

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (7/31)**

BUTTER: Grade AA closed at \$1.9900. The weekly average for Grade AA is \$1.9345 (+.0510)

CHEESE: Barrels closed at \$1.6975 and 40# blocks at \$1.7475. The weekly average for barrels is \$1.6755 (+.0360) and blocks, \$1.6975 (+.0295).

NONFAT DRY MILK: Grade A closed at \$.7000. The weekly average for Grade A is \$.7080 (-.0235).

BUTTER HIGHLIGHTS: Churning rates have slowed due to the tightness of cream. When there are opportunities, some manufacturers are selling available cream for better profit margins. Some butter producers are taking advantage of the available time in production schedules for maintenance projects. Demand remains strong. Some manufacturers note an increase in sales. Others are adding to inventory levels. The current pricing ups and downs have some manufacturers concerned. Friday at the CME Group, Grade AA butter closed at \$1.9900, up \$.0350 from last week's close.

CHEESE HIGHLIGHTS: Seasonal declines in milk components are reducing cheese yields in all regions. Seasonal milk volume declines are also noted in the Midwest and West. Midwest surplus milk volumes are declining and discounted prices are diminishing, with some manufacturers having contracted for milk after August 1 at a slight premium above Class. Manufacturers are comfortable with cheese inventories although some are paying increased attention to align production with contracts to ensure inventories remain comfortable. Barrels closed Friday at \$1.6975, up \$.0375 from last week's close, and 40# blocks closed at \$1.7475, up \$.0500.

FLUID MILK: Across most of the nation, milk production is declining and following typical, seasonal patterns. In the Southeast, where hot, humid weather has persisted, the decline is at an accelerated rate. Spot milk loads are moving into the Southeast and Florida. Surplus milk offerings are becoming less available in the Midwest. A few loads of milk are moving between states in the western region. Bottling demand is starting to increase as schools start their fall terms over the next few weeks. Cream demand is good and supplies are generally tight in all of the regions. Some condensed skim is being dumped in the East.

DRY PRODUCTS: Low/medium heat nonfat dry milk prices moved lower this week. Production remains active in the East and Central, but is slowing in the West. High heat nonfat dry milk prices are lower and production is sporadic. Dry buttermilk prices are steady to lower. Production is generally lower and inventories are tightening. Very limited activity is occurring on the spot market for dry whole milk. Dry whey prices across the nation moved lower. Whey production remains active as cheese manufacturing is strong. Inventories continue to be long. Whey protein concentrate 34% prices are lower and inventories are heavy. Lactose prices edged lower this week. Production at a few plants is reduced due to lower prices and limited demand. Casein prices are unchanged, demand is weak and global supplies are readily available.

ORGANIC DAIRY MARKET OVERVIEW (DMN): AMS reports total organic whole milk sales for May 2015, 64 million pounds, were up 1.3% from May last year and 2015 year to date sales are up 10.2% compared with year to date sales last year. Total organic milk products sales for May 2015, 195 million pounds, were down 7.4% compared with May last year and down 1.9% January through May 2015 compared with the same months of 2014. May 2015 estimated sales of total organic milk products is the first May, during the five years where data is available, to record lower sales than May of the prior year. It is also the first May in that time range to record lower sales than the prior April. The U.S. weighted average advertised price of organic milk half gallons is \$3.42, down 1 cent from last week. The U.S. weighted average advertised price of organic milk gallons is \$5.39, up 13 cents from last week. The U.S. weighted average price of 8 oz. cheese blocks is \$3.99, unchanged from last week.

NATIONAL DAIRY REPORT – DAIRY (DMN): Butter, cottage cheese and cream cheese are all up in ad volume and price this week. The change in ad volume, national weighted average advertised price, and price change from last week are: 1 pound butter, +79%, \$3.36, up 7 cents; 16 ounce cottage cheese, +23%, \$2.38, up 37 cents; and 8 ounce cream cheese, +35%, \$1.98, up 31 cents. Overall conventional dairy ad volume is up only slightly from last week.

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CME GROUP CASH TRADING

COMMODITY	MONDAY JUL 27	TUESDAY JUL 28	WEDNESDAY JUL 29	THURSDAY JUL 30	FRIDAY JUL 31	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.6400 (-.0200)	\$1.6400 (N.C.)	\$1.6900 (+.0500)	\$1.7100 (+.0200)	\$1.6975 (-.0125)	:: (+.0375)	:: \$1.6755 (+.0360)
40# BLOCKS	\$1.6550 (-.0425)	\$1.6400 (-.0150)	\$1.7000 (+.0600)	\$1.7450 (+.0450)	\$1.7475 (+.0025)	:: (+.0500)	:: \$1.6975 (+.0295)
NONFAT DRY MILK							
GRADE A	\$.7100 (-.0025)	\$.7100 (N.C.)	\$.7225 (+.0125)	\$.6975 (-.0250)	\$.7000 (+.0025)	:: (-.0125)	:: \$.7080 (-.0235)
BUTTER							
GRADE AA	\$1.9225 (-.0325)	\$1.9025 (-.0200)	\$1.9075 (+.0050)	\$1.9500 (+.0425)	\$1.9900 (+.0400)	:: (+.0350)	:: \$1.9345 (+.0510)

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

The U.S. advertised prices for 8 ounce cheese blocks average \$2.22, compared with \$2.57 a year ago, and are down 5 cents from one week ago; 8 ounce shred cheese averaged \$2.21, compared with \$2.33 one year ago, and are 22 cents below a week ago. Conventional cheese ads decreased 11% from the previous week. The average price of 4-6 ounce Greek yogurt is \$1.00, up 5 cents from last week, and up 1 cent from a year ago. This week, yogurt in 4-6 ounce packages average \$0.51 compared with 47 cents last week and 48 cents a year ago. Conventional yogurt ad numbers increased 5% from the previous week. Organic - conventional half gallon milk has a price spread of \$1.24. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.18 and the average for organic half gallon milk, \$3.42.

JUNE AGRICULTURAL PRICES HIGHLIGHTS (NASS):

The All Milk price received by farmers was \$16.90 in June, down \$6.30 from June 2014. The alfalfa hay price was \$178.00 in June, down \$44.00 from June 2014. The corn price was \$3.58 in June, down \$.92 from June 2014. The soybean price was \$9.58 in June, down \$4.72 from June 2014. The milk-feed price ratio was 2.06 in June, down 0.14 from June 2014. The index of prices received by farmers for dairy products during the month of June 2015 was up 1 point to 84. Compared to June 2014, the index was down 31 points (-27.0 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in June 2015 was unchanged at 109. Compared with June 2014, the index was down 4 points (-3.5 percent).

CME GROUP

MONDAY, JULY 27, 2015

CHEESE -- SALES: 1 CAR BARRELS @ \$1.6400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.6550
 NONFAT DRY MILK -- SALES: 4 CARS GRADE A: 1 @ \$0.7125, 1 @ \$0.7100, 1 @ \$0.7150, 1 @ \$0.7100; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7100; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.9225; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

TUESDAY, JULY 28, 2015

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.6400; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6400; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.6500
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7025; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.9000; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9025; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JULY 29, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6900; 1 CAR 40# BLOCKS @ \$1.7000; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.7225; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.9075; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.9200

THURSDAY, JULY 30, 2015

CHEESE -- SALES: 1 CAR BARRELS @ \$1.7100; LAST BID UNFILLED: 2 CARS 40# BLOCKS @ \$1.7450; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.7000, 1 @ \$0.6975; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.6950; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$1.9400, 3 @ \$1.9500; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9500; LAST OFFER UNCOVERED: NONE

FRIDAY, JULY 31, 2015

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.7125, 1 @ \$1.7150, 1 @ \$1.7075, 1 @ \$1.7000, 1 @ \$1.6975; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6900;
 1 CAR 40# BLOCKS @ \$1.7475; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7075
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7000; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 7 CARS GRADE AA: 1 @ \$1.9500, 1 @ \$1.9850, 1 @ \$1.9925, 1 @ \$2.0025, 1 @ \$2.0100, 1 @ \$2.0000, 1 @ \$1.9900; LAST BID UNFILLED: NONE;
 LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

Churning schedules have slowed in the Northeast as some manufacturers are taking advantage of the fairly high cream multiples and selling cream. This situation is offering those plants opportunities to complete overdue maintenance projects. Demand is good with retailers submitting their orders for Q4. Current package butter production is filling existing orders, while most of the bulk production is adding to supplies. The current bulk butter prices are 5 to 6 cents over the CME Group market, with various time frames and averages used. According to the *DMN National Retail Report-Dairy*, for July 24-30, the U.S. weighted average advertised price for 1-pound butter is \$3.29, down 20 cents from a year ago, but up 3 cents from the previous week. The Northeast average price is \$2.96, down 45 cents from last week. In the Southeast, the butter price averaged \$3.00, up 61 cents from a week ago. Tuesday's CME Group cash trading saw Grade AA butter close at \$1.9025, up \$0.0700 from a week ago. According to NASS, U.S. butter in storage on June 30, 2015 totaled 254.7 million pounds, 4% less than the previous month, but 28% more than a year ago.

