

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (2/5)**

BUTTER: Grade AA closed at \$2.1700. The weekly average for Grade AA is \$2.1455 (-.0495).

CHEESE: Barrels closed at \$1.4650 and 40# blocks at \$1.4700. The weekly average for barrels is \$1.4560 (+.0260) and blocks, \$1.4660 (+.0060).

NONFAT DRY MILK: Grade A closed at \$.7500. The weekly average for Grade A is \$.7200 (+.0070).

BUTTER HIGHLIGHTS: Butter production continues to be active throughout the country as cream availability is fairly strong. Many butter churn operations are running full. Butter processors are still interested in building inventories ahead of the summer. The market undertone is unsettled in the East and steady to mixed in the Central region. CME Group prices have been variable throughout the week. However, some manufacturers anticipate an uptick in prices during the spring holiday season. Interest from food service is steady to lower as many restaurants already placed orders to cover the upcoming weekend highlighted by the Super Bowl. Dairy Products (NASS) reports U.S. butter production during December 2015, 177.1 million pounds, was 4.3% higher than December 2014, and 17.0% higher than November 2015. U.S. cumulative 2015 butter production through December is 1.849 billion pounds, 0.4% lower than the same period last year. At the CME Group, Grade AA butter price on Friday closed at \$2.1700, down 5 cents from a week ago.

CHEESE HIGHLIGHTS: Cheese production in the West and Midwest is active. In the Northeast, cheddar production schedules are full, while Mozzarella production has slowed as orders have been finalized. Manufacturers in the Midwest are shifting emphasis away from cheddars and toward fresh natural varieties such as jack cheeses. Midwest availability of spot milk and cheese manufacturer interest in such loads has waned. There is concern among western cheese manufacturers that long block and barrel inventories are becoming burdensome. Dairy Products (NASS) reports total 2015 U.S. cheese production, year to date through December, is 11.722 billion pounds, 2.4% above 2014. December 2015 U.S. total cheese production, 1.022 billion pounds, is 2.8% above November this year. The CME Group January 2016 monthly average price for barrels, \$1.4842, is up from the December 2015 monthly average of 1.4638, but down from the monthly average of a year ago, \$1.4995. Blocks' January average price, \$1.4757, is up from the \$1.4616 December monthly average, but down from \$1.5218 one year ago. In CME Group trading, Barrels closed the week

on Friday at \$1.4650, up \$0.0350 from last week's close and blocks closed at \$1.4700, up \$0.0100 from last week's close.

FLUID MILK: Milk production in the East is generally steady this week. However, some gains are noted in the Northeast and Florida milk production. Eastern bottling demand is increasing following winter storm Jonas. Central milk production is growing in both Northern and Southern parts of the region. Spot load sales are steady, with prices on spot loads ranging from \$2.00 under to flat Class. Milk production is mostly steady or higher in the West. New Mexico milk output is flat due to residual effects of winter storm Goliath. Milk volumes in some New Mexico balancing plants are tight. Cream is readily available across the country. Multiples range from 1.10 to 1.25 in the East, 1.18 to 1.24 in the Central region and 1.05 to 1.26 in the West. Interest from ice cream and cream cheese makers is mounting. Some ice cream makers are interested in building inventories ahead of strong summer demand.

DRY PRODUCTS: Prices for low/medium heat nonfat dry milk are lower across the country. Stocks are generally building and a few buyers report manufacturers are making block offers, often at lower prices, to try to clear inventories. High heat nonfat dry milk prices are mostly steady to lower. Production of dry buttermilk is active and prices are mixed. Inventories of dry buttermilk are steady to building. Dry whole milk prices are higher and interest is slightly increasing as the spring holiday baking season approaches. Dry whey production is active across the country and inventories are steady to building. Prices for dry whey are lower in the Northeast, steady to higher in the Central, and lower and higher in the West. Whey protein concentrate 34% prices are mixed. Several spot sales pulled the bottom of the range price series lower. The lactose range price series narrowed and the overall market tone remains firm and flat. Lactose inventories remain relatively tight across the industry. Domestic rennet casein prices moved lower and acid casein held steady. Weaker markets in the EU and in the pricing of all powders on the GDT Event 157 are reflected in U.S. casein markets

INTERNATIONAL DAIRY MARKET NEWS (DMN): WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Milk production in the EU remains strong and is expected to remain strong this year, having bounced back from effects of winter storms the third week of January. Eurostat reports that EU milk production January-November, 2015, was up 2.2% from the same period of 2014. November production was up 5.2% from November 2014. Ireland posted the largest

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CME GROUP CASH TRADING

COMMODITY	MONDAY FEB 01	TUESDAY FEB 02	WEDNESDAY FEB 03	THURSDAY FEB 04	FRIDAY FEB 05	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.4500 (+.0200)	\$1.4500 (N.C.)	\$1.4500 (N.C.)	\$1.4650 (+.0150)	\$1.4650 (N.C.)	:: :: (+.0350)	:: :: \$1.4560 :: (+.0260)
40# BLOCKS	\$1.4600 (N.C.)	\$1.4600 (N.C.)	\$1.4700 (+.0100)	\$1.4700 (N.C.)	\$1.4700 (N.C.)	:: :: (+.0100)	:: :: \$1.4660 :: (+.0060)
NONFAT DRY MILK							
GRADE A	\$.7100 (-.0075)	\$.6950 (-.0150)	\$.7100 (+.0150)	\$.7350 (+.0250)	\$.7500 (+.0150)	:: :: (+.0325)	:: :: \$.7200 :: (+.0070)
BUTTER							
GRADE AA	\$2.0975 (-.1225)	\$2.1000 (+.0025)	\$2.1600 (+.0600)	\$2.2000 (+.0400)	\$2.1700 (-.0300)	:: :: (-.0500)	:: :: \$2.1455 :: (-.0495)

