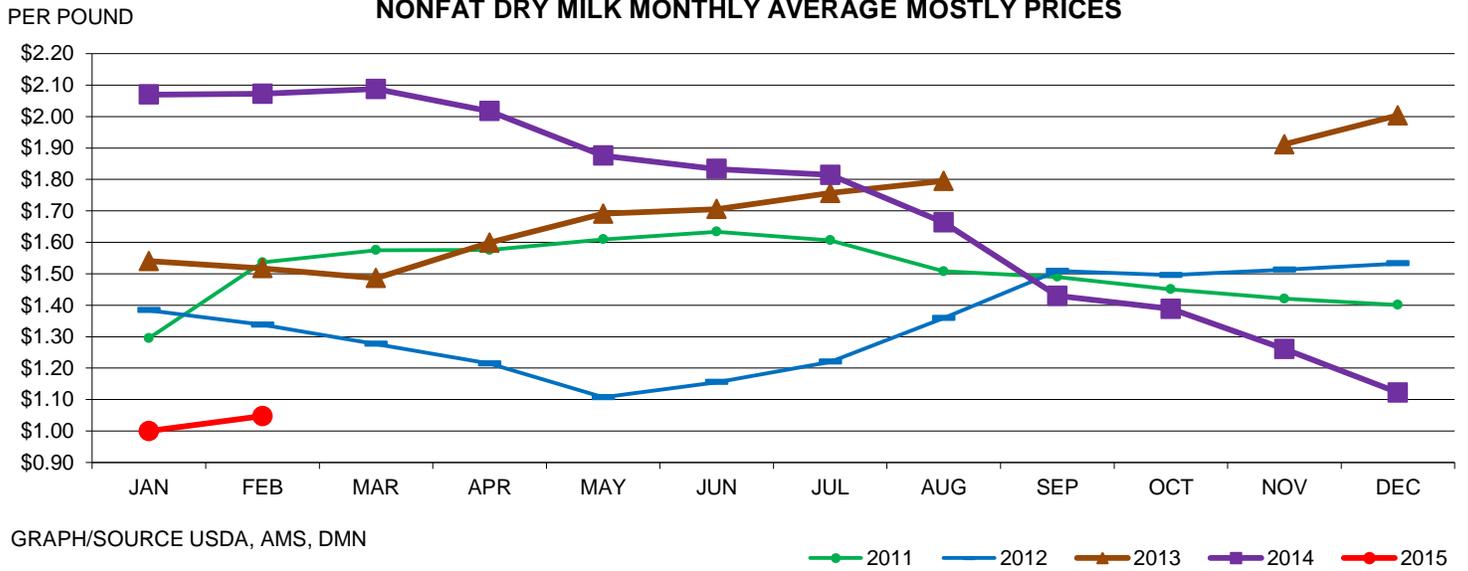
4/ Totals may not add to 100 percent due to rounding.

Report Contact: Lorie Warren, lorie.warren@ams.usda.gov or 202-720-4405.

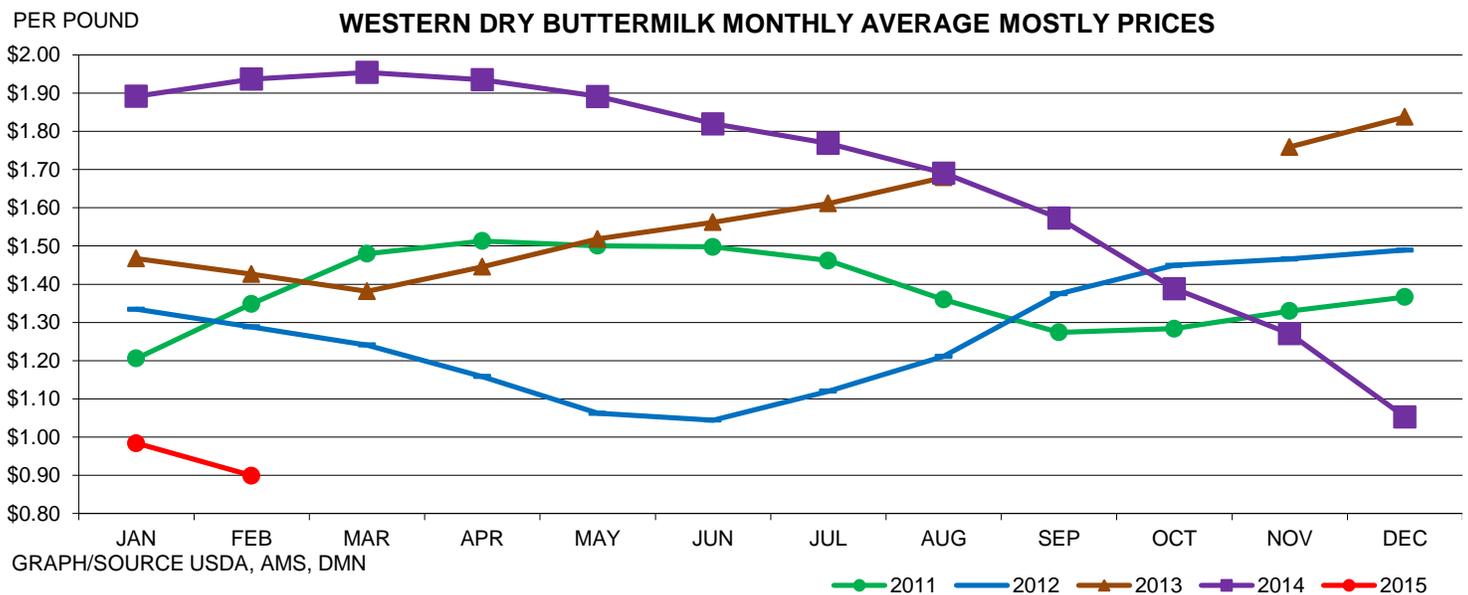
**CENTRAL & EAST LOW/MEDIUM HEAT
NONFAT DRY MILK MONTHLY AVERAGE MOSTLY PRICES**



