

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (8/14)**

**BUTTER:** Grade AA closed at \$2.0650. The weekly average for Grade AA is \$2.0205 (+.0305).

**CHEESE:** Barrels closed at \$1.6975 and 40# blocks at \$1.6925. The weekly average for barrels is \$1.7025 (+.0010) and blocks, \$1.7200 (-.0165).

**NONFAT DRY MILK:** Grade A closed at \$.6900. The weekly average for Grade A is \$.6910 (-.0110).

**BUTTER HIGHLIGHTS:** As cream remains tight, churning is slowing. Some processors are choosing to sell available cream for better profit margins. Some manufacturers are buying bulk butter or taking from inventories to supplement current orders. Butter demand from food service and retail is active. Production schedules are being made for the upcoming holiday season. Some processors are planning to buy available bulk butter for approaching holiday orders. As butter surpasses \$2.00 per pound at the CME Group, demand does not appear to be deterred. June 1 was the last time butter was over \$2.00 per pound. Friday at the CME Group, Grade AA butter closed at \$2.0650, up \$.0750 from last week's close.

**CHEESE HIGHLIGHTS:** The country has sufficient milk volumes to make cheese. Production is active in the West, steady in the Northeast and slightly higher in the Midwest. The decrease in milk solid components is reducing cheese yields in the Northeast. Overall, national demand for cheese is good. In the Northeast, the demand for cheddar is good, and in steady to building for mozzarella. Some processors are reporting higher sales in the Midwest. Cheese inventories are adequate in the Northeast and steady in the Midwest. This week, barrels closed higher than blocks. The inversion is the first since May 15. In CME Group trading Friday, Barrels closed at \$1.6975, down \$.0200 from last Friday and 40# Blocks closed at \$1.6925, down \$.0575.

**FLUID MILK:** Farm level milk production is decreasing as the hotter weather sets in across the nation. With the decrease in production, components are also lower. Overall, milk supplies are adequate for current needs. Bottling demand has increased as some retailers are offering promotions, but mainly due to filling the pipeline for educational institutions as the fall term draws near. The increase in milk standardization has made cream more available.

**DRY PRODUCTS:** Generally the dry products markets are downward trending. Most buyers are purchasing hand-to-mouth in anticipation of where prices will bottom out. Low/medium heat NDM production is down due to lower intakes of fluid milk. Manufacturers would like to lower current inventory levels and some are asking buyers to start the bid. High heat NDM production is uneven. Interest is starting to build. Dry buttermilk demand is light, but manufacturers are looking for that to turn around as the holiday baking season nears. Buttermilk production is down as some manufacturers are selling cream instead of churning. Dry whey production is steady to lower as available milk volumes decrease. Some large blocks of whey are selling at sharply lower prices. WPC 34% is readily available. Some end users are choosing to purchase higher protein products instead of WPC 34%. Lactose interest is light. Production is declining as available milk volumes for cheese production are lower.

**ORGANIC DAIRY MARKET OVERVIEW (DMN):** Overall, organic dairy ads reflect marginal increases compared to last week. Ads for 8 ounce UHT milk saw a noticeable increase, five time the number of previous week's ads. Organic milk ads, in general, grew 40%, organic cheese grew 85%, but organic yogurt declined sharply 58%. The Southeast region recorded the largest increase in organic milk dairy ads. In the Northwest and South Central regions, significant declines were reported for organic yogurt ads.

**NATIONAL DAIRY REPORT – DAIRY (DMN):** The 48-64 ounce ice cream ad volume is down 17%. The national weighted average advertised price for ice cream is \$3.11, 17 cents higher than the last week. This week, 4-6 ounce Greek yogurt is the most advertised dairy product; last week was ice cream. The conventional dairy ad volumes are similar to last week with minor price changes for most of the products. The U.S. advertised price for 8 ounce cheese blocks averaged \$2.36, compared with \$2.56 a year ago, but up 7 cents from one week ago; 8 ounce shred cheese averaged \$2.35, compared with \$2.61 one year ago, but is 1 cent above a week ago. Conventional cheese ads increased 22% from the previous week. The average price of 4-6 ounce Greek yogurt is 92 cents, down 4 cents from last week and down 9 cents from a year ago.

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NATIONAL RETAIL REPORT – DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY AUG 10	TUESDAY AUG 11	WEDNESDAY AUG 12	THURSDAY AUG 13	FRIDAY AUG 14	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.7175 (N.C.)	\$1.7025 (-.0150)	\$1.6975 (-.0050)	\$1.6975 (N.C.)	\$1.6975 (N.C.)	:: (-.0200)	:: \$1.7025 (+.0010)
40# BLOCKS	\$1.7400 (-.0100)	\$1.7450 (+.0050)	\$1.7300 (-.0150)	\$1.6925 (-.0375)	\$1.6925 (N.C.)	:: (-.0575)	:: \$1.7200 (-.0165)
NONFAT DRY MILK GRADE A	\$.6900 (N.C.)	\$.6900 (N.C.)	\$.6900 (N.C.)	\$.6950 (+.0050)	\$.6900 (-.0050)	:: (N.C.)	:: \$.6910 (-.0110)
BUTTER GRADE AA	\$1.9900 (N.C.)	\$2.0050 (+.0150)	\$2.0150 (+.0100)	\$2.0275 (+.0125)	\$2.0650 (+.0375)	:: (+.0750)	:: \$2.0205 (+.0305)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. \*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.

Computed by Dairy Market News for international purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY

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

This week, yogurt in 4-6 ounce packages averaged 49 cents compared with 48 cents last week and 49 cents a year ago. Conventional yogurt ad numbers decreased 2% from the previous week. Organic - conventional half gallon milk has a price spread of \$1.49. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.56 and the average for organic half gallon milk, \$4.05.

**AUGUST MILK SUPPLY AND DEMAND ESTIMATES (WAOB):** The milk production forecast for 2015 is unchanged from last month, but weaker milk prices in late 2015 and 2016 result in lower production for 2016 than forecast last month. Exports are reduced as competition in world markets is expected to be robust in both 2015 and 2016 and relatively strong domestic demand will likely encourage increased imports. Stocks at the end of 2015 are forecast higher than last month as a result of increased imports and reduced exports. Skim stocks for the end of 2016 are also forecast higher than last month. Larger domestic supplies as a result of increased imports and weaker exports are expected to pressure product prices in 2015. Forecast prices for butter, cheese, nonfat dry milk (NDM) and whey are lowered from last month. Price forecasts for 2016 for cheese, whey, and NDM are reduced. However, domestic demand strength and expectations that milk will flow away from butter and NDM production in 2016 support an increase in the butter price forecast. NDM prices are expected to be pressured by continued competition in international markets. Class III and Class IV prices are reduced from last month for both 2015 and 2016. The all milk price is forecast at \$16.75 to \$16.95 per cwt for 2015 and \$16.40 to \$17.40 per cwt for 2016.

**CME GROUP**

MONDAY, AUGUST 10, 2015

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.7400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 4 CARS GRADE A: 1 @ \$0.6900, 1 @ \$0.6850, 1 @ \$0.6875, 1 @ \$0.6900; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.6900; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.9900; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0100

TUESDAY, AUGUST 11, 2015

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.7425, 1 @ \$1.7000, 1 @ \$1.7050, 1 @ \$1.7025; 3 CARS 40# BLOCKS: 2 @ \$1.7500, 1 @ \$1.7350; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6800; 1 CAR 40# BLOCKS @ \$1.7450; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7100; 1 CAR 40# BLOCKS @ \$1.7500  
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.6900; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.6900; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0050; LAST OFFER UNCOVERED: NONE

WEDNESDAY, AUGUST 12, 2015

CHEESE -- SALES: 4 CARS 40# BLOCKS: 1 @ \$1.7400, 1 @ \$1.7425, 2 @ \$1.7350; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6975; 1 CAR 40# BLOCKS @ \$1.7300  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7000  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0150; LAST OFFER UNCOVERED: NONE

THURSDAY, AUGUST 13, 2015

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.7200, 1 @ \$1.6925; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.6900, 1 @ \$0.6950; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 15 CARS GRADE AA: 2 @ \$2.0250, 3 @ \$2.0275, 1 @ \$2.0300, 5 @ \$2.0275, 1 @ \$2.0325, 3 @ \$2.0250; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0275; LAST OFFER UNCOVERED: NONE

FRIDAY, AUGUST 14, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6975  
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.6900; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.6875; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 5 CARS GRADE AA: 4 @ \$2.0625, 1 @ \$2.0650; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0625; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0700

**BUTTER MARKETS**

**NORTHEAST**

This week, with milk output declining, steady Class II cream demand, and churning delays due to maintenance; butter manufacturers in the northern region are reporting slightly lower production. While producers make only what they need to make, buyers' purchases are mostly hand-to-mouth. A few plants are already planning heavier production schedules to meet retail orders for the upcoming holidays. The market is fairly even, as current holdings are sufficient for short term customer needs. Current bulk butter prices are flat to 5 over the CME Group market, with various time frames and averages used. According to the DMN *National Retail Report-Dairy*, for August 7-13, the U.S. weighted average advertised price for 1 pound butter is \$2.96, down 40 cents from a year ago, and down 40 cents from the previous week. The Northeast average price is \$3.19, down 53 cents from last week. In the Southeast, the butter price averaged \$2.94, down 3 cents from a week ago. Tuesday's CME Group cash trading saw Grade AA butter close at \$2.0050, up \$0.0150 from a week ago.

