

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (8/21)**

**BUTTER:** Grade AA closed at \$2.3700. The weekly average for Grade AA is \$2.2490 (+.2285).

**CHEESE:** Barrels closed at \$1.6950 and 40# blocks at \$1.7400. The weekly average for barrels is \$1.6735 (-.0290) and blocks, \$1.7025 (-.0175).

**NONFAT DRY MILK:** Grade A closed at \$.7850. The weekly average for Grade A is \$.7475 (+.0565).

**BUTTER HIGHLIGHTS:** Cream availability is tight in all regions. Central and West processors are actively churning as producers are trying to rebuild inventories in advance of the typical seasonal increase in orders during Q4. The butter production activity is light to moderate in the Northeast. The demand for bulk and printed butter is active across the country. In the Northeast, a decline in orders from retailers and food service is expected after the Labor Day holiday. Butter inventories are mixed. At the CME Group, the Grade AA butter closing price finished the week above \$2 per pound.

**CHEESE HIGHLIGHTS:** Cheese manufacturing remains active across the country. Although milk intakes have dropped somewhat, the milk received is generally adequate for cheese production. Some Midwestern cheese makers report buying a few spot loads of milk to meet production schedules. Buyer interest for mozzarella and cheddar is high with the beginning of school terms. Domestic demand for cheese has remained strong overall. Strong U.S. prices have made it more difficult for U.S. cheese makers to find export opportunities. Some industry contacts are seeing an increase in price competition from European imports. Most international manufacturers are surprised by the U.S. prices and are clearing additional milk volumes into cheese for export to the U.S., especially hard cheeses. In CME Group trading Friday, Barrels closed at \$1.6950, down \$.0025 from last Friday and 40# Blocks closed at \$1.7400, up \$.0475.

**FLUID MILK:** Milk production is lower across the country. Bottling orders are increasing as most of the public schools reopened or are reopening during the next few weeks. Manufacturing milk supplies are fairly strong in the Northeast and Mid-Atlantic, steady in the Northwest, and lower in the rest of the regions. Cream demand for churning is good. Cream inventories are mostly tight throughout the country.

**DRY PRODUCTS:** The nonfat dry milk market tone is mixed in

all regions. Upticks occurred in recent international auctions and on the CME and sellers are trying to capture those prices. The dry buttermilk market tone is steady in the East and unchanged to firmer in the West and the Central. National spot market activity for dry whole milk is very low. Whey market undertone continues weak in all regions. The Central and West market for whey protein concentrate 34% continues to be weak. The demand for casein is steady. The lactose market is quiet with limited spot sales activity.

**INTERNATIONAL DAIRY MARKET NEWS (DMN):**  
**WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW:** With the elimination of the quota system, there have been antidotal suggestions that farm level production is up, while waiting for published statistics. Commodity price drops are leading to farmgate level prices paid out declining. The droughts in Western Europe have affected production some, but it is still above year ago levels. Most manufacturers are choosing to make cheese with available milk, due to better returns. **EASTERN OVERVIEW:** Production is growing as the temperatures have dropped. Most commodities are readily available, but cream supplies have tightened. As the cooler weather sets in, the demand for fluid milk is increasing. **OCEANIA OVERVIEW:** Milk production is up over last year. Due to falling prices, farmers are looking for other companies that might have higher payments. Farmers are also looking for ways to cut operating costs. Most will not be able to buy any additional feed, so they are hoping for favorable spring weather for ample pasture. Dairy Australia reports dairy product exports for the July-June period total 764.1 thousand MT, up 3.2% from the year ago period. Selected dairy product export changes compared to the same period last year are: butter, - 21.4%; butter oil, +25.4%; cheddar, -10.0%; SMP, +30.4%; WMP, -26.5% and whey products +5.4%. New Zealand's June milk production, as reported by DCANZ, was 147 thousand MT, up 8.0% from June 2014. June milk solids reflect a 11.7% increase compared with June 2014. At the August 18 GDT event #146, average prices ranged from 13.8% lower to 26.6% higher from the prior event across categories.

CONTINUED ON PAGE 1A

\*\*\*\*\*SPECIALS THIS ISSUE\*\*\*\*\*

INTERNATIONAL DAIRY MARKET NEWS (PAGES 8-8A)  
 DAIRY FUTURES (PAGE 9)  
 SEPTEMBER FEDERAL MILK ORDER ADVANCE PRICES (PAGE 10)  
 JUNE ESTIMATED MILK SALES (PAGE 11)

JULY MILK PRODUCTION (PAGE 12)  
 JULY FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY (PAGE 13)  
 MAY MAILBOX MILK PRICES (PAGE 14)  
 DAIRY GRAPHS (G1-G2)

**CME GROUP CASH TRADING**

COMMODITY	MONDAY AUG 17	TUESDAY AUG 18	WEDNESDAY AUG 19	THURSDAY AUG 20	FRIDAY AUG 21	WEEKLY CHANGE*	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$1.6575 (-.0400)	\$1.6600 (+.0025)	\$1.6600 (N.C.)	\$1.6950 (+.0350)	\$1.6950 (N.C.)	:: (-.0025)	:: \$1.6735 (-.0290)
40# BLOCKS	\$1.6825 (-.0100)	\$1.6750 (-.0075)	\$1.6900 (+.0150)	\$1.7250 (+.0350)	\$1.7400 (+.0150)	:: (+.0475)	:: \$1.7025 (-.0175)
<b>NONFAT DRY MILK</b>							
GRADE A	\$.7075 (+.0175)	\$.7075 (N.C.)	\$.7675 (+.0600)	\$.7700 (+.0025)	\$.7850 (+.0150)	:: (+.0950)	:: \$.7475 (+.0565)
<b>BUTTER</b>							
GRADE AA	\$2.0750 (+.0100)	\$2.1600 (+.0850)	\$2.2700 (+.1100)	\$2.3700 (+.1000)	\$2.3700 (N.C.)	:: (+.3050)	:: \$2.2490 (+.2285)

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**

The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$2,724, +26.6%; butter, \$2,541, +10.8%; buttermilk powder, \$1,400, -13.8%; cheddar cheese, \$2,778, +4.4%; lactose, \$502, -7.8%; rennet casein, \$5,441, +3.0%; skim milk powder, \$1,521, +8.5%; and whole milk powder, \$1,856, +19.1%.

**NATIONAL RETAIL REPORT – DAIRY (DMN):** Dairy ad volumes decreased by 5% for conventional products. The ad volumes of butter, cottage cheese, cream cheese and sour cream are lower. This week, the national weighted average advertised price, and price change from last week are: 1 pound butter, \$2.98, down 13 cents; 16 ounce cottage cheese, \$1.92, down 4 cents and 8 ounce cream cheese, \$1.92, up 17 cents. Similar to last week, 4-6 ounce Greek yogurt is the most advertised dairy product with an increase of 16% in ad volume. The average price of 4-6 ounce Greek yogurt is 96 cents, up 4 cents from last week, but down 5 cents from a year ago. This week, yogurt in 4-6 ounce packages averaged 49 cents, unchanged from last week, but up 1 cent from a year ago. Conventional yogurt ad numbers increased 8% from the previous week. The U.S. advertised price for 8 ounce cheese blocks averaged \$2.31, the same price as a year ago, but down 5 cents from one week ago; 8 ounce shred cheese averaged \$2.34, compared with \$2.42 one year ago, but down 1 cent from one week ago. Conventional cheese ads decreased 13% from the previous week. Organic - conventional half gallon milk has a price spread of \$1.61. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.14 and the average for organic half gallon milk, \$3.75.

**SEPTEMBER FEDERAL MILK ORDER ADVANCE PRICES (FMMO):** Under the Federal milk order pricing system, the base Class I price for September 2015 is \$16.34 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$9.08 and the advanced butterfat pricing factor of \$2.1653. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price. The base Class I price increased \$0.06 per cwt when compared to the previous month of August 2015. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.05 per cwt, \$0.004 per gallon; reduced fat milk (2%), \$0.02 per cwt, \$0.002 per gallon; fat-free (skim milk), -\$0.03 per cwt, -\$0.003 per gallon. The advanced Class IV skim milk pricing factor is \$5.21. Thus, the Class II skim milk price for September 2015 is \$5.91 per cwt, and the Class II nonfat solids price is \$0.6567. The two-week product price averages for September 2015 are: butter \$1.9595, nonfat dry milk \$0.7521, cheese \$1.7255 and dry whey \$0.3495.

**JUNE ESTIMATED MILK SALES (FMO & CDFA):** During June 3.8 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.4% higher than June 2014. Estimated sales of total conventional fluid milk products increased 1.5% from June 2014 and estimated sales of total organic fluid milk products was unchanged from a year earlier.

**JULY MILK PRODUCTION (NASS):** Milk production in the 23 major States during July totaled 16.6 billion pounds, up 1.2% from July 2014. Production per cow in the 23 major States averaged 1,921 pounds for July, 12 pounds above July 2014. This is the highest production per cow for the month of July since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.63 million head, 47,000 head more than July 2014, and 2,000 head more than June 2015.

**JULY FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY (FMMO):** Handler reports of receipts and utilization under the Federal milk order system for July 2015 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During July, more than 9.2 billion pounds of milk were received from federally pooled producers. This volume of milk is 16.5% lower than the July 2014 volume. Regulated handlers pooled 3.281 billion pounds of producer milk as Class I products, up 0.6% when compared to the previous year. Class I utilization increased from last year in 8 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 35%, Class II = 18%, Class III = 31%, and Class IV = 16%. The weighted average statistical uniform price was \$16.78 per cwt, down \$0.08 from last month and down \$6.80 from last year.

**MAY MAILBOX MILK PRICES (AMS & CDFA):** In May 2015, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.60 per cwt, up \$0.16 per cwt from the revised April 2015 average, and down \$7.77 per cwt from the May 2014 average. The component tests of producer milk in May 2015 were: butterfat, 3.66%; protein, 3.05%; and other solids, 5.76%. When compared to the previous month, the May Mailbox prices increased in 14 Federal milk order reporting areas, decreased in 3 Federal milk order reporting areas, and remained unchanged in the Florida and Iowa Federal milk order reporting areas with a simple average increase of \$0.12 per cwt. The Northwest States experienced the greatest increase of \$1.12 per cwt while Indiana experienced the greatest decrease of \$0.23 per cwt. Mailbox prices in May 2015 ranged from \$18.07 in the New England States to \$14.63 in New Mexico.

**CME GROUP**

MONDAY, AUGUST 17, 2015

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.6750, 1 @ \$1.6725, 1 @ \$1.6700, 1 @ \$1.6650, 1 @ \$1.6575; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6700; 1 CAR 40# BLOCKS @ \$1.6825  
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.7000; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7075; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.0750; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0750; LAST OFFER UNCOVERED: NONE

TUESDAY, AUGUST 18, 2015

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.6675, 1 @ \$1.6650, 1 @ \$1.6625, 2 @ \$1.6600; 1 CAR 40# BLOCKS @ \$1.6750; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6600; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6700  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 3 CARS GRADE A @ \$0.7025; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$2.1200, 1 @ \$2.1500, 1 @ \$2.1525, 1 @ \$2.1600; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1550; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1800

WEDNESDAY, AUGUST 19, 2015

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$1.6900; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6800; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 5 CARS GRADE A: 2 @ \$0.7600, 1 @ \$0.7700, 2 @ \$0.7675; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.7650; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2700; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.4500

THURSDAY, AUGUST 20, 2015

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.6900, 2 @ \$1.6925, 2 @ \$1.6950; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6900; 1 CAR 40# BLOCKS @ \$1.7250; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 9 CARS GRADE A: 1 @ \$0.7700, 1 @ \$0.7775, 1 @ \$0.7850, 1 @ \$0.7900, 1 @ \$0.7975, 3 @ \$0.8000, 1 @ \$0.7700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.3700; LAST OFFER UNCOVERED: NONE

FRIDAY, AUGUST 21, 2015

CHEESE -- SALES: 1 CAR BARRELS @ \$1.6950; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.7400; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7050  
 NONFAT DRY MILK -- SALES: 6 CARS GRADE A: 1 @ \$0.7950, 2 @ \$0.7900, 1 @ \$0.7875, 1 @ \$0.7850, 1 @ \$0.7875; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7850  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.3000; LAST OFFER UNCOVERED: NONE

**BUTTER MARKETS**

**NORTHEAST**

Churning activity is light to moderate as cream demand strengthens and supplies tighten. Producers predict standardized cream volumes will become more available as school bottling schedules transition into full swing. Output continues to be reduced as a few processors circumvent churning and trade available supplies. Operations that were down last week are active this week, adding to inventories. Stocks of bulk and packaged butter are adequate to cover current needs. Retail sales and food service butter orders are steady. A decline in orders is expected after the Labor Day holiday, prompted by slowing demand from restaurants and resorts in the region. The current bulk butter price is flat to 5 over the CME Group market, with various time frames and averages used. The market undertone is unsettled. According to the *DMN National Retail Report - Dairy*, for August 14 - 20, the U.S. weighted average advertised price for 1 pound butter is \$3.11, down 25 cents from a year ago, but up 15 cents from the previous week. The Northeast average price is \$3.19, unchanged from last week. The Southeast butter price averaged \$2.97, up 3 cents from a week ago. Tuesday's CME Group cash trading saw Grade AA butter close at \$2.1600, up \$0.1550 from a week ago.

