

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (12/31)**

BUTTER: Grade AA closed at \$2.0800. The weekly average for Grade AA is \$2.0450 (+.0119).

CHEESE: Barrels closed at \$1.5300 and 40# blocks at \$1.5075. The weekly average for barrels is \$1.4875(+.0575) and blocks, \$1.4544 (+.0406).

NONFAT DRY MILK: Grade A closed at \$.7550. The weekly average for Grade A is \$.7488 (-.0112).

BUTTER HIGHLIGHTS: In the West and Central regions, butter production is active as heavy cream volumes are clearing into butter churn facilities. In the East, cream demand for butter processing is transitioning to yogurt manufacturing. Nationwide, butter demand from retailers is light but steady from food service. With the passing of the Q4 holidays, interest for print butter is sharply waning. Currently, processors are focused on making bulk butter. Inventories are building. At the CME Group, Grade AA butter price on Thursday closed at \$2.0800, 4.25 cents up for the week.

CHEESE HIGHLIGHTS: The final week of the year finds cheesemakers mostly running full schedules, with all the milk they can handle being available. In the Midwest, milk is available at prices ranging from \$3.00 to \$8.00 under Class. While sales have been good, the continuing high volumes of cheese production are leaving some inventories long, especially cheese used for further processing. At the CME Group, Barrels closed the week Thursday (no Friday trading) at \$1.5300, up \$0.1000 and blocks closed at \$1.5075, up \$0.1025 for the week.

FLUID MILK: Farm level milk production is higher in California, Arizona, Florida, and the Northeast region. Milk output is steady in the other regions of the country. Between the last weekend and early this week, winter storms affected New Mexico and the Central states. Because of this, some producers anticipate a reduction of milking cows in the short term. Balancing plants have been very busy clearing heavy milk volumes. Bottled milk orders are mixed throughout the country as schools in some states are reopening during next week, but will still closed in others. Cream supplies are still increasing and are clearing into butter churn facilities. Demand for cream is light.

DRY PRODUCTS: The market tone is weak for nonfat dry milk (NDM) products. Sales in the f.o.b. spot market have been slow

throughout the week. Demand for high heat NDM from the bakery sector is waning. Dry buttermilk production is active, matching active butter churning throughout the country. Interest from buyers is light beyond immediate needs. The dry whole milk market is weak with limited spot sales. At this point, dry whey market is stable. Some WPC34% processors have shifted production to higher protein concentrations. Lactose production is steady but some manufacturers state their inventories are tighter.

ORGANIC DAIRY MARKET NEWS (DMN): Total organic milk products sales during a number of months this year have struggled to stay ahead of monthly sales in 2014. October 2015, the most current month with data available, was the fifth month of this year with sales lagging the same month of 2014. The U.S. weighted average advertised price of organic milk half gallons is \$4.11, up 22 cents from last week, and up 96 cents from last year. Ads appeared in all regions except the Midwest and Alaska. Paradoxically, even with tight organic supplies, occasional incidents of organic dairy products having difficulty finding an end user remain. This week, pallets of organic cream found no immediate organic customer and were the subject of some added efforts to move them to a customer, even at a time when organic cream is in overall short supply. When no organic end user is found, organic products such as this cream may simply be blended into the conventional milk supply and sell at conventional, rather than organic, prices. This illustrates the problem of volumes at various plants not being adequately high to achieve desired efficiencies in manufacturing organic dairy products.

NATIONAL RETAIL REPORT-DAIRY (DMN): The volume of dairy ads fell off in the holiday shortened week. Conventional dairy ads decreased by 55%, while organic dairy ads decreased by 42% compared to the previous week. Holiday favorites such as butter dropped 99%, cream cheese declined 71%, and egg nog ads were absent from surveyed store circulars. The top three advertised dairy items this period were 4-6 ounce packages of Greek yogurt, 16 ounce packages of sour cream, and 48-64 ounce containers of ice cream. The average price for conventional yogurt in 4-6 ounce packages is 49 cents, down 2 cents from last week, but 1 cent higher than a year ago. The average price of 4-6 ounce conventional Greek yogurt is \$.95, down 1 cent from last week and unchanged from a year ago.

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CME GROUP CASH TRADING

COMMODITY	MONDAY DEC 28	TUESDAY DEC 29	WEDNESDAY DEC 30	THURSDAY DEC 31	FRIDAY JAN 01	:: WEEKLY :: CHANGE*	:: WEEKLY :: AVERAGE#
CHEESE							
BARRELS	\$1.4700 (+.0400)	\$1.4700 (N.C.)	\$1.4800 (+.0100)	\$1.5300 (+.0500)	CME	:: (+.1000)	:: \$1.4875 :: (+.0575)
40# BLOCKS	\$1.4300 (+.0250)	\$1.4300 (N.C.)	\$1.4500 (+.0200)	\$1.5075 (+.0575)	CLOSED	:: (+.1025)	:: \$1.4544 :: (+.0406)
NONFAT DRY MILK							
GRADE A	\$.7475 (-.0125)	\$.7425 (-.0050)	\$.7500 (+.0075)	\$.7550 (+.0050)	NO	:: (-.0050)	:: \$.7488 :: (-.0112)
BUTTER							
GRADE AA	\$2.0175 (-.0200)	\$2.0175 (N.C.)	\$2.0650 (+.0475)	\$2.0800 (+.0150)	TRADES	:: (+.0425)	:: \$2.0450 :: (+.0119)

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

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Conventional yogurt ad numbers decreased 6% from last week; however within the category, non-Greek yogurt in 4-6 ounce packages increased by 231%. Organic yogurt ads decreased 81%. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.01, down 18 cents from last week and 50 cents below a year ago; 8 ounce shred cheese averaged \$2.24, down 3 cents from last week and 11 cents below one year ago. Ads for conventional cheese decreased 46% from last week, and organic cheese ads increased 20%. The price spread between organic and conventional half gallon milk is \$2.75. The price spread is the difference between national weighted average prices for organic, \$4.11, and conventional, \$1.36. Conventional milk ads increased by 57% from last week, while organic ads decreased by 21%.

DECEMBER FEDERAL MILK ORDER CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the December 2015 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$16.71 (-\$1.55), Class III: \$14.44 (-\$0.86), and Class IV: \$15.52 (-\$1.37). Under the Federal milk order pricing system, the butterfat price for December 2015 is \$2.9057 per pound. Thus, the Class II butterfat price is \$2.9127 per pound. The protein and other solids prices for December 2015 are \$1.3599 and \$0.0355 per pound, respectively. These component prices set the Class III skim milk price at \$4.43 per cwt. The December 2015 Class IV skim milk price is \$5.54, which is derived from the nonfat solids price of \$0.6153 per pound. The product price averages for December 2015 are: butter: \$2.5709, nonfat dry milk: \$0.7893, cheese: \$1.5719, and dry whey: \$0.2336.

NOVEMBER CONSUMER PRICE INDEX (BLS): The November CPI for all food is 248.3, up 1.3% from 2014. The dairy products index is 220.6, down 3.4% from a year ago. The following are the November to November changes for selected products: fresh whole milk is -9.5%; cheese, -3.3%; and butter, -4.1%.

NOVEMBER AGRICULTURAL PRICES HIGHLIGHTS (NASS): The All Milk price received by farmers was \$18.20 in November, down \$4.80 from November 2014. The alfalfa hay price was \$150.00 in November, down \$32.00 from November 2014. The corn price was \$3.60 in November, no change from November 2014. The soybean price was \$8.68 in November, down \$1.52 from November 2014. The milk-feed price ratio was 2.42 in November, down 0.33 from November 2014. The index of prices received by farmers for dairy products during the month of November 2015 was up 3 to 91. Compared to November 2014, the index was down 23 points (-20.2 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in November 2015 was down 1 point to 106. Compared with November 2014, the index was down 6 points (5.4 percent).

CME GROUP

MONDAY, DECEMBER 28, 2015

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.4525, 1 @ \$1.4700, 1 @ \$1.4525, 1 @ \$1.4600; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.4700; 1 CAR 40# BLOCKS @ \$1.4300; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.7550, 1 @ \$0.7500; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.7450; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7475
 BUTTER -- SALES: 10 CARS GRADE AA: 1 @ \$2.0350, 1 @ \$2.0150, 5 @ \$2.0100, 2 @ \$2.0150, 1 @ \$2.0175; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0200

TUESDAY, DECEMBER 29, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 6 CARS GRADE A: 2 @ \$0.7475, 3 @ \$0.7450, 1 @ \$0.7425; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7300; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.0175; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0075; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0275

WEDNESDAY, DECEMBER 30, 2015

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.4500; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4800; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7500; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0650; LAST OFFER UNCOVERED: NONE

THURSDAY, DECEMBER 31, 2015

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.4900, 1 @ \$1.5000, 1 @ \$1.5100, 1 @ \$1.5200, 1 @ \$1.5300; 8 CARS 40# BLOCKS: 1 @ \$1.4550, 1 @ \$1.4650, 1 @ \$1.4750, 1 @ \$1.4850, 1 @ \$1.4950, 1 @ \$1.5000, 1 @ \$1.5050, 1 @ \$1.5075; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5300; 1 CAR 40# BLOCKS @ \$1.5050; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.5100
 NONFAT DRY MILK -- SALES: 5 CARS GRADE A: 1 @ \$0.7525, 1 @ \$0.7500, 1 @ \$0.7525, 2 @ \$0.7550; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7550; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.0800; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.0800; LAST OFFER UNCOVERED: NONE

FRIDAY, JANUARY 1, 2016

CME CLOSED

BUTTER MARKETS

NORTHEAST

There is a maxim heard from people who manufacture butter and handle cream, "December feeds demand for fat but in January people want healthy." What that means is that cream in demand for butter in December transitions more toward use for yogurt manufacturing in January. This week there has been a movement of available cream being sold, rather than churned. There are expectations of more cream being available in January, as bottling increases and standardization of milk yields cream. This week, bulk butter prices for domestic sales are flat market to 5 over the market of the CME Group, with various time frames and averages used. According to the *DMN National Retail Report-Dairy*, during the week of December 25-31, 2015, the U.S. weighted average advertised price for 1 pound butter was \$3.03, down 3 cents from a year ago, and down 7 cents from the previous week. The weighted average butter price in the Northeast was \$3.24. At the CME Group Grade AA butter closed Wednesday at \$2.0650, up \$0.0225 from last Wednesday.