**WESTERN LOW/MEDIUM HEAT
NONFAT DRY MILK MONTHLY AVERAGE MOSTLY PRICES**

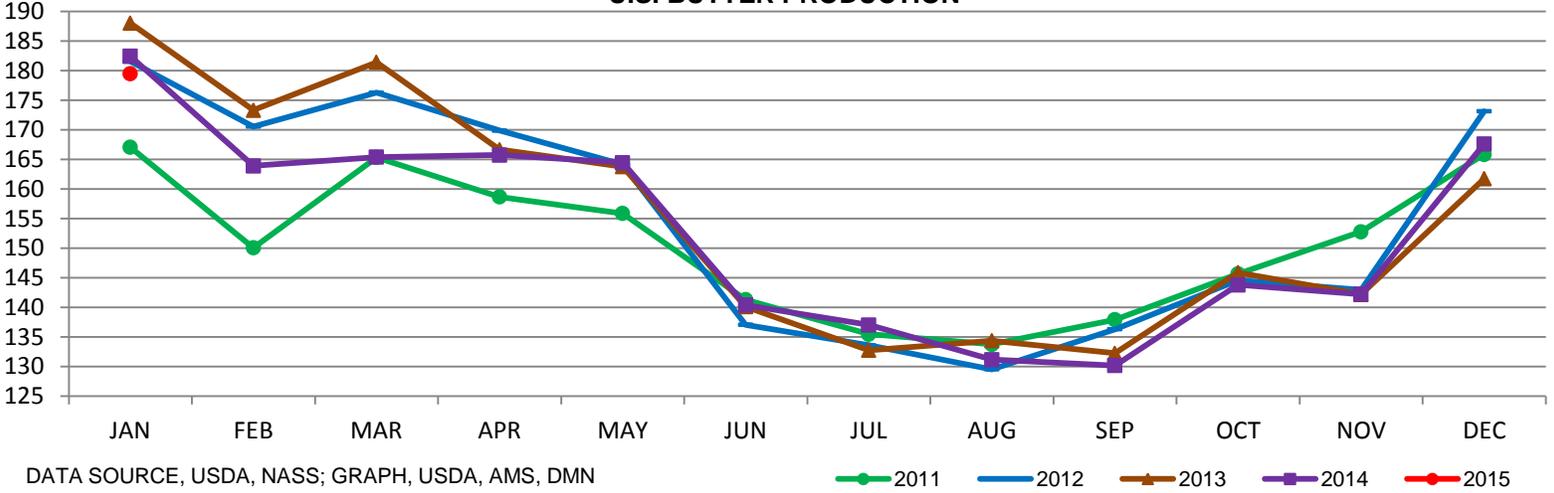


WESTERN DRY BUTTERMILK MONTHLY AVERAGE MOSTLY PRICES