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-**

gain among EU countries, up 13% January-November and up 48.1% in November. Cheese sales in the EU are brisk. That is helping to keep inventories in balance. EU cheese production January-November, 2015, was up 1.4% from the same period of 2014. November production was up 4.6% from November 2014. Among the top 5 producing countries, the January-November changes were: Germany +0.9%; France -1.2%; Italy -5.2%; Netherlands +8.8%; and Poland +3.5%. **EASTERN OVERVIEW:** In Eastern Europe, January-November milk production yielded the following percentage changes from the prior year: Bulgaria -0.7%; Czech Republic +3.0%; Poland +2.3%; and Romania +9.1%. Cheese production for the period was: Bulgaria +3.9%; Czech Republic +2.7%; Poland +3.5%; and Romania +6.6%. **OCEANIA OVERVIEW:** Dairy **Australia** reports dairy product exports for the July-November 2015 period, 312.3 thousand MT, are up 7.8% from the year ago period. Various dairy product export changes compared to the same period last year are: butter, -32.1%; butter oil, -32.6%; cheddar, +11.0%; SMP, +26.9%; WMP, -0.6% and whey products -36.9%. The total value of exports for the July-November period was up 7.8%. According to Dairy Australia, November 2015 milk production in Australia was 3.4% below November 2014. The state changes from a year earlier are: New South Wales, +1.4%; Victoria, -5.3%; Queensland, +1.7%; South Australia, -1.3%; Western Australia, +1.9% and Tasmania -0.1%. Australia's milk production season to date (July-November) is +0.8%, compared to last season. Welcome recent late January rain in parts of Australia helped boost milk production volumes, with about 2/3 of the season completed. Hay supplies and demand vary. In the northern region, recent widespread rains have helped pasture growth rebound. Wet conditions have slowed baling and there are concerns that continuing wetness may negatively affect hay quality. Rains have reached drought suffering inland areas and provided relief. Fodder demand is high in southern Australia. Contributing factors are lower than average fodder yields and an early end to the season. In Tasmania, the unusual factor of seeking fodder shipments from the mainland to bolster tight supplies is underway. Most hay buyers from South West Victoria to South Australia have adequate hay to last until fall, which has kept prices stable. Western Australia has tight hay supplies with firming prices. Good quality hay crops but poor yields have created this condition. In **New Zealand**, December milk production as reported by DCANZ was 2.765 million MT, was down 1.6% from December 2014 but up 1.7% from two years ago. Total 2015 milk production was down 1.4% from 2014. December 2015 milksolids reflected a 1.2% decrease compared with December 2014. At the February 2 GDT event #157, average prices ranged from 2.2% lower to 10.4% lower 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, \$3,486 -6.6%; butter, \$2,905 -8.3%; buttermilk powder, \$1,513 -6.7%; cheddar cheese, \$2,807 -4.2%; lactose, \$577 -2.6; rennet casein, \$4,362 -3.7%; skim milk powder, \$1,792 -2.2%; sweet whey powder, n.a.; and whole milk powder, \$1,952 -10.4%.

NATIONAL RETAIL REPORT-DAIRY (DMN): For conventional dairy advertisements, shredded cheese in 8 ounce packages had the largest volume of ads, followed by 48-60 ounce ice cream and 4-6 ounce Greek yogurt, respectively. Advertisements for cream cheese had the largest percentage increase, 124%. Ads for half-gallon milk decreased 81%, followed by a 45% decline for 1# butter. The total volume of conventional dairy ads increased 9%, but organic dairy ads decreased 17% this week. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.07, down 13 cents from last week, and down 40 cents from a year ago; 8 ounce shred cheese averaged \$2.18, down 16 cents from last week, and 34 cents below one year ago. Organic 8 ounce blocks averaged \$3.99, while 8 ounce shred cheese averaged \$3.43. Advertisements for conventional cheese were up 2%, but organic cheese

ads dropped 44% from last week. The average price for conventional yogurt in 4-6 ounce packages is \$.52, up 2 cents from last week and up 2 cents from a year ago. The average price of 4-6 ounce conventional Greek yogurt is \$.97, up 5 cents from last week, but 1 cent lower than a year ago. The average price of 4-6 ounce organic Greek yogurt was \$1.37. Conventional yogurt ad numbers decreased 17% from last week. Organic yogurt ads are up 71% from the previous week. The price spread between organic and conventional half gallon milk is \$1.60. The price spread is the difference between national weighted average prices for organic, \$3.73, and conventional, \$2.13. Conventional milk ads declined by 16% from last week, while organic ads decreased by 36%.