**CENTRAL**

The Central butter market showed firmer pricing at the beginning of the week and that trend held through midweek. Butter makers in the region report active demand from various bulk and packaged butter market sectors. Cream availability is tight as Class II manufacturers push production through the end of the month. Also, cream cheese production is steady to higher and removing some cream from regional supplies. In addition, some raw milk shipments are clearing into the southeast for Class I demand, taking any potential cream

from standardization out of the region. Butter production is active as producers are trying to rebuild inventories ahead of the holiday ordering season. According to the *DMN National Retail Report - Dairy*, for August 14 - 20, the national weighted average advertised price for a 1 pound package of butter price is \$3.11, a 15 cent increase from last week, but 25 cents lower than one year ago. The weighted average price in the Midwest was \$2.14. 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 \$2.27, increasing 25.5 cents from last Wednesday.

**WEST**

The high demand for cream continues to motivate some western butter makers to sell their cream supplies in lieu of churning. In some cases, butter production has shifted from bulk to print. In other instances, processors are actively churning to help build inventories in advance of the typical seasonal increase in Q4 butter demand. Inventories are mixed depending on the production strategy taken, but are generally comfortable. Manufacturers are reporting relatively strong consumer demand for butter. Trading has been active and pushing prices higher at the CME Group. There is a large gap between domestic pricing and international markets. Industry contacts are suggesting that these pricing mechanisms are out of balance and will converge at some point. Bulk butter pricing remains at 4 cents under market to 5.5 cents over, based on the CME Group with various time frames and averages used. The *DMN National Retail Report - Dairy* for the week of August 14 - 20,

**CONTINUED ON PAGE 2A**

**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 15, 2015	1,9853 2,793,481	1,7139 12,181,840	1,7375 10,566,596	.3439 5,745,186	.7582 17,118,372

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

## CONTINUED FROM PAGE 2

found that the U.S. weighted average advertised price of 1 pound butter is \$3.11, up \$.15 from both one week but down \$.25 from one year ago. In the Northwest, the weighted average advertised price for 1 pound butter was \$3.29 with a price range of \$2.49 - \$3.99. (There were no reported advertised prices for the Southwest this week.) Trading has been active and pushing prices higher at the CME Group. The Grade AA butter price at the CME Group on Wednesday closed at \$2.2700, up \$.2550 from a week ago.

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

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly
Quota			
July Quota Imports	0.7	- 65	4
Jan. - July High Tier	9.2	+1612	N.A.
Quota Imports	11.2	+ 12	73

## CHEESE MARKETS

## NORTHEAST

Cheese production in the Northeast remains relatively active, with adequate milk supplies on hand. Nonfat dry milk continues to be used by some cheese makers to offset declining milk volumes and boost yields. With schools set to reopen, orders for mozzarella are increasing. Aged cheddar sales are good and production is mostly steady. Foodservice orders are holding up fairly well, however, the market is nearing the end of summer demand. Cheese retail advertising volumes are up as promotions move into the pipeline for the period surrounding Labor Day. The cheese market is unsettled. According to the *DMN National Retail Report Dairy*, during the week of August 14 -20, the weighted average advertised price for 8 ounce cheese blocks in the Northeast was \$2.37, 1 cent more than the national average, and 2 cents more than a week ago. The South-east 8 ounce block cheese price was \$2.59, 1 cent less than a week ago. This week, prices for Northeast wholesale cheese fell \$0.0175 for both cheddar and Muenster. Prices for both process 5# sliced and Grade A Swiss are unchanged. Tuesday's CME Group daily cash trading saw barrels close at \$1.6600, down \$0.0425 from a week ago; blocks closed at \$1.6750, down \$0.0700 from a week ago.

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

Cheddar 40# Block	: 2.1150-2.4000
Process 5# Sliced	: 1.9200-2.4000
Muenster	: 2.1350-2.4850
Grade A Swiss Cuts 10 - 14#	: 3.2525-3.5750

## MIDWEST

Milk volumes clearing into manufacturing are declining in the Midwest as most of public schools are reopening during the next week. Thus, some cheese manufacturers are buying additional milk loads from other regions to meet production schedules. However, most producers are receiving adequate regional milk intakes for processing cheese. Overall, Midwest cheese output is steady. Buyer interest for mozzarella and cheddar is high. The demand for cheese from food service and grocery stores remains strong. Inventories are unchanged. Midwestern wholesale prices are steady for Swiss cuts and process American but down \$0.0175 for all other types. The *DMN National Retail Report Dairy* shows that August 14 - 20 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.23, 12 cents lower than the national average. Midwest prices range from \$1.49 - \$2.99. One year ago, the national price was \$2.61. For 8 ounce blocks, the Midwest average price is \$2.10, 26 cents lower than the national average price. Midwest ads are priced from \$1.50 to \$2.99. Last year, the national price was \$2.56. In CME Group trading Wednesday, Barrels closed at \$1.6600, down \$0.0375 from last Wednesday and Blocks closed at \$1.6900, down \$0.0400.

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#	: 2.0950-2.5200
Cheddar 40# Block	: 1.8225-2.2175
Monterey Jack 10#	: 2.0700-2.2750
Blue 5#	: 2.3625-3.3500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 1.8950-2.8350
Grade A Swiss Cuts 6 - 9#	: 2.7700-2.8875

## WEST CHEESE

Western cheese production has been active as cheese makers continue to use the readily available milk. Milk intakes are following a typical seasonal declining pattern, but some contacts report supplies have exceeded what was expected for the summer. Manufacturers have relied on strong domestic cheese demand to offset limited export opportunities. This demand has allowed processors to keep inventories in check. Some industry contacts are seeing an increase in price competition from European imports on some varieties of cheese. The *DMN National Retail Report Dairy* for the week of August 14-20 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.35, up \$0.01 from last week but down \$0.26 from a year ago. Packs averaged \$2.35 in the Southwest and \$2.40 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.36, up \$0.07 from last week but down \$0.20 from a year ago. Blocks in the Southwest averaged \$2.17, and in the Northwest, \$2.16. Western wholesale prices are unchanged for Swiss cuts, unchanged for process, and down \$0.0175 for all other types. In CME Group trading Wednesday, Barrels closed at \$1.6600, down \$0.0375 from last Wednesday and Blocks closed at \$1.6900, down \$0.0400.

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

Process 5# Loaf	: 1.8175-2.0750
Cheddar 40# Block	: 1.8275-2.2725
Cheddar 10# Cuts	: 2.0075-2.2275
Monterey Jack 10#	: 2.0175-2.1775
Grade A Swiss Cuts 6 - 9#	: 2.8300-3.2600

## CHEESE MARKETS

CONTINUED FROM PAGE 3

## FOREIGN

Foreign type, domestically produced, cheese prices moved higher this week. Most international manufacturers are confused by the strong U.S. prices. The U.S. is finding it hard to export at these pricing levels. International cheese producers are clearing additional milk volumes into cheese and are exporting into the U.S., especially hard cheeses.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.2900-3.7775*
Gorgonzola	: 3.6900-5.8900	: 2.7975-3.4950*
Parmesan (Italy)	: -0-	: 3.6800-5.7700*
Provolone (Italy)	: -0-	: 2.3325-2.5850*
Romano (Cows Milk)	: -0-	: 3.4800-5.6300*
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 - SELECTE STOAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
08/17/15	19,829	103,036
08/01/15	19,342	102,562
CHANGE	487	474
% CHANGE	3	0

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

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
July Quota Imports	20.9	+ 30	7
Jan. - July High Tier Quota Imports	20.5 116.9	+ 20 + 30	N.A. 39

## 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	60	0	80	0
SOUTHEAST STATES	50	0	0	0	0	0

Milk production is slightly lower in the Northeast, and steady to lower in the Mid-Atlantic. Although milk loads are decreasing, manufacturing milk supplies are fairly strong. Bottling orders are improving with the start of the school year. Contacts in the Southeast see milk production trending lower. Very few loads are moving into manufacturing, as fluid sales increase with the reopening of area schools. Milk import shipments moved to 50 spot loads this week. High temperatures and humidity are expected to continue its effect on cow comfort. Florida weather conditions are impacting milk production levels as volumes trend lower. Prolonged heat and humidity continue to take a toll on cow comfort. Imported spot milk shipments are steady. According to the *DMN National Retail Report-Dairy*, for August 14-20, the U.S. weighted average advertised price for a gallon of milk was \$2.04, down \$1.02 cents from last year, and down 46 cents compared to last week. Contacts note cream availability as tight-to-balanced through the course of the week. Cream multiples range 1.38-1.65, with last minute orders prompting loftier multiples. Demand is steady. Cream sales are good to soft serve mix production. The number of skim condensed spot transactions declined at some brokerage operations. Contacts report that loads are not traveling as long of distances to clear as in previous weeks. Customer demand remains steady.

## 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 - 2.7882-3.3338  
 F.O.B. producing plants: Upper Midwest - 2.8085-3.2530

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

## PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices - .70-.92  
 Northeast - Class III - spot prices - .70-1.18

## MIDWEST

Dairy processors report milk volumes are trending lower both on a tanker load and overall throughput basis. There are some spot loads available, and sales are capturing Class to \$1.25 over. Bottlers are ramping up their orders ahead of more schools reopening. Milk continues to stair step to the Southeast to meet growing Class I demand in that region. Manufacturers note the increasing sales of raw milk are also removing some cream from the region, and tightening cream supplies. Despite somewhat decreased availability, cream multiples decreased on the low end of the range, but moved higher on the top, now spanning 1.39 to 1.61. The *DMN National Retail Report -Dairy* for the week of August 14-20, noted the national weighted average advertised price for one gallon of milk was \$2.04, down \$0.46 from a week ago, and \$1.02 lower from a year ago. The weighted average price in the Midwest region was \$1.81.

The NASS *Milk Production* report noted July milk production in the 23 selected states was 16.6 billion pounds, 1.2% above a year ago. The following shows Central states included in the report and the changes in production compared to a year ago: Illinois, +1.9%; Indiana, +2.4%; Iowa, +3.6%; Kansas, +1.5%; Michigan, +6.3%; Minnesota, +4.2%; Ohio, +0.9%; South Dakota, +12.3%; Texas, -1.2% and Wisconsin, +5.3%. Milk cows in the 23 selected states totaled 8.63 million head in July, 47,000 head more than a year ago.

