

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (5/22)

BUTTER: Grade AA closed at \$1.8900. The weekly average for Grade AA is \$1.9170 (-.0990).

CHEESE: Barrels closed at \$1.6200 and 40# blocks at \$1.6500. The weekly average for barrels is \$1.6175 (-.0065) and blocks, \$1.6380 (+.0225).

BUTTER HIGHLIGHTS: Butter production is mixed throughout the country. It's up in the Northeast, slowed in the West and is steady in the Central region, where most manufacturers are at full capacity. Inventory levels are building, but slowly as some manufacturers are watching pricing levels and others are content selling print butter as it is made. With the higher domestic prices, imports have increased. The CME Group weekly average price, which has increased for five weeks, is now declining and easing concerns of manufacturers about holding in too many stocks at higher pricing levels. Friday at the CME Group, Grade AA butter closed at \$1.8900, down \$.0825 from last Friday.

CHEESE HIGHLIGHTS: Milk production continues to be at high levels in all regions. That is leading to continuing strong cheese production. Even if the flush begins to recede, new milk supplies available from expiring school year fluid milk contracts are expected to maintain strong milk availability for cheese manufacturing in the near future. Inventories are building in the Northeast, particularly aged Cheddar. In the West, some manufacturers are offering spot loads of cheese to keep inventories in check. Many Midwest cheese manufacturers are running very full schedules to keep up with orders. Surplus milk is available for the holiday weekend at prices reaching \$5.00 below Class in the Midwest, as well as multiple load availability stretching into June. Many plants will be in operation on Memorial Day. FAS reports that April cheese quota imports lead April last year by 34% while January through April this year leads the same period last year by 27%. High tier cheese imports for this January through April lead last year by 22%. The weak euro, compared to the U.S. dollar, is largely responsible for these increases. Barrels closed Friday at \$1.6200, down \$.0025 from last Friday, and 40# blocks closed at \$1.6500, up \$.0300.

FLUID MILK: The Memorial Day Weekend is expected to have a negative effect on demand for Class I milk across the nation. Milk production in the East and Midwest is at or near the peak of the spring flush. The heavier milk intakes are already placing strains on

manufacturers and milk handlers. Driver availability is limited and milk tanker receiving has been delayed in some instances. Processors are anticipating the challenges will be compounded over the holiday. Western milk volumes are steady to lower. Across California and Arizona, milk production continues to drop off due to poor feed quality and warmer weather. In the Pacific Northwest and Mountain states, milk intakes have plateaued. Bottled sales continue to decline as more schools end spring terms. The demand for cream has remained strong for use in cream cheese, whipping cream, ice cream and frozen desserts. Cream is readily available in the East and Midwest, but flat to slightly down in the West.

DRY PRODUCTS: A steady to weaker undertone subsists for most dry product markets. Prices for low/medium heat nonfat dry milk were mostly lower across the nation. Where milk is readily available, production and inventories are building. Inventories for high heat nonfat dry milk are tighter. Many manufacturers have opted to produce other dry products in lieu of high heat NDM. Demand for dry buttermilk has increased as ice cream manufacturers buy at higher volumes in the Central and Western regions. Inventories however, continue to build and prices are mostly stable. Dry whole milk prices are unchanged and discount pricing is scarce. Dry whey prices are mainly lower this week. Demand has been light and product is generally readily available. The market prices for whey protein concentrate 34% are unchanged. There is active demand from both domestic and international buyers, yet inventories are still growing. Lactose production is generally steady to higher and follows increased cheese production. An increase in export interest has kept inventories lower at some plants. Casein prices are unchanged.

ORGANIC MARKET NEWS (DMN): According to The National Retail Report – Dairy, advertised prices at major retail supermarket outlets 05/22 to 05/28/2015 show the U.S. weighted average advertised price of organic milk half gallons is \$3.50, down 33 cents from the last week. The U.S. weighted average advertised price of organic milk gallons is \$5.78, down 40 cents. Organic milk in 8 ounce containers has a U.S. weighted average price of \$1.06, up 6 cents from last week and from one year ago.

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CME GROUP CASH TRADING

COMMODITY	MONDAY MAY 18	TUESDAY MAY 19	WEDNESDAY MAY 20	THURSDAY MAY 21	FRIDAY MAY 22	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.6225 (N.C.)	\$1.6125 (-.0100)	\$1.6150 (+.0025)	\$1.6175 (+.0025)	\$1.6200 (+.0025)	:- (.0025)	:- \$1.6175 (-.0065)
40# BLOCKS	\$1.6300 (+.0100)	\$1.6300 (N.C.)	\$1.6350 (+.0050)	\$1.6450 (+.0100)	\$1.6500 (+.0050)	:- (.0300)	:- \$1.6380 (+.0225)
NONFAT DRY MILK							
GRADE A	\$.8975 (N.C.)	\$.8975 (N.C.)	\$.9100 (+.0125)	\$.9150 (+.0050)	\$.9000 (-.0150)	:- (.0025)	:- \$.9040 (-.0295)
BUTTER							
GRADE AA	\$1.9300 (-.0425)	\$1.9050 (-.0250)	\$1.9300 (+.0250)	\$1.9300 (N.C.)	\$1.8900 (-.0400)	:- (.0825)	:- \$1.9170 (-.0990)

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

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 also \$3.99. Midwestern customers for organic whey or other organic proteins are having some difficulty in securing sources this week. Contacts are being asked for help in suggesting possible sources. A prospective buyer of organic lactose has been quoted prices above \$2.00 a pound.

INTERNATIONAL DAIRY MARKET NEWS UPDATE (DMN): At the May 19 GDT event #140, average prices ranged from 7.1% lower to 3.2% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,337 -4.8%; butter, \$2,911 -3.2%; buttermilk powder, \$1,930 +3.2%; cheddar cheese, \$2,745 -7.1%; lactose, \$580 +0.9%; rennet casein, \$6,067 -0.4%; skim milk powder, \$1,992 -3.6%; sweet whey powder, n.a.; and whole milk powder, \$2,390 -0.5%.

NATIONAL RETAIL REPORT – DAIRY (DMN): Ad volume increased leading into the Memorial Day holiday weekend for a number of popular dairy products. The ad volume percentage change, national weighted average advertised price and price change from last week are: 8 oz. cream cheese, +169%, \$2.14, +29 cents; 16 oz. sour cream, +126%, \$1.76, +14 cents; 16 oz. cottage cheese, +24%, \$2.23, -11 cents; and 48-64 oz. ice cream, +14%, \$2.85, +7 cents. The U.S. average advertised price for 8 ounce cheese blocks, \$2.30, is down 9 cents from one week ago, and down 18 cents from a year ago; 8 ounce shredded cheese at \$2.39, is 4 cents below a week ago and 13 cents below one year ago. Total cheese ad numbers are up 2% from last week. The average price of 4-6 ounce Greek yogurt, \$.99, is 1 cent lower than last week, but 2 cents higher than a year ago. Yogurt in 4-6 ounce packages averages 50 cents, down 1 cent from last week, and down 5 cents from a year ago. Total yogurt ad numbers decreased 19% from last week. The organic - conventional half gallon milk price spread is \$1.86. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$1.64, and the average for organic half gallon milk, \$3.50.

APRIL MILK PRODUCTION (NASS): Milk production in the 23 major States during April totaled 16.6 billion pounds, up 1.7 percent from April 2014. Production per cow in the 23 major States averaged 1,928 pounds for April, 16 pounds above April 2014. This is the highest production per cow for the month of April since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.62 million head, 77,000 head more than April 2014, and 2,000 head more than March 2015.

MAY MILK SUPPLY AND DEMAND ESTIMATES (WAOB): Milk production for 2016 is forecast higher as improved forage availability and moderate feed costs are expected to support gains in milk per cow. Cow numbers are forecast slightly higher. Commercial exports on both a fat and skim-solids basis are forecast higher with a resumption of normal trade patterns. Imports are forecast lower as domestic production increases and demand from competing importers is higher. With stronger domestic demand and export, cheese, nonfat dry milk (NDM) and whey prices are forecast higher, but butter prices are forecast lower as strong NDM demand is expected to support relatively high levels of butter production. Both Class III and Class IV prices are forecast higher. The all milk price is forecast at \$17.45 to \$18.45 per cwt for 2016. Forecast milk production in 2015 is forecast lower than last month as drought in the West impacts milk per cow and growth in the cow herd is expected to be slower. Fat and skim-solids imports are raised on strong cheese demand. Fat basis exports are raised on better-than-expected March exports. Skim-solids exports are higher based on higher NDM and lactose shipments. Cheese,

NDM, and whey prices are forecast lower on weaker demand, but the butter price forecast is raised on strong demand. The Class III price is lowered on weaker cheese and whey prices. The Class IV price is lower as the stronger butter price is more than offset by the reduced prices for NDM. The milk price is forecast to average \$17.10 to \$17.60 per cwt.

APRIL FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY (FMMO): Handler reports of receipts and utilization under the Federal milk order system for April 2015 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During April, more than 9.8 billion pounds of milk were received from Federally pooled producers. This volume of milk is 5.9 percent lower than the April 2014 volume. Regulated handlers pooled 3.403 billion pounds of producer milk as Class I products, down 0.7 percent when compared to the previous year. Class I utilization decreased in 7 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 35%, Class II = 16%, Class III = 32%, and Class IV = 18%. The weighted average statistical uniform price was \$16.22 per cwt, up \$0.14 from last month but down \$8.72 from last year.

JUNE FEDERAL MILK ORDER ADVANCE PRICES (FMMO): Under the Federal milk order pricing system, the base Class I price for June 2015 is \$16.14 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$9.37 and the advanced butterfat pricing factor of \$2.0281. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price. The base Class I price increased \$0.31 per cwt when compared to the previous month of May 2015. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.28 per cwt, \$0.024 per gallon; reduced fat milk (2%), \$0.12 per cwt, \$0.010 per gallon; fat-free (skim milk), -\$0.08 per cwt, -\$0.007 per gallon. The advanced Class IV skim milk pricing factor is \$6.96. Thus, the Class II skim milk price for June 2015 is \$7.66 per cwt, and the Class II nonfat solids price is \$0.8511. The two-week product price averages for June 2015 are: butter \$1.8462, nonfat dry milk \$0.9489, cheese \$1.6520 and dry whey \$0.4443.

FEBRUARY MAILBOX MILK PRICES (AMS & CDFA): In February 2015, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.91 per cwt, down \$0.80 per cwt from the January 2015 average, and down \$8.00 per cwt from the February 2014 average. The component tests of producer milk in February 2015 were: butterfat, 3.84%; protein, 3.16%; and other solids, 5.74%. When compared to the previous month, the January Mailbox prices decreased in all 19 Federal milk order reporting areas with a simple average decrease of \$0.86 per cwt. Florida experienced the greatest decrease of \$1.78 per cwt. Mailbox prices in February 2015 ranged from \$19.55 in Florida to \$14.84 in New Mexico.