CENTRAL

The market tone remains strong. Churning is active even as ice cream production continues to pull heavily on cream supplies. There are some butter producers that prefer to sell available cream instead of churning. Some manufacturers are reporting butter sales are increasing. Due to the tightness in cream supplies, some butter producers are delaying orders and diverting milk into cheese. According to the *DMN National Retail Report-Dairy*, for July 24-30, the national weighted average advertised price for a 1 pound package of butter price is \$3.29, a 3 cent increase from last week but a 20 cent decrease from a year ago. The weighted average price in

the Midwest was \$2.50. Bulk butter prices are at 6 cents under market to 2 cents over market, based on the CME Group and various indices. The Grade AA butter price at the CME Group closed Wednesday at \$1.9075, increasing 3.25 cents from last Wednesday.

WEST

West butter contacts are comfortable with current inventories. Domestic demand remains good and prices have moved higher. Manufacturers have adjusted production to meet their current needs, maintain inventories, and take advantage of opportunities to sell cream. Some butter makers report slowing or temporarily suspending production, while others have shifted more production to print butter instead of bulk. Most industry contacts say there is still considerable demand for cream and good returns from cream sales. The *DMN National Retail Report-Dairy* for the week July 24 - 30, found that the U.S. weighted average advertised price of 1 pound butter is \$3.29, up \$.03 from one week ago but down \$.20 from one year ago. In the Southwest, the weighted average advertised price for 1 pound butter was \$3.86 with a price range of \$2.99 - \$5.49, and in the Northwest, \$3.47 with a price range of \$2.50 - \$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 \$1.9075, up \$.0325 from a week ago.

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 25, 2015	1.8930 3,160,879	1.6727 14,428,948	1.6648 10,612,737	.3759 6,481,326	.8022 18,249,413

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

CHEESE MARKETS

NORTHEAST

Cheese production continues to be very active in the Northeast for this time of year, due to the strong milk production volumes this year. Most cheese plants are operating on 6-7 day production schedules. Hot, humid weather in the region has caused milk components to decline, resulting in lower yields. Demand for cheese is about steady with levels experienced in recent weeks. Northeast wholesale cheese prices for cheddar and Muenster increased \$0.0200; process 5# sliced gained \$0.0275. Grade A Swiss prices are unchanged. According to the DMN *National Retail Report-Dairy*, for the week of July 24-30, the weighted average advertised price for 8 oz. cheese blocks in the Northeast was \$2.42, 15 cents more than the national average, but 3 cents less than a week ago. The Southeast 8 oz. block cheese price was \$2.19, 15 cents less than a week ago. At the CME Group, Tuesday's daily cash trading saw barrels close at \$1.6400, up \$0.0025 from a week ago; blocks closed at \$1.6400, down \$0.0300 from a week ago. According to NASS, U.S. stocks of total natural cheese on June 30, 2015 totaled 1.141 billion pounds, 8% more than a year ago, and 3% above the previous month. Other cheese totaled 435.4 million pounds, 17% more than a year ago, and 3% more than the previous month. Swiss cheese totaled 20.8 million pounds, 25% less than a year ago and 3% less than the previous month.

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

Cheddar 40# Block	:	2.0625-2.3475
Process 5# Sliced	:	1.8600-2.3400
Muenster	:	2.0825-2.4325
Grade A Swiss Cuts 10 - 14#	:	3.2100-3.5325

MIDWEST

Signs of change are afoot in Midwest cheese manufacturing and sales, after several months of relatively similar news. While most cheese plants are receiving the milk volumes they want, contracted milk volumes and components are declining in most locations. This is increasingly being noted and reflected in manufacturing decisions. Surplus milk supplies are getting tighter and less price favorable. Many Midwest cheese producers planning ahead for acquiring surplus milk are paying prices around \$1.00 below Class for deliveries through July. A few last minute offers of limited supplies of surplus milk were made late last week at \$2.50 under, with some cheese producers declining the offers due to short notice and timing limitations. Extra spot milk contracted beginning August 1 is tending toward 50 cents above Class and that premium price is expected to increase in the near term. Many manufacturers have taken note and the view forward is already shifting from dealing with copious milk volumes, to dealing with much tighter milk supplies. Some manufacturers are now hesitating to agree to sell additional cheese to regular contract customers through the later part of 2015 because the manufacturers are not certain they can obtain enough milk to deliver the cheese volumes in a few months. These manufacturers expect to be impacted by declines in milk production as well as the expected August increased demand for school food programs, which will leave them with insufficient milk supplies to increase contracted deliveries. To the extent that some surplus milk remains available, other plants are now more cautious about accepting it unless the resulting near term cheese production has sales commitments. This is a change from recent weeks when manufacturers felt more confident in readily accepting discounted surplus milk, believing that that if they made cheese, it would sell. Occasional cheese buyers must work harder to find available cheese from manufacturers, due to an increasing focus on satisfying regular customers as milk supplies tighten. The DMN

National Retail Report-Dairy shows that July 24-30 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.04, 39 cents lower than the national average. Midwest prices range from \$1.49 - \$3.29. One year ago the national price was \$2.33. For 8 ounce blocks, the Midwest average price is \$2.10, 17 cents lower than the national average price. Midwest ads are priced from \$1.67 to \$3.29. Last year, the national price was \$2.57. Midwestern wholesale prices are unchanged for Swiss cuts, up \$.0275 for process, and up \$.0200 for all other types. NASS reports that June 30, 2015 East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio) American cheese stocks were 111% of June 30, 2014, and 102% of May 31, 2015. East North Central region other cheese stocks were 113% of June 30, 2014 and 104% of May 31, 2015. Total U.S. natural cheese stocks on June 30, 2015 were 108% of June 30, 2014 and 103% of May 31, 2015. In CME Group trading this week Wednesday, Barrels closed at \$1.6900, up \$.0450 from last Wednesday and Blocks closed at \$1.7000, up \$.0350.

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

Process American 5# Loaf	:	1.7425-2.1025
Brick And/Or Muenster 5#	:	2.0425-2.4675
Cheddar 40# Block	:	1.7700-2.1650
Monterey Jack 10#	:	2.0175-2.2225
Blue 5#	:	2.3100-3.2975
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8425-2.7825
Grade A Swiss Cuts 6 - 9#	:	2.7275-2.8450

WEST

Steady cheese production continues in the West as cheesemakers work to absorb the readily available milk supplies. Although cyclical heat waves suppress milk production for periods of time, the ensuing cooler temperatures and low humidity create a rebound. Amidst these ups and downs, most industry contacts are observing the typical slow, seasonal decline in milk intakes. Domestic demand for cheese has translated into decent sales volumes, especially the consumer desire for branded cheeses. Buoyed by domestic demand, cheese prices have moved higher, leading a number of contacts to ask if current prices can hold. Manufacturers suggest they are comfortable with present inventories, but are considering whether a slowdown in demand will result in increased inventories. The DMN *National Retail Report-Dairy* for the week of July 24-30 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.43, up \$.14 from last week and up \$.10 from a year ago. Packs averaged \$2.30 in the Southwest and \$2.61 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.27, down \$.09 from last week and down \$.30 from a year ago. Blocks in the Southwest averaged \$2.30, and in the Northwest, \$2.50. Western wholesale prices are unchanged for Swiss cuts, up \$.0275 for process, and up \$.0200 for all other types. In CME Group trading Wednesday, Barrels closed at \$1.6900, up \$.0450 from last Wednesday and Blocks closed at \$1.7000, up \$.0350.

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

Process 5# Loaf	:	1.7575-2.0150
Cheddar 40# Block	:	1.7750-2.2200
Cheddar 10# Cuts	:	1.9550-2.1750
Monterey Jack 10#	:	1.9650-2.1250
Grade A Swiss Cuts 6 - 9#	:	2.7875-3.2175

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CHEESE MARKETS

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FOREIGN

Prices for domestic foreign type cheese rebounded from the previous week's decline. Prices for imported and Swiss cheese were unchanged. Demand has weakened, compared to previous weeks, not unexpected for this time of year. Domestic cheese supplies are readily available for nearly all varieties. The favorable foreign currency exchange rates continue to keep the imported cheese market fairly active. European cheese production has declined, due to declining milk production and the desire by cheese makers not to get into an oversupply position.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.2025-3.6900*
Gorgonzola	: 3.6900-5.8900	: 2.7100-3.4075*
Parmesan (Italy)	: -0-	: 3.5925-5.6825*
Provolone (Italy)	: -0-	: 2.2450-2.4975*
Romano (Cows Milk)	: -0-	: 3.3925-5.5425*
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.