## WEST

California milk production is steady to lower. High temperatures above 100 degrees continue decreasing the comfort of the dairy herd. Processing capacity in the state is adequate to handle most of the milk production. Fewer milk loads are moving outside the state. The demand for bottled milk is higher as public schools reopen during the next week. Therefore, milk volumes into processing are decreasing. Class 2 sales are steady at customary levels. Arizona milk volumes are decreasing. The present excessive heat, topping 115 degrees, is taking a toll on milk yield. Milk loads moving into processing plants are lower in state and out of the state. Bottled milk sales are improving as schools recently reopened. Class II sales are steady. Milk pooled on the Arizona Order 131 totaled 384.6 million pounds in July 2015. Class I utilization accounted for about 28.2% of producer milk. The uniform price was \$15.76, \$.19 below last month, and \$7.97 below one year ago. New Mexico milk output is unchanged to lower. The butterfat component of the milk is slightly declining. Bottling orders from other states declined as school pipelines are full. Orders into bottled milk are noticeably increasing. Some areas of New Mexico are finishing the fourth cutting of alfalfa hay. According to *DMN National Retail Report-Dairy* for week of August 14-20, the weighted average advertised price for one gallon of milk is \$1.99 in the Southwest and Northwest but \$2.04 for the U.S. According to some contacts in the Pacific Northwest, milk production has exceeded expectations this summer. Although the region has experienced several heat waves, milk intakes have rebounded with each period of cooler temperatures. The net effect has been a slow seasonal decline in milk production. Bottling demand is now increasing with the start of school terms. There has not been much decrease in Utah/Idaho milk production. Manufacturers report there is still plenty of milk for processing. Small grain harvest is progressing and the corn crop looks promising. Industry contacts state high quality hay may be less available due to the occasional showers and thunderstorms that have made making hay more difficult. Good and fair quality hay is more available. Western cream demand from ice cream manufacturers is trending lower. The demand for cream from butter churn operators is strong, with expectations to increase during Q4. Cream inventories vary throughout the West, but are mostly tight. West cream multiples are steady to lower, ranging from 1.25 to 1.50. At the CME Group, Grade AA butter closed Wednesday at \$2.2700, up \$0.2550 compared to a week ago. According to NASS, July milk production for the 23 surveyed states totals 16.6 billion pounds, 1.2% higher than a year ago. July milk production changes from a year ago for selected Western states are as follows: Arizona +2.4%, California -3.3%, Colorado +2.6%, Idaho +0.7%, New Mexico -4.2%, Oregon -2.3%, Utah +2.1%, and Washington +0.2%. Monthly milk production per cow for the 23 surveyed states was 1,921 pounds. Milk cow numbers on farms in the 23 selected states totaled 8.63 million cows, 47,000 head more than July 2014.

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:** Prices for Central nonfat dry milk are unchanged to higher. The market tone is mixed. Upticks occurred in recent international auction results and on the CME Group trading platform. In the domestic market, sellers are trying to capture some of those price enhancements. However, buyer interest has yet to fully accept that this market has found a level of support. Many purchases are limited to filling near-term needs, but some block sales are clearing. Low/medium heat nonfat dry milk production in the Central region is ongoing. Cheese production, though, continues to take gulps out of the milk volumes available to clear through dryers. The Class III use and some decreases in overall regional milk production have eased NDM inventory build-up at several locations. High heat nonfat dry milk prices are unchanged. Manufacturers report interest is increasing ahead of the fall baking season. High heat NDM production is increasing as manufacturers note dryer schedules have more timeslots for high heat NDM processing. Inventories are light.

**EAST:** Low/medium heat nonfat dry milk prices are steady to higher in the mostly series. Eastern production has slowed. Plants are seeing reduced milk intakes due to declines in seasonal milk outputs, and heavy milk volumes moving into Class I school-focused production. Due to existing market dynamics, some nonfat dry milk producers are resisting lower bids, with expectations that prices will improve seasonally. Buyers' holdings are mostly sufficient while they wait for bargains, should they become available. Resources suggest that in general, the expectation is nonfat prices will move sideways. Additionally, prices close to world market levels are encouraging buyer/seller contractual interest. Domestic demand is moderate. The market undertone for low/medium nonfat is mixed. Prices for high heat nonfat dry milk are steady. Production is balanced. Market indications suggest that high heat demand may be picking up some, although currently seasonally light. Some manufacturers are finding available dryer time for producing high heat nonfat with the goal of staying ahead of orders.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .7100 - .8500 MOSTLY: .7100 - .8000  
 HIGH HEAT: .8750 - 1.0800

**NONFAT DRY MILK - WEST**

Low/medium heat nonfat dry milk prices are mixed on the range and higher to steady on the mostly price series. The spot market undertone is mixed. According to some brokers, the current activity in the spot market remains quiet. Some buyers continue waiting for low prices before making any purchases. Milk volumes clearing into low/medium NDM are significantly lower. Some producers are reducing NDM production to meet higher orders from bottlers. Inventories are unchanged. High heat nonfat dry milk prices are unchanged. The spot market tone is weak. Most of the sales are based on contracts. Limited spot sales are reported for this week. The current production of high heat NDM is limited outside contracts. Inventories are mixed.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .6525 - .7450 MOSTLY: .6800 - .7350  
 HIGH HEAT: .7350 - .9800

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES
August 14	\$.7825	8,836,635
August 7	\$.7703	12,581,970

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

**DRY BUTTERMILK - CENTRAL AND EAST**

**CENTRAL:** Dry buttermilk prices are unchanged to higher on a mixed market. Demand is steady to building, with some manufacturers reporting renewed interest ahead of the fall baking season. Dry buttermilk production is decreasing as sales of raw milk for bottling needs into the Southeast has decreased butter making at some plants in the Central region. Dry buttermilk inventories are steady to lower.

**EAST:** Prices for East dry buttermilk inched fractionally higher at the top of the range. Spot prices are primarily holding in a quiet market, as buyers continue with a wait-and-see attitude. Churning activity is steady, adding new product to some inventories. Producers' stocks are closely balanced and sufficient to cover the fair demand. The market undertone is steady.

F.O.B. CENTRAL/EAST: .7000 - .8400

**DRY BUTTERMILK - WEST**

Dry buttermilk prices are steady to higher on the range but unchanged on the mostly price series. The reduction of milk volumes into manufacturing and the strong demand for cream from butter churners and cream cheese makers is limiting dry buttermilk production. Thus, inventories are steady to lower. The market tone remains weak but with some improvement compared to the last week. Some producers report steady sales during the current week.

F.O.B. WEST: .7000 - .8200 MOSTLY: .7200 - .7850

**DRY WHOLE MILK - NATIONAL**

Dry whole milk prices are steady to higher. Production of dry whole milk is very limited as milk volumes into processing are declining. Sales in the spot market are irregular. Dry whole milk inventories are steady to lower.

F.O.B. PRODUCING PLANT: .9500 - 1.3500

**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**

In the Central region, dry whey prices are mixed on a mostly weak market. A few manufacturers have cleared some inventories and are no longer offering discount priced dry whey. Most end users are reluctant to purchase volumes beyond near-term needs, but a few short term contracts have been completed. Prices on those contracts vary between fixed and basis related. A few resellers have purchased loads, but finding buyers is difficult, even with some price discounts. Production is steady to lower. Cheese manufacturers indicate their internal milk supplies are decreasing. Also, spot milk loads are less plentiful. Dry whey inventories are mostly steady. Animal feed dry whey prices are lower. End users indicate they have many sources to choose among, including producers, brokers, resellers, and other end users.

F.O.B. CENTRAL: .1700 - .3475 MOSTLY: .2000 - .2600  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1800 - .2000

**DRY WHEY - NORTHEAST**

Dry whey prices are lower at the top of the range. Production levels dropped slightly in the East as some cheese plants have reduced operating schedules due to declines in milk receipts. As a result, producers are reassessing inventory projections for Q4 2015. With the majority of whey sales being contracts, domestic demand is steady, although somewhat lackluster in the spot market. The market undertone is weak.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2800 - .3525

**DRY WHEY - WEST**

The western dry whey market continues to show weakness. Prices moved down again this week. Inventories of dry whey are building. Demand has generally been light, however contacts suggest regular customers and some inquiries for export are providing outlets for product. Production has been steady depending on the strategy used by the manufacturer to capture protein. In some cases, manufacturers report shifting production from protein concentrates to dry whey. While others note specific market opportunities for higher protein content products may pull whey into other processing channels.

NONHYGROSCOPIC: .1850 - .3600 MOSTLY: .2400 - .3200

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

The market for whey protein concentrate 34% continues to be weak. Some demand has recently surfaced and a few spot sales have occurred. The mostly prices moved lower, while the range narrowed. The lower end of the range moved up as previously recorded sales cleared and spot sales resumed at higher prices. There were a few inquiries from buyers at low prices that were not accepted. Industry contacts suggest inventories for WPC34% are long and building across the industry. Some manufacturers have been able to move product through regular contracts and keep their inventories in check. Production has been steady and in parallel with milk intakes for cheese production.

F.O.B. EXTRA GRADE 34% PROTEIN: .5900 - .8000 MOSTLY: .5900 - .7025

**CASEIN - NATIONAL**

Casein prices are unchanged this week. Global prices are expected to keep in line with SMP intervention pricing levels. Casein is available as sellers report comfortable stocks on hand. Both spot and contract demand are steady.

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

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

	(Million Lb.)	% Change From 1 Year Ago
June	16.1	+ 22
Total Jan. - June	80.0	- 16
1 New Zealand	43.1	+ 43
2 Ireland	8.9	+ 73
3 Netherlands	8.7	- 69
4 Argentina	4.9	+ 10
5 India	3.1	- 61

**LACTOSE - CENTRAL AND WEST**

Lactose prices held steady primarily due to existing agreements. Industry contacts report a very quiet market with limited spot market activity. Although sellers are receiving inquiries, many of these are at uneconomical levels and are not being accepted. In some cases, edible lactose is facing price pressure from feed-grade lactose or permeate. A few manufacturers report slowing production schedules due to the low prices. Inventories are generally above volumes needed to meet near-term commitments.

Including spot sales and up to 3 month contracts.  
F.O.B. EDIBLE, NON PHARMACEUTICAL .1500 - .2500 MOSTLY: .1700 - .2100

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
08/01/2015	52.8	1,729.6	50.2	1,658.4

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

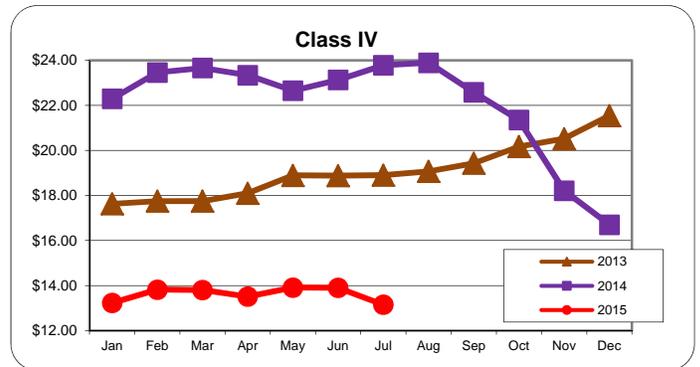
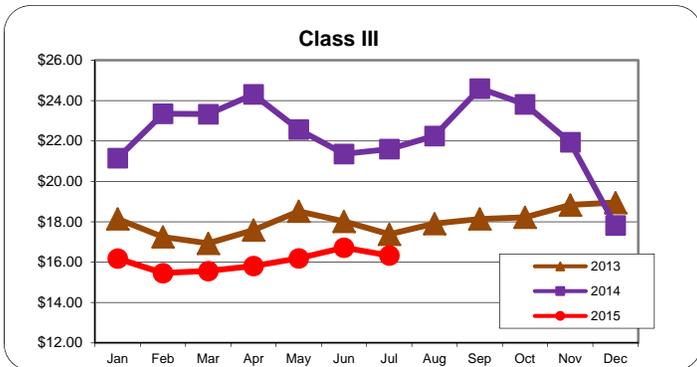
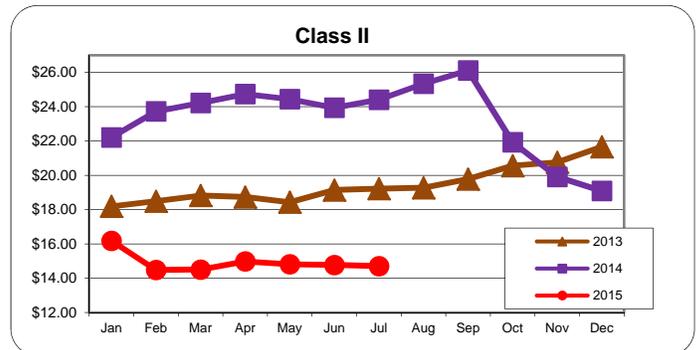
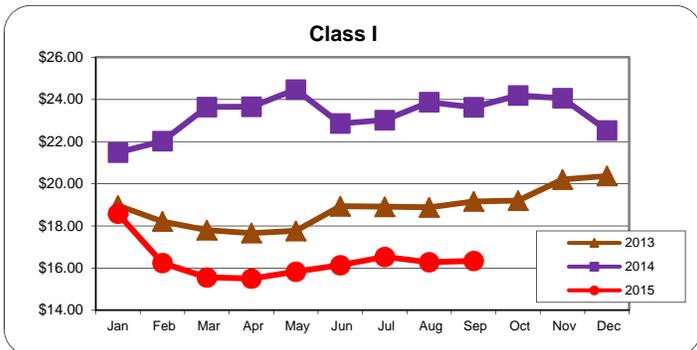
CLASS IV MILK PRICES (3.5%)

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	16.34			
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."



## INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered August 10 - 21, 2015

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

**WESTERN OVERVIEW:** With the elimination of the quota system, there have been antidotal suggestions that farm level production is up, while waiting for published statistics. Commodity price drops are leading to farmgate level prices paid out declining. The droughts in Western Europe have affected production some, but it is still above year ago levels. Most manufacturers are choosing to make cheese with available milk, due to better returns.

**BUTTER/BUTTEROIL:** Butter prices moved down. Europe is trying to increase export demand through pricing level changes. Domestically, production is slowing. As the summer holiday season comes to an end, demand has declined. Most Q4 contracts are settled and Q1 2016 negotiations have begun. PSA butter stock levels on August 9 were 84,067 MT. The top three countries, Germany, France and the Netherlands accounted for 84% of the holdings.

82% BUTTERFAT: 2,650 - 2,950  
99% BUTTERFAT: 3,200 - 3,575

**SKIM MILK POWDER (SMP):** Prices for skim milk powder moved lower in a weak market. Some processors do not believe prices will go much lower as more and more production enters intervention. Some processors are willing to take the lower prices in order to sell product now and not pay storage fees. Production is stable to decreasing. Export demand has decreased as global prices are lower. As of August 3, there are 4,246 MT of SMP offered into public intervention. Belgium has the highest amount of stocks in intervention with 1,800 MT. Private Storage Arrangements (PSA) skim milk powder stock levels on August 9 amounted to 27,453/MT. Manufacturers in Germany moved 15,953 MT into PSA over the past couple of weeks and have the largest volumes with 7,859 MT in holding.

1.25% BUTTERFAT: 1,600 - 1,900

**WHOLE MILK POWDER (WMP):** The weak market has prices for whole milk powder moving lower. Production of WMP is limited. Most manufacturers are reporting producing on demand only. Even with the falling prices, export demand is limited because current pricing levels are not competitive. Some manufacturers feel that they can get a better return by making other products.

26% BUTTERFAT: 1,850 - 2,200

**SWEET WHEY POWDER:** Prices are moving lower for whey in a weak market. Some producers feel that the low prices are a result of high inventory levels. Manufacturers do not feel that they are getting a good return on whey. Production is steady as cheese production remains active. Demand is low globally.

NONHYGROSCOPIC: 525 - 775

**EASTERN OVERVIEW:** Production is growing as the temperatures have dropped. Most commodities are readily available, but cream supplies have tightened. As the cooler weather sets in, the demand for fluid milk is increasing.

**Exchange rates for selected foreign currencies:  
August 17, 2015**

.1079 Argentina Peso .0080 Japan Yen  
.7371 Australian Dollar .0609 Mexican Peso  
.7644 Canadian Dollar .6574 New Zealand Dollar  
1.1078 Euro .2659 Poland Zloty  
.0153 India Rupee

To compare the value of 1 US Dollar to Mexican Pesos:  
(1/.0609) = 16.4204 Mexican Pesos. Source: "Wall Street Journal"

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered August 10 - 21, 2015

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

**OCEANIA OVERVIEW:** Milk production is up over last year. Due to falling prices, farmers are looking for other companies that might have higher payments. Farmers are also looking for ways to cut operating costs. Most will not be able to buy any additional feed, so they are hoping for favorable spring weather for ample pasture. Dairy Australia reports dairy product exports for the July-June period total 764.1 thousand MT, up 3.2% from the year ago period. Selected dairy product export changes compared to the same period last year are: butter, - 21.4%; butter oil, +25.4%; cheddar, - 10.0%; SMP, +30.4%; WMP, -26.5% and whey products +5.4%. New Zealand's June milk production, as reported by DCANZ, was 147 thousand MT, up 8.0% from June 2014. June milk solids reflect a 11.7% increase compared with June 2014. At the August 18 GDT event #146, average prices ranged from 13.8% lower to 26.6% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$2,724, +26.6%; butter, \$2,541, +10.8%; buttermilk powder, \$1,400, -13.8%; cheddar cheese, \$2,778, +4.4%; lactose, \$502, -7.8%; rennet casein, \$5,441, +3.0%; skim milk powder, \$1,521, +8.5%; and whole milk powder, \$1,856, +19.1%.

**BUTTER:** Butter prices moved higher on the bottom. Some U.S. butter importers are reaching their quotas, but are saying it may be worthwhile paying duties if U.S. butter prices stay at the two dollar level. Some Oceania processors are reporting low stocks as most milk is clearing into cheese production. Lower stocks are also reported due to higher domestic demand. According to GTIS, New Zealand butter exports decreased by 13.5% for the period of January through June. This is mainly due to China and Iran taking less than year ago levels. At the August 18 GDT event #146, unsalted butter prices averaged \$2,580/MT for October contracts, +12.2% from the prior event. Butter prices averaged \$2,541/MT for all contracting periods, +10.8% from the prior event. AMF prices averaged \$2,736/MT for October contracts, +33.4% from the prior event. For all contracting periods, the AMF price average was \$2,724/MT, +26.6%.

82% BUTTERFAT: 2,475 - 3,000

**SKIM MILK POWDER (SMP):** Skim milk prices are up following an increase in the GDT auction. Bigger sales volumes are getting a discount. Some sources suggest global prices will not go lower due to intervention pricing. SMP production is steady. Most producers are making SMP due to

ongoing butter production. According to GTIS, New Zealand SMP exports have decreased on a month to month basis, March through June, but are still above year ago levels for the production year. Australian SMP exports have also declined, but are also 24.5% above year ago levels. At the August 18 GDT event 146, SMP for all regions and contracting periods averaged \$1,521 per MT, +8.5%. For trading in contract period 2, October, prices averaged \$1,500, +12.2%.

1.25% BUTTERFAT: 1,425 - 1,700

**CHEDDAR CHEESE:** Cheddar cheese prices moved higher due to an increase from the GDT auction. Some processors are reporting strong demand for hard cheeses into the U.S. Most manufacturers are utilizing milk intakes for cheese production due to higher returns. Some producers are reporting demand in China is starting to increase. According to GTIS, New Zealand remains the lead exporter of cheese into China, followed by Australia and the U.S. New Zealand exports of cheese have declined for the past three reported months, April through June. Australian exports of cheese have varied during the last three reported months, March through May. January to May Australian exports to Japan are up 27% from a year ago.

39% MAXIMUM MOISTURE: 2,725 - 3,300

**WHOLE MILK POWDER (WMP):** Whole milk powder prices moved higher on the bottom. WMP production is slow. Most producers would rather make butter and SMP due to better returns. WMP is mainly made to order, but some manufacturers are reporting high inventory levels. Some producers are reporting they are receiving more inquiries on pricing levels, with little sales activity. According to GTIS, whole milk imports into China are still down. China accounted for 20% of New Zealand exports in June, compared to 50% a year ago. Australian exports of WMP have increased in May, but still lag behind year ago levels. At the August 18 GDT event 146, the WMP pricing index, across all contracting periods, averaged \$1,856 per MT, up 19.1% compared to the prior event. For October, regular New Zealand sourced WMP averaged \$1,795 per MT.

26% BUTTERFAT: 1,700 - 2,000

## INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 146 Recap - August 18, 2015													
	Contract 1 Sep-15		Contract 2 Oct-15		Contract 3 Nov-15		Contract 4 Dec-15		Contract 5 Jan-16		Contract 6 Feb-16		All Contracts	
Anhydrous Milk Fat	n.a.	\$2,736	33.4%	\$2,698	27.9%	\$2,719	23.7%	\$2,698	15.9%	\$2,876	11.3%	\$2,724	26.6%	
Butter	n.a.	\$2,580	12.2%	\$2,505	10.6%	\$2,535	10.5%	\$2,480	8.8%	\$2,555	1.8%	\$2,541	10.8%	
Buttermilk Powder	n.a.	\$1,400	-13.8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$1,400	-13.8%	
Cheddar	n.a.	\$2,793	4.1%	\$2,806	8.5%	\$2,744	1.1%	n.a.	n.a.	n.a.	n.a.	\$2,778	4.4%	
Lactose	n.a.	\$502	-7.8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$502	-7.8%	
Rennet Casein	n.a.	\$5,442	3.6%	\$5,402	2.0%	\$5,547	4.3%	n.a.	n.a.	n.a.	n.a.	\$5,441	3.0%	
Skim Milk Powder	\$1,450	-9.9%	\$1,500	12.2%	\$1,533	12.3%	\$1,515	3.7%	\$1,545	1.6%	\$1,580	0.9%	\$1,521	8.5%
Sweet Whey Powder	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Whole Milk Powder	n.a.	\$1,814	n.a.	\$1,858	26.4%	\$1,862	16.2%	\$1,884	14.1%	\$2,007	16.2%	\$1,856	19.1%	

Average price US\$/MT and % change in indices from previous event.

US\$/Pound	Global/Dairy Trading (gDT) Event 146 Recap - August 18, 2015													
	Contract 1 Sep-15		Contract 2 Oct-15		Contract 3 Nov-15		Contract 4 Dec-15		Contract 5 Jan-16		Contract 6 Feb-16		All Contracts	
Anhydrous Milk Fat	n.a.	\$1.2410	33.4%	\$1.2238	27.9%	\$1.2333	23.7%	\$1.2238	15.9%	\$1.3045	11.3%	\$1.2356	26.6%	
Butter	n.a.	\$1.1703	12.2%	\$1.1363	10.6%	\$1.1499	10.5%	\$1.1249	8.8%	\$1.1589	1.8%	\$1.1526	10.8%	
Buttermilk Powder	n.a.	\$0.6350	-13.8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$0.6350	-13.8%	
Cheddar	n.a.	\$1.2669	4.1%	\$1.2728	8.5%	\$1.2447	1.1%	n.a.	n.a.	n.a.	n.a.	\$1.2601	4.4%	
Lactose	n.a.	\$0.2277	-7.8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-7.8%	
Rennet Casein	n.a.	\$2.4685	3.6%	\$2.4503	2.0%	\$2.5161	4.3%	n.a.	n.a.	n.a.	n.a.	\$2.4680	3.0%	
Skim Milk Powder	\$0.6577	-9.9%	\$0.6804	12.2%	\$0.6954	12.3%	\$0.6872	3.7%	\$0.7008	1.6%	\$0.7167	0.9%	\$0.6899	8.5%
Sweet Whey Powder	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Whole Milk Powder	n.a.	\$0.8228	n.a.	\$0.8428	26.4%	\$0.8446	16.2%	\$0.8546	14.1%	\$0.9104	16.2%	\$0.8419	19.1%	

Average price US\$/pound and % change from previous event.