CME GROUP

MONDAY, MAY 18, 2015

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.6300; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6200; 1 CAR 40# BLOCKS @ \$1.6300; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6300; 1 CAR 40# BLOCKS @ \$1.6350
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8400; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.9300

TUESDAY, MAY 19, 2015

CHEESE -- SALES: 6 CARS BARRELS: 1 @ \$1.6200, 1 @ \$1.6175, 1 @ \$1.6200, 1 @ \$1.6175, 1 @ \$1.6150, 1 @ \$1.6125; 4 CARS 40# BLOCKS: 1 @ \$1.6300, 1 @ \$1.6375, 2 @ \$1.6300; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6200; 1 CAR 40# BLOCKS @ \$1.6350
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8975; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 4 CARS GRADE AA: 3 @ \$1.9000, 1 @ \$1.9025; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9050; LAST OFFER UNCOVERED: NONE

WEDNESDAY, MAY 20, 2015

CHEESE -- SALES: 4 CARS BARRELS: 2 @ \$1.6200, 1 @ \$1.6175, 1 @ \$1.6150; 2 CARS 40# BLOCKS: 1 @ \$1.6325, 1 @ \$1.6350; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6100; 1 CAR 40# BLOCKS @ \$1.6350; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6200
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.9100, 1 @ \$0.9075; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9100; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.9175; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9300; LAST OFFER UNCOVERED: NONE

THURSDAY, MAY 21, 2015

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.6150, 1 @ \$1.6200, 1 @ \$1.6175; 2 CARS 40# BLOCKS: 1 @ \$1.6375, 1 @ \$1.6500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6300; 1 CAR 40# BLOCKS @ \$1.6450
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.9300, 2 @ \$0.9150; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.9300; LAST OFFER UNCOVERED: NONE

FRIDAY, MAY 22, 2015

CHEESE -- SALES: 6 CARS BARRELS: 1 @ \$1.6300, 1 @ \$1.6275, 1 @ \$1.6350, 1 @ \$1.6250, 1 @ \$1.6225, 1 @ \$1.6200; 4 CARS 40# BLOCKS: 1 @ \$1.6550, 1 @ \$1.6600, 1 @ \$1.6550, 1 @ \$1.6500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6300
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8500; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9000
 BUTTER -- SALES: 8 CARS GRADE AA: 1 @ \$1.8900, 1 @ \$1.9200, 1 @ \$1.9175, 1 @ \$1.9200, 1 @ \$1.9175, 1 @ \$1.9200, 1 @ \$1.9150, 1 @ \$1.8900; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

An overall rise in churning is lending to moderate to heavy butter output. Active butter production will continue through the Memorial Day weekend for butter operations, as ice cream plant closings add to available cream supplies. Holdings of both salted and unsalted butter are building incrementally. Demand is light to moderate. 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 15-21, the national weighted average advertised price for 1-pound butter is \$2.89, up \$0.17 from a year ago. The Northeast regional price is \$3.15, a \$0.21 decrease from the previous week. In the Southeast butter is priced at \$2.86, an increase of \$0.36 compared to a week ago. Tuesday's CME Group cash trading saw Grade AA butter close at \$1.9050, down \$0.1250 from a week ago. After steady increases over the previous 5 weeks, the weekly average butter price is showing signs of retreating as butter prices trend lower this week.

CENTRAL

Most butter producers are at full capacity. Demand is still strong. Some contacts suggest that this is because bakeries and other end users are going back to using butter instead of other fat sources. Inventories are low and some manufacturers are content with that as they are selling this week what they anticipate they will make next week in order to keep butter moving. With the gap in domestic and international prices, butter imports are increasing. The drop in recent pricing at the CME Group has some manufacturers more at ease. Cream is available. Current cream supply is enough for butter as well as ice cream demand. Bulk butter prices remain at market to 6 cents over the market, based on the CME Group and various indices. According to the *DMN National Retail Report-Dairy*, for

May 15-21, the national weighted average advertised price for a 1 pound package of butter price is \$2.89, a 20 cent decrease from last week but 17 cents higher than a year ago. The Grade AA butter price at the CME Group closed Wednesday at \$1.9300, a 13 cent decrease from last Wednesday's close.

WEST

Western butter production appears to have slowed somewhat this week. Some manufacturers expressed a willingness to increase their cream sales as opposed to making more butter to add to inventories. Other butter manufacturers suggest the competition from ice cream producers for available cream have caused them to reduce their butter output. Industry contacts indicated manufacturers are watching butter pricing very closely before making storage determinations. The *National Retail Report - Dairy* for the week May 15-21, found that the U.S. weighted average advertised price of 1# butter is \$2.89, down \$.20 from the price one week ago but up \$.17 from one year ago. Retail prices for 1# butter in the Southwest have a weighted average advertised price of \$2.72 with a price range \$1.99-\$3.48, and in the Northwest, \$3.20 with a price range of \$2.49-\$3.99. 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. The Grade AA butter price at the CME Group on Wednesday closed at \$1.9300, down \$.1300 from a week ago.

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

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Apr. Quota Imports	2.4	+ 78	16
Jan. - Apr. High Tier Quota Imports	2.4 8.4	+2145 + 70	N.A. 55

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 16, 2015	1,8767 3,805,702	1,6271 13,438,715	1,6669 9,736,593	4,542 6,834,322	.9557 20,531,068

Further data and revisions may be found on the internet at: <http://www.ams.usda.gov/AMSv1.0/DairyProductMandatoryReporting>

CHEESE MARKETS

NORTHEAST

Cheese production is mostly steady as seasonal milk output inches closer to peak levels. Inventories, particularly aged cheddar, continue to build. Cheese sales are active in retail and food service markets as the upcoming Memorial Day weekend encourages interest. Demand for spot loads of cheese is fair. This week, Northeast wholesale cheese prices are mixed with cheddar and muenster increasing \$0.0050, but process 5# sliced decreased \$0.0050. Grade A Swiss price is steady. According to the DMN *National Retail Report-Dairy*, for May 15-21, the national weighted average advertised price for 8 oz. cheese blocks in the Northeast is \$2.45, 6 cents more than the national average and 19 cent more than a week ago. The Southeast 8 oz. block cheese price was \$2.71, 25 cents more than the previous week. Tuesday's CME Group daily cash price saw barrels close at \$1.6125, down \$0.0250 from a week ago; blocks closed at \$1.6300, up \$0.0175 from a week ago.

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

Cheddar 40# Block	:	2.0125-2.2975
Process 5# Sliced	:	1.8475-2.3275
Muenster	:	2.0325-2.3825
Grade A Swiss Cuts 10 - 14#	:	3.1725-3.4950

MIDWEST

Milk volumes being utilized by many Midwest cheese plants this week have reached all time high levels for this year, even up from recent weeks which have had high volumes. In the Central region and Wisconsin in particular, the volume of milk reaching cheese plants has resulted some running 7 days a week every other week to keep up with contracted orders, with existing sales contracts extending weeks into the future. There is a feeling among workers at some plants of "hanging on", striving to simply cope with the relentless pressure of high daily milk intakes and keep going until the flush begins to fade away, the flood of milk slows, and schedules can be eased. Many plants will be in operation on Memorial Day, while some are trying to close Sunday or mid-day Saturday as shifts end, to give workers a break. There are plants with enough milk availability and buyer interest that production schedules could be set for 7 days a week, but they only run six days because not enough workers are available to staff a 7 day operation. Cheese sales are good all over the region and that applies to the range of varieties offered by plants. No indication was heard of plants facing difficulties in finding buyers for the volumes of cheese being manufactured. Memorial Day often marks the approximate point where increasing milk production slows, before beginning to decline. So far this week, there is no sign that the tide has turned yet. Surplus milk is being shopped around at prices reaching \$4.00 below Class midweek and \$5.00 below Class over the holiday weekend. Surplus milk is already being shopped for delivery in June, also \$5.00 under Class for multiple loads. Some of the surplus milk volumes are resulting not only from the flush, but from the ending of school year fluid milk contracts, which then leaves processors with that milk to find other customers for. This phenomenon may counterbalance the impact on cheese plant milk availability of any decline in milk production in coming weeks, if the flush begins to recede then. With many cheese plants already having very full schedules, sellers typically have to work to find a plant with capacity to absorb surplus milk. In part of the region, surplus milk is reportedly being dumped because no buyers can be found. There are indications that the recent heavy demand for cheese barrels has eased, with large orders driving the

demand being close to being filled. The *National Retail Report - Dairy* (DMN) found that May 15-21 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.26, 17 cents lower than the national average, \$2.43. Midwest prices range from \$1.25 - \$2.99. One year ago the national average price was \$2.52. For 8 ounce blocks, the Midwest average price is \$2.43, 4 cents higher than the national average price, \$2.39. Midwest ads are priced from \$1.50 to \$2.99. One year ago the national average price was \$2.48. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese decreased \$.0050, Swiss is unchanged, and the remaining varieties increased \$.0050. In CME Group trading Wednesday, Barrels closed at \$1.6150, up \$.0050 from last Wednesday and Blocks closed at \$1.6350, up \$.0225 from last Wednesday.

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

Process American 5# Loaf	:	1.7300-2.0900
Brick And/Or Muenster 5#	:	1.9925-2.4175
Cheddar 40# Block	:	1.7200-2.1150
Monterey Jack 10#	:	1.9675-2.1725
Blue 5#	:	2.2600-3.2475
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7925-2.7325
Grade A Swiss Cuts 6 - 9#	:	2.6900-2.8075

WEST

Ample milk production has been driving steady cheese output in the West. There appears to be firm contract sales. However, some industry participants note an increasing desire by manufacturers to offer spot loads of cheese, possibly to keep inventories in check. Completed spot transactions have been limited as buyers focus on immediate needs and hold some expectation that prices may soften slightly. The DMN *National Retail Report-Dairy* for the week of May 15 - 21 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.43, up \$.04 from last week but down \$.09 from a year ago. Packs averaged \$2.18 in the Southwest and \$1.83 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.39, no change from last week but down 9 cents from a year ago. Blocks in the Southwest averaged \$1.97 and in the Northwest, \$1.83. Western wholesale prices are down \$.0050 for process, no change for Swiss cuts, and up \$.0050 all other types. In CME Group trading Wednesday, Barrels closed at \$1.6150, up \$.0050 from last Wednesday and Blocks closed at \$1.6350, up \$.0225.

