

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (5/8)**

BUTTER: Grade AA closed at \$1.9850. The weekly average for Grade AA is \$1.8910 (+.0390).

CHEESE: Barrels closed at \$1.6200 and 40# blocks at \$1.6125. The weekly average for barrels is \$1.6280 (+.0100) and blocks, \$1.6105 (+.0005).

BUTTER HIGHLIGHTS: Production is active throughout the country, although churning operations are mixed. Some operators are only able to make enough for contract obligations, while others are able to build inventory levels. Most manufacturers would like to build stocks for future obligations. Demand is steady to lower. Cream supplies are mixed with some companies selling extra cream instead of churning. Bulk butter prices are at 4 to 6 cents over market in the Northeast, from even to 6 cents over in the Central region and 4 cents under to 6 cents over market in the West. Friday at the CME Group, Grade AA butter closed at \$1.9850, up \$.1350 from last Friday.

CHEESE HIGHLIGHTS: Cheese production nationally is strong and milk supplies are plentiful. Customer interest keeps some manufacturers sold out for coming weeks. In some cases, orders for barrels are going unfilled. Current pricing is viewed as favorable to holding cheese for future use by a number of buyers. NASS reports March 2015 U.S. total cheese production, 987.2 million pounds, leads March last year by 1.8% and February this year by 11.3%. The CME Group April 2015 monthly average price for barrels, \$1.6135, up \$.0845 from March but down \$.5707 from April one year ago. Blocks' April average price, \$1.5890, up \$.0341 from March but down \$.6549 from one year ago. Block market prices have been very stable, unchanged for 12 days before Friday's increase. Barrels closed Friday at \$1.6200, up \$.0025 from last Friday, and 40# blocks closed at \$1.6125, up \$.0025.

FLUID MILK: Milk production is up in the East and the Midwest as large portions of both regions are nearing spring flush. Florida however has been steady with small declines in some areas. Milk production is mixed in the West. Production is up in New Mexico and many industry contacts in the Pacific Northwest are reporting at or near flush production. Milk intakes are reported lower in California. Bottling demand is flat in the East, and beginning to fall in the Midwest. In the West, sales into bottling were steady, but strengthened regionally with some consumer outlets featuring milk in various package sizes. Eastern cream is readily available. Cream

supplies are mixed in the Midwest and West. Some manufacturers are reporting stocks are tighter than expected, while others are reporting their cream utilization is at capacity within their facilities and have begun selling excess cream.

DRY PRODUCTS: Low/medium heat nonfat dry milk prices were mixed this week across most of the nation. Production has remained strong and inventories are generally higher than needed or expected at this point in the year. Sales have been steady to regular customers. Some market participants perceive the NDM price is close to bottoming. High heat nonfat dry milk prices were steady to slightly lower. Dry buttermilk prices were unchanged to lower. Demand for dry buttermilk has generally been weak as buyers focus on immediate needs only. Dry whole milk demand has been intermittent outside contract fulfillment. Production of dry whey is steady across the U.S. with light demand and some inventories building. Prices for dry whey were steady to lower. Whey protein concentrate 34% prices held steady to lower for the week. Lactose prices remained steady. Casein prices are unchanged. Supplies are readily available from Oceania and Europe.

ORGANIC MARKET NEWS (DMN): Organic 40# cheddar cheese blocks selling at \$4.55 to \$4.65 in the West are considered a good price by some buyers. Spot market purchases of western sourced organic nonfat dry milk have been near \$4.60 for regular customers this week although; some manufacturers are quoting \$5.10 for customers with little continuous relationship, when supplies are available. Wisconsin manufactured organic dry whey is generally not available for spot sales in 50 pound bags for the near term future due to contract commitments. Some western customers for nonfat dry milk are now looking to the Midwest for large volume purchases. There is typically a delay in seller response as to availability as well as prices. According to *The National Retail Report - Dairy*, advertised prices at major retail supermarket outlets 05/08 to 05/14/2015 show the U.S. weighted average advertised price of organic milk half gallons is \$3.54, up 14 cents from the last week. One year ago the price was \$3.32. The U.S. weighted average advertised price of organic milk gallons is \$6.26, up 37 cents. One year ago the price was \$6.99.

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CME GROUP CASH TRADING

COMMODITY	MONDAY MAY 04	TUESDAY MAY 05	WEDNESDAY MAY 06	THURSDAY MAY 07	FRIDAY MAY 08	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.6775 (+.0600)	\$1.6150 (-.0625)	\$1.6150 (N.C.)	\$1.6125 (-.0025)	\$1.6200 (+.0075)	:: :: (+.0025)	:: :: \$1.6280 :: (+.0100)
40# BLOCKS	\$1.6100 (N.C.)	\$1.6100 (N.C.)	\$1.6100 (N.C.)	\$1.6100 (N.C.)	\$1.6125 (+.0025)	:: :: (+.0025)	:: :: \$1.6105 :: (+.0005)
NONFAT DRY MILK							
GRADE A	\$.9500 (+.0125)	\$.9475 (-.0025)	\$.9500 (+.0025)	\$.9500 (N.C.)	\$.9575 (+.0075)	:: :: (+.0200)	:: :: \$.9510 :: (+.0175)
BUTTER							
GRADE AA	\$1.8300 (-.0200)	\$1.8400 (+.0100)	\$1.8900 (+.0500)	\$1.9100 (+.0200)	\$1.9850 (+.0750)	:: :: (+.1350)	:: :: \$1.8910 :: (+.0390)

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

The U.S. average price for 8 ounce shredded organic cheese is \$3.99. For organic 8 ounce block cheese, the U.S. average price is \$3.99. The arrival of organic pasture grazing in the East has been delayed, with pasturing beginning about two weeks later than expected. Organic dairy producers have only begun letting cows onto pasture the last few days in much of New York, about two weeks behind Pennsylvania organic dairy producers.

INTERNATIONAL DAIRY MARKET NEWS UPDATE (DMN): At the May 5 GDT event #139, average prices ranged from 14.0% lower to 9.1% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,505 -6.3%; butter, \$3,005 -0.8%; buttermilk powder, \$1,748 -14.0%; cheddar cheese, \$3,012 +9.1%; lactose, n.a., rennet casein, \$6,094 -11.0%; skim milk powder, \$2,048 -7.5%; sweet whey powder, n.a.; and whole milk powder, \$2,386 -1.8%.

NATIONAL RETAIL REPORT – DAIRY (DMN): Advertised Prices at Major Retail Supermarket Outlets 05/08 to 05/14/2015. Although 1 # butter ad volume more than doubled, and 48-64 ounce ice cream ad volume as well as ads for 16 oz. sour cream slightly increased, ad volume for 16 ounce cottage cheese declined 22% and 8 oz, cream cheese declined 48%. The national weighted average advertised prices and changes from last week are: butter, \$3.09, down 30 cents; ice cream, \$2.91, up 2 cents; sour cream, \$1.82, up 26 cents; cottage cheese, \$1.90, up 25 cents; and cream cheese, \$1.91, up 2 cents. The U.S. average advertised price for 8 ounce cheese blocks, \$2.39, is up 12 cents from one week ago, but down 4 cents from a year ago; 8 ounce shredded cheese at \$2.39, is 5 cents above a week ago and 2 cents above one year ago. Cheese ad numbers are down 5% from last week. The average price of 4-6 ounce Greek yogurt, \$.97, is 2 cents lower than last week, and down 3 cents from a year ago. Yogurt in 4-6 ounce packages averages 52 cents, down 1 cent from last week, but up 2 3 cents from a year ago. Yogurt ad numbers increased 4% from last week. The organic - conventional half gallon milk price spread is \$1.21, down 42 cents from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.33, up 56 cents from one week ago, and the average for organic half gallon milk, \$3.54, up 14 cents from last week.

MARCH DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 161.7 million pounds, 3.0% below March 2014 but 3.5% above February 2015. American type cheese production totaled 388.4 million pounds, 1.7% above March 2014 and 10.6% above February 2015. Total cheese output (excluding cottage cheese) was 987.2 million pounds, 1.8% above March 2014 and 11.3% above February 2015. Nonfat dry milk production, for human food, totaled 182.4 million pounds, 8.7% above March 2014 and 21.0% above February 2015. Dry whey production, for human food, was 81.4 million pounds, 17.0% above March 2014 and 6.3% above February 2015. Ice cream, regular hard production totaled 70.7 million gallons, 3.5% above March 2014 and 20.4% above February 2015.

MARCH AGRICULTURAL PRICES HIGHLIGHTS (NASS): The All Milk price received by farmers was \$16.60 in March, down \$8.50 from March 2014. The alfalfa hay price was \$172.00 in March, down \$21.00 from March 2014. The corn price was \$3.81 in March, down \$0.71 from March 2014. The soybean price was \$9.84 in March, down \$3.86 from March 2014. The milk-feed price ratio was 2.00 in March, down 0.54 from March 2014. The index of prices received by farmers for dairy products during the month of March 2015 was down 1 point to 83. Compared to March 2014, the index was down 42 points (33.6%). The index of prices paid by

farmers for commodities and services, interest, taxes, and wage rates in March 2015 was up 1 point to 110. Compared with March 2014, the index was unchanged.

MILK PRODUCTION, DISPOSITION, AND INCOME 2014 (NASS): Milk production increased 2.4% in 2014 to 206 billion pounds. The rate per cow, at 22,258 pounds, was 442 pounds above 2013. The annual average number of milk cows on farms was 9.26 million head, up 33,000 head from 2013. Cash receipts from marketings of milk during 2014 totaled \$49.3 billion, 22.5% higher than 2013. Producer returns averaged \$24.07 per hundredweight, 19.7% above 2013. Marketings totaled 205.1 billion pounds, 2.4% above 2013. Marketings include whole milk sold to plants and dealers and milk sold directly to consumers. An estimated 962 million pounds of milk were used on farms where produced, 1.5% less than 2013. Calves were fed 90% of this milk, with the remainder consumed in producer households.

CME GROUP

MONDAY, MAY 4, 2015

CHEESE -- SALES: 1 CAR BARRELS @ \$1.6500; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6775; 1 CAR 40# BLOCKS @ \$1.6100; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.9500; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9500; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 3 CARS GRADE AA: 2 @ \$1.8400, 1 @ \$1.8300; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8300; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.8750

TUESDAY, MAY 5, 2015

CHEESE -- SALES: 8 CARS BARRELS: 4 @ \$1.5850, 1 @ \$1.5875, 2 @ \$1.5850, 1 @ \$1.6150; 8 CARS 40# BLOCKS: 1 @ \$1.6275, 1 @ \$1.6250, 1 @ \$1.6200, 2 @ \$1.6150, 3 @ \$1.6100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 6 CARS GRADE A: 2 @ \$0.9475, 2 @ \$0.9500, 2 @ \$0.9475; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9600
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8400; LAST OFFER UNCOVERED: NONE

WEDNESDAY, MAY 6, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.9475, 1 @ \$0.9500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.8750, 1 @ \$1.8900; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8850; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.9300

THURSDAY, MAY 7, 2015

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.6150, 1 @ \$1.6200, 2 @ \$1.6250, 1 @ \$1.6200; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6100; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6125
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$1.9000, 1 @ \$1.9025, 1 @ \$1.9100; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9025; LAST OFFER UNCOVERED: NONE

FRIDAY, MAY 8, 2015

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.6050, 1 @ \$1.6100, 1 @ \$1.6075, 1 @ \$1.6150, 1 @ \$1.6200; 3 CARS 40# BLOCKS @ \$1.6125; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6125; 1 CAR 40# BLOCKS @ \$1.6125; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6300
 NONFAT DRY MILK -- SALES: 5 CARS GRADE A: 4 @ \$0.9600, 1 @ \$0.9575; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9550; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.9200, 1 @ \$1.9550; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9850; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

Regional butter production is seeing little reprieve as available cream facilitates heavy churning activity at some facilities. Contractual transactions are moderate to strong. Food service orders are steady, along with good retail sales at current prices. Still, escalations in butter production outweigh demand, marginally increasing stock levels. Buyers remain cautious when making purchases. The market undertone is relative steady. Current bulk butter prices for domestic sales are reported 4-6 cents over the market of the CME Group, with various time frames and averages used. According to the *DMN National Retail Report-Dairy*, for May 1-7, the national weighted average advertised price for 1-pound butter is \$3.39, up \$0.48 from a year ago. The Northeast price is \$3.57, a \$0.44 increase from the previous week. In the Southeast, the butter price averaged \$2.88, a \$0.06 decline compared to a week ago. Tuesday's CME Group cash trading saw Grade AA butter close at \$1.8400, down \$0.0200 from a week ago. The CME Group monthly average price for Grade AA butter during April was \$1.7937, compared to \$1.9357 a year ago. The Foreign Agricultural Service (FAS) reports March 2015 U.S. exports of butter and milkfat totaled 5.8 million pounds, a 79% decline from a year ago. DAIRY PRODUCTS: According to NASS, U.S. butter production for March 2015 totals 161.7 million pounds, down 3.0% from last year, but up 3.5% from a month ago. Butter output in the Atlantic region totals 18.4 million pounds, up 4.4% from last year but down 1.9% from a month ago.

CENTRAL

Demand is remaining steady. Some manufacturers still want to build inventory levels, but are unable to with the current demand levels. This has some manufacturers concerned about Q3 contract obligations. Churning remains active. Some reports say surplus

cream is going into butter manufacturing. Bulk butter prices remain at market to 6 cents over the market, based on the CME Group and various indices. DAIRY PRODUCTS: The NASS *Dairy Products* report noted March U.S. butter production totaled 161.7 million pounds, up 3.5% from last month but 3.0% lower than a year ago. January-March cumulative U.S. production totals 497.5 billion pounds, 3.7% behind 2014 during the same time span. March production in the Central region totaled 60.8 million pounds, 6.0% lower than a month ago and 1.0% below last year. According to FAS, January-March U.S. butter exports total 17.1 million pounds, 75% below last year during the same time span. According to the *DMN National Retail Report-Dairy*, for May 1-7, the weighted average advertised price for a 1 pound package of butter in the Midwest was \$2.00. The national weighted average price is \$3.39, a 53 cent increase from last week and 48 cents higher than a year ago. The Grade AA butter price at the CME Group closed Wednesday at \$1.8900, a 4 cent increase from last Wednesday's close.

WEST

Butter manufacturing remains a mixed picture in the West. Cream availability appears to be long in some areas, and tight in others. Some plants have eased back on their butter production and are now selling more cream. Plants that are actively seeking cream for butter production are finding cream supplies to be tight. In some cases, competition from ice cream production or transportation costs limit the ability of butter manufacturers to purchase cream from other parts of the region. As a result, plants that produce bulk and print butter have close to a 50/50 split between bulk versus print production. Bulk butter pricing in the West this week is 4 cents under market to 5 cents above, based on the CME Group with various time frames and averages used.