**CME GROUP, INC FUTURES**  
Selected settling prices

Month	08/06	08/07	08/10	08/11	08/12	08/13	08/14	08/17	08/18	08/19	08/20
<b>CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)</b>											
AUG 15	16.51	16.47	16.44	16.44	16.44	16.43	16.43	16.44	16.43	16.42	16.42
SEP 15	16.82	16.56	16.70	16.62	16.63	16.55	16.46	16.47	16.68	16.76	16.93
OCT 15	16.76	16.54	16.61	16.56	16.57	16.50	16.42	16.54	16.70	16.87	16.96
NOV 15	16.42	16.27	16.32	16.29	16.28	16.23	16.14	16.25	16.40	16.62	16.77
DEC 15	16.07	15.95	15.99	15.99	15.94	15.90	15.86	15.95	16.05	16.28	16.37
JAN 16	15.62	15.54	15.52	15.51	15.44	15.41	15.38	15.42	15.55	15.75	15.80
FEB 16	15.47	15.39	15.39	15.40	15.34	15.25	15.22	15.22	15.32	15.49	15.55
MAR 16	15.45	15.47	15.37	15.34	15.28	15.25	15.25	15.27	15.32	15.52	15.49
APR 16	15.52	15.50	15.50	15.44	15.38	15.30	15.30	15.33	15.40	15.60	15.60
MAY 16	15.84	15.84	15.78	15.78	15.75	15.70	15.67	15.67	15.77	15.98	15.93
<b>CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)</b>											
AUG 15	12.72	12.72	12.72	12.72	12.72	12.72	12.72	12.72	12.73	12.76	12.84
SEP 15	12.97	12.94	12.94	13.02	13.04	13.18	13.46	13.75	13.96	14.49	15.15
OCT 15	13.06	13.11	13.19	13.42	13.42	13.47	13.75	14.03	14.34	15.09	15.45
NOV 15	13.37	13.37	13.37	13.44	13.44	13.47	13.75	13.75	14.03	14.78	15.12
<b>NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)</b>											
AUG 15	196.65	197.45	197.50	200.00	201.00	201.00	201.00	201.00	202.43	202.50	202.53
SEP 15	197.00	197.93	199.15	204.15	205.03	210.03	211.33	213.53	218.53	228.53	243.50
OCT 15	195.50	197.00	199.00	204.00	205.28	210.00	212.00	212.00	216.03	226.03	239.00
NOV 15	195.00	196.00	196.50	201.50	202.00	205.50	205.00	205.00	209.90	219.00	227.98
<b>WHEY (Electronic-Traded) (¢/lb)</b>											
AUG 15	34.60	34.10	34.00	34.03	34.00	33.40	33.40	33.50	33.25	32.75	32.75
SEP 15	33.40	32.60	32.60	32.63	33.00	32.30	31.83	32.00	31.60	31.68	31.20
OCT 15	32.30	31.00	31.50	31.50	31.23	30.50	30.50	30.20	29.70	29.25	29.25
NOV 15	31.40	30.50	30.50	30.50	30.00	29.50	28.93	29.25	28.50	28.00	27.53
<b>CHEESE CSC (Electronic-Traded) (\$/lb)</b>											
AUG 15	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74
SEP 15	1.78	1.76	1.70	1.76	1.76	1.75	1.75	1.75	1.77	1.77	1.79
OCT 15	1.78	1.77	1.70	1.76	1.76	1.76	1.75	1.77	1.78	1.80	1.81
NOV 15	1.74	1.75	1.75	1.74	1.74	1.74	1.74	1.75	1.76	1.78	1.80
DEC 15	1.73	1.73	1.73	1.73	1.72	1.72	1.72	1.73	1.74	1.77	1.79
JAN 16	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.70	1.73	1.73

Source: <http://www.cmegroup.com/market-data/daily-bulletin.html>

### Federal Milk Order Advance Prices, September

**Base Class I Price:** Under the Federal milk order pricing system, the base Class I price for September 2015 is \$16.34 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$9.08 and the advanced butterfat pricing factor of \$2.1653. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I Price

**Comparison to Previous Month:** The base Class I price increased \$0.06 per cwt when compared to the previous month of August 2015. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.05 per cwt, \$0.004 per gallon; reduced fat milk (2%), \$0.02 per cwt, \$0.002 per gallon; fat-free (skim milk), -\$0.03 per cwt, -\$0.003 per gallon

**Class II Price Information:** The advanced Class IV skim milk pricing factor is \$5.21. Thus, the Class II skim milk price for September 2015 is \$5.91 per cwt, and the Class II nonfat solids price is \$0.6567.

**Product Price Averages:** The two-week product price averages for September 2015 are: butter \$1.9595, nonfat dry milk \$0.7521, cheese \$1.7255 and dry whey \$0.3495.

Federal Milk Order Class I Price Information<sup>1,2</sup>

Federal Milk Order Marketing Area <sup>3</sup>	Order Number	September 2015		
		Class I Price (3.5%) (per cwt)	Class I Skim Milk Price (per cwt)	Class I Butterfat Price (dollar per pound)
Northeast (Boston) <sup>4</sup>	001	19.59	12.33	2.1978
Appalachian (Charlotte) <sup>5</sup>	005	19.74	12.48	2.1993
Florida (Tampa) <sup>6</sup>	006	21.74	14.48	2.2193
Southeast (Atlanta) <sup>7</sup>	007	20.14	12.88	2.2033
Upper Midwest (Chicago) <sup>8</sup>	030	18.14	10.88	2.1833
Central (Kansas City) <sup>9</sup>	032	18.34	11.08	2.1853
Mideast (Cleveland) <sup>10</sup>	033	18.34	11.08	2.1853
Pacific Northwest (Seattle) <sup>11</sup>	124	18.24	10.98	2.1843
Southwest (Dallas) <sup>12</sup>	126	19.34	12.08	2.1953
Arizona (Phoenix)	131	18.69	11.43	2.1888
All-Market Average		19.23	11.97	2.1942

<sup>1</sup> To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk.

<sup>2</sup> Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

<sup>3</sup> Names in parentheses are the major city in the principal pricing point of the markets.

<sup>4</sup> Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25.

<sup>5</sup> Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10.

<sup>6</sup> Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40.

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

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

<sup>9</sup> Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

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

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

<sup>12</sup> Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

## June Milk Sales

During June 3.8 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.4 percent higher than June 2014. Estimated sales of total conventional fluid milk products increased 1.5 percent from June 2014 and estimated sales of total organic fluid milk products was unchanged from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, June 2015, with Comparisons <sup>1,5</sup>				
Product Name	Sales		Change from: <sup>2</sup>	
	June	Year to Date	Previous Year	Year to Date
	<i>(million pounds)</i>		<i>(percent)</i>	
<b>Conventional Production Practice</b>				
Whole Milk	1,122	6,736	7.1	3.3
Flavored Whole Milk	46	274	15.1	4.6
Reduced Fat Milk (2%)	1,284	7,877	-5.5	-7.6
Low Fat Milk (1%)	540	3,614	13.3	8.2
Fat-Free Milk (Skim)	418	2,696	-7.7	-10.6
Flavored Fat-Reduced Milk	174	1,882	8.7	1.4
Buttermilk	42	254	11.9	6.9
Other Fluid Milk Products	3	22	-5.4	-8.2
Total Fat-Reduced Milk <sup>3</sup>	2,416	16,069	-1.3	-4.0
Total Conventional Milk Products	3,630	23,354	1.5	-1.8
<b>Organic Production Practice</b>				
Whole Milk	67	397	13.0	10.7
Reduced Fat Milk (2%)	60	356	1.1	-3.2
Low Fat Milk (1%)	38	227	-0.4	-5.8
Fat-Free Milk (Skim)	28	180	-14.0	-13.6
Flavored Fat-Reduced Milk	7	59	-33.8	-3.2
Other Fluid Milk Products	0	1	----	----
Total Fat-Reduced Milk <sup>3</sup>	132	821	-5.4	-6.4
Total Organic Milk Products	199	1,219	0.0	-1.6
Total Fluid Milk Products	3,829	24,574	1.4	-1.8
Total Fluid Milk Products Adjusted <sup>4</sup>	*	*	*	*

\* Total Fluid Milk Products Adjusted for Calendar Composition will not be published until the release of *An Overview of Calendar Composition of Fluid Milk Sales*.

<sup>1</sup> 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 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. <sup>2</sup> Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. <sup>3</sup> Both conventional and organic fat-reduced milk categories are total of reduced fat, lowfat, skim and flavored fat-reduced milk. <sup>4</sup> Sales volumes and percent changes have been adjusted for calendar composition. <sup>5</sup> The California Department of Food and Agriculture (CDFA) clarified reporting instructions for packaged product moving plant to plant prior to ultimate distribution. This improved the accuracy of current numbers, but makes current year to prior years less accurate, and will overstate any year over year decrease in sales. Report contact: Daniel Manzoni, [Daniel.manzoni@ams.usda.gov](mailto:Daniel.manzoni@ams.usda.gov) or 202-720-2352

Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, June 2015, with Comparisons <sup>1</sup>					
Marketing Area	Order Number	Sales		Change from: <sup>2</sup>	
		June	Year to Date	Previous Year	Year to Date
		<i>(million pounds)</i>		<i>(percent)</i>	
Northeast	001	679	4,218	4.5	-0.9
Appalachian	005	250	1,610	2.1	-0.5
Florida	006	210	1,363	2.9	-0.9
Southeast	007	347	2,233	0.5	-2.0
Upper Midwest	030	295	1,882	2.6	-3.0
Central	032	315	2,057	0.2	-2.7
Mideast	033	415	2,710	1.0	-1.3
Pacific Northwest	124	158	992	-0.7	-1.6
Southwest	126	333	2,207	3.0	0.7
Arizona	131	82	535	-1.1	-3.2
California	---	436	2,801	-3.0	-4.3
All Orders (Total)		3,087	19,807	2.1	-1.4
All Areas (Total)		3,523	22,608	1.4	-1.8

<sup>1</sup> These figures are representative of the consumption of total fluid milk products in the respective area; see footnote <sup>4</sup> above for the products included. <sup>2</sup> Percent changes, as well as sales volumes, are shown on an unadjusted basis.

**Source:** U.S. Department of Agriculture. California Department of Food and Agriculture. Milk Stabilization Branch. *California Dairy Information Bulletin*, June 2015.

## July Milk Production

**Milk production** in the 23 major States during July totaled 16.6 billion pounds, up 1.2 percent from July 2014. June revised production at 16.4 billion pounds, was up 0.9 percent from June 2014. The June revision represented an increase of 40.0 million pounds or 0.2 percent from last month's preliminary production estimate.

**Production per cow** in the 23 major States averaged 1,921 pounds for July, 12 pounds above July 2014. This is the highest production per cow for the month of July since the 23 State series began in 2003.

**The number of milk cows** on farms in the 23 major States was 8.63 million head, 47,000 head more than July 2014, and 2,000 head more than June 2015.

### July 2015 Milk Cows and Milk Production, by States

State	Milk Cows <sup>1</sup>		Milk per Cow <sup>2</sup>		Milk Production <sup>2</sup>		
	2014	2015	2014	2015	2014	2015	Change from 2014
	(thousands)		(pounds)		(million pounds)		(percent)
AZ	193	195	1,960	1,985	378	387	2.4
CA	1,779	1,778	1,980	1,915	3,522	3,405	-3.3
CO	145	145	2,150	2,210	312	320	2.6
FL	123	125	1,715	1,710	211	214	1.4
ID	579	586	2,115	2,105	1,225	1,234	0.7
IL	94	94	1,640	1,670	154	157	1.9
IN	179	181	1,830	1,855	328	336	2.4
IA	208	212	1,885	1,915	392	406	3.6
KS	142	143	1,845	1,860	262	266	1.5
MI	394	409	2,120	2,170	835	888	6.3
MN	460	460	1,670	1,740	768	800	4.2
NM	323	323	2,130	2,040	688	659	-4.2
NY	615	619	1,920	1,970	1,181	1,219	3.2
OH	266	266	1,745	1,760	464	468	0.9
OR	123	122	1,755	1,730	216	211	-2.3
PA	530	530	1,690	1,730	896	917	2.3
SD	97	106	1,845	1,900	179	201	12.3
TX	470	462	1,840	1,850	865	855	-1.2
UT	95	96	2,000	2,020	190	194	2.1
VT	132	132	1,730	1,740	228	230	0.9
VA	93	91	1,580	1,630	147	148	0.7
WA	272	275	2,070	2,050	563	564	0.2
WI	1,271	1,280	1,870	1,955	2,377	2,502	5.3
23 State Total	8,583	8,630	1,909	1,921	16,381	16,581	1.2

<sup>1</sup> Includes dry cows. Excludes heifers not yet fresh.