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

Process 5# Loaf	:	1.7450-2.0025
Cheddar 40# Block	:	1.7250-2.1700
Cheddar 10# Cuts	:	1.9050-2.1250
Monterey Jack 10#	:	1.9150-2.0750
Grade A Swiss Cuts 6 - 9#	:	2.7500-3.1800

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CHEESE MARKETS

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FOREIGN

Prices for domestic foreign type cheese moved higher this week, while imports and Swiss prices held steady. Demand for all varieties of imported and domestic foreign type cheese continues to be fairly good with supplies readily available. The weak euro, compared to the US dollar, is largely responsible for the increase of cheese imports into the US. Imports of high tier and quota Italian-type cheese from January through April 2015 totaled 10.4 million pounds, up 54% compared to last year. Imports of quota Italian-type cheese for April totaled 1.3 million pounds, 70% higher than last year. Imports of high tier and quota Swiss/Emmenthaler varieties from January through April 2015 totaled 16.9 million pounds, 22% more than last year. Imports of quota Swiss/Emmenthaler for April totaled 4.1 million pounds, 29% higher than last year.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.1525-3.6400*
Gorgonzola	: 3.6900-5.8900	: 2.6600-3.3575*
Parmesan (Italy)	: -0-	: 3.5425-5.6325*
Provolone (Italy)	: -0-	: 2.1950-2.4475*
Romano (Cows Milk)	: -0-	: 3.3425-5.4925*
Sardo Romano (Argentine)	: 2.8500-4.9300	: -0-
Reggianito (Argentine)	: 3.2900-4.9300	: -0-
Jarlsberg-(Brand)	: 2.9500-6.4500	: -0-
Swiss Cuts Switzerland	: -0-	: 3.2700-3.5925
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

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

	BUTTER	CHEESE
05/11/15	17,579	100,753
05/01/15	13,685	100,609
CHANGE	3,894	144
% CHANGE	28	0

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

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Apr. Quota Imports	16.2	+ 34	5
Jan. - Apr. High Tier	11.6	+ 22	N.A.
Quota Imports	59.8	+ 27	20

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	120	0	105	0	120
SOUTHEAST STATES	0	10	0	4	0	0

Milk volumes are at/near peak levels leading into the Memorial Holiday weekend. Manufacturers and milk handlers are experiencing significant challenges, with the capacity to process those loads at the forefront of concerns. Driver availability is limited, and milk tankers are delayed for hours unloading in some instances. Manufacturers report production efforts could potentially be compounded, due to lighter schedules over the holiday by others in the processing chain. Northeast and Mid-Atlantic balancing plants are operating at full capacity. Class I demand is steady to lower with school closings still in process. Southeast manufacturing plants are busy as seasonally heavy milk volumes peak. Bottling plants decreased their orders with dips in Class I demand. Milk exports totaled 10 f.o.b. spot loads compared to 4 the previous week. Florida's milk production is steady. Temperatures vary between the high 80s to low 90s, with humidity on the rise. Class 1 sales are steady but a downturn can be expected as remaining schools close. Milk export shipments totaled 120 f.o.b. spot loads, 15 more than the previous week. According to the DMN *National Retail Report-Dairy*, for May 15-21, the national weighted average advertised price for a gallon of milk was \$2.72, an \$0.18 decline from last year, but a \$0.10 increase from last week. Cream is readily available. The bulk of **cream multiples for all Classes** ranged **1.11-1.28**. With good demand and timing of acquisition, the upper end of the range increased slightly compared to last week. Cream usage is steady for processing cream cheese. Ice cream demand, although good, is expected to see a slight downturn over the course of the Memorial Holiday. At the CME Group, Grade AA butter closed Wednesday at \$1.9300, down \$0.1300 from a week ago. **Condensed skim** supplies are moving primarily through contracts, with very little spot sale activity. Market participants see supplies as somewhat burdensome, as they look for homes for surplus loads. Loads are being cleared with discounts through agreements with contractual customers. Heavy drying activity is steady, adding to the shrinking of supplies.

MILK PRODUCTION: According to NASS, milk production in the 23 major states during April 2015 totaled 16.6 billion pounds, up 1.7% from one year ago. Eastern states' milk production are as follows:

April 2015 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago	
Florida	237	+	3.0
New York	1,157	+	1.9
Pennsylvania	930	+	2.8
Vermont	222		NC
Virginia	154		NC

MIDWEST

Milk production in the Central region is up as the spring flush is in full swing. Sources report that some milk is being put on the ground. Current spot sales are at \$2 to \$5 under Class, with some reports showing as much as \$8 under. This may continue to go lower as the holiday approaches and plants want to find a home for excess milk. Bottling demand is slowing as more educational institutions let out for summer. The upcoming holiday will have a negative effect on demand for Class I, but orders for Class II picked up slightly in recent weeks, but have now tapered. **Cream multiples are steady to lower this week, ranging from 1.18 to 1.26.** Cream supplies are plentiful. Demand is strong as ice cream and butter producers are reporting to have ample supplies. Sales are up slightly. The DMN *National Retail Report-Dairy* for the week of May 15-21, noted the national weighted average advertised price for one gallon of milk was \$2.72, up \$0.10 from a week ago but \$0.18 lower from a year ago. The weighted average price in the Midwest region was \$2.60, with a range of \$1.99-3.50. The weekly *Cow Slaughter under Federal Inspection* report shows U.S. dairy cow slaughter for the week ending May 2, at 52,800 head, 4,200 head more than the comparable week a year ago. The NASS *Milk Production* report noted April milk production in the 23 selected states was 16.6 billion pounds, 1.7% above a year ago. The following shows Central states included in the report and the production changes compared to a year ago: Illinois, +3.1%; Indiana, +3.4%; Iowa, +5.9%; Kansas, +6.8%; Michigan, 6.5%; Minnesota, +2.7%; Ohio, +1.1%; South Dakota, +9.8%; Texas, +0.9% and Wisconsin, +4.0%. Milk cows in the 23 selected states totaled 8.624 million head in April, 77,000 head more than a year ago.

WEST

CALIFORNIA producers indicate a decline in milk production due to poor feed quality. Class 1 demand is mixed. Last week it was down, this week is slightly up. Finding trucking to haul milk from plant to plant continues to be an issue. ARIZONA milk production continues to decline as the weather is warmer. With the holiday weekend approaching, some manufacturers are looking for other homes for milk in order to complete maintenance projects or give employees time off. NEW MEXICO milk intakes are slightly lower this week, but are expected to increase next week. Bottling is lower due to some plants shutting down for maintenance issues. There were also some unexpected delays which led to lower processing. There has been no out of state spot CREAM coming into California. Manufacturers are using available cream for a variety of products. Price ranges for spot cream are floating around \$.35 per pound solids over Class. Cream supplies are flat to slightly down. Multiples are steady this week, ranging from 1.24 to 1.30. Buyers/end users balked at some cream spot loads priced above this range. At the CME Group, Grade AA butter closed Wednesday at \$1.9300, down \$.1300 compared to a week earlier. Industry contacts suggest PACIFIC NORTHWEST milk production is beginning to plateau. Manufacturers and bottlers continue to report adequate milk intakes to meet production needs. The upcoming holiday weekend and end of school terms are expected to also increase milk available to processing in the near future. Currently, there have not been any indications of weather or feed issues impacting milk production. However, dairy market participants are concerned about the lack of snow pack providing water for crops and livestock. The Governor of the State of Washington declared a statewide drought emergency on May 15, 2015. IDAHO and UTAH milk is still readily available. Recent rains may have helped improve the water levels stored in area reservoirs, but dairy contacts are concerned about the lack of snow pack reducing available water for the coming summer. According to NASS, *April Milk Production* for the 23 selected states totals 16.6 billion pounds, 1.7% higher than one year ago. April milk production changes from one year ago for selected Western states are as follows: Arizona +2.4%, California -2.1%, Colorado +6.1%, Idaho +2.4%, New Mexico -1.4%, Oregon -0.9%, Utah +5.6% and Washington +0.5%.

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 - 2.2376-2.5804

F.O.B. producing plants: Upper Midwest - 2.3789-2.5402

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS, F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices - .77-.95

Northeast - Class III - spot prices - .70-.95

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 for low/medium heat were mostly steady this week. Production remains active as manufacturers are choosing to make NDM over other dry products. Inventory levels are high. There have been reports of end users wanting larger volumes of product at current pricing levels. End users are reporting that the CME Group based pricing is the most desirable right now. High heat prices were also steady to lower. Production is lower as manufacturers are using dryers to make other dry products.

EAST: Low heat nonfat dry milk prices are lower for the mostly series. Regional drying operations are handling heavier condensed skim volumes, leading to increased production of low heat nonfat dry milk. With increases in production, inventories are growing steadily. Buyers are continuing to defer purchases around their immediate needs, in anticipation of a softer market as milk supplies increase. High heat nonfat dry milk prices moved lower at the top of the range. Supplies are noted as tight as low heat drying schedules constrain high heat nonfat dry milk production. Some manufacturers are comfortable with current inventory levels, and are expected to limit high heat production as those volumes satisfy contractual obligations into Q3. Although in limited proportion, high heat is trading in the spot market. Buyers expect offers will become harder to find as milk production closes in on the peak. The market undertone is steady.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .9100 - 1.0200 MOSTLY: .9300 - .9900
 HIGH HEAT: 1.0500 - 1.2000

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are steady to lower this week. There were reports of some increased buying where prices were at discounted levels. Export sales are steady. Production is mainly active as milk is available. Inventory levels are mixed as some producers are concerned about the decline in milk supply. High heat nonfat dry milk prices are unchanged on light activity. Production is sporadic as manufacturers use dryers for other products.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .9000 - 1.0000 MOSTLY: .9250 - .9800
 HIGH HEAT: 1.0200 - 1.1900

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

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
March Total	121.3	+ 7
TOTAL, JAN - FEB	276.9	- 1
1 Mexico	132.8	+ 49
2 Philippines	34.1	- 14
3 Indonesia	17.1	- 30
4 China	16.6	- 51
5 Pakistan	14.7	+ 2,387

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central buttermilk prices were steady. Manufacturers are reporting a constant demand for contracted dry buttermilk. Ice cream manufacturers are at or near full production and are buying at increased levels. Dry buttermilk supplies are sufficient for current demand. Reports suggest a soft market.

EAST: Eastern dry buttermilk prices are unchanged. Dry buttermilk production is steady to higher as churning rates for the region climb, paralleling available cream supplies. Limited interest from buyers is facilitating the growth of producers' dry buttermilk inventories. While the majority of transactions are occurring through agreements, spot sales are sluggish. The market undertone is steady.

F.O.B. CENTRAL/EAST: .8000 - 1.0500

DRY BUTTERMILK - WEST

Western dry buttermilk prices are mostly steady to lower. Dry buttermilk is plentiful in the West. Some manufacturers indicate a weak market. Even though ice cream manufacturers are pulling heavy, stocks are building.

F.O.B. WEST: .7800 - .8950 MOSTLY: .8000 - .8750

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are unchanged. Manufacturers report that older product is available. Discounting pricing is scarce as manufacturers do not want to take a loss at this point.

F.O.B. PRODUCING PLANT: 1.1800 - 1.5400

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
May 15	\$.9651	11,582,244
May 8	\$.9277	14,076,508

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 were mainly lower this week. Whey production is steady. Contract orders are being fulfilled. There were some end users who bought heavy earlier and are now entering the spot market again. Some manufacturers are storing product as they take a wait-and-see approach for higher pricing. There have been several spot offers, but few spot sales this week. Animal feed whey prices were steady to lower. Demand is steady to light. Production is sporadic with some food grade producers using start-up and shut-down product.