CENTRAL

Churn operators report they are taking in heavy cream volumes off the spot market. Butter production is active throughout the region, with Western and Eastern sources sending cream loads into the Central as one of their primary outlets. F.O.B. prices are hovering below flat market on cream loads originating outside the Central. Butter demand is at expected levels, with light demand from retail. Food service needs are steady. Bulk butter inventories are building. A few manufacturers are making purchases help balance out average costs of inventories. The *DMN National Retail Report-Dairy* for December 25-31 noted the national weighted average advertised price for a 1 pound package of butter was \$3.03, down \$0.07 from one week ago and \$0.03 lower than a year ago. The weighted

average prices in the Midwest and South Central regions, respectively, are \$2.35 and \$2.63. The CME Group Grade AA butter market closed Wednesday at \$2.0650. This is up 2.25 cents from last Wednesday. Bulk butter prices range from 4 cents under to 7 cents over the market, based on CME Group prices and various indices.

WEST

Butter production is steady to higher as more cream is available for churning. Some butter makers are using the inexpensive cream and rebuilding their inventories. Print butter demand has dropped off sharply with the passing of the Q4 holidays. Most of the butter production is focused on making bulk butter, with print made only for immediate needs. The *DMN National Retail Report-Dairy* for the week of December 25-31 found that the U.S. weighted average advertised price of 1 pound butter is \$3.03, down \$.07 from one week ago and down \$.03 from one year ago. In the Southwest, the weighted average advertised price for 1 pound butter was \$3.23 with a price range of \$1.69-\$3.99, and in the Northwest, \$3.24 with a price range of \$2.50-\$4.00. Bulk butter pricing in the West this week is 4 cents under market to 2 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 \$2.0650, up \$.0225 from a week ago.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

<u>WEEK ENDING</u>	<u>BUTTER</u>	<u>CHEESE 40# BLOCKS</u>	<u>CHEESE BARRELS 38% MOISTURE</u>	<u>DRY WHEY</u>	<u>NDM</u>
December 26, 2015	2,0710 3,451,378	1,5076 10,139,836	1,4983 8,590,783	.2293 6,217,195	.7790 12,265,158

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

CHEESE MARKETS

NORTHEAST

Cheese production in the Northeast was bolstered by milk not needed for the fluid market over the holiday period. Even without the holiday factor, Northeast milk supplies have been bolstered in recent times by a mild winter with unseasonably warm weather. This has left cheese manufacturers motivated to keep production schedules quite full, hoping the experience of 2015 that cheese will find buyers, remains into 2016 with higher volumes of production. According to the *DMN National Retail Report-Dairy*, during the period December 25-31, the weighted average advertised price for 8 ounce cheese blocks in the Northeast is \$2.25, 6 cents more than the national average, \$2.19. Northeast prices range from \$1.88 to \$2.50. One year ago the national average was \$2.51. The Southeast 8 ounce block cheese price is \$2.31. Southeast prices range from \$1.99 to \$2.50. Wholesale prices for Swiss and process are unchanged and the other varieties adjusted \$.0150 lower. In CME Group trading Wednesday, barrels closed at \$1.4800, up \$.0600 from last Wednesday and blocks closed at \$1.4500, up \$.0500.

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

Cheddar 40# Block	:	1.8125-2.0975
Process 5# Sliced	:	1.6450-2.1250
Muenster	:	1.8325-2.1825
Grade A Swiss Cuts 10 - 14#	:	3.2100-3.5325

MIDWEST

Cheese production is scheduled very heavily at most Midwest cheese plants. Spot milk is readily available at prices ranging from \$3.00 to \$8.00 under Class. Cheese is a preferred use for the extra milk not needed for retail fluid markets. Moreover, Wisconsin milk production in particular, has been noticeably above year ago levels. Substantial milk volumes are pushing cheese production schedules. Consumer demand has been good, but the higher volumes of cheese production during many recent months have overwhelmed demand, with less help from exports than had been hoped for. The *DMN National Retail Report-Dairy* shows that December 25-31 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.17, 10 cents lower than the national average. Midwest prices range from \$1.49 - \$2.50. One year ago the national price was \$2.35. For 8 ounce blocks, the Midwest average price is \$2.01, 18 cents lower than the national average price. Midwest ads are priced from \$0.98 to \$2.50. Last year, the national price was \$2.51. Midwestern wholesale prices are unchanged for Swiss cuts and process, but down \$.0150 for all other types. In CME Group trading Wednesday, barrels closed at \$1.4800, up \$.0600 from last Wednesday and blocks closed at \$1.4500, up \$.0500.

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

Process American 5# Loaf	:	1.5275-1.8875
Brick And/Or Muenster 5#	:	1.7925-2.2175
Cheddar 40# Block	:	1.5200-1.9150
Monterey Jack 10#	:	1.7675-1.9725
Blue 5#	:	2.0600-3.0475
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5925-2.5325
Grade A Swiss Cuts 6 - 9#	:	2.7275-2.8450

WEST

Western cheese production is steady to higher. Milk is readily available for processing and many cheesemakers are running at full production between the holidays. Cheese inventories are generally long, especially cheese used for further processing. The *DMN National Retail Report-Dairy* for the week of December 25-31 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.27, unchanged from last week, but down \$.08 from a year ago. Packs averaged \$2.25 in the Southwest and \$2.28 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.19, down \$.03 from last week, and down \$.32 from a year ago. Blocks averaged \$2.22 in the Southwest and \$2.26 in the Northwest this week. In the West, wholesale prices are unchanged for process, and down \$.0150 for cheddar block, cuts, and Monterey jack. Prices are unchanged for Swiss cuts. In CME Group trading Wednesday, barrels closed at \$1.4800, up \$.0600 from a week ago and blocks closed at \$1.4500, up \$.0500.

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

Process 5# Loaf	:	1.5425-1.8000
Cheddar 40# Block	:	1.5250-1.9700
Cheddar 10# Cuts	:	1.7050-1.9250
Monterey Jack 10#	:	1.7150-1.8750
Grade A Swiss Cuts 6 - 9#	:	2.7875-3.2175

FOREIGN

Most import orders for January are finalized. February Foreign cheese needs are being assessed as to the extent of inventory restocking needed. Domestic foreign type cheese prices in the U.S. adjusted down \$.0150 except for Swiss, which was unchanged.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 1.9875-3.4750*
Gorgonzola	: 3.6900-5.8900	: 2.4950-3.1925*
Parmesan (Italy)	: -0-	: 3.3775-5.4675*
Provolone (Italy)	: -0-	: 2.0300-2.2825*
Romano (Cows Milk)	: -0-	: 3.1775-5.3275*
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-	: 3.2475-3.5700
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
12/28/15	7,192	93,978
12/01/15	7,684	94,943
CHANGE	-492	-965
% CHANGE	-6	-1

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	90	0	60	0	80
SOUTHEAST STATES	0	0	0	0	0	0

Northeast milk production flowing into processing plants has been above year earlier levels in many plants. The mild, warmer winter has been a factor. Cheese plants and dryers are busy helping to handle the holiday period volumes, with retail bottling having slowed. Balancing plants in the Southeast have been very busy helping with milk flowing from the middle Atlantic states, as well as some milk from the Southwest. The middle Atlantic milk results primarily from the holiday period while Southwest milk volumes moving toward the Southeast are boosted by harsh weather disrupting milk flows and processing there. Eastern drying schedules have been pressured to handle milk. Florida milk production is growing at a slower pace, with weather getting hotter, reaching the mid 80s. Milk sales are flat this week and milk exports increased from 60 to 90 loads. Prices are lower for Class II **condensed skim**. Some sellers are working harder than they expected to move loads to buyers. **Cream multiples** are ranging **.90-1.10**. Cream from the East is shipping as far as Nebraska to find a buyer. Some of those sales net the seller about 75% f.o.b. the shipping plant factoring in costs of moving the cream.

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 - 1.8297-2.2364

F.O.B. producing plants: Upper Midwest - \$1.8298-2.2771

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

Northeast - Class II - includes monthly formula prices - .30-.80

Northeast - Class III - spot prices - .40-.53

MIDWEST

Milk production is generally steady in the Central region. Winter storms moved through the entire region, causing delays in transporting milk loads. Reports include milk trucks being stranded for over 2 days due to impassable roads. The extent of losses of dairy cows and youngstock are undetermined. Milk volumes clearing to bottling plant operators are light through mid-week, but ramp up toward the close of the week as school district managers have orders in place for next week. Production of holiday-related Class II products, such as eggnog varieties, finished over the weekend at most bottling locations. According to the DMN *National Retail Report-Dairy* for the week of December 25-31, the national and Midwest weighted average advertised prices for one gallon of milk are, respectively, \$2.72 and \$1.97. Class III operators indicate they are taking in milk loads ahead of the butter/powder plants. Spot milk prices range from \$3.00-\$8.00 under Class. Milk from the East continues to fill in processing slots in Midwestern cheese plants. Cream is plentiful as several Class II plants are using the mid-holiday period to complete maintenance projects. Multiples for Central region Class II cream range from .90-1.12.

