

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (10/30)**

BUTTER: Grade AA closed at \$2.7700. The weekly average for Grade AA is \$2.6240 (+.1580).

CHEESE: Barrels closed at \$1.5950 and 40# blocks at \$1.6200. The weekly average for barrels is \$1.5590 (-.0240) and blocks, \$1.6085 (-.0130).

NONFAT DRY MILK: Grade A closed at \$.8050. The weekly average for Grade A is \$.8250 (-.0335).

Dairy Market News Reporting Changes Proposal

Dairy Market News (DMN) is proposing updating the Dairy Market News Working Guidelines. This proposal is the result of an industry comment period. The updates would allow DMN market reports to additionally include information and sales prices reported by individuals and firms functioning as marketing agents selling on the behalf of dairy product manufacturers. The Working Guidelines updates are intended to capture more information on pricing and market conditions and reflect the evolution of the marketing of dairy products. Currently, market pricing information is collected for first sale, f.o.b. producers' plants or warehouses. The changes would be effective starting with Report 1, January 2016.

Comment by October 30, 2015 to: DMN@ams.usda.gov

Link to current DMN working guidelines:

<http://www.ams.usda.gov/market-news/individual-dairy-market-news-commodity-reports>

BUTTER HIGHLIGHTS: Butter production is steady to increasing. Demand, especially retail, is up. Some manufacturers are reporting Thanksgiving demand is higher than normal. Also, there are retail advertisements increasing sales. Current demand exceeds production, so some manufacturers are micro-fixing current inventory. Manufacturers do not want to build stock levels as lower prices are expected at the end of the year. Cream supplies are mixed in the Western region, while available in the Central and Northeastern regions. Friday at the CME Group, Grade AA butter closed at \$2.7700 up \$.3000 from last week's close.

CHEESE HIGHLIGHTS: Milk intakes have slowed for most

cheese plants. Retail and food service demand remains active to strong, which is drawing on manufacturer inventories at expected rates, further counterbalanced by lower export activity as a result of international prices not supportive to exporting cheese. In CME Group trading Friday, barrels closed at \$1.5950, up \$.0450 from last Friday and 40# blocks closed at \$1.6200, up \$.0075 from last Friday.

FLUID MILK: Farm milk production is seasonally lower in the Northeast, Mid-Atlantic, Pacific Northwest, Utah, and Idaho. Milk output remains steady in the North Central states, Florida and Arizona. Milk intakes are mixed in the Central region. The remnants of Hurricane Patricia did not affect the milk yield in the Southwest. Thus, milk production is improving in California and New Mexico. Bottled milk demand eased in Florida. However, is mostly steady in the rest of the country with some unticks in California and Arizona. In the Central region, prices on spot milk loads range from flat Class to \$1.00 over Class. Cream demand continues strong in all regions of the country.

DRY PRODUCTS: In all regions, low/medium heat nonfat dry milk prices shifted lower in an unsettled market. Production is steady for the week. Prices for high heat nonfat dry milk moved lower in the East and Central regions. Prices are mostly steady in the West. The market undertone is weakening in the East. Central and East dry buttermilk prices are unchanged to higher and mostly steady in the West. The market tone is mixed in the West and Central regions but quiet in the East. Dry whole milk prices are unchanged in a steady market. Northeast prices for dry whey declined abruptly due to lower fob spot sales and adjustments to pricing indices. However, dry whey prices are mostly higher to unchanged in the Central region and higher in the West. WPC 34% mostly price series held steady with some processors reporting an inherent weakness in the market. Lactose prices are mostly steady with a slightly more interest from export markets. Acid and rennet casein prices are unchanged with markets strengthening for late 2016 Q1 and into Q2.

CONTINUED ON PAGE 1A

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

INTERNATIONAL DAIRY MARKET NEWS (PAGES 8-8A)
DAIRY FUTURES (PAGE 9)
SEPTEMBER AGRICULTURAL PRICES HIGHLIGHTS (PAGE 10)

SEPTEMBER CONSUMER PRICE INDEX (PAGE 11)
DAIRY GRAPHS (G1-G3)
NATIONAL RETAIL REPORT - DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY OCT 26	TUESDAY OCT 27	WEDNESDAY OCT 28	THURSDAY OCT 29	FRIDAY OCT 30	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.5525 (+.0025)	\$1.5225 (-.0300)	\$1.5550 (+.0325)	\$1.5700 (+.0150)	\$1.5950 (+.0250)	+.0450	\$1.5590 (-.0240)
40# BLOCKS	\$1.6200 (+.0075)	\$1.6200 (N.C.)	\$1.5950 (-.0250)	\$1.5875 (-.0075)	\$1.6200 (+.0325)	+.0075	\$1.6085 (-.0130)
NONFAT DRY MILK							
GRADE A	\$.8450 (N.C.)	\$.8450 (N.C.)	\$.8200 (-.0250)	\$.8100 (-.0100)	\$.8050 (-.0050)	-.0400	\$.8250 (-.0335)
BUTTER							
GRADE AA	\$2.4800 (+.0100)	\$2.5300 (+.0500)	\$2.6400 (+.1100)	\$2.7000 (+.0600)	\$2.7700 (+.0700)	+.3000	\$2.6240 (+.1580)

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

INTERNATIONAL DAIRY MARKET NEWS (DMN): WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW:

Milk production continues to decline, but is above year ago levels. The milk supply is enough for current demand. Farm gate level prices are starting to stabilize. Demand for dry dairy products is increasing and expected to grow. Butter and skim milk powder are the first choice for available milk. SMP going into the intervention program has slowed. Unfavorable weather has resulted in reduced crop growth and quality. **EASTERN OVERVIEW:** Eastern Europe milk production is going up even with yearly milk production expected to decrease from year ago levels. Prices for dairy commodities are firming. Feed costs are expected to decrease. Cattle inventory levels are expected to maintain current levels as export prices for calves have decreased along with farmgate level milk pricing. Beef production is expected to increase due to higher slaughter rates.

OCEANIA OVERVIEW: Australia prices for dairy products continue to firm on average and the first farm gate level price increase was recorded. The TPP agreement was concluded and will make it easier to access markets that have been restricted. Milk production is expected to increase in 2016 as weather conditions continue to improve. Farmers are expected to keep herds at current levels. Currently most exporters desire business from China. According to Dairy Australia, September 2015 milk production was 970.1 million litres, up 0.8% from September 2014. The changes from one year earlier are: New South Wales, +3.2%, Victoria, -0.2%, Queensland, -2.8%, South Australia, +2.9%, Western Australia, +5.9%, Tasmania, +3.9%. Australia's milk production season to date is up 3.1% compared to last season. According to Dairy Australia, production of various dairy commodities for August 2015 showed the following percentage changes compared to 2014: butter, +7.5%; butteroil, +31.1%; skim milk powder, +22.8%; whole milk powder, -22.5%; buttermilk powder, +27.9%; cheese, +7.6; and whey powder, -9.9%. New Zealand milk production is forecasted to be 5 to 10% down from last year. The lower prices are having an effect on farmers financially and on herd sizes. Milk supply is forecasted to continue to drop by the end of the year and the decrease is likely to continue into 2016. Dairy products production and exporting are also likely to dwindle. New Zealand's September milk production, as reported by DCANZ, was 2.545 million MT, down 7.5% from September 2014. September milk solids also reflect a 7.2% decrease compared with September 2014. At the October 20 GDT event #150, average prices ranged from 11.1% lower to 3.2% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,856, +2.4%; butter, \$2,850, -11.1%; buttermilk powder, \$2,064, +3.2%; cheddar cheese, \$3,163, -2.2%; lactose, \$507, -3.8%; rennet casein, \$6,478, +2.1%; skim milk powder, \$2,178, -4.5%; and whole milk powder, \$2,694, -4.6%.

NATIONAL RETAIL REPORT – DAIRY (DMN): Milk advertisement numbers continue to shift lower. Ads for all conventional milk packages declined 69%. Milk in gallons had the biggest decline at 70%, followed by milk in half gallons at 62%. Butter ads declined by 30% this week. The average price for conventional 1# butter was \$3.51, compared to \$3.35 last week and \$3.82 one year ago. Ads for all conventional dairy products increased 2%, in contrast to a 10% decline in total organic dairy ad numbers. Conventional yogurt ad numbers increased 13% from last week, but organic yogurt ads declined by 44%. The average price of 4-6 ounce conventional Greek yogurt is 94 cents, down 2 cents from last week, and down 4 cent from

a year ago. Conventional yogurt in 4-6 ounce packages averaged 50 cents, down 2 cents from last week, but unchanged from a year ago. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.29, up 13 cents from last week but down 12 cents from a year ago; 8 ounce shred cheese averaged \$2.14, down 15 cents from last week ago, and down 32 cents from one year ago. Ads for conventional cheese increased 6% from last week, while organic cheese ads held steady. The price spread between organic and conventional half gallon milk is \$1.52. Last week the spread was \$2.66. The price spread is the difference between national weighted average prices for organic, \$4.52, and conventional, \$3.00.

SEPTEMBER AGRICULTURAL PRICES HIGHLIGHTS (NASS): The All Milk price received by farmers was \$17.50 in September, down \$8.20 from September 2014. The alfalfa hay price was \$157.00 in September, down \$40.00 from September 2014. The corn price was \$3.68 in September, up \$.19 from September 2014. The soybean price was \$9.05 in September, down \$1.85 from September 2014. The milk-feed price ratio was 2.25 in September, down 0.71 from September 2014. The index of prices received by farmers for dairy products during the month of September 2015 was up 4 points to 87. Compared to September 2014, the index was down 41 points (32.0 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in September 2015 was down 1 point to 107. Compared with September 2014, the index was down 5 points (4.5 percent).

SEPTEMBER CONSUMER PRICE INDEX (BLS): The September CPI for all food is 248.6, up 1.6% from 2014. The dairy products index is 222.3, down 2.3% from a year ago. The following are the September to September changes for selected products: fresh whole milk is -9.1%; cheese, -1.6%; and butter, -2.2%.

Dairy Market News Reporting Changes Proposal

Dairy Market News (DMN) is proposing updating the *Dairy Market News Working Guidelines*. This proposal is the result of an industry comment period. The updates would allow DMN market reports to additionally include information and sales prices reported by individuals and firms functioning as marketing agents selling on the behalf of dairy product manufacturers. The Working Guidelines updates are intended to capture more information on pricing and market conditions and reflect the evolution of the marketing of dairy products. Currently, market pricing information is collected for first sale, f.o.b. producers' plants or warehouses. The changes would be effective starting with Report 1, January 2016.

Comment by October 30, 2015 to: DMN@ams.usda.gov

Link to current DMN working guidelines:

<http://www.ams.usda.gov/market-news/individual-dairy-market-news-commodity-reports>

The rest of the Dairy Market News report follows in the subsequent pages.

CME GROUP

MONDAY, OCTOBER 26, 2015

CHEESE -- SALES: 4 CARS BARRELS: 3 @ \$1.5500, 1 @ \$1.5525; 1 CAR 40# BLOCKS @ \$1.6150; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6200; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8200; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.4800; LAST OFFER UNCOVERED: NONE

TUESDAY, OCTOBER 27, 2015

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.5425, 1 @ \$1.5325, 1 @ \$1.5225; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5300
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8450; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.8450; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.8550
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.5300; LAST OFFER UNCOVERED: NONE

WEDNESDAY, OCTOBER 28, 2015

CHEESE -- SALES: 10 CARS BARRELS: 1 @ \$1.5200, 6 @ \$1.5225, 1 @ \$1.5300, 1 @ \$1.5400, 1 @ \$1.5550; 3 CARS 40# BLOCKS: 1 @ \$1.6100, 1 @ \$1.6000, 1 @ \$1.5950; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5550; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5700
 NONFAT DRY MILK -- SALES: 7 CARS GRADE A: 2 @ \$0.8450, 1 @ \$0.8300, 4 @ \$0.8200; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8200; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.8250
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.6400; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.5325; LAST OFFER UNCOVERED: NONE

THURSDAY, OCTOBER 29, 2015

CHEESE -- SALES: 4 CARS BARRELS: 2 @ \$1.5550, 2 @ \$1.5600; 6 CARS 40# BLOCKS: 5 @ \$1.5900, 1 @ \$1.5875; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5700; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 5 CARS GRADE A: 2 @ \$0.8200, 2 @ \$0.8150, 1 @ \$0.8100; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8100; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 7 CARS GRADE AA: 1 @ \$2.6500, 1 @ \$2.6600, 1 @ \$2.6650, 1 @ \$2.6700, 1 @ \$2.6900, 2 @ \$2.7000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

FRIDAY, OCTOBER 30, 2015

CHEESE -- SALES: 10 CARS BARRELS: 2 @ \$1.5800, 2 @ \$1.5900, 2 @ \$1.6000, 3 @ \$1.6100, 1 @ \$1.5950; 4 CARS 40# BLOCKS: 1 @ \$1.5875, 1 @ \$1.6000, 1 @ \$1.6100, 1 @ \$1.6200; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6150; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5950
 NONFAT DRY MILK -- SALES: 7 CARS GRADE A: 1 @ \$0.7900, 1 @ \$0.8000, 2 @ \$0.8100, 1 @ \$0.8075, 1 @ \$0.8100, 1 @ \$0.8050; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$2.7250, 1 @ \$2.7500, 1 @ \$2.7600; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.7700; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

Dairy Market News Reporting Changes Proposal

Dairy Market News (DMN) is proposing updating the *Dairy Market News Working Guidelines*. This proposal is the result of an industry comment period. The updates would allow DMN market reports to additionally include information and sales prices reported by individuals and firms functioning as marketing agents selling on the behalf of dairy product manufacturers. The Working Guidelines updates are intended to capture more information on pricing and market conditions and reflect the evolution of the marketing of dairy products. Currently, market pricing information is collected for first sale, f.o.b. producers' plants or warehouses. The changes would be effective starting with Report 1, January 2016.