**CENTRAL**

Butter demand is active from food service accounts for near-term use. Churners also report some grocery chain operators placed early orders for the holiday season. The more customary timeframe for yearend orders is in 6 - 8 weeks, but current trends on butter stocks and prices have motivated a few buyers to place orders well ahead of time. Also, some manufacturers are buying bulk butter on the spot market in an effort to meet near-term commitments. Current butter production is active at many churns using internal cream supplies. Some manufacturers indicate they would like to get additional cream, but are hesitant to offer multiples similar to those

for Class II cream. Thus, butter production is below capacity at most regional churns. Plant managers are moving some bulk butter into microfixing to help meet current and upcoming retail/food service demands. Cream availability is improving as additional milk volumes clear to bottling. According to the DMN *National Retail Report- Dairy*, for August 7 - 13, the national weighted average advertised price for a 1 pound package of butter price is \$2.96, a 40 cent decrease from last week and one year ago. The weighted average price in the Midwest was \$2.65. 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 \$2.0150, increasing 2.5 cents from last Wednesday.

**WEST**

Wester butter production is slowing. Most butter manufacturers are reporting selling excess cream. Most producers report comfortable inventory levels and selling the cream leads to higher profit margins. Consumer demand is steady as it has been all summer. Contract orders are being fulfilled on time. Some manufacturers are pulling from inventories to supplement current orders. Bulk butter pricing remains at 4 cents under market to 5 cents over, based on the CME Group with various time frames and averages used. The DMN *National Retail Report - Dairy* for the week August 7-13, found that the U.S. weighted average advertised price of 1 pound butter is \$2.96, down \$.40 from both one week and one year ago. In the Southwest, the weighted average advertised price for 1 pound butter was \$2.85 with a price range of \$2.49 - \$3.48, and in the Northwest, \$3.23 with a price range of \$2.49 - \$3.99. The Grade AA butter price at the CME Group on Wednesday closed at \$2.0150, up \$.0250 from a week ago.

**NATIONAL DAIRY PRODUCTS SALES REPORT**

**U.S. AVERAGES AND TOTAL POUNDS**

<u>WEEK ENDING</u>	<u>BUTTER</u>	<u>CHEESE 40# BLOCKS</u>	<u>CHEESE BARRELS 38% MOISTURE</u>	<u>DRY WHEY</u>	<u>NDM</u>
August 8, 2015	1,9346 2,967,156	1,6887 12,297,370	1,7112 10,002,242	.3551 5,902,880	.7453 16,796,802

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

## CHEESE MARKETS

## NORTHEAST

Northeast cheese production is mostly steady. The market for cheddar is active with good demand noted by sources. Mozzarella interest is steady and building. International demand remains sluggish against strong global competition. Inventories levels are adequate. The ongoing hot weather continues to impact (lower) milk components, resulting in reduced cheese yields. The market undertone for Northeast cheese is unsettled. According to the DMN *National Retail Report-Dairy*, during the week of August 7-13, the weighted average advertised price for 8 ounce cheese blocks in the Northeast was \$2.35, 6 cents more than the national average, and 8 cents more than a week ago. The Southeast 8 ounce block cheese price was \$2.60, 81 cents more than a week ago. Northeast wholesale cheese prices for both cheddar and Muenster climbed \$0.0400; process 5# sliced increased \$0.0250. Grade A Swiss prices moved higher \$0.0425 with adjustments based on lagging Class III component prices. Tuesday's CME Group daily cash trading saw barrels close at \$1.7025, up \$0.0100 from a week ago; blocks closed at \$1.7450, up \$0.0250 from a week ago. The Foreign Agricultural Service (FAS) reports that June 2015 U.S. cheese and curd exports totaled 58.1 million pounds, a 22% decline from a year ago.

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

Cheddar 40# Block	:	2.1325-2.4175
Process 5# Sliced	:	1.9200-2.4000
Muenster	:	2.1525-2.5025
Grade A Swiss Cuts 10 - 14#	:	3.2525-3.5750

## MIDWEST

Milk production is lower but higher than last year's levels. Milk volumes into manufacturing are decreasing. However, the Midwest has enough milk to process cheese. According to some manufacturers, the cheese production is slightly higher. Some are reporting very active production schedules. The domestic demand for cheese is strong, particularly from food service and pizza makers. Presently, some cheese makers are reporting higher sales and expect to remain active throughout the week. Inventories are steady. Midwestern wholesale prices are up \$.0425 for Swiss cuts, up \$.0250 for process, and up \$.0400 for all other types. The DMN *National Retail Report - Dairy* shows that August 7 - August 13 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.06, 28 cents lower than the national average. Midwest prices range from \$1.49 - \$2.50. One year ago the national price was \$2.61. For 8 ounce blocks, the Midwest average price is \$1.77, 52 cents lower than the national average price. Midwest ads are priced from \$1.49 to \$2.50. Last year, the national price was \$2.56. In CME Group trading Wednesday, Barrels closed at \$1.6975, up \$.0225 from last Wednesday and Blocks closed at \$1.7300, up \$0.0175.

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

Process American 5# Loaf	:	1.8025-2.1625
Brick And/Or Muenster 5#	:	2.1125-2.5375
Cheddar 40# Block	:	1.8400-2.2350
Monterey Jack 10#	:	2.0875-2.2925
Blue 5#	:	2.3800-3.3675
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9125-2.8525
Grade A Swiss Cuts 6 - 9#	:	2.7700-2.8875

## WEST

Production remains active with milk intakes strong. Processors are noting good demand for retail cheese. Western cheese producers are comfortable with current pricing levels but, feel that downward pressure will move prices lower even though that is not reflected in all pricing mechanisms. The DMN *National Retail Report - Dairy* for the week of August 7-13 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shred cheese is \$2.34, up \$.13 from last week but down \$.27 from a year ago. Packs averaged \$2.17 in the Southwest and \$2.48 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.29, up \$.07 from last week but down \$.27 from a year ago. Blocks in the Southwest averaged \$1.89, and in the Northwest, \$2.34. In CME Group trading Wednesday, Barrels closed at \$1.6975, up \$.0225 from last Wednesday and Blocks closed at \$1.7300, up \$0.0175.

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

Process 5# Loaf	:	1.8175-2.0750
Cheddar 40# Block	:	1.8450-2.2900
Cheddar 10# Cuts	:	2.0250-2.2450
Monterey Jack 10#	:	2.0350-2.1950
Grade A Swiss Cuts 6 - 9#	:	2.8300-3.2600

## FOREIGN

Domestically produced cheese prices have increased, including Swiss. Producers are still looking to funnel available milk into cheese production in order to increase profits and inventory levels. Some buyers are looking to increase stocks for the upcoming holidays.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.2725-3.7600*
Gorgonzola	: 3.6900-5.8900	: 2.7800-3.4775*
Parmesan (Italy)	: -0-	: 3.6625-5.7525*
Provolone (Italy)	: -0-	: 2.3150-2.5675*
Romano (Cows Milk)	: -0-	: 3.4625-5.6125*
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-	: 3.3500-3.6725*
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