F.O.B. CENTRAL: .3600 - .4875 MOSTLY: .3800 - .4350
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2200 - .3150

DRY WHEY - NORTHEAST

Dry whey prices are lower due to declines in spot prices and various indices. Dry whey production parallels regional heavy cheese output. Existing obligations are being delayed by some buyers with the availability of promising resale offers. Spot transactions are light. Export sales are sluggish, prompted by competitive international pricing. The market undertone is weak. The Foreign Agricultural Service (FAS), reports that March 2015 U.S. dry whey exports totaled 39.0 million pounds, a 24% decrease from a year ago.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4000 - .4850

DRY WHEY - WEST

Western whey prices were steady to lower this week. The top of the mostly moved lower 1 cent. Industry contacts note that although food grade whey may be tight in some locations, product is generally available and a few spot sales have been made. Some off spec whey continues to enter the market. Buyer interest remains subdued in making purchases and is focused mostly on filling immediate needs. There is a generally bearish view of market prices and without renewed buyer activity, no impetus for the market to strengthen in the near future.

NONHYGROSCOPIC: .3950 - .4900 MOSTLY: .4100 - .4400

U.S. Dry Whey Exports, H.S. Code 0404104000(FAS)

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
March Total	39.0	- 24
TOTAL, JAN - MAR	100.1	- 26
1 China	27.3	- 37
2 Canada	11.9	- 9
3 Mexico	10.8	- 24
4 Philippines	9.7	+ 73
5 Korea, South	6.9	+ 94

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are unchanged. Demand from some export buyers is very strong, leaving manufacturers with contract and spot sale relationships with those export buyers behind in production schedules. Other manufacturers are actively seeking to reduce inventories or slow the increase, and they reflect that in pricing. Domestic spot market supplies are readily available from multiple sources. Production is active in many plants, which leads to building inventories.

F.O.B. EXTRA GRADE 34% PROTEIN: .8000 - 1.0650 MOSTLY: .8200 - 1.0000

U.S. WPC ≤ 80% Exports, H.S. Code 0404100500(FAS)

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
March Total	17.0	- 31
TOTAL, JAN - MAR	45.0	- 26
1 China	10.3	- 56
2 Mexico	8.6	- 14
3 Canada	8.1	- 7
4 Japan	2.8	+ 43
5 Indonesia	2.8	+ 13

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged. The production/supply situation is mixed, often depending on whether a manufacturer is more heavily focused on the export or domestic market. U.S. lactose production is steady to higher. Milk volumes are nearing peak production in many areas and particularly the Midwest, where discounted spot milk is available. This is keeping cheese production at high levels which is also reflected in higher lactose production. Even so, some manufacturers with significant contractual export obligations and very full production schedules continue to experience production lagging preferred output timing. The higher export interest keeps inventories low to sold out at these plants. In contrast, some domestic buyers find supplies plentiful, with product available and spot sales occurring which is helping some manufacturers interested in reducing inventories.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1700 - .3100 MOSTLY: .2000 -.2700

U.S. Lactose Exports, H.S. Code 1702110000(FAS)

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
March Total	51.9	+ 8
TOTAL, JAN - MAR	124.1	- 1
1 China	21.1	+ 42
2 New Zealand	18.6	- 21
3 Mexico	15.5	+ 9
4 Singapore	10.7	+ 114
5 Japan	8.2	- 20

CONTINUED ON PAGE 6A

WHEY, WPC 34%, LACTOSE & CASEIN

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

CONTINUED FROM PAGE 6**CASEIN - NATIONAL**

Casein prices remained unchanged this week. Demand is light and supplies are readily available. Negotiations are ongoing for Q3 with buyers shopping for lower prices, but in no hurry to finalize transactions. Some buyers are hinting they may expand Q3 volumes and carry supplies into Q4. At the May 19 GDT event 140, the average winning price for rennet casein for all contract periods decreased 0.4% to \$6,067/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

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
05/02/2015	52.8	1,066.7	48.6	1,027.4

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

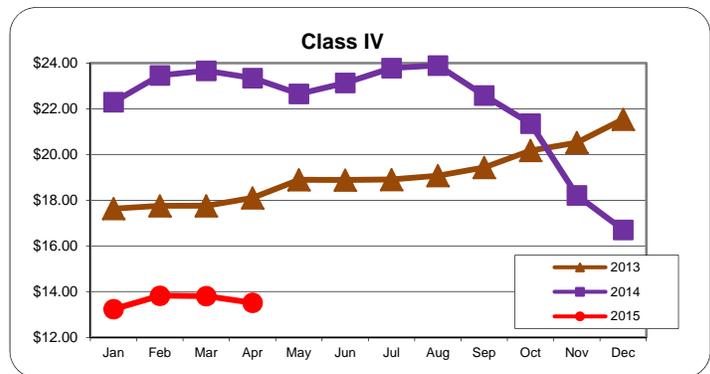
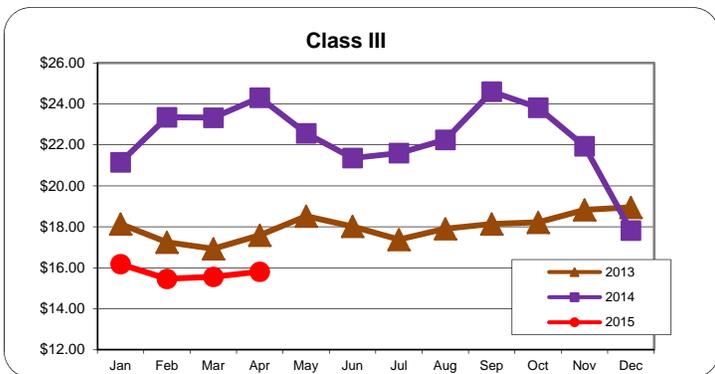
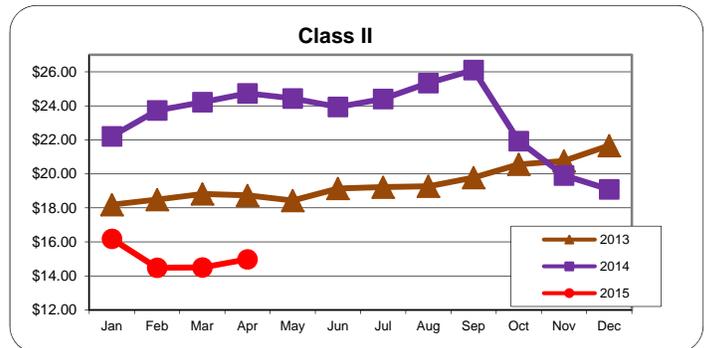
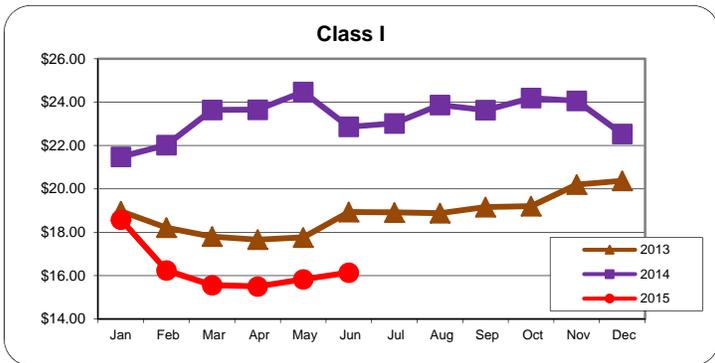
CLASS IV MILK PRICES (3.5%)

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	16.14						
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 May 11 - 22, 2015

ORGANIC DAIRY FLUID OVERVIEW

Northeast and Middle Atlantic Organic Dairy Data. Newly developed data concerning organic milk production, processing and movements in a region with a significant number of organic dairy producers, encompassing Vermont, New Hampshire, Massachusetts, Connecticut, Delaware, New Jersey, Rhode Island, the District of Columbia, plus most of New York and Maryland as well as part of Pennsylvania, Virginia, and West Virginia, has been released for the first time. The data was compiled by Federal Order No. 1, which encompasses the Northeast Marketing Area.

During the period 2010 - 2014 when organic milk production and consumption nationally has been trending up, numbers of organic producers delivering milk to plants in the region that was pooled, has declined.

**Organic Producers by State/Area Pooling
Organic Milk in Order No. 1**

State/Area	2010	2011	2012	2013	2014
MA	65	56	54	49	51
NY	353	356	361	354	341
PA	267	254	265	255	249
VT	160	156	148	142	132
Other Northeast*	20	21	20	18	19
IN	33	33	27	44	37
MI	29	29	29	28	15
OH	75	97	94	94	89
Other Not NE**	6	2	0	0	0
Total	1,008	1,004	998	984	933

*CT, DE, MA, MD, NH, NJ, RI, and WV

**KY, MN, NC, and WI

Order 1 also reports that sales of organic dairy products moving out of the area have varied in recent years. Data now available for specific years and the volume leaving the area follows: 2010, 148.8 million pounds; 2013, 187.5 million pounds; 2014, 154 million pounds. For sales going out of the marketing area, reduced fat products account for a higher proportion: 82% in 2010; 83% in 2013; and 76% in 2014.

Data collected between 2010 and 2014 shows the average butterfat test for organic milk pooled on the order to be about .18% percentage points higher than conventional milk. Protein levels for each were similar.

**Annual Average Organic Component Tests
by Milk Type In Order 1**

Milk Type	Average Butterfat Test					
	2010	2011	2012	2013	2014	2010-14
Conventional	3.69	3.72	3.72	3.76	3.77	3.73
Organic	3.75	3.92	3.91	3.95	4.00	3.91

Milk Type	Average Protein Test					
	2010	2011	2012	2013	2014	2010-14
Conventional	3.05	3.06	3.05	3.08	3.07	3.06
Organic	2.92	3.07	3.08	3.10	3.09	3.05

Last year the increase in sales of organic dairy products in the Order 1 area led the national increase. Total U.S. sales of organic dairy products for 2014, 2,474 million pounds, increased 9.2% from 2013. Total sales of organic dairy products in the area, 530.4 million pounds, increased 10.3%. Order 1 sales of organic dairy products comprised 21.4% of total U.S. sales.

Prices and Markets. Midwestern customers for organic whey or other organic proteins are having some difficulty in securing sources

this week. Contacts are being asked for help in suggesting possible sources. A prospective buyer of organic lactose has been quoted prices above \$2.00 a pound.

ORGANIC DAIRY RETAIL OVERVIEW

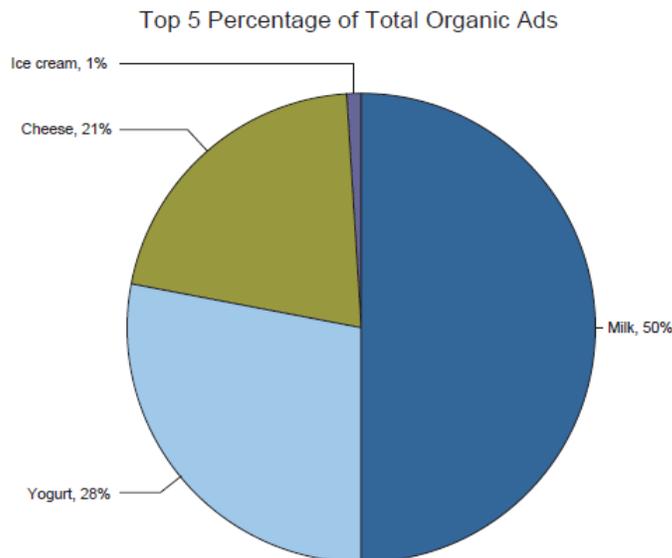
NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy ad numbers are up from recent weeks to the second highest level of 2015. Organic milk ad numbers are the second highest of the year.