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

	BUTTER	CHEESE
07/27/15	19,398	102,426
07/01/15	20,347	101,646
CHANGE	-949	780
% CHANGE	-5	1

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	20	0	0	0	0	35
SOUTHEAST STATES	6	0	0	0	0	0

Manufacturing milk supplies in the Northeast and Mid-Atlantic regions continue to be heavy for this time of year, due to the strong milk volumes coming off farms. Some manufacturers are commenting that milk production volumes have not declined appreciably since the peak. Many manufacturers are hoping that the return of hot, humid weather will decrease milk production in the near future. Class I demand is steady compared to recent weeks. Hot, humid weather has not abated in the Southeast region. Milk production is declining at an accelerated rate. Class I demand is steady to firm. Bottling demand has prompted 6 spot loads to be imported this week. Fluid demand will be increasing in the coming weeks as schools begin their fall terms. Milk loads going into manufacturing are very limited. Florida milk production continues to decline with daytime high temperatures in the 90's. This situation is likely to continue through August. Class I demand has begun to increase slightly as bottlers prepare for the opening of schools in the coming weeks. The lower milk production levels and higher fluid demand prompted 20 spot loads of milk to be imported this week. Cream markets have marginally weakened compared to last week, but overall demand remains good. **Cream multiples** for all Classes range **1.45-1.60**. The upper end of the range reflects the demand from fluid cream bottlers. Cream availability is dependent on the day needed with supplies tightest early in the week, less so later in the week. Cream sales to ice cream manufacturers are good. Lower component levels in milk supplies are contributing to the generally tight supplies. **Condensed skim** supplies are burdensome with numerous loads having difficulty finding a home. Dumping loads is an option of last resort, but is being done in some situations. Most spot loads are moving to Class II manufacturers, as loads going to Class III require discounts to complete transactions. Class IV production schedules are very active. According to the DMN National Retail Report-Dairy, for July 24-30 the U.S. weighted average advertised price for a gallon of milk was \$2.49, down 55 cents from last year, and 49 cents lower compared to last 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 - 2.7310-3.0136

F.O.B. producing plants: Upper Midwest - 2.7687-3.0136

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

PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices - .75-.91

Northeast - Class III - spot prices - .75-.90

MIDWEST

Milk production is slowly decreasing, however manufacturers report having enough supplies for current production needs. Bottling demand is starting to increase slightly as educational institutions begin fall terms. Spot load availability is decreasing and most loads are selling at \$1 under Class. Class II demand is still strong, with some manufacturers reporting demand for cream cheese increasing. **Multiples are steady to higher, ranging from 1.47 to 1.60**. Most manufacturers are reporting cream supply tightness. Some processors note cream is available, but at higher multiples. The DMN *National Retail Report-Dairy* for the week of July 24-30, noted the national weighted average advertised price for one gallon of milk was \$2.49, down \$0.49 from a week ago and \$0.55

from a year ago. The weighted average price in the Midwest region was \$2.37. The weekly *Cow Slaughter under Federal Inspection* report shows U.S. dairy cow slaughter for the week ending July 11, at 52,700 head, 600 head less than the comparable week a year ago.

WEST

Milk production in California is lower. Seasonal high temperatures above 105 degrees are reducing the comfort and yield of cows. The fat and protein components in the milk are slightly declining. There are adequate milk volumes to satisfy local demand of manufacturers. At this time, very few spot milk loads are traveling out of the state to be processed. Class 1 sales in California are lower, while Class 2 are steady. June 2015 pool receipts of milk in California total 3.26 billion pounds, 5.2% lower compared to June last year, according to California Department of Food and Agriculture. Year-to-date through June 2015 receipts are 4.1% lower from the comparable months in 2014. The June Value at Test price is \$15.36, \$.36 higher than May 2015, but \$6.50 lower than June 2014. The percentage of receipts used in Class 1 products is 12.76%. The June quota price is \$16.34 and the over quota price is \$14.64. These prices are \$.40 higher than May 2015, but \$.641 lower than a year ago. Milk output in Arizona is seasonally decreasing. However, the production is above the levels from the previous year. The warm weather and humidity are raising the stress of cows. Some local processors continue clearing up milk supplies from nearby states. Bottlers are requesting more milk volumes as school terms start during the next week. Therefore, the milk levels available for processing are decreasing. Sales for Class II are steady to lower. Some manufacturers are reducing the production of condensed skim mainly due to a drop in the price. New Mexico milk intakes are trending lower. Fewer head of productive cows are contributing with the reduction of the milk output. Some industry contacts report a shrink in the milk herd due to the culling of low yield cows. Adequate volumes of milk are moving around the state for processing. However, some producers report a decrease in milk loads orders from some NDM plants. Out of the state processors continue clearing up milk supplies from New Mexico. Class I and Class II sales are higher. The state is into the fourth cutting of fair/good feeding alfalfa hay, some areas are finishing the third cut. According to DMN National Retail Report-Dairy for week of July 24 - July 30, the weighted average advertised price for one gallon of milk is \$2.51 in the Southwest, \$2.50 in the Northwest, and \$2.49 for the U.S. In the Pacific Northwest, the cyclical heat waves suppress milk production. And the following cooler temperatures and low humidity allow a rebound. The net effect is milk production is showing a little more tightness due to the typical, seasonal declines in milk production. Processors still report plentiful milk intakes for manufacturing. Industry contacts report parts of the region are still working on second crop hay and small grain harvesting. Cooler temperatures and low humidity have aided in a rebound of milk production in Idaho and Utah. Milk production often peaks for Idaho during the month of July and then follows a summer seasonal decline. Manufacturers note components have dropped off. Industry contacts also note crops look good. Corn has done well this summer and should provide quality silage. The occasional rains have reduced hay quality in some areas, but forage supplies are adequate. The Western demand for cream from ice cream, butter, and cream cheese manufacturers continues to be strong. Cream inventories are mostly tight around the region. West cream multiples are steady to higher, ranging from 1.23 to 1.60. At the CME Group, Grade AA butter closed Wednesday at \$1.9075, up \$0.0325 compared to a week ago.

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: Low/medium heat nonfat dry milk prices moved lower this week. As inventories build, some manufacturers prefer to sell condensed. Production remains active, as most manufacturers are choosing to make NDM in lieu of other dry products. Spot demand is light, but most manufacturers report contracted loads are being taken on time. Some sellers are noticing more inquiries from prospective buyers with little sales. High heat nonfat dry milk prices are steady to lower. Production is uneven as most manufacturers do not have the available drying time. Most manufacturers report demand is light.

EAST: Production of low/medium heat nonfat dry milk remains very active in the Eastern region as manufacturing milk supplies continue to be heavy for this time of year. Demand is steady compared to recent weeks. Some manufacturers are unwilling to sell loads at the lower price range levels, believing prices will increase in the coming weeks as manufacturing milk supplies decline as Class I demand increases to cover school bottling needs. High heat nonfat dry milk prices are steady to lower. Supplies remain fairly tight, but some manufacturers are finding time in their production schedules for runs of high heat.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .7000 - .9000 MOSTLY: .7500 - .8000
 HIGH HEAT: .9200 - 1.0500

NONFAT DRY MILK - WEST

The prices for low/medium heat nonfat dry milk are lower in the range and the mostly price series. The spot market undertone remains weak. At this time, some manufacturers are reducing production. Therefore, the milk loads into NDM are trending lower. Many end users are buying what they really need and are waiting for lower prices. Sales based on contracts are steady but, in the spot market are lighter. However, there is a higher export activity. The inventories vary, but mostly are building. At the CME Group, Grade A nonfat dry milk closed Wednesday at \$.7225, down \$0.0175 compared to a week ago. The prices for high heat nonfat dry milk are lower. Production is very limited outside the contracts. According to some producers, high heat NDM sales in the spot market are less than the previous week. However, most of the sales depend on contractual needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .6200 - .8700 MOSTLY: .6800 - .7750
 HIGH HEAT: .8825 - .9800

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
July 24	\$.8036	11,734,576
July 17	\$.8599	9,169,968

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 were steady to lower in an unsettled market. Demand is irregular as some producers report no demand while others have buyers asking for product. Production is diminishing. Most manufacturers are reporting no dry buttermilk production as they choose to use dryer space for other products. Some manufacturers are offering discounts for condensed buttermilk. Some manufacturers report having little or no uncommitted inventories.

EAST: Prices are lower to unchanged. Trading is fairly light with a majority of transactions moving through contracts. Production of dry buttermilk has declined as butter manufacturers are taking advantage of the seasonally higher cream prices and selling cream. Demand for dry buttermilk from ice cream manufacturers has slowed ahead of the seasonal decline of ice cream mix sales. Manufacturers' inventory levels are trending lower.

F.O.B. CENTRAL/EAST: .7800 - .8950

DRY BUTTERMILK - WEST

Prices for dry buttermilk are unchanged on the range but steady to lower on the mostly price series. Spot sales are steady to lower when compared to the previous week. Dry buttermilk f.o.b. market undertone remains weak. The dry buttermilk market is facing pressure from the waning NDM prices. In addition, production has been negatively affected by the high demand of cream from ice cream manufacturers. At this point, production is mixed. Some manufacturers report steadiness while others are lowering or not processing any dry buttermilk at this time. Inventories are mostly unchanged.

F.O.B. WEST: .7500 - .8200 MOSTLY: .7700 - .7850

DRY WHOLE MILK - NATIONAL

Dry whole milk spot prices are unchanged. Very limited activity is occurring in the spot market. Few plants are processing dry whole milk at this time. Therefore, the production is limited. Inventories vary from plant to plant.