Comment by October 30, 2015 to: DMN@ams.usda.gov

Link to current DMN working guidelines: <http://www.ams.usda.gov/market-news/individual-dairy-market-news-commodity-reports>

NORTHEAST

Cream supplies are available at levels adequate for producers' holiday churning needs. Class II cream based holiday products are progressively pulling on existing cream volumes. Regional butter production is steady to increasing, as holiday orders continue to develop. Sources note the bulk of Thanksgiving orders are placed, and being processed for shipments. Current demand exceeds new production for some processors, necessitating micro-fixing by those butter makers. Efforts are being made to match orders with production to limit inventories during expected end-of-year price declines. Bulk butter prices for domestic sales are reported flat to 6 over the market, based on the CME Group, with various time frames and averages used. The market undertone is unsettled, as buyers wait and look forward to a much more predictable market. According to the *DMN National Retail Report-Dairy*, for October 23-29, the U.S. weighted average advertised price for 1 pound butter

is \$3.35, down 85 cents from a year ago, but up 10 cents from the previous week. The Northeast average butter price is \$3.47, up 31 cents from last week. At the CME, Grade AA butter closed Tuesday at \$2.53, up \$0.0900 from a week ago. COLD STORAGE: According to NASS, U.S. butter in storage on September 30, 2015 totaled 187.5 million pounds, 23% above a year ago, but 12% below the previous month.

CENTRAL

Churn operators report butter production is steady to higher, with active demand coming from the retail sector for conventional and specialty butter. Grocery store managers in some areas are running specials on unsalted butter in 1 pound packages. Buyers report cream loads are available on the spot market from several cheese manufacturers in the region, along with some weekend offers from bottlers. Butter manufacturers are trying to keep inventories on the tight side as there is an expectation of lower Grade AA prices by the end of Q4, but they are enjoying the current brisk pace of sales of bulk and consumer packaged butter. Bulk butter prices range from 4 cents under to 7 cents over the market, based on CME Group prices and various indices. The *DMN National Retail Report-Dairy* for October 23-29, noted the national weighted average advertised price for a 1 pound package of butter is \$3.35, up \$0.10 from a week ago, but down \$0.85 from a year ago. The weighted average advertised price in the Midwest is \$2.99. The CME Group Grade AA butter market closed Wednesday at \$2.64. This is up 22 cents from last Wednesday. The *NASS Cold Storage* report noted U.S. butter stocks on September 30 were 187.5 million pounds, 23% higher than one year ago, but 12% below the previous month.

CONTINUED ON PAGE 2A

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
October 17, 2015	2,4379 4,189,717	1,6970 11,006,597	1,6828 8,980,091	.2272 8,490,541	.9059 18,306,605

Further data and revisions may be found on the internet at: <http://www.ams.usda.gov/rules-regulations/mmr/dmr>

CONTINUED FROM PAGE 2

WEST

Western butter makers report a continuation of strong domestic demand. Butter production is active, but is currently lagging behind demand. Processors are working into butter inventories. Some processors suggest their cream supplies are well balanced and are not actively buying additional cream. Other butter processors are seeking spot loads of cream to round out production. According to the California Department of Food and Agriculture, year to date California butter production through September is down 5.6% from a year ago. The DMN National Retail Report – Dairy for the week of October 23 - 29, found that the U.S. weighted average advertised price of 1 pound butter is \$3.35, up \$.10 from one week ago but down \$.85 from one year ago. In the Southwest, the weighted average advertised price for 1 pound butter was \$3.41 with a price range of \$2.88 - \$4.28, and in the Northwest, \$3.52 with a price range of \$2.99 - \$3.99. The NASS *Cold Storage* report noted U.S. butter stocks as of September 30, 2015, were 187.5 million pounds, down 12% from last month. Butter stocks were 152.4 million pounds last year at this time. Bulk butter pricing in the West this week is 4 cents under market to 3 cents above, based on the CME Group with various time frames and averages used. The Grade AA butter price at the CME Group on Wednesday closed at \$2.6400, up \$.2200 from a week ago.

CHEESE MARKETS

Dairy Market News Reporting Changes Proposal

Dairy Market News (DMN) is proposing updating the Dairy Market News Working Guidelines. This proposal is the result of an industry comment period. The updates would allow DMN market reports to additionally include information and sales prices reported by individuals and firms functioning as marketing agents selling on the behalf of dairy product manufacturers. The Working Guidelines updates are intended to capture more information on pricing and market conditions and reflect the evolution of the marketing of dairy products. Currently, market pricing information is collected for first sale, f.o.b. producers' plants or warehouses. The changes would be effective starting with Report 1, January 2016.

Comment by October 30, 2015 to: DMN@ams.usda.gov
Link to current DMN working guidelines: <http://www.ams.usda.gov/marketnews/individualdairynewscommodityreports>

NORTHEAST

Cheese production remains active as plants process end-of-year holiday orders. Current orders are translating to heavy production schedules for some cheese packaging plants. Overall, demand is improved at the producer and wholesale levels. Cheese makers anticipate a spike in retail sales following increases in holiday retail promotions. Food service orders are steady. Cheese yields are on the uptick as butterfat and protein levels increase from summer lows. According to the DMN National Retail Report-Dairy, during the week of October 23-29, the weighted average advertised price for 8 ounce cheese blocks in the Northeast was \$2.23, 7 cents more than the national average and 30 cents less than a week ago. The Southeast 8 ounce block cheese price was \$2.10, 17 cents less than a week ago. Northeast wholesale cheddar and Muenster declined \$0.0650, and prices for processed cheese declined \$0.0650. Grade A Swiss prices are unchanged. Tuesday's CME Group daily cash trading saw barrels close at \$1.5225, down \$0.0575 from a week ago; blocks closed at \$1.6200, down \$0.0050 from a week ago. Cold Storage: According to NASS, U.S. stocks of total natural cheese as of September 30, 2015 totaled 1.149 billion pounds, 13% more than a year ago but 2% less than the previous month. Swiss cheese totaled 22.0 million pounds, 14% less than a year ago and 1% less last month.

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

Cheddar 40# Block	:	2.0175-2.3025
Process 5# Sliced	:	1.7975-2.2775
Muenster	:	2.0375-2.3875
Grade A Swiss Cuts 10 - 14#	:	3.2675-3.5900

MIDWEST

Midwest milk supplies available for cheese manufacturing are tightening. Barrel buying interest has led to some looking around to find extra inventories not already committed. Manufacturer activity in getting cheese out to cutters and wrappers for late year holiday orders is past the peak and is winding down now. Cheese is moving out to retailers. Buying interest from food service customers is steady. Minimal cheese from the region is moving into export channels. The DMN National

Retail Report - Dairy shows that October 23 - October 29 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.02, 27 cents lower than the national average. Midwest prices range from \$1.50 - \$2.50. One year ago the national price was \$2.69. For 8 ounce blocks, the Midwest average price is \$1.95, 21 cents lower than the national average price. Midwest ads are priced from \$1.50 to \$2.50. Last year, the national price was \$2.63. Midwestern wholesale prices are unchanged for Swiss cuts, and down \$.0650 for all other types. NASS reports that September 30, 2015 East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio) American cheese stocks were 115% of September 30, 2014, but 98% of August 31, 2015. East North Central region other cheese stocks were 114% of September 30, 2014 but 96% of August 31, 2015. Total U.S. natural cheese stocks on September 30, 2015, 1.149 billion pounds, were 113% of September 30, 2014 but 98% of August 31, 2015. In CME Group trading Wednesday, barrels closed at \$1.5550, down \$.0475 from last Wednesday and blocks closed at \$1.5950, down \$.0175.

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

Process American 5# Loaf	:	1.6800-2.0400
Brick And/Or Muenster 5#	:	1.9975-2.4225
Cheddar 40# Block	:	1.7250-2.1200
Monterey Jack 10#	:	1.9725-2.1775
Blue 5#	:	2.2650-3.2525
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7975-2.7375
Grade A Swiss Cuts 6 - 9#	:	2.7850-2.9025

WEST

Domestic cheese demand has provided support for market prices throughout most of the year. Cheese makers say demand from food service and retail, in particular, is strong. Milk intakes have slowed following seasonal trends, but receipts are still robust. Many manufacturers report not having any trouble finding milk for cheese making needs. Industry contacts note overall cheese stocks have not been drawn down as much as usual due to strong cheese production and lower export opportunities. Some contacts suggest these heavy inventories could become a drag on prices if demand slips somewhat. The DMN National Retail Report - Dairy for the week of October 23 - 29 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.29, up \$.04 from last week but down \$.40 from a year ago. Packs averaged \$2.52 in the Southwest and \$2.01 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.16, down \$.14 from last week and down \$.47 from a year ago. Blocks in the Southwest averaged \$2.42, and in the Northwest, \$1.76. In the West, wholesale prices are down \$.0650 for process, cheddar block, cuts, and Monterey jack. Prices for Swiss cuts are unchanged. According to the NASS Cold Storage report, U.S. stocks of cheese (total natural) at the end of September 2015 were 1.15 billion pounds, down 2% from August 2015 but up 13% from September 2014. American stocks were 11% more, other natural stocks were 20% more, but Swiss stocks were 14% less than last year. In the Mountain Region, American cheese stocks were 11% more than one year earlier and 2% higher than one month earlier. Pacific Region American cheese stocks were 7% more than one year earlier but 6% less than a month before. Also in the Pacific Region, other natural cheese stocks were 41% above a year ago and 7% above a month ago. In CME Group trading Wednesday, barrels closed at \$1.5550, down \$.0475 from a week ago and blocks closed at \$1.5950, down \$.0175.