WEST

Farm level milk production is steady to higher in California. Cooler temperatures and low humidity are enhancing cow comfort. Orders from bottlers peaked early in the week, however declined through the end of the week as most of schools are closed until the second week of January. Milk intakes clearing into Class 4a (butter/powder) are steady to higher. According to California Department of Food and Agriculture, November 2015 Class 1 sales in California totaled 55.4 million gallons, 2.2% lower compared to the same month a year ago. From January through November 2015, Class 1 sales totaled 605.8 million gallons, 4.7% lower than the comparable period in 2014. Cooler and drier climate continues raising milk yields in Arizona. Orders from bottlers are improving as they strive to cover consumer needs over the upcoming holiday weekend. In addition, schools will reopen during next week. Demand for condensed skim from yogurt makers is active. Last weekend, New Mexico faced a blizzard with strong winds and heavy amounts of snow. A significant number of dairy cows were impacted by the storm. Because of this, some producers anticipate a reduction of milking cows in the short term. At this point, New Mexico farm level milk production is steady. Class I sales were higher for the week. Sales into Class II are improving. Sales into Class III are steady to higher. Pacific Northwest milk production is steady. More milk is flowing into manufactured products with bottling demand slower over the school year winter break. Utah and Idaho milk production is unchanged. Manufacturers say milk is readily available for processing. A large dairy herd dispersal sale is scheduled for next week in Utah. Western cream supplies are still increasing. Regional butter plants are running full schedules helping to clear up cream volumes. Cream spot sales have been light throughout the week. Multiples for all classes are ranging from 1.00 to 1.24. Due to lower pricing, some churn operators are churning internal cream in lieu of selling in the spot market. At the CME Group, Grade AA butter price on Wednesday closed at \$2.0650, 2.25 cents up from a week ago.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices for low/medium heat nonfat dry milk in the Central region are unchanged to lower. The market tone remains weak as f.o.b. spot prices mirror movement on various indices that shifted lower. Market activity is light on a holiday shortened week. Buyers are filling near-term needs intermittently, but many feel they can wait to finalize mid-term needs. Production of low/medium heat NDM is active as milk marketers are finding scant interest from Classes I and II end users. Class III plant operators are taking some additional milk loads. Low/medium heat NDM inventories are building steadily. High heat nonfat dry milk prices are unchanged. With the holiday baking season over, interest is limited for f.o.b. spot loads. Inventories are light to moderate as most manufacturers gear production toward fulfilling contracts.

EAST: Low/medium nonfat dry milk prices are steady to lower on the range and the mostly series. The market undertone is weak. Sales in the f.o.b spot market have been slow throughout the week. Production is very active as milk volumes continue clearing into NDM processing plants. Inventories are steady to building. High heat nonfat dry milk prices are unchanged. Spot sales activity is light. Production is steady. Inventories are adequate for filling near-term needs.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8000 - .8700 MOSTLY: .8300 - .8600
 HIGH HEAT: .9000 - 1.1500

NONFAT DRY MILK - WEST

Low/medium heat nonfat dry milk (NDM) prices are lower. Condensed milk volumes into NDM plants are higher. As a result, production is active throughout the region. Inventories are steady to building. The market undertone remains weak. Interest from buyers is light and price driven. The resale market has been quiet. Some buyers/end users are finalizing contracts for 2016. Prices for high heat nonfat dry milk are unchanged on a weak market. Production is steady. Most sales are based on contractual needs. Demand from bakers is waning.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .6875 - .8600 MOSTLY: .7325 - .7650
 HIGH HEAT: .8400 - 1.1000

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
December 25	\$.7744	5,828,855
December 18	\$.7864	8,836,061

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 in the Central region are unchanged. The market tone is weak following recent price trends for butter and nonfat solids component values. Production of dry buttermilk is active as Central region butter plant operators indicate cream is readily available from all regions at flat market to discounted prices. Dry buttermilk inventories are building.

EAST: Dry buttermilk prices are unchanged in the East region. The market undertone is weak. Interest from the bakery sector is light. Production is increasing as heavy cream volumes are clearing into butter churn facilities. Inventories are steady to building.

F.O.B. CENTRAL/EAST: .8100 - .8850

DRY BUTTERMILK - WEST

Dry buttermilk prices are steady. Production is active, matching active butter churning throughout the West. Inventories are unchanged to building. Buyer interest is slight beyond immediate needs. The market undertone is weak.

F.O.B. WEST: .8200 - .9100 MOSTLY: .8300 - .8600

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are lower. At this point, the market undertone is weak. Sales in the spot market are light. Production is irregular based on contracts. Inventories vary from plant to plant.

F.O.B. PRODUCING PLANT: 1.2400 - 1.4500

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

Dry whey prices in the Central region are unchanged on the range, but unchanged to fractionally higher on the mostly price series. Buyers showed some interest in obtaining f.o.b. spot loads ahead of the close of the year. Overall, offers from manufacturers were for moderate volumes. With discounted milk loads readily available from Central and Eastern sellers, many cheese manufacturers added cheese vats to this week's schedule. Dry whey production is following that trend. Inventories are mixed. Many dry whey manufacturers describe current holdings as comfortable to higher than projected as a result of the recent influx of milk loads. Animal feed dry whey prices are lower. One or two manufacturers cleared loads ahead of the close of the year. Interest is steady as blended feed producers report total demand for finished feed from the dairy replacement, beef, and veal market sectors is growing.

F.O.B. CENTRAL: .1700 - .2800 MOSTLY: .1850 - .2425
 F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1200 - .1800

DRY WHEY - NORTHEAST

Prices for whey are unchanged on a stable market. Sales in the f.o.b spot market have been less active throughout the week. Some buyers are quiet, waiting to see what will happen in the market after the holidays. Production is increasing due to additional milk volumes being diverted into cheese plants. Inventories are steady.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2200 - .2800

DRY WHEY - WEST

Western whey prices held steady on limited spot market activity. Dry whey production is steady to higher. Some processors have increased dry whey manufacturing due to additional milk being diverted into cheese making from bottling. Inventories are comfortable, but have grown somewhat over the winter holidays. Most buyers and sellers seem willing to take a wait and see position until after the holidays.

NONHYGROSCOPIC: .2100 - .3100 MOSTLY: .2200 - .2600

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Between the winter holidays, whey protein concentrate 34% prices held mostly steady. A few spot purchases of brand specific WPC34% pushed the upper end of the range price series higher. Brokers are actively searching out supplies. A few processors have shifted production away from WPC34% to higher protein concentrations. This change may reduce overall production and balance supply with demand. Some manufacturers note their inventories are tightening.

F.O.B. EXTRA GRADE 34% PROTEIN: .4200 - .6800 MOSTLY: .4900 - .5700

LACTOSE - CENTRAL AND WEST

Lactose prices were unchanged this week. Production and demand have been steady through the last two weeks. Some manufacturers state their inventories are tighter than they have been in a long time as they enter 2016. A few processors have drawn down inventories to the point of needing to increase production or back down from Q1 2016 commitments to maintain comfortable supplies of lactose.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1400 - .2650 MOSTLY: .1700 - .2200

CASEIN - NATIONAL

Prices for both rennet and acid casein are unchanged in light year end trading. Increasing global milk supplies and significant supplies of skim milk powder are contributing to the market's weak undertone.

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

RENNET: 2.6500 - 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
12/12/2015	60.4	2,804.6	60.2	2,704.6

