

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (7/17)**

**BUTTER:** Grade AA closed at \$1.8400. The weekly average for Grade AA is \$1.8685 (-.0555)

**CHEESE:** Barrels closed at \$1.5950 and 40# blocks at \$1.6125. The weekly average for barrels is \$1.6120 (-.0020) and blocks, \$1.6480 (-.0180).

**NONFAT DRY MILK:** Grade A closed at \$.7550. The weekly average for Grade A is \$.7690 (-.0430).

**BUTTER HIGHLIGHTS:** Butter production is slowing some as cream supplies tighten due to ice cream manufacturers pulling heavily on regional supplies. The available free time some manufacturers are now seeing in production schedules is being used for maintenance. Some butter processors are finding it more profitable to sell available cream instead of churning. Butter demand is steady to increasing as retail and restaurant demand is up. Processors note comfortable inventory levels. Friday at the CME Group, Grade AA butter closed at \$1.8400, down \$.0800 from last week's close.

**CHEESE HIGHLIGHTS:** The availability of milk continues to drive strong cheese output across the United States. Many manufacturers are running full production schedules. Domestic demand for cheese has been good through the first half of this year. Manufacturers say their current inventories can easily meet regular customer requests. However, end users and cut and wrap operators have rebuilt their inventories that were drawn down at the end of last year. Some industry contacts are asking how long the healthy demand can continue and whether end users will slow their purchases through the end of the year. Barrels closed Friday at \$1.5950, down \$.0650 from last week's close, and 40# blocks closed at \$1.6125, down \$.1125.

**FLUID MILK:** Milk production has leveled off in the Northeast, Mid-Atlantic, and the Upper Midwest regions, while declining in other areas of the country. Milk components have declined in those areas that have endured recent hot, humid weather. Some manufacturing plants continue to operate at near capacity levels. Class I demand is steady to lower. There is steady to good demand for cream, due to the active production of ice cream and frozen desserts. Cream supplies are tight in the Central and Western regions, less so in the East.

**DRY PRODUCTS:** Low/medium heat nonfat dry milk prices moved lower. Production is active across most regions, but slightly lower in the West. Demand is light with most buyers purchasing hand

to mouth and seeking discounts to make purchases. Inventories are steady to building. High heat nonfat dry milk prices are steady to lower. Production is intermittent. Spot sale activity is light. Dry buttermilk prices are steady to lower. Production has decreased as cream supplies have tightened, due to steady demand for fluid cream from ice cream manufacturers. Market activity is steady to lower. Inventories are tight in the Eastern and Central regions, while steady to higher in the West. Dry whey prices moved lower across the nation this week. Production is active with inventories building and long in the West. Domestic demand is limited with light spot sales. Export demand is mixed with some increase noted in the Eastern region. The market has a weak undertone. The whey protein concentrate 34% market saw prices move lower in a weak market. Production is steady, sales are limited and inventories are heavy. Lactose prices held steady in light trading. Casein prices are unchanged in a weak market.

**ORGANIC DAIRY MARKET OVERVIEW (DMN):**

According to the *National Retail Report - Dairy*, advertised prices at major retail supermarket outlets 07/17 to 07/23/2015 show U.S. weighted average advertised price of organic milk half gallons is \$4.00, up 37 cents from last week. One year ago the price was \$3.82. The weighted average price for ads in each region are as follows: Hawaii, \$5.77; Northeast, \$4.14; Southeast, \$2.99; South Central, \$3.86; Southwest, \$3.99; and Northwest, \$4.29.

**INTERNATIONAL DAIRY MARKET NEWS UPDATE (DMN):**

At the July 15 GDT event #144, average prices ranged from 13.9% lower to 1.9% 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, \$2,621 -10.6%; butter, \$2,460 -9.5%; buttermilk powder, \$1,794 -4.4%; cheddar cheese, \$2,613 -13.9%; lactose, \$549 +1.9%; rennet casein, \$5,430 -8.0%; skim milk powder, \$1,702 -10.1%; and whole milk powder, \$1,848 -13.1%.

**NATIONAL RETAIL REPORT - DAIRY (DMN):** Ad volumes declined this week for several popular dairy products. The ad volume percentage change, national weighted average advertised price and price change from the previous week are: 8 oz. cream cheese, -14%, \$1.67, -13 cents; sour cream, -53%, \$1.74, -3 cents; cottage cheese, +2%, \$2.08, -3 cents, and 48-64 oz. ice cream, -22%, \$2.84, -26 cents.

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 JULY MILK AND SUPPLY ESTIMATES (PAGES 9-10)  
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DAIRY GRAPHS (G1-G3)  
 NATIONAL RETAIL REPORT - DAIRY

**CME GROUP CASH TRADING**

COMMODITY	MONDAY JUL 13	TUESDAY JUL 14	WEDNESDAY JUL 15	THURSDAY JUL 16	FRIDAY JUL 17	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.6300 (-.0300)	\$1.6300 (N.C.)	\$1.6100 (-.0200)	\$1.5950 (-.0150)	\$1.5950 (N.C.)	:: :: (-.0650)	:: :: \$1.6120 :: (-.0020)
40# BLOCKS	\$1.6950 (-.0300)	\$1.6775 (-.0175)	\$1.6400 (-.0375)	\$1.6150 (-.0250)	\$1.6125 (-.0025)	:: :: (-.1125)	:: :: \$1.6480 :: (-.0180)
NONFAT DRY MILK GRADE A	\$.7950 (N.C.)	\$.7950 (N.C.)	\$.7450 (-.0500)	\$.7550 (+.0100)	\$.7550 (N.C.)	:: :: (-.0400)	:: :: \$.7690 :: (-.0430)
BUTTER GRADE AA	\$1.9100 (-.0100)	\$1.9000 (-.0100)	\$1.8525 (-.0475)	\$1.8400 (-.0125)	\$1.8400 (N.C.)	:: :: (-.0800)	:: :: \$1.8685 :: (-.0555)

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

The average price of 4-6 ounce Greek yogurt is \$.96, down 2 cents from last year, but up 3 cents from the previous week. This week, yogurt in 4-6 ounce packages averages \$0.48 compared to 53 cents a year ago, and 50 cents last week. Total yogurt ad numbers declined 8% over the previous week. The U.S. advertised prices for 8 ounce cheese blocks average \$2.36, compared with \$2.57 a year ago, and are up 8 cents from one week ago; 8 ounce shredded cheese averaged \$2.29, compared with \$2.58 one year ago, and are 5 cents below a week ago. Conventional cheese ads increased 15% over the previous week and organic cheese ads increased 35% over the previous week. Organic - conventional half gallon milk has a price spread of \$1.18. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.82, and the average for organic half gallon milk, \$4.00.

**JULY MILK SUPPLY AND DEMAND ESTIMATES**

**(WAOB):** The milk production forecast for 2015 is raised on a slightly more rapid increase in cow numbers and milk per cow. However, higher expected feed prices and weaker milk prices during late 2015 and 2016 are expected to temper the rate of growth in production and the 2016 production forecast is lowered. Fat basis exports are reduced as competition in world markets is expected to be strong in both 2015 and 2016, and domestic butter demand is expected to absorb much of the available supply. Skim-solids exports are raised from last month as weaker nonfat dry milk (NDM) prices allow the United States to remain competitive in export markets. Fat basis and skim-solids imports are raised for both 2015 and 2016 on expectations of abundant global supplies of dairy products and continued strength in U.S. domestic demand for butter and cheese. Cheese and butter prices for 2015 are raised from last month on continued domestic demand strength, but NDM and whey prices are forecast lower as the supplies of those products are abundant and prices decline to maintain competitiveness in export markets. For 2016, the cheese price is unchanged, but the butter price is raised on expectations of robust domestic demand. NDM and whey prices are reduced as lower prices are expected to maintain export competitiveness. For 2015 and 2016, Class III prices are reduced on lower whey prices. Class IV prices for both years are reduced on lower NDM prices. The all milk price is forecast at \$17.05 to \$17.35 per cwt for 2015 and \$17.00 to \$18.00 per cwt for 2016.

**APRIL MAILBOX MILK PRICES (AMS & CDFA):** In April 2015, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.45 per cwt, down \$0.15 per cwt from the March 2015 average, and down \$8.88 per cwt from the April 2014 average. The component tests of producer milk in April 2015 were: butterfat, 3.72%; protein, 3.09%; and other solids, 5.74%. When compared to the previous month, the April Mailbox prices decreased in 14 Federal milk order reporting areas and increased in 5 Federal milk order reporting areas with a simple average decrease of \$0.16 per cwt. The Northwest States experienced the greatest decrease of \$0.96 per cwt while Indiana experienced the greatest increase of \$0.19 per cwt. Mailbox prices in April 2015 ranged from \$17.97 in the New England States to \$14.39 in New Mexico.

CME GROUP

MONDAY, JULY 13, 2015

CHEESE -- SALES: 1 CAR BARRELS @ \$1.6300; 1 CAR 40# BLOCKS @ \$1.7025; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6100; 1 CAR 40# BLOCKS @ \$1.6800;  
 LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6400; 1 CAR 40# BLOCKS @ \$1.6950  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7600; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 7 CARS GRADE AA: 3 @ \$1.8700, 1 @ \$1.8900, 1 @ \$1.8950, 1 @ \$1.9000, 1 @ \$1.9100; LAST BID UNFILLED: NONE;  
 LAST OFFER UNCOVERED: NONE

TUESDAY, JULY 14, 2015

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.6850, 1 @ \$1.6775; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7500; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.9000; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.8900; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JULY 15, 2015

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.6200, 1 @ \$1.6100; 2 CARS 40# BLOCKS: 1 @ \$1.6500, 1 @ \$1.6400; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5900;  
 1 CAR 40# BLOCKS @ \$1.6200; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.6550  
 NONFAT DRY MILK -- SALES: 17 CARS GRADE A @ \$0.7450; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 3 CARS GRADE AA: 2 @ \$1.8500, 1 @ \$1.8525; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8500; LAST OFFER UNCOVERED:  
 1 CAR GRADE AA @ \$1.8600

THURSDAY, JULY 16, 2015

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.5975, 1 @ \$1.5950, 1 @ \$1.5925, 1 @ \$1.5900, 1 @ \$1.5950; 4 CARS 40# BLOCKS: 1 @ \$1.6175, 1 @ \$1.6125,  
 2 @ \$1.6150; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6000  
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.7500; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7550; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.8400

FRIDAY, JULY 17, 2015

CHEESE -- SALES: 5 CARS 40# BLOCKS: 4 @ \$1.6150, 1 @ \$1.6125; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7550; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

Butter production is steady to lighter. Repairs are impeding production for some regional plants. Available cream has declined marginally, due to active Class II demand. Butter makers seem content with cream levels, as inventories are adequate for current needs. Some plants are choosing to rework bulk into print butter. Retail orders are fair. Featured activity is reported at the retail level, but lighter than in previous weeks. Food service needs are moving volumes, in response to summer vacation and resort activities. The market undertone is steady. The current bulk butter prices are reported flat to 6 cents over the market of the CME Group, with various time frames and averages used. According to the DMN *National Retail Report - Dairy*, for July 10-16, the U.S. weighted average advertised price for 1-pound butter is \$3.02, down 2 cents from a year ago, and down 2 cents from the previous week. The Northeast average price is \$3.08, up 13 cents from last week. In the Southeast, the butter price averaged \$2.31, down \$1.12 from a week ago. Tuesday's CME Group cash trading saw Grade AA butter close at \$1.9000, down \$0.0250 from a week ago.