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

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
May 2, 2015	1,8049 2,966,333	1,6055 11,380,951	1,6655 9,853,589	4,649 5,882,249	.9506 19,773,154

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The *National Retail Report – Dairy* for the week May 1 – 7, found that the U.S. weighted average advertised price of 1# butter is \$3.39, \$.53 above the price one week ago and \$.48 above one year ago. Retail prices for 1# butter in the Southwest have a weighted average advertised price of \$3.58 with a price range \$3.48-\$3.99, and in the Northwest, \$3.36 with a price range of \$2.99-\$3.50. DAIRY PRODUCTS: (NASS) reports total 2015 U.S. butter production during March 2015, 161.7 million pounds, was 3.0% lower than March last year. U.S. Cumulative 2015 butter production through March was 3.7% lower than the same period last year. In the West, total March butter production was 5.8% lower than March last year. The CME Group April 2015 monthly average price for AA butter, \$1.7937, is up \$.0771 from March and down \$.1420 from April one year ago. The Grade AA butter price at the CME Group on Wednesday closed at \$1.8900, up \$.0400 from a week ago.

2015 U.S. Butter and Milkfat Exports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	
March	5.8	-	79
Total Jan. - Mar.	17.1	-	75
1 Saudi Arabia	6.0	-	67
2 Mexico	5.2	+	74
3 Canada	1.4	+	5
4 Iran	1.0	-	83
5 South Korea	0.9	-	33

CHEESE MARKETS

NORTHEAST

Cheese production is strong as output exceeds year ago levels. Increased milk intakes are keeping most facilities busy as major plants run full. Mozzarella sales through food service channels are declining as schools and universities end for the summer. Provolone sales are good. Cheese contracts are moving with moderate to good demand. Spot sales are intermittent. Inventories are building. This week, wholesale cheese prices for cheddar and muenster rose \$0.0075, but prices for process 5# sliced declined \$0.0050. Grade A Swiss prices moved lower \$0.0800 prompted by adjustments based on lagging Class III component prices. According to the DMN *National Retail Report-Dairy*, for May 1-7, the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.31, 4 cents more than the national average but 2 cents less than a week ago. The Southeast 8 oz. block cheese price was \$2.34, 16 cents less than the previous week. The CME Group monthly average price for cheese blocks during April 2015 was \$1.5890, compared to \$2.2439 one year ago; barrels averaged \$1.6135, compared to \$2.1842 one year ago. The CME Group daily cash price on Tuesday saw barrels close at \$1.6150, down \$0.0025 from a week ago, blocks closed at \$1.6100, unchanged from a week ago. The Foreign Agricultural Service (FAS) reports that March 2015 U.S. cheese and curd exports totaled 75.6 million pounds, a 5% drop from a year ago. DAIRY PRODUCTS: According to NASS, U.S. total cheese production in March 2015 was 987.2 million pounds, 1.8% more than a year ago. In the Atlantic region, total cheese production for March 2015 was 118.7 million pounds, 3.6% less than a year ago but 8.9% more than the previous month. Total cheese production and percentage change from one year ago for Eastern states are: New York 68.0 million pounds, +1.7%; Pennsylvania 33.1 million pounds, -11.4%; and Vermont 10.5 million pounds, +6.8%.

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

Cheddar 40# Block	:	2.0075-2.2925
Process 5# Sliced	:	1.8425-2.3225
Muenster	:	2.0275-2.3775
Grade A Swiss Cuts 10 - 14#	:	3.1725-3.4950

MIDWEST

Although block market prices have been extremely stable, unchanged for 11 trading days at the CME Group, this week's sharp up and down movement in barrel prices reflects the apparent continuing general tightness of barrel supplies contrasted with the ability of sellers to quickly respond to price opportunity, notwithstanding overall supply tightness. Far fewer cheese plants manufacture barrels than blocks, so the ongoing discussion of cheese manufacturing often focuses less on barrels than blocks. Of the barrel manufacturers, many use much of their production for their own purposes but make occasional or low volume sales to customers. A smaller number manufacture barrels primarily for sales to external customers. Most of them have committed production for weeks into the future. With demand for barrels being seasonally strong, even plentiful milk supplies and full production schedules leave uncommitted supplies in short supply. Multiple buyer calls from customers last Friday to some manufacturers seeking spot barrel availability were unable to secure sales. Most plants have peaked in their ability to produce barrels. Nevertheless, a sharp increase in barrel prices Monday on CME Group trading brought many barrel sellers to market Tuesday, attracted by the quick price spike over previous prices, in sufficient numbers to lower the market below where it had been. While barrel seasonal demand is often ascribed to demand

for process cheese used in grilling, a factor sometimes overlooked is the upward trend in demand for cheese curds from retail customers, restaurants, and farmer's market sales. Cheese curds are more profitable to manufacturers than barrels. Meeting the rising demand for cheese curds reduces the output of barrels for plants in the cheese curd business. The block market remains extremely stable. Sales are mostly strong with evidence that some cheese is being held by buyers who view current pricing as favorable considering the potential for higher future prices. The *National Retail Report - Dairy* (DMN) found that May 1 to May 7 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.12, 22 cents lower than the national average, \$2.34. Midwest prices range from \$1.78 - \$2.50. One year ago the national average price was \$2.37. For 8 ounce blocks, the Midwest average price is \$2.06, 21 cents lower than the national average price, \$2.27. Midwest ads are priced from \$1.78 to \$2.50. One year ago the national average price was \$2.43. DAIRY PRODUCTS: (NASS) reports March 2015 U.S. total cheese production, 987.2 million pounds, leads March last year by 1.8% and February this year by 11.3%. For various types of cheese, March 2015 U.S. production compared with March 2014 includes: American, +1.7%; cheddar, +0.5%; total Italian, +1.5%; and Swiss, +3.6%. In the Central region, cheese production for March 2015 compared with March 2014 was: total cheese, +4.4%; American cheese, +4.0%; cheddar cheese, +5.6%; total Italian cheese, +4.2%; and mozzarella cheese, +2.1%. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese decreased \$.0050, Grade A Swiss Cuts 6 - 9# decreased \$.0800, and the remaining varieties increased \$.0075. The CME Group April 2015 monthly average price for barrels, \$1.6135, is up \$.0845 from March but down \$.5707 from April one year ago. Blocks' April average price, \$1.5890, is up \$.0341 from March but down \$.6549 from one year ago. In CME Group trading Wednesday, Barrels closed at \$1.6150, down \$.0025 from last Wednesday and Blocks closed at \$1.6100, unchanged from last Wednesday.

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

Process American 5# Loaf	:	1.7250-2.0850
Brick And/Or Muenster 5#	:	1.9875-2.4125
Cheddar 40# Block	:	1.7150-2.1100
Monterey Jack 10#	:	1.9625-2.1675
Blue 5#	:	2.2550-3.2425
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7875-2.7275
Grade A Swiss Cuts 6 - 9#	:	2.6900-2.8075

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

	<u>BUTTER</u>	:	<u>CHEESE</u>
		:	
05/04/15	13,737	:	100,906
05/01/15	13,685	:	100,609
CHANGE	52	:	297
% CHANGE	0	:	0

CHEESE MARKETS

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WEST

Block market prices have closed at the same price for 11 trading days at the CME Group and seem to reflect the continued firm pattern within the market. Western cheese production remains active with strong buyer interest. Strong contract sales appear to be continuing. Industry contacts suggested they have made some spot sales and there is currently more interest by manufacturers to produce cheese than some other dairy commodities. Consumer demand appears to be stable, without a lot of variation among varieties. Some industry participants note cheese is being placed into storage for future consumption. The DMN *National Retail Report-Dairy* for the week of May 1 - 7 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.34, down \$.20 from last week and down \$.03 from a year ago. Packs averaged \$2.55 in the Southwest and \$2.74 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.27, down 11 cents from last week and down 16 cents from a year ago. Blocks in the Southwest averaged \$2.36 and in the Northwest, \$2.80. Western wholesale prices are up \$.0050 for process, Grade A Swiss cuts 6 - 9# declined \$.0800, and the remaining varieties increased \$.0075. DAIRY PRODUCTS: (NASS) reports March 2015 U.S. total cheese production, 987.2 million pounds, leads March last year by 1.8% and is 11.3% above February this year. For various types of cheese, March 2015 U.S. production compared with March 2014 includes: American, +1.7%; cheddar, +0.5%; total Italian, +1.5%; and Swiss, +3.6%. In the West, cheese production for March 2015 compared with March 2014 was: total cheese, +0.7%; American cheese, -1.0%; cheddar cheese, -5.0%; total Italian cheese, +2.7%; and mozzarella cheese, +2.5%. The CME Group April 2015 monthly average price for barrels, \$1.6135, is up \$.0845 from March but down \$.5707 from April one year ago. Blocks' April average price, \$1.5890, is up \$.0341 from March but down \$.6549 from one year ago. In CME Group trading Wednesday, Barrels closed at \$1.6150, down \$.0025 from last Wednesday and Blocks closed at \$1.6100, no change from last Wednesday.

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

Process 5# Loaf	:	1.7400-1.9975
Cheddar 40# Block	:	1.7200-2.1650
Cheddar 10# Cuts	:	1.9000-2.1200
Monterey Jack 10#	:	1.9100-2.0700
Grade A Swiss Cuts 6 - 9#	:	2.7500-3.1800

FOREIGN

Prices for domestic foreign type cheese moved higher again this week, while imported cheese prices held steady. Domestic Swiss cheese moved lower following the change in the Class/Component prices. According to NASS, U.S. domestic Parmesan production during March totaled 31.0 million pounds, 21.4% more than March 2014. Provolone production during March totaled 31.6 million pounds, 4.8% less than a year ago. Romano production during March totaled 3.8 million pounds, 1.1% more than a year ago. Swiss production during March totaled 26.6 million pounds, 3.6% more than a year ago.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.1475-3.6350*
Gorgonzola	: 3.6900-6.4900	: 2.6550-3.3525*
Parmesan (Italy)	: -0-	: 3.5375-5.6275*
Provolone (Italy)	: -0-	: 2.1900-2.4425*
Romano (Cows Milk)	: -0-	: 3.3375-5.4875*
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-	: 3.2700-3.5925*
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

*= Price change.

2015 U.S. Cheese and Curd Exports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
March	75.6	- 5
Total Jan. - Mar.	193.2	- 12
1 Mexico	49.6	+ 5
2 South Korea	45.3	+ 37
3 Japan	22.8	- 25
4 Australia	11.5	- 5
5 China	7.8	+ 7

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	100	0	80	0	180
SOUTHEAST STATES	0	30	0	0	0	0

Northeast and Mid-Atlantic milk production is trending higher. Sales to bottling plants are lower. Processing plants are operating at capacity. Southeast milk production is up as the spring flush closes in on peak milk volumes. This week, bottling orders are flat. Most manufacturing outlets are very full handling current intake volumes. Milk export shipments totaled 30 f.o.b. spot loads. Florida's weather this week has been very good, with lows from 60 to 70 and highs in the 80s, with low humidity. Production is steady, with small declines in some areas. Class I sales dipped as expected with college closings and primary schools soon to follow. Milk export shipments increased, totaling 100 f.o.b. spot loads. According to the DMN *National Retail Report-Dairy*, for May 1-7, the national weighted average advertised price for a gallon of milk was \$2.68, a \$0.25 drop from last year, and a \$0.23 decrease from last week. **Cream multiples for all Classes** ranged **1.12-1.22**, as the range closed slightly. Eastern cream is readily available. Some plants are churning to balance heavy cream supplies. Ice cream usage is rising steadily. Cream cheese sales are steady following a slight uptick last week. At the CME Group, Grade AA butter closed Wednesday at \$1.8900, up \$0.0400 from a week ago.

Condensed skim supplies are heavy in the region making up the bulk of sales at certain plants. Spot loads are being discounted under Class in multiple instances in order to find a home. Condensed skim moving into Class II and Class IV production is active

DAIRY PRODUCTS: According to NASS, hard ice cream production in the Atlantic region for March 2015 totaled 13.6 million gallons, 10.6% more than a year ago and 3.3% more than the previous month. Yogurt production in the U.S. totaled 437.4 million pounds, up 0.1% from a year ago and up 3.8% from the previous month. Cumulative production through March totals 1.2 billion pounds, 0.1% more than a year ago.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. producing plants: Northeast - 2.0742-2.2594
F.O.B. producing plants: Upper Midwest - 2.1854-2.2965

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:
Northeast - Class II - includes monthly formula prices - .77-.97
Northeast - Class III - spot prices - .72-1.06

MIDWEST

Milk production is up in the Central region. Some manufacturers are running at or near full capacity as the flush is beginning. Bottling demand is starting to fall as the year is coming to an end for educational institutions. Retail promotions are also down which is affecting sales. Spot milk loads are available this week at \$1 to \$2 under Class, with some reports showing \$3 to \$5 under. Some manufacturers are cutting back on contract purchases because they can obtain better pricing in the spot market. Sources suggest that the spot loads available are not where they were in weeks past but are above where they should be. Class II demand is lower this week. Some sources suggest that the cooler weather is a factor and, as the temperatures warm up, demand for Class II will increase as well. Cream multiples are steady to lower this week,

ranging from 1.18 to 1.24. Cream supplies are mixed. Some manufacturers are reporting that stocks on hand are tighter than expected. Ice cream manufacturers are competing for available supplies but the cooler weather has dropped demand for ice cream. The DMN monthly average of the range price series for Upper Midwest Class II cream during April was \$2.1587, compared to \$2.5568 a year ago. The NASS *Dairy Products Report* noted March U.S. regular (hard) ice cream production totaled 70.7 million gallons, up 3.5% from last year. January-March U.S. production totals 184.9 million gallons, 1.7% up from 2014 during the same time span. March production in the Central region totaled 40.6 million gallons, 3.5% more than a year ago. The DMN *National Retail Report-Dairy* for the week of May 1-7, noted the national weighted average advertised price for one gallon of milk was \$2.68, down \$0.23 from a week ago and \$0.25 from a year ago. The weighted average price in the Midwest region was \$2.00. The NASS *Agricultural Prices* report noted the national alfalfa hay price received during March averaged \$172 per ton, compared to \$193 a year ago. The average corn price was \$3.81 per bushel, compared to \$4.52 last year; while soybeans averaged \$9.84 per bushel, compared to \$13.70 a year ago. The all milk price averaged \$16.80 per cwt, compared to \$25.50 a year ago. The milk-feed ratio was 2.00, compared to 2.54 a year ago. The weekly *Cow Slaughter under Federal Inspection* report shows U.S. dairy cow slaughter for the week ending April 18, at 54,300 head, 2,300 head more than the comparable week a year ago.