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

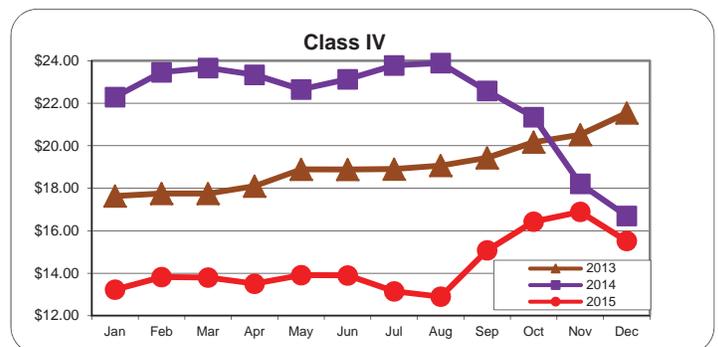
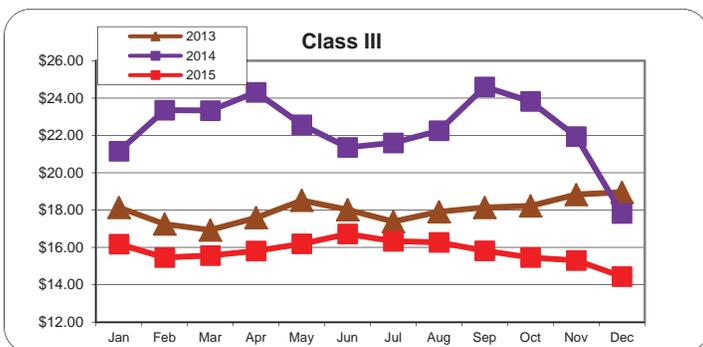
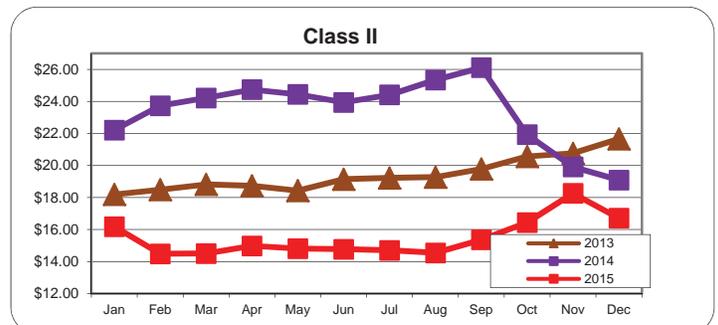
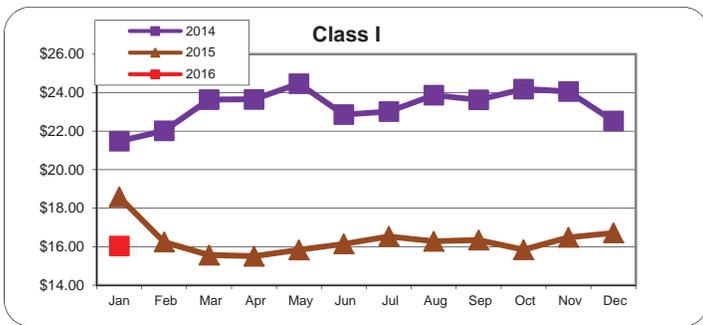
FEDERAL MILK ORDER CLASS PRICES FOR 2015 (3.5%)

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	16.71
II	16.18	14.48	14.50	14.98	14.81	14.77	14.70	14.54	15.36	16.44	18.26	16.71
III	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	14.44
IV	13.23	13.82	13.80	13.51	13.91	13.90	13.15	12.90	15.08	16.43	16.89	15.52

FEDERAL MILK ORDER CLASS PRICES FOR 2016 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.04											

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



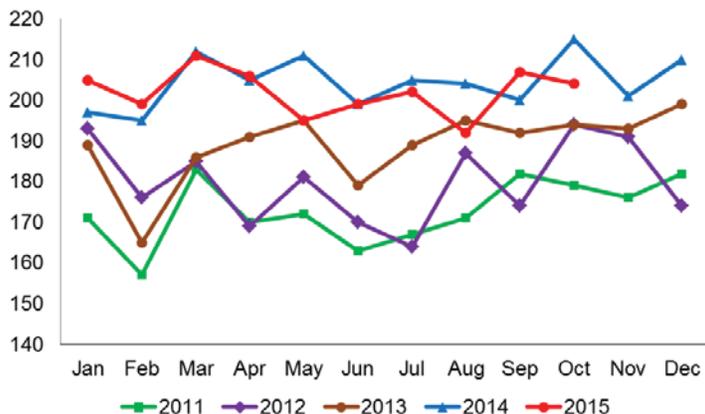
ORGANIC DAIRY MARKET NEWS

Information gathered December 21 - January 1, 2016

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales. Total organic milk products sales during a number of months this year have struggled to stay ahead of monthly sales in 2014. October 2015, the most current month with data available, was the fifth month of this year with sales lagging the same month of 2014.

Estimated Total U.S. Sales of Organic Fluid Milk Products (Million Lbs.)



This fact has disappointed many people in the organic dairy industry, who understand the precarious situation existing with increasing consumer demand, if consumers perceive the organic dairy industry cannot keep products readily available.

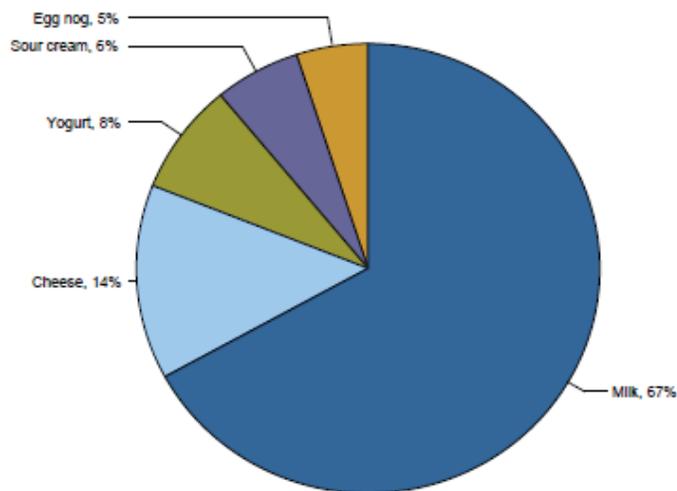
Paradoxically, even with tight organic supplies, occasional incidents of organic dairy products having difficulty finding an end user remain. This week, pallets of organic cream in New York state found no immediate organic customer and were the subject of some added efforts to move them to a customer, even at a time when organic cream is in overall short supply. When no organic end user is found, organic products such as this cream may simply be blended into the conventional milk supply and sell at conventional, rather than organic, prices. This illustrates the problem of volumes at various plants not being adequately high to achieve desired efficiencies in manufacturing organic dairy products.

There is recently increased activity in the West, separating organic cream from organic milk, and then drying the milk as nonfat dry milk. This seems related to strategies of some processors to shift organic milk into manufacturing uses where higher margins are received.

ORGANIC DAIRY RETAIL OVERVIEW

Organic Dairy Overview. This holiday week, organic milk accounts for 67% of ads this period, organic cheese 14%, organic yogurt 8%, organic sour cream 6%, and organic egg nog 5%.

Top 5 Percentage of Total Organic Ads



Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from January 1-7, 2016 identifying weekly “specials” and containing organic dairy content. Surveyed ads reflect advertised “specials” and not the range of non-advertised supermarket cooler prices.

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

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

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is \$4.11, up 22 cents from last week, and up 96 cents from last year. Ads appeared in all regions except the Midwest and Alaska.

8 Ounce Block Organic Cheese. The U.S. weighted average price of 8 ounce cheese blocks is \$3.49, down 46 cents from one year ago, and down 1 cent from last week.

8 Ounce Shred Organic Cheese. The U.S. weighted average price of 8 ounce cheese shreds is \$3.99, up 26 cents from last week but even with one year ago.

4-6 Ounce Organic Greek Yogurt. The U.S. weighted average price of 4-6 ounce organic Greek yogurt is \$1.00, down 25 cents from one year ago. There were no ads last week.

Organic Egnog Quarts. The U.S. weighted average advertised price of organic eggnog is \$4.59, up \$1.60 from one year ago. There were no ads last week.

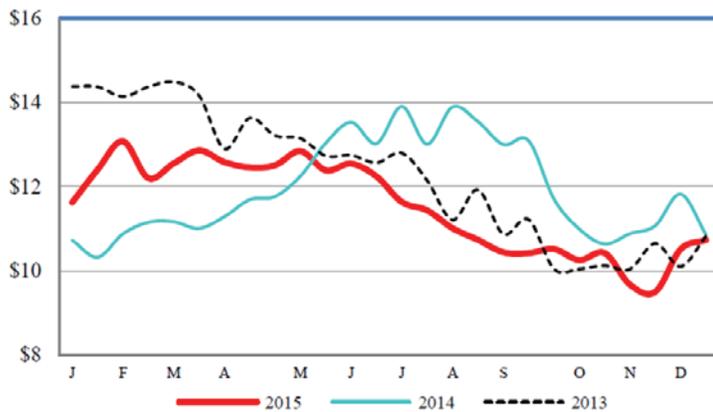
ORGANIC GRAIN AND FEEDSTUFF MARKETS: Organic grain trading is moderate with good demand. Organic feed grade corn traded steady, with instances of slightly higher pricing on limited trades. Some forward contract activity is finalizing for January, February and March 2016 delivery. Due to limited food grade organic soybean trading, no trend is clear, but lower undertones are noted. Feed grade organic soybean trade is steady, with most prices delivered to elevator. Trade activity is picking up for organic food grade wheat. Slightly higher under tones were noted. There was limited trade activity on organic barley and oats. Import activity is steady due to a stronger U.S. dollar.

ORGANIC DAIRY MARKET NEWS

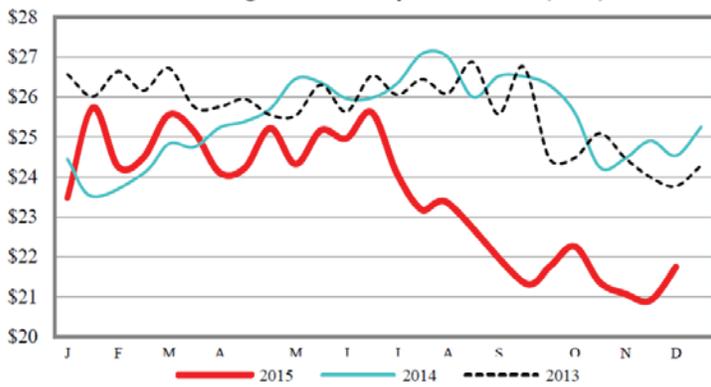
Information gathered December 21 - January 1, 2016

CONTINUED FROM PAGE -8 -

National Organic Feed Corn Prices (\$/bu)



National Organic Feed Soybean Prices (\$/bu)



Organic Spot Market Negotiated Grain Prices

Organic Commodity	Price Range	Average**
Corn*: Feed Yellow	9.00 - 12.00	10.73
Wheat*: Food Grade HRS	14.00 - 17.00	15.52

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

**Weighted average price.

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

Federal Milk Order Class and Component Prices, December 2015

Class Prices: The following are the December 2015 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$16.71 (-\$1.55), Class III: \$14.44 (-\$0.86), and Class IV: \$15.52 (-\$1.37).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for December 2015 is \$2.9057 per pound. Thus, the Class II butterfat price is \$2.9127 per pound. The protein and other solids prices for December 2015 are \$1.3599 and \$0.0355 per pound, respectively. These component prices set the Class III skim milk price at \$4.43 per cwt. The December 2015 Class IV skim milk price is \$5.54, which is derived from the nonfat solids price of \$0.6153 per pound.