WEST

Steady demand from ice cream manufacturing continues to pull cream away from butter production. Some butter makers say it is currently more advantageous to sell the cream than churn. Many producers have reduced production over the last few weeks. The slow down is allowing processors to perform maintenance and make any needed repairs. Manufacturers report inventories are able to comfortably handle regular customer purchases. Demand has remained steady for western butter. The DMN *National Retail Report - Dairy* for the week July 10 - 16, found that the U.S. weighted average advertised price of 1 pound butter is \$3.02, down \$.02 from one week ago and down \$.02 from one year ago. In the Southwest, the weighted average advertised price for 1 pound butter was \$3.13 with a price range of \$2.00 - \$5.49, and in the Northwest, \$3.58 with a price range of \$2.79 - \$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 \$1.8525, down \$.0675 from a week ago.

CENTRAL

Cream supplies are tightening and multiples are moving higher. Some sources indicate cream is available but most butter manufacturers are not interested in buying more than current needs at current pricing levels. Central butter sales remain strong. Some contacts are noting orders for food service and restaurants are picking up. Inventory levels are comfortable for most manufacturers. According to the DMN *National Retail Report - Dairy*, for July 10-16, the national weighted average advertised price for a 1 pound package of butter price is \$3.02, a 2 cent decrease from last week and from a year ago. The weighted average price in the Midwest was \$2.33, with a range of \$2.00-2.50. Bulk butter prices are at 6 cents under market to market, based on the CME Group and various indices. The Grade AA butter price at the CME Group closed Wednesday at \$1.8525, decreasing 6.75 cents from last Wednesday.

2015 U.S. Butter Imports (USDA-FAS)				
		(Million Lb.)	% Change From	% of
			1 Year Ago	Yearly
Quota				
June	Quota Imports	0.8	- 36	5
Jan. - June				
	High Tier	5.6	+3211	N.A.
	Quota Imports	10.6	+ 30	69

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
July 11, 2015	1,9353 2,592,505	1,6984 12,729,625	1,6716 11,984,096	.4041 6,183,387	.8621 15,282,763

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

**CHEESE MARKETS**

**NORTHEAST**

Most cheese processors are maintaining active production schedules. The availability of milk supplies continues to support strong cheese output. New production is being channeled heavily into cheddar aging programs. The demand for aged cheddar is good. Demand varies amongst the other varieties. End-users' stocks are adequate. As market prices pursue equilibrium, the undertone remains mixed. Northeast wholesale cheese prices for cheddar and muenster increased \$0.0400; process 5# sliced increased \$0.0225. The Grade A Swiss prices is unchanged. According to the DMN *National Retail Report-Dairy*, for the week of July 10-16, the weighted average advertised price for 8 oz. cheese blocks in the Northeast was \$2.25, 3 cents less than the national average, but 5 cents more than a week ago. The Southeast 8 oz. block cheese price was \$2.24, 61 cents less than a week ago. At the CME Group, Tuesday's daily cash trading saw barrels close at \$1.6300, up \$0.0550 from a week ago; blocks closed at \$1.6775, up \$0.0350 from a week ago.

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

Cheddar 40# Block	:	2.0600-2.3450
Process 5# Sliced	:	1.8350-2.3150
Muenster	:	2.0800-2.4300
Grade A Swiss Cuts 10 - 14#	:	3.2100-3.5325

**MIDWEST**

Cheese makers report milk intakes have remained relatively steady or have only dropped slightly, even with the recent increase in humidity and temperatures. Many manufacturers are still running full production schedules in order to absorb the available milk. They also note a decrease in milk components. Demand has been steady. Buyers are still active in contacting cheese makers for barrels. However, some industry contacts are asking how long this healthy demand can continue. End users and cut and wrap operators have rebuilt inventories that were drawn down at the end of last year. With football season and school terms resuming in a little over one month, some manufacturers are planning to transition a part of their production to mozzarella over the next few weeks. The DMN *National Retail Report-Dairy* shows that July 10-16 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.23, 11 cents lower than the national average. Midwest prices range from \$1.99-\$2.99. One year ago the national price was \$2.58. For 8 ounce blocks, the Midwest average price is \$2.24, 4 cents lower than the national average price. Midwest ads are priced from \$1.99 to \$2.99. Last year, the national price was \$2.57. Midwestern wholesale prices are unchanged for Swiss cuts, up \$.0225 for process, and up \$.0400 for all other types. In CME Group trading Wednesday, Barrels closed at \$1.6100, up \$.0200 from last Wednesday and Blocks closed at \$1.6400, down \$.0125.

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

Process American 5# Loaf	:	1.7175-2.0775
Brick And/Or Muenster 5#	:	2.0400-2.4650
Cheddar 40# Block	:	1.7675-2.1625
Monterey Jack 10#	:	2.0150-2.2200
Blue 5#	:	2.3075-3.2950
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8400-2.7800
Grade A Swiss Cuts 6 - 9#	:	2.7275-2.8450

**WEST**

The market tone for Western cheese is steady. Although cheese yields have dropped a little, many cheese makers report plenty of milk to keep plants at full production. Manufacturers say current inventories can easily meet regular customer requests and inventories are well-balanced among varieties. They also note exports of American style cheese have dropped off. Industry contacts are trying to assess the chances of a slowdown in domestic demand. Through the first half of this year, domestic demand has been stronger than anticipated. However, they are unsure whether private cheese holdings will become saturated and if those buyers will slow their purchasing through the end of the year. The DMN *National Retail Report-Dairy* for the week of July 10-16 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.34, down \$.11 from last week and down \$.24 from a year ago. Packs averaged \$2.69 in the Southwest and \$2.76 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.28, down \$.17 from last week and down \$.29 from a year ago. Blocks in the Southwest averaged \$2.44, and in the Northwest, \$2.15. Western wholesale prices are unchanged for Swiss cuts, up \$.0225 for process, and up \$.0400 for all other types. In CME Group trading Wednesday, Barrels closed at \$1.6100, up \$.0200 from last Wednesday and Blocks closed at \$1.6400, down \$.0125.

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

Process 5# Loaf	:	1.7325-1.9900
Cheddar 40# Block	:	1.7725-2.2175
Cheddar 10# Cuts	:	1.9525-2.1725
Monterey Jack 10#	:	1.9625-2.1225
Grade A Swiss Cuts 6 - 9#	:	2.7875-3.2175

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

	BUTTER	:	CHEESE
07/13/15	20,497	:	101,967
07/01/15	20,347	:	101,646
CHANGE	150	:	321
% CHANGE	1	:	0

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

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly
Quota			
June Quota Imports	18.0	+ 34	6
Jan. - June			
High Tier	16.9	+ 21	N.A.
Quota Imports	96.0	+ 30	26

## CHEESE MARKETS

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## FOREIGN

Domestic foreign type cheese prices moved higher this week. Prices for imported and Swiss cheese were unchanged. US cheese demand is steady. Supplies are more than adequate to meet demand needs. Aged cheese supplies in Europe have expanded in recent weeks. European cheese exports remain below year ago levels, with the continuing Russian ban the major contributing factor in the downward trend. Imports of high tier and quota Italian-type cheese from January through June 2015 totaled 16.3 million pounds, up 42% compared to last year. Imports of quota Italian-type cheese for June totaled 2.0 million pounds, 52% higher than last year. Imports of high tier and quota Swiss/Emmenthaler varieties from January through June 2015 totaled 26.1 million pounds, 18% more than last year. Imports of quota Swiss/Emmenthaler for June totaled 4.8 million pounds, 32% 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	: 2.2000-3.6875*
Gorgonzola	: 3.6900-5.8900	: 2.7075-3.4050*
Parmesan (Italy)	: -0-	: 3.5900-5.6800*
Provolone (Italy)	: -0-	: 2.2425-2.4950*
Romano (Cows Milk)	: -0-	: 3.3900-5.5400*
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-	: 3.3075-3.6300
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

\* = Price change.

## FLUID MILK AND CREAM

## EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	50	0	0	0	48
SOUTHEAST STATES	0	0	0	0	0	0

Mid-Atlantic farm-level milk is flat. Sources report that supplies are not as burdensome into manufacturing as in past weeks. Bottling orders have declined as milk clearing into Class II production registers a slight increase. In the Northeast, milk production has plateaued around the peak. Temperatures have been mostly moderate, helping to maintain output above previous year levels. Both Class I and Class II sales have reportedly moved lower. Milk production in the Southeast continues to decline as the heat takes a toll on cow comfort. Bottling orders are flat. Limited milk volumes are clearing into processing plants. No f.o.b. spot milk shipments were reported. Florida's milk production is declining and expected to continue on that trend. Class I is seeing a steady cut in orders. Shipments of Grade A milk advanced this week, as 50 f.o.b. spot loads transferred out of state. **Cream Multiples for all Classes range 1.35-1.60.** Current prices remain high enough that plants with the option to delay churning continue to sell cream. Ice cream demand that pulled heavily on cream supplies in past weeks is still active, but has eased slightly, as strong production worked ice cream stocks to somewhat comfortable seasonal levels. Cream supplies available for butter production are sufficient. Cream cheese interest is sluggish. **Condensed skim** supplies remain heavy. The bulk of movement is to contracts, as some processors are primarily supplying regular customers. Offerings are available in the spot market; however, buyers are shopping for the best deals. Few options are available in some instances except to move product out of region at the expense of freight cost and discounts that minimize margins. Plants continue to clear volumes of condensed skim to Class IV. According to the DMN *National Retail Report-Dairy*, for July 10-16 the U.S. weighted average advertised price for a gallon of milk was \$2.81, down 23 cents from last year, but up 72 cents from last week. At the CME Group, Grade AA butter closed at \$1.8525 on Wednesday, down \$0.0675 from the previous week.

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 - 2.5974-3.0784  
F.O.B. producing plants: Upper Midwest - 2.5012-2.8860

## PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS, F.O.B.

## PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices - .70-.84  
Northeast - Class III - spot prices - .75-.90

## MIDWEST

Milk production is plateauing as the warmer weather sets in. There are processors noting that there is still available milk, which is mainly selling for \$1-2 under Class, with some going as low as \$5 under. Some manufacturers are looking for the heat to continue to give them a more favorable production schedule. Manufacturers are anxious for schools to start, so bottling demand will increase. Other bottlers are saying they have seen some upticks in tourist demand for fluid milk. Storms in the Midwest left some processing plants without power this week but these operators were able to process the milk before it spoiled. Class II demand is strong. Ice cream orders are starting to decline seasonally but production is still strong. **Multiples are steady to lower, ranging from 1.30 to 1.50.** Cream supplies are tight. Some processors are reporting that they are keeping available cream supplies. The DMN *National*

*Retail Report-Dairy* for the week of July 10-16, noted the national weighted average advertised price for one gallon of milk was \$2.81, up \$0.72 from a week ago but down \$0.23 from a year ago. The weighted average price in the Midwest region was \$2.47, with a range of \$1.99-2.99. The weekly *Cow Slaughter under Federal Inspection* report shows U.S. dairy cow slaughter for the week ending June 27, at 50,500 head, 2,800 head more than the comparable week a year ago.