F.O.B. PRODUCING PLANT: .9500 - 1.3000

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 were mainly lower this week. There were limited, but large spot sales, which aided in lower pricing. The market tone is weak. Some manufacturers do not want to keep high inventory levels. Several end users are reporting buying only for current needs as they wait to see how low prices will go. Whey production remains active as cheese manufacturing is strong. Some dry whey manufacturers are choosing to sell condensed whey in order to use available drying time for other products. Some sources indicate that there was condensed whey that did not find a home. Q1 2016 contract negotiations have begun for some buyers and sellers. Animal feed whey prices were steady. Some manufacturers are reporting a slight decrease in production. The market tone is unsettled as the price of veal calves continues to remain high.

F.O.B. CENTRAL: .2500 - .4400 MOSTLY: .2600 - .3450
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2000 - .2500

DRY WHEY - NORTHEAST

Dry whey prices moved lower on both ends of the range. Prices on the low end of the range reflect discounts for multiple load export sales. Production is steady and adding to inventories. Demand is weak with most buyers purchasing hand to mouth, unwilling to expand inventories on a downward trending market. The market undertone is weak.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2800 - .4225

DRY WHEY - WEST

Prices for West whey moved lower. Some manufacturers are experiencing significant price competition from whey produced in other regions or in international markets. Processors report buyers are taking delivery of contracts, but buyers for large quantity spot sales have been difficult to attract, even with discounted prices. Some contacts report shipments of slightly off-grade whey moving into international markets. Production of dry whey is steady. Inventories remain long.

NONHYGROSCOPIC: .3500 - .4100 MOSTLY: .3750 - .3900

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

The whey protein concentrate 34% prices moved lower this week. Some spot sales occurred, but general demand is limited. Many buyers are making purchases on an as needed basis and are not eager to build their inventories. Production is steady and inventories are long. Some contacts said there is still interest in exploring the substitution of dry egg products with whey protein concentrates. Whey protein concentrates can sometimes be used to replace the functionality of dry eggs in baking. Agriculture officials are concerned about the possibility of a recurrence of the avian influenza as cooler temperatures and migratory birds return.

F.O.B. EXTRA GRADE 34% PROTEIN: .7000 - .8650 MOSTLY: .7100 - .7900

LACTOSE - CENTRAL AND WEST

Prices for lactose moved slightly lower this week. Industry contacts report generally long inventories within the industry; however some processors report contract sales have allowed them to keep their stocks in check. Manufacturers say buyers are interested in only buying to meet current needs, but a few processors report end users are seeking Q1 and Q2 contracts for 2016. Production at a few plants is reduced due to lower prices and limited demand. Market participants say they are starting to see a small seasonal increase in interest in lactose from confectionary businesses.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL.1600 - .2600 MOSTLY: .1700 - .2200

CASEIN - NATIONAL

Casein prices were unchanged for both rennet and acid types. Production has declined in Europe, reflecting the decline in milk production. Production in Oceania is minimal as the seasonal swing in milk production has not yet occurred. Despite current production levels, global supplies remain readily available for both types. Demand is weak as buyers have adequate supplies to cover their current needs and are not inclined to expand supplies. The market has a weak undertone.

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
07/11/2015	52.7	1,572.5	53.3	1,502.2

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	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

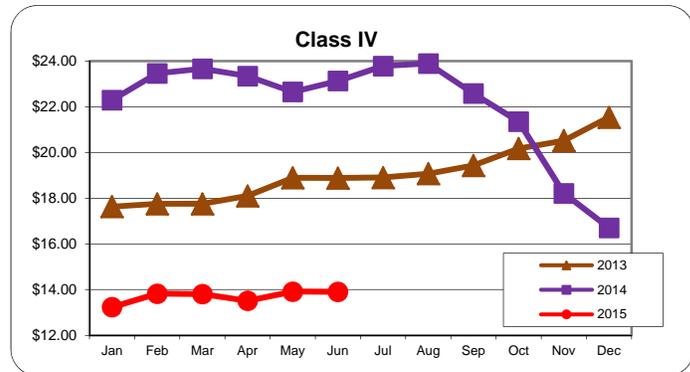
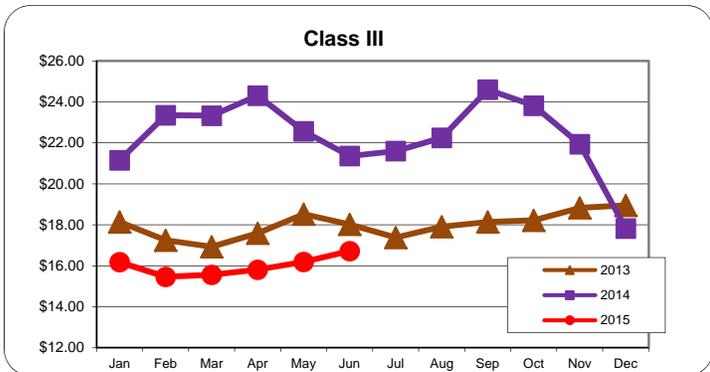
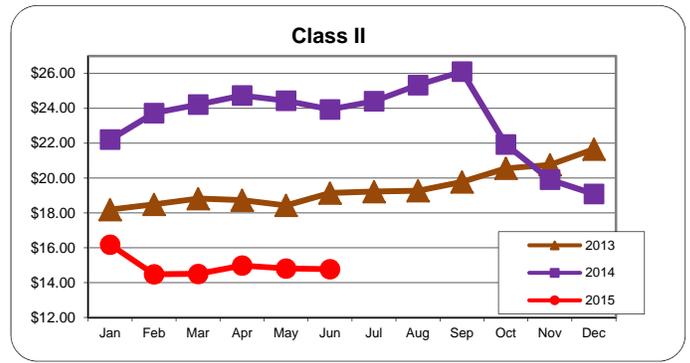
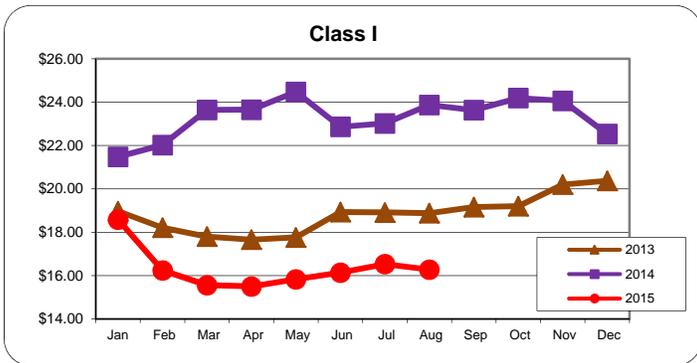
CLASS IV MILK PRICES (3.5%)

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	16.28				
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; then select "Prices"; and then select "Principal Pricing Points."



ORGANIC DAIRY MARKET NEWS

Information gathered July 20 - 31, 2015

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales. AMS reports total organic whole milk sales for May 2015, 64 million pounds, were up 1.3% from May last year and 2015 year to date sales are up 10.2% compared with year to date sales last year.

Total organic milk products sales for May 2015, 195 million pounds, were down 7.4% compared with May last year and down 1.9% January through May 2015 compared with the same months of 2014.

May 2015 estimated sales of total organic milk products is the first May during the five years where data is available, to record lower sales than May of the prior year. It is also the first May in that time range to record lower sales than the prior April.

The data follow recent anecdotal observations about organic milk supplies being tight and some supermarkets having limited stocks of organic fluid milk.

Organic producers and processors do not attribute any decline in milk products sales to declining consumer demand. Quite the opposite, consumer demand had increased. Many people with access to production and sales data of various organic dairy processors say that sales have surged faster than the organic milk supply. Efforts to increase the organic milk supply are underway.

Representatives of large numbers of organic dairy producers in the East note that the organic pay price is increasing close to what is needed by producers, with purchase feed maintaining a steady level.

Field representatives of organic dairy processors mention Maine, for example, a state with vast grassy pastures during the summer, as an example of efforts to grow the organic milk supply in the Northeast. During the last year, more than a dozen farms have made or started the transition to being certified organic dairy producers. In a smaller state such as Maine, a dozen is a respectable number.

Producer members of a national organic dairy cooperative in Maine voted to further support expansion of the organic dairy industry by subsidizing the cost of sending milk tankers to more distant parts of the state to facilitate organic dairy conversions over a wider area. There is a belief that rebuilding the organic dairy industry in Maine helps all established producers, by helping sustain necessary infrastructure such as grain providers and large animal veterinarians.

There is also great competition in the Northeast to contract with organic producers, and the demand for organic milk used in manufacturing is still high. The organic pay price is coming close to what is needed, with purchase feed maintaining a steady level.

However, the competition among organic processors to grow volumes primarily by signing new producers, many who are persuaded to leave other processors, is also mentioned as a factor in production not increasing with demand. Only a few processors are doing much to increase the overall organic milk supply while some are more focused on improving their share of the existing milk supply.