CONTINUED ON 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

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

Process 5# Loaf	:	1.6950-1.9525
Cheddar 40# Block	:	1.7300-2.1750
Cheddar 10# Cuts	:	1.9100-2.1300
Monterey Jack 10#	:	1.9200-2.0800
Grade A Swiss Cuts 6 - 9#	:	2.8450-3.2750

FOREIGN

Prices for foreign-type domestically produced cheese are down, while Swiss and imported prices are steady. Cheese production in the EU is up slightly YTD as export interest has increased. The U.S. is starting to import more cheese. Domestic demand remains solid as the holidays near, with restaurants starting to increase orders. Semi-hard cheese continues to be the highest demanded. Inventory levels have fallen as most sellers cleared out older product and are not interested in keeping high stock levels.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.1925-3.6800*
Gorgonzola	: 3.6900-5.8900	: 2.7000-3.3975*
Parmesan (Italy)	: -0-	: 3.5825-5.6725*
Provolone (Italy)	: -0-	: 2.2350-2.4875*
Romano (Cows Milk)	: -0-	: 3.3825-5.5325*
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-	: 3.3050-3.6275
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

	:	
10/26/15	12,929	: 101,898 *** REVISED
10/01/15	14,301	: 100,326
CHANGE	-1,372	: 1,572
% CHANGE	-10	: 2

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	120	0	215	0	160	0
SOUTHEAST STATES	0	0	0	0	0	0

Northeast and Mid-Atlantic milk outputs are in the vicinity of seasonal lows. Bottled milk orders are level. Balancing plants report lower intakes this week. Customer shipments are being met without delays. Southeast processors' milk supplies continue to be in balanced with demand. Class I pulls remain steady and strong. Balancing plant milk supplies are limited but not beyond fulfilling commitments. Florida's milk output shows no significant changes this week. Production is expected to climb, as current high temperatures will likely move to seasonal levels in the lower 80's. Class I demand eased, relatively, the state imported 120 milk shipments, 95 fewer than the previous week. According to the *DMN National Retail Report-Dairy*, for October 23-29, the U.S. weighted average advertised price for a gallon of milk was \$2.60, a decrease of \$1.10 from a year ago, but an increase of 15 cents from last week. **Condensed** skim supplies are mostly adequate for contract needs with few loads available for the spot market. Demand for condensed skim is good as Class II manufacturers expand production ahead of the year-end holidays. **Cream multiples** held steady this week, ranging **1.27-1.35**. The low end accounts for weekend deliveries and the high end supports bottling. An uptick in fall holiday orders for cream cheese has led to an increase in manufacturing cream demand. Most cream movement is under contract, to end-users.

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 - 3.1318-3.3291
 F.O.B. producing plants: Upper Midwest - 3.0085-3.3044

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices - .97-1.00
 Northeast - Class III - spot prices - .86-.89

MIDWEST

Farm milk production is mixed throughout the Central region, with Texas and Kansas showing signs of production rebounding. In North Central states, farm milk production is generally steady. Sales into bottling plants are unchanged for this week, but some plant managers anticipate higher intakes starting next week as production of holiday products begins. Prices on spot milk loads range from flat Class to \$1.00 over Class through the end of October. Looking toward November, milk marketers report several Central cheese manufacturers with variably supply contracts have set lower intake volumes for November. This is expected to result in higher milk volumes clearing into butter/powder facilities in November, and potentially lower prices on spot milk loads. Recent rainstorms in Texas and Kansas, with rainfall totals ranging from 3 to 20 inches, have delayed corn harvesting as operators wait for fields to dry out. However, overall harvest progress is on par or ahead of one year ago. In the North Central area, corn harvest is also progressing, but some operators are hoping for dryer weather to help corn moisture decrease before harvest. Cream multiples for Class II narrowed, with a range of 1.22-1.34. Ice cream manufacturers indicate they are settling into

off-season production schedules, which call for lower cream volumes to maintain inventories. Cream sales into butter production are active. According to the *DMN National Retail Report-Dairy* for the week of October 23-29, the national weighted average advertised price for one gallon of milk is \$2.60 and \$2.77 in the Midwest.

WEST

The remnants of Hurricane Patricia were not a major issue to the milk production in the southwest. Favorable weather to cows prevails in the Central Valley. Thus, milk production is slightly rising in California. Sales into Class 1 are trending up. Class 2 orders are steady. However, manufacturing facilities are running below peak levels. Availability of local supreme quality alfalfa hay is tight. According to California Department of Food and Agriculture, September 2015 pool receipts of milk in the state total 3.05 billion pounds, 4.1% lower compared to September last year. From January through September 2015, receipts are 4.1% lower from the comparable months in 2014. The September Value at Test price is \$16.00, 60 cents higher than previous month but \$7.55 lower than September 2014. The percentage of receipts used in Class 1 products is 14.87%. The September quota price is \$16.68 and the over quota price is \$14.98. These prices are \$.35 higher than August 2015 but \$7.47 lower than a year ago. Milk output in Arizona is flat as weather conditions are mostly unchanged. According to some processors, the butterfat component level in the milk is rising. Bottled milk orders from groceries stores and food service are improving. Condensed skim milk demand from NDM producers is steady to lower. Lower temperatures and humidity are supporting the comfort of cows in New Mexico. Thus, milk production is higher. Milk sales into Class I are steady. Sales into Class II and Class IV are lower as some processing plants are confronting technical issues. The state will start soon the last cutting of alfalfa hay of the year. According to the *DMN National Retail Report-Dairy* for the week of October 23-29, the national weighted average advertised price for one gallon of milk is \$2.60, \$2.71 in the Southwest and \$1.99 in the Northwest. Milk production in the Pacific Northwest is trending downward along seasonal patterns. Bottling demand is steady, but processors note a shift in consumer preferences toward higher fat choices. Manufacturers say milk intakes are adequate for processing needs. Utah and Idaho milk production is steady to lower. Manufacturers describe milk availability as balanced. Additional loads of milk can be purchased as needed. Most of these loads do not carry a premium price. Industry contacts state much of the corn is harvested for the year. Forage quantities are healthy. Western cream demand continues strong. Interest for cream from butter processors is improving as Thanksgiving and Christmas holidays approaches. Spot and contract sales of cream to sour cream, cream cheese, and half-and-half processing plants are active throughout the region. Cream supplies are mostly mixed. Western cream multiples are steady to lower, ranging from 1.12 to 1.27. At the CME Group, Grade AA butter price on Wednesday closed at \$2.6400, up 22 cents from a week ago.

CONTINUED ON PAGE 4A

FLUID MILK AND CREAM

CONTINUED FROM PAGE 4

Dairy Market News Reporting Changes Proposal

Dairy Market News (DMN) is proposing updating the *Dairy Market News Working Guidelines*. This proposal is the result of an industry comment period. The updates would allow DMN market reports to additionally include information and sales prices reported by individuals and firms functioning as marketing agents selling on the behalf of dairy product manufacturers. The Working Guidelines updates are intended to capture more information on pricing and market conditions and reflect the evolution of the marketing of dairy products. Currently, market pricing information is collected for first sale, f.o.b. producers' plants or warehouses. The changes would be effective starting with Report 1, January 2016.

Comment by October 30, 2015 to: DMN@ams.usda.gov

Link to current DMN working guidelines: <http://www.ams.usda.gov/market-news/individual-dairy-market-news-commodity-reports>

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.

Dairy Market News Reporting Changes Proposal

Dairy Market News (DMN) is proposing updating the Dairy Market News Working Guidelines. This proposal is the result of an industry comment period. The updates would allow DMN market reports to additionally include information and sales prices reported by individuals and firms functioning as marketing agents selling on the behalf of dairy product manufacturers. The Working Guidelines updates are intended to capture more information on pricing and market conditions and reflect the evolution of the marketing of dairy products. Currently, market pricing information is collected for first sale, f.o.b. producers' plants or warehouses. The changes would be effective starting with Report 1, January 2016.

Comment by October 30, 2015 to: DMN@ams.usda.gov

Link to current DMN working guidelines: <http://www.ams.usda.gov/market-news/individual-dairy-market-news-commodity-reports>

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Low/medium heat nonfat dry milk prices in the Central region shifted lower on the range and mostly series. While some manufacturers claim tight inventories for November/December, attempts to push prices higher are meeting with limited buyer interest. Recent mixed price movements on various indices are also keeping buyers on the sidelines. Production of low/medium heat NDM is steady for the week. Some milk marketers indicate they have already received notice from cheese manufacturers that starting next week, their demand for milk will be lower for the balance of the year. This may translate into milk sellers pushing higher milk volumes toward butter/powder plants in the last 2 months of the year. Central high heat nonfat dry milk prices are lower on an unsettled market. Recent changes on various NDM indices are resulting in some price adjustments on the high heat market. Production is light to moderate, with manufacturers intermittently placing high heat NDM runs into their dryer schedules. Inventories are sufficient to meet near term contract fulfillment needs.

EAST: Low/medium nonfat dry milk prices fell across the range and mostly series, reflecting a soft market. Price adjustments occurred as a result of declines in fob spot prices. Production is steady, as it relates to the region's current milk supply level. Inventories are steady to building. Demand is steady to quiet. Buyers are primarily covering short-term needs as they expect prices to decline further. Active trading emerged in the resale side of the market this week. Market participants are initiating 2016 contract negotiations. In general, the low/medium NDM market undertone is weak. High heat nonfat dry milk prices are trending lower. Seasonal demand is active, as stocks remain tight. Some high heat NDM manufacturers have scheduled weekly production runs to support year-end holiday demand. Customer commitments are being filled on a timely basis. The market undertone is weakening.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9000 - 1.0600 MOSTLY: .9500 - .9800
HIGH HEAT: 1.0500 - 1.1800

NONFAT DRY MILK - WEST

Prices for low/medium heat nonfat dry milk are lower in an unsettled market. Spot sales are less active. According to some brokers, the resale market is also quiet. Some end users are waiting to buy, anticipating lower prices in the near future. However, the NDM demand from the bakery sector is still active. Low/medium heat NDM processing is mostly steady. Inventories are mixed. The high heat nonfat dry milk

market tone is mixed. At this point, prices are mostly steady. Sales in the spot market are sporadic. Sales based on contracts are flat. Production is mostly determined by contractual needs. Inventories are mixed.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7650 - 1.0200 MOSTLY: .8450 - .9250
HIGH HEAT: .9500 - 1.1750

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
October 23	\$.8814	9,725,038
October 16	\$.9174	9,288,178

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. The market tone is mixed. Buyers purchasing in large volumes indicate their needs are being met from week to week at prices close to the bottom of the range. However, light volume buyers indicate availability is variable and prices are comparatively higher as manufacturers try to factor in the current trend of higher butterfat prices. Dry buttermilk production is steady to higher as some plant managers indicate their cream sales into ice cream are decreasing. Dry buttermilk inventories range from limited to comfortable for meeting upcoming contract needs.

EAST: Eastern dry buttermilk prices are steady at the bottom of the range with marginal upward movement on the top due to fob spot pricing. Production is steady to lighter, as reduced milk intakes limit churning activity at some of the regional balancing plants. Market transactions are sluggish with most end-of-month contracts having been covered. Spot sales are infrequent. Buyers tend to secure dry buttermilk only for contract loads and immediate needs. Supply levels are steady to building. The market undertone is quiet.

F.O.B. CENTRAL/EAST: .8275 - .9700

DRY BUTTERMILK - WEST

Dry buttermilk prices are mostly steady. Some industry participants anticipate lower prices in the short term. The current market tone is mixed. However, the interest from baking sector is good as the Thanksgiving and Christmas holidays are close. Drying schedules are steady as butter churning is active throughout the region. Inventories are steady to building.

F.O.B. WEST: .8700 - .9550 MOSTLY: .8900 - .9400

DRY WHOLE MILK - NATIONAL

Dry whole milk f.o.b. spot prices are unchanged. Spot sales are irregular. The market undertone is steady. Drying schedules are mostly based on contractual needs. Inventories are mixed.

F.O.B. PRODUCING PLANT: 1.2500 - 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.

Dairy Market News Reporting Changes Proposal

Dairy Market News (DMN) is proposing updating the Dairy Market News Working Guidelines. This proposal is the result of an industry comment period. The updates would allow DMN market reports to additionally include information and sales prices reported by individuals and firms functioning as marketing agents selling on the behalf of dairy product manufacturers. The Working Guidelines updates are intended to capture more information on pricing and market conditions and reflect the evolution of the marketing of dairy products. Currently, market pricing information is collected for first sale, f.o.b. producers' plants or warehouses. The changes would be effective starting with Report 1, January 2016.

Comment by October 30, 2015 to: DMN@ams.usda.gov

Link to current DMN working guidelines: <http://www.ams.usda.gov/market-news/individual-dairy-market-news-commodity-reports>

DRY WHEY - CENTRAL

Central dry whey prices are unchanged on the range, but higher to unchanged on the mostly series. End users indicate they received fewer offers of f.o.b. whey spot loads this week. Producers report that some volumes were cleared before end of month to help balance inventories. Discussions are ongoing regarding 2016 contracting. Producers are tacking premiums onto all contract offers using a base price. Buyer response is tepid to these initial offers. Dry whey production is steady as the month draws to a close. Inventories are variable. Some producers report they have nothing to offer to the spot market, but other manufacturers have plans for steady selling through the upcoming weeks to help manage inventories. Prices for animal feed dry whey shifted higher on the bottom of the range. Demand is mixed, with ready demand for slightly off specification loads. Loads with pronounced physical deviations from specifications are difficult to clear. Blended feed production is active, with some manufacturers using more dry whey to blend higher protein inputs to acceptable finished feed protein values.