08/10/15	17,941	102,593
08/01/15	19,342	102,562
CHANGE	-1,401	31
% CHANGE	-7 :	0

## 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	60	0	50	0	0	0
SOUTHEAST STATES	0	0	0	0	0	0

Farm-level milk production in the Northeast is off the peak. However, output remains strong after maintaining higher than anticipated levels for several weeks. Manufacturing milk supplies are ample. In the Mid-Atlantic, milk production is tapering. Balancing plants report lower milk intakes, with a few facilities handling more milk over the weekend. Bottling sales are mostly steady. Farm level milk production is seeing some sharp drops in the Southeast due to continued heat and humidity. Temperature issues are a concern for long haul loads. Sales to Class I are continuing to build, as most schools will be in session next week. Florida's weather has been very hot and heat indexes are reported in the triple digits. Rain has slowed but expected back in the forecast by the end of this week. As a result, milk production continues to decline. Sales are climbing and expected to be stronger as schools head into full swing. Spot import milk shipments are increasing, with 60 loads this week, compared to 50 last week. According to the DMN *National Retail Report-Dairy*, for August 7-13, the U.S. weighted average advertised price for a gallon of milk was \$2.50, down 56 cents from last year, but up 14 cents compared to last week. The cream market looked as though it was softening into last weekend but that changed with heavy trading at the first of the week. Buyers scrambled to find loads as availability diminished. This week, **cream multiples** range **1.36-1.57**. Production of sour cream, dips, and bottled cream is seasonally active. Demand for **condensed skim** is moderate to lower. As most contract loads are being fulfilled, spot interest is slowing as NDM prices adjust lower. Heavy drying schedules are being maintained at a few plants as milk volumes fall. Class III condensed prices inched lower reflecting adjustments based on the July Announcement of Class and Component Prices.

## 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 - 2.7064-3.1243  
 F.O.B. producing plants: Upper Midwest - 2.8656-2.9850

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

## PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices - .60-.91  
 Northeast - Class III - spot prices - .70-.90

## MIDWEST

South Central milk production is trending lower as high daytime temperatures topping 95 degrees Fahrenheit settle into the area for a stretch forecast to last through next week. In the North Central area, milk production is also declining slowly from week to week, but weather has not had much impact. Demand for Class I milk is drawing raw milk from the North Central and the Southwest into the Southeast. Major metropolitan school districts in the South Central are placing orders this week, ahead of deliveries for next week. Cream availability improved this week, compared to one week ago. Ice cream/soft serve manufacturers scooped up spot cream loads ahead of butter manufacturers hoping to augment internal cream supplies for churning. **Cream multiples** lost points on each side of the range, now spanning

1.44 to 1.50. The DMN *National Retail Report-Dairy* for the week of August 7 - 13, noted the national weighted average advertised price for one gallon of milk was \$2.50, up \$0.14 from a week ago, but \$0.56 lower from a year ago. The weighted average price in the Midwest region was \$2.55.

## WEST

The hot weather is reducing milk production in California. Milk cows continue experiencing heat stress during daytime hours with limited relief time at night. Some dairies report a reduction of returns due to the high cost of water. The demand for Class 1 is steady at customary levels. However, some bottlers are expecting an increase in sales as schools start during the next few weeks. Sales for Class 2 are steady. The September 2015 Class 1 prices in California are \$18.08 in the north and \$18.35 in the south. The statewide average Class 1 price based on production is \$18.09. That production average price is \$0.42 higher than August 2015 but \$7.31 than September 2014. Milk output in Arizona is trending lower. Daytime high temperatures and a rise in humidity continue reducing the comfort of the dairy herd. Some processors note a seasonal decrease in the butterfat components of the milk. Balancing plants are receiving fewer but sufficient milk volumes for processing. Class I sales are higher, but lower for Class II. New Mexico milk volumes are decreasing below the last year's levels. Manufacturing plants from nearby states continue clearing up milk volumes. Class I sales are higher as most of the public schools are reopening during this week. Class II sales are steady. With the recent showers, dairy operators are expecting an improvement in the quality of the alfalfa hay and corn crops. According to DMN *National Retail Report-Dairy* for week of August 7 - August 13, the weighted average advertised price for one gallon of milk is \$2.51 in the Southwest, \$2.50 in the Northwest, and \$2.50 for the U.S. The heat in the Pacific Northwest has led to a decline in milk components and production. Some manufacturers are reporting bottling demand increasing with educational institutions starting again. Also, there have been some retail promotions leading to higher sales. Utah/Idaho milk production is steady with not much let up as the heat rises. Wetter weather conditions are not helping the alfalfa. Farmers are having difficulties harvesting without delays. Poorer quality is making prices drop. The corn, on the other hand, is doing well in the humid weather. The demand for cream from butter churns and cream cheese makers continues strong in the West. Some processing plants are running with a shortage of cream due to the seasonal decrease of butterfat content in the milk. Cream supplies are steady to lower. West cream multiples are unchanged, ranging from 1.25 to 1.60. At the CME Group, Grade AA butter closed Wednesday at \$2.0150, up \$0.0250 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:** Central low/medium heat nonfat dry milk prices shifted mostly lower on a weak market. Interest is light outside of contracts. To spur some f.o.b. single load/block spot interest, a few producers secured sales by shaving prices incrementally. At the same time, producers are wary of a race to the bottom on prices and they want to be within the market, but not necessarily setting the market. These f.o.b. spot sales are helping moderate inventory aging. Buyers indicated fixed price Q4 and 2016 contract offers are available from some manufacturers, however, the offered prices are well above current prices. At this time, buyers are reluctant to solidify higher prices on a currently weak market. NDM low/medium heat production is steady to lower as milk production declines throughout the region. The Central high heat nonfat dry milk price range widened on a mixed market. While the overall NDM market is weak, scarcity in high heat NDM f.o.b. spot load availability helped a few producers secure premiums to the market. In some instances, buyers were shopping for a particular high heat NDM brand, adding additional value to the high heat loads. High heat NDM production is limited to occasional runs. Inventories are tight.

**EAST:** Prices for low/medium heat nonfat dry milk continue to trend lower. Dryer schedules are seeing a slight reduction at most plants. An increase in fluid milk orders, as schools re-open, is pulling on supplies and maintenance projects are further limiting NDM production rates. Spot market transactions continue to expedite buyers' immediate needs. Some manufacturers are not looking to trade in the spot market, and are offering NDM closer to the high end of the price range. Although prepared to sell nonfat dry milk, those producers note that maintaining sufficient inventory levels that satisfy termed contractual agreements is their main focus. Supplies are plentiful. High heat prices are mixed. Production remains light and sporadic. A few plants are finding time to process high heat as milk intake levels drop. Manufacturing contacts note interest for high heat is building as potential buyers explore the market. Inventories are light. Customer accounts are moving on time.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .7000 - .8000 MOSTLY: .7100 - .7800  
 HIGH HEAT: .8750 - 1.0800

**NONFAT DRY MILK - WEST**

Prices for low/medium heat nonfat dry milk are steady to lower on the range and lower on the mostly price series. The low/medium heat NDM spot market continues weak. According to some buyers, their current activity in the market is very quiet. Domestic sales and export are lower. Buyers are waiting for discount prices. In terms of production, milk volumes into manufacturing are noticeable decreasing. Some processors are reducing production. Inventories are building. At the CME Group, Grade A nonfat dry milk closed Wednesday at \$.6900, down \$0.0300 compared to a week ago. Prices for high heat nonfat dry milk are mixed. The spot market tone is very irregular. Limited spot sales are reported. The majority of the sales are based on contracts. Inventories levels vary plant to plant.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .6450 - .7500 MOSTLY: .6500 - .7350  
 HIGH HEAT: .7350 - .9800

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES
August 7	\$.7703	12,581,970
July 31	\$.8846	6,015,355

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:** In the Central region, dry buttermilk prices are unchanged to lower. The weakness of the NDM market is applying pressure to the dry buttermilk market. Buyer interest is light outside of contracts. However, manufacturers indicate dry buttermilk interest tends to increase during the fall baking season, which is approaching. Current dry buttermilk production is declining as cream volumes clear to Class II and III manufacturing ahead of churning. Inventories vary from plant to plant, but manufacturers indicate they have sufficient stocks on hand to meet Q3 contract needs

**EAST:** Dry buttermilk prices are steady to lower. Very little movement is being reported in the spot market. Dry buttermilk production rates are steady to lower as some butter processors maintain their stance on selling available cream in lieu of churning. There is some variation in the stock levels of regional producers; however, supplies are adequate for fulfilling most commitments. Current demand is mostly limited beyond contracts. Buyers are in a wait-and-see mode, as prices adjust to a weak market.