Organic milk accounts for 50% of organic dairy ads, organic yogurt 28%, organic cheese 21%, and organic ice cream 1%.

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from May 22 to May 28, 2015, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is \$3.50, down 33 cents from the last week. One year ago the price was \$3.23.



Ads appeared in all regions, except the Northwest and Alaska. Prices range from \$2.99 in the Southeast, Midwest and South Central regions, to \$7.49 in Hawaii.

Organic Milk Gallons. The U.S. weighted average advertised price of organic milk gallons is \$5.78, down 40 cents. One year ago the price was \$5.99. Prices range from \$5.29 in the Northwest to \$6.19 in the South Central and Southwest regions.

8 Ounce Organic Milk. Organic milk in 8 ounce containers has a U.S. weighted average price of \$1.06, up 6 cents from last week and from one year ago.

Organic Cheese. Organic cheese ad numbers are nearly double the weekly average 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 also \$3.99. Ads appeared in the South Central, Southwest and Northwest regions.

ORGANIC DAIRY MARKET NEWS

Information gathered May 11 - 22, 2015

CONTINUED FROM PAGE -8 -

Organic Yogurt. The U.S. weighted average price of 4-6 ounce organic Greek yogurt is \$1.31, up 31 cents from last week and up 28 cents from one year ago. Ads appeared in all regions except the Midwest, Alaska and Hawaii.

48-64 Oz. Organic Ice Cream. Organic ice cream in 48-64 oz. containers has a U.S. average price of \$5.49, with all ads in the Northwest. There were no ads last week or one year ago.

Organic Grain and Feedstuff Markets. Organic grain prices are trading in similar ranges and trending steady compared to previously reported values. Spot market activity has been slow to moderate for all organic grains. Demand is light to moderate, with many producers focusing on planting. Buyers are generally content with current contracts and inventories. Some processors indicate good movement to end users.

National Organic Feed Prices

		<u>Price</u>	<u>Average</u>
Organic Corn	Feed Yellow	11.00 – 13.75	12.84
Organic Soybeans	Feed Grade	23.20 – 25.25	24.32
Organic Wheat	Feed Grade HRW	12.60 – 12.60	12.60

Prices spot market, FOB farm, weighted average, \$/bushel

Source: USDA Organic Livestock, Poultry and Grain Market News

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

April Milk Production

Milk production in the 23 major States during April totaled 16.6 billion pounds, up 1.7 percent from April 2014. March revised production at 16.9 billion pounds, was up 1.3 percent from March 2014. The March revision represented an increase of 30.0 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,928 pounds for April, 16 pounds above April 2014. This is the highest production per cow for the month of April since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.62 million head, 77,000 head more than April 2014, and 2,000 head more than March 2015.

April 2015 Milk Cows and Milk Production, by States

State	Milk Cows ¹		Milk per Cow ²		Milk Production ²		
	2014	2015	2014	2015	2014	2015	Change from 2014
	<i>(thousands)</i>		<i>(pounds)</i>		<i>(million pounds)</i>		<i>(percent)</i>
AZ	192	195	2,210	2,225	424	434	2.4
CA	1,780	1,778	2,065	2,025	3,676	3,600	-2.1
CO	143	145	2,080	2,170	297	315	6.1
FL	123	125	1,870	1,895	230	237	3.0
ID	572	584	1,995	2,000	1,141	1,168	2.4
IL	94	95	1,725	1,760	162	167	3.1
IN	176	181	1,845	1,855	325	336	3.4
IA	206	212	1,880	1,935	387	410	5.9
KS	140	145	1,885	1,945	264	282	6.8
MI	383	403	2,060	2,085	789	840	6.5
MN	460	459	1,660	1,710	764	785	2.7
NM	323	323	2,135	2,105	690	680	-1.4
NY	615	617	1,845	1,875	1,135	1,157	1.9
OH	267	268	1,720	1,730	459	464	1.1
OR	125	125	1,770	1,750	221	219	-0.9
PA	531	530	1,705	1,755	905	930	2.8
SD	97	103	1,785	1,840	173	190	9.8
TX	460	462	1,930	1,940	888	896	0.9
UT	95	96	1,895	1,975	180	190	5.6
VT	131	131	1,695	1,695	222	222	---
VA	93	92	1,660	1,670	154	154	---
WA	272	277	2,040	2,015	555	558	0.5
WI	1,269	1,278	1,815	1,875	2,303	2,396	4.0
23 State Total	8,547	8,624	1,912	1,928	16,344	16,630	1.7

¹ Includes dry cows. Excludes heifers not yet fresh.

² Excludes milk sucked by calves.

--- represents zero.

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

May Milk Supply and Demand Estimates

Milk production for 2016 is forecast higher as improved forage availability and moderate feed costs are expected to support gains in milk per cow. Cow numbers are forecast slightly higher. Commercial exports on both a fat and skim-solids basis are forecast higher with a resumption of normal trade patterns. Imports are forecast lower as domestic production increases and demand from competing importers is higher. With stronger domestic demand and export, cheese, nonfat dry milk (NDM) and whey prices are forecast higher, but butter prices are forecast lower as strong NDM demand is expected to support relatively high levels of butter production. Both Class III and Class IV prices are forecast higher. The all milk price is forecast at \$17.45 to \$18.45 per cwt for 2016. Forecast milk production in 2015 is forecast lower than last month as drought in the West impacts milk per cow and growth in the cow herd is expected to be slower. Fat and skim-solids imports are raised on strong cheese demand. Fat basis exports are raised on better-than-expected March exports. Skim-solids exports are higher based on higher NDM and lactose shipments. Cheese, NDM, and whey prices are forecast lower on weaker demand, but the butter price forecast is raised on strong demand. The Class III price is lowered on weaker cheese and whey prices. The Class IV price is lower as the stronger butter price is more than offset by the reduced prices for NDM. The milk price is forecast to average \$17.10 to \$17.60 per cwt.

U.S. Milk Supply and Use					
Commodity	2014	2015 Projected		2016 Projected	
		Apr	May	Apr	May
<i>(billion pounds)</i>					
Milk					
Production	206.0	210.0	208.6	N/A	213.6
Farm Use	1.0	1.0	1.0	N/A	1.0
Fat Basis Supply					
Beginning Commercial Stocks	11.2	11.2	11.2	N/A	11.3
Marketings	205.1	209	207.6	N/A	212.6
Imports	4.3	4.4	4.8	N/A	4.3
Total Commercial Supply	220.6	224.6	223.6	N/A	228.3
Fat Basis Use					
Commercial Exports	12.5	10.7	10.8	N/A	11.5
Ending Commercial Stocks	11.2	11.4	11.3	N/A	11.8
CCC Donations	0.0	0.0	0.0	N/A	0.0
Domestic Commercial Use	196.9	202.5	201.5	N/A	205.0
Skim-Solid Basis Supply					
Beginning Commercial Stocks	11.7	13.1	13.1	N/A	12.5
Marketings	205.1	209	207.6	N/A	212.6
Imports	5.6	5.5	5.7	N/A	5.6
Total Commercial Supply	222.3	227.6	226.4	N/A	230.7
Skim-Solids Basis Use					
Commercial Exports	39.2	36.5	37.8	N/A	39.1
Ending Commercial Stocks	13.1	12.9	12.5	N/A	12.9
CCC Donations	0.0	0.0	0.0	N/A	0.0
Domestic Commercial Use	170.1	178.2	176.2	N/A	178.8

NOTE: Totals may not add due to rounding.

Continued on page 11

May Milk Supply and Demand Estimates-cont'd

U.S. Dairy Prices					
Commodity	2014	2015 Projected		2016 Projected	
		Apr	May	Apr	May
<i>(dollars per pound)</i>					
Product Prices ¹					
Cheese	2.1551	1.625-1.675	1.615-1.665	N/A	1.610-1.710
Butter	2.1361	1.705-1.785	1.810-1.890	N/A	1.725-1.855
Nonfat Dry Milk	1.7682	1.090-1.130	1.025-1.065	N/A	1.215-1.285
Dry Whey	0.6538	0.490-0.520	0.475-0.505	N/A	0.515-0.545
<i>(dollars per cwt)</i>					
Milk Prices ²					
Class III	22.34	16.20-16.70	16.05-16.55	N/A	16.20-17.20
Class IV	22.09	14.45-15.05	14.35-14.95	N/A	15.60-16.70
All Milk ³	23.97	17.10-17.60	17.10-17.60	N/A	17.45-18.45
Quarterly					
	2015 I	2015 II ⁴	2015 III ⁴	2015 IV ⁴	2016 I ⁴
<i>(billion pounds)</i>					
Milk Production	51.9	53.5	51.5	51.7	53.1
<i>(dollars per cwt)</i>					
All Milk Price ^{2,3}	17.00	16.40-16.70	17.20-17.80	17.90-18.80	17.25-18.25
Class III Price ²	15.73	15.95-16.25	16.10-16.70	16.50-17.40	15.80-16.80
Class IV Price ²	13.62	13.85-14.25	14.70-15.40	15.45-16.45	14.80-15.90

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

Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-541, May 12, 2015*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Uthra Raghunathan, AMS; Paul Kiendl, FAS; Jerry Cessna, ERS; and Milton Madison, FSA].

Federal Milk Order Marketing and Utilization Summary, April 2015

Highlights. Handler reports of receipts and utilization under the Federal milk order system for April 2015 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During April, more than 9.8 billion pounds of milk were received from Federally pooled producers. This volume of milk is 5.9 percent lower than the April 2014 volume. Regulated handlers pooled 3.403 billion pounds of producer milk as Class I products, down 0.7 percent when compared to the previous year. Class I utilization decreased in 7 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 35%, Class II = 16%, Class III = 32%, and Class IV = 18%. The weighted average statistical uniform price was \$16.22 per cwt, up \$0.14 from last month but down \$8.72 from last year.

Price and Pool Statistics for Federal Milk Order Marketing Areas for the Month of April 2015

Federal Milk Order Marketing Area ¹	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I		Utilization of Producer Milk in All Classes ³				Uniform Price ²
		Total	Change from Prev. Year	Total	Change from Prev. Year	Class I	Class II	Class III	Class IV	
		<i>(million lbs)</i>	<i>(percent)</i>	<i>(million lbs)</i>	<i>(percent)</i>	<i>(percent)³</i>				<i>(\$ per cwt)</i>
Northeast (Boston)	001	2,204.5	2.4	723.1	-2.3	33	24	24	20	16.51
Appalachian (Charlotte)	005	487.7	-1.2	318.1	3.5	65	17	4	14	17.64
Florida (Tampa)	006	234.8	-0.6	195.5	-1.8	83	10	2	4	19.98
Southeast (Atlanta)	007	462.7	-6.7	327.3	0.1	71	13	8	8	18.33
Upper Midwest (Chicago)	030	2,287.3	-13.3	292.0	-2.4	13	8	74	5	15.84
Central (Kansas City)	032	1,109.0	-9.6	400.9	-0.3	36	13	32	19	15.62
Mideast (Cleveland)	033	1,492.6	5.1	511.4	-0.1	34	22	25	18	15.70
Pacific Northwest (Seattle)	124	469.0	-19.0	162.7	-3.4	35	9	5	51	14.86
Southwest (Dallas)	126	670.0	-15.9	361.5	-0.9	54	15	3	28	16.47
Arizona (Phoenix)	131	425.0	1.2	110.1	2.7	26	10	20	44	15.25
All Market Average or Total		9,842.5	-5.9	3,402.6	-0.7	35	16	32	18	16.22

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

² Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

³ Totals may not add to 100 percent due to rounding.