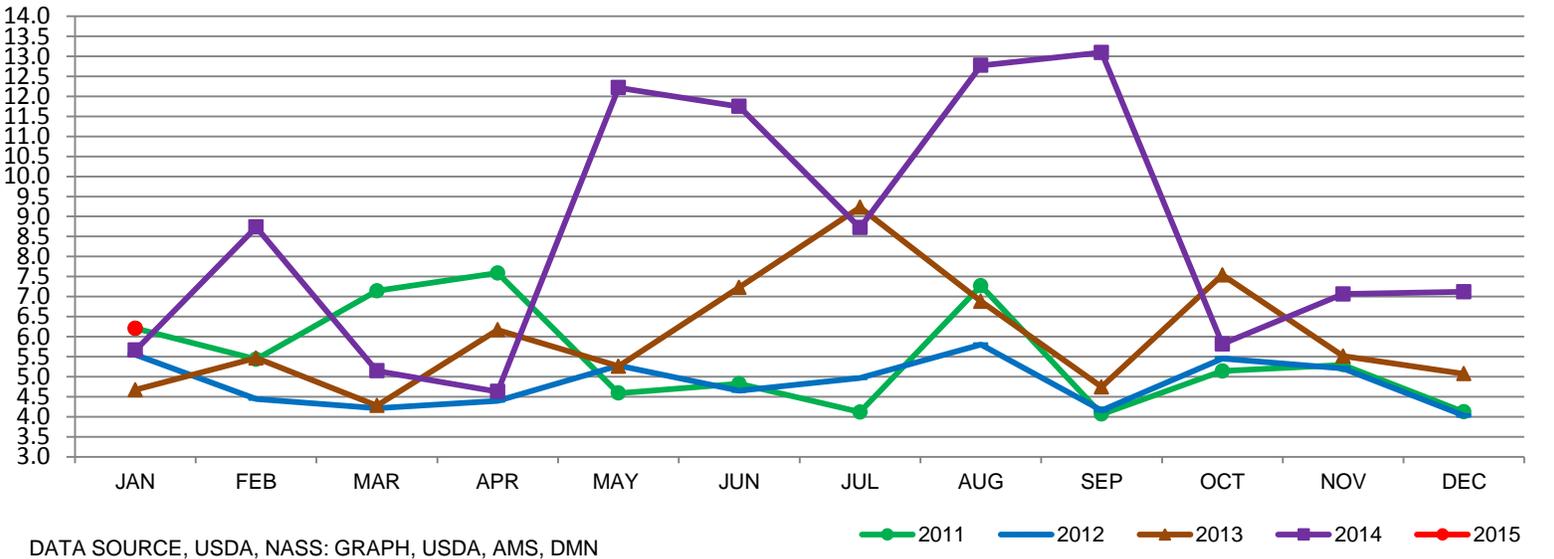
MILLION POUNDS

U.S. BUTTER PRODUCTION



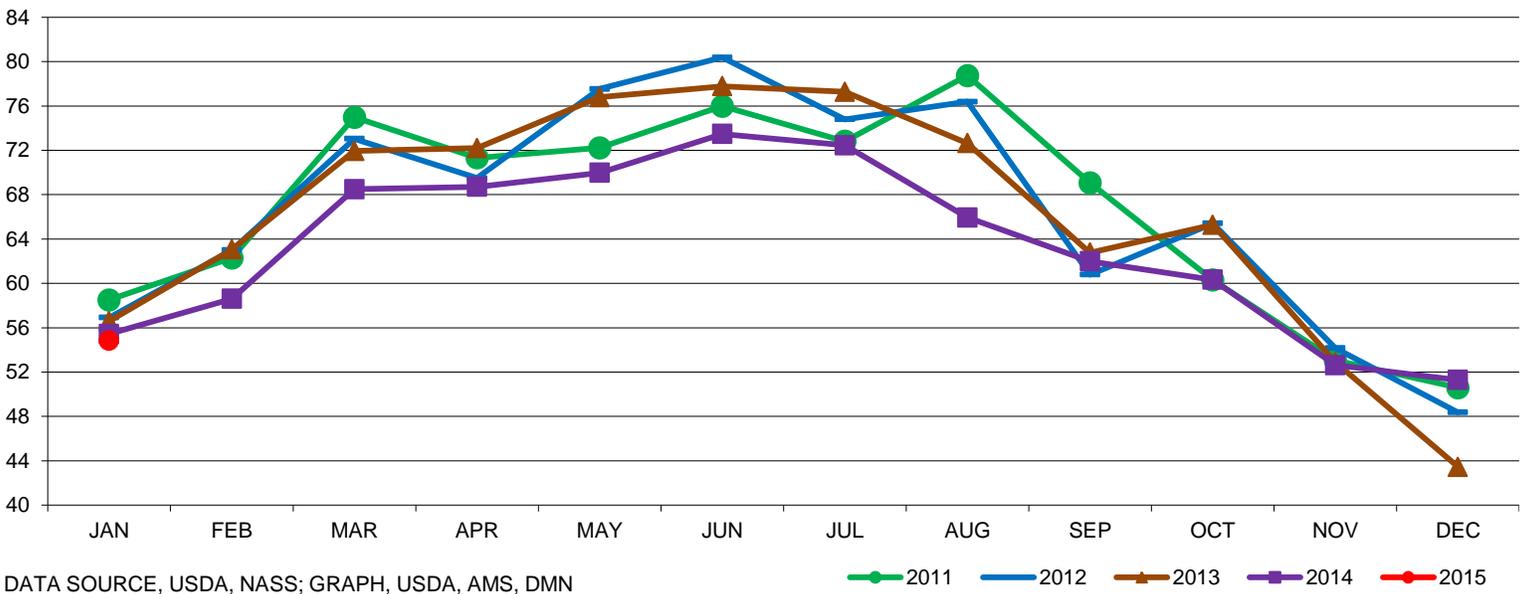