F.O.B. CENTRAL/EAST: .7000 - .8350

**DRY BUTTERMILK - WEST**

Prices for dry buttermilk are steady to lower on the range and mostly price series. The market undertone continues weak. Dry buttermilk demand is steady to lower. The high demand for cream from butter churns and cream cheese makers is reducing the production of dry buttermilk. In addition, the region has less milk volumes for processing. Dry buttermilk Inventories are mixed.

F.O.B. WEST: .7000 - .8050 MOSTLY: .7200 - .7850

**DRY WHOLE MILK - NATIONAL**

Dry whole milk prices are unchanged. A very low activity is occurring in the spot market. Production is lower and is considerable below the last year's levels. Dry whole milk inventories vary 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**

Prices for Central dry whey moved lower on the top of the range and the entire mostly series. The market is weak. Dry whey production is ongoing, with active cheese making sending condensed whey into the dryers. Buyers are aware of the current weak tone throughout the whey complex, and they are willing to wait for anticipated price decreases during this buyers' market. Contacts also indicate some sellers are now asking for bids on available dry whey loads in hopes of garnering interest. Dry whey inventories are steady to building due to slow sales activities. Animal feed dry whey prices are unchanged on light activity. End users indicate they plan to time future purchases to coincide with inventories running lower in the next few weeks.

F.O.B. CENTRAL: .1525 - .3500 MOSTLY: .2000 - .2800  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2000 - .2500

**DRY WHEY - NORTHEAST**

Dry whey prices are steady to lower. Regional cheese plants are seeing small drops in milk supplies prompting marginal decreases in dry whey production. Dry whey supplies are variable, with sources noting that some producers may be sold out. However, buyers are not having any problems finding product. Manufacturing volumes are building at other locations. Demand is fairly moderate. Current output continues to move through contracts. Spot buying is mostly done hand-to-mouth, as prices trend lower in a weak market.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2800 - .3675

**DRY WHEY - WEST**

Western dry whey prices are moving lower in a weak market. Quantities of spot sales are limited in a weak market. However, large volume sales pushed the price lower. Production is steady as cheese production continues to be strong. Demand is slow as prices keep moving lower. Buyers are purchasing hand-to-mouth for current needs as the wait to see how low prices will go. Most sellers are reporting having ample inventory levels.

NONHYGROSCOPIC: .2000 - .3600 MOSTLY: .2550 - .3450

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices for whey protein concentrate 34% are mostly lower on a weak market. Offers from several producers, as well as resellers and brokers, continue to circulate through the marketplace. In some instances, sellers are asking potential buyers to start the bidding process. In addition, higher protein concentrates are readily available and some end users are incorporating those higher protein inputs because the cost per unit of protein is more economical than using WPC 34%. Conversely, a few manufacturers have eked out f.o.b. spot sales from limited inventories, using multiple lots per load just to satisfy current, active demand for their WPC 34%. Production of WPC 34% is steady to trending lower as milk intakes at cheese plants decline. Inventories are variable, ranging from tight to above what is needed to meet near-term commitments.

F.O.B. EXTRA GRADE 34% PROTEIN: .4375 - .8000 MOSTLY: .6000 - .7250

**LACTOSE - CENTRAL AND WEST**

Lactose prices are mostly lower, reflecting the weak market. Buyer interest is light outside of contracts and price decreases are helping some loads move out of inventory. Lactose production is declining as milk volumes clearing through cheese facilities are trending lower. However, lactose inventories are higher than projected at several locations and manufacturers are taking steps to bring inventories in line with those projections. A few brokers/resellers are managing sales of Central lactose into the export markets by using competitively priced U.S. and Canadian rail routes. In effect, these Central lactose loads are now priced to effectively compete in the export markets.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1500 - .2500 MOSTLY: .1700 - .2100

**CASEIN - NATIONAL**

Casein prices moved lower in a soft market. Production is seasonally declining. Contract demand is steady for acid casein while spot demand has increased for rennet casein due to an increase in demand for process cheese products. Suppliers are comfortable with stocks on hand.

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: 2.7500 - 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
07/25/2015	51.4	1,676.8	52.6	1,608.2

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	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82

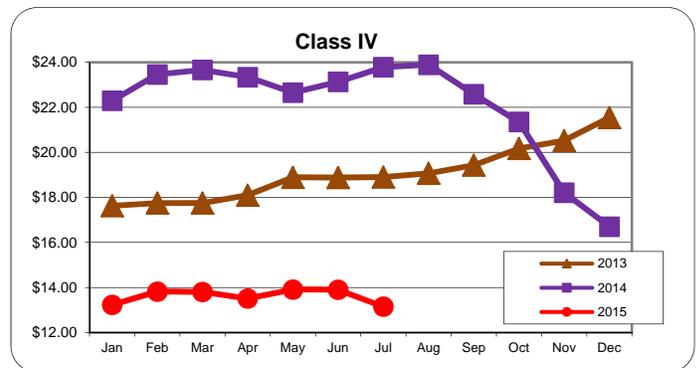
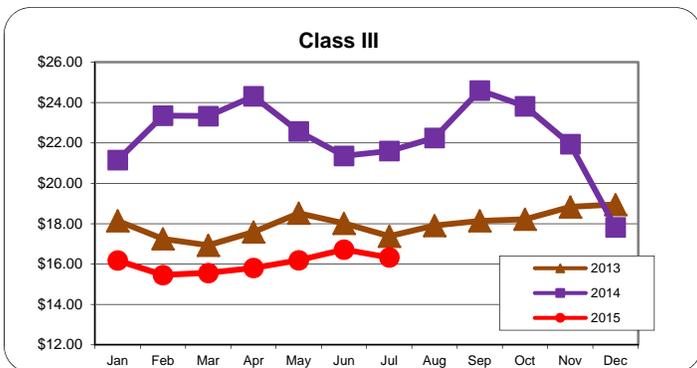
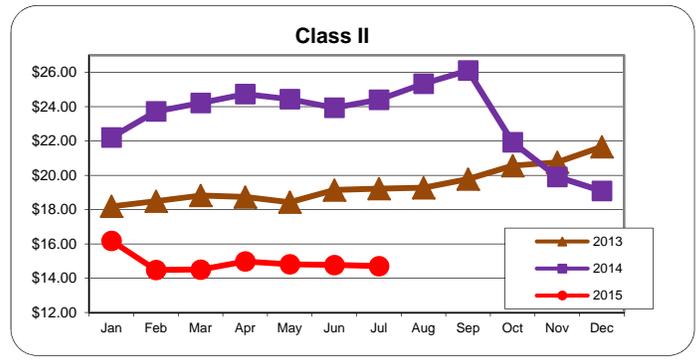
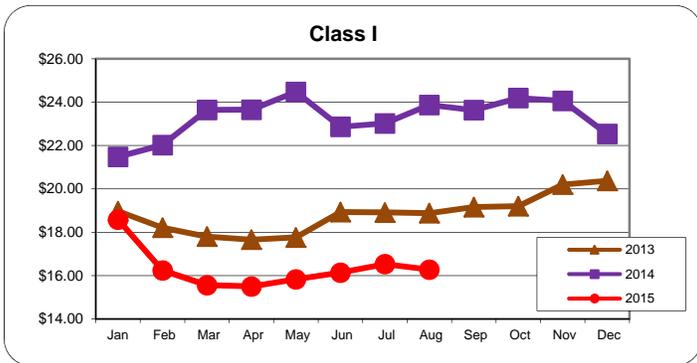
CLASS IV MILK PRICES (3.5%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87
2012	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41	18.54	18.66	17.83
2013	17.63	17.75	17.75	18.10	18.89	18.88	18.90	19.07	19.43	20.17	20.52	21.54
2014	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35	18.21	16.70

FEDERAL MILK ORDER CLASS PRICES FOR 2015 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.58	16.24	15.56	15.50	15.83	16.14	16.53	16.28				
II	16.18	14.48	14.50	14.98	14.81	14.77	14.70					
III	16.18	15.46	15.56	15.81	16.19	16.72	16.33					
IV	13.23	13.82	13.80	13.51	13.91	13.90	13.15					

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 August 3 - 14, 2015

## ORGANIC DAIRY FLUID OVERVIEW

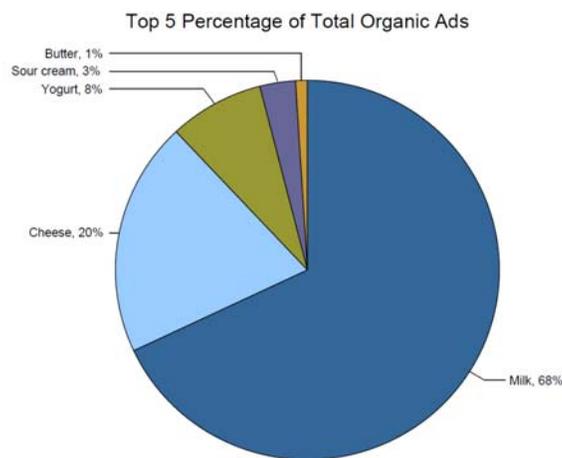
## NATIONALLY ADVERTISED PRICE COMPARISON

**Organic Dairy Overview.** Overall, organic dairy ads reflect marginal increases compared to last week. Ads for 8 ounce UHT milk saw a noticeable increase, five time the number of previous week's ads. Organic milk ads, in general, grew 40%, organic cheese grew 85%, but organic yogurt declined sharply 58%. The Southeast region reported the largest increase for organic milk dairy ads. In the Northwest and South Central regions, significant declines were reported for organic yogurt ads.