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

Federal Milk Order Advance Prices, June

Base Class I Price: Under the Federal milk order pricing system, the base Class I price for June 2015 is \$16.14 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$9.37 and the advanced butterfat pricing factor of \$2.0281. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price.

Comparison to Previous Month: The base Class I price increased \$0.31 per cwt when compared to the previous month of May 2015. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.28 per cwt, \$0.024 per gallon; reduced fat milk (2%), \$0.12 per cwt, \$0.010 per gallon; fat-free (skim milk), -\$0.08 per cwt, -\$0.007 per gallon.

Class II Price Information: The advanced Class IV skim milk pricing factor is \$6.96. Thus, the Class II skim milk price for June 2015 is \$7.66 per cwt, and the Class II nonfat solids price is \$0.8511.

Product Price Averages: The two-week product price averages for June 2015 are: butter \$1.8462, nonfat dry milk \$0.9489, cheese \$1.6520 and dry whey \$0.4443.

Federal Milk Order Class I Price Information ^{1,2}				
Federal Milk Order Marketing Area ³	Order Number	June 2015		
		Class I Price (3.5%) (per cwt)	Class I Skim Milk Price (per cwt)	Class I Butterfat Price (dollar per pound)
Northeast (Boston) ⁴	001	19.39	12.62	2.0606
Appalachian (Charlotte) ⁵	005	19.54	12.77	2.0621
Florida (Tampa) ⁶	006	21.54	14.77	2.0821
Southeast (Atlanta) ⁷	007	19.94	13.17	2.0661
Upper Midwest (Chicago) ⁸	030	17.94	11.17	2.0461
Central (Kansas City) ⁹	032	18.14	11.37	2.0481
Mideast (Cleveland) ¹⁰	033	18.14	11.37	2.0481
Pacific Northwest (Seattle) ¹¹	124	18.04	11.27	2.0471
Southwest (Dallas) ¹²	126	19.14	12.37	2.0581
Arizona (Phoenix)	131	18.49	11.72	2.0516
All-Market Average		19.03	12.26	2.0570

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

⁷ Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40.

⁸ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

⁹ 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.

¹⁰ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

¹¹ Class I prices at other cities are: Portland, same; and Spokane, same.

¹² 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.

Mailbox Milk Prices for Selected Reporting Areas in Federal Milk Orders and California, February 2015, With Comparisons

In February 2015, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.91 per cwt, down \$0.80 per cwt from the January 2015 average, and down \$8.00 per cwt from the February 2014 average. The component tests of producer milk in February 2015 were: butterfat, 3.84%; protein, 3.16%; and other solids, 5.74%. When compared to the previous month, the January Mailbox prices decreased in all 19 Federal milk order reporting areas with a simple average decrease of \$0.86 per cwt. Florida experienced the greatest decrease of \$1.78 per cwt. Mailbox prices in February 2015 ranged from \$19.55 in Florida to \$14.84 in New Mexico.

Reporting Area ¹	Mailbox Milk Price ²		
	Feb 2014	Jan 2015	Feb 2015
	<i>(dollars per hundredweight)</i>		
New England States ³	25.94	19.33	18.44
New York	25.06	18.01	17.05
Eastern Pennsylvania ⁴	25.10	17.85	17.03
Appalachian States ⁵	25.41	19.09	17.94
Southeast States ⁶	25.69	19.81	18.29
Southern Missouri ⁷	24.57	18.39	17.72
Florida	26.77	21.33	19.55
Western Pennsylvania ⁸	25.20	17.98	17.10
Ohio	24.92	18.19	17.33
Indiana	24.22	17.31	16.43
Michigan	24.28	16.89	16.03
Wisconsin	25.31	18.18	17.58
Minnesota	25.48	18.03	17.41
Iowa	25.44	17.58	17.11
Illinois	25.50	17.74	17.28
Corn Belt States ⁹	24.24	16.55	16.01
Western Texas ¹⁰	24.31	16.38	15.78
New Mexico	22.90	15.19	14.84
Northwest States ¹¹	24.63	16.79	15.39
All Federal Order Areas ¹²	24.91	17.71	16.91
California ¹³	22.67	15.11	14.49

¹ Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders.

² Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices reported for all orders receiving milk from the reporting area and are reported at the average butterfat tests. Prices include, for the most part, the assessment under the Cooperatives Working Together (CWT) program.

³ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

⁴ Includes all counties to the east of those listed in ⁸.

⁵ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

⁶ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi.

⁷ Includes the counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these.

⁸ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these.

⁹ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in ⁷.

¹⁰ Includes all counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby.

¹¹ Includes Oregon and Washington.

¹² Weighted average of prices for all selected reporting areas.

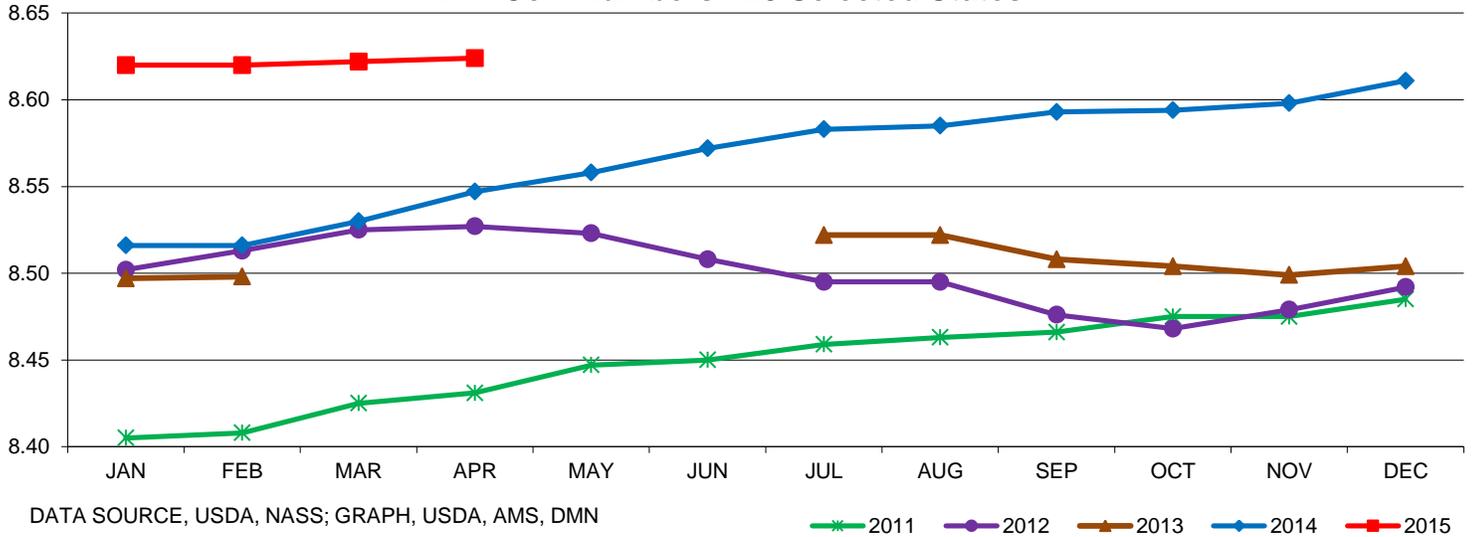
¹³ Calculated by California Department of Food and Agriculture, and published at