What is contemplated is the need for more organic processors to support substantial programs to help finance the three year transition period for new organic producers. Other efforts would be programs to encourage new, younger organic producers to replace the aging population of existing producers, other programs to help producers access organic hay and feed, technical assistance, and efforts such as a recent \$500,000 donation by a national organic dairy cooperative to a land grant university to establish a professorship in agronomy or soil science, focused on creating and enhancing healthy organic

pastures.

As to the current tightness in retail fluid milk in some stores, a factor in addition to milk production volumes, is how the milk is used. Some processors have efforts underway designed to enhance value for organic producers who supply the processors. This contemplates that the primary objective is to use the organic milk in a way which generates the highest value, not only to maintain retail fluid milk sales, which is less profitable for processors.

Thus, decisions have been made by some processors to reduce volumes of milk sold into the retail fluid market, to have more organic milk available for other higher profitability uses such as drying into organic powders. Not only is the profitability higher using the milk in manufacturing, but the sales growth is higher than the fluid milk market. For some organic processors with this business perspective, recent organic powder sales volumes have been up to a "huge" degree and organic cheese and butter sales are up double digits in the last year. This expansion of the organic milk supply into manufacturing is an often overlooked factor for tighter retail fluid milk supplies. Development of this manufacturing segment of organic dairy markets is also viewed as important to balancing seasonally fluctuating milk supplies as the industry matures.

A final factor bearing on the current organic milk supply situation, recognizes that regions are different. Even with the success underway in expanding organic milk production in the East and Northeast, the West continues to suffer. Production conditions have worsened from last year in Washington and Oregon. Parts of each state are now under drought conditions, adversely affecting pastures and organic dairy production.

Some producers seeking permits to draw additional river water for irrigation have been denied because rivers are too low. Several producers have undertaken the expense of drilling new wells, but none of the new wells are believed to be functioning yet. It is also noted that an unusually high number of organic dairy cows were sold into slaughter last year and early this year, reducing the organic milk herds. These factors are believed to have reduced organic milk volumes in the West.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, MAY 2015, WITH COMPARISONS 1/

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

ORGANIC PRODUCTION PRACTICE

Whole Milk	64	330	1.3	10.2
Reduced Fat Milk (2%)	58	297	-6.8	4.0
Low Fat Milk (1%)	37	189	-10.9	6.9
Fat-Free Milk (Skim)	28	152	-17.3	13.5
Flavored Fat-Reduced Milk	8	52	-14.9	2.9
Other Fluid Milk Products	0	1	--	--
Total Fat-Reduced Milk 3/	131	689	-10.9	-6.6
Total Organic Milk Products	195	1,020	-7.4	-1.9

*Total Fluid Milk Products Adjusted for Calendar Composition will not be published until release of "An Overview of Calendar Composition of Fluid Milk Sales." 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United

ORGANIC DAIRY MARKET NEWS

Information gathered July 20 - 31, 2015

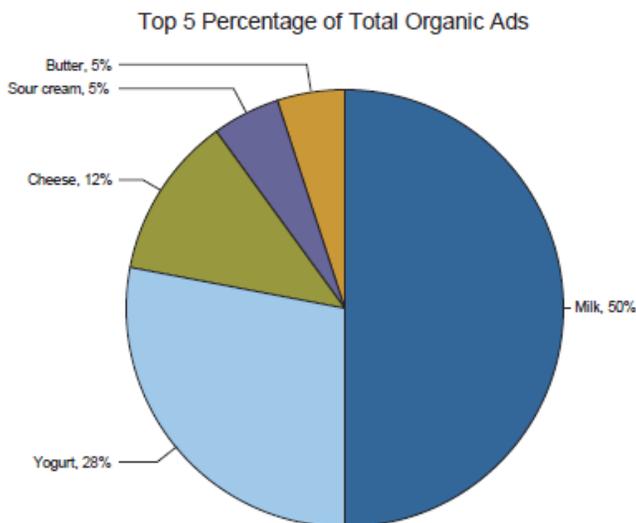
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States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; 3/ Organic fat-reduced milk categories are total of reduced fat, lowfat, skim, and flavored fat reduced milk.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy ad numbers declined slightly this week. Ads for organic milk, representing one half of all organic dairy ads, declined 27%. That decline was somewhat offset by an 83% increase in organic cheese ads and a near doubling in ad numbers for organic yogurt.



Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from July 31-August 6, 2015, identifying weekly “specials” and containing organic dairy content. Surveyed ads reflect advertised “specials” and not the range of non-advertised supermarket cooler prices.

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

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is \$3.42, down 1 cent from last week. One year ago the price was \$3.30.

Ads appeared only in the Northeast, Midwest, and Northwest. **Organic Milk Gallons.** The U.S. weighted average advertised price of organic milk gallons is \$5.39, up 13 cents from last week. Last year the price was \$6.38.

Organic Yogurt. The U.S. weighted average price of 4-6 ounce organic Greek yogurt is \$1.05, down 14 cents from last week and down 8 cents from one year ago.

Organic Cheese. The U.S. weighted average price of 8 oz. cheese

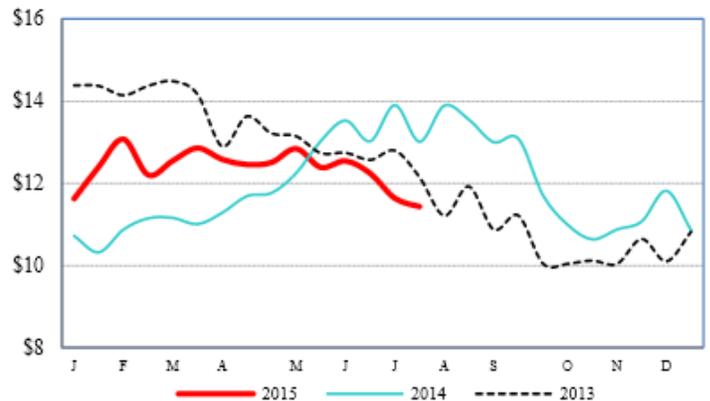
blocks is \$3.99, unchanged from last week. There were no ads last year. The same prices exist for 8 ounce shred organic cheese.

Organic Sour Cream. The U.S. weighted average price of 16 oz. organic sour cream is \$2.33, up 34 cents from last week. There were no ads last year.

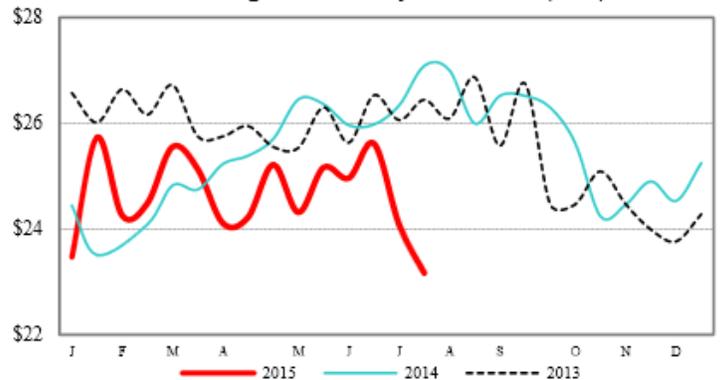
Organic Grain and Feedstuff Markets. Organic grain prices are trending mostly steady, depending on quality and situation. Organic grain spot sales demand is light to moderate in much of the country, with greater interest and activity in select areas. Most producers continue to hold some old crop inventories. Many buyers are content with current inventories and contracts. Only a few forward contract negotiations have taken place on organic corn and wheat this trading period while many buyers continue to wait until harvest. The influence of cheaper and seemingly more plentiful imported organic grains is present in the domestic marketplace.

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

National Organic Feed Corn Prices (\$/bu)



National Organic Feed Soybean Prices (\$/bu)



Graph Source: USDA Livestock, Poultry and Grain Market News

Consumer Price Index and Average Retail Prices for Selected Products, U.S. City Average ¹

Consumer Price Index - 2015												
Month	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³								
Apr	246.1	2.0	222.7	-0.7	213.8	-6.1	233.0	0.3	222.1	5.3	259.0	3.9
May	246.2	1.6	221.0	-2.0	211.8	-7.4	233.1	-1.3	221.9	2.6	257.1	2.1
Jun	246.7	1.8	219.7	-2.1	209.3	-7.8	231.1	-1.9	222.9	-0.1	261.2	3.3

U.S. City Average Retail Prices											
Month	Whole Milk ⁴		Butter ⁵		Process Cheese ⁶		Natural Cheese ⁷		Ice Cream ⁸		
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
	<i>(dollars)</i>										
Apr	3.397	3.687	N/A	N/A	4.543	4.535	5.384	5.733	4.791	5.011	
May	3.387	3.735	N/A	N/A	4.417	4.515	5.312	5.586	4.696	4.911	
Jun	3.366	3.626	N/A	N/A	4.265	4.412	5.256	5.560	4.620	4.691	

N/A = Not available. ¹ "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ² The standard reference base period for these indexes is 1982-1984 = 100. ³ Percent change over previous year. ⁴ Per gallon. ⁵ Per pound. Grade AA, salted, stick butter. ⁶ Per pound, any size and type of package. ⁷ Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc). ⁸ Per 1/2 gallon prepackaged regular.