U.S. DRY WHOLE MILK PRODUCTION

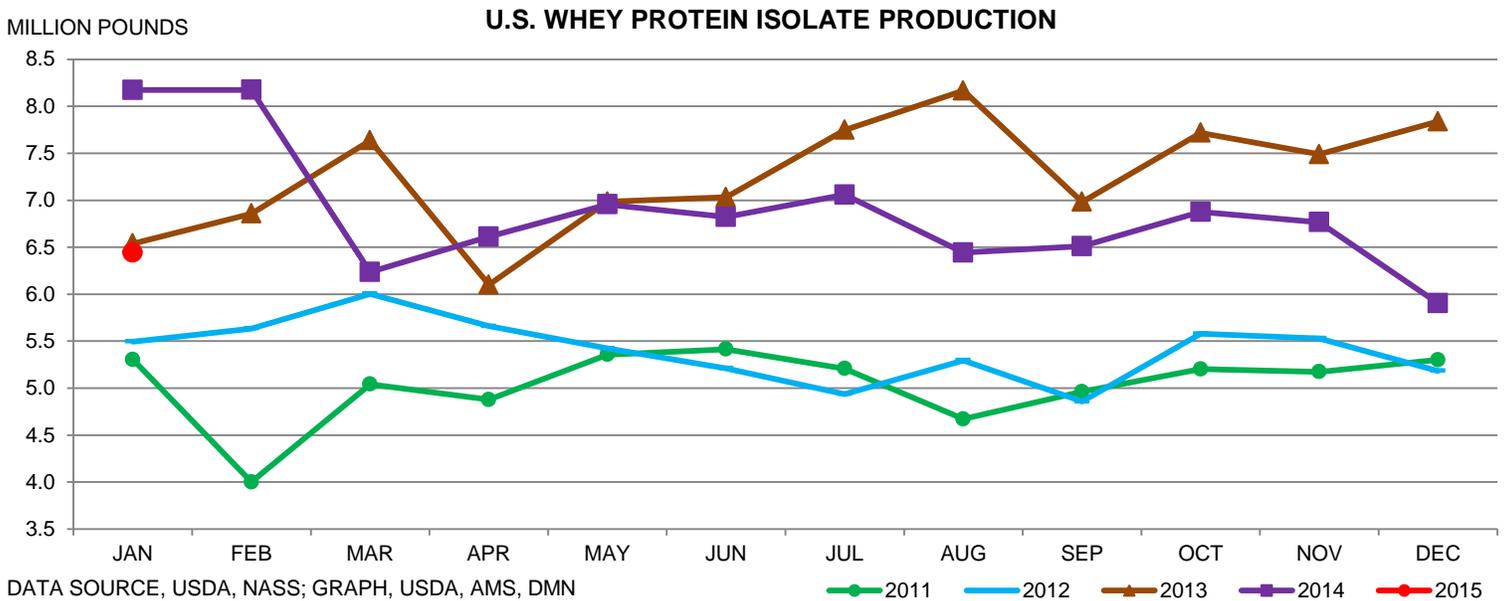
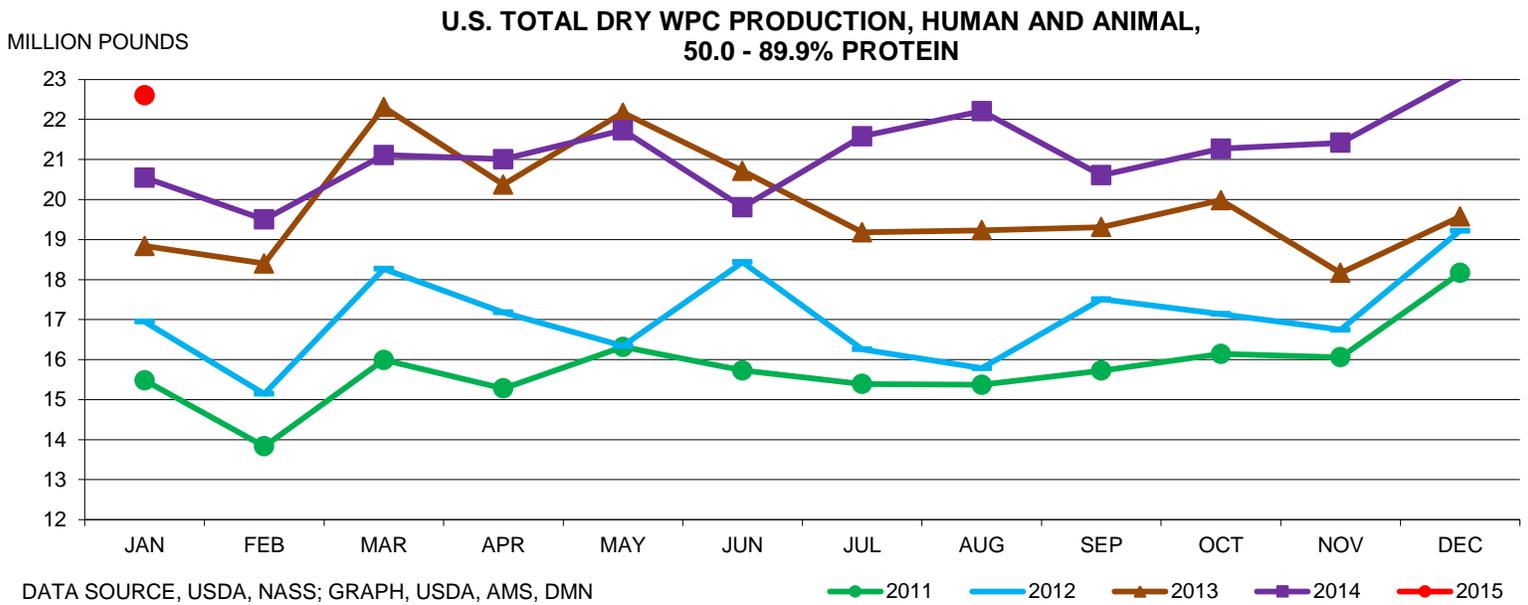
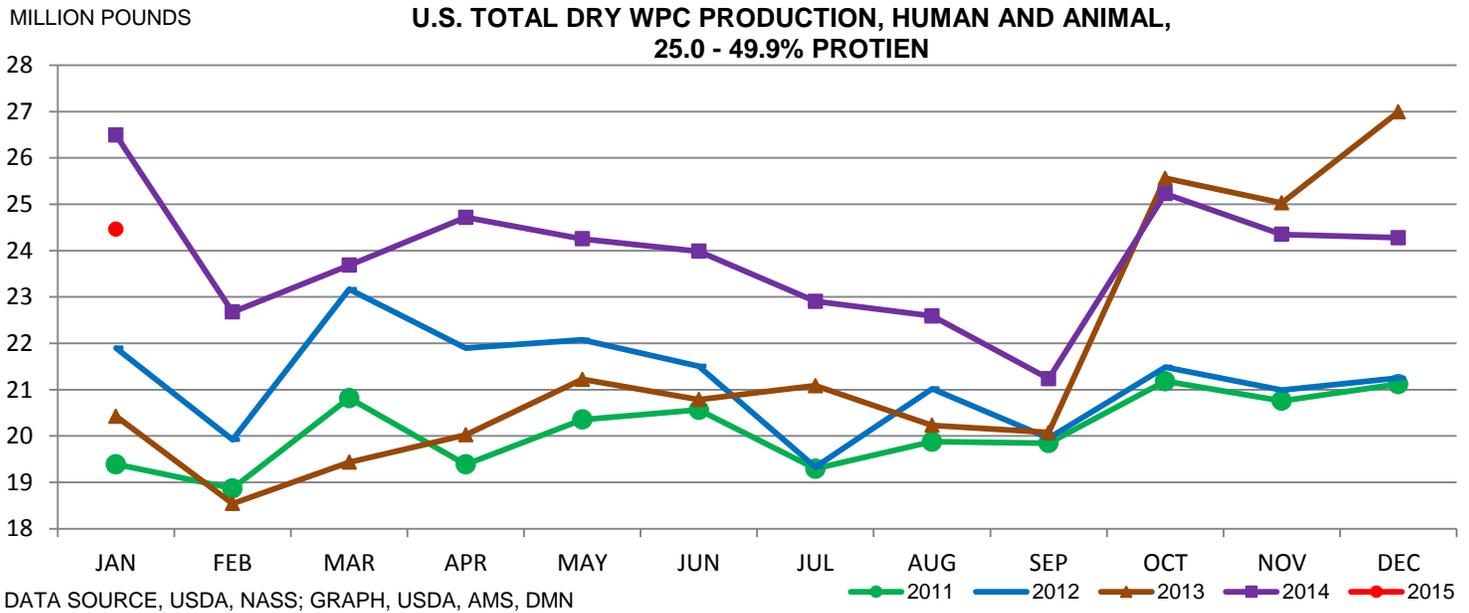
MILLION POUNDS