DECEMBER AGRICULTURAL PRICES HIGHLIGHTS (NASS): The All Milk price received by farmers was \$17.20 in December, down \$3.20 from December 2014. The alfalfa hay price was \$150.00 in December, down \$30.00 from December 2014. The corn price was \$3.65 in December, down \$0.14 from December 2014. The soybean price was \$8.76 in December, down \$1.54 from December 2014. The milk-feed price ratio was 2.27 in December, down 0.13 from December 2014. The index of prices received by farmers for dairy products during the month of December 2015 was down 5 to 86. Compared to December 2014, the index was down 15 points (-14.9 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in December 2015 was down 2 point to 104. Compared with December 2014, the index was down 7 points (-6.3 percent).

DECEMBER 2015 DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 177.0 million pounds, 4.3 percent above December 2014, and 17.0 percent above November 2015. American type cheese production totaled 397.4 million pounds, 0.7 percent above December 2014, and 5.3 percent above November 2015. Total cheese output (excluding cottage cheese) was 1.02 billion pounds, 1.2 percent above December 2014, and 2.8 percent above November 2015. Nonfat dry milk production, for human food, totaled 147.0 million pounds, 10.2 percent below December 2014, but 17.2 percent above November 2015. Dry whey production, for human food, was 92.2 million pounds, 24.2 percent above December 2014, and 11.1 percent above November 2015. Ice cream, regular hard production totaled 55.0 million gallons, 5.4 percent above December 2014, and 1.5 percent above November 2015.

JANUARY FEDERAL MILK ORDER FINAL CLASS AND COMPONENT PRICES (FMMO): The following are the January 2016 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$14.19 (-\$2.52), Class III: \$13.72 (-\$0.72), and Class IV: \$13.31 (-\$2.21). Under the Federal milk order pricing system, the butterfat price for January 2016 is \$2.3062 per pound. Thus, the Class II butterfat price is \$2.3132 per pound. The protein and other solids prices for January 2016 are \$1.8169 and \$0.0371 per pound, respectively. These component prices set the Class III skim milk price at \$5.85 per cwt. The January 2016 Class IV skim milk price is \$5.43, which is derived from the nonfat solids price of \$0.6037 per pound. The product price averages for January 2016 are: butter: \$2.0759, nonfat dry milk: \$0.7776, cheese: \$1.5178, and dry whey: \$0.2351.

CME GROUP**MONDAY, FEBRUARY 1, 2016**

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4500; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 8 CARS GRADE A: 5 @ \$0.7125, 3 @ \$0.7100; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7075; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$2.1300, 1 @ \$2.0975; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

TUESDAY, FEBRUARY 2, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 6 CARS GRADE A: 1 @ \$0.7050, 1 @ \$0.6975, 1 @ \$0.6950, 1 @ \$0.6925, 1 @ \$0.6900, 1 @ \$0.6950; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.6925; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA @ \$2.1000; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1000; LAST OFFER UNCOVERED: NONE

WEDNESDAY, FEBRUARY 3, 2016

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.4700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7100; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 17 CARS GRADE AA: 1 @ \$2.1000, 1 @ \$2.1150, 1 @ \$2.1300, 1 @ \$2.1500, 1 @ \$2.1600, 3 @ \$2.1700, 1 @ \$2.1800, 5 @ \$2.1900, 1 @ \$2.1600, 1 @ \$2.1500, 1 @ \$2.1600; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.1500; LAST OFFER UNCOVERED: NONE

THURSDAY, FEBRUARY 4, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4650; 1 CAR 40# BLOCKS @ \$1.4700; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7350; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.1700; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.2000; LAST OFFER UNCOVERED: NONE

FRIDAY, FEBRUARY 5, 2016

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.4675; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.4700; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.7500; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.7500; LAST OFFER UNCOVERED: 3 CARS GRADE A @ \$0.7600
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.1700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS**NORTHEAST**

Cream supplies are readily available and support the region's steady to higher butter production. Butter manufacturers, this week, who endeavored to build inventory for committed accounts, saw concurrent interest grow from buyers who expected higher future pricing. This raised the level of demand for existing butter stocks, however, buyers in some instances were unable to secure product. Conversely, additional reports suggest existing stocks of key butter producers are sufficient to satisfy current and the majority of future commitments. The fluctuations of the CME Group butter price echo the opposing market dynamics, and contribute to an unsettled market undertone, as butter prices rise and fall. Bulk butter prices for most domestic sales in the region are reported flat to 8 over the CME Group price, with various time frames and averages used. According to the DMN *National Retail Report-Dairy*, during the week of January 29-February 4, 2016, the U.S. weighted average advertised price for 1 pound butter was \$2.92, down 40 cents from a year ago, and down 28 cents from the previous week. The weighted average butter price in the Northeast was \$3.42, up 17 cents from a week ago. The CME Group monthly average price for Grade AA butter during January was \$2.1214, compared to \$1.5714 a year ago. At the CME Group, Grade AA butter closed Tuesday at \$2.1000, down \$0.0900 from a week ago.