June Agricultural Prices Highlights

The All Milk price received by farmers was \$16.90 in June, down \$6.30 from June 2014. The alfalfa hay price was \$178.00 in June, down \$44.00 from June 2014. The corn price was \$3.58 in June, down \$.92 from June 2014. The soybean price was \$9.58 in June, down \$4.72 from June 2014. The milk-feed price ratio was 2.06 in June, down 0.14 from June 2014.

The index of prices received by farmers for dairy products during the month of June 2015 was up 1 point to 84. Compared to June 2014, the index was down 31 points (-27.0 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in June 2015 was unchanged at 109. Compared with June 2014, the index was down 4 points (-3.5 percent).

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

State	All-Milk price ^{1,2}		Alfalfa hay, baled		Corn for Grain		Soybeans	
	June		June		June		June	
	2014	2015	2014	2015	2014	2015	2014	2015
	<i>(dollars per cwt)</i>		<i>(dollars per ton)</i>		<i>(dollars per bushel)</i>		<i>(dollars per bushel)</i>	
AZ	23.00	15.80	240.00	160.00	---	---	---	---
CA	21.91	15.72	280.00	205.00	---	---	---	---
CO	23.60	17.40	210.00	190.00	4.80	3.73	---	---
ID	22.50	16.70	220.00	185.00	---	---	---	---
IN	23.40	16.50	---	---	4.63	3.67	14.70	9.91
IA	23.70	17.30	180.00	125.00	4.49	3.56	14.40	9.50
MI	23.50	16.00	165.00	160.00	4.39	3.39	14.40	9.72
MN	23.40	17.90	170.00	133.00	4.38	3.46	14.20	9.40
NM	20.90	15.60	275.00	225.00	---	---	---	---
NY	25.10	17.70	217.00	220.00	---	---	---	---
OH	23.70	17.10	160.00	175.00	4.49	3.71	14.80	10.10
PA	25.30	18.10	224.00	244.00	4.74	3.94	---	---
TX	23.30	17.20	262.00	224.00	4.67	3.97	---	---
WA	24.30	16.50	220.00	195.00	---	---	---	---
WI	23.20	17.90	185.00	105.00	4.56	3.48	14.40	9.44
U.S.	23.20	16.90	222.00	178.00	4.50	3.58	14.30	9.58

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

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

State ²	Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ¹		
	June 2014	June 2015	June 2015
IA	2.44	2.38	2.45
MI	2.53	2.02	2.09
MN	2.50	2.36	2.51
OH	2.64	2.24	2.13
WI	2.35	2.46	2.72
U.S.	2.20	1.96	2.06

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

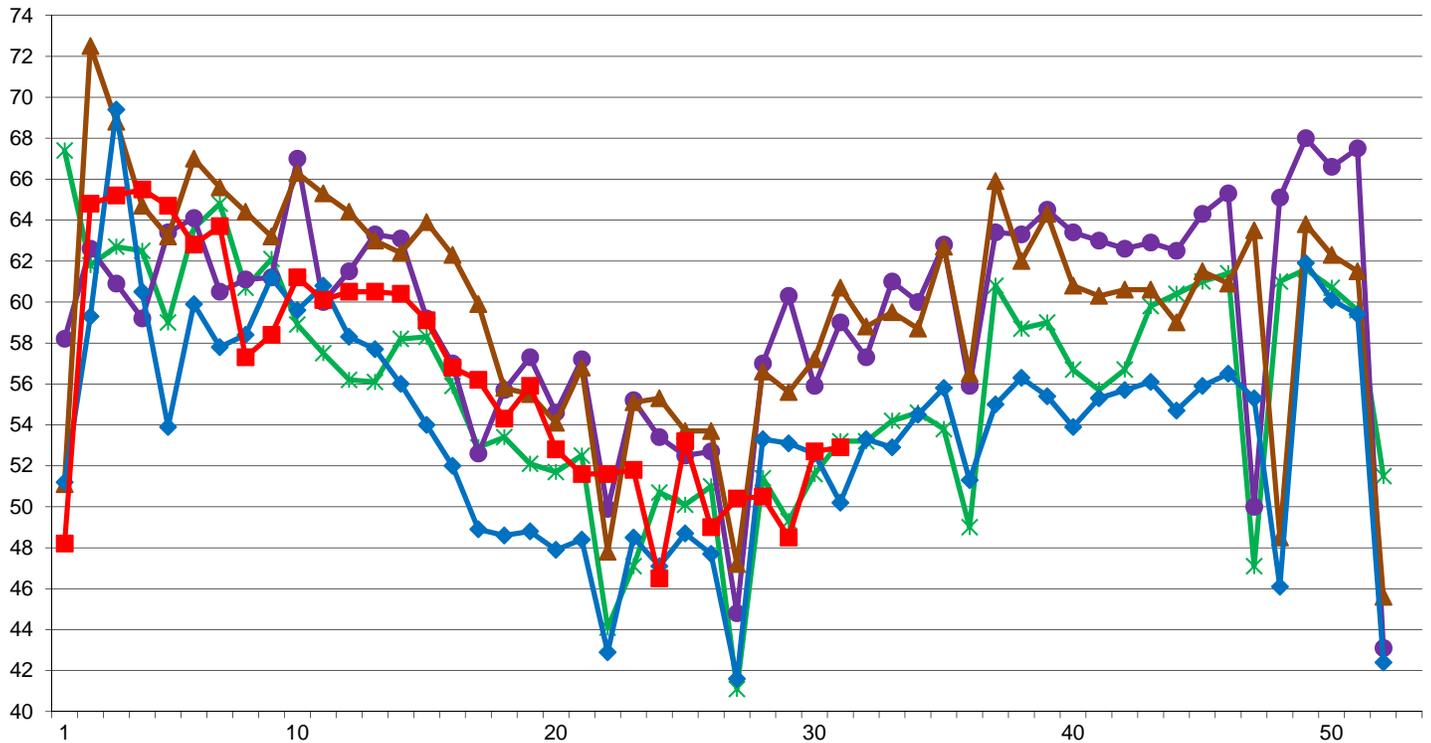
General Price Measures, U.S., June 2015 with Comparisons

Item	June 2014	May 2015	June 2015
Index Numbers (1990-92=100):			
Prices received by farmers for dairy products	115	83	84
Prices paid by farmers for commodities and services, interest taxes, and wage rates	113	109	109

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

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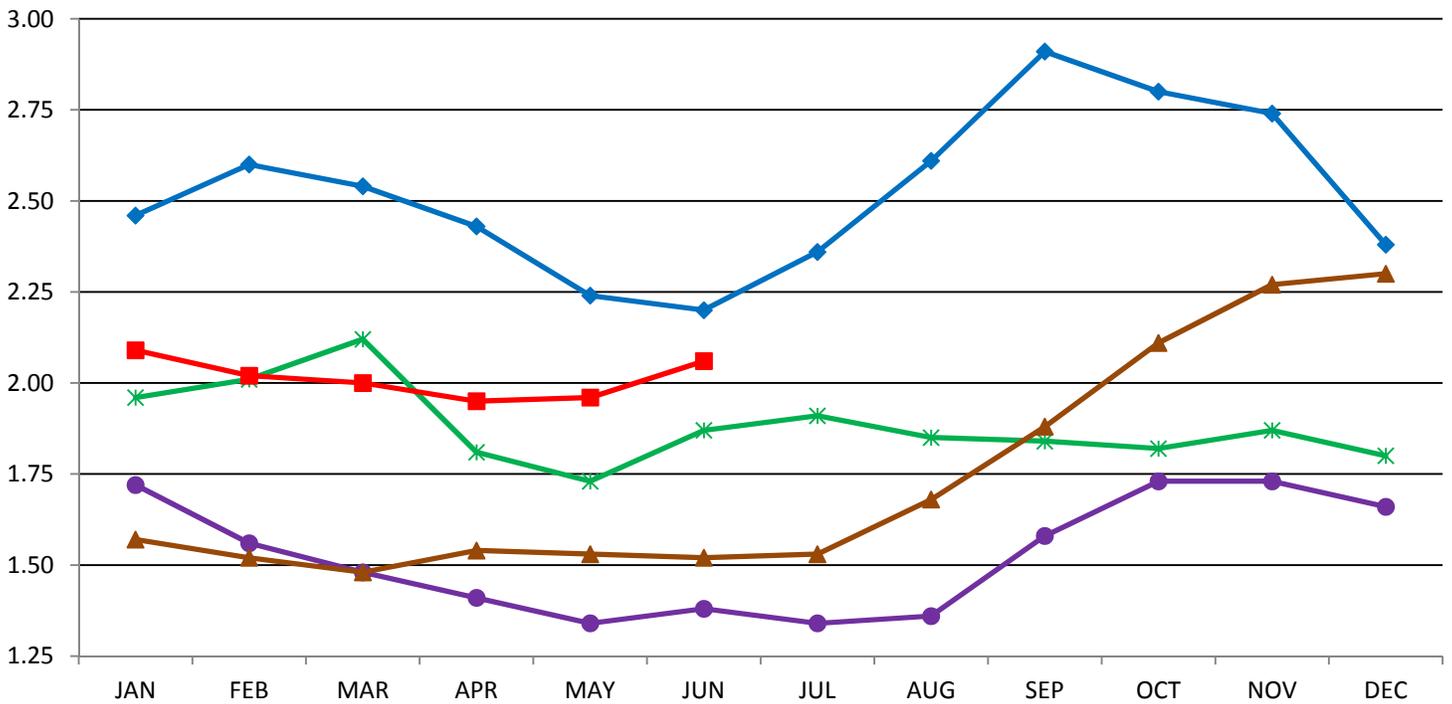
Weekly Dairy Cow Slaughter under Federal Inspection