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

Complete results of this weekly survey providing additional graphs, tables and regional delineation, follow at the end of Dairy Market News, or can be accessed at:

<http://www.ams.usda.gov/market-news/retail-dairy-market-news>



**Organic Milk Half Gallons.** The U.S. weighted average advertised price of organic milk half gallons is \$4.05, up 60 cents from last week and up 51 cents from one year ago.

**Organic Greek Yogurt.** The U.S. weighted average price of 4-6 ounce organic Greek yogurt is \$1.18, down 7 cents from last week and down 7 cents from one year ago.

**Organic Cheese.** The U.S. weighted average price of 8 ounce cheese blocks is \$3.86, up \$0.18 from last week and \$0.04 from a year ago.

**Organic Sour Cream.** The U.S. weighted average price of 16 ounce organic sour cream is \$1.99, unchanged from last week. There were no store ads a year ago.

**Organic Butter.** The U.S. weighted average price of 1 pound butter is \$4.79, down \$0.12 from last week but \$0.51 higher than a year ago.

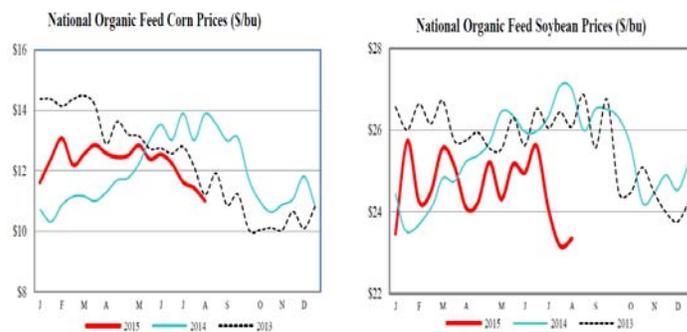
## ORGANIC DAIRY OVERVIEW

## MANUFACTURED ORGANIC DAIRY PRODUCTS UPDATE

**Manufactured Organic Dairy.** As sales of manufactured products using organic dairy ingredients increase, high growth rates of manufactured food products with organic dairy ingredients have caused demand to outpace needed supplies. As a result, organic dairy manufacturers continue to pursue foreign sources of organic whey and milk powders. Sources have noted that some Eastern region manufacturers of food products using organic dairy components are supplied by Oceania and Europe, in addition to arrangements in the domestic market. Product pricing information is usually difficult to obtain as buyer/sellers are reluctant to share that information under present conditions.

## ORGANIC GRAIN AND FEEDSTUFF MARKETS

**Organic Grain and Feedstuff Markets.** Organic grain prices are trending mostly steady. Market activity is slow to moderate on all organic grains. Demand is light to moderate with interest and movement spotty. Some producers continue to hold onto some old crop inventories, while many buyers are generally content with current inventories and contracts. A few forward contract negotiations took place this reporting period on organic corn and soybeans while many buyers and sellers prefer to wait. Most conversations are focused on the effects of weather on organic grains, as well as harvest progress and efforts, especially in regard to quality, protein levels, test weights, disease issues, and yields. Others include the ongoing pressure and influence of cheaper and increased volumes of imported organic grains on the domestic marketplace.



Graph Source: USDA Livestock, Poultry and Grain Market News

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

## August Milk Supply and Demand Estimates

The milk production forecast for 2015 is unchanged from last month, but weaker milk prices in late 2015 and 2016 result in lower production for 2016 than forecast last month. Exports are reduced as competition in world markets is expected to be robust in both 2015 and 2016 and relatively strong domestic demand will likely encourage increased imports. Stocks at the end of 2015 are forecast higher than last month as a result of increased imports and reduced exports. Skim stocks for the end of 2016 are also forecast higher than last month. Larger domestic supplies as a result of increased imports and weaker exports are expected to pressure product prices in 2015. Forecast prices for butter, cheese, nonfat dry milk (NDM) and whey are lowered from last month. Price forecasts for 2016 for cheese, whey, and NDM are reduced. However, domestic demand strength and expectations that milk will flow away from butter and NDM production in 2016 support an increase in the butter price forecast. NDM prices are expected to be pressured by continued competition in international markets. Class III and Class IV prices are reduced from last month for both 2015 and 2016. The all milk price is forecast at \$16.75 to \$16.95 per cwt for 2015 and \$16.40 to \$17.40 per cwt for 2016.

<b>U.S. Milk Supply and Use</b>					
Commodity	2014	2015 Projected		2016 Projected	
		Jul	Aug	Jul	Aug
<i>(billion pounds)</i>					
Milk					
Production	206.0	208.8	208.8	213.6	213.0
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	11.2	11.2	11.2	11.6	12.0
Marketings	205.1	207.9	207.8	212.6	212.1
Imports	4.3	5.2	5.7	4.9	5.4
Total Commercial Supply	220.6	224.3	224.8	229.2	229.4
Fat Basis Use					
Commercial Exports	12.4	10.5	9.8	11.0	10.7
Ending Commercial Stocks	11.2	11.6	12.0	12.0	12.0
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	196.9	202.3	203.0	206.1	206.7
Skim-Solid Basis Supply					
Beginning Commercial Stocks	11.7	13.1	13.1	12.3	13.1
Marketings	205.1	207.9	207.8	212.6	212.1
Imports	5.6	6.1	6.6	6.0	6.4
Total Commercial Supply	222.4	227.1	227.6	231.0	231.5
Skim-Solids Basis Use					
Commercial Exports	39.1	39.7	39.5	39.9	39.7
Ending Commercial Stocks	13.1	12.3	13.1	12.9	13.5
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	170.2	175.1	174.9	178.1	178.4

NOTE: Totals may not add due to rounding.