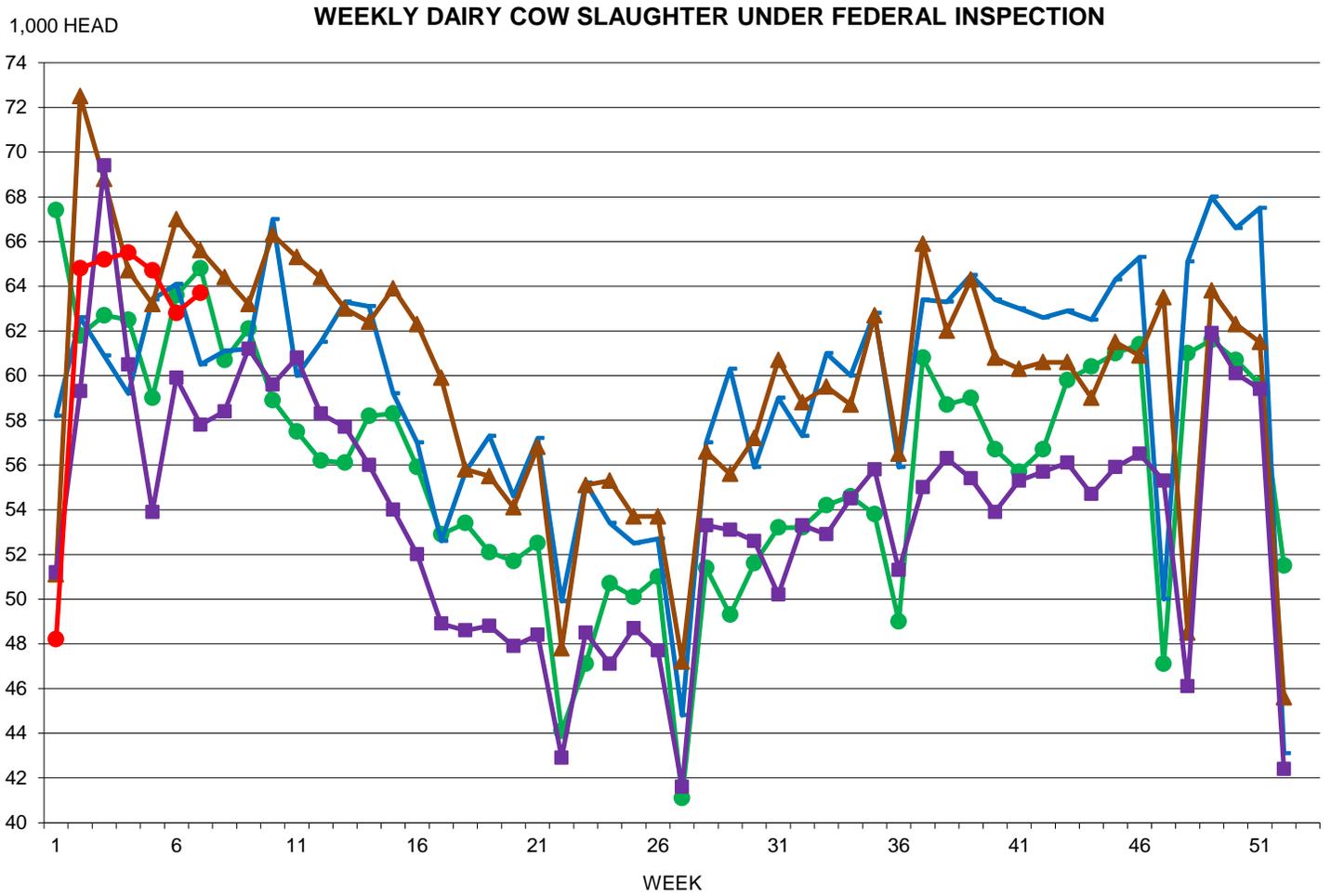


U.S. REGULAR HARD ICE CREAM PRODUCTION

MILLION GALLONS







DATA SOURCES, USDA, NASS & AMS, LMN; GRAPH, USDA, AMS, DMN

● 2011 ■ 2012 ▲ 2013 ■ 2014 ● 2015



Dairy Market News Branch

**Agricultural
Marketing
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National Retail Report - Dairy

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

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Friday, March 6, 2015

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 03/06/2015 to 03/12/2015

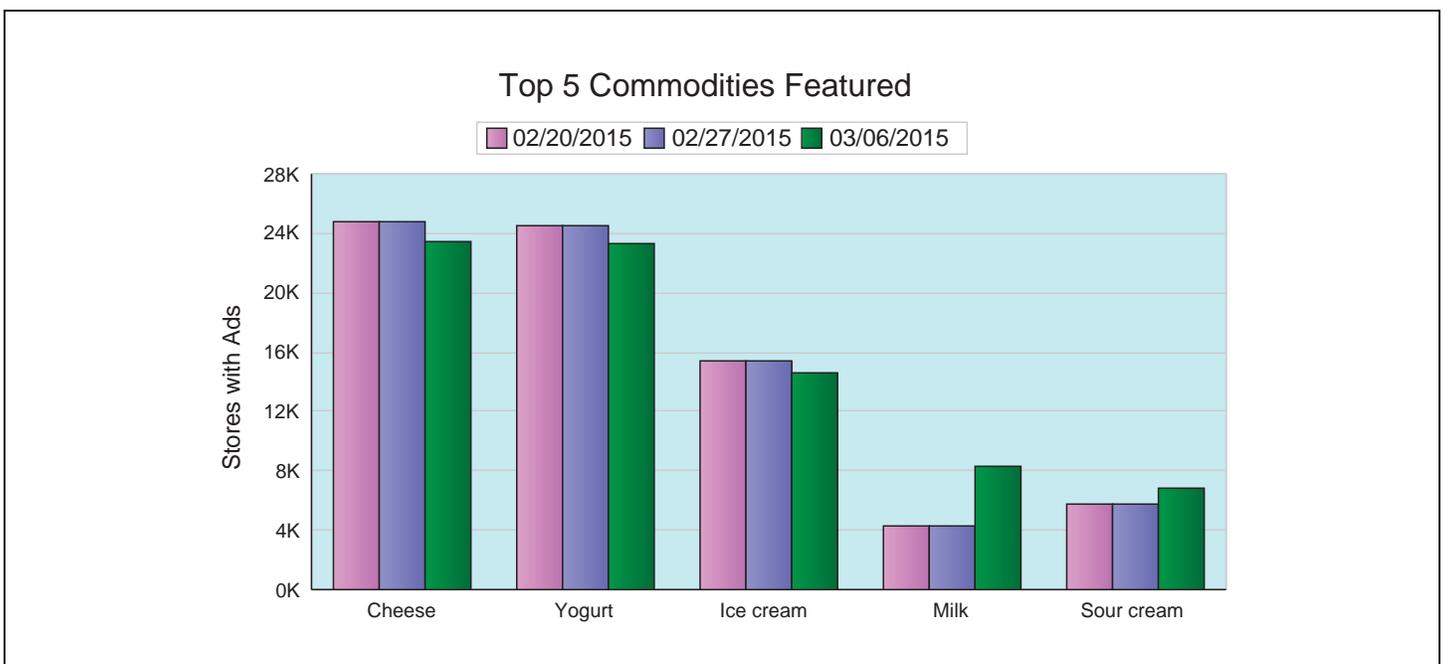
National ad volumes for conventional dairy products decreased 4% while ads for organic dairy products nearly doubled.