Product Price Averages: The product price averages for December 2015 are: butter: \$2.5709, nonfat dry milk: \$0.7893, cheese: \$1.5719, and dry whey: \$0.2336.

Federal Milk Order Minimum Class Prices for Milk of 3.5 Percent Butterfat^{1,2}

Federal Milk Order Marketing Areas ³	Order Number	Dec 2015				Jan 2016
		Class I	Class II	Class III	Class IV	Class I
<i>(dollars per 100 pounds)</i>						
Northeast (Boston) ⁴	001	19.96	16.71	14.44	15.52	19.29
Appalachian (Charlotte) ^{5,6}	005	20.11	16.71	14.44	15.52	19.44
Florida (Tampa) ^{6,7}	006	22.11	16.71	14.44	15.52	21.44
Southeast (Atlanta) ^{6,8}	007	20.51	16.71	14.44	15.52	19.84
Upper Midwest (Chicago) ⁹	030	18.51	16.71	14.44	15.52	17.84
Central (Kansas City) ¹⁰	032	18.71	16.71	14.44	15.52	18.04
Mideast (Cleveland) ¹¹	033	18.71	16.71	14.44	15.52	18.04
Pacific Northwest (Seattle) ¹²	124	18.61	16.71	14.44	15.52	17.94
Southwest (Dallas) ¹³	126	19.71	16.71	14.44	15.52	19.04
Arizona (Phoenix)	131	19.06	16.71	14.44	15.52	18.39
All-Market Average	---	19.60	16.71	14.44	15.52	18.93

¹ 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.

² 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.

³ Names in parentheses are the major city in the principal pricing point of the markets.

⁴ 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.

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

⁶ Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted.

⁷ Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40.

⁸ Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40.

⁹ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

¹⁰ 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.

¹¹ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

¹² Class I prices at other cities are: Portland, same; and Spokane, same.

¹³ 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.

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								
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
Oct	249.1	1.6	221.9	-3.0	210.4	-8.5	232.9	-3.0	250.9	-2.3	261.6	0.7
Nov	248.3	1.3	220.6	-3.4	208.4	-9.5	232.2	-3.3	237.2	-4.1	259.1	-0.5

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>										
Sep	3.392	3.732	N/A	N/A	4.439	4.450	5.382	5.565	4.791	4.987	
Oct	3.338	3.766	N/A	N/A	4.331	4.487	5.478	5.568	4.626	4.884	
Nov	3.299	3.858	N/A	N/A	4.333	4.870	5.433	5.419	4.684	4.863	

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.

November Agricultural Prices Highlights

The All Milk price received by farmers was \$18.20 in November, down \$4.80 from November 2014. The alfalfa hay price was \$150.00 in November, down \$32.00 from November 2014. The corn price was \$3.60 in November, no change from November 2014. The soybean price was \$8.68 in November, down \$1.52 from November 2014. The milk-feed price ratio was 2.42 in November, down 0.33 from November 2014.

The index of prices received by farmers for dairy products during the month of November 2015 was up 3 to 91. Compared to November 2014, the index was down 23 points (-20.2 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in November 2015 was down 1 point to 106. Compared with November 2014, the index was down 6 points (5.4 percent).

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

State	All-Milk price ^{1,2}		Alfalfa hay, baled		Corn for Grain		Soybeans	
	Nov		Nov		Nov		Nov	
	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	21.80	17.60	180.00	140.00	---	---	---	---
CA	20.52	16.12	225.00	160.00	---	---	---	---
CO	23.40	19.00	215.00	160.00	4.05	3.72	---	---
ID	22.40	17.60	220.00	180.00	---	---	---	---
IN	23.50	19.00	---	---	3.54	3.99	10.20	8.77
IA	23.70	18.00	147.00	125.00	3.63	3.53	10.20	8.58
MI	23.00	17.80	185.00	200.00	3.56	3.50	10.10	8.30
MN	24.40	17.70	158.00	109.00	3.51	3.43	9.95	8.51
NM	21.10	17.50	245.00	185.00	---	---	---	---
NY	23.80	20.00	195.00	200.00	---	---	---	---
OH	23.60	19.60	185.00	200.00	3.59	3.87	10.40	8.83
PA	24.40	20.30	223.00	253.00	3.75	3.77	---	---
TX	23.90	19.10	234.00	212.00	4.31	4.03	---	---
WA	22.70	19.40	215.00	165.00	---	---	---	---
WI	24.30	18.20	170.00	93.00	3.61	3.42	10.10	8.36
U.S.	23.00	18.20	182.00	150.00	3.60	3.60	10.20	8.68

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., November 2015 with Comparisons

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

State ²	Nov 2014	Oct 2015	Nov 2015
IA	3.09	2.57	2.60
MI	2.74	2.12	2.12
MN	3.14	2.58	2.73
OH	2.95	2.17	2.12
WI	2.99	2.75	2.97
U.S.	2.75	2.29	2.42

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., November 2015 with Comparisons

Item	Nov 2014	Oct 2015	Nov 2015
Index Numbers (1990-92=100):			
Prices received by farmers for dairy production	114	88	91
Prices paid by farmers for commodities and services, interest taxes, and wage rates	112	107	106

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



Dairy Market News Branch

**Agricultural
Marketing
Service**

National Retail Report - Dairy

Websites: <http://www.marketnews.usda.gov/mnp/da-home> and <http://www.ams.usda.gov/mnreports/dybretail.pdf>
and http://www.ams.usda.gov/mnreports/wa_lo100.txt

Volume 82- Number 52

Issued Weekly

Thursday, December 31, 2015

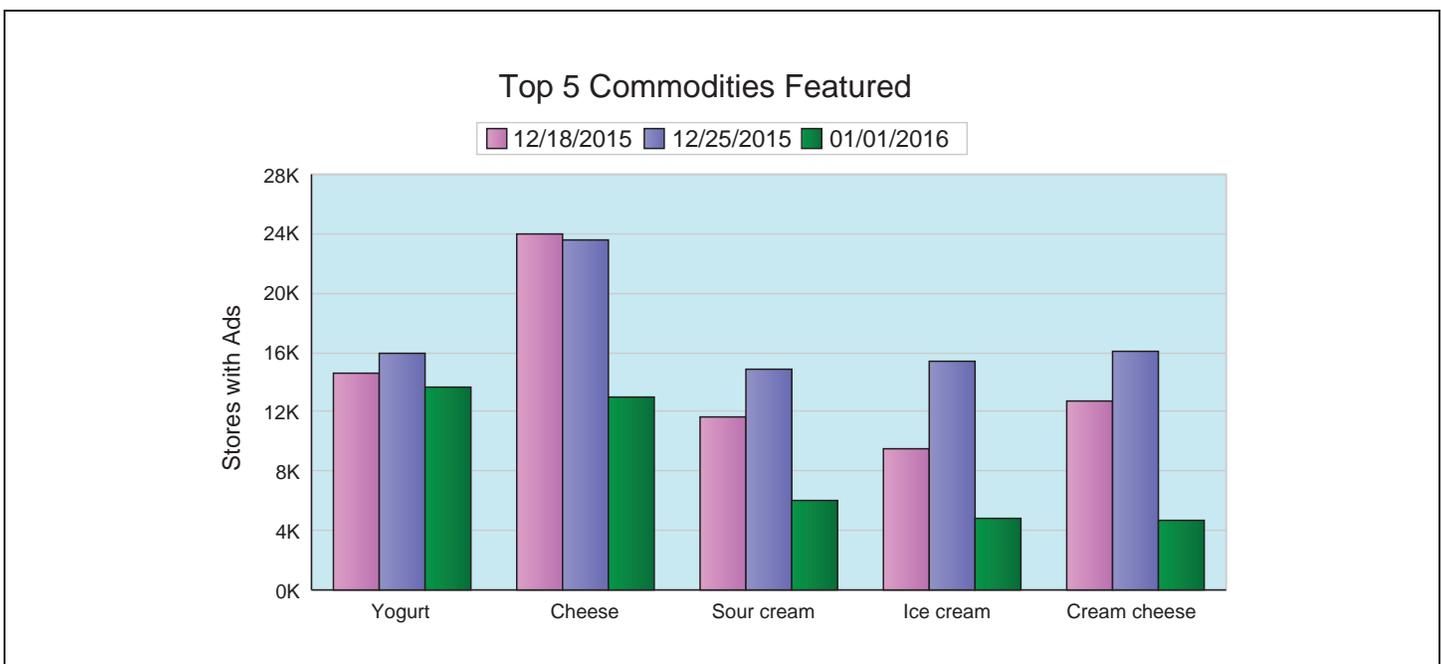
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 01/01/2016 to 01/07/2016

The volume of dairy ads fell off in the holiday shortened week. Conventional dairy ads decreased by 55%, while organic dairy ads decreased by 42% compared to the previous week. Holiday favorites such as butter dropped 99%, cream cheese declined 71%, and egg nog ads were absent from surveyed store circulars. The top three advertised dairy items this period were 4-6 ounce packages of Greek yogurt, 16 ounce packages of sour cream, and 48-64 ounce containers of ice cream.