WEST

Milk processors in California report overall farm milk intakes are declining from week to week. Some processors who have been regularly buying weekly spot milk loads indicate spot offers dried up this week. Sales into bottling are steady while ice cream and frozen dessert manufacturers took slightly higher volumes to match increases on some production lines. The April 4a price (butter/powder) in CALIFORNIA is \$13.36, down \$.06 from March 2015, and \$9.95 lower than last year. This compares to the Federal Order Class IV price of \$13.51 for April. The April 4b price (cheese) is \$14.22, \$.25 more than last month, but \$7.51 lower than last year. This compares to the Federal Order Class III price for April at \$15.81. Milk production stepped up in New Mexico despite higher daytime temperatures at the lower elevations. Milk volumes coming into New Mexico for processing are holding steady. Handlers are keeping butter/powder plants filled to near capacity, and a few loads are moving out-of-state to find processing room. Bottler demand increased from one week ago as some consumer outlets feature milk in various packaging sizes. Sales into ice cream, frozen dessert, and specialty milk drinks are lower. Contacts reported tornados touched down in eastern New Mexico earlier in the week, but impacts to dairy operations were minimal. Cream availability tightened in the Western region as ice cream manufacturers claimed additional volumes as either seasonal contract loads or f.o.b. spot loads. A few butter manufacturers who were looking for additional cream loads to maintain butter production were disappointed in the lighter volumes of cream available. Transportation costs limited interest in bringing loads in from farther afield. Multiples are steady to higher, ranging from 1.24 to 1.29. At the CME Group, Grade AA butter closed Wednesday at \$1.8900, up \$.0400 compared to a week earlier. PACIFIC NORTHWEST milk production is at or near peak and market participants report a lot of milk available for manufacturing. Processors note the early spring has brought on the flush, but it may not be as robust as last year. Some manufacturers have also begun selling cream for ice cream production. IDAHO and UTAH milk is readily available. Some dairy processors report the availability of a few discounted spot loads of milk. Some processors report cream utilization is at capacity within their facilities and they have begun selling excess cream.

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: Nonfat dry milk prices were mixed this week. Production is steady. Manufacturers are choosing to produce NDM with surplus milk supplies instead of other products. Reports have shown that there are some end users that are taking a large amount of NDM. Stronger prices are being offered in attempts to push up the market, but there are still loads being offered at discounts as most end users are not accepting higher offers at this time. End users who have the options are using other protein sources to utilize better pricing points. High heat prices were steady to lower as the bottom moved down slightly. Some manufacturers are reporting that there are limited quantities available. The CME Group monthly average price for Grade A NDM during April was \$0.9415, compared to \$1.8994 a year ago. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during April was \$1.0059, compared to \$2.0382 a year ago. The April monthly average of the range price series for Central and East high heat was \$1.1677, compared to \$2.1315 a year ago. The NASS Dairy Products Report noted U.S. human NDM production during March was 182.4 million pounds, 8.7% higher than last year. Total U.S. NDM human month ending stocks for March were 254.5 million pounds, 17.8% above a year ago. January - March, U.S. human NDM production totals 498.2 million pounds, 11.3% more than the same time span in 2014. March production in the Central region totaled 28.0 million pounds, 7.8% higher than a year ago.

EAST: Eastern low/medium heat nonfat dry milk prices are narrowing on the full range, but moving lower on the mostly range. Low/medium heat nonfat production continues to be strong, as the region approaches the seasonal peak of milk production. The condensed skim trade is active with prices competitive, relative to NDM. Supplies are ample and building steadily at most manufacturing plants. Spot sales of NDM are light with a majority of transactions moving through contracts. The perception of some market participants is the NDM market is close to bottoming. A few manufacturers have decided to build inventories, rather than sell at lower prices. High heat NDM remains tight as processors focus on drying low heat nonfat dry milk. In most instances, high heat is available for fulfilling near-term contractual obligations. The market undertone is steady.

DAIRY PRODUCTS: According to the NASS Dairy Products Report, the Atlantic region's production of human nonfat dry milk in March 2015 totaled 31.3 million pounds, 28.2% more than a year ago and 12.5% more than the previous month. The U.S. production of skim milk powder totaled 37.2 million pounds, 14.1% less than a year ago but 14.6% more than the previous month. Cumulative YTD skim milk powder production, through March 2015, totaled 1.1 billion pounds, 19.2% less than a year ago at this time.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .9200 - 1.0175 MOSTLY: .9500 - 1.0175
 HIGH HEAT: 1.0875 - 1.2500

point in the year. High heat nonfat dry milk prices are lower and higher, narrowing the range. Sales are steady into regular customers. Production is irregular, with a few plants scheduling high heat dryer times around upcoming contract fulfillment needs. According to NASS, in March 2015, California produced 76.3 million pounds of NDM, about 41.8% of the national monthly production. NDM production in the West region totaled 123.1 million pounds, 4.8% more than one year ago. This is about 67.5% of total March production in the U.S. The April 2015 Dairy Market News average of the mostly price series for Western low/medium heat nonfat dry milk was \$0.9660 compared to \$2.0172 one year ago. The average for Western high heat nonfat dry milk was \$1.1334 compared to \$2.1763 one year ago.

DAIRY PRODUCTS: NASS reports U.S. production of human food NONFAT DRY MILK during March 2015 totaled 182.4 million pounds, an 8.7% increase from one year ago. Month ending stocks, at 254.5 million pounds, are 17.8% higher than one year ago. March 2015 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 37.2 million pounds, 14.1% lower than one year ago.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8800 - 1.0200 MOSTLY: .9200 - .9800
 HIGH HEAT: 1.0400 - 1.1900

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central buttermilk prices were steady to lower this week, with the bottom of the range holding and the top moving down. Production is down as manufacturers are choosing to make other dry product instead. However, they are offering a discount for condensed. There have been offers made for dry buttermilk but end users are waiting for optimum pricing. The DMN monthly average of the range price series for Central and East dry buttermilk during April was \$0.9264, compared to \$1.9026 a year ago. The NASS Dairy Products Report noted U.S. dry buttermilk production during March totaled 8.9 million pounds, 8.5% lower than a year ago. Total U.S. dry buttermilk month ending stocks for March were 25.5 million pounds, 65% above last year.

EAST: Eastern dry buttermilk prices moved lower as prices declined on the upper end of the range. The market undertone is weak in very light trading. Churning and dry buttermilk production is increasing as increasing milk volumes are moving through dairy manufacturing facilities. Seasonally improving interest for condensed buttermilk has kept volumes from becoming overly burdensome at drying operations. Buyers continue to purchase dry buttermilk for immediate needs only, not eager to expand inventories on a downward trending market.

F.O.B. CENTRAL/EAST: .8000 - .9500

NONFAT DRY MILK - WEST

Prices on both Western low/medium heat nonfat dry milk series are lower and higher on a mixed market. Brokers and end users seem to be viewing the potential upside risk for NDM pricing as more significant than the downside reward. That realization has brought a few more buyers into the market, but price is still part of the equation in putting purchasing deals together. NDM production is ongoing throughout the west, but cheese manufacturing continues to siphon off some milk volumes in a few multi-end product operations. Low/medium heat NDM inventories are generally higher than needed or expected at this

-CONTINUED ON PAGE 5A-

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

-CONTINUED FROM PAGE 5-

DRY BUTTERMILK - WEST

Western dry buttermilk prices are unchanged to lower on light interest. Market participants report the next baking season is far enough in the future that end users are generally not shopping to fill those needs at this time. Production of dry buttermilk is lower at several locations. This is due to ice cream manufacturers stepping ahead of butter churners for some F.O.B. cream spot offers as well as seasonally lower milk production and lower butterfat components, especially in the southwest states. Dry buttermilk inventories are higher than expected at some locations, but manufacturers seem comfortable with building stocks now, as butter production is expected to decline in the weeks ahead, as well opportunities for dry buttermilk production. The April 2015 Dairy Market News average of the mostly price series for West dry buttermilk was \$0.8775 compared to \$1.9348 one year ago.

DAIRY PRODUCTS: NASS reports dry buttermilk production in the U.S. for March 2015 totals 8.9 million pounds, down 8.5% from one year ago. Stocks at the end of March were 25.5 million pounds, a 65.0% increase from one year ago.

F.O.B. WEST: .7800 - .9900 MOSTLY: .8200 - .8900

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are lower and higher, narrowing the overall price range. Interest is intermittent outside of contract fulfillment. Production schedules vary from plant to plant as operators review inventories and upcoming shipping schedules. The April 2015 Dairy Market News average of the price series for dry whole milk was \$1.2882, compared to \$2.1430 one year ago.

DAIRY PRODUCTS: NASS reports U.S. dry whole milk production during March 2015 totaled 13.3 million pounds, 132.4% higher than one year ago. Month ending stocks, at 17.0 million pounds, are 130.5% higher than stocks of one year ago.

F.O.B. PRODUCING PLANT: 1.1000 - 1.3900

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
May 1	\$.9557	14,988,436
April 24	\$.9360	26,940,500

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

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Dry whey prices were unchanged this week. Production is steady to increasing as cheese production remains strong. End users are reporting that they are getting offers on a daily basis. Animal feed prices were steady to lower this week. Sources indicate a strong supply of off spec product being offered at discounted pricing. Demand for animal feed is decreasing however. The DMN monthly average of the mostly price series for Central dry whey during April was \$0.4251, compared to \$0.6463 a year ago. The monthly average of the range price series for Central animal feed whey during April was \$0.3109, compared to \$0.5416 a year ago. The NASS *Dairy Products Report* noted U.S. total dry whey production for March was 82.8 million pounds, up 6.3% from last month and 15.8% from a year ago. January-March U.S. total dry whey production totals 236.3 million pounds, 14.1% ahead of the same time span in 2014. U.S. total dry whey month ending stocks for March were 67.3 million pounds, 7.5% higher than a month ago and 12.3% more than last year. March dry whey (human) production in the Central region totaled 34.0 million pounds, 6.6% above last month but 4.8% lower than a year ago.

F.O.B. CENTRAL: .3500 - .5075 MOSTLY: .3900 - .4500
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2500 - .3500

DRY WHEY - NORTHEAST

Dry whey prices moved slightly lower on the top of the range. Production is steady, at levels equivalent to fairly active cheese output, prompted by the spring flush. Current production is adding to inventories and pressuring prices. Spot sales remain limited, as buyers are comfortable waiting for the right offer. The market undertone remains weak. The April 2015 Dairy Market News monthly average for the Northeast dry whey was \$0.4666 compared to \$0.6936 one year ago. According to NASS, U.S. production of human food dry whey in March 2015 totaled 81.4 million pounds, 17.0% more than a year ago. Month ending stocks of human food dry whey totaled 66.6 million pounds, 12.2% more than a year ago. In the Atlantic region, March U.S. production of human food dry whey totaled 21.7 million pounds, 23.3% more than a year ago.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4300 - .4925

DRY WHEY - WEST

Western dry whey prices increased at the bottom of the range but declined at the top of the mostly series. Spot market activity was limited, with whey from current production readily available for buyers. Buying interest for new transactions is tempered by no great sense of urgency in completing transactions. Contract deliveries are flowing smoothly for the most part. Whey inventories continue to build as cheese production is at very high levels. Some off spec whey continues to enter the market. NASS reports that Western region dry whey production this March is up 58.3% from March last year and up 7.1% from February this year. March 2015 U.S. human whey production, 81.4 million pounds, is up 17.0% from a year ago and up 6.3% from February. The Western region produced 31.5% of U.S. edible dry whey during March.

NONHYGROSCOPIC: .3950 - .5000 MOSTLY: .4200 - .4500

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

The whey protein concentrate 34% market range and mostly prices are unchanged to lower. The market tone is mixed. Interest into human food end uses is steady to higher. In contrast to edible interest, demand for edible WPC 34% from feed blenders is lower as they have ready availability of off spec higher protein WPC, NDM, and pro-cream ingredients to fulfill their protein needs. Heavier inventories are reported at some locations. However, some manufacturers are short on inventories and delaying shipments slightly to allow production to catch up with the shipping schedule. Production is ongoing at steady to lower rates as a few manufacturers divert whey stream solids to dry whey. The April 2015 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.9439 compared to \$1.7682 one year ago. NASS reports U.S. production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during March 2015 totaled 19.3 million pounds, 18.5% lower than one year ago. Manufacturers' end-of-month stocks totaled 32.7 million pounds, 39.7% higher than one year ago.

F.O.B. EXTRA GRADE 34% PROTEIN: .8000 - 1.0800 MOSTLY: .8200 - 1.0100

LACTOSE - CENTRAL AND WEST

Prices for lactose are unchanged. Demand is steady to higher into various nutritional human food sectors. Current interest from end users for standardizing is steady to lower, especially as some of the international buyers enter the slow season for manufacturing. However, discussions about Q3 needs are ongoing between trading partners. Lactose production is variable. Some plant operators indicate weekly throughput is lower as maintenance and equipment upgrade projects temporarily take lactose equipment out of production. Inventories range from oversold to undersold. The April 2015 Dairy Market News average of the mostly price series for Central and West lactose was \$0.2370, compared to \$0.6175 one year ago. NASS's *Dairy Products* report shows U.S. HUMAN and ANIMAL LACTOSE production during March 2015 totaled 93.2 million pounds, a 6.9% decrease from one year ago. Month ending stocks, at 136.7 million pounds, are 37.0% higher than one year ago.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1700 - .3250 MOSTLY: .2000 - .2725

CONTINUED ON PAGE 6A

WHEY, WPC 34%, LACTOSE & CASEIN

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

CONTINUED FROM PAGE 6**CASEIN - NATIONAL**

Prices held steady for both acid and rennet casein. The market undertone is weak. Supplies are building in Europe and readily available in Oceania. Most buyers have covered their near term needs and are willing to wait for the market to settle, prior to making additional purchases. Negotiations are ongoing for Q3 with prices trending below the current market. At the May 5 GDT event 139, the average winning price for rennet casein for all contract periods decreased 11.0% to \$6,094/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: 3.3500 - 3.8000
ACID: 3.3500 - 4.1000

2015 U.S. Casein Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
March	13.1	- 40
Total Jan. - Mar.	36.5	- 34
1 New Zealand	18.6	+ 26
2 Netherlands	5.1	- 73
3 Ireland	3.1	+ 119
4 Argentina	2.3	- 14
5 India	2.1	- 57

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
04/18/2015	54.3	685.0	52.0	929.9