<sup>2</sup> Excludes milk sucked by calves.

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

### Federal Milk Order Marketing and Utilization Summary, July 2015

**Highlights.** Handler reports of receipts and utilization under the Federal milk order system for July 2015 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During July, more than 9.2 billion pounds of milk were received from Federally pooled producers. This volume of milk is 16.5 percent lower than the July 2014 volume. Regulated handlers pooled 3.281 billion pounds of producer milk as Class I products, up 0.6 percent when compared to the previous year. Class I utilization increased from last year in 8 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 35%, Class II = 18%, Class III = 31%, and Class IV = 16%. The weighted average statistical uniform price was \$16.78 per cwt, down \$0.08 from last month and down \$6.80 from last year.

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

Federal Milk Order Marketing Area <sup>1</sup>	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I		Utilization of Producer Milk in All Classes <sup>3</sup>				Uniform Price <sup>2</sup>
		Total	Change from Prev. Year	Total	Change from Prev. Year	Class I	Class II	Class III	Class IV	
		<i>(million lbs)</i>	<i>(percent)</i>	<i>(million lbs)</i>	<i>(percent)</i>	<i>(percent)</i> <sup>3</sup>				<i>(\$ per cwt)</i>
Northeast (Boston)	001	2,271.6	2.6	710.3	-1.6	31	25	24	19	16.91
Appalachian (Charlotte)	005	449.7	6.1	312.5	4.6	69	18	5	7	18.50
Florida (Tampa)	006	209.2	-2.3	181.5	0.1	87	10	1	1	21.05
Southeast (Atlanta)	007	408.5	3.0	314.6	0.8	77	13	5	4	19.31
Upper Midwest (Chicago)	030	1,863.6	-36.6	278.7	-3.0	15	10	69	6	16.35
Central (Kansas City)	032	1,021.6	-19.1	376.1	1.1	37	14	33	16	16.27
Mideast (Cleveland)	033	1,437.4	1.2	507.9	2.5	35	25	21	19	16.16
Pacific Northwest (Seattle)	124	461.9	-37.9	161.5	1.1	35	11	2	52	15.18
Southwest (Dallas)	126	750.8	-30.7	329.2	0.2	44	13	28	15	17.25
Arizona (Phoenix)	131	384.6	-1.4	108.3	3.8	28	11	26	35	15.76
All Market Average or Total		9,258.7	-16.5	3,280.6	0.6	35	18	31	16	16.78

<sup>1</sup> Names in parentheses are the major city in the principal pricing point of the market.

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

<sup>3</sup> Totals may not add to 100 percent due to rounding.

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

In May 2015, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.60 per cwt, up \$0.16 per cwt from the revised April 2015 average, and down \$7.77 per cwt from the May 2014 average. The component tests of producer milk in May 2015 were: butterfat, 3.66%; protein, 3.05%; and other solids, 5.76%. When compared to the previous month, the May Mailbox prices increased in 14 Federal milk order reporting areas, decreased in 3 Federal milk order reporting areas, and remained unchanged in the Florida and Iowa Federal milk order reporting areas with a simple average increase of \$0.12 per cwt. The Northwest States experienced the greatest increase of \$1.12 per cwt while Indiana experienced the greatest decrease of \$0.23 per cwt. Mailbox prices in May 2015 ranged from \$18.07 in the New England States to \$14.63 in New Mexico.

Reporting Area <sup>1</sup>	Mailbox Milk Price <sup>2</sup>		
	May 2014	Apr 2015	May 2015
	<i>(dollars per hundredweight)</i>		
New England States <sup>3</sup>	25.91	17.97	18.07
New York	25.16	16.55	16.68
Eastern Pennsylvania <sup>4</sup>	25.12	16.41	16.48
Appalachian States <sup>5</sup>	25.77	16.54 *	16.49
Southeast States <sup>6</sup>	26.12	16.61 *	16.69
Southern Missouri <sup>7</sup>	24.63	15.95 *	15.99
Florida	27.41	17.77 *	17.77
Western Pennsylvania <sup>8</sup>	24.87	16.72	16.75
Ohio	24.45	16.79	16.84
Indiana	23.87	16.04 *	15.81
Michigan	23.90	15.58	15.48
Wisconsin	24.38	17.51	17.66
Minnesota	24.47	17.36	17.56
Iowa	24.83	16.65	16.65
Illinois	24.80	16.79 *	16.82
Corn Belt States <sup>9</sup>	23.32	15.56 *	15.72
Western Texas <sup>10</sup>	22.96	15.49	15.71
New Mexico	21.77	14.39	14.63
Northwest States <sup>11</sup>	23.85	15.69	16.81
All Federal Order Areas <sup>12</sup>	24.37	16.44 *	16.60
California <sup>13</sup>	21.72	14.43	14.72

\* Revised from previously published report

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

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

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

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

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

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

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

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

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

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

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

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

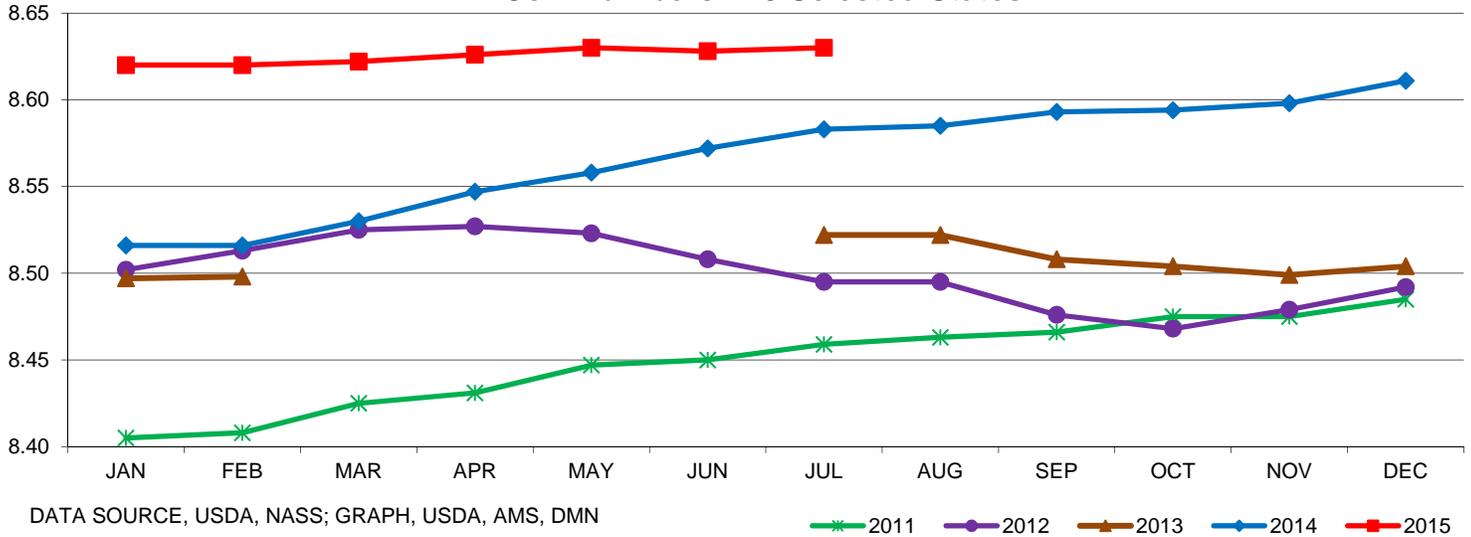
<sup>13</sup> Calculated by California Department of Food and Agriculture, and published at

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

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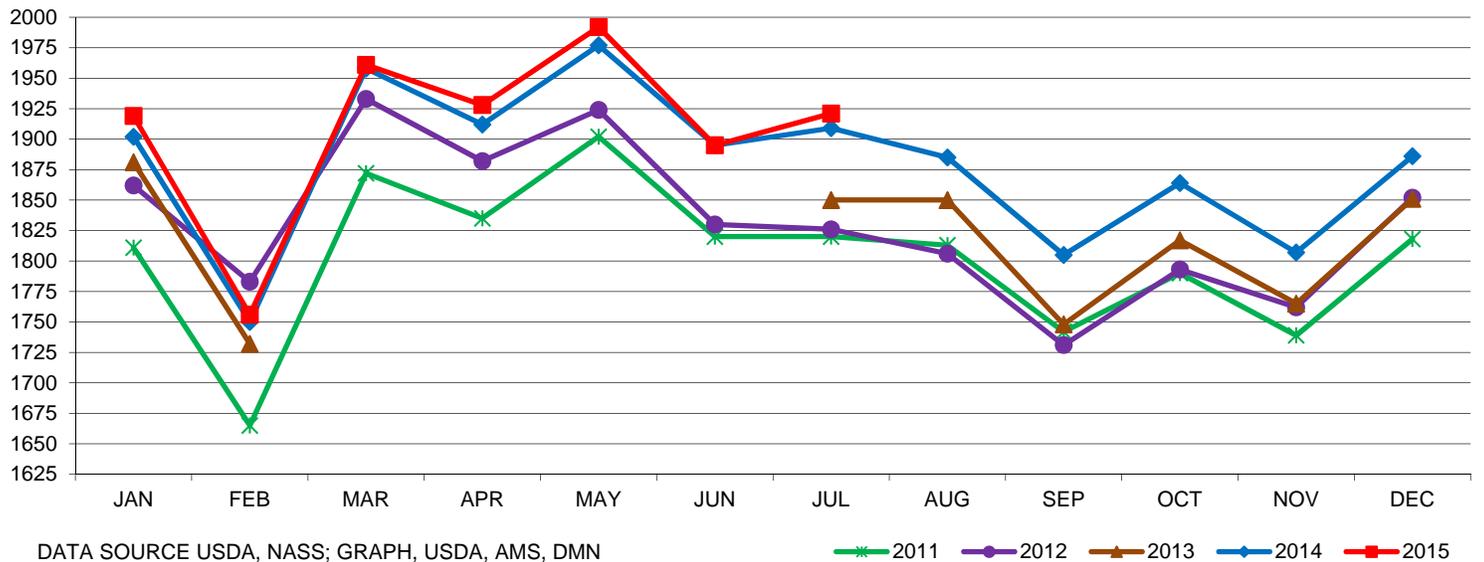
MILLION HEAD