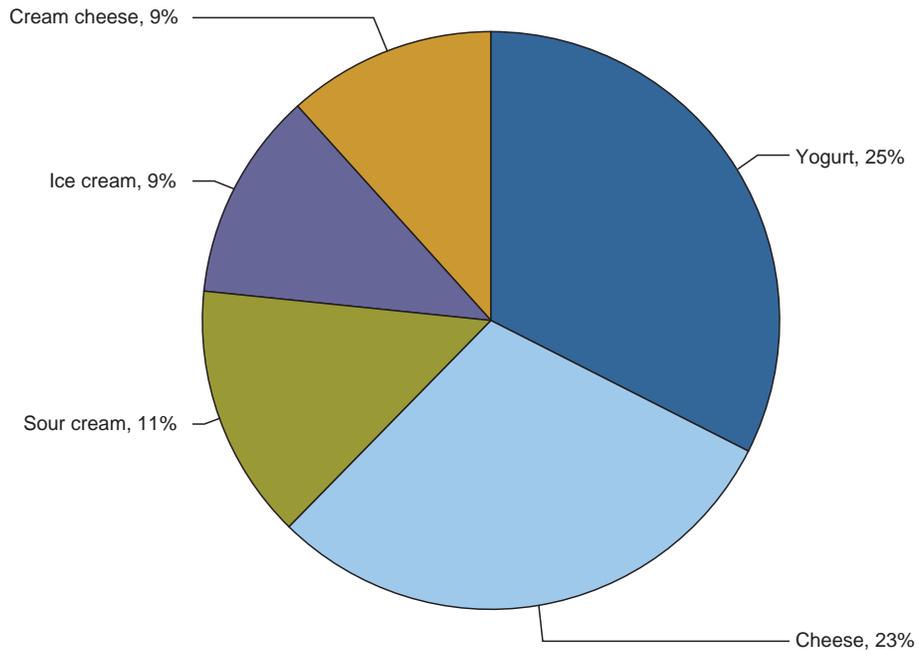
The average price for conventional yogurt in 4-6 ounce packages is 49 cents, down 2 cents from last week, but 1 cent higher than a year ago. The average price of 4-6 ounce conventional Greek yogurt is \$.95, down 1 cent from last week and unchanged from a year ago. Conventional yogurt ad numbers decreased 6% from last week; however within the category, non-Greek yogurt in 4-6 ounce packages increased by 231%. Organic yogurt ads decreased 81%.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.01, down 18 cents from last week and 50 cents below a year ago; 8 ounce shred cheese averaged \$2.24, down 3 cents from last week and 11 cents below one year ago. Ads for conventional cheese decreased 46% from last week, and organic cheese ads increased 20%.

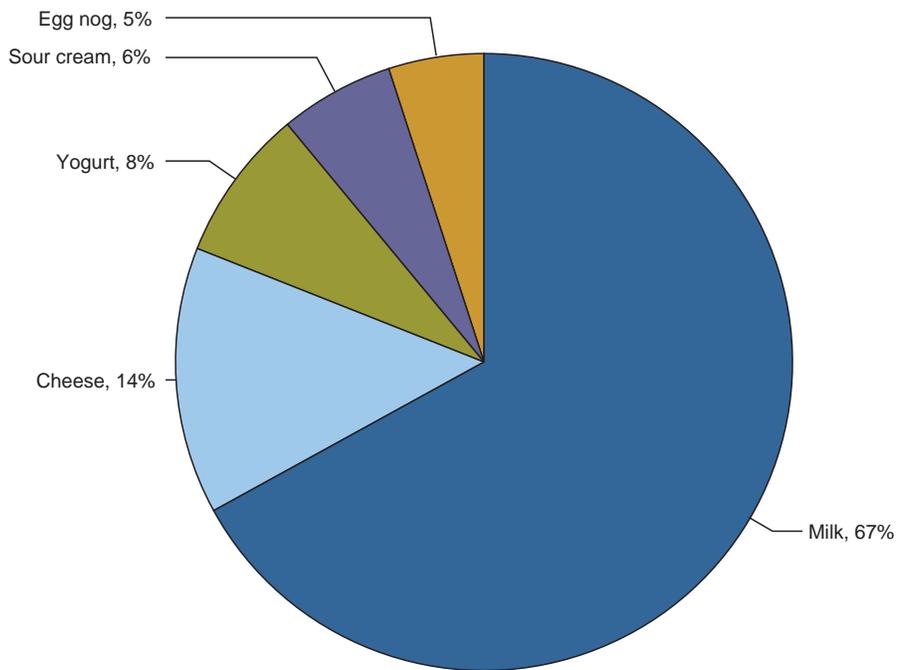
The price spread between organic and conventional half gallon milk is \$2.75. The price spread is the difference between national weighted average prices for organic, \$4.11, and conventional, \$1.36. Conventional milk ads increased by 57% from last week, while organic ads decreased by 21%.



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 #	64	3.00	11067	3.03	9237	3.06
Cheese	Natural Varieties	8 oz block	3407	2.01	10422	2.19	9443	2.51
Cheese	Natural Varieties	1 # block	2618	4.05	1347	3.69	555	3.74
Cheese	Natural Varieties	2 # block	1610	5.84	1227	6.55	957	7.83
Cheese	Natural Varieties	8 oz shred	3425	2.24	9300	2.27	7738	2.35
Cheese	Natural Varieties	1 # shred	1340	3.44	806	3.99	495	3.61
Cottage cheese		16 oz	3479	2.01	5360	1.84	1624	1.86
Cream cheese		8 oz	4636	1.52	16051	1.49	15132	1.42
Egg nog		quart			1129	2.95	678	2.33
Egg nog		half gallon			1648	3.82	4704	3.73
Flavored milk	All fat tests	half gallon	120	1.00	400	3.36	271	2.53
Flavored milk	All fat tests	gallon	248	2.81			51	4.19
Ice cream		48-64oz	4752	2.82	15347	2.97	10459	2.98
Milk	All fat tests	half gallon	377	1.36			70	2.50
Milk	All fat tests	gallon	1291	2.25	1064	2.72	1582	3.15
Sour cream		16 oz	5744	1.55	14415	1.81	9792	1.67
Yogurt	Greek	4-6 oz	7135	.95	11584	.96	9934	.95
Yogurt	Greek	32 oz	624	5.19	906	3.99	1923	4.84
Yogurt	Yogurt	4-6 oz	3997	.49	1207	.51	1238	.48
Yogurt	Yogurt	32 oz	1573	1.94	430	2.42	63	2.50

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 #	2.99	63	2.99						
Cheese	Natural Varieties	8 oz block	1.79-2.50	524	2.05	1.79-2.50	376	2.07	1.49-2.50	1255	2.01
Cheese	Natural Varieties	1 # block	3.50	110	3.50	3.50-4.90	1951	4.03	2.99-4.99	320	4.32
Cheese	Natural Varieties	8 oz shred	2.50	332	2.50	2.50	778	2.50	1.79-2.50	561	2.23
Cheese	Natural Varieties	1 # shred	3.50	110	3.50	3.50	1002	3.50	2.99	107	2.99
Cottage cheese		16 oz	1.50-2.69	541	2.07	1.50-2.50	1511	1.77	2.49-2.99	283	2.78
Cream cheese		8 oz	0.89-2.49	918	1.49	0.89-1.79	2026	1.54	0.99-1.99	384	1.13
Flavored milk	All fat tests	gallon							3.88	107	3.88
Ice cream		48-64oz	2.50-3.29	173	2.79	2.50-3.33	1572	2.53	1.98-3.33	752	2.69
Milk	All fat tests	half gallon							1.00	110	1.00
Milk	All fat tests	gallon				2.50-2.88	246	2.60	2.50-2.77	110	2.63
Sour cream		16 oz	1.29-1.66	716	1.46	1.50-2.00	2013	1.64	0.99-2.98	1084	1.31
Yogurt	Greek	4-6 oz	1.00	657	1.00	0.88-1.00	987	.94	0.75-1.00	2178	.90
Yogurt	Greek	32 oz	4.99	135	4.99				5.99	110	5.99

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	4-6 oz	0.50	245	.50	0.50	2100	.50	0.50	107	.50
Yogurt	Yogurt	32 oz	1.99	202	1.99				1.88-1.99	799	1.96