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

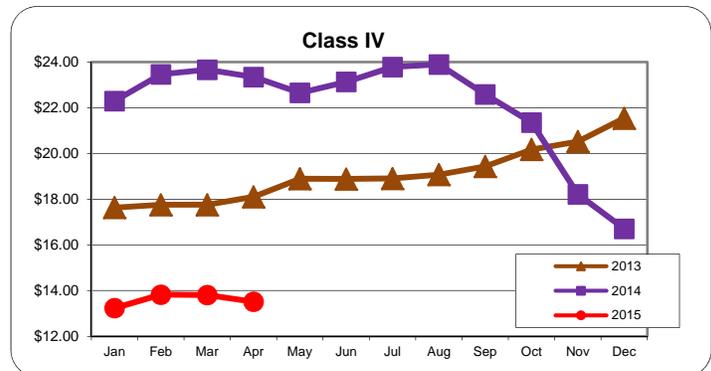
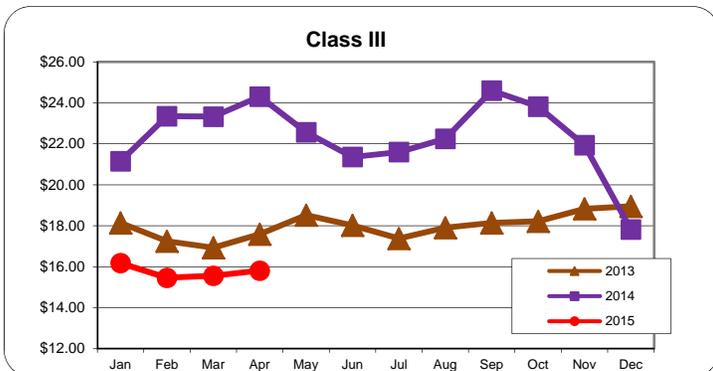
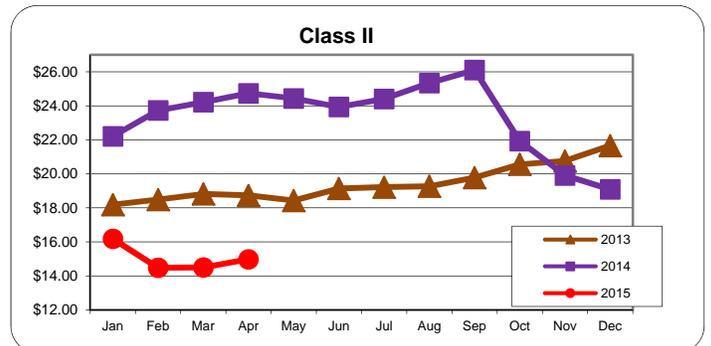
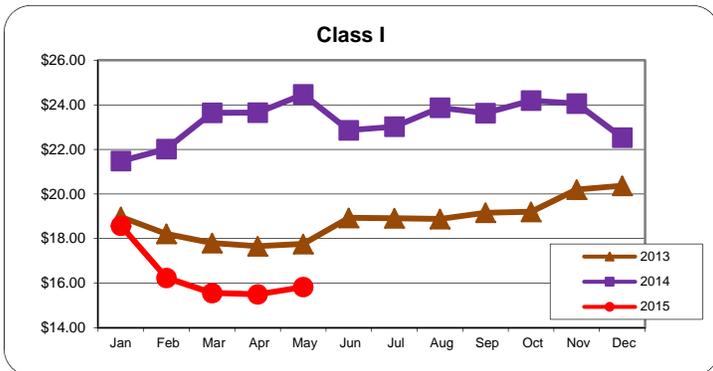
CLASS IV MILK PRICES (3.5%)

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	15.50	15.83							
II	16.18	14.48	14.50	14.98								
III	16.18	15.46	15.56	15.81								
IV	13.23	13.82	13.80	13.51								

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



ORGANIC DAIRY MARKET NEWS

Information gathered April 27 - May 8, 2015

ORGANIC DAIRY FLUID OVERVIEW

Prices and Markets. Organic 40# cheese blocks selling at \$4.55 to \$4.65 in the West are considered a good price by some buyers. Spot market purchases of western sourced organic nonfat dry milk have been near \$4.60 for regular customers this week although; some manufacturers are quoting \$5.10 for customers with little continuous relationship, when supplies are available.

Wisconsin manufactured organic dry whey is generally not available for spot sales in 50 pound bags for the near term future due to contract commitments. Some western customers for nonfat dry milk are now looking to the Midwest for large volume purchases. There is typically a delay in seller response as to availability as well as prices.

Eastern Organic Dairy Spring Overview. The arrival of organic pasture grazing in the East has been delayed, with pasturing beginning about two weeks later than expected. Organic dairy producers have only begun letting cows onto pasture the last few days in much of New York, about two weeks behind Pennsylvania organic dairy producers.

An explanation is that New York and Pennsylvania, among other states as well, experienced tough winters that lingered, with single digit temperatures for a number of days in February and March. That led to late opening of organic pastures for grazing.

Most experienced organic producers are easing the cows into pastures, initially for a an hour or two, then a few hours, then gradually expanding the hours a day as cows become acclimated to grazing nutrition and lessen reliance on expensive stored feed. With the late start of pasturing, feed expenses remain a factor narrowing margins, but with a significant diminishing now in sight. As cows become more acclimated to grazing and spend more time outside, production of organic milk is expected to move more toward flush levels.

The last winter season was especially costly in terms not only of buying normal feed to replace grazing, but with the extreme cold, many organic producers increased feeding to maintain cow health to better endure the conditions. Organic hay supplies became so thin in the East, that a national processor moved very significant quantities of hay to the East at some expense, making it available to contracted producers to fill the market shortages. Many producers continue to purchase and use that hay until the pasturing transition is complete.

Although organic certification requires a minimum of 120 days a year of pasture grazing to reach mandated dry matter intake levels, many eastern producers have filed grazing plans with their certifiers specifying 160 to 180 days a year for grazing. Peer pressure is one factor. Another is reducing the expense of purchased organic feed. A third is the personal commitment to what organic means as a way of producing organic milk. This is leading to some regional organic dairy reorganization, as producers seek to balance available acreage to cow numbers, often seeking to reach a balance where acreage can produce 30% of feed, or as close to that as possible. Eastern organic dairy producers targeting the 30% level have proven more successful in surviving recent economic and weather factors than producers who had to purchase up to 70% of their organic feed. The trend toward farms with lower needs for organic feed purchases is noticeably underway.

This season is financially different than recent years in terms of some purchasers of larger volumes of eastern organic milk eliminating the previous pay price deduct that formerly reduced the price by \$1.00 during flush season, May through July. Processors

now generally are pleased to receive all of the organic milk that can be produced, even during the flush. With a \$3.00 general pay price increase as well, many of the organic processors in the region who contract with a national processor are receiving \$4.00 more per cwt this Spring than last.

A motivation for the increased price has been what is called the "explosion" of opportunities for many eastern organic dairy producers, as well as to induce higher production to help meet consumer demand. It is taking higher pay prices to keep producers renewing contracts.

There has been a recent increase in numbers of state focused or sub-regional focused organic processors seeking milk supplies from within a smaller concentrated geographic area. Securing contracts with clusters of organic dairy producers leads to more efficiency in trucking milk as well as processing. When organic dairying was developing, processors were happy to sign producers wherever they were, often leading to strung out trucking routes, with trucks from competing processors passing each other servicing routes. Many of these newer processors have been offering pay premiums over what had been prevailing in recent years, seeking the overall efficiencies of denser clusters of contracted producers. This has resulted in some movement of regional producers between processors, seeking higher pay prices.

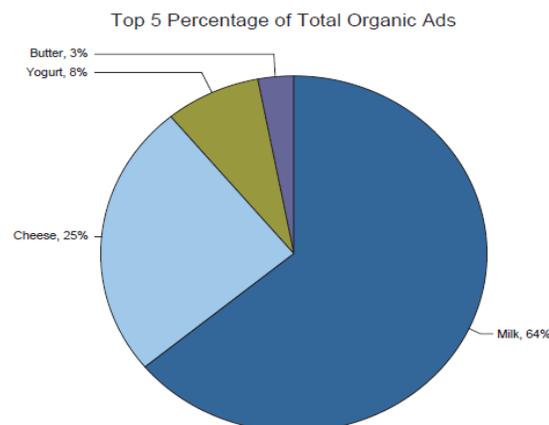
Premium pay price payments being offered for organic grass fed milk are another increasing alternative attraction for producers. Even pay premiums for non-organic milk with assured pasture grazing have attracted some producers, either deterring a decision to transition into organic, or in some cases, organic producers struggling financially, who returned to conventional milk production but with a pay bonus above prevailing conventional pay prices. However, the widening spread between organic pay prices and lower conventional milk pay prices is cited as a positive factor in present day efforts by organic processors to induce producers to transition into organic dairy production.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy ad numbers are about 25% above average for the year. Organic milk ad numbers are the third highest of the year.

Organic milk accounts for 64% of organic dairy ads, organic cheese 25%, organic yogurt 8%, and organic butter 3%.



CONTINUED ON PAGE -8A-

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Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from May 8 to May 14, 2015, identifying weekly “specials” and containing organic dairy content. Surveyed ads reflect advertised “specials” and not the range of non-advertised supermarket cooler prices.

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

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is \$3.54, up 14 cents from the last week. One year ago the price was \$3.32.

Ads appeared in all regions, except Midwest, South Central and Hawaii.

Organic Milk Gallons. The U.S. weighted average advertised price of organic milk gallons is \$6.26, up 37 cents. One year ago the price was \$6.99.

Organic Cheese. Organic cheese ad numbers are 68% above average for this year. The U.S. average price for 8 ounce shredded organic cheese is \$3.99. For organic 8 ounce block cheese, the U.S. average price is \$3.99.

Organic Yogurt. The U.S. weighted average price of 32 ounce yogurt is \$2.69. There were no ads a week ago but this is 20 cents below the price one year ago.

Organic Grain and Feedstuff Markets. Organic grain prices are trading in similar ranges and trending mostly steady for all grains. Spot market activity has been slow for all organic grains, with some activity for wheat and small grains (e.g. soybean oil, rye, and milo). Organic grain demand is light to moderate due to many producers being focused on the current planting season. Buyers are generally content with current contracts and inventories. Some processors indicate good movement to end users. Forward contract negotiations for new crops have slowed in comparison to previous weeks. A few forward contracts have been confirmed in the last couple weeks on new crop organic corn, soybeans, barley, and wheat. There are ongoing concerns with transportation issues and imports in regard to pricing competitiveness.

Additional livestock and grain market news information is available at: www.ams.usda.gov/LSMarketNews

March Agricultural Prices Highlights

The All Milk price received by farmers was \$16.60 in March, down \$8.50 from March 2014. The alfalfa hay price was \$172.00 in March, down \$21.00 from March 2014. The corn price was \$3.81 in March, down \$0.71 from March 2014. The soybean price was \$9.84 in March, down \$3.86 from March 2014. The milk-feed price ratio was 2.00 in March, down 0.54 from March 2014.

The index of prices received by farmers for dairy products during the month of March 2015 was down 1 point to 83. Compared to March 2014, the index was down 42 points (33.6 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 2015 was up 1 point to 110. Compared with March 2014, the index was unchanged.

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

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

State	All-Milk price ^{1,2}		Alfalfa hay, baled		Corn for Grain		Soybeans	
	Mar		Mar		Mar		Mar	
	2014	2015	2014	2015	2014	2015	2014	2015
	<i>(dollars per cwt)</i>		<i>(dollars per ton)</i>		<i>(dollars per bushel)</i>		<i>(dollars per bushel)</i>	
AZ	24.10	15.20	215.00	200.00	---	---	---	---
CA	23.62	14.92	230.00	190.00	---	---	---	---
CO	24.80	17.30	225.00	195.00	4.65	3.94	---	---
ID	24.30	16.40	195.00	170.00	---	---	---	---
IN	25.40	16.70	---	---	4.68	3.94	13.90	10.10
IA	25.80	17.10	180.00	140.00	4.55	3.83	13.70	9.76
MI	25.20	16.20	170.00	170.00	4.47	3.74	13.80	9.91
MN	26.10	17.10	189.00	120.00	4.35	3.66	13.30	9.52
NM	23.50	15.70	245.00	200.00	---	---	---	---
NY	26.50	17.60	185.00	225.00	---	---	---	---
OH	25.70	17.50	185.00	180.00	4.57	3.93	14.10	10.10
PA	26.30	17.70	204.00	244.00	4.87	4.08	---	---
TX	26.10	17.20	244.00	228.00	5.14	4.46	---	---
WA	25.90	16.40	180.00	200.00	---	---	---	---
WI	25.70	17.60	190.00	125.00	4.47	3.72	13.40	9.72
U.S.	25.10	16.60	193.00	172.00	4.52	3.81	13.70	9.84

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

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

State ²	Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ¹		
	Mar 2014	Feb 2015	Mar 2015
IA	2.67	2.24	2.23
MI	2.68	1.94	1.97
MN	2.72	2.54	2.42
OH	2.75	2.10	1.99
WI	2.64	2.41	2.43
U.S.	2.54	2.02	2.00

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., March 2015 with Comparisons

Item	Mar 2014	Feb 2015	Mar 2015
Index Numbers (1990-92=100):			
Prices received by farmers for dairy products	125	84	83
Prices paid by farmers for commodities and services, interest taxes, and wage rates	110	109	110

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

Milk Production, Disposition, and Income 2014

Milk production increased 2.4 percent in 2014 to 206 billion pounds. The rate per cow, at 22,258 pounds, was 442 pounds above 2013. The annual average number of milk cows on farms was 9.26 million head, up 33,000 head from 2013.

Cash receipts from marketings of milk during 2014 totaled \$49.3 billion, 22.5 percent higher than 2013. Producer returns averaged \$24.07 per hundredweight, 19.7 percent above 2013. Marketings totaled 205.1 billion pounds, 2.4 percent above 2013. Marketings include whole milk sold to plants and dealers and milk sold directly to consumers.

An estimated 962 million pounds of milk were used on farms where produced, 1.5 percent less than 2013. Calves were fed 90 percent of this milk, with the remainder consumed in producer households.

Milk Cows and Production of Milk: United States, 2013-2014

Year	Number of milk cows ¹ (1,000 head)	Production of Milk ²		
		Per milk cow	All milk percent of fat	Total
		Milk (pounds)		Milk (million pounds)
2013	9,224	21,816	3.76	201,231
2014	9,257	22,258	3.74	206,046

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

Milk Marketings and Income: United States, 2013-2014

Year	Combined Marketings of Milk and Cream			
	Milk marketed by producers		All milk average returns per cwt ¹ (dollars)	Cash receipts from marketings (1,000 dollars)
	Total ² (million pounds)	Fluid grade ³ (percent)		
2013	200,254	99	20.11	40,276,790
2014	205,085	99	24.07	49,349,226

¹ Cash receipts divided by milk marketings. ² Milk sold to plants and dealers as whole milk and equivalent amounts of milk for cream. Includes milk produced by dealers' own herds and milk sold directly to consumers. Also includes milk produced by institutional herds. ³ Percentage of milk sold that is eligible for fluid use (Grade A in most States). Includes fluid grade milk used in manufacturing dairy products.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. *Milk Production, Disposition, and Income 2014 Summary*, April 2015.