## WEST

Milk output in California is lower. The water crisis continues to negatively affect major parts of milk operations. Some dairy farmers are leasing out hay/corn land to mitigate shortened returns related to expensive feed and water costs. Sales for Class 1 and 2 are steady. The August 2015 Class 1 prices in California are \$17.66 in the north and \$17.93 in the south. The statewide average Class 1 price based on production is \$17.67. That production average price is \$0.77 lower than July 2015 and \$7.63 lower compared with \$25.30 reported in August 2014. The milk production in Arizona is trending lower as an extended string of hot days is decreasing cow comfort. Some plants are getting loads from nearby states, helping to clear regional milk volumes. Local demand for Class I is higher, but steady out of state. Sales for Class II condensed skim are unchanged. Bottling sales are steady, following seasonal trends. The school terms will resume in a few weeks, and bottlers are beginning the process of refilling milk pipelines. Milk pooled on the Arizona Order 131 totaled 396.9 million pounds in June 2015. Class I utilization accounted for about 26.4% of producer milk. The uniform price was \$15.95, \$.28 above last month, but \$7.38 below one year ago. New Mexico milk production is waning. However, in-state processing plants are handling plentiful intakes. Some loads of milk are going out of state to be processed. The state is between the third and fourth cutting of alfalfa hay. Dairy farmers are expecting an improvement in the quality of feeding hay due to recent showers. Sales for Class I are higher. According to DMN *National Retail Report-Dairy* for week of July 10 to July 16, the weighted average advertised price for one gallon of milk in the Southwest is \$2.81, the same as the national price. Milk production in the Pacific Northwest is slowing somewhat, following the typical seasonal pattern. Manufacturers still report plenty of milk is available for processing. Temperatures have moderated somewhat, but still remain warm, especially in Eastern Washington and Oregon. Summer ice cream production continues to provide strong demand for cream. Slightly lower temperatures have provided some relief to cows across Utah and Idaho. Processors are reporting a decline in milk components, especially in pasture-based herds. Overall, milk volume is still plentiful to keep plants running at capacity. There is still good demand for cream from inside and outside the region. Industry contacts report good quality dairy forage is a little tight. The interest for cream is strong. Ice cream and frozen dessert plants continue to clear up cream volumes. Cream inventories are tight. This is increasing cream multiples, ranging from 1.23 to 1.50. Grade AA butter closed Wednesday at \$1.8525, down \$0.0675 compared to a week ago.

## NONFAT DRY MILK, BUTTERMILK &amp; WHOLE MILK

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

## NONFAT DRY MILK - CENTRAL AND EAST

**CENTRAL:** Low/medium heat nonfat dry milk prices moved lower this week. Some manufacturers are concerned that the lower pricing levels will continue longer than expected. Nonfat dry milk production is active as most manufacturers are foregoing other dry products and making NDM. Demand is poor as most buyers are waiting to see what the prices will do. Some manufacturers report that buying interest is there if the price is right and the product is what is desired. High heat nonfat dry milk prices were steady to lower. Production is intermittent. Demand is light for spot sales but contract obligations are being fulfilled.

**EAST:** Low/medium heat nonfat dry milk prices declined in the range and mostly series as spot prices trend lower. Production of low/medium nonfat dry milk is mostly steady. Dryers continue to operate near capacity to process heavy condensed skim volumes. Demand is light to fair. Interest is expected to improve to Class III as seasonal declines in milk solids continue. Current strategies used in the market by buyers comprise hand-to-mouth purchasing and delaying purchases while shopping for lowest available prices. Producers' stocks are noted as plentiful in the Eastern region. The market continues to weaken. High heat nonfat dry milk prices shifted significantly lower at the top of the range. A few processors were able to dry loads of high heat nonfat this week, however, drying activity remains sporadic. Inventories levels are light.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .7500 - .9550 MOSTLY: .8500 - .8900  
 HIGH HEAT: .9950 - 1.0800

## NONFAT DRY MILK - WEST

Prices for low/medium heat nonfat dry milk are lower this week in the range and the mostly price series. The low/medium heat nonfat dry market tone is weak. The demand for NDM is light outside of contracts. Buyers are fishing for discount prices to make any purchase. The production activity is steady to lower. The inventories are steady to building. At the CME Group, Grade A nonfat dry milk closed Wednesday at \$.7450 with 17 sales. This represents a decrease of \$.0075 compared to a week ago. Prices for high heat nonfat dry milk are lower. The sales are sporadic this week. Production is steady to lower. In some cases, production activity is determined by manufacturers' contracts and buyers' requests.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .6900 - .9350 MOSTLY: .8000 - .8800  
 HIGH HEAT: 1.0000 - 1.0300

## CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
July 10	\$.8905	10,311,468
July 3	\$.8835	7,631,303

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. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

## DRY BUTTERMILK - CENTRAL AND EAST

**CENTRAL:** Dry buttermilk prices are steady to lower in a weak market. Spot loads are scarce this week. Dry buttermilk production is limited. Also, ice cream production is pulling available cream supplies away from butter production. Manufacturers are making other dry goods and selling condensed buttermilk instead. Interest for condensed buttermilk is picking up as processors are offering discounts. Some manufacturers are reporting no available inventories.

**EAST:** Dry buttermilk prices inched lower at the bottom of the range due to declining spot prices. Production is trending lower as less churning takes place, resulting from tighter cream supplies. Ice cream and ice cream mix operations are still pulling cream as they build inventory. Dry buttermilk stocks are light to moderate. Some plants are unable to add to stocks at this time; however, supplies are adequate for near term contract needs. Buyers are purchasing dry buttermilk hand-to-mouth as prices move lower. Spot transactions are limited in a fairly quiet market.

F.O.B. CENTRAL/EAST: .7900 - .8900

## DRY BUTTERMILK - WEST

Western dry buttermilk prices are unchanged to lower on the range and mostly price series. The market tone remains weak. Dry buttermilk sales are steady compared to the previous week. Production is steady to lower, mainly due to higher cream demand from frozen desserts/ice cream makers. Inventories are steady to higher. Some brokers are clearing up inventories by offering discount prices.

F.O.B. WEST: .7700 - .8500 MOSTLY: .7800 - .8000

## DRY WHOLE MILK - NATIONAL

The f.o.b. spot market prices for dry whole milk are steady in a lightly tested market. Some brokers are clearing up old inventories, reselling it at discount prices. Some unfilled offers were reported this week. Production is limited in some areas, due to the high requests for cream from butter churns and ice cream plants. Inventory levels vary from plant to plant.

F.O.B. PRODUCING PLANT: 1.0100 - 1.4800

**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 whey prices moved lower this week. Manufacturers believe that there is pressure on the market for prices to go lower. Some manufacturers are selling at current pricing levels because they do not want to hold stocks in a downward trending market. Some manufacturers note that buyers are purchasing for future needs due to higher futures pricing levels. Export sales have started to increase. Some buyers note buying product from other regions in order to achieve desired pricing levels. Whey production continues to be strong as cheese manufacturers are reporting solid production rates. Processors are choosing to make dry whey instead of making other products due to prices of other goods. Animal feed whey production is intermittent. Some of the feed whey manufacturers that are not producing currently are performing maintenance. Manufacturers note that some end users are choosing to buy feed blends containing food grade whey instead of animal feed whey because they feel it makes a better quality animal.

F.O.B. CENTRAL: .2500 - .4600 MOSTLY: .3150 - .3700  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2000 - .2500

**DRY WHEY - NORTHEAST**

Dry whey prices moved lower at the top of the range with downward shifting pricing indices. Production is active, paralleling strong cheese output. The bulk of whey is moving through contracts, as spot transactions remain limited. Brokers are reporting quiet sales activity. Export interest remains sluggish.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3500 - .4400

**DRY WHEY - WEST**

The Western whey mostly price moved lower this week. The market remains soft. Production is steady. Inventories are long and demand has been limited. Industry contacts suggest prices may need to be lower to compete in world markets. Some brokers are also finding whey available in other regions at more favorable prices and bringing it to the West to fill current obligations.

NONHYGROSCOPIC: .3800 - .4300 MOSTLY: .3800 - .4000

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

The whey protein concentrate 34% market continues to be weak and prices moved lower. Industry contacts suggest numerous spot sale offers were made, but sales were limited. Market participants note a pushback on domestic dairy protein prices, due to the lower prices of European products. WPC34% production is steady. Inventories are heavy, unless the manufacturer has been able to secure buyers to take up new production.

F.O.B. EXTRA GRADE 34% PROTEIN: .7000 - .9000 MOSTLY: .7100 - .8250

**LACTOSE - CENTRAL AND WEST**

Prices for lactose held steady this week. A few manufacturers report long inventories, unless they have been able to secure contracts as a way to find homes for their production. Market activity is slow. Buyers are being choosy, seeking lactose with specific color, mesh size, quality characteristics, or bargain prices, before purchasing. Some manufacturers report they have stopped making lactose due to the low prices. Some of the excess supplies are being sent back to dairy farmers to blend into feed rations.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1650 - .2725 MOSTLY: .1800 - .2200

**CASEIN - NATIONAL**

Prices for rennet and acid casein were unchanged. Most buyers have their near term needs covered. Negotiations are ongoing for Q4, but progress is slow. Production in Europe remains active, reflecting the mostly steady milk production trend in major dairy regions. Casein supplies in the southern hemisphere are trending lower. The downward trends in nonfat dry milk and skim milk powder prices have contributed to the weak undertone in the casein market. The strong US dollar, compared to the euro, is keeping European casein competitively priced with other global suppliers. At the July 15 GDT event 144, the average winning price for rennet casein for all contract periods decreased 8.0% to \$5,430/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: 2.9000 - 3.5000  
ACID: 2.8000 - 3.7000

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
06/27/2015	50.5	1,471.3	47.7	1,407.3

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

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

CLASS III MILK PRICES (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	16.77
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