<http://cdfa.ca.gov/dairy/uploader/docs/MailBox%20Data%202014.pdf>

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

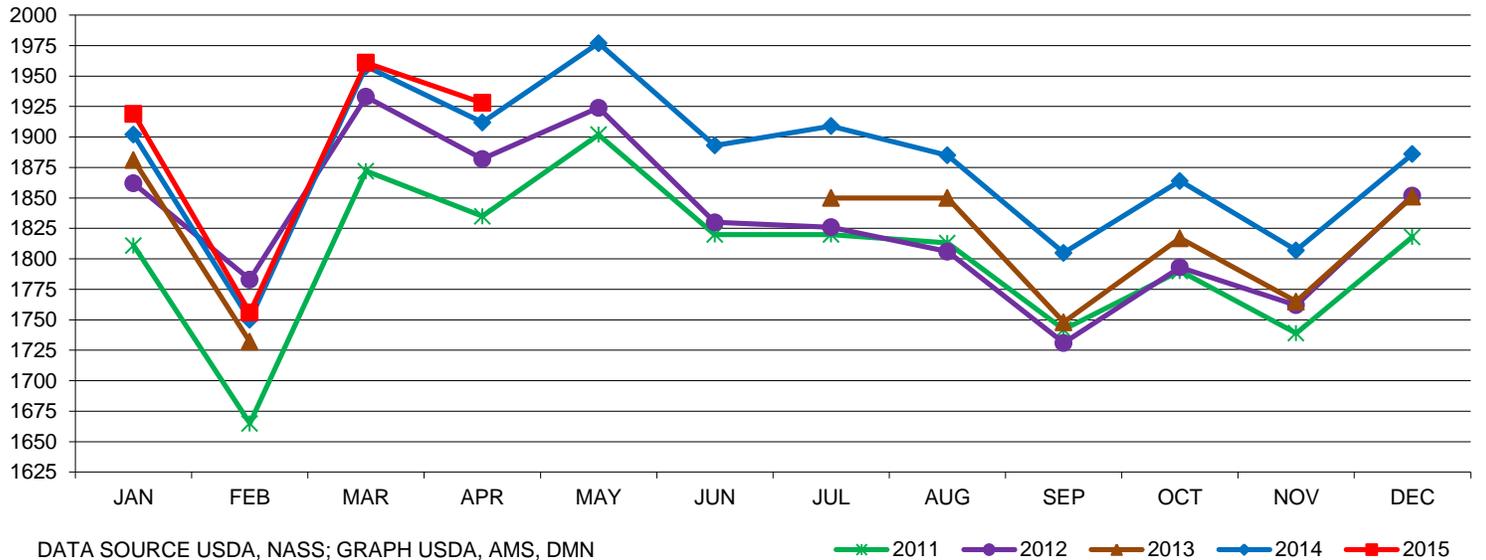
MILLION HEAD

Milk Cow Numbers - 23 Selected States



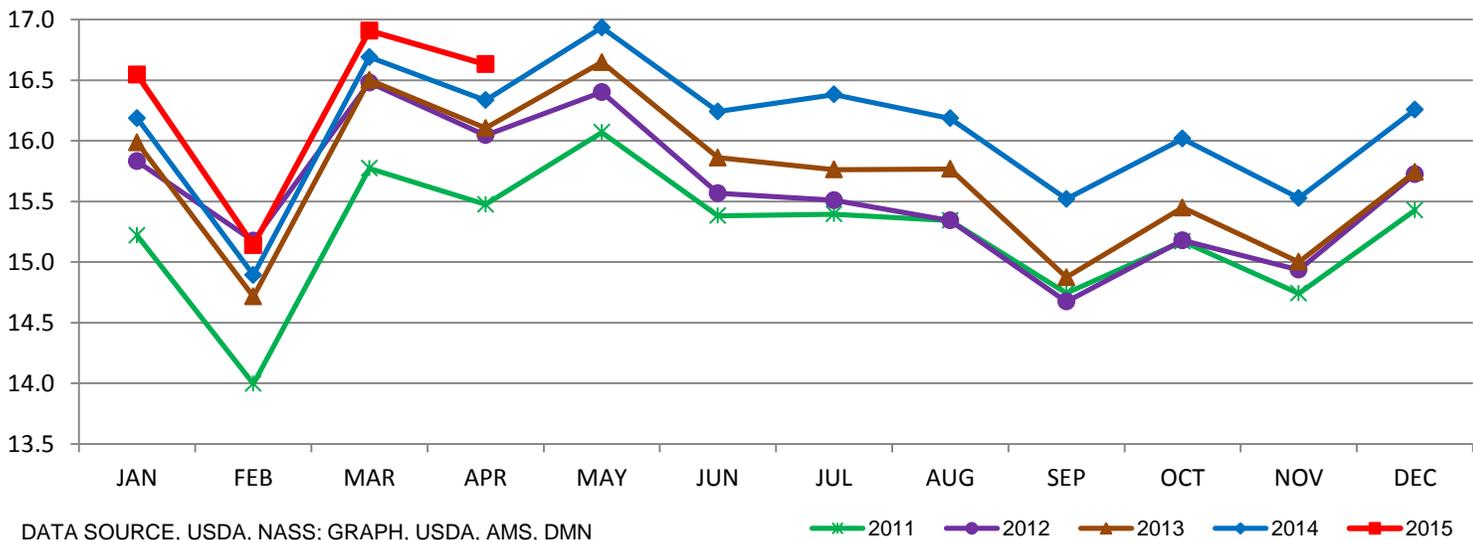
POUNDS

Monthly Milk Per Cow - 23 Selected States



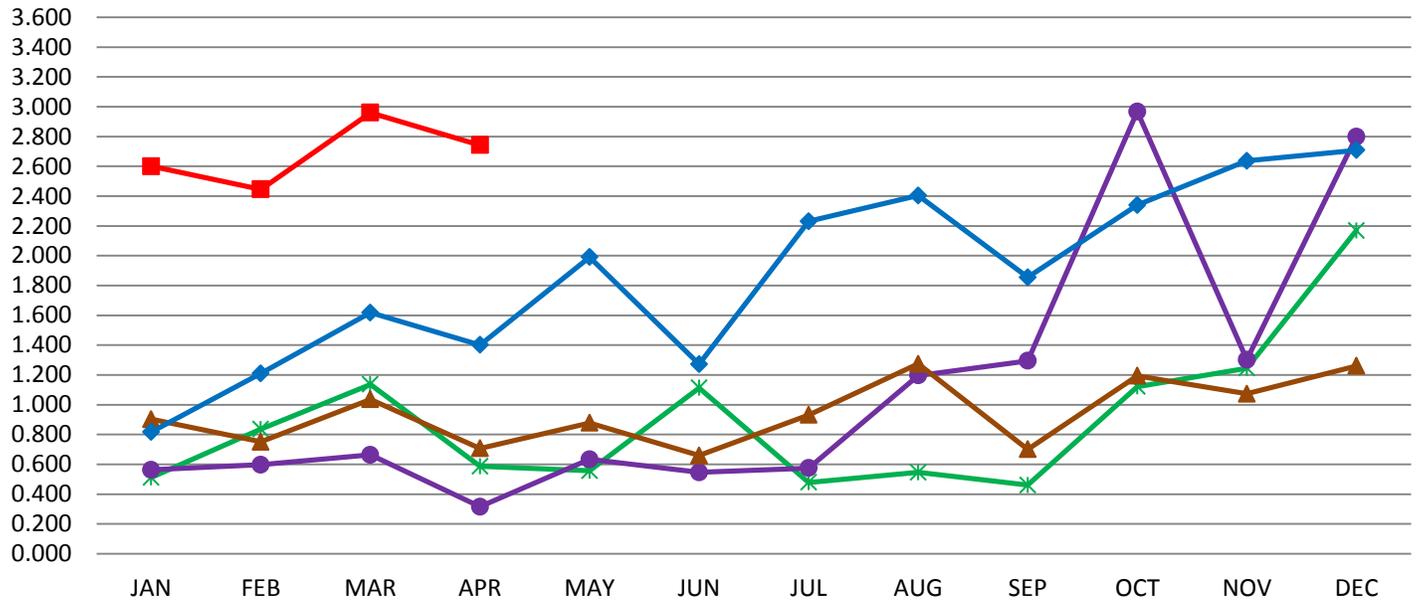
BILLION POUNDS

Milk Production - 23 Selected States



Total U.S. Butter Imports High Tier and Quota Volumes Combined

MILLION POUNDS



GRAPH USDA, DMN; SOURCE USDA, FSA

2011 2012 2013 2014 2015



Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report - Dairy

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

Volume 82- Number 20

Issued Weekly

Friday, May 22, 2015

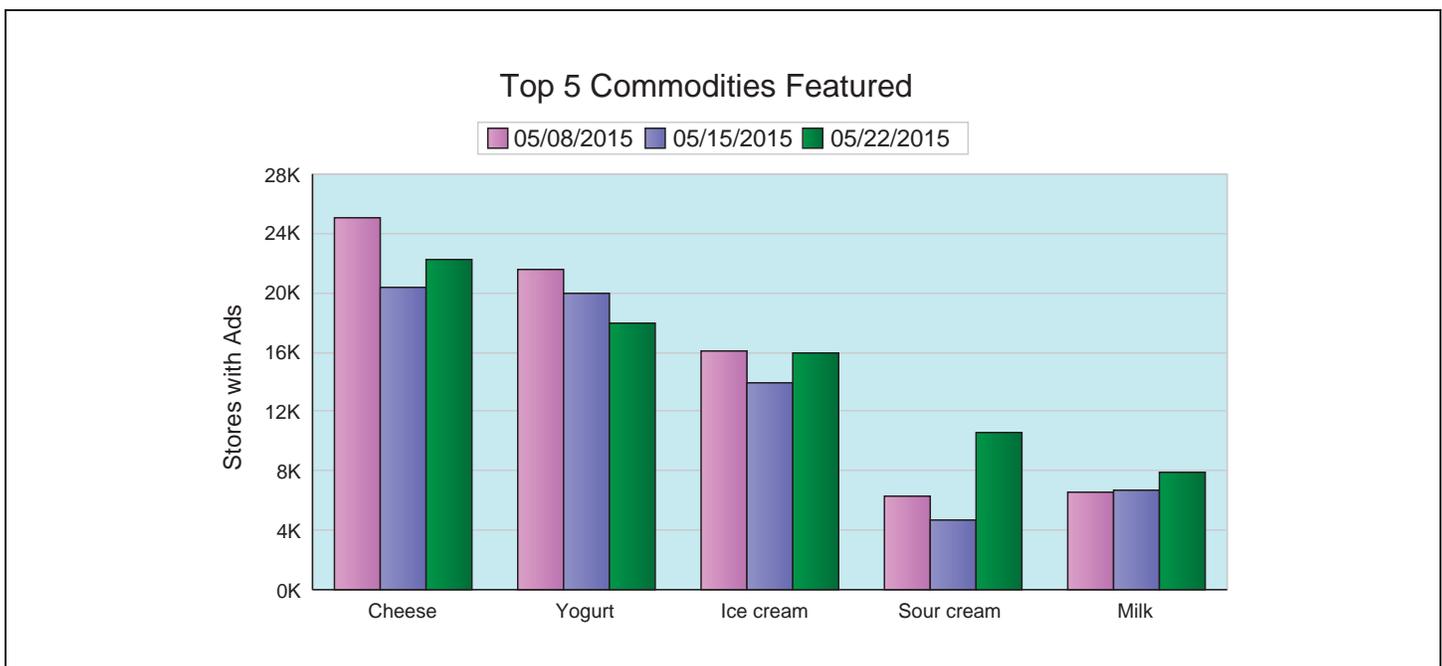
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 05/22/2015 to 05/28/2015

Ad volume increased leading into the Memorial Day holiday weekend for a number of popular dairy products. The ad volume percentage change, national weighted average advertised price and price change from last week are: 8 oz. cream cheese, +169%, \$2.14, +29 cents; 16 oz. sour cream, +126%, \$1.76, +14 cents; 16 oz. cottage cheese, +24%, \$2.23, -11 cents; and 48-64 oz. ice cream, +14%, \$2.85, +7 cents.

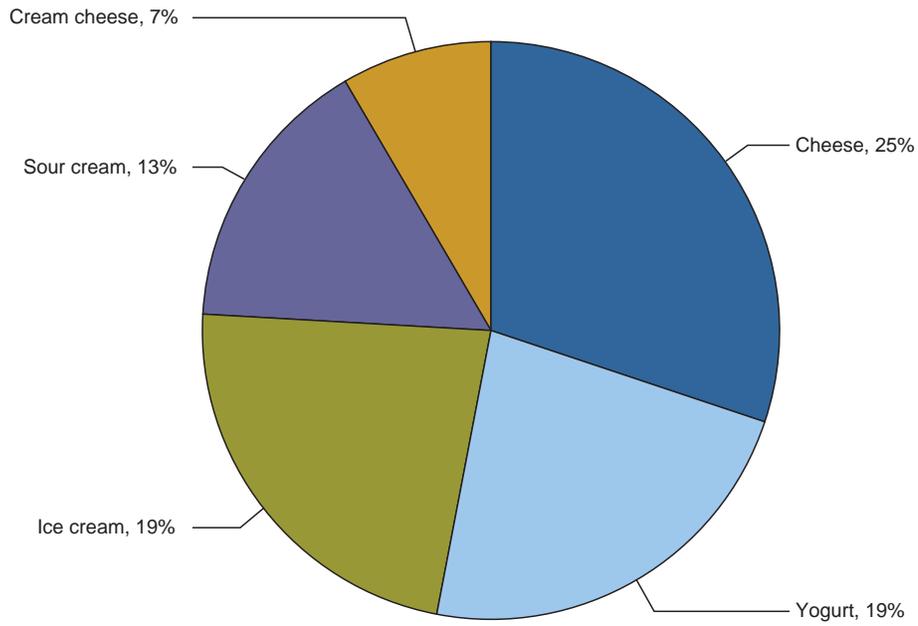
The U.S. average advertised price for 8 ounce cheese blocks, \$2.30, is down 9 cents from one week ago, and down 18 cents from a year ago; 8 ounce shredded cheese at \$2.39, is 4 cents below a week ago and 13 cents below one year ago. Total cheese ad numbers are up 2% from last week.