Continued on page 10

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

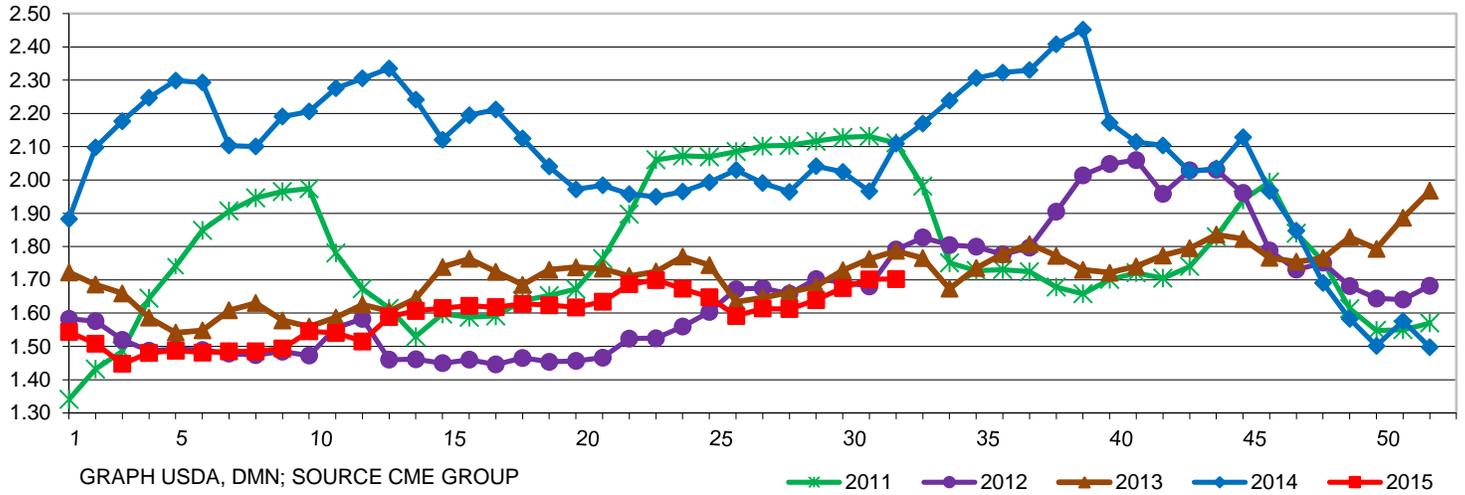
U.S. Dairy Prices					
Commodity	2014	2015 Projected		2016 Projected	
		Jul	Aug	Jul	Aug
<i>(dollars per pound)</i>					
Product Prices <sup>1</sup>					
Cheese	2.1551	1.650-1.680	1.635-1.655	1.610-1.710	1.595-1.695
Butter	2.1361	1.810-1.870	1.815-1.855	1.750-1.880	1.760-1.890
Nonfat Dry Milk	1.7682	0.945-0.975	0.865-0.885	1.065-1.135	0.950-1.020
Dry Whey	0.6538	0.440-0.460	0.415-0.435	0.460-0.490	0.410-0.440
<i>(dollars per cwt)</i>					
Milk Prices <sup>2</sup>					
Class III	22.34	16.15-16.45	15.85-16.05	15.90-16.90	15.45-16.45
Class IV	22.09	13.70-14.10	13.00-13.30	14.45-15.55	13.50-14.60
All Milk <sup>3</sup>	23.97	17.05-17.35	16.75-16.95	17.00-18.00	16.40-17.40
<b>Quarterly</b>					
	2015 II	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	51.5	53.3	54.4
<i>(dollars per cwt)</i>					
All Milk Price <sup>2,3</sup>	16.70	16.95-17.25	16.30-16.90	15.70-16.60	15.65-16.65
Class III Price <sup>2</sup>	16.24	16.10-16.40	15.30-15.90	14.75-15.65	15.00-16.00
Class IV Price <sup>2</sup>	13.77	12.60-13.00	12.00-12.70	11.85-12.85	13.15-14.25

<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, August 12, 2015*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Uthra Raghunathan, AMS; Paul Kiendl, FAS; Jerry Cessna, ERS; and Milton Madison, FSA].