F.O.B. CENTRAL: .1700 - .2800 MOSTLY: .1900 - .2200
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1425 - .1900

DRY WHEY - NORTHEAST

Northeast prices for dry whey declined sharply, due to lower fob spot sales and adjustments to pricing indices. Some manufacturers utilized end-of-month trading to clear additional loads, below market. Otherwise, cash trading has been limited this week. Dry whey continues to trade actively in the resale market. Some Eastern producers have little or no product to offer aside from contract loads, in a fairly tight market. The market undertone is unsettled.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .1700 - .2550

DRY WHEY - WEST

Western whey prices moved higher. Buyers and sellers say discounted whey is becoming less available. Manufacturers cleared some inventories with past lower prices and a few are now reporting tighter or committed stocks.

Industry contacts note an increase in inquiries from export markets. With lighter supplies, some processors are now able to be more selective in the bids accepted. Dry whey production is steady.

NONHYGROSCOPIC: .2000 - .3100

MOSTLY: .2000 - .2500

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

The whey protein concentrate 34% price range narrowed, while the mostly price series held steady this week. Market participants note several views of the market. Some manufacturers report an inherent weakness in the market. Others report more stability. Contacts suggest inventories are heavy across the industry. However, a few processors have been able to reduce inventories and can afford to be more patient in sales negotiations. Buyers seeking WPC 34 with specific characteristics are also finding it more difficult to source product and slightly higher prices. Manufacturers report short term sales are progressing and they are working to establish agreements for December and Q1 2016. Industry contacts suggest a slight increase in buyer inquiries. WPC 34 production is generally stable, however some production is shifting within the whey protein complex.

F.O.B. EXTRA GRADE 34% PROTEIN: .4900 - .6800 MOSTLY: .4900 - .5800

LACTOSE - CENTRAL AND WEST

Lactose prices are mostly steady this week. The bottom end of the price range came up a little. Industry contacts say inventories at manufacturers are becoming more committed. Manufacturers report inquiries have increased and there is slightly more interest from export markets. Lactose production is steady. Processors are working to set up Q1 2016 agreements.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1500 - .2600 MOSTLY: .1600 - .2100

CASEIN - NATIONAL

Acid and rennet casein prices are unchanged for the week. Casein markets are strengthening for late 2016 Q1 and into Q2 for both acid and rennet casein. Prices for that time period are moving higher. Most current sales are contracted prices. Production is lower in the EU as casein is in its off peak season. The Global Dairy Trade at the October 20 event 150 saw the average price for rennet casein for all contract periods increase 2.1% to \$6,178/MT.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.6500 - 3.3500
ACID: 2.7000 - 3.5000

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
10/10/2015	58.9	2,290.0	55.3	2,202.2

WEBSITE: http://www.ams.usda.gov/mnreports/sj_ls714.txt

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

CLASS III MILK PRICES (3.5% BF)

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

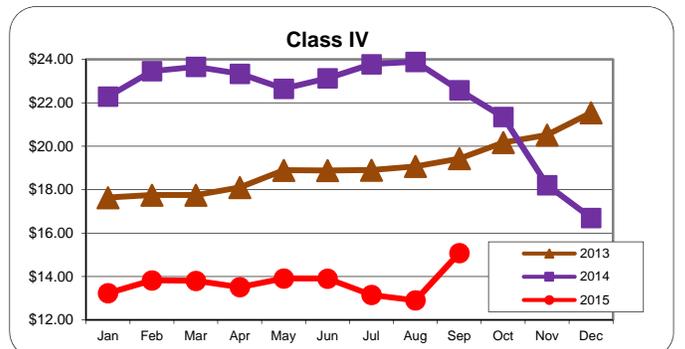
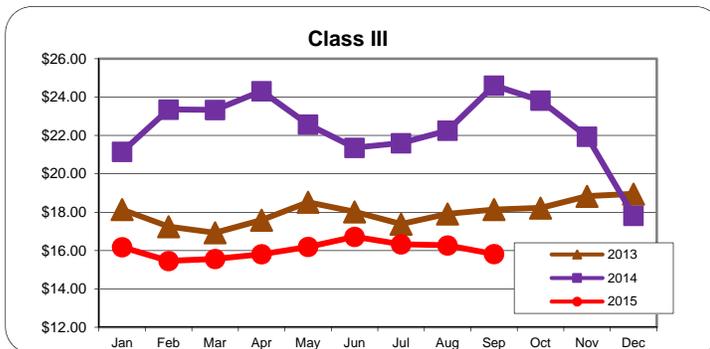
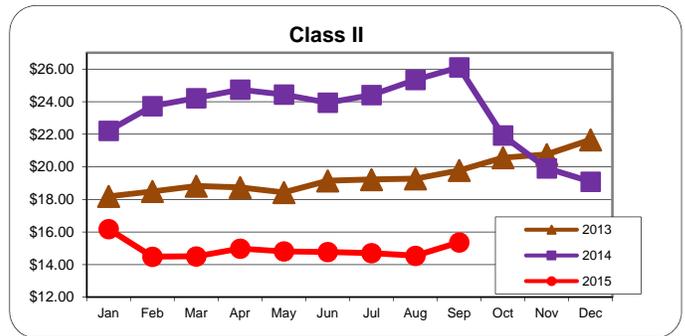
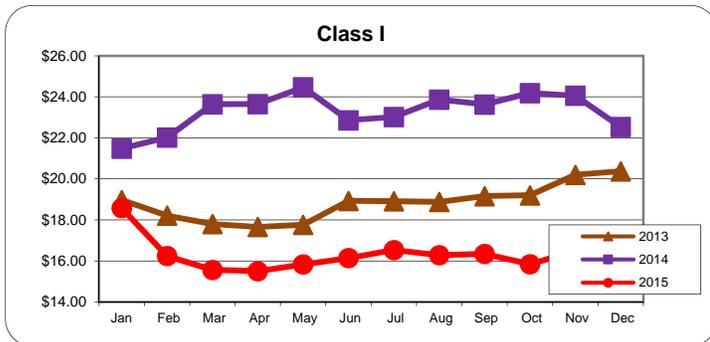
CLASS IV MILK PRICES (3.5%)

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	15.84	16.48	
II	16.18	14.48	14.50	14.98	14.81	14.77	14.70	14.54	15.36			
III	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82			
IV	13.23	13.82	13.80	13.51	13.91	13.90	13.15	12.90	15.08			

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



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered October 19 - 30, 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: Milk production continues to decline, but is above year ago levels. Milk supply is enough for current demand. Farm gate level prices are starting to stabilize. Demand for dry dairy products is increasing and expected to grow. Butter and skim milk powder are the first choice for available milk. SMP going into the intervention program has slowed. Unfavorable weather has resulted in reduced crop growth and quality.

August, but are up from year ago levels. Algerian demand dropped 55% YTD from last year, but Oman has increased import demand by 33% YTD and has become the top destination.

26% BUTTERFAT: 2,400 - 2,750

BUTTER/BUTTEROIL: Prices for butter/butteroil are increasing as less cream is available. Manufacturers report many inquiries, with few sales as buyers are taking a wait-and-see approach for future needs. Production is lower so some manufacturers are depleting stock levels. According to GTIS, EU butter exports decreased in August, but are 15.8% above year ago levels. The three main destinations are Saudi Arabia, United States and Egypt, which have increased since January YTD. PSA butter stock levels on October 18 were 88,789 MT. The top three countries, the Netherlands, Ireland and Germany, accounted for 72% of the holdings. According to Eurostat, EU August butter production is up 4.7% over August 2014 and January through August production is up 2.8% from 2014.

SWEET WHEY POWDER: Whey powder prices are steady. The market remains sluggish with no big changes occurring. Whey demand is steady. Producers are careful not to build already high inventory levels. Exporting in 2015 is down YTD for the EU.

NONHYGROSCOPIC: 600 - 825

82% BUTTERFAT: 2,900 - 3,450
99% BUTTERFAT: 3,500 - 4,175

EASTERN OVERVIEW: Eastern Europe milk production is going up even with yearly milk production expected to decrease from year ago levels. Prices for dairy commodities are firming. Feed costs are expected to decrease. Cattle inventory levels are expected to maintain current levels as export prices for calves have decreased along with farmgate level milk pricing. Beef production is expected to increase due to higher slaughter rates.

SKIM MILK POWDER (SMP): Prices for SMP are higher on an uneven market. Demand is described as quiet with some larger orders reported. Sellers report many inquiries for SMP with few sales. Sources indicate end users are looking for the lowest price. Sources suggest an increase in exports of SMP YTD. Stock levels are high, but manufacturers are not concerned. The amount of SMP going into intervention has slowed. As of October 18, there are 23,371 MT of SMP offered into public intervention. Belgium has the highest amount of stocks in intervention with 7,889 MT. Private Storage Arrangements (PSA) skim milk powder stock levels on October 18 amounted to 31,990 MT. Manufacturers in Germany have the largest volumes with 8,304 MT in holding. According to Eurostat, EU August SMP production is down 0.2% over August 2014 and January through August production is up 3.1% from 2014. GTIS notes a slight decrease in exports of SMP in August, but are still 9.8% above year ago levels.

**Exchange rates for selected foreign currencies:
October 27, 2015**

.1050 Argentina Peso	.0083 Japan Yen
.7249 Australian Dollar	.0605 Mexican Peso
.7603 Canadian Dollar	.6789 New Zealand Dollar
1.1059 Euro	.2586 Poland Zloty
.0154 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0605) = 16.5289 Mexican Pesos. Source: "Wall Street Journal"

1.25% BUTTERFAT: 1,925 - 2,175

WHOLE MILK POWDER (WMP): Whole milk powder prices are up. WMP production is steady, but low. Demand domestically is quiet, with export demand limited and lower than last year YTD. Sellers report that most buying interest is for current needs only. According to Eurostat, EU August WMP production is up 6.3% over August 2014 but January through August production is down 7.3% from 2014. According to GTIS, EU exports decreased slightly in

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered October 19 - 30, 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: Australian prices for dairy products continue to firm on average and the first farm gate level price increase was recorded. The TPP agreement was concluded and will make it easier to access markets that have been restricted. Milk production is expected to increase in 2016 as weather conditions continue to improve. Farmers are expected to keep herds at current levels. Currently most exporters desire business from China. According to Dairy Australia, September 2015 milk production was 970.1 million litres, up 0.8% from September 2014. The changes from one year earlier are: New South Wales, +3.2%, Victoria, -0.2%, Queensland, -2.8%, South Australia, +2.9%, Western Australia, +5.9%, Tasmania, +3.9%. Australia's milk production season to date is up 3.1% compared to last season. According to Dairy Australia, production of various dairy commodities for August 2015 showed the following percentage changes compared to 2014: butter, +7.5%; butteroil, +31.1%; skim milk powder, +22.8%; whole milk powder, -22.5%; buttermilk powder, +27.9%; cheese, +7.6; and whey powder, -9.9%. New Zealand milk production is forecasted to be 5 to 10% down from last year. The lower prices are having an effect on farmers financially and on herd sizes. Milk supply is forecasted to continue to drop by the end of the year and the decrease is likely to continue into 2016. Dairy products production and exporting are also likely to dwindle. New Zealand's September milk production, as reported by DCANZ, was 2.545 million MT, down 7.5% from September 2014. September milk solids also reflect a 7.2% decrease compared with September 2014. At the October 20 GDT event #150, average prices ranged from 11.1% lower to 3.2% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,856, +2.4%; butter, \$2,850, -11.1%; buttermilk powder, \$2,064, +3.2%; cheddar cheese, \$3,163, -2.2%; lactose, \$507, -3.8%; rennet casein, \$6,478, +2.1%; skim milk powder, \$2,178, -4.5%; and whole milk powder, \$2,694, -4.6%.

BUTTER: Butter prices are unchanged this reporting period. The recently rising prices are making exporting to the U.S. less attractive. Manufacturing is limited and supplies are low. Some manufacturers have stopped production. Most producers are making and storing product for future needs. At the October 20 GDT event #150, unsalted butter had sales in one contract period, April 2016, where prices averaged \$2,850/MT, -11.1% from the prior event. AMF prices averaged \$3,879/MT for December contracts, +5.7% from the prior event. For all contracting periods, the AMF price average was \$3,856/MT, +2.4%.