The U.S. average advertised price for 8 ounce cheese blocks, \$2.33, is 12 cents higher than one week ago, but 11 cents lower than a year ago, while 8 ounce shredded cheese at \$2.68 is up 27 cents from one week ago, and 34 cents higher from one year ago.

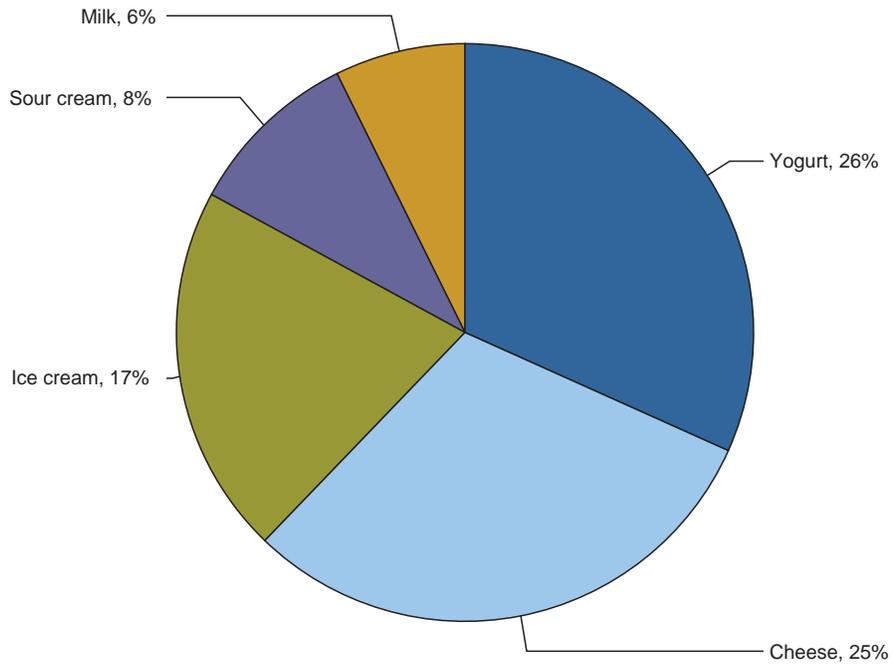
Greek 4-6 ounce yogurt ad volume is the highest ad volume of all other categories and sizes of yogurt. The average price of 4-6 ounce Greek yogurt, \$0.98, is up 3 cents from last week, but 1 cent lower than one year ago. Ads for 4-6 ounce yogurt have an average price of 48 cents, unchanged from last week and 2 cents lower from one year ago.

National average prices for butter, cottage cheese and ice cream all increased. The national average prices and their increases compared to last week are: 1# butter \$3.02, up 25 cents; cottage cheese in 16 ounce containers \$2.26, up 56 cents; and ice cream in 48-64 ounce containers \$3.06, up 1 cent.

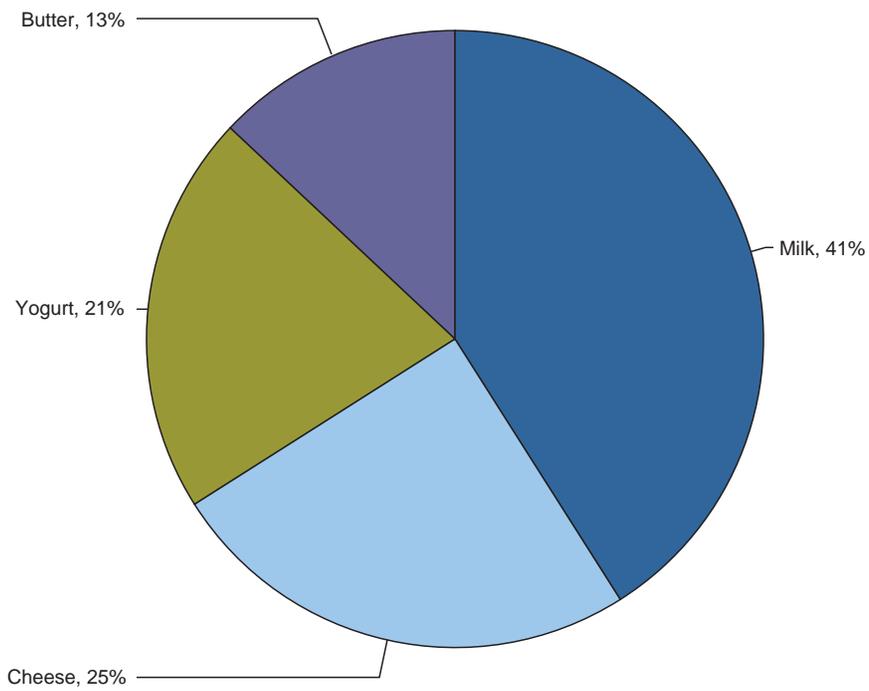
The organic - conventional half gallon milk price spread is \$1.69, down \$0.06 from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$1.99, up 36 cents from one week ago, and the average for organic half gallon milk, \$3.68, up 30 cents from last week. The 2015 price spread has ranged from \$1.19 to \$2.39.