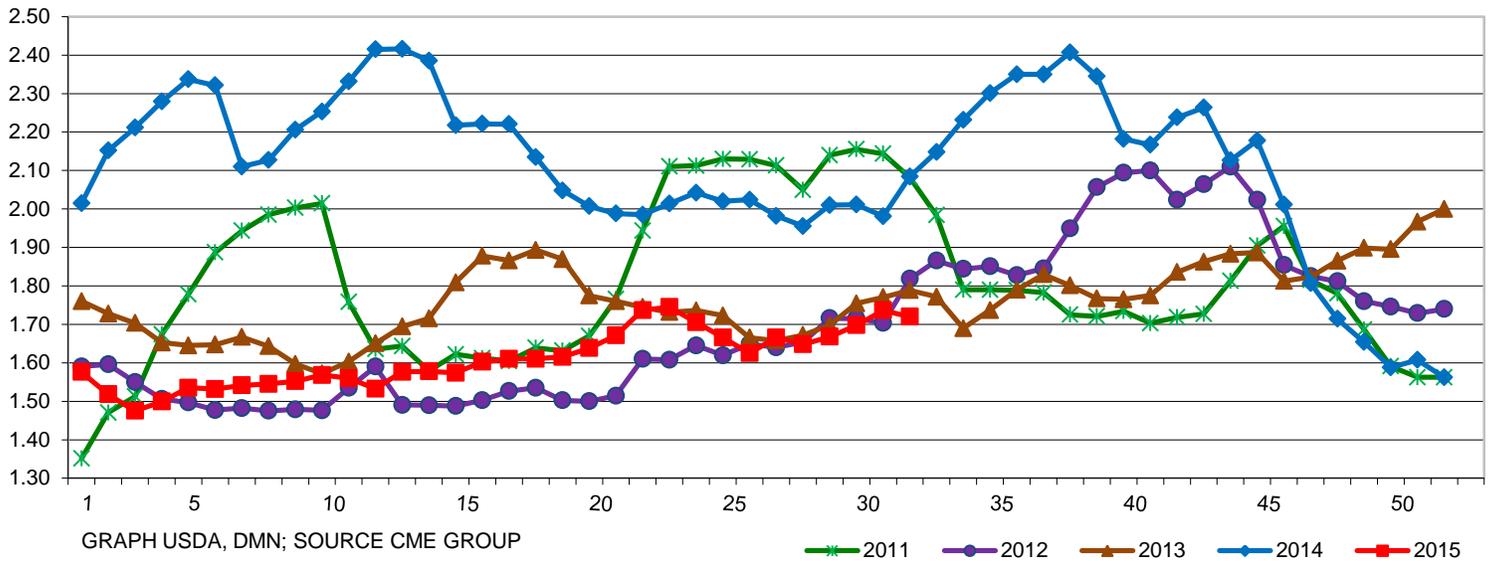
U.S. \$ PER POUND

### CME Weekly Average Cash Barrel Prices



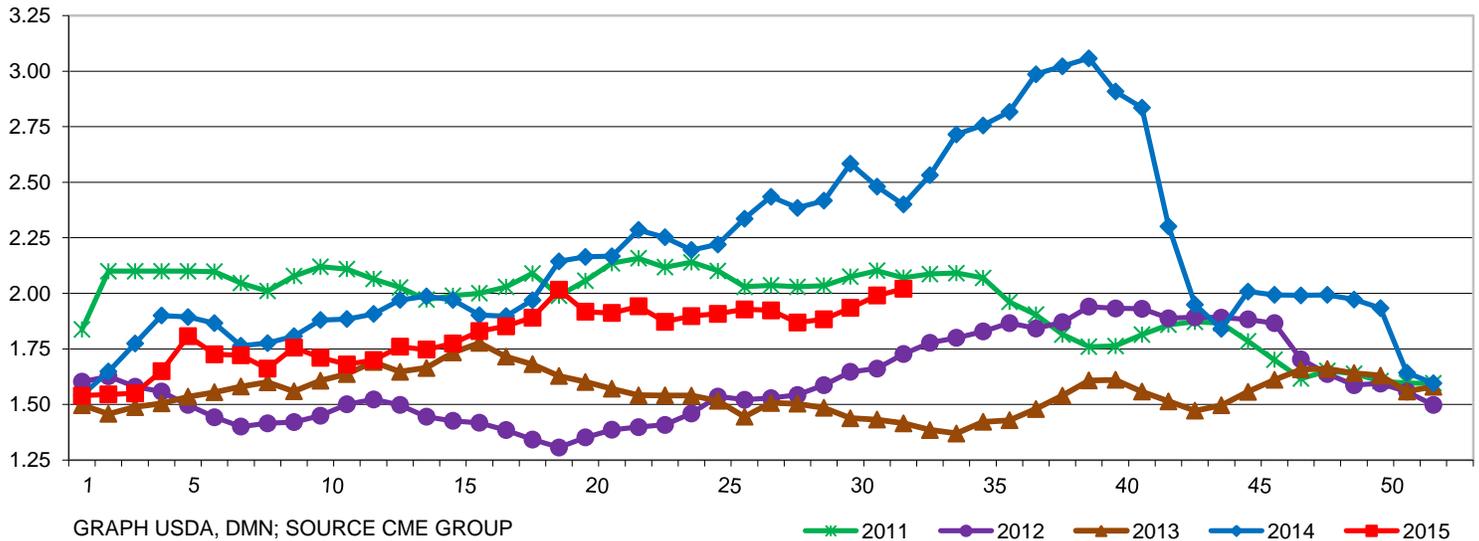
U.S. \$ PER POUND

### CME Weekly Average Cash Cheddar Block Prices



U.S. \$ PER POUND

### CME Weekly Average Cash Grade AA Butter Prices





## 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 32

Issued Weekly

Friday, August 14, 2015

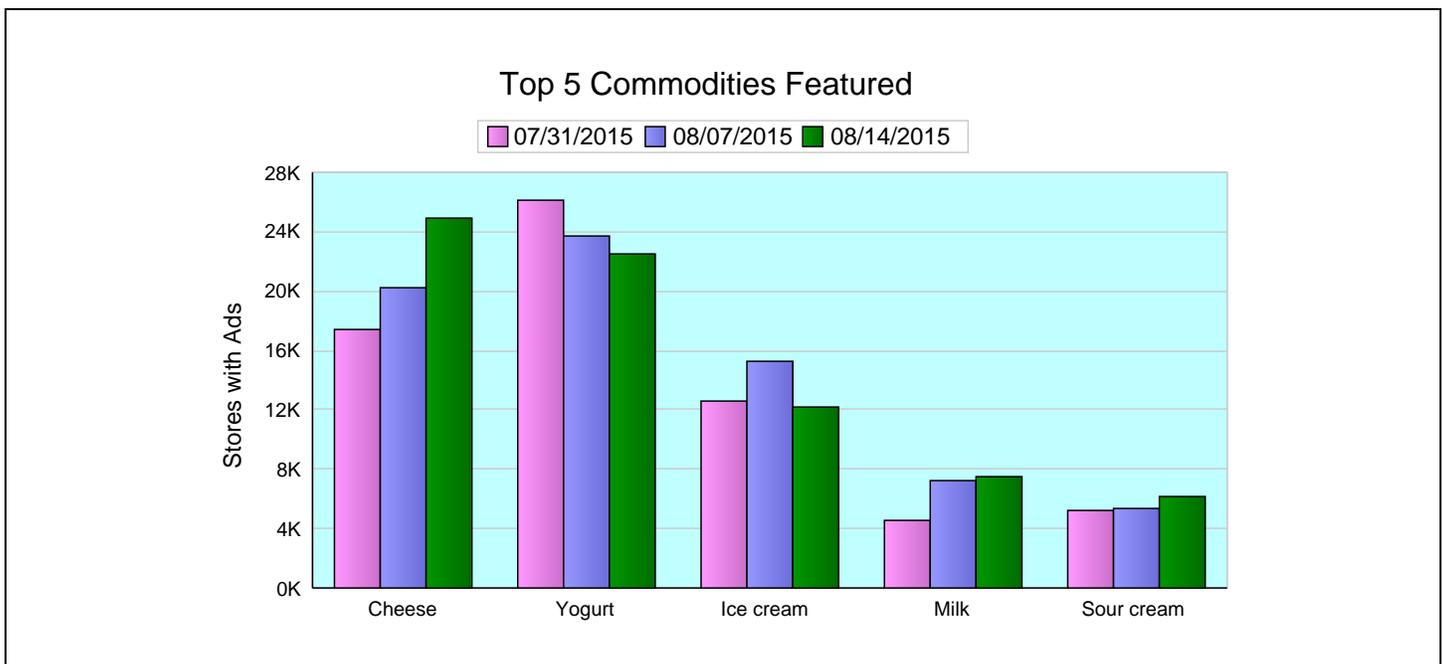
### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 08/14/2015 to 08/20/2015

The 48-64 ounce ice cream ad volume is down 17%. The national weighted average advertised price for ice cream is \$3.11, 17 cents higher than the last week. This week, 4-6 ounce Greek yogurt is the most advertised dairy product; last week was ice cream. The conventional dairy ad volumes are similar to last week with minor price changes for most of the products.

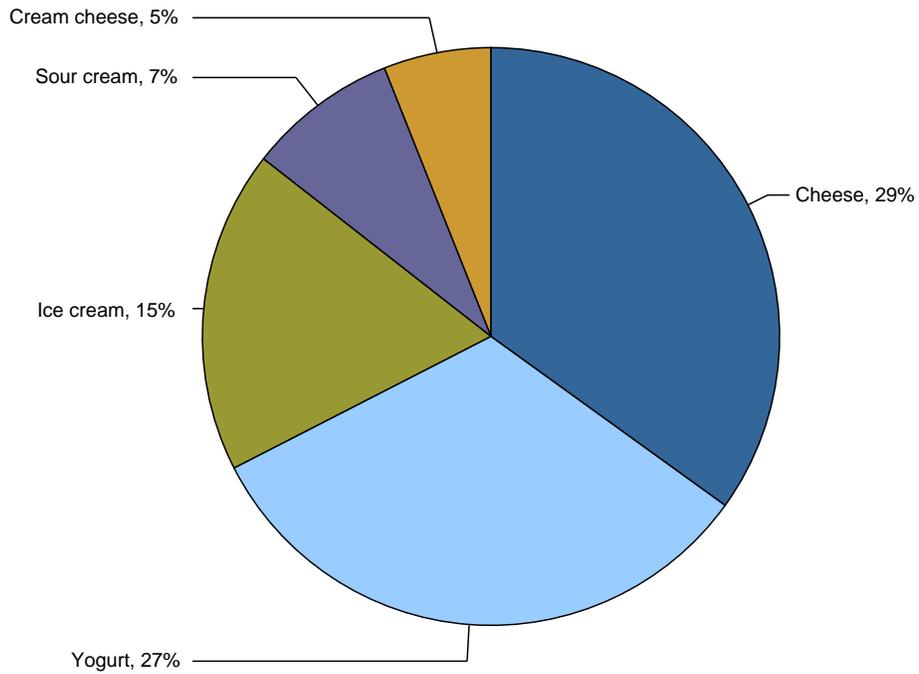
The U.S. advertised price for 8 ounce cheese blocks averaged \$2.36, compared with \$2.56 a year ago, but up 7 cents from one week ago; 8 ounce shred cheese averaged \$2.35, compared with \$2.61 one year ago, but is 1 cent above a week ago. Conventional cheese ads increased 22% from the previous week.

The average price of 4-6 ounce Greek yogurt is 92 cents, down 4 cents from last week and down 9 cents from a year ago. This week, yogurt in 4-6 ounce packages averaged 49 cents compared with 48 cents last week and 49 cents a year ago. Conventional yogurt ad numbers decreased 2% from the previous week.

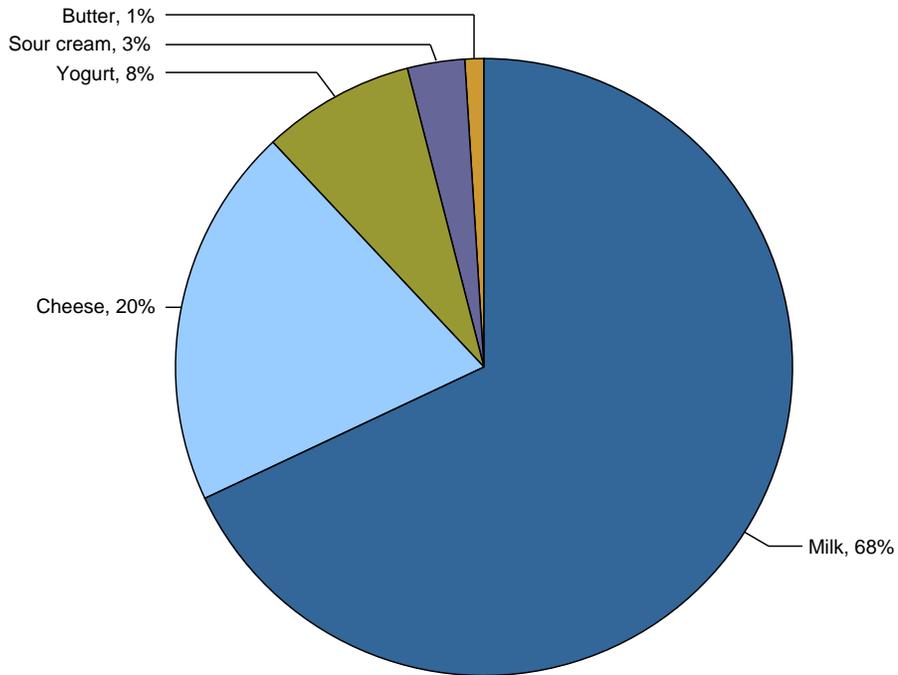
Organic - conventional half gallon milk has a price spread of \$1.49. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.56 and the average for organic half gallon milk, \$4.05.