82% BUTTERFAT: 2,950 - 3,400

SKIM MILK POWDER (SMP): Prices for SMP are steady. Recent pricing increases are causing some buyers to be reluctant to commit to large purchases. Some sellers are reporting an increase in export demand. Production is uneven as some manufacturers are producing only enough to fulfill current contract needs. At the October 20 GDT event 150, SMP for all regions and contracting periods averaged \$2,178 per MT, -4.5%. For trading in contract period 2, December, prices averaged \$2,152, -4.2%.

1.25% BUTTERFAT: 1,975 - 2,350

CHEDDAR CHEESE: Cheddar cheese prices are steady. Production is stable to increasing as domestic and foreign consumption is growing. Sources also suggest a better economy is leading to a higher demand. Export demand is up. Supplies are abundant, but manufacturers are comfortable with current levels.

39% MAXIMUM MOISTURE: 3,000 - 3,400

WHOLE MILK POWDER (WMP): Following a drop in current global offerings, WMP prices are steady to increasing. The increased production of WMP in Europe has affected demand. This, along with the decreased milk output forecasts have resulted in a reduction in Oceania WMP production. Several manufacturers have channeled milk supplies to other dry dairy products. Some manufacturers are making and storing WMP in preparation for future demand. At the October 20 GDT event 150, the WMP pricing index, across all contracting periods, averaged \$2,694 per MT, down 4.6% compared to the prior event. For December, regular New Zealand WMP averaged \$2,740 per MT.

26% BUTTERFAT: 2,600 - 3,000

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 150 Recap - October 20, 2015													
	Contract 1 Nov-15		Contract 2 Dec-15		Contract 3 Jan-16		Contract 4 Feb-16		Contract 5 Mar-16		Contract 6 Apr-16		All Contracts	
Anhydrous Milk Fat	n.a.	\$3,879	5.7%	\$3,818	0.3%	\$3,838	1.1%	\$3,847	-1.3%	\$3,969	-0.7%	\$3,856	2.4%	
Butter	n.a.		n.a.		n.a.		n.a.		n.a.	\$2,850	-11.1%	\$2,850	-11.1%	
Buttermilk Powder	n.a.	\$2,060	7.3%	\$2,055	-1.9%	\$2,120	1.0%		n.a.		n.a.	\$2,064	3.2%	
Cheddar	n.a.	\$3,121	-4.0%	\$3,214	0.9%	\$3,151	-3.5%		n.a.		n.a.	\$3,163	-2.2%	
Lactose	n.a.	\$507	-3.8%		n.a.		n.a.		n.a.		n.a.	\$507	-3.8%	
Rennet Casein	n.a.	\$6,156	1.5%	\$6,203	2.8%	\$6,188	2.5%		n.a.		n.a.	\$6,178	2.1%	
Skim Milk Powder	\$2,085	-5.0%	\$2,152	-4.2%	\$2,220	-4.2%	\$2,200	-6.5%	\$2,176	-4.1%	\$2,265	-6.8%	\$2,178	-4.5%
Sweet Whey Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Whole Milk Powder	n.a.	\$2,764	-1.8%	\$2,635	-6.2%	\$2,670	-5.6%	\$2,667	-6.9%	\$2,791	-3.7%	\$2,694	-4.6%	

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

US\$/Pound	Global/Dairy Trading (gDT) Event 150 Recap - October 20, 2015													
	Contract 1 Nov-15		Contract 2 Dec-15		Contract 3 Jan-16		Contract 4 Feb-16		Contract 5 Mar-16		Contract 6 Apr-16		All Contracts	
Anhydrous Milk Fat	n.a.	\$1.7595	5.7%	\$1.7318	0.3%	\$1.7409	1.1%	\$1.7450	-1.3%	\$1.8003	-0.7%	\$1.7491	2.4%	
Butter	n.a.		n.a.		n.a.		n.a.		n.a.	\$1.2928	-11.1%	\$1.2928	-11.1%	
Buttermilk Powder	n.a.	\$0.9344	7.3%	\$0.9321	-1.9%	\$0.9616	1.0%		n.a.		n.a.	\$0.9362	3.2%	
Cheddar	n.a.	\$1.4157	-4.0%	\$1.4579	0.9%	\$1.4293	-3.5%		n.a.		n.a.	\$1.4347	-2.2%	
Lactose	n.a.	\$0.2300	-3.8%		n.a.		n.a.		n.a.		n.a.	\$0.2300	-3.8%	
Rennet Casein	n.a.	\$2.7923	1.5%	\$2.8137	2.8%	\$2.8069	2.5%		n.a.		n.a.	\$2.8023	2.1%	
Skim Milk Powder	\$0.9457	-5.0%	\$0.9761	-4.2%	\$1.0070	-4.2%	\$0.9979	-6.5%	\$0.9870	-4.1%	\$1.0274	-6.8%	\$0.9879	-4.5%
Sweet Whey Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Whole Milk Powder	n.a.	\$1.2537	-1.8%	\$1.1952	-6.2%	\$1.2111	-5.6%	\$1.2097	-6.9%	\$1.2660	-3.7%	\$1.2220	-4.6%	

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

CME GROUP, INC FUTURES
Selected settling prices

Month	10/16	10/19	10/20	10/21	10/22	10/23	10/26	10/27	10/28	10/29
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
OCT 15	15.60	15.56	15.55	15.59	15.52	15.49	15.46	15.47	15.47	15.45
NOV 15	15.66	15.51	15.46	15.69	15.67	15.46	15.51	15.52	15.50	15.40
DEC 15	15.68	15.51	15.40	15.68	15.67	15.51	15.58	15.56	15.48	15.37
JAN 16	15.62	15.55	15.45	15.67	15.67	15.48	15.52	15.55	15.49	15.37
FEB 16	15.70	15.65	15.65	15.81	15.81	15.66	15.66	15.70	15.62	15.55
MAR 16	15.80	15.77	15.81	16.02	16.03	15.82	15.82	15.86	15.83	15.77
APR 16	15.95	15.95	15.95	16.10	16.12	15.93	16.04	16.00	16.01	15.98
MAY 16	16.04	16.04	16.07	16.16	16.14	16.08	16.15	16.22	16.20	16.25
JUN 16	16.29	16.30	16.35	16.36	16.48	16.48	16.54	16.50	16.50	16.52
JUL 16	16.65	16.65	16.71	16.74	16.72	16.71	16.76	16.77	16.78	16.82
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
OCT 15	16.38	16.44	16.44	16.44	16.58	16.58	16.58	16.58	16.46	16.45
NOV 15	15.46	15.69	15.32	15.17	15.59	15.47	15.47	15.54	15.63	15.73
DEC 15	14.58	14.58	14.50	14.39	14.85	14.60	14.60	14.60	14.57	14.57
JAN 16	14.95	14.95	14.80	14.57	14.81	14.81	14.78	14.78	14.58	14.41
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
OCT 15	254.48	255.00	255.00	255.00	255.00	255.00	255.60	256.00	256.00	257.03
NOV 15	219.00	224.00	222.00	222.98	227.98	227.98	228.33	233.33	243.33	247.00
DEC 15	190.00	194.00	194.00	194.00	199.00	199.70	202.00	204.00	209.00	210.00
JAN 16	183.00	185.00	185.53	185.53	190.53	189.50	190.35	191.50	194.00	194.00
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
OCT 15	91.43	91.23	91.23	91.25	92.00	92.00	92.00	92.00	91.00	90.10
NOV 15	96.75	97.03	93.05	91.50	93.00	91.75	91.25	91.13	87.13	86.30
DEC 15	101.25	102.10	98.33	96.23	98.50	95.759	95.03	95.03	91.98	89.25
JAN 16	107.00	108.25	104.50	102.00	104.10	101.13	101.05	100.55	97.90	95.50
WHEY (Electronic-Traded) (¢/lb)										
OCT 15	24.03	24.25	24.25	24.25	23.53	23.25	23.25	23.25	23.25	22.83
NOV 15	26.63	26.73	26.10	25.90	25.08	25.08	25.30	26.00	26.00	25.00
DEC 15	27.88	28.10	27.53	28.00	27.50	27.38	27.85	29.00	28.00	27.55
JAN 16	30.10	30.00	29.63	30.13	29.00	29.18	29.80	31.00	30.00	29.30
CHEESE CSC (Electronic-Traded) (\$/lb)										
OCT 15	1.69	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68
NOV 15	1.70	1.67	1.68	1.70	1.70	1.68	1.69	1.68	1.68	1.67
DEC 15	1.70	1.68	1.67	1.70	1.70	1.68	1.68	1.67	1.67	1.66
JAN 16	1.69	1.68	1.67	1.69	1.68	1.67	1.67	1.67	1.67	1.66
FEB 16	1.68	1.68	1.68	1.70	1.70	1.68	1.68	1.68	1.68	1.68
MAR 16	1.70	1.69	1.69	1.71	1.71	1.70	1.69	1.69	1.69	1.69

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

September Agricultural Prices Highlights

The All Milk price received by farmers was \$17.50 in September, down \$8.20 from September 2014. The alfalfa hay price was \$157.00 in September, down \$40.00 from September 2014. The corn price was \$3.68 in September, up \$.19 from September 2014. The soybean price was \$9.05 in September, down \$1.85 from September 2014. The milk-feed price ratio was 2.25 in September, down 0.71 from September 2014.

The index of prices received by farmers for dairy products during the month of September 2015 was up 4 points to 87. Compared to September 2014, the index was down 41 points (32.0 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in September 2015 was down 1 point to 107. Compared with September 2014, the index was down 5 points (4.5 percent).

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

State	All-Milk price ^{1,2}		Alfalfa hay, baled		Corn for Grain		Soybeans	
	Sep		Sep		Sep		Sep	
	2014	2015	2014	2015	2014	2015	2014	2015
	<i>(dollars per cwt)</i>		<i>(dollars per ton)</i>		<i>(dollars per bushel)</i>		<i>(dollars per bushel)</i>	
AZ	24.60	16.30	195.00	130.00	---	---	---	---
CA	23.62	15.72	230.00	165.00	---	---	---	---
CO	25.60	18.20	215.00	190.00	3.95	3.80	---	---
ID	25.10	16.90	190.00	165.00	---	---	---	---
IN	26.30	17.60	---	---	3.59	3.85	11.00	9.00
IA	26.40	17.80	146.00	117.00	3.51	3.57	11.00	8.83
MI	26.20	17.20	170.00	165.00	3.55	3.73	11.20	8.92
MN	27.10	17.80	132.00	85.00	3.22	3.42	11.60	8.72
NM	23.80	16.60	255.00	190.00	---	---	---	---
NY	27.30	18.60	221.00	155.00	---	---	---	---
OH	26.30	18.40	170.00	195.00	3.55	3.82	11.10	8.88
PA	26.30	18.90	204.00	217.00	3.69	3.97	---	---
TX	26.10	18.20	230.00	220.00	4.02	4.07	---	---
WA	26.70	18.00	215.00	175.00	---	---	---	---
WI	26.60	17.90	148.00	100.00	3.53	3.58	11.20	8.62
U.S.	25.70	17.50	197.00	157.00	3.49	3.68	10.90	9.05

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

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

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ¹

State ²	Sep 2014	Aug 2015	Sep 2015
IA	3.45	2.48	2.61
MI	3.19	1.94	2.16
MN	3.77	2.94	2.96
OH	3.43	2.06	2.09
WI	3.44	2.59	2.77
U.S.	2.96	2.11	2.25

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

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

Item	Sep 2014	Aug 2015	Sep 2015
Index Numbers (1990-92=100):			
Prices received by farmers for dairy production	128	83	87
Prices paid by farmers for commodities and services, interest taxes, and wage rates	112	108	107