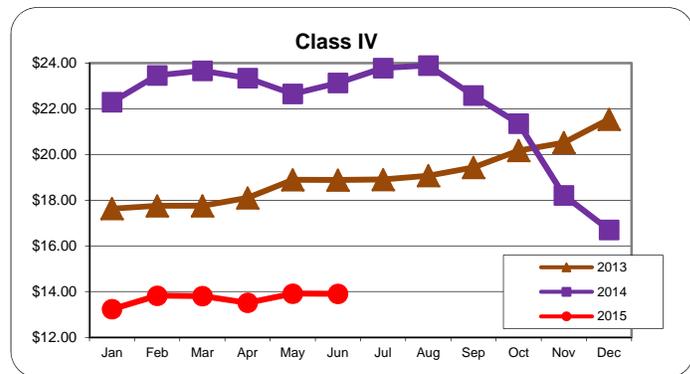
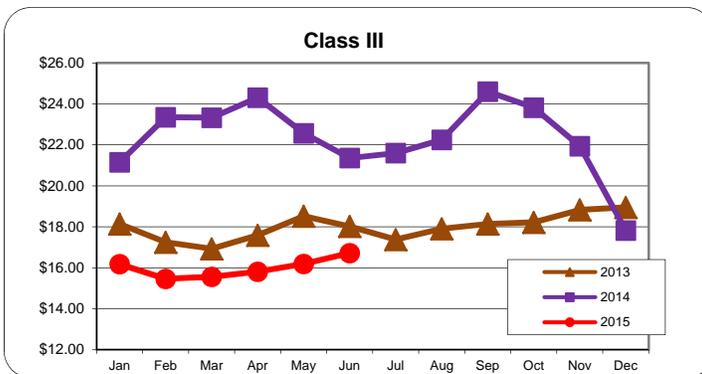
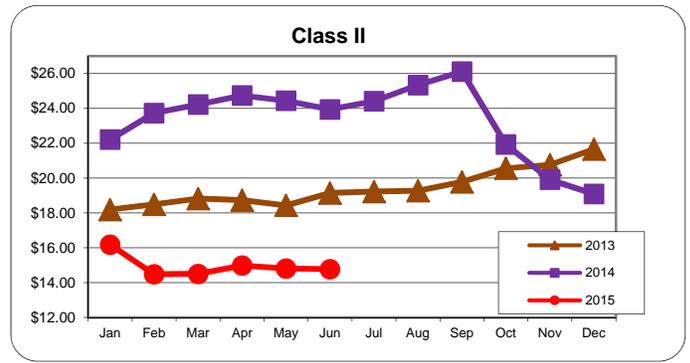
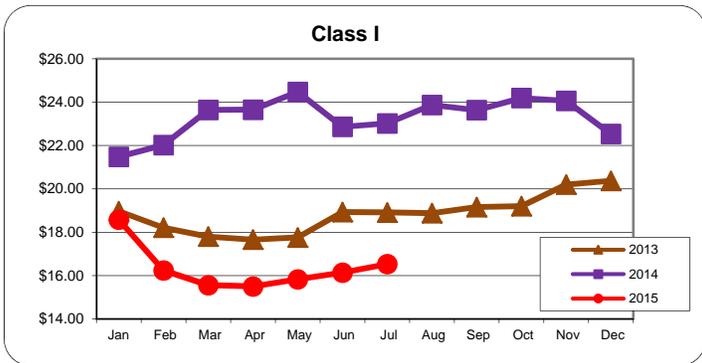
CLASS IV MILK PRICES (3.5%)

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	16.53					
II	16.18	14.48	14.50	14.98	14.81	14.77						
III	16.18	15.46	15.56	15.81	16.19	16.72						
IV	13.23	13.82	13.80	13.51	13.91	13.90						

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



ORGANIC DAIRY MARKET NEWS

Information gathered July 06 - 17, 2015

ORGANIC DAIRY RETAIL OVERVIEW

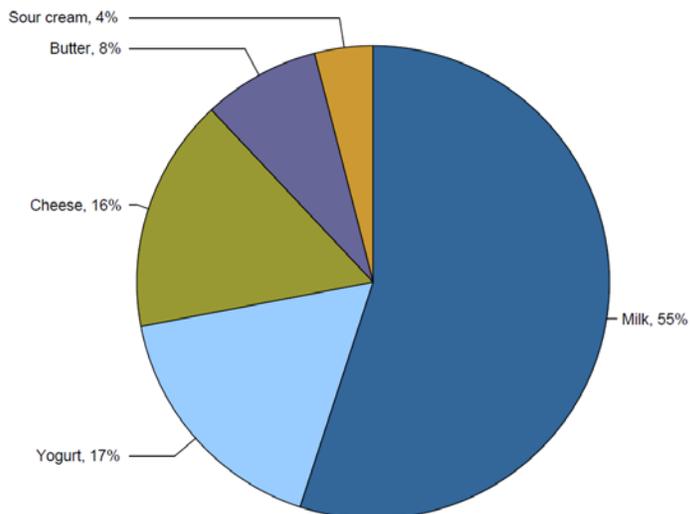
NATIONALLY ADVERTISED PRICE COMPARISON

**Organic Dairy Overview.** Organic dairy ad numbers declined this week as ad numbers fell 41%. Ads for organic milk posted the largest falloff at 51%. Organic yogurt accounts for an 8% drop in ads. Half-gallon milk packaging posted the highest decline, in ad volume.

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from July 17-23, 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>

Top 5 Percentage of Total Organic Ads



**Organic Milk Half Gallons.** The U.S. weighted average advertised price of organic milk half gallons is \$4.00, up 37 cents from last week. One year ago the price was \$3.82.

The weighted average price for ads in each region are as follows: Hawaii, \$5.77; Northeast, \$4.14; Southeast, \$2.99; South Central, \$3.86; Southwest, \$3.99; and Northwest, \$4.29.

**Organic Milk Gallons.** The U.S. weighted average advertised price of organic milk gallons is \$6.33, up 84 cents from last week. There were no ads last year.

**Organic Yogurt.** The U.S. weighted average price of 4-6 ounce organic Greek yogurt is \$1.19, up 8 cents from last week and up 14 cents from one year ago. Ads appeared in the South Central, and Northeast regions.

**Organic Cheese.** The U.S. weighted average price of 8 oz. shredded cheese is \$3.79, up 80 cents from last week. There were no ads last year.

**Organic Sour Cream.** The U.S. weighted average price of 16 oz. sour cream is \$1.99, unchanged from last week, but down 40 cents from last year.

**Organic Butter.** The U.S. weighted average price of 1 pound butter is \$5.00, down 99 cents from last week. There were no ads last year.

ORGANIC GRAIN AND FEEDSTUFF MARKETS:

Organic Grain and Feedstuff Markets. Prices of organic grains are trending mostly steady depending on quality and situation. The spot marketplace is slow to moderate on all grains as buyers or sellers aren't in any hurry. Demand is light to moderate with erratic interest and activity. Many buyers are in good shape with current inventories and contracts, while most producers have completed their forward contracts. Primary concerns involve the impacts of weather patterns especially in regard to quality, protein levels, and potential disease issues, as well as ongoing pressure and influence from seemingly larger quantities of cheaper imported grains on the domestic markets. According to USDA NASS' Weekly Crop Progress Report, for the week ending July 5, 2015, conventional crop progress is as follows: 12% corn silking, 96% soybeans planted, 93% soybean emergence, 21% soybeans blooming, 98% sunflowers planted, 97% sorghum planted, 24% sorghum headed, 55% winter wheat harvested, 76% spring wheat headed, 92% oats headed, and 84% barley headed.

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

Organic Spot Market Negotiated Prices\*

Organic Commodity	Price Range	Average**
Corn: Feed Yellow	10.25 - 13.00	11.63
Soybeans: Feed Grade	23.50 - 25.00	24.08
Meal		
Oats: Feed Grade		
Barley: Feed Grade	7.00 - 9.00	7.79
Wheat: Feed Grade HRW	9.00 - 12.50	10.94

\*Prices quoted \$/bushel FOB the farm, except soybean meal (\$/ton and FOB the mill). \*\*Weighted average price.

Contracts/Other Items

Alfalfa	Premium	373.00	CA
Alfalfa/Orchard Mix	Good/Premium	325.00	CA
Alfalfa	Good	265.00-363.00	CA
Alfalfa/Orchard Mix	Good	240.00	ID
Feed Corn	New Crop	10.00-11.50	OCT.-SEP DEL
Feed Wheat	New Crop, HRW	9.00	HARVEST DEL

## July Milk Supply and Demand Estimates

The milk production forecast for 2015 is raised on a slightly more rapid increase in cow numbers and milk per cow. However, higher expected feed prices and weaker milk prices during late 2015 and 2016 are expected to temper the rate of growth in production and the 2016 production forecast is lowered. Fat basis exports are reduced as competition in world markets is expected to be strong in both 2015 and 2016, and domestic butter demand is expected to absorb much of the available supply. Skim-solids exports are raised from last month as weaker nonfat dry milk (NDM) prices allow the United States to remain competitive in export markets. Fat basis and skim-solids imports are raised for both 2015 and 2016 on expectations of abundant global supplies of dairy products and continued strength in U.S. domestic demand for butter and cheese. Cheese and butter prices for 2015 are raised from last month on continued domestic demand strength, but NDM and whey prices are forecast lower as the supplies of those products are abundant and prices decline to maintain competitiveness in export markets. For 2016, the cheese price is unchanged, but the butter price is raised on expectations of robust domestic demand. NDM and whey prices are reduced as lower prices are expected to maintain export competitiveness. For 2015 and 2016, Class III prices are reduced on lower whey prices. Class IV prices for both years are reduced on lower NDM prices. The all milk price is forecast at \$17.05 to \$17.35 per cwt for 2015 and \$17.00 to \$18.00 per cwt for 2016.

U.S. Milk Supply and Use					
Commodity	2014	2015 Projected		2016 Projected	
		Jun	Jul	Jun	Jul
<i>(billion pounds)</i>					
Milk					
Production	206.0	208.7	208.8	213.9	213.6
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	11.2	11.2	11.2	11.3	11.6
Marketings	205.1	207.8	207.9	212.9	212.6
Imports	4.3	5.0	5.2	4.4	4.9
Total Commercial Supply	220.6	224	224.3	228.6	229.2
Fat Basis Use					
Commercial Exports	12.5	10.9	10.5	11.5	11.0
Ending Commercial Stocks	11.2	11.3	11.6	11.9	12.0
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	196.9	201.8	202.3	205.2	206.1
Skim-Solid Basis Supply					
Beginning Commercial Stocks	11.7	13.1	13.1	12.2	12.3
Marketings	205.1	207.8	207.9	212.9	212.6
Imports	5.6	5.7	6.1	5.6	6.0
Total Commercial Supply	222.3	226.6	227.1	230.7	231.0
Skim-Solids Basis Use					
Commercial Exports	39.2	38.7	39.7	39.5	39.9
Ending Commercial Stocks	13.1	12.2	12.3	12.9	12.9
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	170.1	175.7	175.1	178.3	178.1

NOTE: Totals may not add due to rounding.