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 # | 4249 | 3.02 | 3917 | 2.77 | 3460 | 2.91 |
| Cheese | Natural Varieties | 8 oz block | 6285 | 2.33 | 6430 | 2.21 | 7013 | 2.44 |
| Cheese | Natural Varieties | 1 # block | 2060 | 4.99 | 943 | 4.03 | 991 | 4.03 |
| Cheese | Natural Varieties | 2 # block | 1496 | 7.32 | 733 | 6.93 | 118 | 5.99 |
| Cheese | Natural Varieties | 8 oz shred | 9615 | 2.67 | 13629 | 2.41 | 8684 | 2.34 |
| Cheese | Natural Varieties | 1 # shred | 1724 | 4.33 | 1163 | 3.86 | 607 | 4.44 |
| Cottage cheese | | 16 oz | 2121 | 2.26 | 3494 | 1.70 | 2851 | 2.02 |
| Cream cheese | | 8 oz | 4543 | 1.83 | 5552 | 1.87 | 4287 | 1.64 |
| Flavored milk | All fat tests | half gallon | 310 | 3.21 | 495 | 2.32 | 1475 | 2.52 |
| Flavored milk | All fat tests | gallon | 344 | 3.54 | 119 | 2.50 | 723 | 4.15 |
| Ice cream | | 48-64oz | 14623 | 3.06 | 15397 | 3.05 | 13893 | 3.04 |
| Milk | All fat tests | half gallon | 1300 | 1.99 | 994 | 1.63 | | |
| Milk | All fat tests | gallon | 3369 | 2.76 | 1073 | 3.27 | 1194 | 3.26 |
| Sour cream | | 16 oz | 6819 | 1.85 | 5771 | 1.62 | 5928 | 1.65 |
| Yogurt | Greek | 4-6 oz | 14042 | .98 | 13559 | .95 | 12195 | .99 |
| Yogurt | Greek | 32 oz | 1047 | 4.04 | 556 | 4.09 | 1465 | 2.71 |
| Yogurt | Yogurt | 4-6 oz | 5739 | .47 | 7616 | .48 | 6440 | .50 |
| Yogurt | Yogurt | 32 oz | 622 | 2.46 | 2276 | 2.24 | 737 | 2.17 |

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 # | 1.88-4.79 | 1161 | 3.43 | 1.99-4.79 | 1970 | 2.74 | 1.96-2.99 | 445 | 2.20 |
| Cheese | Natural Varieties | 8 oz block | 1.99-3.00 | 2376 | 2.50 | 1.88-2.50 | 1554 | 2.07 | 1.88-2.50 | 423 | 2.12 |
| Cheese | Natural Varieties | 1 # block | 3.99-4.49 | 611 | 4.12 | 4.99-5.49 | 1167 | 5.45 | 4.99 | 213 | 4.99 |
| Cheese | Natural Varieties | 2 # block | 7.99 | 84 | 7.99 | 6.98 | 195 | 6.98 | | | |
| Cheese | Natural Varieties | 8 oz shred | 1.99-3.59 | 2621 | 2.75 | 1.88-3.49 | 2564 | 2.84 | 1.88-3.49 | 1128 | 2.36 |
| Cheese | Natural Varieties | 1 # shred | 3.99 | 243 | 3.99 | | | | 3.29-4.99 | 801 | 3.74 |
| Cottage cheese | | 16 oz | 1.50-2.99 | 1136 | 2.61 | 1.25-2.29 | 408 | 1.54 | | | |
| Cream cheese | | 8 oz | 1.25-2.50 | 1219 | 1.93 | 1.50-2.00 | 1780 | 1.69 | 1.00-2.69 | 615 | 2.03 |
| Flavored milk | All fat tests | gallon | | | | 5.49 | 84 | 5.49 | 3.99 | 119 | 3.99 |
| Ice cream | | 48-64oz | 1.88-4.59 | 3735 | 2.90 | 1.88-4.99 | 3143 | 3.44 | 2.49-3.99 | 3643 | 2.89 |
| Milk | All fat tests | half gallon | | | | 1.00 | 184 | 1.00 | 1.25-2.47 | 172 | 1.63 |
| Milk | All fat tests | gallon | 2.50-3.49 | 429 | 3.13 | 2.99 | 214 | 2.99 | 1.79-3.50 | 382 | 2.74 |
| Sour cream | | 16 oz | 1.29-2.00 | 1462 | 1.87 | 1.25-1.98 | 1410 | 1.83 | 1.25-1.98 | 1358 | 1.83 |
| Yogurt | Greek | 4-6 oz | 0.80-1.00 | 3384 | .98 | 0.80-1.00 | 3463 | .98 | 0.75-1.00 | 2267 | .96 |
| Yogurt | Greek | 32 oz | 4.99 | 102 | 4.99 | 3.99 | 214 | 3.99 | 3.99 | 213 | 3.99 |
| Yogurt | Yogurt | 4-6 oz | 0.37-0.60 | 1403 | .50 | 0.40-0.50 | 1795 | .46 | 0.40-0.88 | 559 | .52 |