CENTRAL

The Central butter market is steady to mixed. While most manufacturers are holding prices steady, CME Group prices moved sharply lower early this week. Manufacturers report they are waiting for an uptick in spring holiday related end user orders. Retail orders are steady. Food service orders are unchanged to lower as many restaurants already placed orders to cover the upcoming weekend highlighted by the Super Bowl. Cream availability is fairly strong

according to several buyers. This is a bit surprising as there is usually some decline in availability as the calendar advances. However, end users indicate they have decreased their multiples simply because of the strong offers of spot cream loads they are receiving. Market participants report cream availability may be related to the North Central area's comparatively mild winter weather and plentiful feed. These factors are augmenting overall farm milk production and the butterfat components in milk intakes. Many butter churn operations are running full. Butter manufacturers are still interested in building inventories ahead of the summer. The CME Group monthly average price for Grade AA butter during January was \$2.1214, compared to \$1.5714 a year ago. Bulk butter prices are steady, ranging from 4 cents under to 7 cents over the market, based on CME Group prices and various indices. The DMN *National Dairy Retail Report-Dairy* for January 29-February 4 noted the national weighted average advertised price for a 1 pound package of butter was \$2.92, down \$0.28 from one week and \$0.40 from one year ago. The weighted average prices in the Midwest and South Central regions, respectively, are \$2.62 and \$3.39. The CME Group Grade AA butter market closed Wednesday at \$2.1600, down \$0.0400 from last Wednesday.

WEST

Western butter production continues to be active, using available cream supplies, but not seeking many additional loads of cream. A few manufacturers say they have shifted production from bulk to print butter in order to keep up with current retail demand. Industry contacts note the lack of export opportunities, heavy butter imports and large butter inventories should place a significant downward pressure on prices. So far, this scenario has not fully become reality.

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NATIONAL DAIRY PRODUCTS SALES REPORT
 U.S. AVERAGES AND TOTAL POUNDS

<u>WEEK ENDING</u>	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
January 30, 2016	2,1500 3,596,687	1,5010 12,173,490	1,5420 10,360,803	2,381 9,547,256	.7706 14,009,565

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

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It seems buyers and sellers are currently ignoring these market indicators. Instead, the primary focus appears to be on meeting Q1 commitments and assuring butter availability. The DMN *National Retail Report–Dairy* for the week of January 29–February 4 found that the U.S. weighted average advertised price of 1 pound butter is \$2.92, down \$.28 from last week, and down \$.40 from one year ago. In the Southwest, the weighted average advertised price of 1 pound butter was \$3.88. In the Northwest the weighted average advertised price of 1 pound butter was \$3.72, with a price range of \$2.99–\$3.99. *Dairy Products* (NASS) reports U.S. butter production during December 2015, 177.1 million pounds, was 4.3% higher than December 2014, and 17.0% higher than November 2015. U.S. cumulative 2015 butter production through December is 1.849 billion pounds, 0.4% lower than the same period last year. In the West, total December butter production was 86.4 million pounds, 11.7% higher than last year. California December production was 51.4 million pounds, 0.1% higher than last year. According to the California Department of Food and Agriculture, 2015 California butter production was 580.6 million pounds, down 5.2% from a year ago. Bulk butter pricing in the West this week is 2 cents under market to 3 cents above, based on the CME Group with various time frames and averages used. The CME Group January 2016 monthly average price for AA butter, \$2.1214, is down from the December monthly average of \$2.3318, but up from the January 2015 monthly average of \$1.5714. The Grade AA butter price at the CME Group on Wednesday closed at \$2.1600, down \$.0400 from a week ago.

CHEESE MARKETS

NORTHEAST

This week, cheese production reflects output levels typical for this time of year, after last week's snow storm that hampered regional production. Manufacturers of the cheddar cheese variety are running full schedules, with current orders being filled, and new product being added to aging programs. Most mozzarella cheese orders are finalized ahead of this weekend's Super Bowl event. Northeast manufacturers are optimistic cheese promotions, targeting the upcoming holiday, will prompt solid sales that provide some equilibrium for growing inventories. Wholesale cheese prices for both blocks and barrels are trending lower. The recent price decline has resulted in lower wholesale prices for all varieties with the exception of Swiss cuts which remained unchanged. Northeast prices for cheddar and Muenster moved \$0.0175 lower, while processed cheese prices moved \$0.0475 lower, identical to last week's decline. According to the *DMN National Retail Report-Dairy*, for January 29-February 4, 2016, the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.44, 24 cents above the national average, and 11 cents more than the previous week. The Southeast 8 oz. block cheese price was \$2.32, 49 cents less than the previous week. The January 2016 monthly average price for Northeast cheddar blocks is \$2.0318, compared to \$2.0671 one year ago. Processed 5# sliced average price is \$1.9342, compared to \$1.9589 one year ago. The CME Group January 2016 monthly average price for cheese barrels was \$1.4842, compared to \$1.4995 a year ago; cheese blocks average price was \$1.4757, down from \$1.5218 a year ago. Tuesday's CME Group daily cash prices saw barrels close at \$1.4500, up \$0.0200 from a week ago; blocks closed at \$1.4600, unchanged from a week ago.