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

2011 2012 2013 2014 2015

Milk-Feed Price Ratio Based on the Pounds of 16% Mixed Dairy Feed Equal in Value to 1 Pound of Whole Milk



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

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>
and http://www.ams.usda.gov/mnreports/wa_lo100.txt

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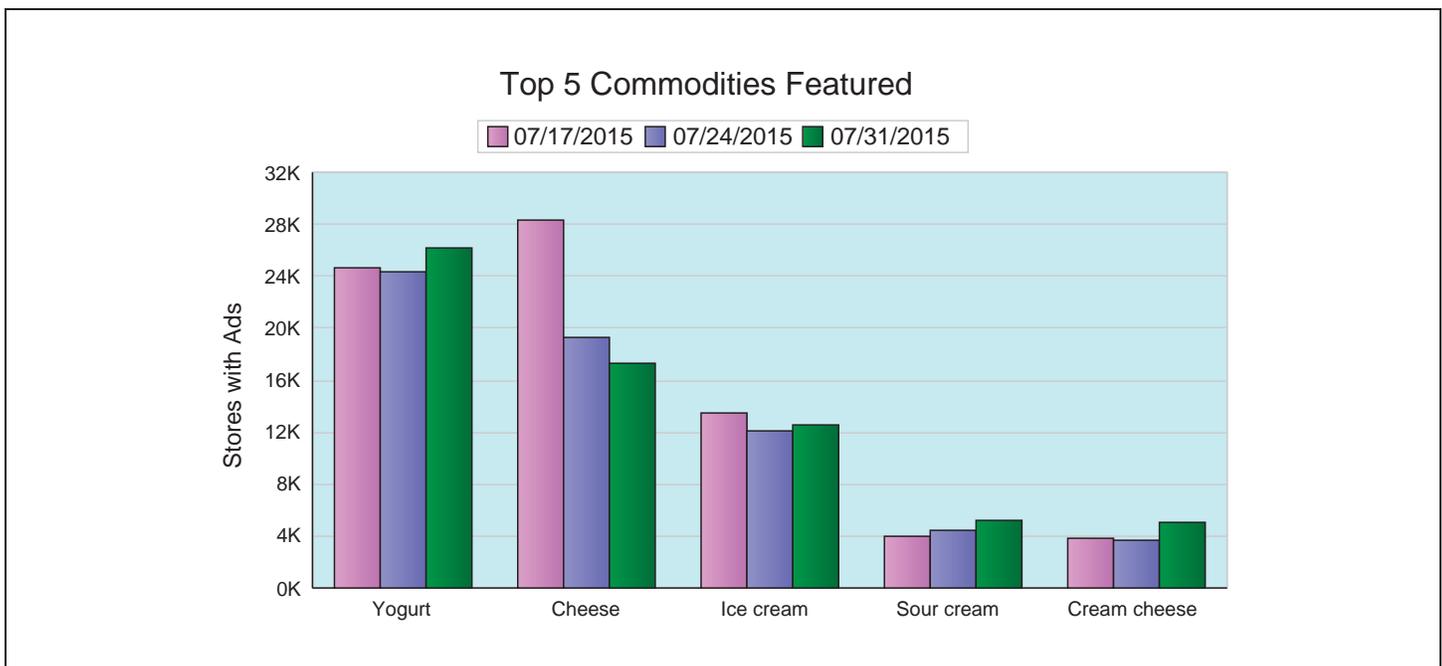
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 07/31/2015 to 08/06/2015

Butter, cottage cheese and cream cheese are all up in ad volume and price this week. The change in ad volume, national weighted average advertised price, and price change from last week are: 1 pound butter, +79%, \$3.36, up 7 cents; 16 ounce cottage cheese, +23%, \$2.38, up 37 cents; and 8 ounce cream cheese, +35%, \$1.98, up 31 cents. Overall conventional dairy ad volume is up only slightly from last week.

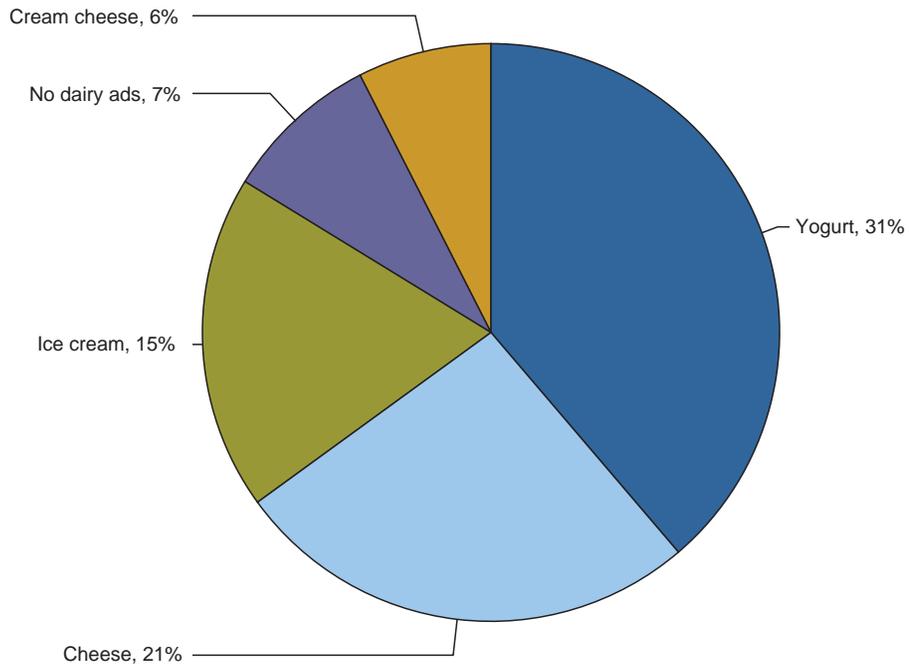
The U.S. advertised prices for 8 ounce cheese blocks average \$2.22, compared with \$2.57 a year ago, and are down 5 cents from one week ago; 8 ounce shred cheese averaged \$2.21, compared with \$2.33 one year ago, and are 22 cents below a week ago. Conventional cheese ads decreased 11% from the previous week.

The average price of 4-6 ounce Greek yogurt is \$1.00, up 5 cents from last week, and up 1 cent from a year ago. This week, yogurt in 4-6 ounce packages average \$0.51 compared with 47 cents last week and 48 cents a year ago. Conventional yogurt ad numbers increased 5% from the previous week.

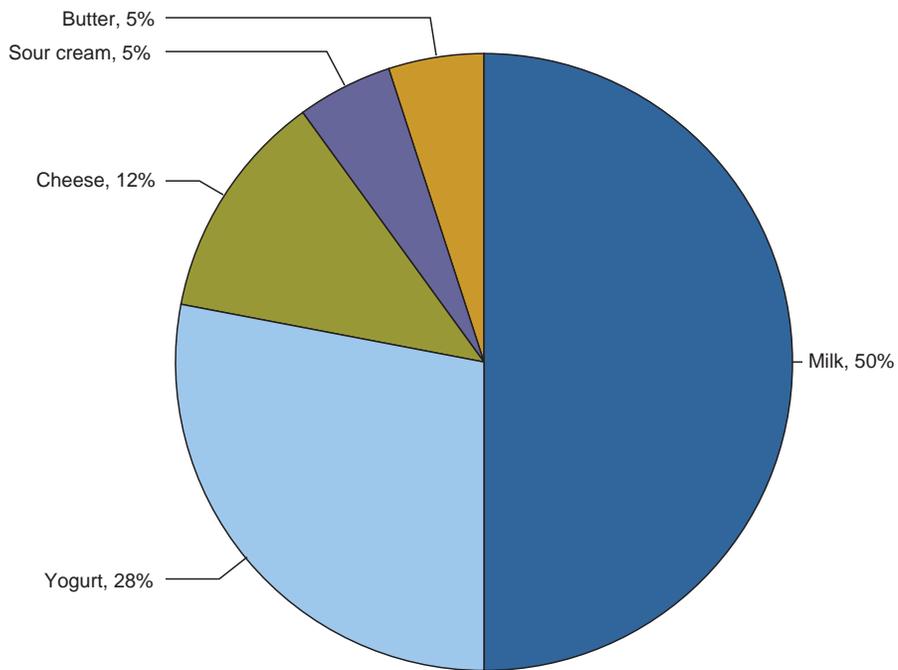
Organic - conventional half gallon milk has a price spread of \$1.24. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.18 and the average for organic half gallon milk, \$3.42.