Continued on page 11

## July Milk Supply and Demand Estimates-cont'd

U.S. Dairy Prices					
Commodity	2014	2015 Projected		2016 Projected	
		Jun	Jul	Jun	Jul
<i>(dollars per pound)</i>					
Product Prices <sup>1</sup>					
Cheese	2.1551	1.635-1.675	1.650-1.680	1.610-1.710	1.610-1.710
Butter	2.1361	1.800-1.870	1.810-1.870	1.720-1.850	1.750-1.880
Nonfat Dry Milk	1.7682	1.005-1.045	0.945-0.975	1.195-1.265	1.065-1.135
Dry Whey	0.6538	0.465-0.485	0.440-0.460	0.505-0.535	0.460-0.490
<i>(dollars per cwt)</i>					
Milk Prices <sup>2</sup>					
Class III	22.34	16.15-16.55	16.15-16.45	16.15-17.15	15.90-16.90
Class IV	22.09	14.20-14.70	13.70-14.10	15.40-16.50	14.45-15.55
All Milk <sup>3</sup>	23.97	17.15-17.55	17.05-17.35	17.45-18.45	17.00-18.00
<b>Quarterly</b>					
	2015 II <sup>4</sup>	2015 III <sup>4</sup>	2015 IV <sup>4</sup>	2016 I <sup>4</sup>	2016 II <sup>4</sup>
<i>(billion pounds)</i>					
Milk Production	53.6	51.7	51.6	53.3	54.5
<i>(dollars per cwt)</i>					
All Milk Price <sup>2,3</sup>	16.50-16.60	17.15-17.55	17.45-18.15	16.80-17.80	16.45-17.45
Class III Price <sup>2</sup>	16.20-16.30	16.25-16.65	16.35-17.05	15.50-16.50	15.55-16.55
Class IV Price <sup>2</sup>	13.65-13.85	13.65-14.15	13.80-14.60	13.75-14.85	14.50-15.60

<sup>1</sup> 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." <sup>2</sup> Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. <sup>3</sup> Does not reflect any deductions from producers as authorized by legislation. <sup>4</sup> Projection.

**Source:** U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-543, July 10, 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].

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

In April 2015, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.45 per cwt, down \$0.15 per cwt from the March 2015 average, and down \$8.88 per cwt from the April 2014 average. The component tests of producer milk in April 2015 were: butterfat, 3.72%; protein, 3.09%; and other solids, 5.74%. When compared to the previous month, the April Mailbox prices decreased in 14 Federal milk order reporting areas and increased in 5 Federal milk order reporting areas with a simple average decrease of \$0.16 per cwt. The Northwest States experienced the greatest decrease of \$0.96 per cwt while Indiana experienced the greatest increase of \$0.19 per cwt. Mailbox prices in April 2015 ranged from \$17.97 in the New England States to \$14.39 in New Mexico.

Reporting Area <sup>1</sup>	Mailbox Milk Price <sup>2</sup>		
	April 2014	March 2015	April 2015
	<i>(dollars per hundredweight)</i>		
New England States <sup>3</sup>	26.41	18.08	17.97
New York	25.66	16.67	16.55
Eastern Pennsylvania <sup>4</sup>	25.58	16.56	16.41
Appalachian States <sup>5</sup>	25.78	16.91	16.60
Southeast States <sup>6</sup>	25.83	17.06	16.74
Southern Missouri <sup>7</sup>	24.64	16.79	16.05
Florida	27.13	17.98	17.75
Western Pennsylvania <sup>8</sup>	25.77	16.73	16.72
Ohio	25.38	16.85	16.79
Indiana	24.51	15.89	16.08
Michigan	24.66	15.56	15.58
Wisconsin	25.91	17.46	17.51
Minnesota	26.06	17.32	17.36
Iowa	25.97	16.74	16.65
Illinois	25.81	17.01	16.85
Corn Belt States <sup>9</sup>	24.51	15.63	15.58
Western Texas <sup>10</sup>	24.42	15.47	15.49
New Mexico	22.94	14.51	14.39
Northwest States <sup>11</sup>	24.97	16.65	15.69
All Federal Order Areas <sup>12</sup>	25.33	16.60	16.45
California <sup>13</sup>	23.13	14.45	14.43

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

<sup>2</sup> 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.

<sup>3</sup> Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

<sup>4</sup> Includes all counties to the east of those listed in <sup>8</sup>.

<sup>5</sup> Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

<sup>6</sup> Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi.

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

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

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

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

<sup>11</sup> Includes Oregon and Washington.

<sup>12</sup> Weighted average of prices for all selected reporting areas.

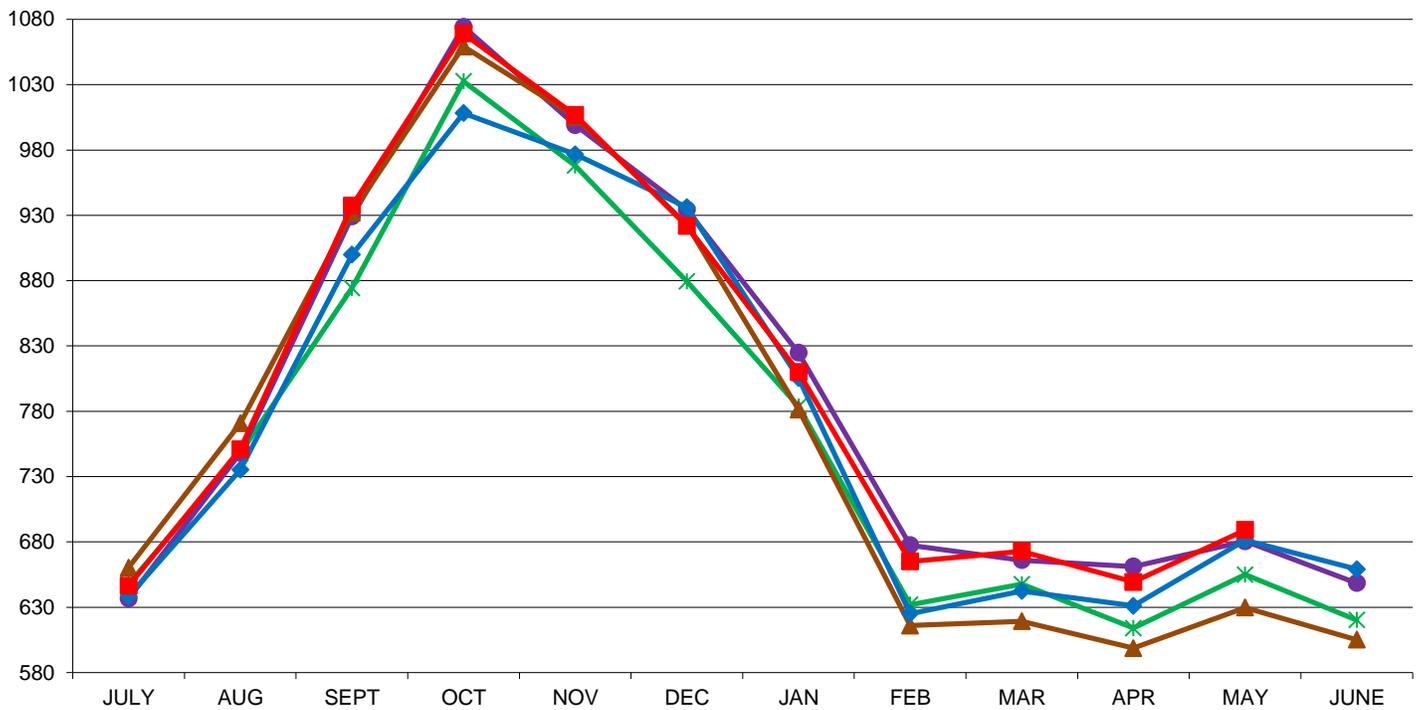
<sup>13</sup> Calculated by California Department of Food and Agriculture, and published at

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

Report Contact: Randal Stoker, [randal.stoker@usda.gov](mailto:randal.stoker@usda.gov) or 202-690-1932