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	1.49-1.79	418	1.61	1.67-2.99	482	2.22	1.67-2.50	309	1.96
Cheese	Natural Varieties	1 # block	4.90	55	4.90				3.33-4.99	182	3.89
Cheese	Natural Varieties	2 # block	5.99-6.99	472	6.43	4.99-6.99	567	5.61	4.99-5.99	493	5.13
Cheese	Natural Varieties	8 oz shred	1.49-2.50	739	1.92	1.59-2.99	607	2.21	1.67-2.79	370	2.10
Cheese	Natural Varieties	1 # shred							3.33	121	3.33
Cottage cheese		16 oz	1.99	99	1.99	1.49	178	1.49	1.25-2.69	808	2.23
Cream cheese		8 oz	0.89-1.75	324	1.17	1.25-1.88	262	1.62	0.99-2.50	653	1.82
Flavored milk	All fat tests	half gallon				1.00	120	1.00			
Flavored milk	All fat tests	gallon	1.99	141	1.99						
Ice cream		48-64oz	1.98-4.49	816	3.30	2.49-3.00	873	2.87	2.50-3.00	476	2.87
Milk	All fat tests	half gallon	1.25	78	1.25	1.00	120	1.00	2.69	69	2.69
Milk	All fat tests	gallon	1.99	472	1.99	1.99-2.49	394	2.30	1.88	69	1.88
Sour cream		16 oz	1.39-2.09	898	1.69	0.99-1.89	377	1.36	1.25-2.00	598	1.62
Yogurt	Greek	4-6 oz	0.79-1.00	1430	.95	0.99-1.00	1039	1.00	0.88-1.00	749	.93
Yogurt	Greek	32 oz	5.99	210	5.99				3.50-3.99	166	3.81
Yogurt	Yogurt	4-6 oz	0.33-0.50	556	.43	0.50	696	.50	0.38-0.50	235	.42
Yogurt	Yogurt	32 oz				1.69	178	1.69	2.00	394	2.00

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.49	1	3.49			
Cheese	Natural Varieties	8 oz block	2.50	6	2.50	2.50-3.50	37	2.58
Cheese	Natural Varieties	2 # block	6.99-9.99	51	8.73	7.99	27	7.99
Cheese	Natural Varieties	8 oz shred	2.50	1	2.50	2.50-3.50	37	2.58
Cottage cheese		16 oz	1.98-2.50	5	2.19	2.29-2.50	54	2.41
Cream cheese		8 oz	1.50-3.00	32	2.62	2.00-3.00	37	2.08
Ice cream		48-64oz	3.00-4.00	29	3.79	3.75-4.97	61	3.90
Sour cream		16 oz	1.98-2.49	4	2.11	1.99-2.50	54	2.25
Yogurt	Greek	4-6 oz	0.99-1.25	30	1.01	1.00-1.50	65	1.37
Yogurt	Greek	32 oz				5.99	3	5.99
Yogurt	Yogurt	4-6 oz	0.80	28	.80	0.50-0.60	30	.59

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 #			879	5.13		
Cheese	Natural Varieties	8 oz block	276	3.49	84	3.50	1616	3.95
Cheese	Natural Varieties	8 oz shred	105	3.99	438	3.73	989	3.99
Cheese	Natural Varieties	1 # shred	244	7.99				
Egg nog		quart	221	4.59			63	2.99
Ice cream		48-64oz			117	4.99		
Milk	All fat tests	half gallon	2452	4.11	3025	3.89	176	3.15
Milk	All fat tests	gallon	214	5.99	137	6.98	1421	5.89
Milk	All fat tests	8 oz UHT	300	.90	596	1.07		
Sour cream		16 oz	244	2.49	472	2.25		
Yogurt	Greek	4-6 oz	357	1.00			235	1.25
Yogurt	Greek	32 oz			298	3.34		
Yogurt	Yogurt	4-6 oz			137	1.00		
Yogurt	Yogurt	32 oz			1417	2.50	141	3.49

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
Egg nog		quart	4.59	221	4.59						
Milk	All fat tests	half gallon	3.69-4.69	856	4.24	4.29	184	4.29			
Milk	All fat tests	gallon				5.99	214	5.99			

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
Cheese	Natural Varieties	8 oz block	3.49-3.50	276	3.49						
Cheese	Natural Varieties	8 oz shred							3.99	105	3.99
Cheese	Natural Varieties	1 # shred				7.99	244	7.99			
Milk	All fat tests	half gallon	2.99-3.98	586	3.56	4.29-4.49	762	4.33	4.29	60	4.29
Milk	All fat tests	8 oz UHT	0.88	162	.88				0.83-1.00	138	.92
Sour cream		16 oz				2.49	244	2.49			
Yogurt	Greek	4-6 oz				0.99-1.00	357	1.00			