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

Cheddar 40# Block	:	1.8750-2.1600
Process 5# Sliced	:	1.6275-2.1075
Muenster	:	1.8950-2.2450
Grade A Swiss Cuts 10 - 14#	:	3.1700-3.4925

MIDWEST

Midwestern cheese production remains active with a more than adequate milk supply. Although a snowstorm cut across the midsection of the country early in the week, milk intakes were only minimally disrupted. Manufacturers are comfortable with their current milk volumes and are not seeking additional loads of milk. Nor are milk handlers offering many spot loads of milk. A few Midwest cheese makers report sales into Eastern markets are still slow as a result of the massive snowstorm two weeks ago. Some cheese meant for pizza chains has backed up into Midwestern manufacturers' inventories. Other cheese processors report domestic retail customers are content with cheese shipments. They say production and demand are in balance. Some production is shifting away from cheddars to other fresh natural varieties, like jack cheeses, to support the solid retail cheese demand. Cheese needed for Super Bowl parties has shipped and are on the shelves or in the pizza stores. Now manufacturers hope the strong domestic demand will continue, or an export market for cheese will develop to aid in the drawdown of U.S. cheese inventories. The *DMN National Retail Report-Dairy* shows that January 29-February 4 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.06, 28 cents lower than the national average. Midwest prices range from \$1.50-\$2.50. One year ago, the national price was \$2.56.

For 8 ounce blocks, the Midwest average price is \$2.02, 18 cents below the national average price. Midwest ads are priced from \$1.66-\$2.50. Last year, the national price was \$2.50. Midwestern wholesale prices are unchanged for Swiss cuts, but down \$.0475 for process and down \$.0175 for all other types. This week, a cooperative export assistance program accepted requests for 509,268 pounds of cheese. The CME Group January 2016 monthly average price for barrels, \$1.4842, is above \$1.4638, the monthly average for December 2015, but below \$1.4995, the January 2015 monthly average. Blocks' January average price, \$1.4757, is up from \$1.4616 in December, but down from \$1.5218 one year ago. In CME Group trading Wednesday, barrels closed at \$1.4500, up \$.0200 from last Wednesday and blocks closed at \$1.4700, up \$.0100.

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#	:	1.8375-2.2625
Cheddar 40# Block	:	1.5650-1.9600
Monterey Jack 10#	:	1.8125-2.0175
Blue 5#	:	2.1050-3.0925
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6375-2.5775
Grade A Swiss Cuts 6 - 9#	:	2.6875-2.8050

WEST

Plenty of milk for processing means western cheese production is still active. Domestic demand is good, especially in retail and food service venues. And industry contacts report sales from the Super Bowl effect have been decent, but are now ending for another year. Although overall cheese demand has been good, industry contacts still say supply has outpaced demand. Without many export opportunities, inventories are building slightly. The cheese trade imbalance and heavy U.S. cheese inventories are starting to weigh on the mind of a few cheese makers. There is some concern that long barrel and block cheese inventories are becoming burdensome and market factors may push cheese prices lower, especially if domestic demand cannot maintain its current pace. The *DMN National Retail Report-Dairy* for the week of January 29-February 4 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.34, down \$.05 from last week, and down \$.22 from a year ago. Packs averaged \$2.24 in the Southwest and \$2.59 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.20, down \$.13 from last week, and down \$.30 from a year ago. Blocks averaged \$2.05 in the Southwest and \$2.27 in the Northwest this week. In the West, wholesale prices are down \$.0475 for process, and down \$.0175 for cheddar block, cuts, and Monterey jack. Prices are unchanged for Swiss cuts. This week, a cooperative export assistance program accepted requests for 509,268 pounds of cheese. *Dairy Products* (NASS) reports total 2015 U.S. cheese production, year to date through December, is 11.722 billion pounds, 2.4% above 2014. December 2015 U.S. total cheese production, 1.022 billion pounds, is 2.8% above November this year. In the West, total cheese production for December 2015 was 438.0 million pounds, 2.4% more than last month. For total cheese production and various types of cheese, December 2015 U.S. and West cheese production compared to December 2014 is as follows:

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CHEESE MARKETS

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

	U.S.	West		BUTTER	: CHEESE
Total Cheese	+1.2%	+0.8%			
American	+0.7%	-1.3%			
Cheddar +1.5%	+2.7%		02/01/16	14,496	: 91,963
Total Italian	+3.1%	+3.4%	02/01/16	14,496	: 91,963
Mozzarella	+2.6%	+1.6%	CHANGE	0	: 0
Swiss	+1.8%	...	% CHANGE	0	: 0

The CME Group January 2016 monthly average price for barrels, \$1.4842, is up from the December 2015 monthly average of 1.4638, but down from the monthly average of a year ago, \$1.4995. Blocks' January average price, \$1.4757, is up from the \$1.4616 December monthly average, but down from \$1.5218 one year ago. In CME Group trading Wednesday, barrels closed at \$1.4500, up \$.0200 from a week ago and blocks closed at \$1.4700, up \$.0100.

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

Process 5# Loaf	:	1.5425-1.8000
Cheddar 40# Block	:	1.5700-2.0150
Cheddar 10# Cuts	:	1.7500-1.9700
Monterey Jack 10#	:	1.7600-1.9200
Grade A Swiss Cuts 6 - 9#	:	2.7475-3.1775

FOREIGN

Eucolait reports cheese exports from the EU January through November 2015 were 1.2% below year earlier levels. However, exports to the United States for the period increased. According to Dairy World ZMB, Switzerland, which is not included in EU data, had a marginal 0.3% increase in total 2015 cheese exports. Over 80% of those exports go to EU countries. Dairy Australia reports Australian cheddar (which includes processed cheddar) exports July through November 2015 increased 11% over the previous year while exports of other cheeses (which includes other processed cheeses) for the period increased 18.4%. January 2016 demand for semi hard cheese manufactured in Germany has weakened. Stocks are at normal levels. U.S. wholesale domestic Swiss prices are unchanged and the remaining domestic foreign type cheese prices adjusted down \$0.0175.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.0325-3.5200*
Gorgonzola	: 3.6900-5.8900	: 2.5400-3.2375*
Parmesan (Italy)	: -0-	: 3.4225-5.5125*
Provolone (Italy)	: -0-	: 2.0750-2.3275*
Romano (Cows Milk)	: -0-	: 3.2225-5.3725*
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-	: 3.2075-3.5300
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