The average price of 4-6 ounce Greek yogurt, \$.99, is 1 cents lower than last week, but 2 cents higher than a year ago. Yogurt in 4-6 ounce packages averages 50 cents, down 1 cent from last week, and down 5 cents from a year ago. Total yogurt ad numbers decreased 19% from last week.

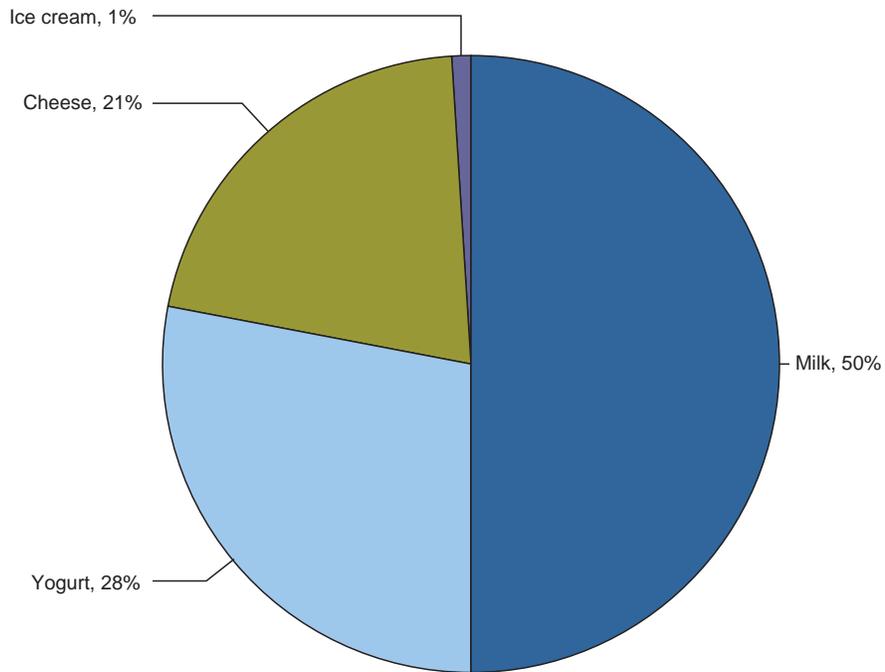
The organic - conventional half gallon milk price spread is \$1.86. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$1.64, and the average for organic half gallon milk, \$3.50.



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 #	2802	2.77	3269	2.89	3412	2.72
Cheese	Natural Varieties	8 oz block	8015	2.30	7989	2.39	7907	2.48
Cheese	Natural Varieties	1 # block	913	3.77	880	3.63	913	4.58
Cheese	Natural Varieties	2 # block	249	6.73	677	5.62	1261	7.48
Cheese	Natural Varieties	8 oz shred	10993	2.39	9926	2.43	11784	2.52
Cheese	Natural Varieties	1 # shred	516	3.57	835	3.41	654	4.46
Cottage cheese		16 oz	2113	2.23	1710	2.34	1363	1.96
Cream cheese		8 oz	6106	2.14	2273	1.85	6789	1.68
Flavored milk	All fat tests	half gallon	435	2.35	332	1.82	123	2.50
Flavored milk	All fat tests	gallon			661	2.25	105	5.49
Ice cream		48-64oz	15876	2.85	13966	2.78	14371	2.89
Milk	All fat tests	half gallon	1005	1.64	583	1.77	50	1.99
Milk	All fat tests	gallon	3239	2.73	4213	2.72	1365	2.90
Sour cream		16 oz	10547	1.76	4677	1.62	6206	1.73
Yogurt	Greek	4-6 oz	9269	.99	12123	1.00	10806	.97
Yogurt	Greek	32 oz	509	4.66	1245	4.76	350	4.16
Yogurt	Yogurt	4-6 oz	5602	.50	5890	.51	3108	.55
Yogurt	Yogurt	32 oz	504	2.46	345	2.40	806	2.45

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 #	2.50-3.99	1200	3.08	2.99	84	2.99	1.47-2.50	872	2.11
Cheese	Natural Varieties	8 oz block	1.49-3.50	1957	2.31	1.66-2.50	2172	2.35	1.67-2.49	1062	2.13
Cheese	Natural Varieties	1 # block	2.50-4.49	190	3.74	3.49-3.99	538	3.69			
Cheese	Natural Varieties	8 oz shred	1.88-3.49	2917	2.50	1.66-2.50	1831	2.32	1.49-2.49	1160	2.10
Cheese	Natural Varieties	1 # shred				3.49	324	3.49	2.99	123	2.99
Cottage cheese		16 oz	1.99-2.99	1264	2.31	1.99	278	1.99	1.99-2.00	233	2.00
Cream cheese		8 oz	1.48-2.58	1471	1.83	1.79-2.99	1730	2.52	0.99-2.49	881	1.79
Flavored milk	All fat tests	half gallon	2.50	72	2.50	1.66	114	1.66	1.66-3.00	249	2.63
Ice cream		48-64oz	1.99-3.99	4325	2.63	1.99-3.99	3859	2.78	2.49-3.50	2030	2.70
Milk	All fat tests	half gallon	1.99-2.50	239	2.14	0.88-1.66	298	1.18	1.00-1.66	290	1.16
Milk	All fat tests	gallon	3.69	135	3.69	1.99-2.98	1488	2.53	1.99-3.50	609	2.77
Sour cream		16 oz	0.98-2.50	2946	1.82	1.00-2.99	1912	1.99	0.99-2.00	2142	1.53
Yogurt	Greek	4-6 oz	0.85-1.00	2622	.98	1.00	1544	1.00	0.79-1.00	1562	.97
Yogurt	Greek	32 oz	4.49-4.99	363	4.91				3.49	119	3.49
Yogurt	Yogurt	4-6 oz	0.39-0.60	1731	.51	0.49-0.50	2660	.50	0.44-0.60	503	.50
Yogurt	Yogurt	32 oz	2.19-2.50	324	2.44	2.49	64	2.49			

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
Butter		1 #				3.49	274	3.49	1.99-3.50	361	2.74
Cheese	Natural Varieties	8 oz block	1.66-3.00	1444	2.29	1.67-2.50	1043	2.23	1.88-2.49	240	2.32
Cheese	Natural Varieties	1 # block				3.49	116	3.49	5.00	69	5.00
Cheese	Natural Varieties	2 # block				5.99	90	5.99	4.99	69	4.99
Cheese	Natural Varieties	8 oz shred	1.66-2.99	1860	2.23	1.49-3.00	2209	2.46	1.88-2.99	939	2.59
Cheese	Natural Varieties	1 # shred							5.00	69	5.00
Cottage cheese		16 oz				1.99-2.00	125	1.99	1.99-2.50	166	2.18
Cream cheese		8 oz	1.68-2.99	549	2.09	1.25-2.99	1046	2.23	1.39-2.58	304	2.11
Ice cream		48-64oz	2.47-3.99	2160	2.84	2.49-3.99	1880	3.14	2.50-3.99	1316	3.15
Milk	All fat tests	half gallon				2.50	178	2.50			
Milk	All fat tests	gallon	1.99-2.79	331	2.28	1.99-2.99	366	2.66	3.79	289	3.79
Sour cream		16 oz	1.00-2.99	1549	1.64	1.00-1.99	1294	1.79	1.25-1.99	606	1.69
Yogurt	Greek	4-6 oz	0.88-1.00	839	.98	0.99-1.00	1699	1.00	1.00-1.20	937	1.01
Yogurt	Yogurt	4-6 oz	0.50	62	.50	0.49-0.50	577	.50	0.70	61	.70
Yogurt	Yogurt	32 oz							2.50	105	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 #	2.99	11	2.99			
Cheese	Natural Varieties	8 oz block	1.66-4.50	36	4.09	3.25-3.50	61	3.36
Cheese	Natural Varieties	2 # block	6.49-8.99	36	7.78	8.99-9.99	54	9.49
Cheese	Natural Varieties	8 oz shred	1.66-3.98	39	3.18	3.25-3.50	38	3.28
Cottage cheese		16 oz	1.66-3.98	47	3.18			
Cream cheese		8 oz	1.66-2.98	28	2.07	2.00-3.18	97	2.63
Ice cream		48-64oz	3.00-6.98	83	5.22	3.00-5.77	223	4.28
Milk	All fat tests	gallon	3.99	21	3.99			
Sour cream		16 oz	1.66-3.98	47	3.14	1.25-2.29	51	1.74
Yogurt	Greek	4-6 oz	1.20	2	1.20	1.00-1.25	64	1.11
Yogurt	Greek	32 oz				6.49	27	6.49
Yogurt	Yogurt	4-6 oz	0.60-0.70	8	.63			
Yogurt	Yogurt	32 oz	2.50	11	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

Wtd Avg - Simple weighted average



Cheese	Natural Varieties	8 oz block	770	3.99					
Cheese	Natural Varieties	8 oz shred	770	3.99					
Cream cheese		8 oz						195	2.50
Ice cream		48-64oz	66	5.49					
Milk	All fat tests	half gallon	1368	3.50	1322	3.83	1669	3.23	
Milk	All fat tests	gallon	1186	5.78	435	6.18	98	5.99	
Milk	All fat tests	8 oz UHT	1068	1.06	84	1.00	201	1.00	
Yogurt	Greek	4-6 oz	1761	1.31	72	1.00	684	1.03	
Yogurt	Greek	32 oz	214	3.79					
Yogurt	Yogurt	4-6 oz	69	1.25	304	1.18	345	.71	
Yogurt	Yogurt	32 oz					1351	3.87	

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
Milk	All fat tests	half gallon	3.99	84	3.99	2.99	508	2.99	2.99	235	2.99
Milk	All fat tests	gallon	5.69	304	5.69						
Milk	All fat tests	8 oz UHT	1.00-1.25	827	1.07	1.00	61	1.00	1.00	180	1.00
Yogurt	Greek	4-6 oz	1.25	483	1.25	1.50	184	1.50			
Yogurt	Greek	32 oz				3.79	214	3.79			
Yogurt	Yogurt	4-6 oz							1.25	69	1.25

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	121	3.99	3.99	360	3.99	3.99	289	3.99
Cheese	Natural Varieties	8 oz shred	3.99	121	3.99	3.99	360	3.99	3.99	289	3.99
Ice cream		48-64oz							5.49	66	5.49
Milk	All fat tests	half gallon	2.99	210	2.99	4.49	246	4.49			
Milk	All fat tests	gallon	5.79-6.19	235	6.00	5.99-6.19	358	6.13	5.29	289	5.29
Yogurt	Greek	4-6 oz	1.25-1.50	445	1.37	1.25	360	1.25	1.25	289	1.25

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
Milk	All fat tests	half gallon				3.99-7.49	85	5.93

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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VOLUME: 82
REPORT: 20
DATE: 05/22/2015

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