### 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 #	3675	3.11	4267	2.96	2604	3.36
Cheese	Natural Varieties	8 oz block	8804	2.36	7488	2.29	8609	2.56
Cheese	Natural Varieties	1 # block	1016	3.11	798	4.12	858	4.30
Cheese	Natural Varieties	2 # block	927	6.33	804	6.21	370	6.79
Cheese	Natural Varieties	8 oz shred	11873	2.35	9910	2.34	9591	2.61
Cheese	Natural Varieties	1 # shred	1078	3.36	485	4.85	1442	3.90
Cottage cheese		16 oz	3081	1.96	2413	2.22	1810	2.05
Cream cheese		8 oz	4156	1.75	5334	1.75	5191	1.79
Flavored milk	All fat tests	half gallon	579	1.73	321	2.00	323	1.79
Flavored milk	All fat tests	gallon	11	3.49	194	2.20	321	4.74
Ice cream		48-64oz	12159	3.11	14685	2.94	12258	3.00
Milk	All fat tests	half gallon	1419	2.56	1066	2.42	128	1.99
Milk	All fat tests	gallon	1678	2.04	2995	2.50	2712	3.06
Sour cream		16 oz	6029	1.54	5225	1.77	5489	1.86
Yogurt	Greek	4-6 oz	13031	.92	13104	.96	11714	1.01
Yogurt	Greek	32 oz	1557	4.64	1807	4.15	1279	4.70
Yogurt	Yogurt	4-6 oz	5389	.49	6473	.48	5260	.49
Yogurt	Yogurt	32 oz	1853	2.61	1129	2.39	976	2.18

### 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	1202	3.19	2.97	1002	2.97	1.99-2.50	194	2.14
Cheese	Natural Varieties	8 oz block	1.49-3.49	2123	2.37	1.99-3.00	2952	2.59	1.50-2.99	1602	2.10
Cheese	Natural Varieties	1 # block	3.50	72	3.50	2.99	184	2.99	2.99	110	2.99
Cheese	Natural Varieties	8 oz shred	1.88-3.00	2393	2.43	1.99-3.00	2238	2.39	1.49-2.99	3105	2.23
Cheese	Natural Varieties	1 # shred	3.99	108	3.99	2.99	184	2.99	2.99	110	2.99
Cottage cheese		16 oz	1.50-2.99	1051	2.23	1.00-2.50	1400	1.95	1.99	53	1.99
Cream cheese		8 oz	1.34-2.69	1300	1.77	1.00-2.39	1830	1.72	0.99-2.99	596	1.69
Flavored milk	All fat tests	half gallon				1.00	184	1.00	1.00-1.99	217	1.49
Ice cream		48-64oz	1.99-4.99	3304	2.89	2.50-3.99	2319	2.98	1.99-4.49	2167	3.14
Milk	All fat tests	half gallon	2.28-2.99	320	2.85	1.00-1.99	379	1.51	1.00-4.29	580	3.38
Milk	All fat tests	gallon	3.69	135	3.69				1.69-2.77	768	1.81
Sour cream		16 oz	1.49-2.00	1655	1.69	1.00-2.00	1982	1.54	1.00-2.00	480	1.49
Yogurt	Greek	4-6 oz	0.77-1.00	2679	.92	0.70-1.00	2001	.93	0.70-1.00	3275	.92
Yogurt	Greek	32 oz	3.99-5.99	944	4.94	5.00	214	5.00			
Yogurt	Yogurt	4-6 oz	0.33-0.75	1888	.51	0.50	1798	.50	0.40-0.50	447	.48
Yogurt	Yogurt	32 oz	1.99-2.49	377	2.28	2.50	1083	2.50	2.69	98	2.69

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.99-3.49	371	3.31				2.49-3.99	863	3.29
Cheese	Natural Varieties	8 oz block	1.69-2.99	1454	2.17	1.88-2.50	410	2.17	1.99-2.50	181	2.16
Cheese	Natural Varieties	1 # block	2.99-3.99	441	3.21	2.49	116	2.49	2.88	66	2.88
Cheese	Natural Varieties	2 # block	4.99	235	4.99	5.99-7.99	331	6.91	4.99-6.99	350	6.64
Cheese	Natural Varieties	8 oz shred	1.69-2.99	2792	2.37	1.88-2.67	861	2.35	1.99-2.67	416	2.40
Cheese	Natural Varieties	1 # shred	2.99	342	2.99	3.99	241	3.99	2.88	66	2.88
Cottage cheese		16 oz	1.00	210	1.00	0.99-2.50	298	1.89	1.25	66	1.25
Cream cheese		8 oz	1.49-2.99	297	1.86				1.39	69	1.39
Flavored milk	All fat tests	half gallon	2.50-3.29	178	2.77						
Ice cream		48-64oz	2.50-4.99	2072	3.27	1.99-3.99	1227	2.90	2.50-5.00	850	3.80
Milk	All fat tests	half gallon	1.59	74	1.59				0.99	66	.99
Milk	All fat tests	gallon	1.79-1.99	386	1.91	1.99-2.00	273	1.99	1.99	105	1.99
Sour cream		16 oz	1.00-1.79	839	1.32	1.00-1.50	268	1.33	1.25-1.79	719	1.50
Yogurt	Greek	4-6 oz	0.50-1.00	2873	.90	0.70-1.00	1181	.91	0.70-1.00	1017	.96
Yogurt	Greek	32 oz	3.69-4.29	225	3.89				3.50	174	3.50
Yogurt	Yogurt	4-6 oz	0.39-0.50	525	.44	0.50	167	.50	0.33-0.50	540	.45
Yogurt	Yogurt	32 oz							2.49-3.99	292	3.45

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 #	3.49-3.50	19	3.50	3.49	24	3.49
Cheese	Natural Varieties	8 oz block	1.99-2.50	17	2.32	2.50-4.25	65	3.62
Cheese	Natural Varieties	1 # block				4.99	27	4.99
Cheese	Natural Varieties	2 # block	7.99	11	7.99			
Cheese	Natural Varieties	8 oz shred	1.99-3.50	25	2.70	2.50-3.50	43	3.09
Cheese	Natural Varieties	1 # shred				4.99	27	4.99
Cottage cheese		16 oz	2.98	3	2.98			
Cream cheese		8 oz	1.99	6	1.99	2.29-3.00	58	2.71
Flavored milk	All fat tests	gallon	3.49	11	3.49			
Ice cream		48-64oz	3.99-4.50	40	4.15	2.99-7.99	180	4.61
Milk	All fat tests	gallon	3.49	11	3.49			
Sour cream		16 oz	1.99-2.98	35	2.08	1.99-2.29	51	2.13
Yogurt	Greek	4-6 oz	1.00-1.25	5	1.15			
Yogurt	Yogurt	4-6 oz	0.60-0.80	24	.63			
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 #	69	4.79	183	4.91	54	4.28
Cheese	Natural Varieties	8 oz block	939	3.86	522	3.68	395	3.82
Cheese	Natural Varieties	8 oz shred	328	3.61	162	2.99	395	3.17
Flavored milk	All fat tests	half gallon					283	3.78
Ice cream		48-64oz			639	5.53		
Milk	All fat tests	half gallon	2651	4.05	2371	3.45	4038	3.54
Milk	All fat tests	gallon			425	5.78		
Milk	All fat tests	8 oz UHT	1727	.99	342	1.00	1914	.85
Sour cream		16 oz	183	1.99	190	1.99		
Yogurt	Greek	4-6 oz	392	1.18	595	1.25	119	1.25
Yogurt	Greek	32 oz			118	3.00		
Yogurt	Yogurt	4-6 oz	116	.97	147	1.00	71	.89
Yogurt	Yogurt	32 oz	11	4.39	69	3.50		

### REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz block	3.50-3.99	221	3.80						
Cheese	Natural Varieties	8 oz shred	3.50	84	3.50						
Milk	All fat tests	half gallon	3.99-4.29	337	4.22	3.49-4.49	1293	4.33			
Milk	All fat tests	8 oz UHT	0.99	156	.99	1.00	686	1.00	1.00	137	1.00
Yogurt	Greek	4-6 oz	1.00-1.25	215	1.14						
Yogurt	Yogurt	4-6 oz				0.95	53	.95			

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 #							4.79	69	4.79
Cheese	Natural Varieties	8 oz block	2.99-3.99	358	3.76	3.99	360	3.99			
Cheese	Natural Varieties	8 oz shred	2.99-3.99	244	3.65						
Milk	All fat tests	half gallon	2.50-4.29	613	3.37	4.29	174	4.29	3.50-4.29	234	3.83
Milk	All fat tests	8 oz UHT	1.00	433	1.00	0.80-1.00	210	.89	1.00	105	1.00
Sour cream		16 oz	1.99	114	1.99				1.99	69	1.99
Yogurt	Greek	4-6 oz				0.99	116	.99	1.69	61	1.69

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
Yogurt	Yogurt	4-6 oz	0.99	63	.99						

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	32 oz	4.39	11	4.39			

**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

# DAIRY MARKET NEWS

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