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	35	0	40	0	0
SOUTHEAST STATES	0	0	0	0	0	0

Northeast milk production is steady to higher. School bottling needs vary following last week's snow storm. Manufacturing milk intakes are adequate to strong. Milk output in the Mid-Atlantic is holding steady with no significant changes being reported. Fluid sales in the aftermath of winter storm Jonas increased. Farm-level milk production in the Southeast is flat. Bottling remains fairly strong, as limited cutbacks in orders occur. Manufacturing milk receipts are light. Heavy rain is causing flooding along some interstates, however, no delays with milk distribution are being reported. In Florida, milk output continues to climb. Sources noted that Class I sales saw some down tick this week. Milk shipped out of state totaled 35 f.o.b. spot loads, 5 less than the previous week. According to the DMN *National Retail Report-Dairy*, for January 29-February 4, 2016, the U.S. weighted average advertised price for a gallon of milk was \$2.25, a \$1.15 decline compared to a year ago, and down 50 cents from last week. Condensed skim spot transactions are light as processors line production around contracted accounts. Some brokers report fewer available loads shipping into other regions. The DMN January 2016 monthly average for Northeast Class II condensed skim was \$0.7289, compared to \$1.0343 a year ago. Cream multiples are steady this week, with a wide spread ranging 1.10-1.25. The majority of cream transactions tend to occur with multiples in the mid-teens to low 20s. Cream is readily available, however, some brokers report there are limited takers in the market. Cream cheese plants are pulling harder than usual on cream supplies. Butter churns remain active throughout the region. The DMN January 2016 monthly average for Northeast Class II cream was \$2.3894, compared to \$1.8316 a year ago. At the CME Group, Grade AA butter closed Wednesday at \$2.1600, down \$0.0400 from a week ago.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES:
SPOT PRICES OF CLASS II CREAM, DOLLARS PER LB. BUTTERFAT:

F.O.B. producing plants: Northeast - 2.4145-2.7438

F.O.B. producing plants: Upper Midwest - 2.5901-2.7218

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

Northeast - Class II - includes monthly formula prices - .68-.83

Northeast - Class III - spot prices - .49-.67

MIDWEST

South Central milk production is reportedly increasing steadily. Haulers reported the daily gains in pickup volumes from some dairy operations are surprising, due to the challenges those operations have recently faced. Milder temperatures are helping support cow comfort in that area. In the North Central region, milk production is also making incremental gains. However, the mid-week snowstorm that moved through the area has caused some transportation and production problems. A few plants closed ahead of the storm, power outages occurred, and some plant operators indicated employees were not able to safely get into the plants for their assigned shifts, which caused production delays. Fluid demand is unchanged. Bottlers report there are few runs of specialty flavors. In the DMN *National Retail Report-Dairy* for the week of January 29-February 4, the national

average price for gallons of milk was \$2.25, \$1.15 lower than one year ago. In the Midwest and South Central, the current weekly average prices were \$1.88 and \$2.21, respectively. Spot load sales into Class III are steady with some weekend loads becoming available later in the week. Prices on spot loads range from \$2.00 under to flat Class. Cream demand from ice cream and frozen mix producers is steady at seasonal levels. Some ice cream producers are interested in building inventories ahead of strong summer demand. One or two Class II plants closed ahead of the winter storm, which delayed some production runs. Also, some of the country's major hauling routes were bottled up for several hours on Tuesday. However, stranded cream loads eventually reached their destinations and delayed production runs were rescheduled for later in the week. Multiples for Class II cream are unchanged to lower, 1.18-1.24. End users report cream is readily available from many areas of the country.