MILLION LITRES

### Monthly Australian Milk Production

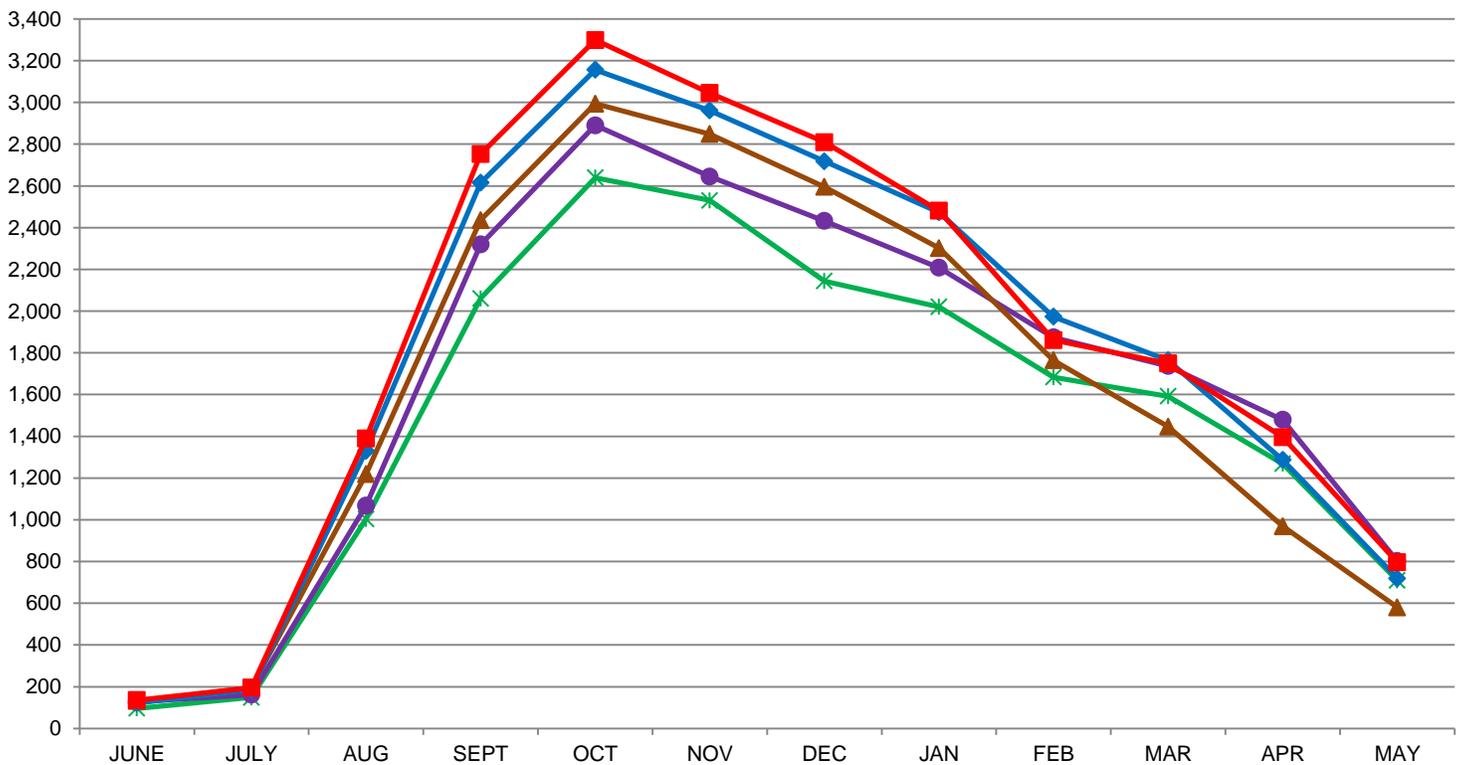


DATA SOURCE, DAIRY AUSTRALIA LTD.; GRAPH, USDA, AMS, DMN

2010-11 2011-12 2012-13 2013-14 2014-15

1,000 MT

### Monthly New Zealand Milk Production

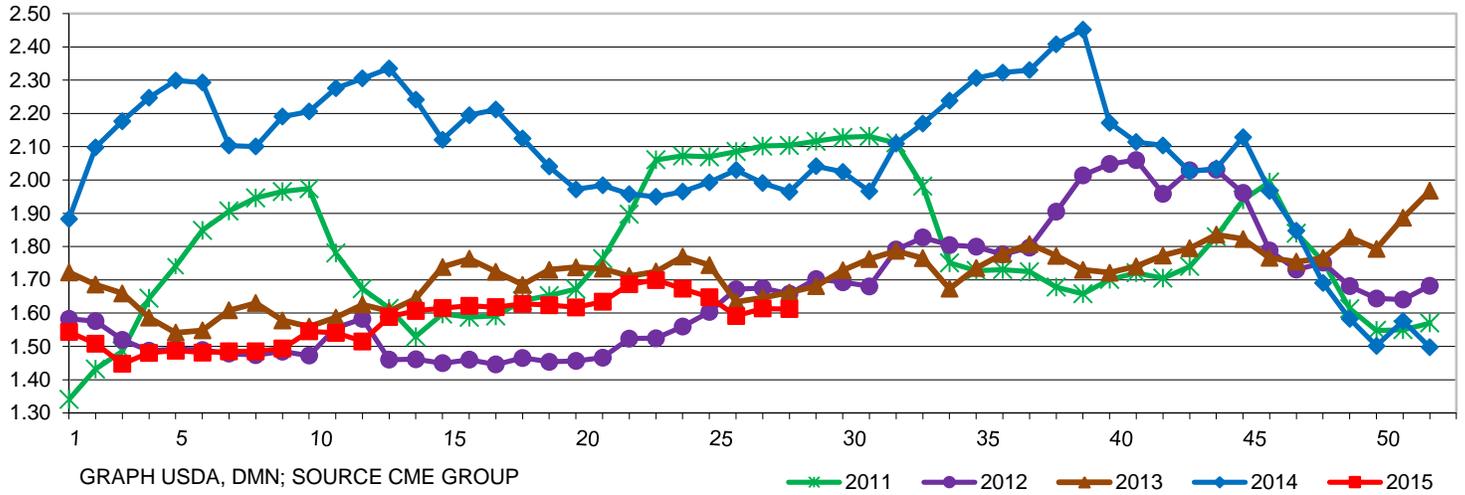


DATA SOURCE, DCANZ; GRAPH, USDA, AMS, DMN

2010-11 2011-12 2012-13 2013-14 2014-15

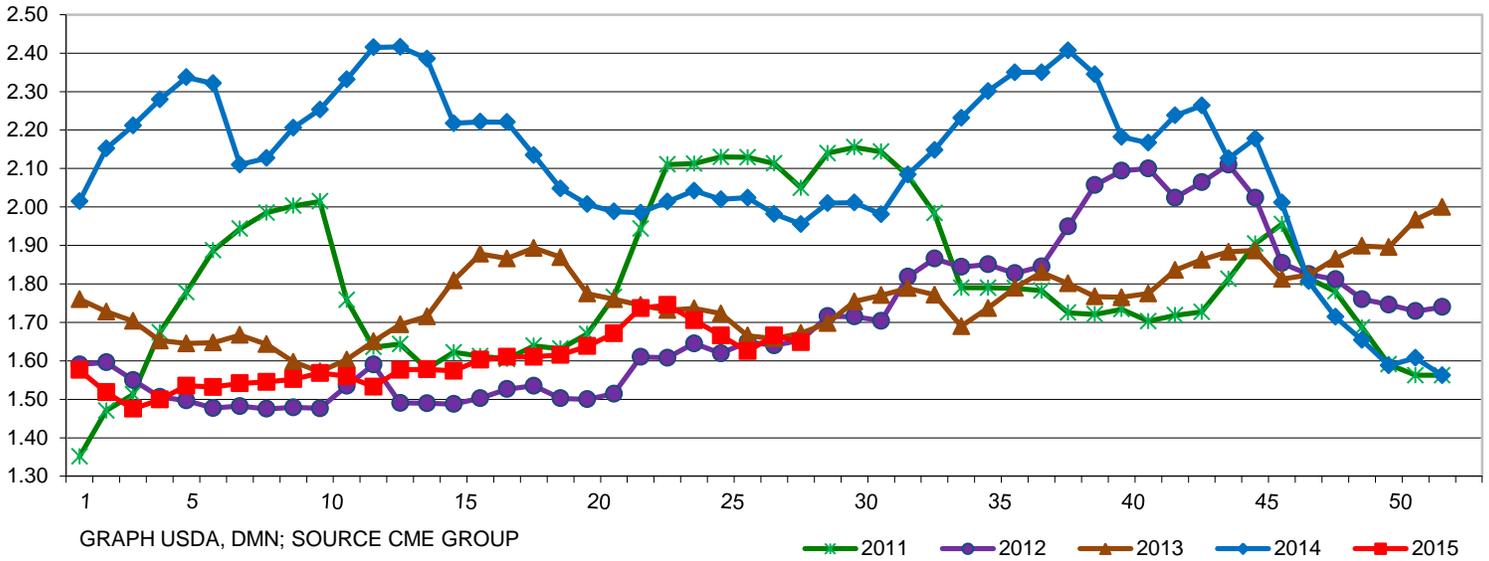
U.S. \$ PER POUND

### CME Weekly Average Cash Barrel Prices



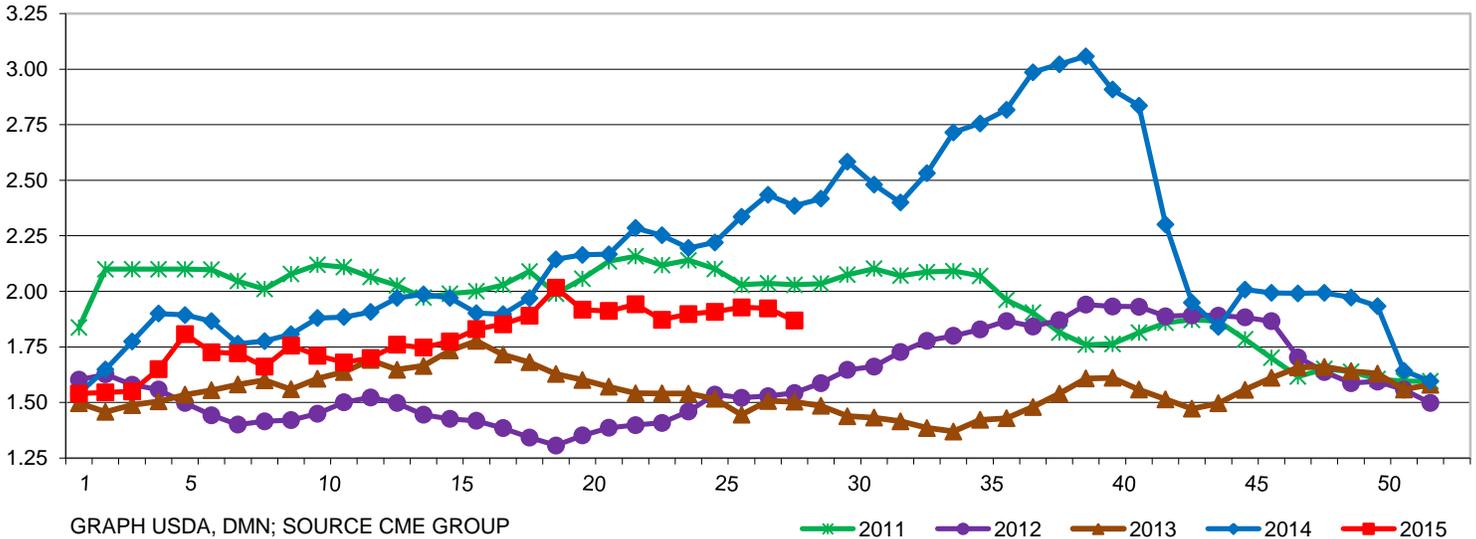
U.S. \$ PER POUND

### CME Weekly Average Cash Cheddar Block Prices

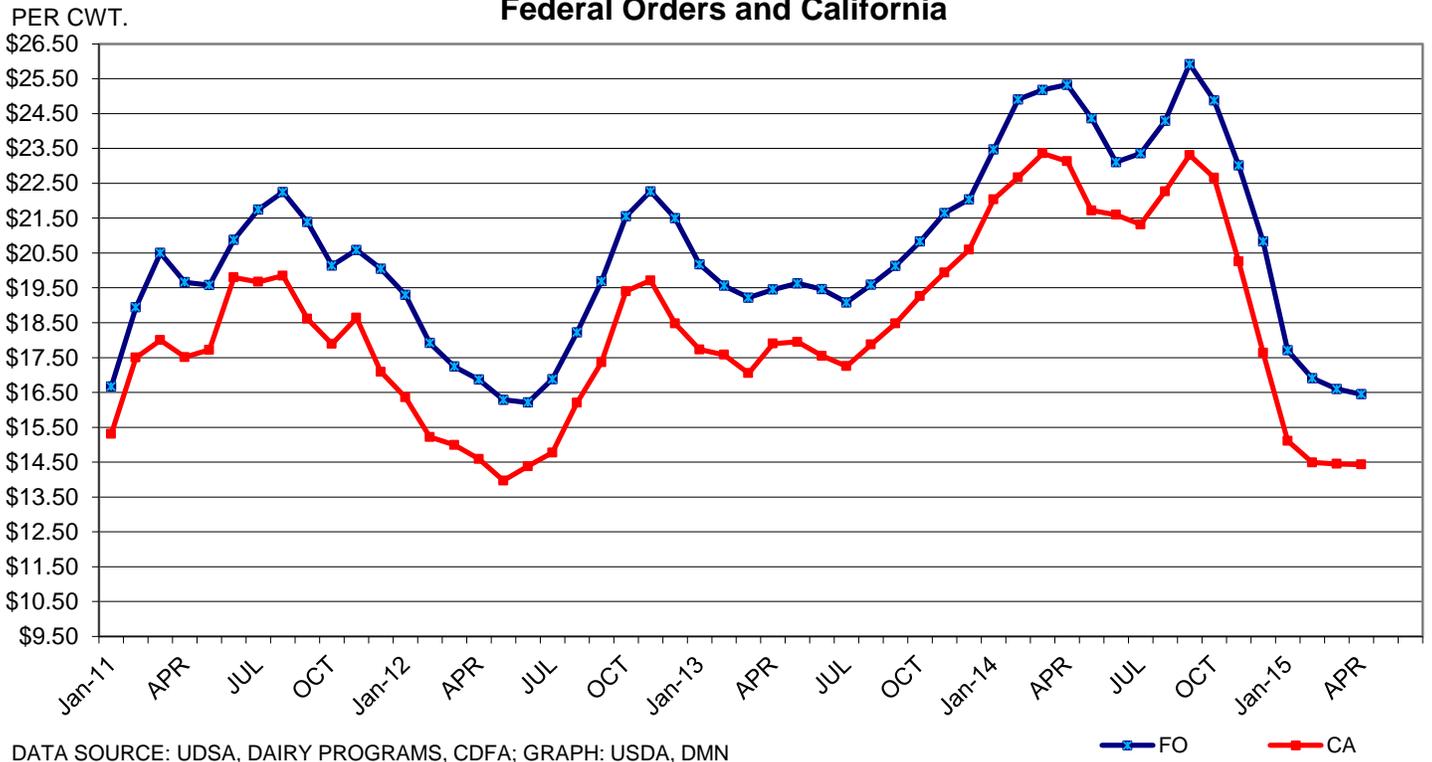


U.S. \$ PER POUND

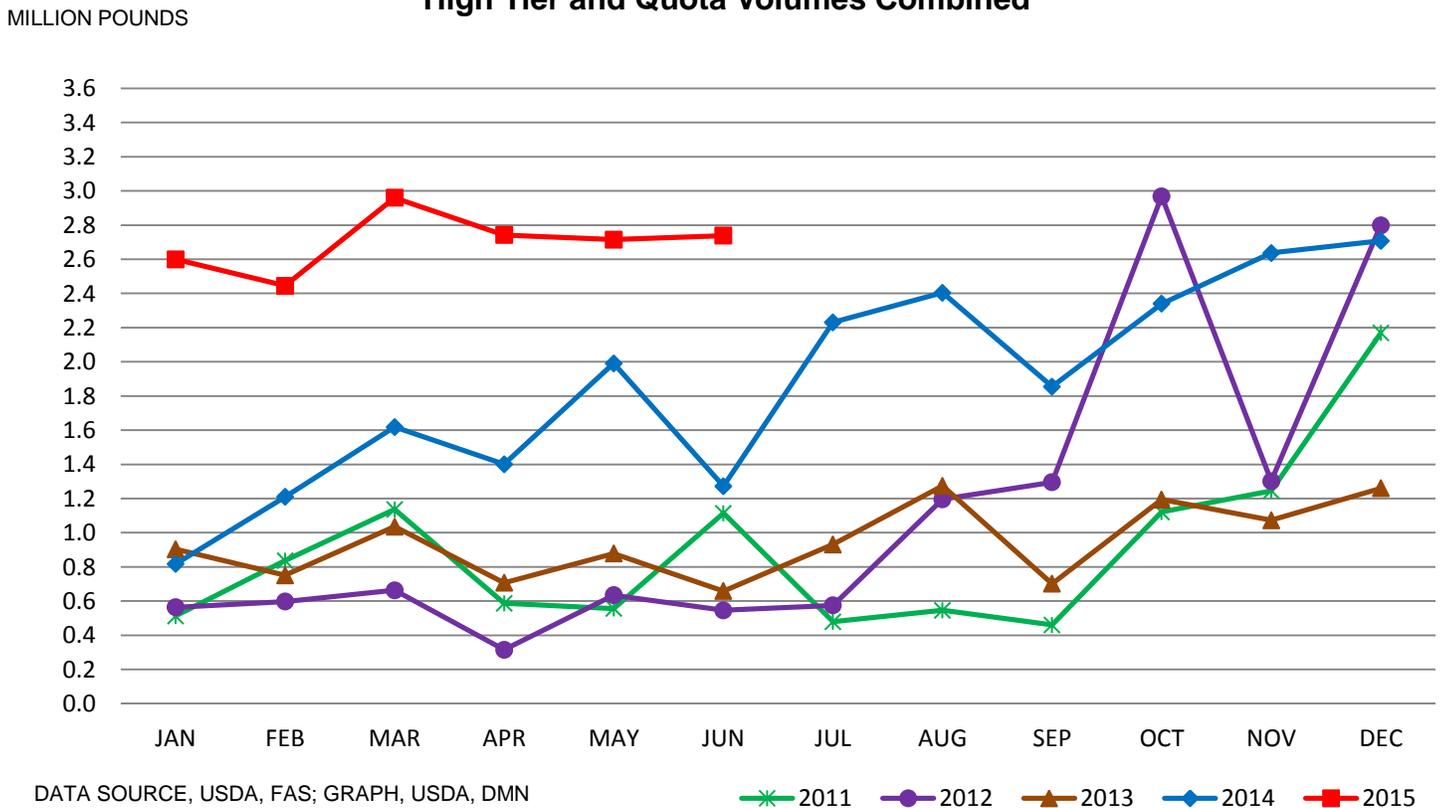
### CME Weekly Average Cash Grade AA Butter Prices



### Monthly Mailbox Price Average for Federal Orders and California



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





## 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>  
and [http://www.ams.usda.gov/mnreports/wa\\_lo100.txt](http://www.ams.usda.gov/mnreports/wa_lo100.txt)

Volume 82- Number 28

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Friday, July 17, 2015

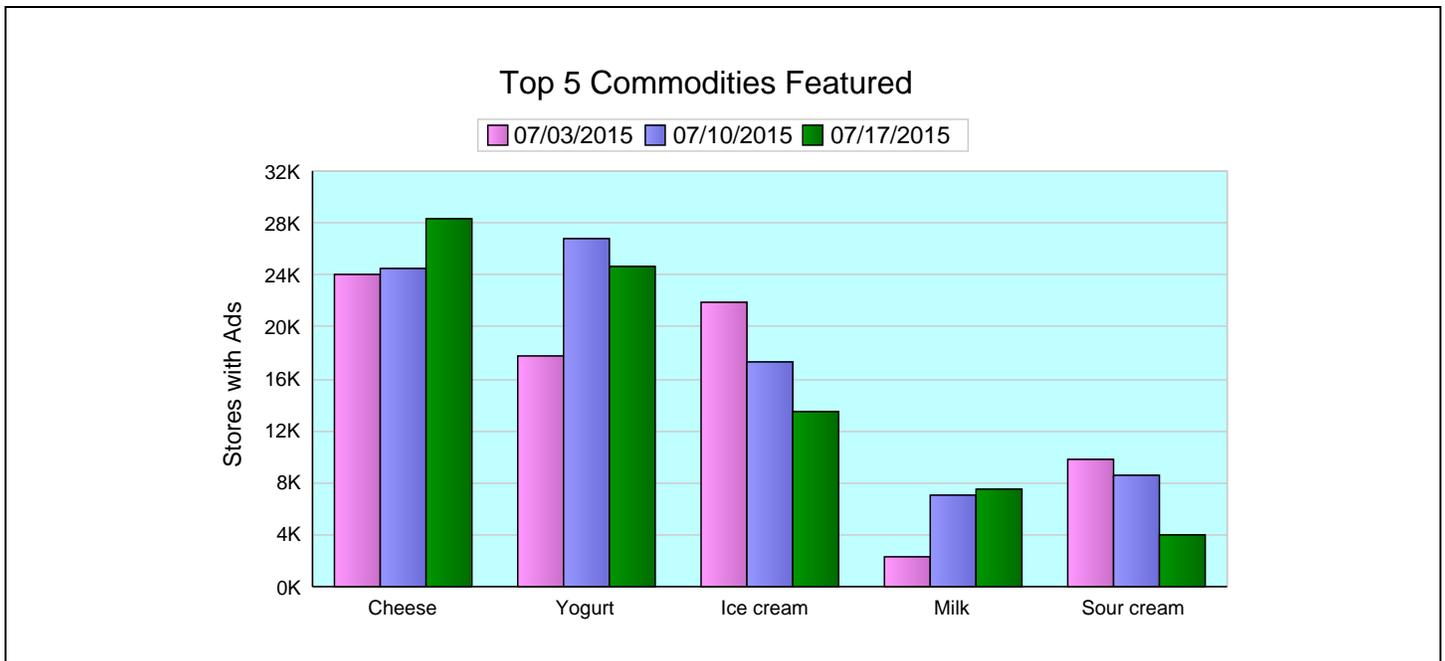
### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 07/17/2015 to 07/23/2015

Ad volumes declined this week for several popular dairy products. The ad volume percentage change, national weighted average advertised price and price change from the previous week are: 8 oz. cream cheese, -14%, \$1.67, -13 cents ; sour cream, -53%, \$1.74, -3 cents; cottage cheese, +2%, \$2.08, -3 cents, and 48-64 oz. ice cream, -22%, \$2.84, -26 cents.

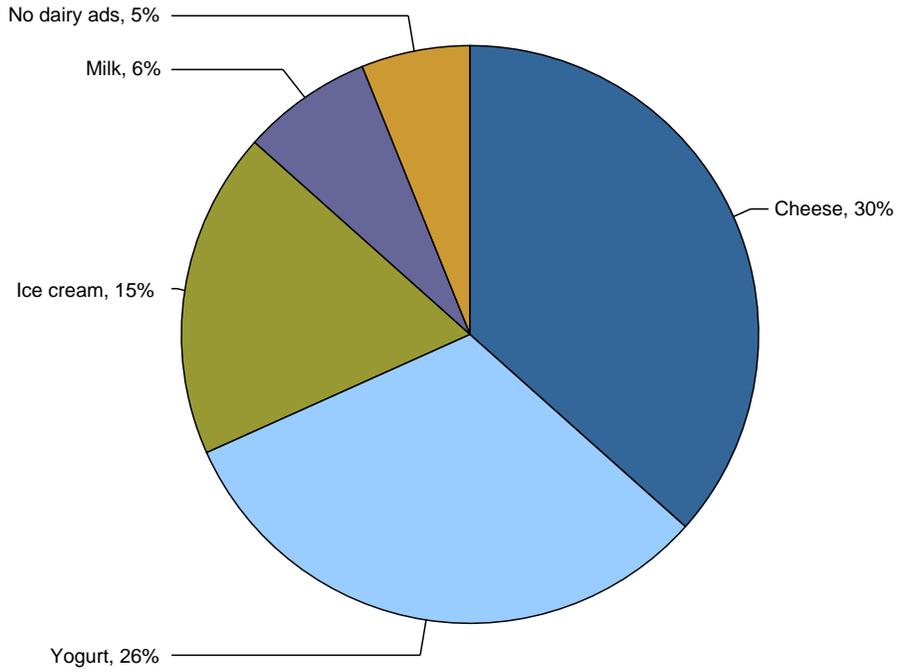
The average price of 4-6 ounce Greek yogurt is \$.96, down 2 cents from last year, but up 3 cents from the previous week. This week, yogurt in 4-6 ounce packages averages \$0.48 compared to 53 cents a year ago, and 50 cents last week. Total yogurt ad numbers declined 8% over the previous week.

The U.S. advertised prices for 8 ounce cheese blocks average \$2.36, compared with \$2.57 a year ago, and are up 8 cents from one week ago; 8 ounce shredded cheese averaged \$2.29, compared with \$2.58 one year ago, and are 5 cents below a week ago. Conventional cheese ads increased 15% over the previous week and organic cheese ads increased 35% over the previous week.