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

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

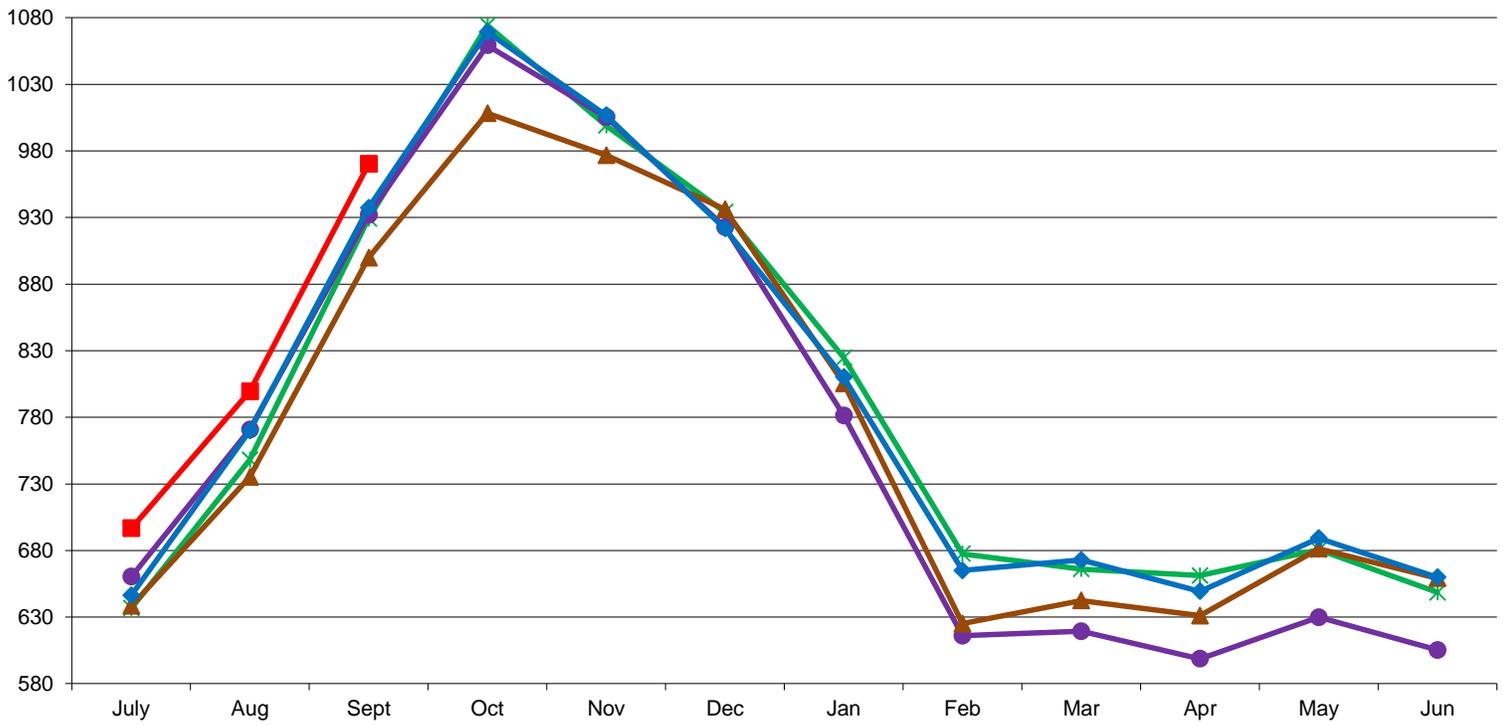
Consumer Price Index – 2015												
Month	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³								
Jul	247.0	1.6	221.4	-1.6	212.6	-6.5	234.2	-0.9	228.5	-1.3	261.6	3.1
Aug	247.7	1.6	220.7	-2.5	209.4	-8.4	231.9	-2.5	232.9	-1.8	263.6	2.0
Sep	248.6	1.6	222.3	-2.3	210.6	-9.1	233.2	-1.6	240.1	-2.2	263.2	0.9

U.S. City Average Retail Prices										
Month	Whole Milk ⁴		Butter ⁵		Process Cheese ⁶		Natural Cheese ⁷		Ice Cream ⁸	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	<i>(dollars)</i>									
Jul	3.430	3.645	N/A	N/A	4.352	4.426	5.376	5.560	4.466	4.719
Aug	3.389	3.673	N/A	N/A	4.346	4.482	5.336	5.580	4.597	4.751
Sep	3.392	3.732	N/A	N/A	4.439	4.450	5.382	5.565	4.791	4.987