WEST

Farm level milk intakes are ramping up in California. Bad weather conditions were present during the past weekend in the Central Valley. However, the milk yields were only marginally affected. Demands for Class 1 and Class 2 are steady. Some dairy farm operators continue importing fair/good quality alfalfa hay from nearby states. The January 4a price (butter/powder) in California is \$13.26, down \$1.29 from the previous month, but 17 cents higher than a year ago. This compares to the Federal Order Class IV price of \$13.31 for January. The January 4b price (cheese) is \$13.08, 18 cents above the previous month, but 67 cents lower from a year ago. This compares to the Federal Order Class III price for January at \$13.72. In Arizona, the weather conditions are conducive to dairy cow comfort. As a result, milk production is increasing incrementally. Sales into Class I bottling plants are lower as some are closed due to repairs and maintenance projects. Sales of condensed skim into Class II accounts are higher this week. Milk output is flat in New Mexico. One month has been passed since the winter storm Goliath hit many dairy operations in the state. Consequently, milk volumes were very tight in some balancing plants. At this point, milk intakes moving into these processing plants are improving. Sales into Class I, Class II and III are steady. Sales into Class IV are higher. According to the DMN *National Retail Report-Dairy* for the week of January 29 to February 4, the national weighted average advertised price for one gallon of milk is \$2.25, \$2.23 in the Southwest and \$1.77 in the Northwest. Pacific Northwest milk production is steady to higher. Although there is still a lot of wet weather, milk intakes have increased slightly due to some warmer temperatures improving cow comfort. Schools continue to place a steady pull on milk for bottling. Utah and Idaho milk production is steady. Manufacturers say they have plenty of milk for processing. A winter storm provided heavy snows in parts of the region over the last weekend. Industry contacts report good winter conditions are providing the mountain snowpack that will help replenish the reservoirs and give plenty of water for early season irrigation needs. In the West, cream availability is steady to improving. Heavy cream supplies are clearing into butter manufacturing. Interest from ice cream and cream cheese makers is inching up. The market undertone for cream is light to moderate. This week, multiples for all classes are higher, ranging from 1.05 to 1.26. At the CME Group, Grade AA butter on Wednesday closed at \$2.1600, down 4 cents 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 Central low/medium heat nonfat dry milk are lower on a weak market. Buyers report they're receiving block offers from some manufacturers in which prices are trending lower. Some manufacturers indicate they are rapidly building inventories from week to week. Even as contracts are filled, the volumes entering storage are higher than volumes leaving. With the region beginning to see steady increases in milk production, there is little doubt that inventories will continue to build. High heat NDM prices are unchanged to lower on light activity. Production is limited as manufacturers focus on clearing intakes. Inventories are steady. The CME Group monthly average price for Grade A NDM during January was \$0.7312, compared to \$0.9898 a year ago. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during January was \$0.8242, compared to \$1.0358 a year ago. The January monthly average of the range price series for Central and East high heat was \$1.0270 compared to \$1.1831 a year ago. The NASS *Dairy Products* report noted U.S. human NDM production during December in the Central region totaled 26.1 million pounds, 2.9 percent lower than one year ago. **DAIRY PRODUCTS:** Total U.S. human NDM production during December was 147.1 million pounds, 10.2 percent lower than last year. During January–December 2015, U.S. human NDM production totaled 1.813 billion pounds, 2.8 percent more than the same time span in 2014. Total U.S. NDM human month ending stocks for December were 199.4 million pounds, 16.6 percent below a year ago.

EAST: Eastern nonfat dry milk prices shifted lower in the mostly series. Active low/medium heat production continues at most NDM operations in the region. However, lower condensed skim prices have resulted in a reduction in NDM dryer volumes at some plants. Trading is somewhat limited in the spot market. Some market participants expect sales to remain sluggish until spring, while sources note active Q2 and Q3 interest. The market undertone is weak. Eastern prices for high heat NDM are steady to lower. Production is intermittent as seasonal demand develops. Inventories are adequate for customers' near term needs. The market undertone is quiet. The January 2016 Dairy Market News monthly average for the Central/East low/medium heat NDM range price series is \$0.8202 compared to \$1.0478 a year ago. **DAIRY PRODUCTS:** According to NASS, the Atlantic region's production of human nonfat dry milk in December 2015 totaled 29.7 million pounds, 0.4% less than a year ago, but 61.2% more than the previous month. The December 2015 U.S. production of skim milk powder totaled 45.4 million pounds, 5.1% more than a year ago and 1.0% more than the previous month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7350 - .8500 MOSTLY: .7800 - .8200
HIGH HEAT: .9000 - 1.1500

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are lower on a weaker market. Many manufacturers are offering NDM supplies at discount prices as they are trying to clear inventories. According to some industry participants, the activity in the spot market has been quiet to moderate. Some buyers/end users are in a wait and see attitude as they do not want to take a position at this time in the NDM market. Production of low/medium NDM is active throughout the region as manufacturing milk volumes are building. Inventories are steady to higher. Prices for high heat nonfat dry milk are steady in light trading. Demand is weak. Spot sales have been slow throughout the week.

Production is intermittent at several plants. Inventories are steady. The January 2016 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$0.7399 compared to \$0.9998 a year ago. The average for Western high heat nonfat dry milk is \$0.9680 compared to \$1.1583 a year ago.

DAIRY PRODUCTS: According to NASS, U.S. production of human food nonfat dry milk during December 2015 totaled 147.0 million pounds, 10.2% lower than a year ago, but 17.2% above the previous month. The West region's production totaled 91.2 million pounds, 14.9% lower than a year ago, but 12.7% above the previous month.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .6400 - .8200 MOSTLY: .6950 - .7600
HIGH HEAT: .8250 - 1.1000

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
January 29	\$.7935	6,896,880
January 22	\$.7960	9,971,724

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: Central dry buttermilk prices are mixed for the week. Buyers indicate that load availability is uncertain from some manufacturers, but better from others. Production is active, but some demand for condensed buttermilk from Class II is moving higher as ice cream manufacturers start inventory buildup. Dry buttermilk inventories are steady to building.

DAIRY PRODUCTS: The NASS *Dairy Products* report noted U.S. dry buttermilk production during December totaled 9.9 million pounds, 2.9 percent lower than a year ago. Total U.S. dry buttermilk month ending stocks for December were 15.0 million pounds, 42.9 percent below last year.