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 | Yogurt | 32 oz | 2.49-2.50 | 220 | 2.50 | 2.50 | 84 | 2.50 | 2.39 | 213 | 2.39 |

| Commodity | Type | Pack Size | SOUTH CENTRAL U.S. | | | SOUTHWEST U.S. | | | NORTHWEST U.S. | | |
|----------------|-------------------|-------------|--------------------|-----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Butter | | 1 # | 3.50 | 55 | 3.50 | 2.50-5.49 | 444 | 3.88 | 2.99-3.29 | 174 | 3.11 |
| Cheese | Natural Varieties | 8 oz block | 1.88-2.50 | 1069 | 2.29 | 1.99-2.99 | 797 | 2.50 | 1.99 | 66 | 1.99 |
| Cheese | Natural Varieties | 1 # block | | | | | | | 4.99 | 69 | 4.99 |
| Cheese | Natural Varieties | 2 # block | 6.99-7.99 | 235 | 7.48 | 5.99-8.99 | 566 | 7.50 | 5.99-7.49 | 416 | 7.03 |
| Cheese | Natural Varieties | 8 oz shred | 1.99-2.99 | 1311 | 2.36 | 1.99-3.00 | 1401 | 2.71 | 1.67-3.00 | 590 | 2.75 |
| Cheese | Natural Varieties | 1 # shred | | | | 4.98-5.79 | 481 | 5.21 | 4.98-4.99 | 199 | 4.98 |
| Cottage cheese | | 16 oz | 2.00 | 162 | 2.00 | 1.79-2.29 | 241 | 1.92 | 2.29-2.39 | 174 | 2.35 |
| Cream cheese | | 8 oz | 1.49-2.69 | 413 | 1.78 | 1.49 | 116 | 1.49 | 1.50-2.50 | 400 | 1.98 |
| Flavored milk | All fat tests | half gallon | | | | 2.99 | 241 | 2.99 | 3.99 | 69 | 3.99 |
| Flavored milk | All fat tests | gallon | 1.99 | 141 | 1.99 | | | | | | |
| Ice cream | | 48-64oz | 2.50-5.99 | 1562 | 3.25 | 2.49-3.50 | 1998 | 2.82 | 2.79-3.99 | 542 | 3.41 |
| Milk | All fat tests | half gallon | 1.66-1.89 | 343 | 1.75 | 2.99 | 246 | 2.99 | 0.99-2.49 | 355 | 2.21 |
| Milk | All fat tests | gallon | 1.99-3.49 | 764 | 2.57 | 1.99-3.99 | 1125 | 2.73 | 2.50-2.79 | 455 | 2.72 |
| Sour cream | | 16 oz | 1.39-1.79 | 449 | 1.61 | 1.49-2.79 | 1442 | 1.94 | 1.59-1.99 | 698 | 1.82 |
| Yogurt | Greek | 4-6 oz | 0.88-1.00 | 1650 | .99 | 1.00 | 2082 | 1.00 | 0.80-1.00 | 1196 | .98 |
| Yogurt | Greek | 32 oz | 3.89-3.98 | 456 | 3.95 | 3.49 | 62 | 3.49 | | | |
| Yogurt | Yogurt | 4-6 oz | 0.40-0.50 | 786 | .44 | 0.40-0.50 | 901 | .46 | 0.39-0.50 | 295 | .47 |
| Yogurt | Yogurt | 32 oz | | | | | | | 2.50 | 105 | 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 # | 1128 | 6.10 | 137 | 6.99 | 237 | 4.49 |
| Cheese | Natural Varieties | 8 oz block | 1212 | 3.99 | 1034 | 3.90 | | |
| Cheese | Natural Varieties | 8 oz shred | 966 | 3.99 | 839 | 3.99 | | |
| Milk | All fat tests | half gallon | 2165 | 3.68 | 823 | 3.38 | 2648 | 3.52 |
| Milk | All fat tests | gallon | 1304 | 5.75 | 1216 | 5.65 | 357 | 5.85 |
| Milk | All fat tests | 8 oz UHT | 147 | 1.67 | 118 | 1.25 | 202 | .88 |
| Yogurt | Greek | 4-6 oz | 1438 | 1.25 | 315 | 1.20 | 853 | 1.02 |
| Yogurt | Yogurt | 32 oz | 355 | 2.38 | 141 | 2.19 | | |

Wtd Avg - Simple weighted average



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 | 3.49 | 84 | 3.49 | 3.49 | 184 | 3.49 | 2.99-3.49 | 235 | 3.28 |
| Milk | All fat tests | gallon | 6.99 | 84 | 6.99 | 5.50 | 1083 | 5.50 | | | |
| Milk | All fat tests | 8 oz UHT | 1.67 | 147 | 1.67 | | | | | | |
| Yogurt | Greek | 4-6 oz | 1.25 | 190 | 1.25 | | | | 1.25 | 180 | 1.25 |
| Yogurt | Yogurt | 32 oz | | | | 2.50 | 214 | 2.50 | | | |

| 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 # | 5.99 | 235 | 5.99 | 5.99-6.49 | 604 | 6.19 | 5.99 | 289 | 5.99 |
| Cheese | Natural Varieties | 8 oz block | 3.99 | 235 | 3.99 | 3.99 | 604 | 3.99 | 3.99 | 289 | 3.99 |
| Cheese | Natural Varieties | 8 oz shred | 3.99 | 235 | 3.99 | 3.99 | 358 | 3.99 | 3.99 | 289 | 3.99 |
| Milk | All fat tests | half gallon | 3.29-3.99 | 445 | 3.56 | 3.99-4.99 | 741 | 4.24 | 2.99-3.29 | 476 | 3.21 |
| Milk | All fat tests | gallon | | | | 6.98 | 137 | 6.98 | | | |
| Yogurt | Greek | 4-6 oz | 1.25 | 114 | 1.25 | 1.25 | 604 | 1.25 | 1.25-1.29 | 350 | 1.26 |
| Yogurt | Yogurt | 32 oz | 2.19 | 141 | 2.19 | | | | | | |

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

GENERAL NUMBER

(608) 278-4200

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

EAST

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

CENTRAL

Tara Herbst
(608) 278-4154
Tara.Herbst@AMS.USDA.GOV

SOUTHWEST

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

NORTHWEST/MOUNTAIN

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

NATIONAL SUPERVISOR

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

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INTERNATIONAL

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

ORGANIC

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

INTERNET ADDRESS

www.ams.usda.gov/DairyMarketNews

MARKET NEWS PORTAL

www.marketnews.usda.gov/mnp/da-home

RECORDED INFORMATION SYSTEM

(608) 278-4142

FAX

(608) 278-4141

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