Annual Milk Marketings by Producers and Cash Receipts from Marketings, by State, 2014

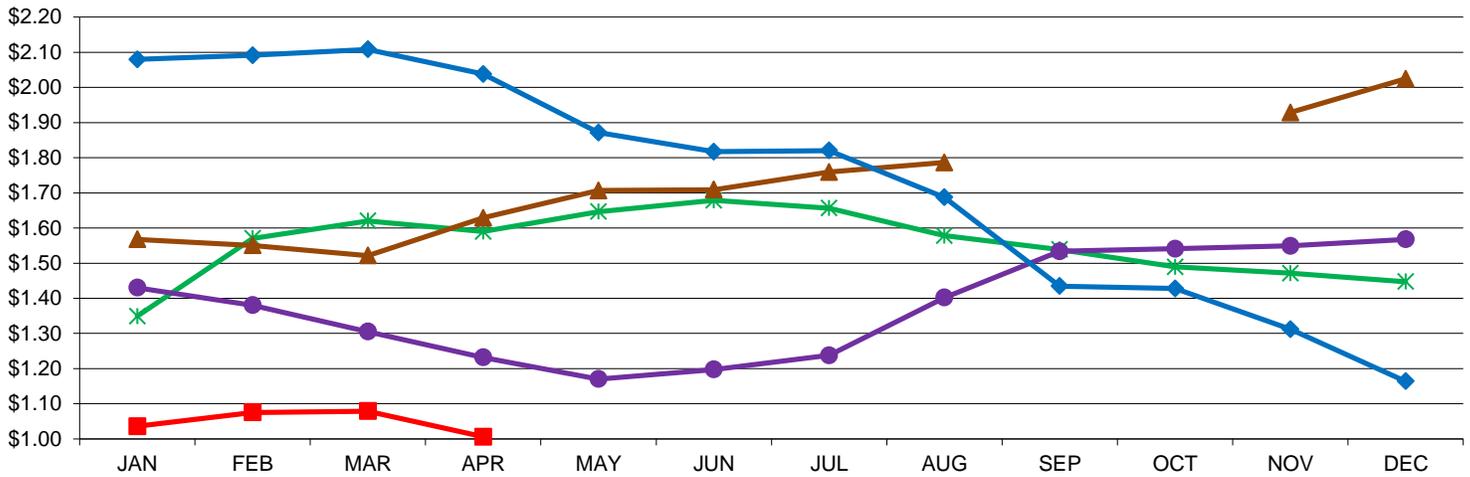
State	Milk Marketed by Producers		Cash Receipts from Marketings	
	Quantity ¹ <i>(million pounds)</i>	Fluid Grade ² <i>(percent)</i>	Total <i>(1,000 dollars)</i>	Average Return ³ <i>(dollars per cwt)</i>
AL	108.0	100	30,024	27.80
AK	3.3	100	723	21.90
AZ	4,686.0	100	1,087,152	23.20
AR	94.0	100	23,970	25.50
CA	42,306.0	99	9,358,087	22.12
CO	3,571.0	100	857,040	24.00
CT	380.0	100	99,180	26.10
DE	95.7	100	23,064	24.10
FL	2,501.0	100	705,282	28.20
GA	1,676.0	100	442,464	26.40
HI	29.7	100	10,514	35.40
ID	13,842.0	100	3,197,502	23.10
IL	1,838.0	98	453,986	24.70
IN	3,865.0	100	939,195	24.30
IA	4,632.0	99	1,139,472	24.60
KS	3,099.0	100	743,760	24.00
KY	993.0	100	256,194	25.80
LA	200.0	100	52,400	26.20
ME	596.0	100	159,728	26.80
MD	980.0	100	243,040	24.80
MA	231.0	100	60,291	26.10
MI	9,583.0	100	2,309,503	24.10
MN	9,022.0	99	2,237,456	24.80
MS	186.0	100	49,848	26.80
MO	1,362.0	97	335,052	24.60
MT	296.0	100	65,120	22.00
NE	1,188.0	100	297,000	25.00
NV	684.0	100	169,632	24.80
NH	280.0	100	72,520	25.90
NJ	125.0	100	31,125	24.90
NM	8,063.0	100	1,798,049	22.30
NY	13,691.0	100	3,477,514	25.40
NC	955.0	100	245,435	25.70
ND	318.0	97	75,048	23.60
OH	5,403.0	97	1,329,138	24.60
OK	690.0	100	178,710	25.90
OR	2,533.0	100	650,981	25.70
PA	10,617.0	100	2,728,569	25.70
RI	16.9	100	4,462	26.40
SC	259.0	100	70,707	27.30
SD	2,103.0	99	519,441	24.70
TN	745.0	100	192,210	25.80
TX	10,282.0	100	2,529,372	24.60
UT	2,169.0	100	514,053	23.70
VT	2,651.0	100	676,005	25.50
VA	1,772.0	100	478,440	27.00
WA	6,567.0	100	1,622,049	24.70
WV	138.0	100	33,672	24.40
WI	27,531.0	99	6,745,095	24.50
WY	128.0	100	29,952	23.40
US ⁴	205,085.0	99	49,349,226	24.07

¹ Milk sold to plants and dealers as whole milk and equivalent amounts of milk for cream. Includes milk produced by dealers' own herds and milk sold directly to consumers. Also includes milk produced by institutional herds. ² Percentage of milk sold that is eligible for fluid use (Grade A in most States). Includes fluid grade milk used in manufacturing dairy products. ³ Cash receipts divided by milk marketings. ⁴ May not add due to rounding.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. *Milk Production, Disposition, and Income 2014 Summary, April 2015.*

Central & East Low/Medium Heat Nonfat Dry Milk Monthly Average Mostly Prices

PER POUND

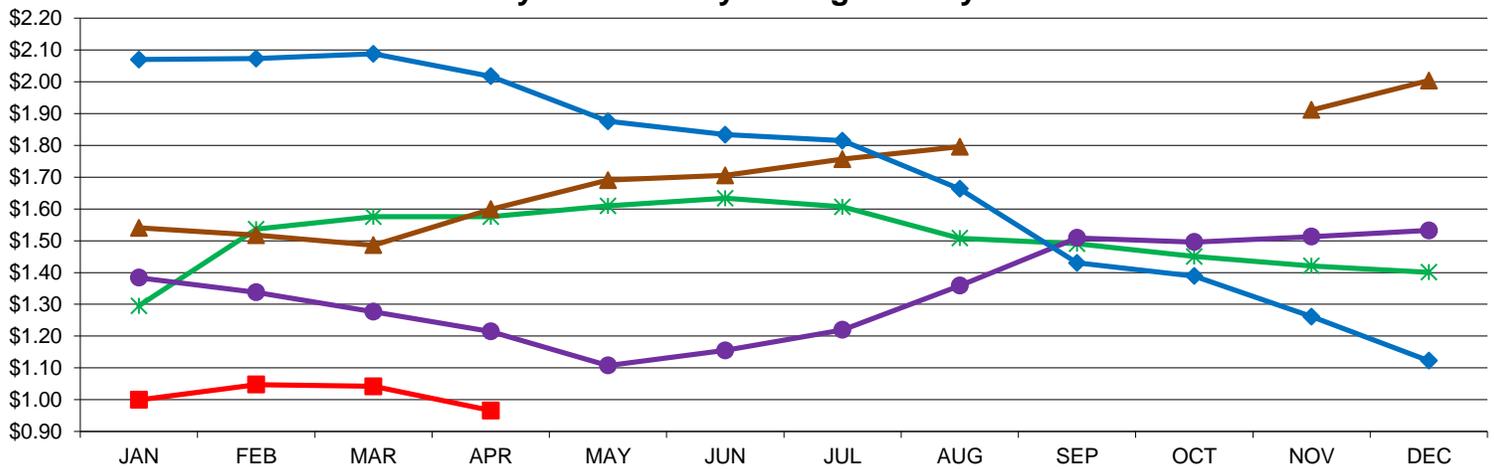


GRAPH/SOURCE USDA, AMS, DMN

2011 2012 2013 2014 2015

Western Low/Medium Heat Nonfat Dry Milk Monthly Average Mostly Prices

PER POUND

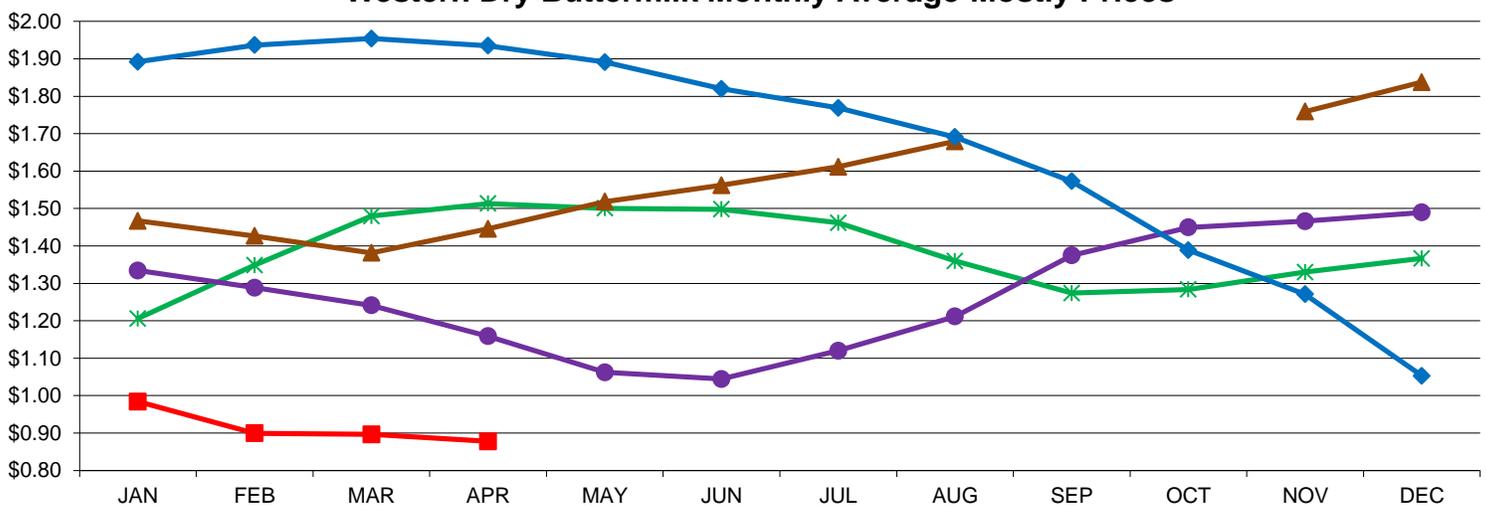


GRAPH/SOURCE USDA, AMS, DMN

2011 2012 2013 2014 2015

Western Dry Buttermilk Monthly Average Mostly Prices

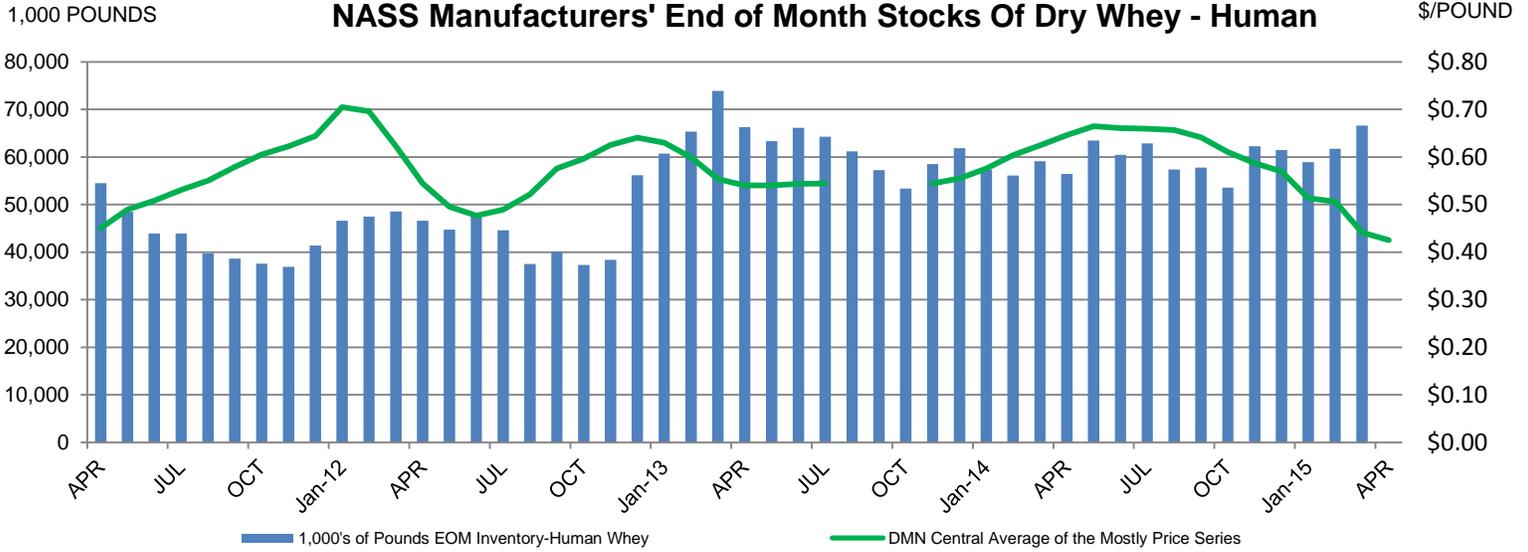
PER POUND



GRAPH/SOURCE USDA, AMS, DMN

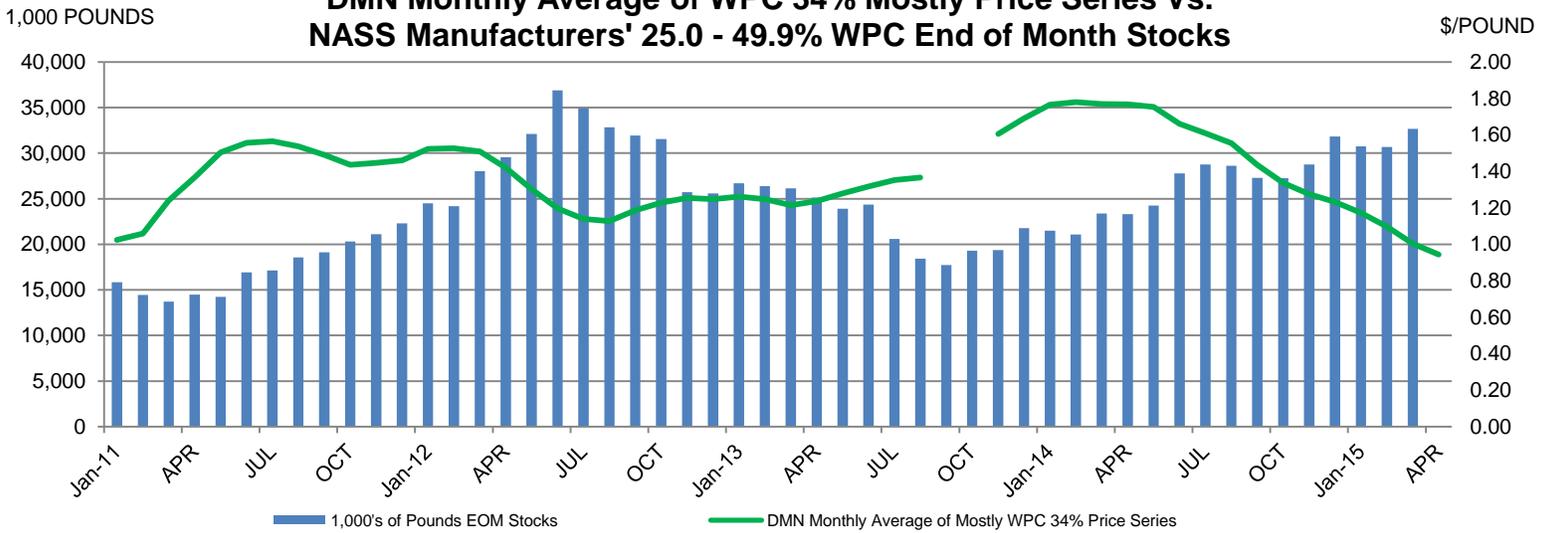
2011 2012 2013 2014 2015

DMN Central AOM Price Series Vs. NASS Manufacturers' End of Month Stocks Of Dry Whey - Human