Wtd Avg - Simple weighted average



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

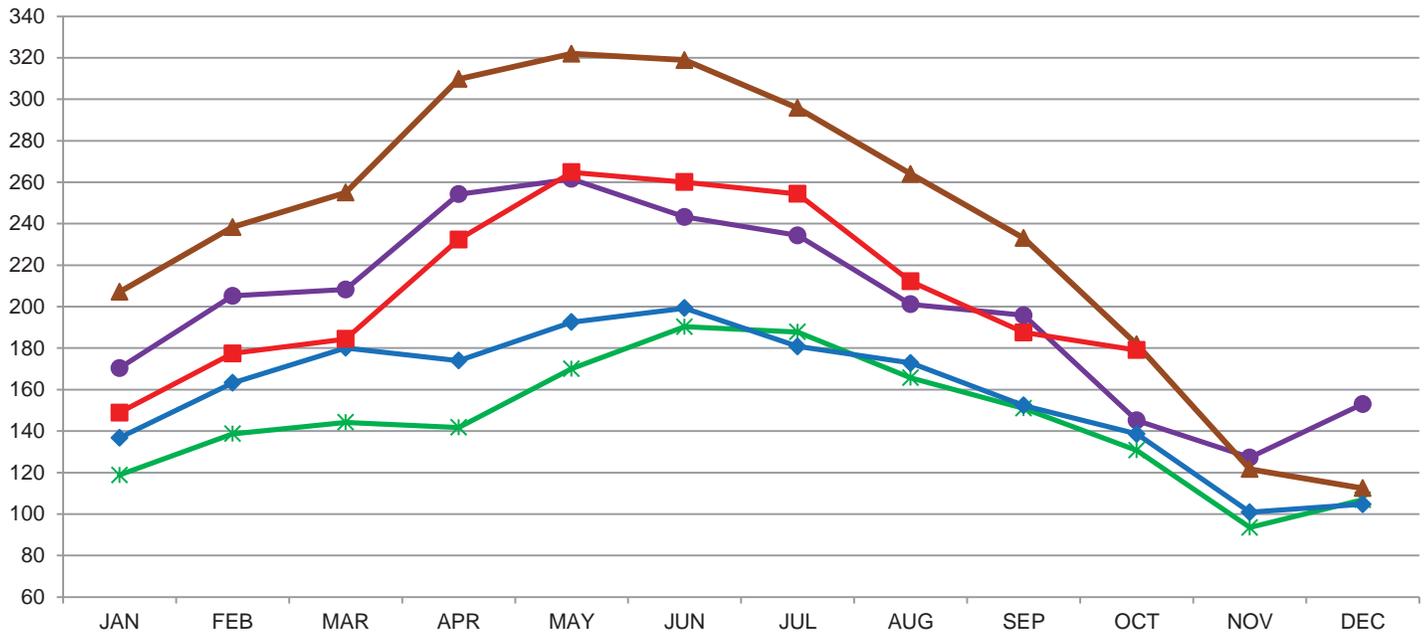
REGIONAL DEFINITIONS

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

U.S. Butter Cold Storage Holdings

MILLION POUNDS

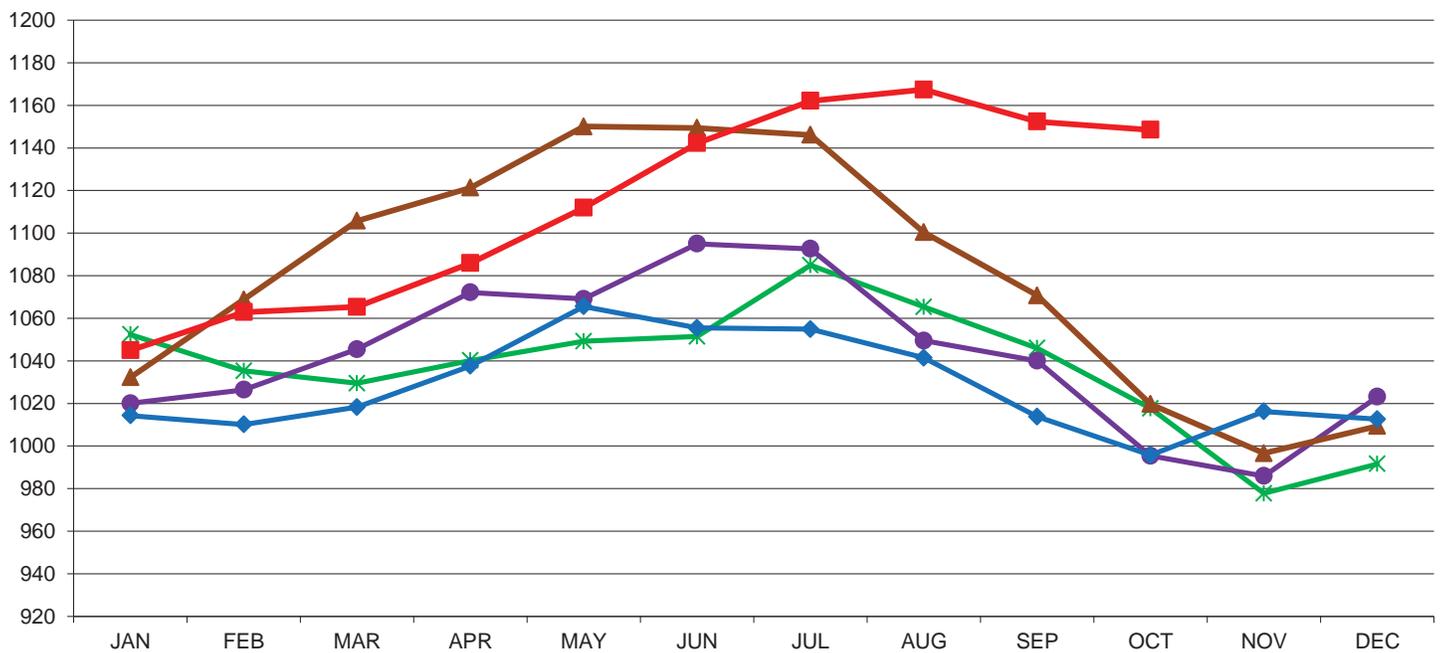


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2011 2012 2013 2014 2015

U.S. Total Natural Cheese Cold Storage Holdings

MILLION POUNDS

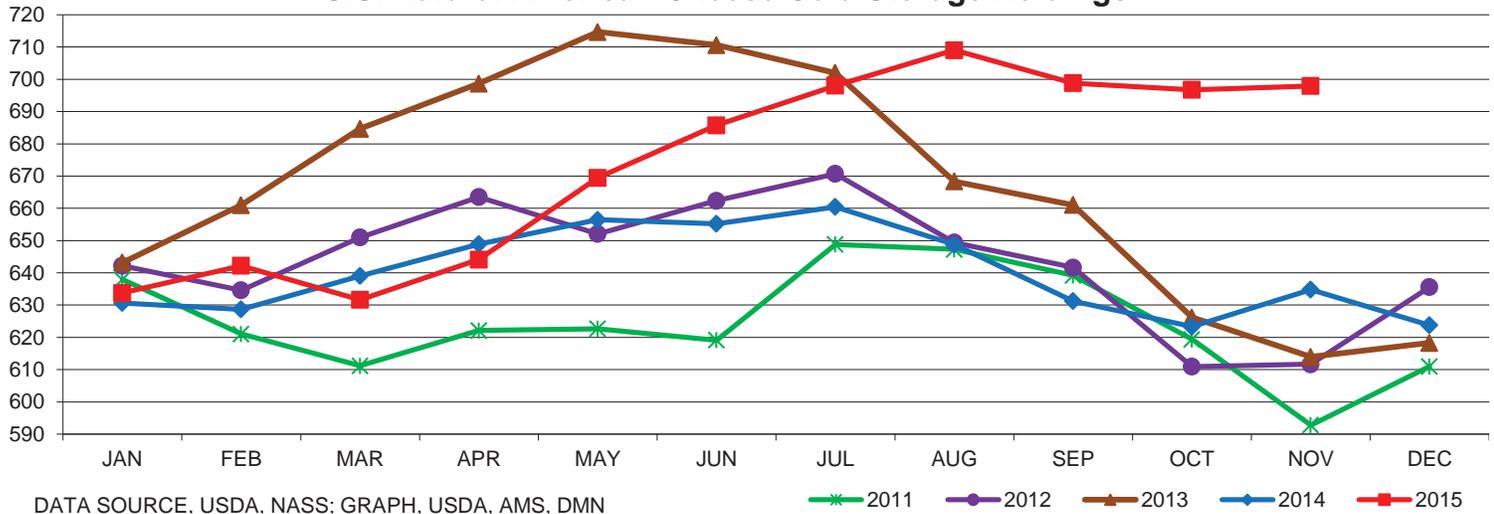


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2011 2012 2013 2014 2015

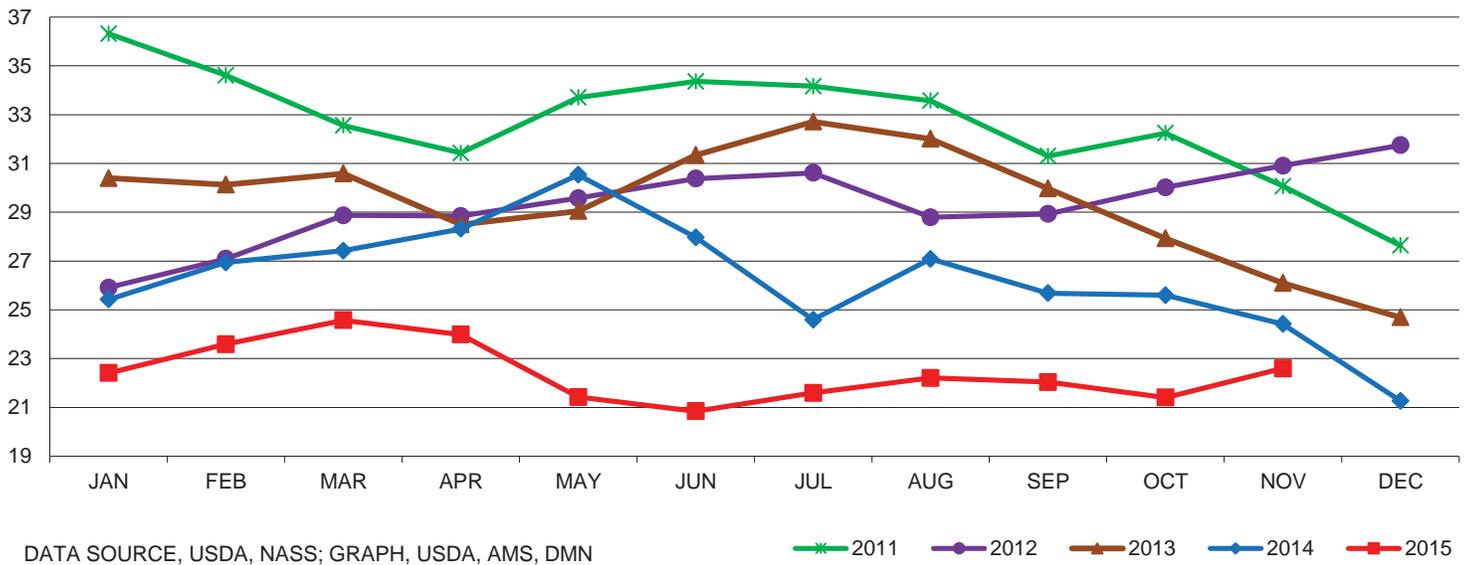
MILLION POUNDS

U.S. Natural American Cheese Cold Storage Holdings



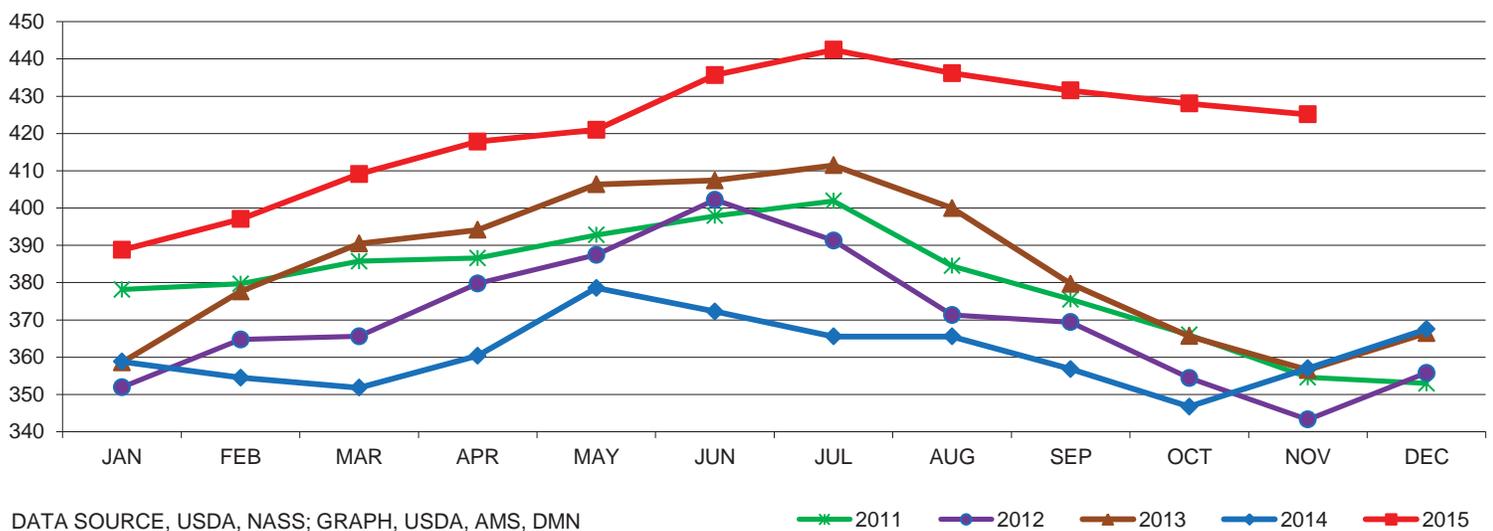
MILLION POUNDS

U.S. Swiss Cheese Storage Holdings



MILLION POUNDS

U.S. Other Natural Cheese Cold Storage Holdings





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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

Janet Linder

(608) 557-7003

Janet.Linder@AMS.USDA.GOV

SOUTHWEST

Angel Teran

(608) 557-7011

Angel.Teran@AMS.USDA.GOV

NORTHWEST/MOUNTAIN

Mike Bandli

(608) 557-7010

Mike.Bandli@AMS.USDA.GOV

ACTING NATIONAL SUPERVISOR

Janet Linder

(608) 557-7003

Janet.Linder@AMS.USDA.GOV

ORGANIC/INTERNATIONAL

Eric Graf

(608) 557-7005

Eric.Graf@AMS.USDA.GOV

INTERNET ADDRESS

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

MARKET NEWS PORTAL

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RECORDED INFORMATION SYSTEM

(608) 557-7000

FAX

(608) 819-0629

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