### Milk Cow Numbers - 23 Selected States



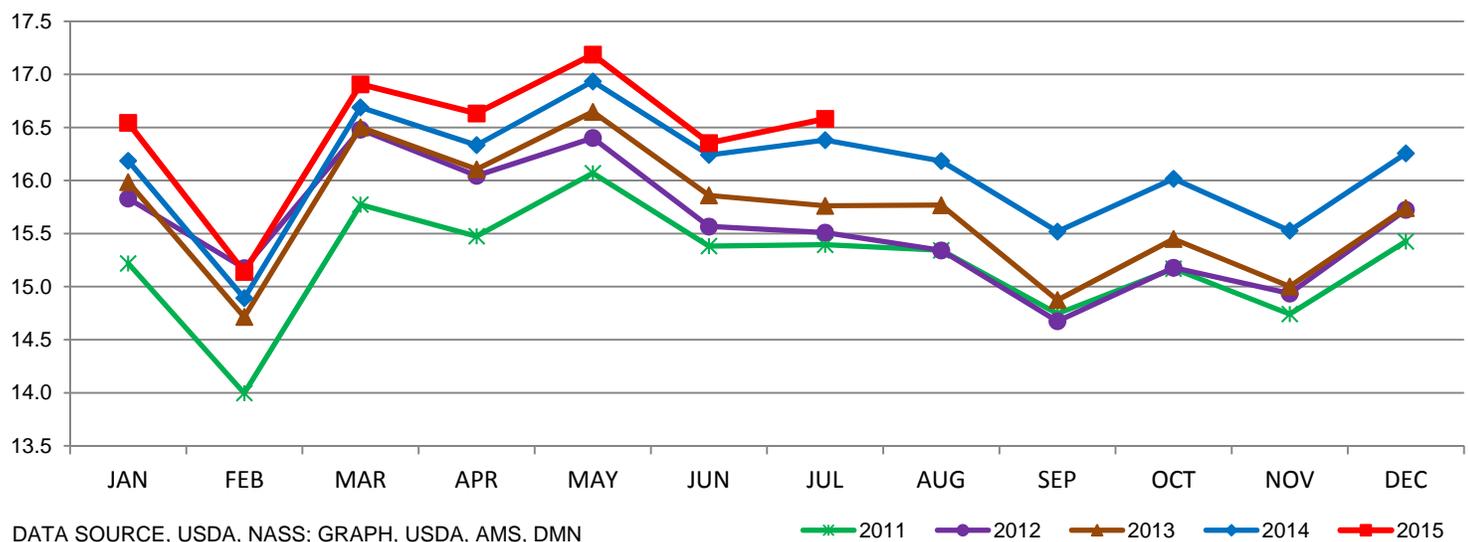
POUNDS

### Monthly Milk Per Cow - 23 Selected States



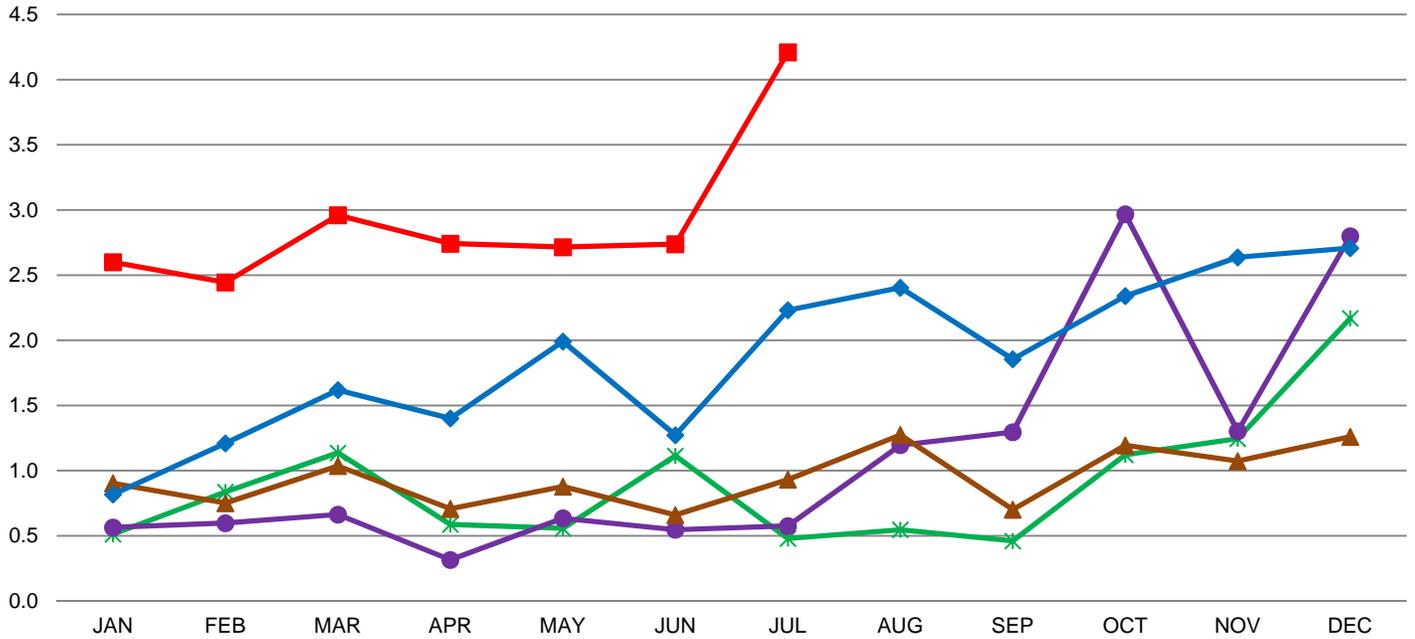
BILLION POUNDS

### Milk Production - 23 Selected States



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

MILLION POUNDS

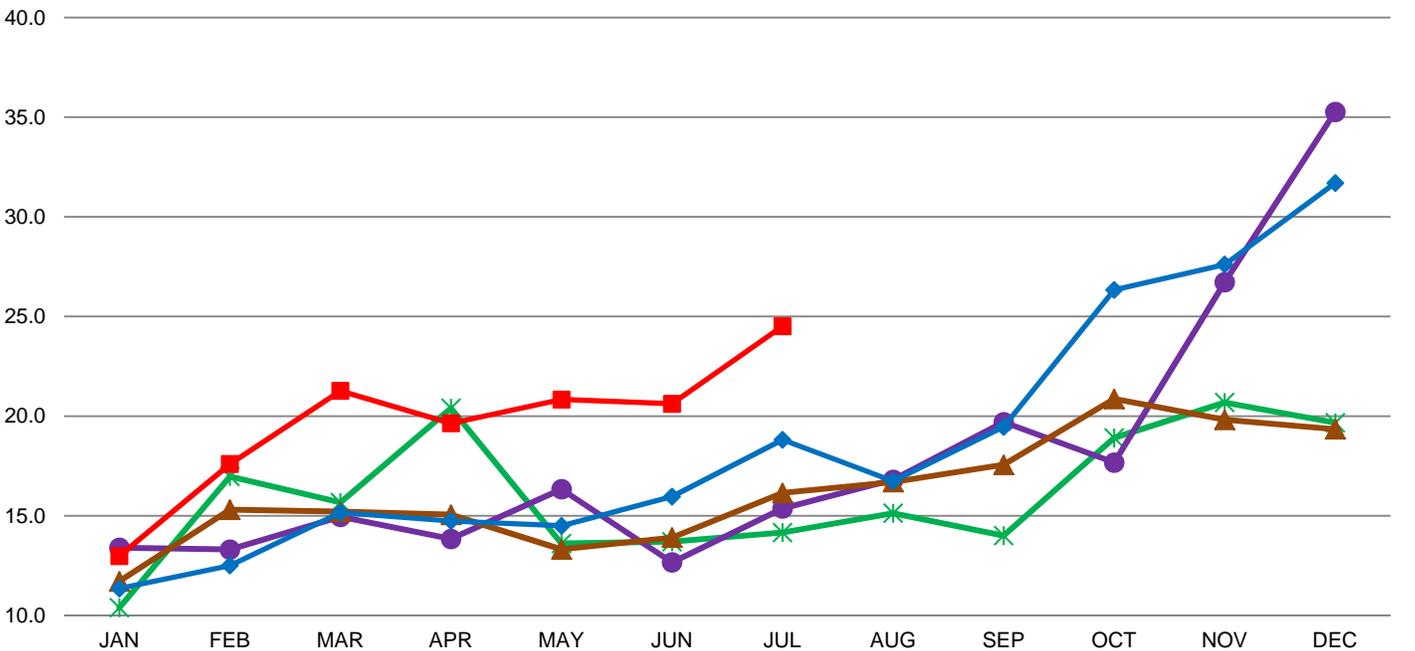


DATA SOURCE, USDA, FAS; GRAPH, USDA, DMN

2011 2012 2013 2014 2015

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

MILLION POUNDS



DATA SOURCE USDA, FAS GRAPH USDA, 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>

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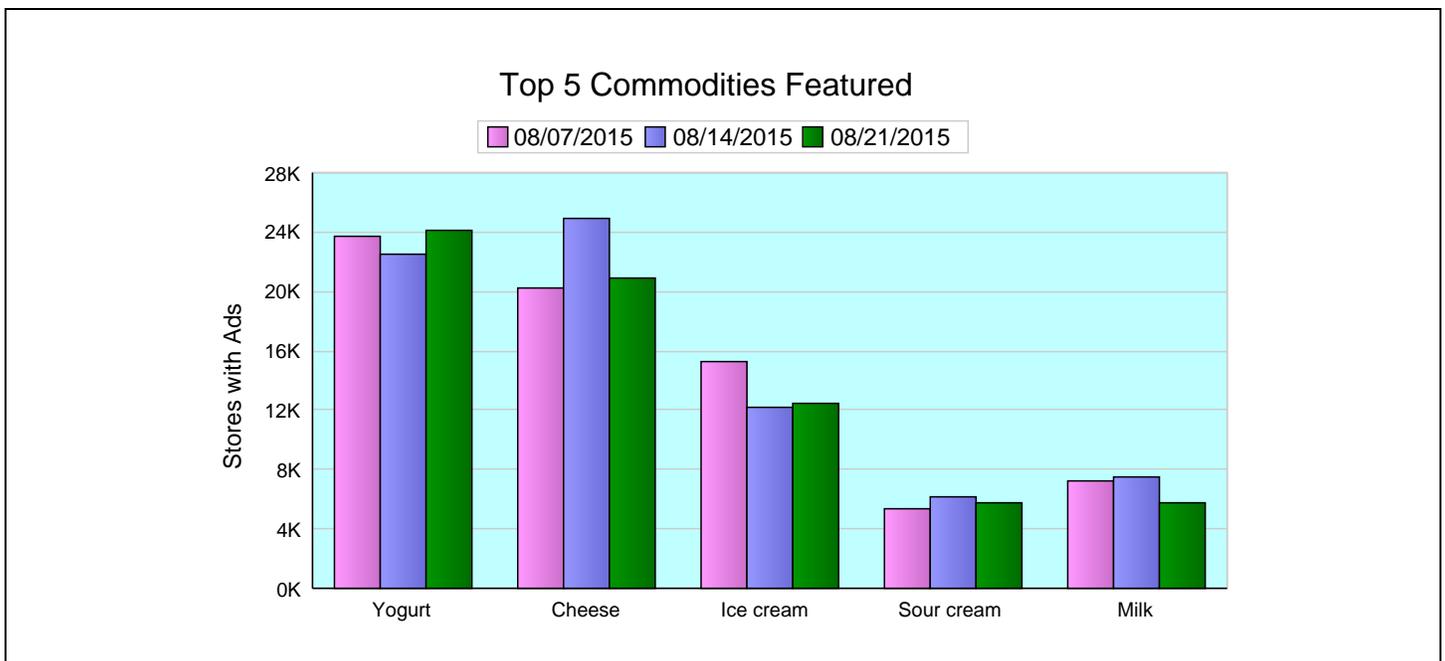
### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 08/21/2015 to 08/27/2015

Dairy ad volumes decreased by 5% for conventional products. The ad volumes of butter, cottage cheese, cream cheese and sour cream are lower. This week, the national weighted average advertised price, and price change from last week are: 1 pound butter, \$2.98, down 13 cents; 16 ounce cottage cheese, \$1.92, down 4 cents and 8 ounce cream cheese, \$1.92, up 17 cents. Similar to last week, 4-6 ounce Greek yogurt is the most advertised dairy product with an increase of 16% in ad volume.