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 #	4473	3.36	2497	3.29	3076	3.49
Cheese	Natural Varieties	8 oz block	5744	2.22	6892	2.27	4905	2.57
Cheese	Natural Varieties	1 # block	2114	3.39	2061	3.17	1895	4.40
Cheese	Natural Varieties	2 # block	263	7.46	939	6.02	116	4.99
Cheese	Natural Varieties	8 oz shred	7444	2.21	7340	2.43	10672	2.33
Cheese	Natural Varieties	1 # shred	1352	3.27	1798	3.07	588	4.63
Cottage cheese		16 oz	2660	2.38	2169	2.01	2417	2.20
Cream cheese		8 oz	5038	1.98	3727	1.67	7142	1.74
Flavored milk	All fat tests	half gallon	456	1.91	799	2.46	520	2.84
Flavored milk	All fat tests	gallon	826	2.74	565	2.86	144	4.21
Ice cream		48-64oz	12595	2.83	12031	2.89	12949	3.17
Milk	All fat tests	half gallon	678	2.18	515	1.80	533	2.36
Milk	All fat tests	gallon	1920	2.36	4641	2.49	3008	3.04
Sour cream		16 oz	5038	1.59	4379	1.51	2886	1.78
Yogurt	Greek	4-6 oz	11334	1.00	12366	.95	10523	.99
Yogurt	Greek	32 oz	1277	4.62	1405	4.19	461	4.15
Yogurt	Yogurt	4-6 oz	8705	.51	8845	.47	4415	.48
Yogurt	Yogurt	32 oz	3775	2.09	1207	2.14	427	2.84

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 #	2.48-3.99	1507	3.72	2.97	1002	2.97	2.50-2.88	237	2.79
Cheese	Natural Varieties	8 oz block	1.99-2.99	1178	2.27	1.49-2.00	443	1.79	1.49-2.50	971	1.94
Cheese	Natural Varieties	1 # block	3.99	304	3.99	2.99-3.50	538	3.19	2.99	348	2.99
Cheese	Natural Varieties	8 oz shred	1.88-3.00	2061	2.47	1.49-2.50	1197	2.32	1.49-2.50	1008	1.91
Cheese	Natural Varieties	1 # shred	3.49	62	3.49	2.99	324	2.99	2.99	348	2.99
Cottage cheese		16 oz	1.67-2.99	1387	2.52				2.49	119	2.49
Cream cheese		8 oz	1.49-2.69	1674	1.79	1.25-2.50	1935	2.14	1.50-2.00	454	1.86
Flavored milk	All fat tests	half gallon	2.00	137	2.00	1.66	114	1.66	1.50	127	1.50
Flavored milk	All fat tests	gallon	3.99	62	3.99	2.50	184	2.50	2.50-3.99	205	3.28
Ice cream		48-64oz	1.99-3.99	2989	2.62	2.50-4.99	2921	3.08	1.88-3.99	2973	2.70
Milk	All fat tests	half gallon	1.99-2.00	209	2.00	1.66-2.99	442	2.17			
Milk	All fat tests	gallon				1.99-2.59	456	2.38	1.99-2.77	278	2.32
Sour cream		16 oz	1.29-2.50	1756	1.70	1.00-2.99	503	1.41	1.00-2.00	926	1.39
Yogurt	Greek	4-6 oz	0.79-1.00	2482	.97	1.00-1.25	2952	1.02	0.79-1.25	1868	1.00
Yogurt	Greek	32 oz	4.99	304	4.99	3.88	195	3.88			
Yogurt	Yogurt	4-6 oz	0.39-0.60	2037	.50	0.44-0.60	3833	.52	0.50-0.88	548	.55

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	1.99-2.50	556	2.40	1.99-2.00	2085	2.00	1.89-1.99	707	1.91

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 #	2.99-3.49	293	3.20	1.99-5.49	696	3.50	2.49-3.99	734	3.25
Cheese	Natural Varieties	8 oz block	1.49-3.00	1179	2.03	1.49-2.99	891	1.93	1.99-3.99	1066	3.06
Cheese	Natural Varieties	1 # block	2.99-3.99	397	3.69	2.99-3.99	527	3.31			
Cheese	Natural Varieties	2 # block				6.99-7.99	223	7.47			
Cheese	Natural Varieties	8 oz shred	1.48-2.98	1267	1.90	1.49-2.99	1182	1.94	1.99-3.00	716	2.69
Cheese	Natural Varieties	1 # shred	2.99	121	2.99	2.99-5.49	497	3.68			
Cottage cheese		16 oz	2.00-2.88	364	2.40	1.49-1.99	345	1.73	2.00-2.50	419	2.42
Cream cheese		8 oz	2.00-2.50	250	2.20	1.67-2.50	559	2.02	1.39-2.50	130	1.91
Flavored milk	All fat tests	half gallon	1.99	54	1.99						
Flavored milk	All fat tests	gallon				1.99-2.50	364	2.33			
Ice cream		48-64oz	1.99-3.99	1724	2.67	1.97-3.99	1330	2.54	2.50-5.00	614	4.05
Milk	All fat tests	gallon	1.99-2.99	426	2.54	1.99-2.98	680	2.29	1.69	69	1.69
Sour cream		16 oz	1.29-2.88	842	1.77	1.29-1.88	512	1.46	1.49-2.00	493	1.60
Yogurt	Greek	4-6 oz	0.75-1.25	1877	.99	1.00	1137	1.00	0.88-1.00	978	.98
Yogurt	Greek	32 oz				4.99-5.00	315	5.00	3.50-4.99	463	4.43
Yogurt	Yogurt	4-6 oz	0.29-0.99	1038	.50	0.40-0.60	1093	.49	0.50	132	.50
Yogurt	Yogurt	32 oz	1.99	54	1.99				2.49-2.50	353	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 #	3.00-4.00	4	3.50			
Cheese	Natural Varieties	8 oz block	2.49-3.48	16	2.74			
Cheese	Natural Varieties	2 # block	5.99-7.49	13	6.22	7.99	27	7.99
Cheese	Natural Varieties	8 oz shred	2.49-3.00	13	2.57			
Cottage cheese		16 oz	3.00	2	3.00	2.50	24	2.50
Cream cheese		8 oz	2.50	2	2.50	2.00	34	2.00
Flavored milk	All fat tests	half gallon				4.49	24	4.49
Flavored milk	All fat tests	gallon	3.49	11	3.49			
Ice cream		48-64oz	3.49-4.00	10	3.74	7.99	34	7.99
Milk	All fat tests	half gallon				2.98-3.79	27	3.70
Milk	All fat tests	gallon	3.49	11	3.49			
Sour cream		16 oz	1.99	6	1.99			
Yogurt	Greek	4-6 oz	1.25	2	1.25	1.00-1.39	38	1.35
Yogurt	Yogurt	4-6 oz				0.50	24	.50
Yogurt	Yogurt	32 oz	2.39-2.79	17	2.65	3.50	3	3.50



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 #	187	4.92	335	5.93		
Cheese	Natural Varieties	8 oz block	365	3.99	162	3.99		
Cheese	Natural Varieties	8 oz shred	84	3.99	84	3.99		
Cottage cheese		16 oz			121	2.99		
Milk	All fat tests	half gallon	1502	3.42	1883	3.43	2400	3.30
Milk	All fat tests	gallon	332	5.39	628	5.26	477	6.38
Milk	All fat tests	8 oz UHT	105	1.00	156	.99	1351	1.19
Sour cream		16 oz	206	2.33	121	1.99		
Yogurt	Greek	4-6 oz	313	1.05	573	1.19	1542	1.13
Yogurt	Yogurt	4-6 oz	315	1.12				
Yogurt	Yogurt	32 oz	353	3.51				

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz shred	3.99	84	3.99						
Milk	All fat tests	half gallon	3.99	320	3.99				2.95-4.96	1116	3.29
Milk	All fat tests	gallon				4.28	195	4.28			
Sour cream		16 oz	2.50	137	2.50						
Yogurt	Greek	4-6 oz							1.00	235	1.00
Yogurt	Yogurt	4-6 oz	1.25	59	1.25	1.00	195	1.00			
Yogurt	Yogurt	32 oz	4.29	147	4.29				2.69	137	2.69

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	118	4.99				4.79	69	4.79
Cheese	Natural Varieties	8 oz block	3.99	121	3.99	3.99	244	3.99			
Milk	All fat tests	half gallon							2.99	66	2.99
Milk	All fat tests	gallon				6.98	137	6.98			

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
Milk	All fat tests	8 oz UHT							1.00	105	1.00
Sour cream		16 oz							1.99	69	1.99
Yogurt	Greek	4-6 oz	1.20	78	1.20						
Yogurt	Yogurt	4-6 oz							1.39	61	1.39
Yogurt	Yogurt	32 oz							3.50	69	3.50

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

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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