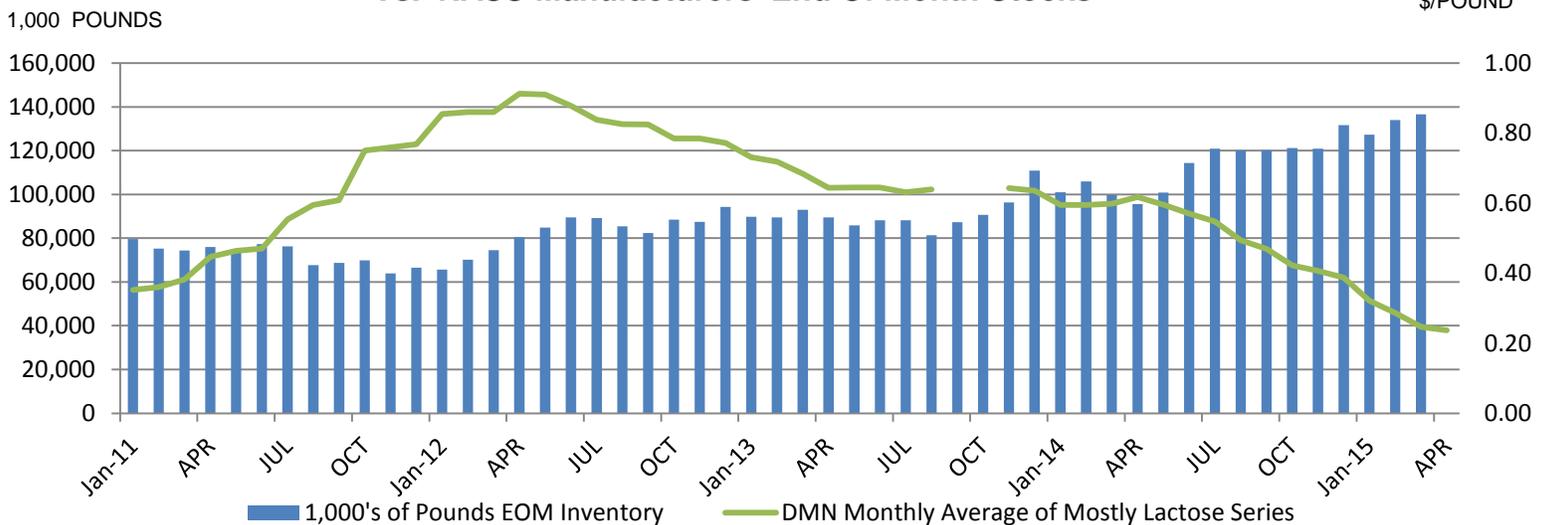
DATA SOURCE, USDA, NASS & AMS, MIB; GRAPH, USDA, AMS, DMN

DMN Monthly Average of WPC 34% Mostly Price Series Vs. NASS Manufacturers' 25.0 - 49.9% WPC End of Month Stocks



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

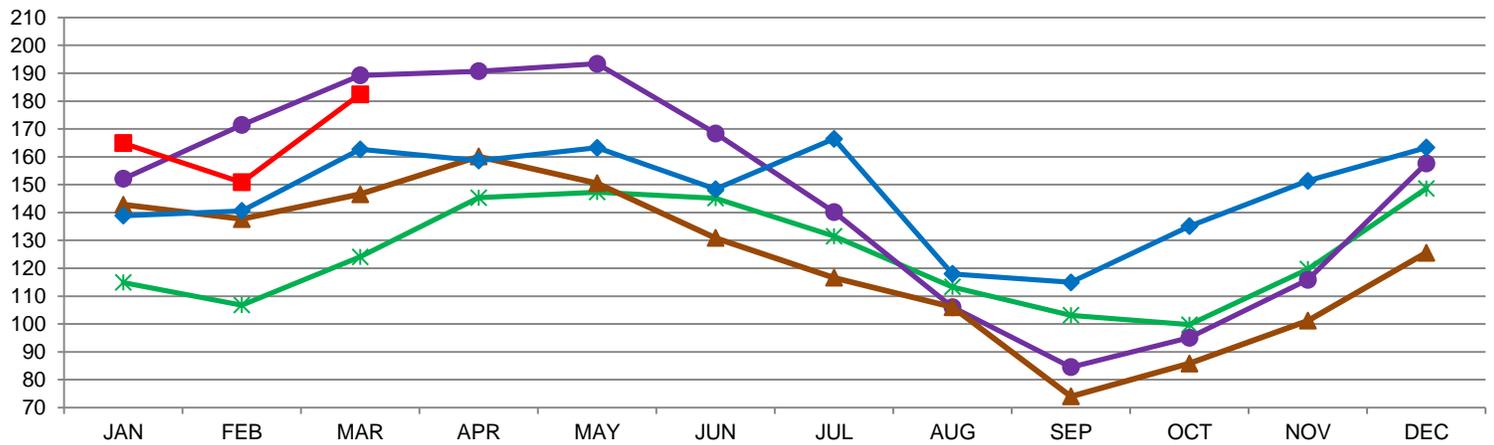
DMN Lactose Monthly Average Of Mostly Price Series Vs. NASS Manufacturers' End Of Month Stocks