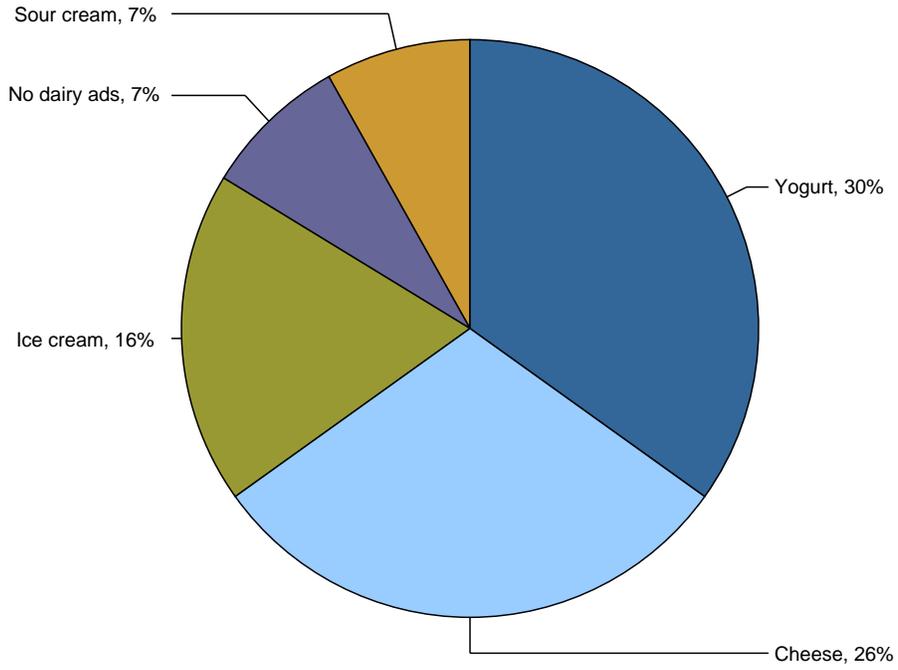
The average price of 4-6 ounce Greek yogurt is 96 cents, up 4 cents from last week, but down 5 cents from a year ago. This week, yogurt in 4-6 ounce packages averaged 49 cents, unchanged from last week, but up 1 cent from a year ago. Conventional yogurt ad numbers increased 8% from the previous week.

The U.S. advertised price for 8 ounce cheese blocks averaged \$2.31, the same price as a year ago, but down 5 cents from one week ago; 8 ounce shred cheese averaged \$2.34, compared with \$2.42 one year ago, but down 1 cent from one week ago. Conventional cheese ads decreased 13% from the previous week.

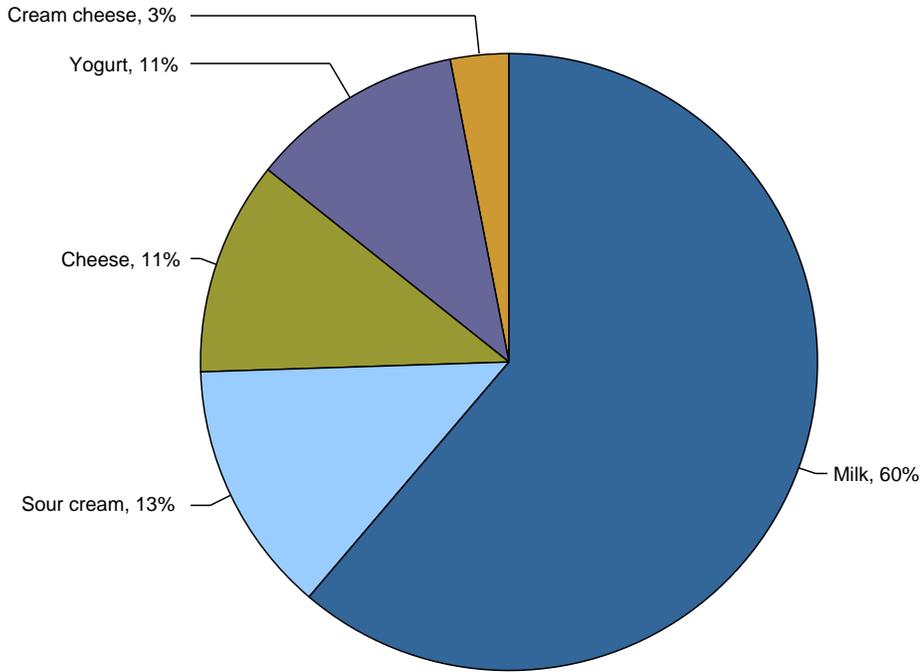
Organic - conventional half gallon milk has a price spread of \$1.61. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.14 and the average for organic half gallon milk, \$3.75.



### 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 #	3218	2.98	3675	3.11	1651	3.36
Cheese	Natural Varieties	8 oz block	8185	2.31	8804	2.36	3647	2.31
Cheese	Natural Varieties	1 # block	2763	3.42	1016	3.11	1111	4.26
Cheese	Natural Varieties	2 # block	98	6.08	927	6.33		
Cheese	Natural Varieties	8 oz shred	6664	2.34	11873	2.35	6170	2.42
Cheese	Natural Varieties	1 # shred	2781	3.45	1078	3.36	1408	3.64
Cottage cheese		16 oz	2575	1.92	3081	1.96	3821	1.81
Cream cheese		8 oz	2974	1.92	4156	1.75	4378	1.74
Flavored milk	All fat tests	half gallon	69	1.66	579	1.73	70	1.66
Flavored milk	All fat tests	gallon	106	2.99	11	3.49	251	5.23
Ice cream		48-64oz	12464	3.02	12159	3.11	12585	2.89
Milk	All fat tests	half gallon	1152	2.14	1419	2.56	528	1.79
Milk	All fat tests	gallon	2601	2.57	1678	2.04	3551	3.09
Sour cream		16 oz	5337	1.77	6029	1.54	4286	1.74
Yogurt	Greek	4-6 oz	15076	.96	13031	.92	15856	1.01
Yogurt	Greek	32 oz	1453	4.08	1557	4.64	80	3.00
Yogurt	Yogurt	4-6 oz	5278	.49	5389	.49	5468	.48
Yogurt	Yogurt	32 oz	1716	2.68	1853	2.61	287	2.51

### 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 #	2.49-3.99	1365	3.23	1.99-3.00	245	2.24	1.99-2.39	311	2.26
Cheese	Natural Varieties	8 oz block	1.47-2.99	2843	2.17	1.99-3.00	3370	2.62	1.50-2.50	1207	1.97
Cheese	Natural Varieties	1 # block	3.99	135	3.99	3.33	184	3.33	2.99-3.79	595	3.17
Cheese	Natural Varieties	8 oz shred	1.99-3.00	1879	2.30	1.99-3.00	2093	2.63	1.50-2.50	1091	1.96
Cheese	Natural Varieties	1 # shred				3.33	184	3.33	2.99-3.79	958	3.29
Cottage cheese		16 oz	1.88-2.50	1211	2.23	2.50	62	2.50	1.00-2.39	670	1.51
Cream cheese		8 oz	1.00-2.50	1678	1.83	2.00	502	2.00	0.98	119	.98
Flavored milk	All fat tests	half gallon							1.66	69	1.66
Flavored milk	All fat tests	gallon							2.99	106	2.99
Ice cream		48-64oz	1.88-4.99	4575	3.03	2.39-3.50	2431	2.94	1.79-3.99	2150	2.97
Milk	All fat tests	half gallon	1.89	135	1.89	1.00	184	1.00	1.00-2.95	767	2.55
Milk	All fat tests	gallon	3.69	137	3.69	2.50	1083	2.50	2.77	122	2.77
Sour cream		16 oz	1.29-2.50	2612	1.82	1.99-2.50	1296	2.08	1.00-1.99	699	1.24
Yogurt	Greek	4-6 oz	0.80-1.25	3758	1.05	0.89-1.25	2487	1.00	0.70-1.00	3051	.87
Yogurt	Greek	32 oz	3.99-4.99	511	4.40				3.69-4.99	768	3.99
Yogurt	Yogurt	4-6 oz	0.40-0.60	2089	.50	0.50	1358	.50	0.39-0.50	884	.43

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	2.79	62	2.79	2.50-3.79	1297	2.71	1.99	119	1.99

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-2.99	493	2.56	2.99-3.48	381	3.17	2.99-3.99	394	3.26
Cheese	Natural Varieties	8 oz block	1.49-2.50	399	1.90	1.88-2.50	237	2.34	1.99	105	1.99
Cheese	Natural Varieties	1 # block	2.77-3.99	705	3.31	2.77-4.99	588	4.35	2.49-2.99	545	2.71
Cheese	Natural Varieties	2 # block				5.99	90	5.99			
Cheese	Natural Varieties	8 oz shred	1.67-2.98	838	2.09	1.99-3.00	315	2.43	1.99-2.50	394	2.36
Cheese	Natural Varieties	1 # shred	2.77-3.99	495	3.54	2.77-4.99	588	4.35	2.49-2.99	545	2.71
Cottage cheese		16 oz	1.69-2.00	235	1.84	1.50-1.69	307	1.65	1.25	66	1.25
Cream cheese		8 oz	1.49-2.50	304	1.99	2.50	244	2.50	2.50	69	2.50
Ice cream		48-64oz	2.00-4.50	1148	3.00	2.00-3.99	1454	2.95	2.50-4.99	548	3.30
Milk	All fat tests	half gallon							0.99	66	.99
Milk	All fat tests	gallon	1.99-3.29	353	2.76	1.99-2.98	617	2.32	2.50	289	2.50
Sour cream		16 oz	1.50-1.79	186	1.61	1.29-1.89	304	1.77	0.99-1.49	240	1.28
Yogurt	Greek	4-6 oz	0.77-1.00	1996	.93	0.80-1.00	2381	.94	0.70-1.00	1318	.95
Yogurt	Greek	32 oz							3.50	174	3.50
Yogurt	Yogurt	4-6 oz	0.50	129	.50	0.39-0.50	594	.45	0.60	105	.60
Yogurt	Yogurt	32 oz							2.00-3.99	232	2.79

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 #	3.50	2	3.50	5.99	27	5.99
Cheese	Natural Varieties	8 oz block				2.50	24	2.50
Cheese	Natural Varieties	1 # block	3.99	11	3.99			
Cheese	Natural Varieties	2 # block	6.99-7.49	8	7.12			
Cheese	Natural Varieties	8 oz shred				2.50-3.49	54	3.01
Cheese	Natural Varieties	1 # shred	3.99	11	3.99			
Cottage cheese		16 oz				2.69	24	2.69
Cream cheese		8 oz				1.99-2.25	58	2.14
Ice cream		48-64oz	3.99-4.99	36	4.24	2.75-5.99	122	4.38
Yogurt	Greek	4-6 oz	1.00-1.25	23	1.02	0.95-1.70	62	1.27
Yogurt	Yogurt	4-6 oz	0.60-1.33	31	1.26	0.60-0.79	88	.66
Yogurt	Yogurt	32 oz	3.28	3	3.28	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	69	4.79	169	4.99
Cheese	Natural Varieties	8 oz block	365	3.99	939	3.86		
Cheese	Natural Varieties	8 oz shred			328	3.61		
Cream cheese		8 oz	84	2.50				
Milk	All fat tests	half gallon	727	3.75	2651	4.05	2502	3.34
Milk	All fat tests	gallon	586	6.36				
Milk	All fat tests	8 oz UHT	651	.83	1727	.99	4344	1.00
Sour cream		16 oz	434	1.99	183	1.99		
Yogurt	Greek	4-6 oz	284	1.13	392	1.18	811	1.24
Yogurt	Yogurt	4-6 oz	72	1.00	116	.97	184	1.25
Yogurt	Yogurt	32 oz			11	4.39	680	2.82

### 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
Cream cheese		8 oz	2.50	84	2.50						
Milk	All fat tests	half gallon	3.99	134	3.99				2.99	137	2.99
Milk	All fat tests	gallon	6.99	84	6.99						
Milk	All fat tests	8 oz UHT							0.80	137	.80
Yogurt	Greek	4-6 oz	1.00-1.25	284	1.13						
Yogurt	Yogurt	4-6 oz	1.00	72	1.00						

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	3.99	121	3.99	3.99	244	3.99			
Milk	All fat tests	half gallon	3.49	78	3.49	3.49-4.99	257	4.46	2.99	121	2.99
Milk	All fat tests	gallon	5.99	121	5.99	5.99-6.98	381	6.35			
Milk	All fat tests	8 oz UHT	0.80	78	.80	0.80	331	.80	1.00	105	1.00
Sour cream		16 oz	1.99	121	1.99	1.99	244	1.99	1.99	69	1.99



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

**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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