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

Monthly Australian Milk Production

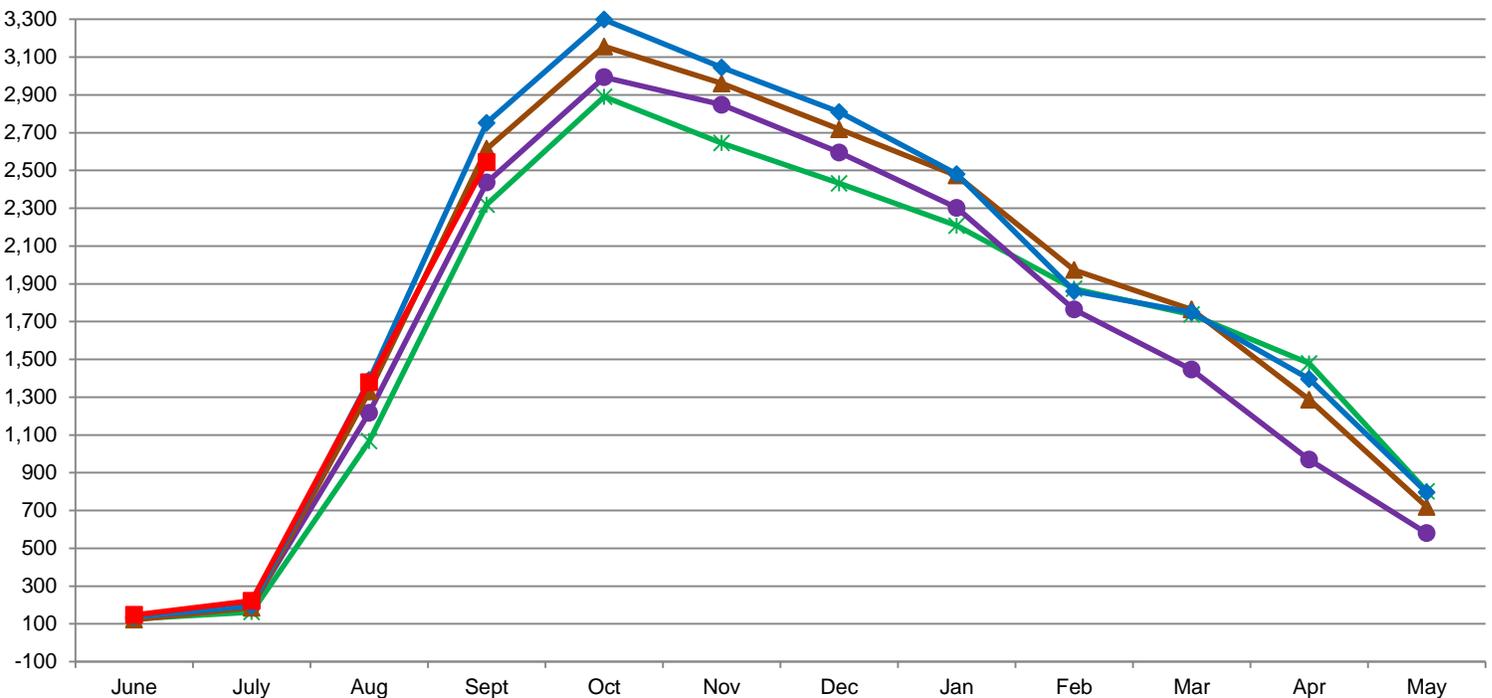
MILLION LITRES



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

Monthly New Zealand Milk Production

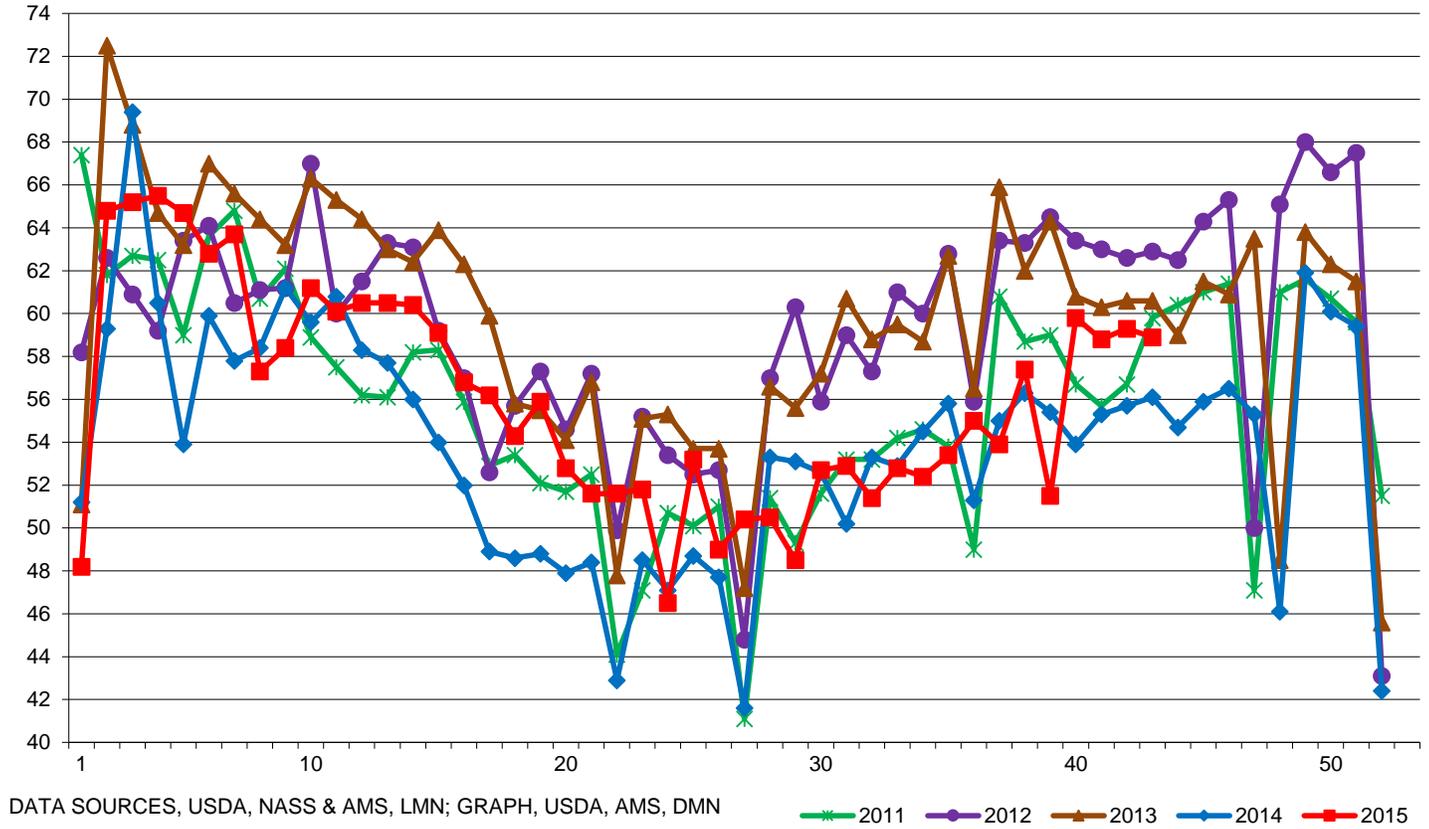
1,000 MT



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

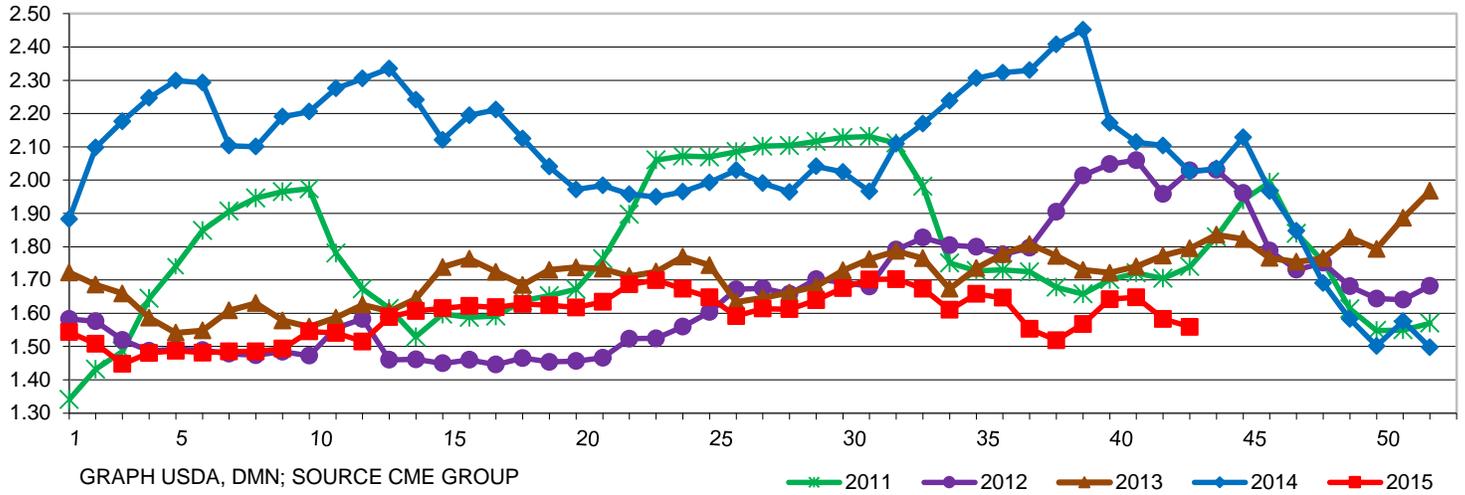
1,000 HEAD

Weekly Dairy Cow Slaughter under Federal Inspection



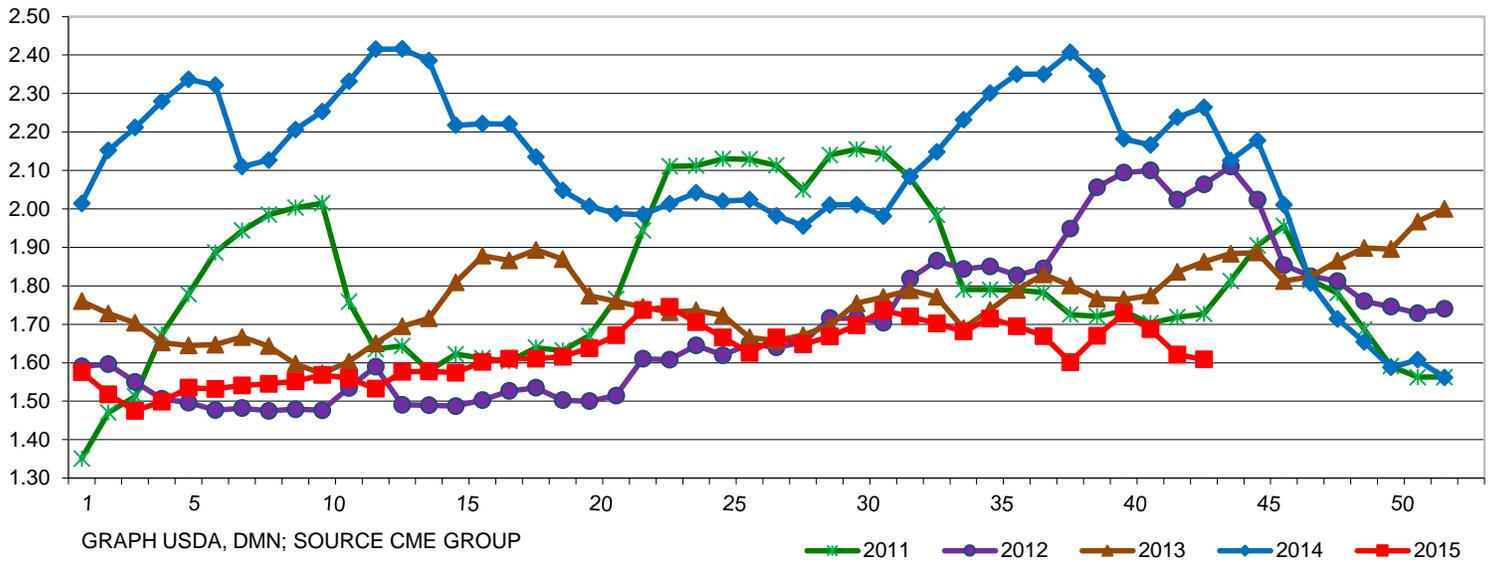
U.S. \$ PER POUND

CME Weekly Average Cash Barrel Prices



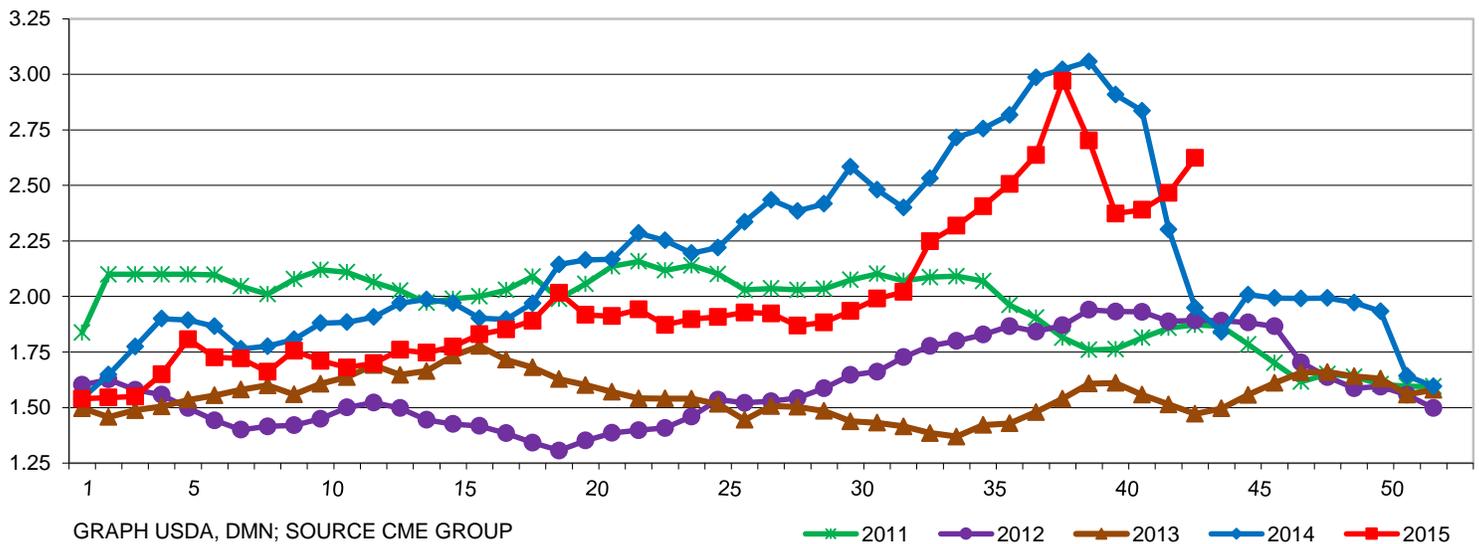
U.S. \$ PER POUND

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

Volume 82- Number 43

Issued Weekly

Friday, October 30, 2015

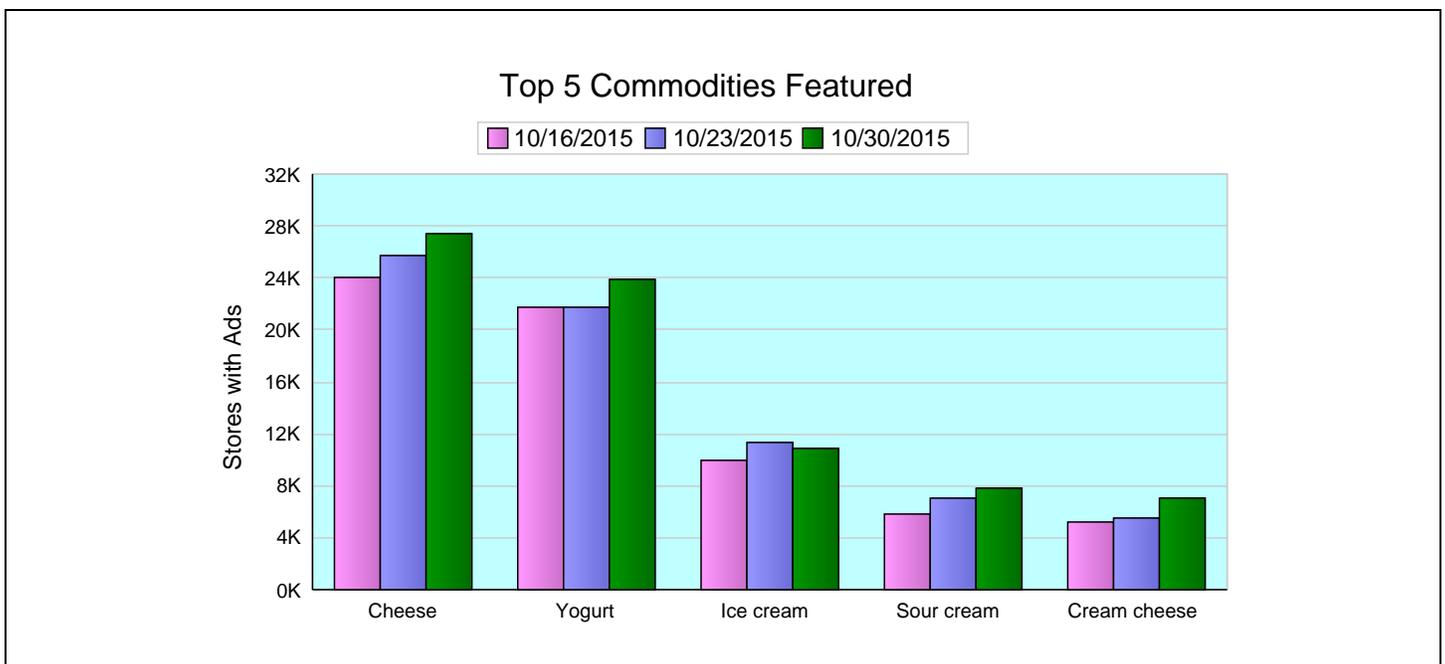
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 10/30/2015 to 11/05/2015

Milk advertisement numbers continue to shift lower. Ads for all conventional milk packages declined 69%. Milk in gallons had the biggest decline at 70%, followed by milk in half gallons at 62%. Butter ads declined by 30% this week. The average price for conventional 1# butter was \$3.51, compared to \$3.35 last week and \$3.82 one year ago. Ads for all conventional dairy products increased 2%, in contrast to a 10% decline in total organic dairy ad numbers.

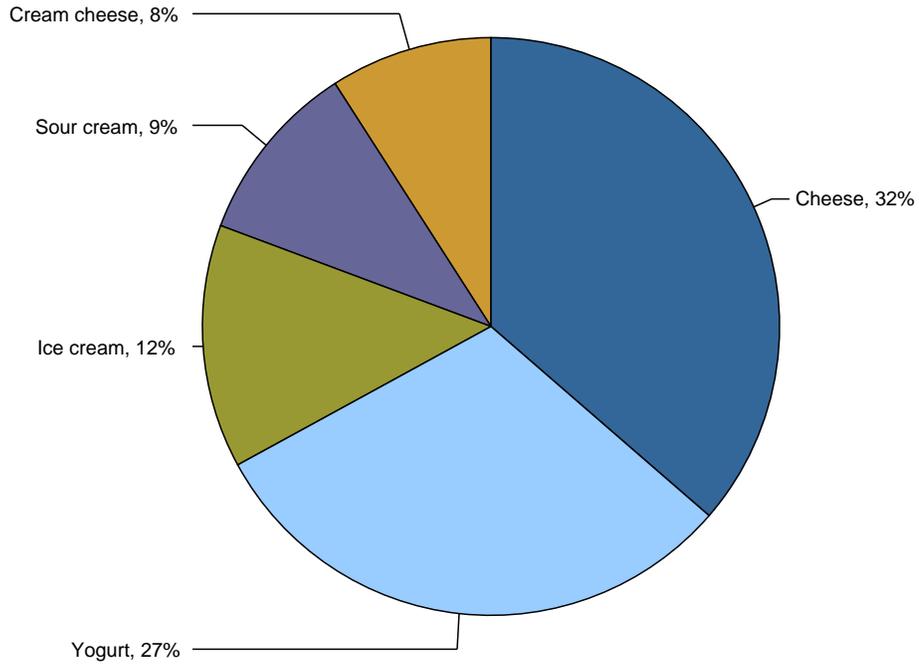
Conventional yogurt ad numbers increased 13% from last week, but organic yogurt ads declined by 44%. The average price of 4-6 ounce conventional Greek yogurt is 94 cents, down 2 cents from last week, and down 4 cent from a year ago. Conventional yogurt in 4-6 ounce packages averaged 50 cents, down 2 cents from last week, but unchanged from a year ago.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.29, up 13 cents from last week but down 12 cents from a year ago; 8 ounce shred cheese averaged \$2.14, down 15 cents from last week ago, and down 32 cents from one year ago. Ads for conventional cheese increased 6% from last week, while organic cheese ads held steady.