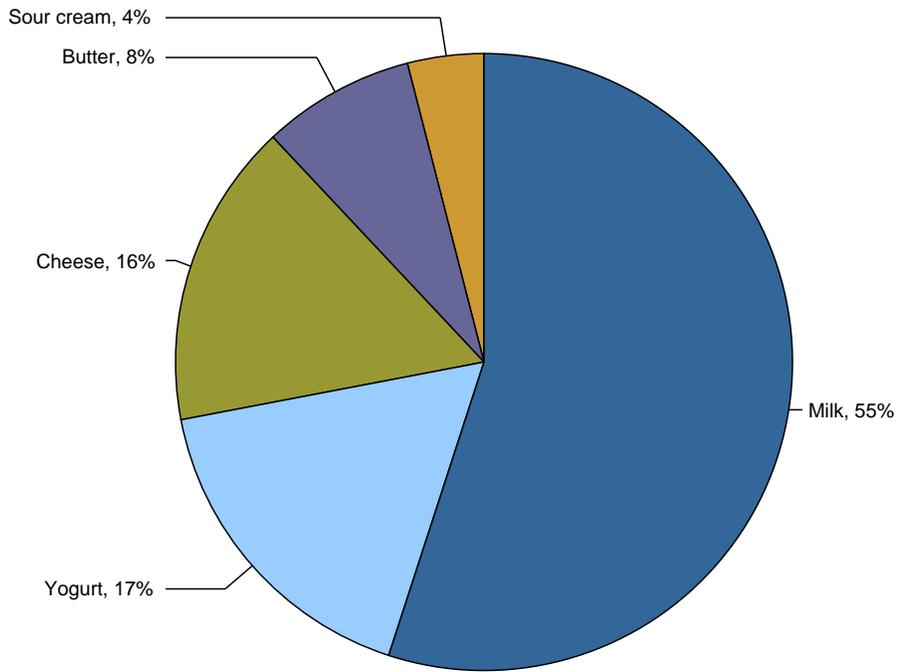
Organic - conventional half gallon milk has a price spread of \$1.18. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.82, and the average for organic half gallon milk, \$4.00.



### 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 #	3167	3.26	2931	3.02	3970	3.04
Cheese	Natural Varieties	8 oz block	11636	2.36	7951	2.28	7422	2.57
Cheese	Natural Varieties	1 # block	2570	4.41	2791	4.27	361	3.99
Cheese	Natural Varieties	2 # block	563	5.50	2062	6.83	1486	8.15
Cheese	Natural Varieties	8 oz shred	11240	2.29	9463	2.34	9407	2.58
Cheese	Natural Varieties	1 # shred	1806	4.86	1936	3.93	1570	3.23
Cottage cheese		16 oz	3741	2.08	3659	2.11	1513	2.25
Cream cheese		8 oz	3822	1.67	4458	1.80	7248	1.65
Flavored milk	All fat tests	half gallon	560	2.10	942	2.10		
Flavored milk	All fat tests	gallon	461	2.29	294	3.13	235	3.84
Ice cream		48-64oz	13492	2.84	17234	3.10	15760	3.15
Milk	All fat tests	half gallon	1124	2.82	822	2.50	947	3.14
Milk	All fat tests	gallon	4786	2.98	3146	2.81	2299	3.04
Sour cream		16 oz	3865	1.74	8303	1.77	10813	1.82
Yogurt	Greek	4-6 oz	13459	.96	18119	.93	11630	.98
Yogurt	Greek	32 oz	1012	4.83	1049	4.19	165	3.50
Yogurt	Yogurt	4-6 oz	8798	.48	5941	.50	5467	.53
Yogurt	Yogurt	32 oz	842	2.36	1184	2.44	1386	2.52

### 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	1333	3.41	2.00-2.50	424	2.39	2.50-2.99	224	2.80
Cheese	Natural Varieties	8 oz block	1.99-3.00	3853	2.45	1.99-3.98	3361	2.34	1.79-2.50	1518	2.38
Cheese	Natural Varieties	1 # block	3.99	272	3.99	2.99-4.99	1361	4.74	3.50-3.99	389	3.77
Cheese	Natural Varieties	2 # block				2.50	62	2.50			
Cheese	Natural Varieties	8 oz shred	1.67-3.00	3481	2.39	1.99-2.99	3147	2.28	1.79-2.50	930	2.30
Cheese	Natural Varieties	1 # shred	3.90	135	3.90	4.99	1083	4.99	2.99-3.50	313	3.28
Cottage cheese		16 oz	1.79-2.99	1286	2.18	1.78-2.00	1456	1.96	1.79-3.00	318	2.58
Cream cheese		8 oz	1.33-2.69	1615	1.97	1.00-1.79	751	1.39	1.00-2.39	805	1.60
Flavored milk	All fat tests	half gallon	2.50	258	2.50	1.66	114	1.66	1.25	119	1.25
Flavored milk	All fat tests	gallon				1.99-2.99	240	2.49			
Ice cream		48-64oz	1.99-3.99	4201	3.04	1.99-3.50	4007	2.73	1.50-3.99	1895	2.64
Milk	All fat tests	half gallon	2.28	62	2.28	1.66-2.99	348	2.55	1.00-1.25	217	1.14
Milk	All fat tests	gallon	2.50-3.99	439	3.38	1.99-4.29	1765	2.71	1.99-3.00	682	2.27
Sour cream		16 oz	1.50-2.00	1685	1.76	1.50-2.00	358	1.85	1.50-2.29	352	1.65
Yogurt	Greek	4-6 oz	0.88-1.33	3623	1.01	0.75-1.00	1781	.96	0.75-1.00	2936	.90
Yogurt	Greek	32 oz	3.99-5.49	454	5.02						

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	0.44-0.50	2939	.50	0.50-0.60	1375	.50	0.33-0.55	1975	.44
Yogurt	Yogurt	32 oz	2.00-2.49	279	2.21				1.99-2.00	176	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 #	2.99-4.99	232	4.01	2.49-3.48	262	3.01	2.50-3.99	626	3.46
Cheese	Natural Varieties	8 oz block	1.50-3.00	1345	2.27	1.49-2.50	1073	2.11	1.99-2.50	366	2.17
Cheese	Natural Varieties	1 # block				3.99-4.50	383	4.17	3.99-4.49	138	4.24
Cheese	Natural Varieties	2 # block	4.99	141	4.99	5.99-6.99	153	6.40	4.99-6.99	191	6.03
Cheese	Natural Varieties	8 oz shred	1.66-3.00	1349	2.19	1.49-2.50	1426	2.12	1.99-3.50	760	2.28
Cheese	Natural Varieties	1 # shred				9.00	137	9.00	3.99-4.49	138	4.24
Cottage cheese		16 oz	1.99	176	1.99	0.99-2.00	240	1.25	2.00-2.99	174	2.39
Cream cheese		8 oz	1.00-1.29	350	1.05				1.00-2.50	251	1.64
Flavored milk	All fat tests	half gallon							2.79	69	2.79
Flavored milk	All fat tests	gallon	1.99	210	1.99						
Ice cream		48-64oz	1.99-3.99	1093	2.78	1.99-3.00	1644	2.75	2.50-2.99	476	2.56
Milk	All fat tests	half gallon	1.59-1.87	152	1.73	4.29-5.49	311	4.82			
Milk	All fat tests	gallon	1.98-3.29	464	2.36	2.98-5.00	1425	3.72			
Sour cream		16 oz	1.99	118	1.99	0.99-1.99	775	1.73	1.49-1.89	524	1.58
Yogurt	Greek	4-6 oz	0.69-1.00	1632	.93	0.88-1.00	2614	.98	0.77-1.00	837	.96
Yogurt	Greek	32 oz	3.69	151	3.69	4.99-5.00	383	5.00			
Yogurt	Yogurt	4-6 oz	0.32-0.50	834	.44	0.40-0.95	864	.59	0.38-0.50	777	.41
Yogurt	Yogurt	32 oz	2.69	210	2.69				2.50-2.59	174	2.55

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 #	2.48-4.00	32	3.79	4.00	34	4.00
Cheese	Natural Varieties	8 oz block	2.49-3.50	55	3.06	1.69-4.00	65	3.03
Cheese	Natural Varieties	1 # block				5.99	27	5.99
Cheese	Natural Varieties	2 # block	5.49-6.99	16	6.49			
Cheese	Natural Varieties	8 oz shred	2.49-3.50	55	3.06	1.69-4.00	92	2.87
Cottage cheese		16 oz	1.99	6	1.99	2.69-2.79	85	2.76
Cream cheese		8 oz	1.69-2.50	16	1.85	2.50	34	2.50
Flavored milk	All fat tests	gallon	3.49	11	3.49			
Ice cream		48-64oz	3.99-4.79	27	4.17	3.50-5.99	149	4.38
Milk	All fat tests	half gallon				3.99	34	3.99
Milk	All fat tests	gallon	3.49	11	3.49			
Sour cream		16 oz	1.79-2.00	29	1.98	2.29	24	2.29
Yogurt	Greek	4-6 oz	1.00	2	1.00	0.99-1.25	34	1.01
Yogurt	Greek	32 oz				5.69	24	5.69



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
Yogurt	Yogurt	4-6 oz				0.60	34	.60
Yogurt	Yogurt	32 oz				2.50	3	2.50

### NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	230	5.00	180	5.99		
Cheese	Natural Varieties	8 oz block	162	3.99	162	2.99		
Cheese	Natural Varieties	8 oz shred	276	3.79	162	2.99		
Cottage cheese		16 oz			137	4.99		
Ice cream		48-64oz			142	4.98	143	5.99
Milk	All fat tests	half gallon	1280	4.00	2486	3.63	2707	3.82
Milk	All fat tests	gallon	203	6.33	550	5.49		
Milk	All fat tests	8 oz UHT	53	1.00	84	1.00	440	.84
Sour cream		16 oz	121	1.99	289	1.99	112	2.39
Yogurt	Greek	4-6 oz	323	1.19	509	1.11	867	1.05
Yogurt	Yogurt	4-6 oz	143	.93				
Yogurt	Yogurt	32 oz					1351	3.85

### 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 #	4.99	167	4.99						
Milk	All fat tests	half gallon	3.99-4.29	496	4.14	2.99	90	2.99			
Milk	All fat tests	8 oz UHT							1.00	53	1.00
Yogurt	Greek	4-6 oz	1.00-1.25	209	1.16						



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 #							4.99	61	4.99
Cheese	Natural Varieties	8 oz block	3.99	162	3.99						
Cheese	Natural Varieties	8 oz shred	3.50-3.99	276	3.79						
Milk	All fat tests	half gallon	2.99-4.29	357	3.86	3.99	246	3.99	4.29	60	4.29
Milk	All fat tests	gallon				6.98	137	6.98	4.99	66	4.99
Sour cream		16 oz	1.99	121	1.99						
Yogurt	Greek	4-6 oz	1.25	114	1.25						
Yogurt	Yogurt	4-6 oz	0.88-0.99	141	.93						

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 #	5.99	2	5.99			
Milk	All fat tests	half gallon				4.29-5.99	31	5.77
Yogurt	Yogurt	4-6 oz	1.00	2	1.00			

**REGIONAL DEFINITIONS**

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

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

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