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

U.S. Nonfat Dry Milk (NDM) Production, Human

MILLION POUNDS

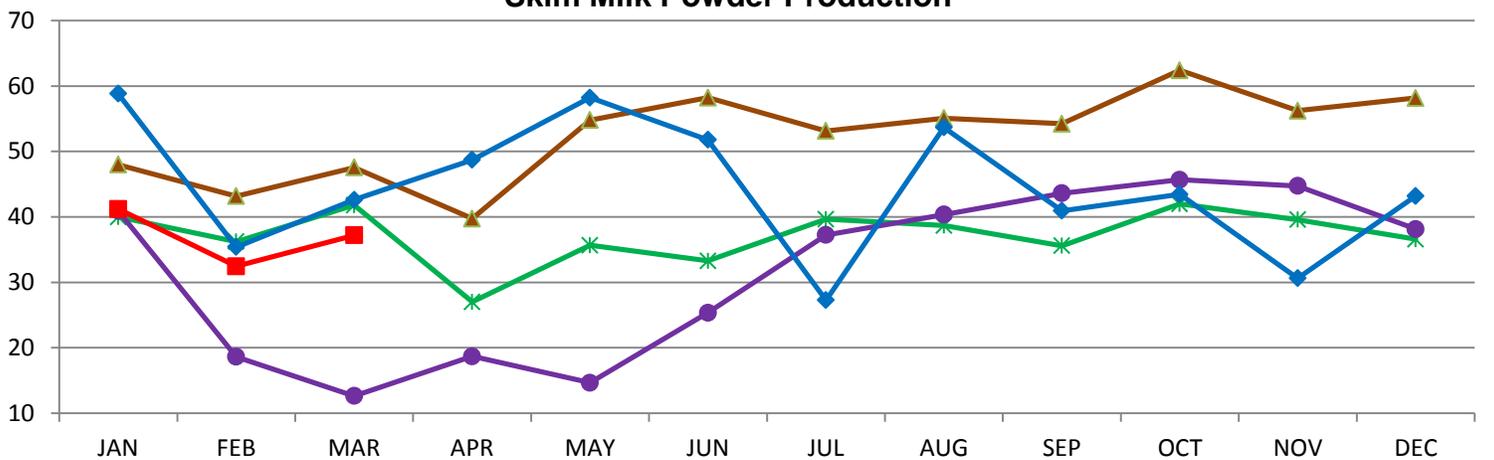


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2011 2012 2013 2014 2015

Skim Milk Powder Production

MILLION POUNDS

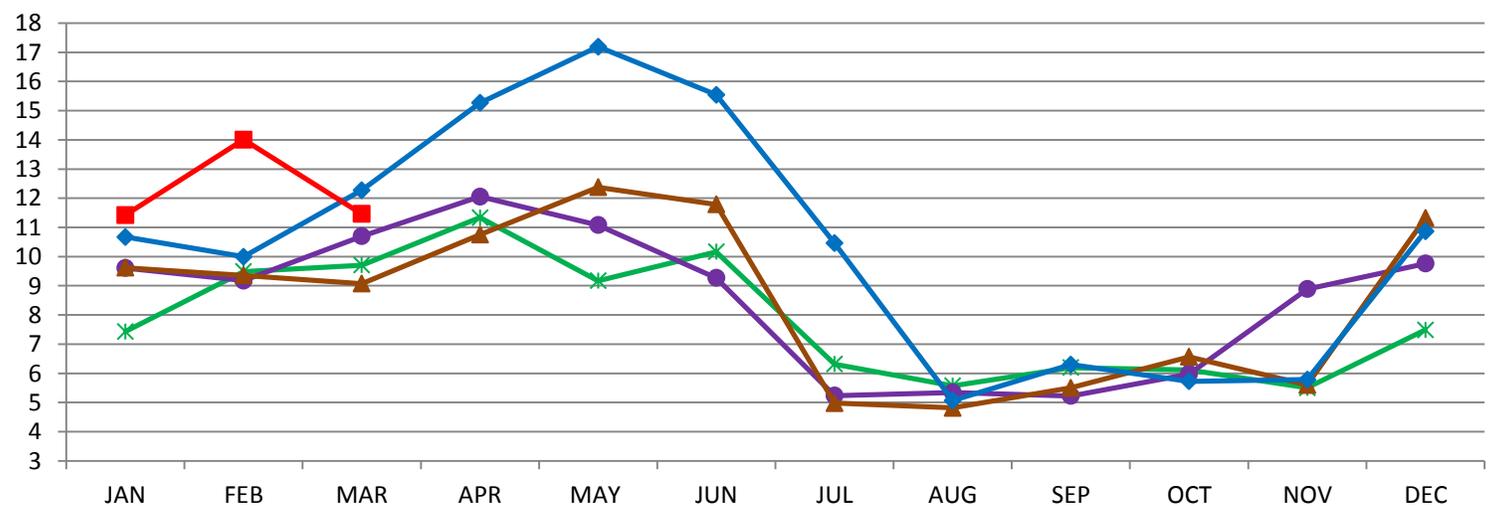


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2011 2012 2013 2014 2015

U.S. Milk Protein Concentrate Production, 40.0 - 89.9% Protein

MILLION POUNDS

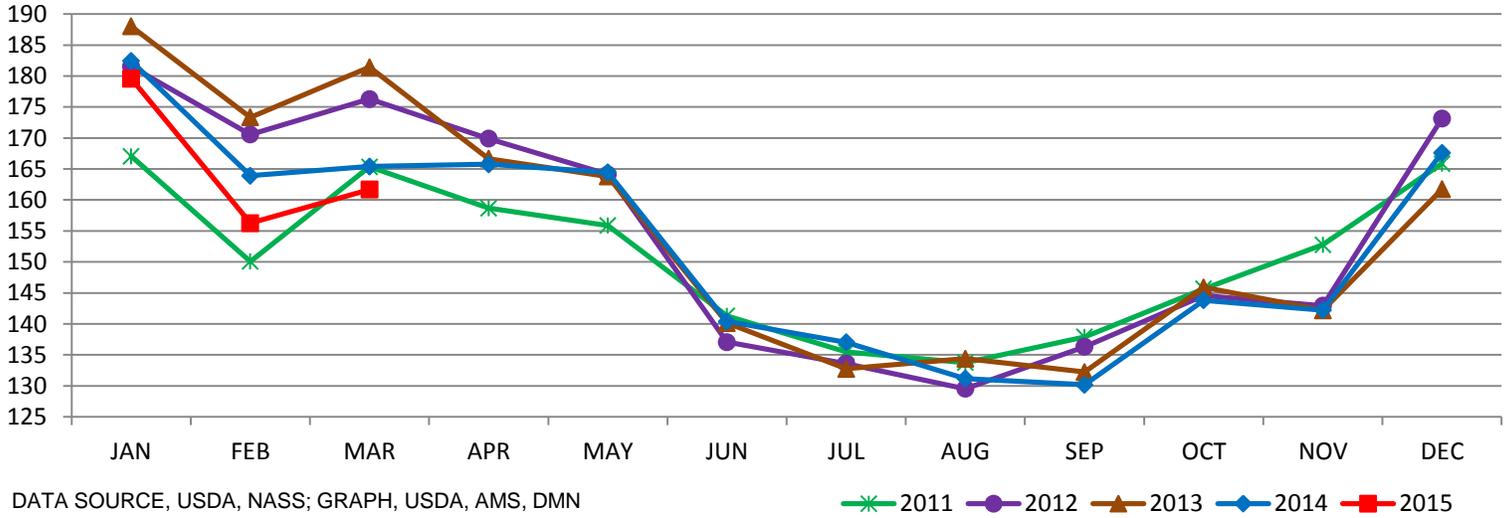


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2011 2012 2013 2014 2015

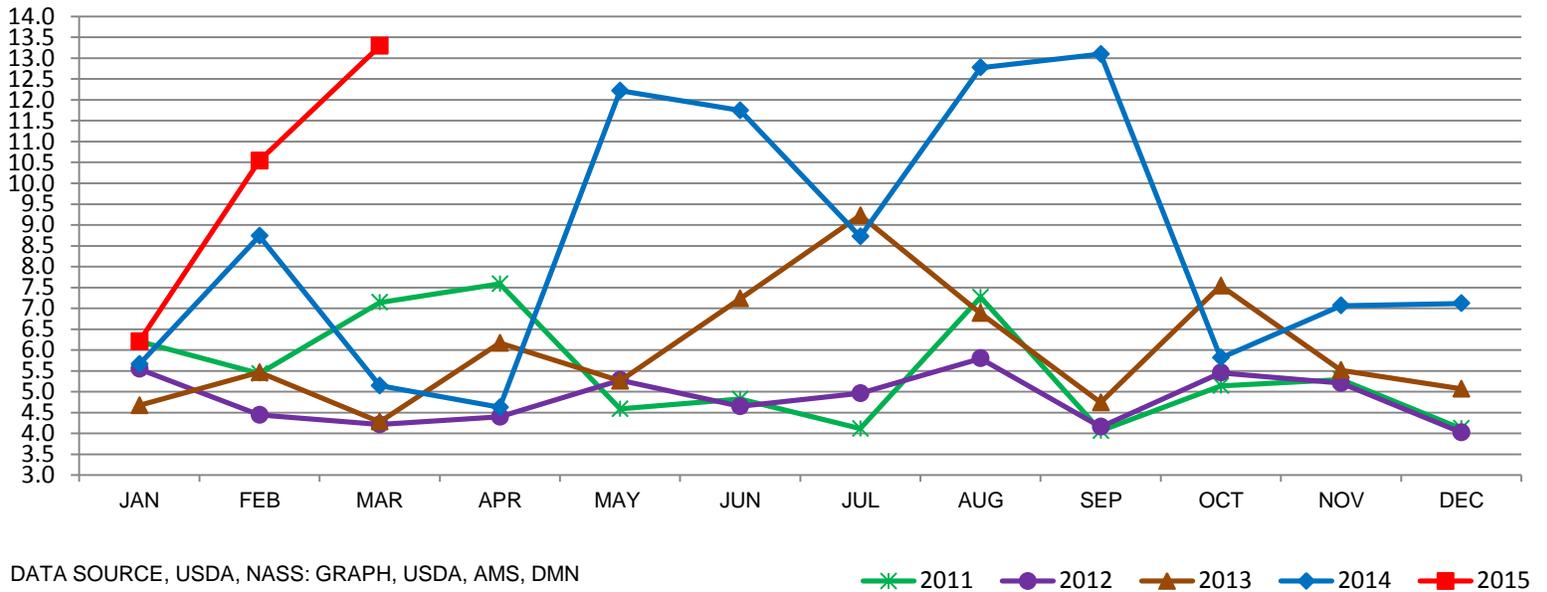
MILLION POUNDS

U.S. Butter Production



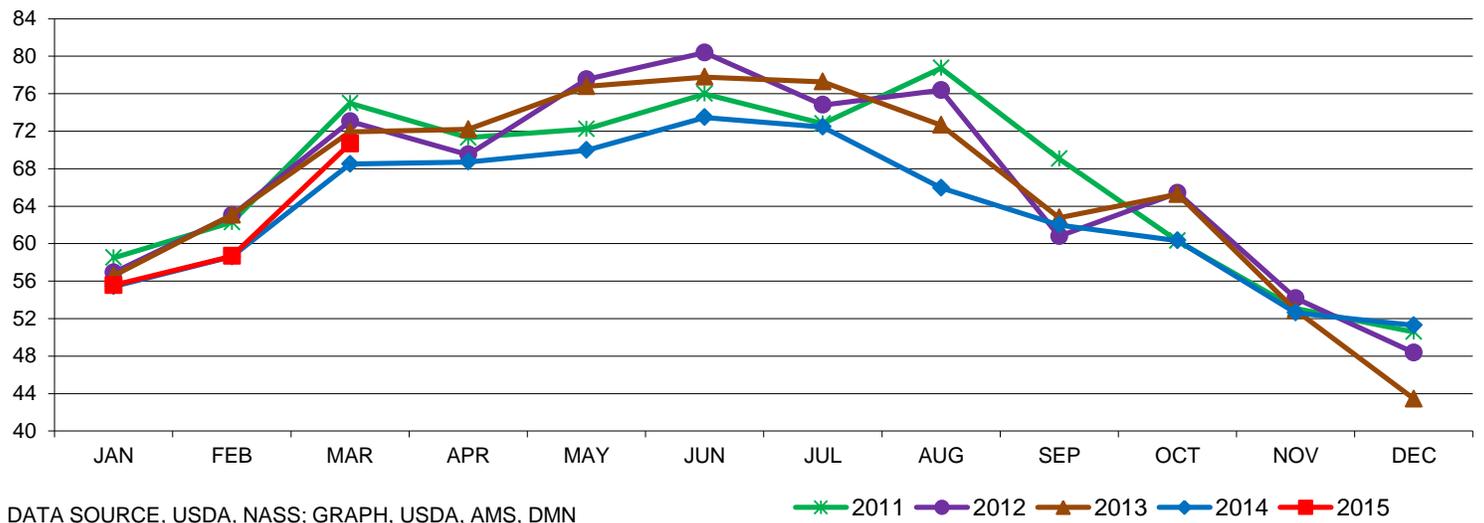
U.S. Dry Whole Milk Production

MILLION POUNDS



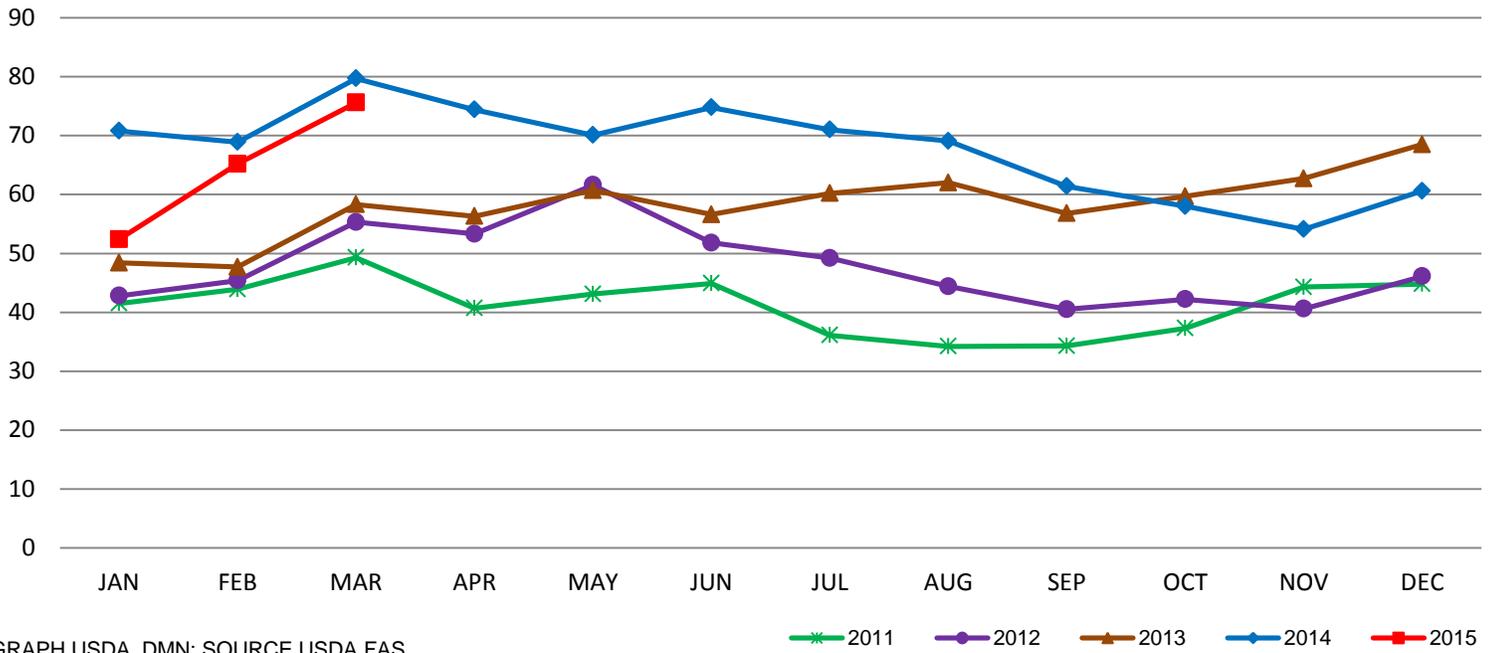
MILLION GALLONS

U.S. Regular Hard Ice Cream Production



U. S. Cheese Exports

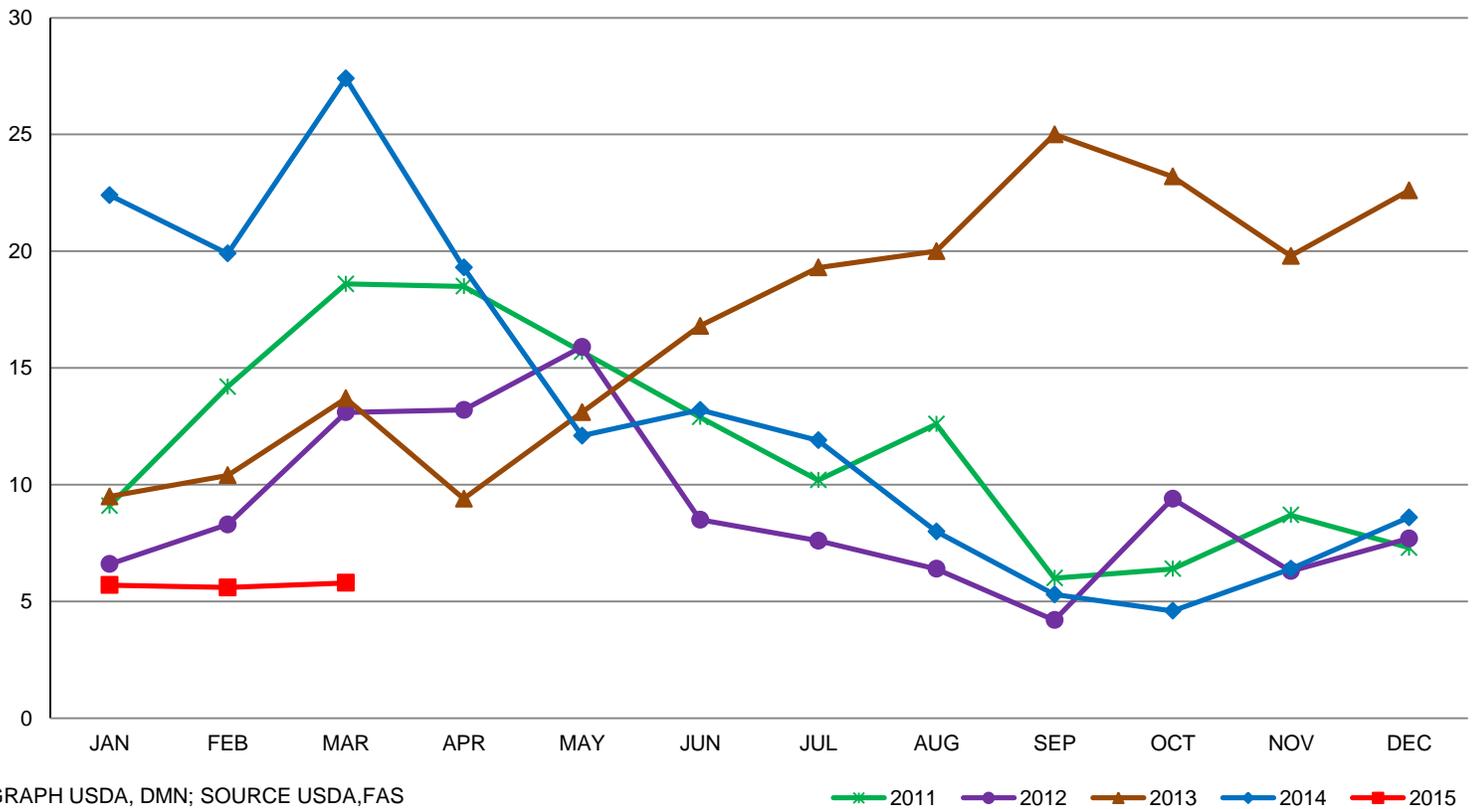
MILLION POUNDS



GRAPH USDA, DMN; SOURCE USDA,FAS

U.S. Butter and Milkfat Exports

MILLION POUNDS



GRAPH USDA, DMN; SOURCE USDA,FAS



Dairy Market News Branch

Agricultural
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National Retail Report - Dairy

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

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Issued Weekly

Friday, May 8, 2015

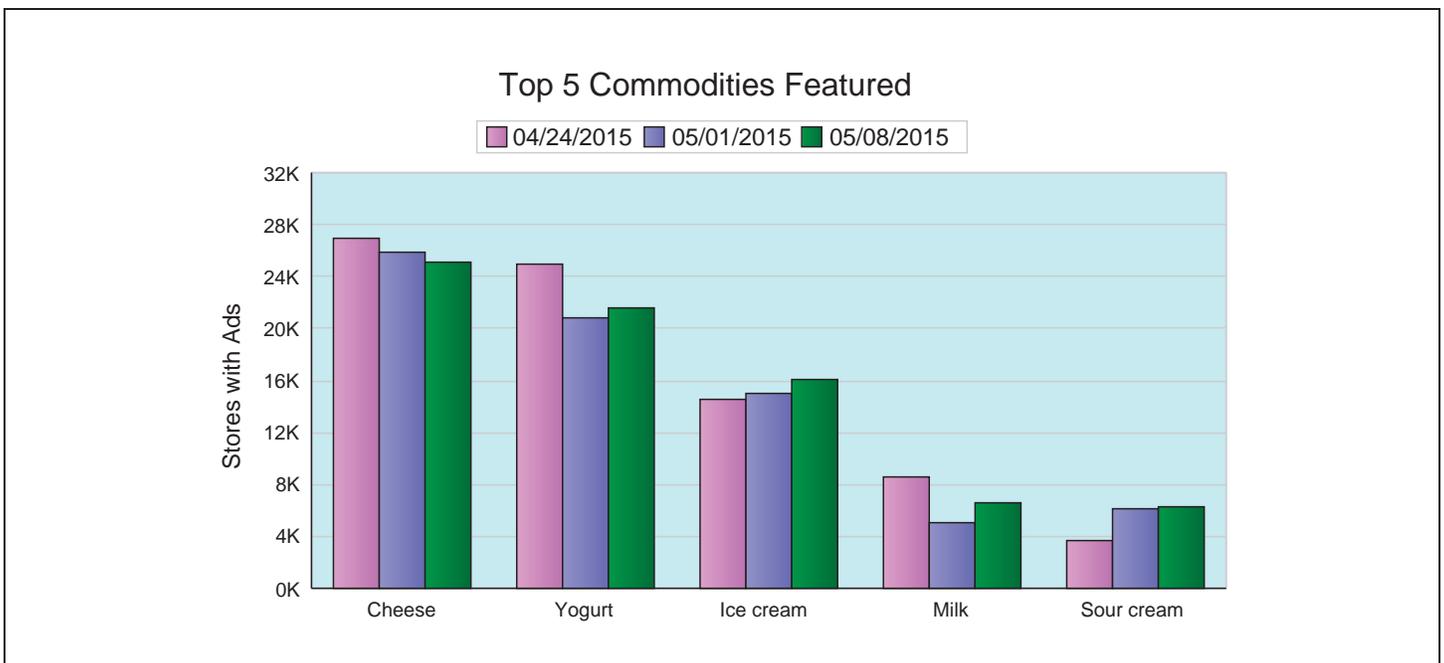
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 05/08/2015 to 05/14/2015

Although 1 # butter ad volume more than doubled, and 48-64 ounce ice cream ad volume as well as ads for 16 oz. sour cream slightly increased, ad volume for 16 ounce cottage cheese declined 22% and 8 oz. cream cheese declined 48%. The national weighted average advertised prices and changes from last week are: butter, \$3.09, down 30 cents; ice cream, \$2.91, up 2 cents; sour cream, \$1.82, up 26 cents; cottage cheese, \$1.90, up 25 cents; and cream cheese, \$1.91, up 2 cents.