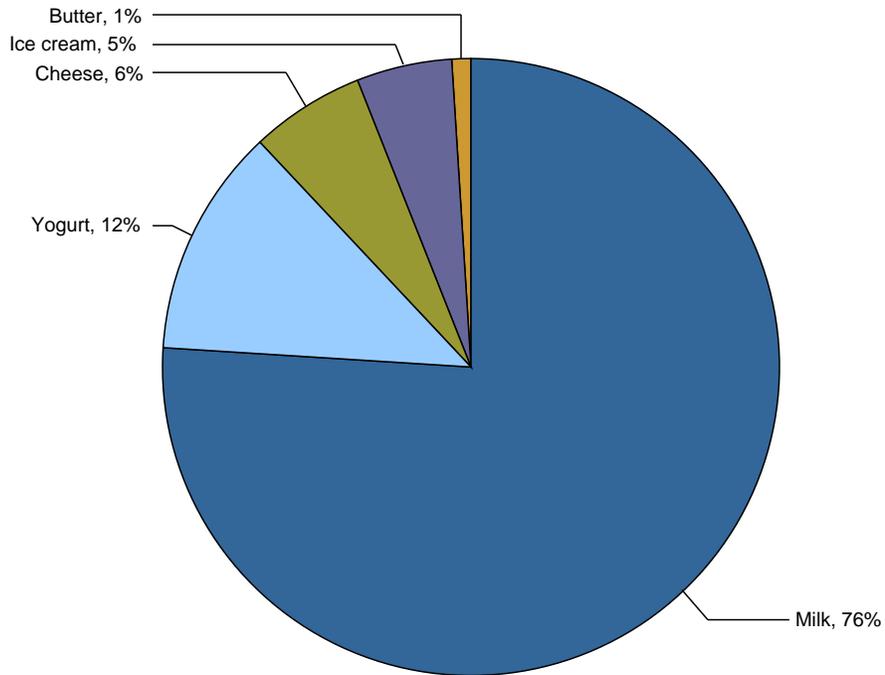
The price spread between organic and conventional half gallon milk is \$1.52. Last week the spread was \$2.66. The price spread is the difference between national weighted average prices for organic, \$4.52, and conventional, \$3.00.



Top 5 Percentage of Total Conventional Ads



Top 5 Percentage of Total Organic Ads





NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	2061	3.51	2929	3.35	5266	3.82
Cheese	Natural Varieties	8 oz block	11230	2.29	8883	2.16	6918	2.41
Cheese	Natural Varieties	1 # block	974	3.77	891	3.83	1439	5.30
Cheese	Natural Varieties	2 # block	98	6.11	642	5.28	2337	8.45
Cheese	Natural Varieties	8 oz shred	10502	2.14	12124	2.29	6035	2.46
Cheese	Natural Varieties	1 # shred	4227	4.55	2907	4.65	2031	4.98
Cottage cheese		16 oz	2608	2.20	3646	1.80	2989	2.02
Cream cheese		8 oz	7073	1.73	5517	1.95	6677	1.64
Flavored milk	All fat tests	half gallon	893	1.59	625	1.93	415	2.40
Flavored milk	All fat tests	gallon	1086	3.01	788	2.83	533	3.94
Ice cream		48-64oz	10604	2.90	11292	2.98	13666	3.23
Milk	All fat tests	half gallon	242	3.00	631	1.33	443	2.30
Milk	All fat tests	gallon	1340	2.14	4461	2.60	1041	3.78
Sour cream		16 oz	7822	1.82	6832	1.69	3706	1.84
Yogurt	Greek	4-6 oz	15463	.94	12327	.96	16528	.98
Yogurt	Greek	32 oz	815	4.20	2186	4.38		
Yogurt	Yogurt	4-6 oz	6024	.50	5635	.52	4938	.50
Yogurt	Yogurt	32 oz	881	2.12	293	2.38	167	2.49

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 #	3.00-3.99	835	3.55	3.00	276	3.00	3.00	335	3.00
Cheese	Natural Varieties	8 oz block	1.50-3.50	2083	2.43	1.79-3.99	4248	2.39	0.98-2.50	2948	2.05
Cheese	Natural Varieties	1 # block							4.99	213	4.99
Cheese	Natural Varieties	8 oz shred	1.50-2.99	2631	2.20	1.79-2.50	2332	2.14	0.98-3.00	2865	2.09
Cheese	Natural Varieties	1 # shred	3.99-4.96	618	4.49				3.29-4.99	1611	4.35
Cottage cheese		16 oz	1.79-2.50	486	2.23	2.50	1002	2.50	1.00-2.50	728	1.71
Cream cheese		8 oz	1.50-2.50	2161	1.85	1.50-2.39	1247	1.54	0.99-2.29	2035	1.73
Flavored milk	All fat tests	half gallon				0.99	184	.99	1.79-2.29	266	1.89
Flavored milk	All fat tests	gallon							3.00-3.69	238	3.35
Ice cream		48-64oz	1.99-3.50	4023	2.73	1.99-3.33	2437	2.72	1.99-4.99	1146	3.25
Milk	All fat tests	half gallon	3.00	137	3.00						
Milk	All fat tests	gallon	1.99	84	1.99	2.50	62	2.50	1.88-2.77	458	2.14
Sour cream		16 oz	1.29-2.00	2717	1.77	1.77-2.00	275	1.82	0.99-2.29	1609	1.70
Yogurt	Greek	4-6 oz	0.79-1.25	4373	.97	0.80-1.00	1921	.98	0.69-1.00	3770	.86
Yogurt	Greek	32 oz	3.99-5.39	491	4.55	3.89	61	3.89			
Yogurt	Yogurt	4-6 oz	0.40-0.60	2705	.49	0.45-0.50	1578	.49	0.50-0.60	496	.51

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	1.99-2.49	314	2.22				1.88-1.99	332	1.92

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	74	2.99	4.28-5.49	274	4.89	3.00-3.50	190	3.18
Cheese	Natural Varieties	8 oz block	1.67-2.50	899	2.10	1.88-2.50	473	2.21	1.50-2.50	481	2.36
Cheese	Natural Varieties	1 # block				2.99-3.49	367	3.22	3.50-3.99	394	3.63
Cheese	Natural Varieties	2 # block				5.99	90	5.99			
Cheese	Natural Varieties	8 oz shred	0.98-2.50	1383	2.02	1.88-2.50	764	2.13	1.99-2.50	454	2.06
Cheese	Natural Varieties	1 # shred	4.96	973	4.96	4.96-5.18	481	5.02	3.50-4.96	524	3.96
Cottage cheese		16 oz	2.99	72	2.99	0.99-2.99	296	2.10			
Cream cheese		8 oz	1.49-2.50	736	1.60	1.49-2.50	732	1.72	1.50-2.50	121	2.00
Flavored milk	All fat tests	half gallon	0.99-1.99	338	1.26				2.99	105	2.99
Flavored milk	All fat tests	gallon	2.99-3.69	195	3.26	1.99-2.99	364	2.66	2.99	289	2.99
Ice cream		48-64oz	1.99-4.99	1221	3.09	1.99-3.99	1326	2.99	2.99-3.50	253	3.13
Milk	All fat tests	half gallon							2.99	105	2.99
Milk	All fat tests	gallon	1.88-1.99	235	1.94	1.99-2.78	501	2.21			
Sour cream		16 oz	1.49-2.99	1351	1.93	0.99-2.99	1564	1.87	1.79-1.98	235	1.90
Yogurt	Greek	4-6 oz	0.80-1.00	2080	.95	0.80-1.00	2052	.94	0.80-1.00	1206	.94
Yogurt	Greek	32 oz				3.50	62	3.50	3.50-4.00	174	3.70
Yogurt	Yogurt	4-6 oz	0.50	550	.50	0.50	348	.50	0.40-0.50	292	.46
Yogurt	Yogurt	32 oz							1.99-2.50	235	2.27

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 #	3.99-4.49	19	4.15	2.99-3.89	58	3.52
Cheese	Natural Varieties	8 oz block	2.50	6	2.50	2.50-5.99	92	3.95
Cheese	Natural Varieties	2 # block	6.99-8.99	8	7.49			
Cheese	Natural Varieties	8 oz shred	2.50-3.00	8	2.63	2.50-5.99	65	4.34
Cheese	Natural Varieties	1 # shred	6.46	8	6.46	6.46	12	6.46
Cottage cheese		16 oz				2.50	24	2.50
Cream cheese		8 oz	1.98-2.00	14	2.00	2.49	27	2.49
Ice cream		48-64oz	3.48-8.99	62	6.19	2.75-5.19	136	3.98
Sour cream		16 oz	2.14	8	2.14	2.29-3.08	63	2.53
Yogurt	Greek	4-6 oz	1.00-1.25	34	1.10	1.25	27	1.25
Yogurt	Greek	32 oz				3.49	27	3.49
Yogurt	Yogurt	4-6 oz	0.70-0.80	31	.79	0.89	24	.89



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 #	62	4.98	560	4.58		
Cheese	Natural Varieties	8 oz block	63	4.75	63	4.75	1373	3.83
Cheese	Natural Varieties	8 oz shred	267	3.69	267	3.99	885	3.99
Cottage cheese		16 oz			376	3.00		
Ice cream		48-64oz	244	4.49				
Milk	All fat tests	half gallon	3032	4.52	1417	3.99	1961	3.32
Milk	All fat tests	gallon	221	6.98	436	6.72	235	5.99
Milk	All fat tests	8 oz UHT	688	1.00	1287	.89	3242	1.00
Sour cream		16 oz			214	3.00	251	3.00
Yogurt	Greek	4-6 oz	573	1.16	304	1.25		
Yogurt	Greek	32 oz			237	5.88		
Yogurt	Yogurt	4-6 oz	63	.99	304	1.22		
Yogurt	Yogurt	32 oz	3	3.50	304	3.49	373	3.61

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.98	62	4.98						
Milk	All fat tests	half gallon	4.29-4.99	764	4.76	4.49	1083	4.49	4.29	343	4.29
Milk	All fat tests	gallon	6.99	84	6.99						
Milk	All fat tests	8 oz UHT	0.99-1.00	627	1.00	1.00	61	1.00			
Yogurt	Greek	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
Cheese	Natural Varieties	8 oz block	4.75	63	4.75						
Cheese	Natural Varieties	8 oz shred	3.50	162	3.50				3.99	105	3.99
Ice cream		48-64oz				4.49	244	4.49			

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	4.29	239	4.29	4.29-4.99	478	4.56	3.99-4.29	121	4.14
Milk	All fat tests	gallon				6.98	137	6.98			
Yogurt	Greek	4-6 oz	1.00	141	1.00	1.25	360	1.25			
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
Milk	All fat tests	half gallon				4.29	4	4.29
Yogurt	Yogurt	32 oz				3.50	3	3.50

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

GENERAL NUMBER
(608)557-7000

Elizabeth Frederick
(608) 557-7002
Elizabeth.Frederick@AMS.USDA.GOV

EAST
Daniel Johnson
(608) 557-7006
Daniel.Johnson@AMS.USDA.GOV

CENTRAL/INTERNATIONAL
Tara Herbst
(608) 557-7007
Tara.Herbst@AMS.USDA.GOV

SOUTHWEST
Janet Linder
(608) 557-7003
Janet.Linder@AMS.USDA.GOV

Angel Teran
(608) 557-7011
Angel.Teran@AMS.USDA.GOV

NORTHWEST/MOUNTAIN
Mike Bandli
(608) 557-7010
Mike.Bandli@AMS.USDA.GOV

NATIONAL SUPERVISOR
Butch Speth
(608) 557-7001
Butch.Speth@AMS.USDA.GOV

VOLUME: 82

REPORT: 43

DATE: 10/30/2015

ORGANIC
Eric Graf
(608) 557-7005
Eric.Graf@AMS.USDA.GOV

INTERNET ADDRESS
www.ams.usda.gov/market-news/dairy

MARKET NEWS PORTAL
www.marketnews.usda.gov/mnp/da-home

RECORDED INFORMATION SYSTEM
(608) 557-7000

FAX
(608) 819-0629

USDA, Dairy Market News
4600 American Parkway, STE 106
Madison, WI 53718-8334