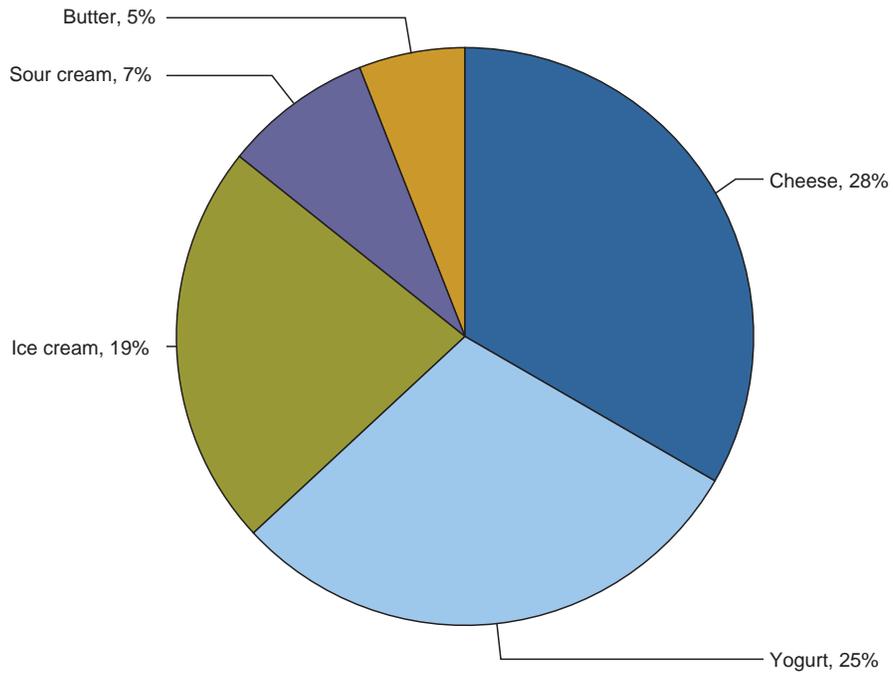
The U.S. average advertised price for 8 ounce cheese blocks, \$2.39, is up 12 cents from one week ago, but down 4 cents from a year ago; 8 ounce shredded cheese at \$2.39, is 5 cents above a week ago and 2 cents above one year ago. Cheese ad numbers are down 5% from last week.

The average price of 4-6 ounce Greek yogurt, \$.97, is 2 cents lower than last week, and down 3 cents from a year ago. Yogurt in 4-6 ounce packages averages 52 cents, down 1 cent from last week, but up 23 cents from a year ago. Yogurt ad numbers increased 4% from last week.

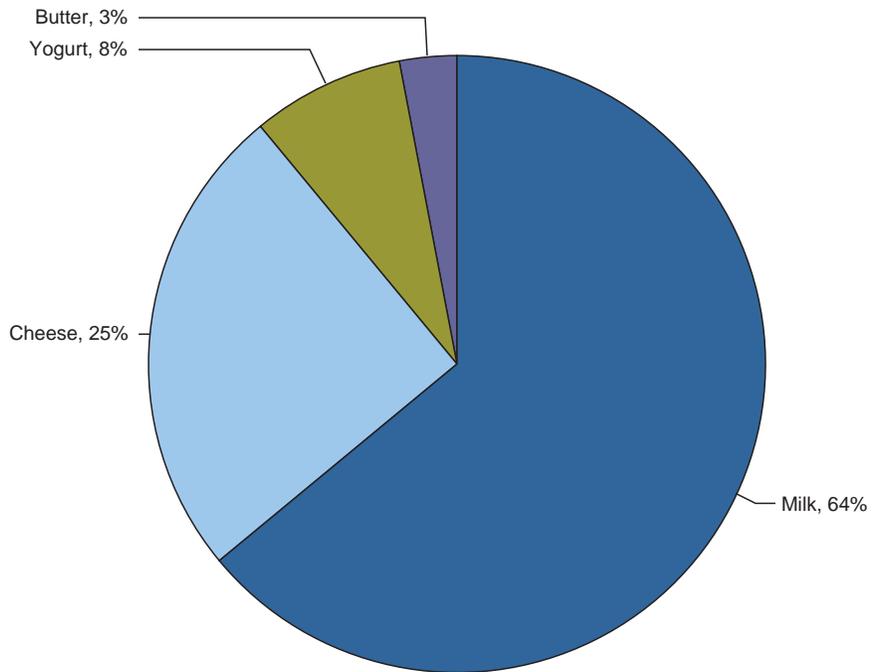
The organic - conventional half gallon milk price spread is \$1.21, down 42 cents from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.33, up 56 cents from one week ago, and the average for organic half gallon milk, \$3.54, up 14 cents from last week.



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 #	4329	3.09	1976	3.39	1647	2.91
Cheese	Natural Varieties	8 oz block	10720	2.39	9104	2.27	4903	2.43
Cheese	Natural Varieties	1 # block	1003	3.58	1629	3.93	142	4.31
Cheese	Natural Varieties	2 # block	1444	5.98	607	5.92	1546	7.63
Cheese	Natural Varieties	8 oz shred	9211	2.39	11605	2.34	6394	2.37
Cheese	Natural Varieties	1 # shred	1331	3.42	1917	4.41	1734	4.00
Cottage cheese		16 oz	2540	1.90	3258	1.65	2630	1.79
Cream cheese		8 oz	2598	1.91	4967	1.89	1877	1.73
Flavored milk	All fat tests	half gallon	543	2.42	1356	2.46	919	2.48
Flavored milk	All fat tests	gallon	273	3.67	210	1.99	389	4.25
Ice cream		48-64oz	16053	2.91	15080	2.89	11712	3.26
Milk	All fat tests	half gallon	526	2.33	488	1.77	555	1.83
Milk	All fat tests	gallon	2502	2.62	2305	2.68	1422	2.93
Sour cream		16 oz	6284	1.82	5718	1.56	5432	1.66
Yogurt	Greek	4-6 oz	11484	.97	14301	.99	10225	1.00
Yogurt	Greek	32 oz	1517	4.02	121	3.73	1536	4.55
Yogurt	Yogurt	4-6 oz	7474	.52	5015	.51	7151	.49
Yogurt	Yogurt	32 oz	675	2.44	937	2.83	690	2.28

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.99-3.99	923	3.36	2.50	1297	2.50	2.50	213	2.50
Cheese	Natural Varieties	8 oz block	1.49-3.00	3344	2.26	1.77-3.00	2156	2.46	1.99-3.00	2438	2.47
Cheese	Natural Varieties	1 # block	3.49	137	3.49	2.99	184	2.99	2.49-3.79	472	3.16
Cheese	Natural Varieties	2 # block				6.98	195	6.98	5.77	53	5.77
Cheese	Natural Varieties	8 oz shred	1.99-3.49	2433	2.40	1.77-2.50	1418	2.16	1.99-3.00	1629	2.33
Cheese	Natural Varieties	1 # shred				2.99	184	2.99	2.49-3.49	941	3.16
Cottage cheese		16 oz	1.99-2.99	1150	2.41	1.00-1.78	429	1.35	1.00-2.29	667	1.36
Cream cheese		8 oz	1.50-2.49	958	1.95	1.00-1.50	347	1.34	1.00-2.50	418	1.89
Flavored milk	All fat tests	half gallon	2.50	258	2.50				1.99	216	1.99
Flavored milk	All fat tests	gallon							2.79-3.99	188	3.55
Ice cream		48-64oz	1.88-4.49	3039	2.86	1.99-3.99	3409	2.83	1.99-4.98	3942	2.65
Milk	All fat tests	half gallon	2.99	63	2.99				1.00-3.50	397	2.40
Milk	All fat tests	gallon	2.50-3.69	359	3.12	2.50-2.99	398	2.76	1.99-2.99	556	2.40
Sour cream		16 oz	0.98-2.00	2738	1.75	1.00-2.00	1361	1.83	1.00-1.89	704	1.31
Yogurt	Greek	4-6 oz	0.79-1.20	3388	.98	0.78-1.00	2082	.98	0.75-1.00	2105	.90
Yogurt	Greek	32 oz	3.89-3.99	559	3.94	3.89	227	3.89	3.89	588	3.89

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	4-6 oz	0.40-0.60	2106	.52	0.50	1218	.50	0.44-0.67	1030	.53
Yogurt	Yogurt	32 oz	2.00	161	2.00				1.99	119	1.99

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 #	1.99-3.79	459	2.98	1.99-3.99	982	3.51	2.99-3.89	394	3.65
Cheese	Natural Varieties	8 oz block	1.49-3.00	1445	2.26	1.99-3.00	1065	2.58	1.99-2.99	195	2.49
Cheese	Natural Varieties	1 # block	4.99	114	4.99				5.00	69	5.00
Cheese	Natural Varieties	2 # block	4.99-6.99	450	5.90	4.99-6.99	567	5.40	6.99	171	6.99
Cheese	Natural Varieties	8 oz shred	1.49-3.00	1731	2.34	1.67-3.00	1419	2.54	1.99-3.00	484	2.79
Cheese	Natural Varieties	1 # shred				4.99	137	4.99	5.00	69	5.00
Cottage cheese		16 oz	1.89	72	1.89	1.89	117	1.89	1.99	105	1.99
Cream cheese		8 oz	1.50-2.99	248	2.16	0.99-2.99	465	2.01	1.99-2.50	130	2.23
Flavored milk	All fat tests	half gallon							3.49	69	3.49
Flavored milk	All fat tests	gallon	3.99	74	3.99						
Ice cream		48-64oz	1.99-4.50	1932	3.15	1.99-3.99	2707	2.99	2.49-4.99	770	3.01
Milk	All fat tests	half gallon							1.25	66	1.25
Milk	All fat tests	gallon	1.99-2.99	303	2.52	1.99-3.59	767	2.53	2.50	105	2.50
Sour cream		16 oz	1.25-2.49	307	2.09	1.25-2.49	721	2.29	0.99-2.49	394	2.09
Yogurt	Greek	4-6 oz	0.88-1.00	1164	.98	0.50-1.00	1958	.96	1.00	697	1.00
Yogurt	Greek	32 oz				4.99	137	4.99			
Yogurt	Yogurt	4-6 oz	0.50-0.69	1052	.51	0.40-0.69	1576	.51	0.50-0.60	410	.51
Yogurt	Yogurt	32 oz				2.99	200	2.99	2.50	182	2.50

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50	3	2.50	3.00-4.25	58	3.73
Cheese	Natural Varieties	8 oz block	3.00	2	3.00	2.75-3.50	75	3.12
Cheese	Natural Varieties	1 # block				5.99	27	5.99
Cheese	Natural Varieties	2 # block	7.49-7.99	8	7.62			
Cheese	Natural Varieties	8 oz shred	3.00	2	3.00	2.75-3.99	95	3.34
Cream cheese		8 oz	3.00	2	3.00	1.99-2.50	30	2.04
Flavored milk	All fat tests	gallon	3.49	11	3.49			
Ice cream		48-64oz	3.98-8.48	40	7.13	3.50-7.99	214	5.43
Milk	All fat tests	gallon	3.09-3.49	14	3.40			
Sour cream		16 oz	1.99-2.00	8	1.99	2.00-2.99	51	2.52
Yogurt	Greek	4-6 oz	1.25-1.66	36	1.57	1.15-1.25	54	1.20
Yogurt	Greek	32 oz	4.48	3	4.48	6.99	3	6.99
Yogurt	Yogurt	4-6 oz				0.50-0.89	82	.67
Yogurt	Yogurt	32 oz	2.79-3.00	13	2.82			

Wtd Avg - Simple weighted average



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 #	180	6.29	105	5.59	1727	4.50
Cheese	Natural Varieties	8 oz block	1239	3.99	225	4.05	376	4.30
Cheese	Natural Varieties	8 oz shred	114	3.99	790	3.70	141	3.98
Cottage cheese		16 oz			195	3.00		
Milk	All fat tests	half gallon	677	3.54	1800	3.40	621	3.32
Milk	All fat tests	gallon	1706	6.26	520	5.89	118	6.99
Milk	All fat tests	8 oz UHT	1128	1.00			1604	.99
Sour cream		16 oz			409	3.00		
Yogurt	Greek	4-6 oz			214	1.25	2043	1.05
Yogurt	Greek	32 oz			214	2.50		
Yogurt	Yogurt	4-6 oz	183	1.00	3	1.50	1733	.86
Yogurt	Yogurt	32 oz	243	2.69			1565	2.89

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #							6.29	180	6.29
Cheese	Natural Varieties	8 oz block	3.99	84	3.99						
Milk	All fat tests	half gallon	3.99	84	3.99	2.50-2.99	324	2.81			
Milk	All fat tests	gallon	5.69	304	5.69						
Yogurt	Yogurt	4-6 oz							1.00	180	1.00
Yogurt	Yogurt	32 oz				2.69	120	2.69	2.69	123	2.69

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz block	3.99	235	3.99	3.99	604	3.99	3.99	289	3.99

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz shred	3.99	114	3.99						
Milk	All fat tests	half gallon				5.49	137	5.49	2.99	121	2.99
Milk	All fat tests	gallon	5.79-5.99	235	5.89	5.99-8.39	878	6.68	5.89	289	5.89
Milk	All fat tests	8 oz UHT	1.00	235	1.00	1.00	604	1.00	1.00	289	1.00

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz block				3.99	27	3.99
Milk	All fat tests	half gallon	3.29	11	3.29			
Yogurt	Yogurt	4-6 oz				1.25	3	1.25

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
- ALASKA Alaska
- HAWAII Hawaii
- NATIONAL Continental United States

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