EAST: Prices for Eastern dry buttermilk are mixed. F.O.B. spot trading shifted prices lower at the bottom of the range and slightly higher at the top of the range. Production has increased, with milk distribution channels back to normal following last week's snow storm. Stocks in general are adequate, with extra buttermilk available at some plants. Transactions that occur are mostly contractual. The January 2016 Dairy Market News monthly average for the Central/East dry buttermilk series is \$0.8249 compared to \$0.8606 a year ago.

F.O.B. CENTRAL/EAST: .7500 - .8800

-CONTINUED ON PAGE 5A-

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Prices for Central dry whey are unchanged on the range, but unchanged to higher on the mostly price series. Offshore interest is increasing. Some manufacturers noted Far East buyers are more actively seeking dry whey loads. Dry whey production in the region is active as internal milk supplies grow seasonally. Some cheese plant operators are also taking advantage of spot milk loads, as they become available, to augment cheese production. Regionally, dry whey inventories are steady to building. Some manufacturers indicate, though, they are comfortable with current inventories as the market seems to be firming. Animal feed dry whey prices are steady on limited activity. Manufacturers indicate they are currently rebuilding loads of animal feed for future offerings. Current holdings are light. The DMN monthly average of the mostly price series for Central dry whey during January was \$0.2251, compared to \$0.5305 a year ago. The monthly average of the range price series for Central animal feed whey during November was \$0.1626, compared to \$0.4294 a year ago. December dry whey (human) production in the Central region totaled 38.9 million pounds, 8.0 percent above a year ago.

DAIRY PRODUCTS: The NASS *Dairy Products* report noted U.S. total dry whey production for December was 94.0 million pounds, up 25.1 percent from a year ago. January-December U.S. total dry whey production totals 980.0 million pounds, 12.7 percent ahead of the same time span in 2014. U.S. total dry whey month ending stocks for December were 71.6 million pounds, 13.9 percent higher than one year ago.

F.O.B. CENTRAL: .1800 - .2750 MOSTLY: .2200 - .2500
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1200 - .2050

DRY WHEY - NORTHEAST

Prices for dry whey shifted slightly lower based on spot pricing and contractual adjustments. Production in the region is active, matching the region's cheese output. Interest is fair to good as some look to stay ahead of the market. Stocks are growing. The region is currently seeing a fairly steady market. The January 2016 DMN monthly average for Northeast dry whey was \$0.2572 compared to \$0.5584 one year ago.

DAIRY PRODUCTS: According to NASS, the Atlantic region's production of human food dry whey in December 2015 totaled 22.0 million pounds, -0.9 % less than a year ago, but 1.8% more than last month.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2250 - .2725

DRY WHEY - WEST

West whey prices are mixed. Several spot sales pushed the top end of both the range and mostly price series slightly higher. However, the bottom of the mostly price series gave back a penny on several lower spot sales. The overall range of prices has expanded as some buyers seek out whey with specific characteristics. Other buyers have backed off a bit and are buying on an as needed basis in an effort to reduce their inventories. Dry whey production is active and inventories are steady to building. The market tone is a little unsettled as some market participants see firming, while others are concerned that further price pressure may come from whey production located in the Central region and EU. The DMN monthly average of the mostly price series for West dry whey during January was \$0.2426 compared to \$0.2390 one month ago and \$0.4715 a year ago. NASS reports that December 2015 U.S. human whey production, 92.2 million pounds, is up 24.2% from a year ago, and up 11.1% from November. The Western region produced 31.3 million pounds of edible dry whey during December, up 95.2% from last year, and up 37.9% from November this year. Month ending stocks for U.S. human whey, at 69.5 million pounds, are 11.9% higher than one year ago and 13.0% higher than one month ago.

NONHYGROSCOPIC: .2200 - .3350

MOSTLY: .2300 - .2700

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are mixed this week. While a number of spot sales pushed the top end of the mostly price series higher, a few other sales pulled the bottom of the range price series lower. Some market participants report there are wide variations of characteristics of WPC34% produced by different manufacturers. A few buyers are willing to pay more for WPC34% that meets specific product criteria. Some processors say inventories are tight and not building. Manufacturers report brokers are actively searching for WPC34%. There is also an active resale market. Production is steady. Q1 production appears to be moving well, however a few processors are concerned that as the spring flush begins and heavier milk volumes are processed in cheese vats, the resulting whey volumes will place a strain on the whole whey protein complex. The January 2016 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.5445 compared to \$0.5300 one month ago and \$1.1727 one year ago. NASS reports U.S. production of WPC (25.0-49.9% protein) during December 2015 totaled 16.1 million pounds, 33.6% lower than one year ago. Cumulative year to date production for 2015 totals 220.3 million pounds, 21.6% lower than 2014. Manufacturers' end-of-month stocks totaled 25.9 million pounds, 20.9% lower than one year ago, but 5.5% more than one month ago.

F.O.B. EXTRA GRADE 34% PROTEIN: .4700 - .6800 MOSTLY: .5300 - .6100

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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.

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LACTOSE - CENTRAL AND WEST

Lactose prices are mixed. After a few short term agreements cleared market channels last week, the range price series narrowed. And although the overall market tone remains firm and flat, several spot sales bumped the top end of the mostly price series slightly higher. A number of contacts stated lactose prices may be hindered from moving significantly higher until whey prices also move higher due to a psychological barrier between the valuation of carbohydrates versus protein. In the meantime, manufacturers report a good, steady demand from buyers. Lactose inventories remain relatively tight and a few processors state they do not have additional loads to offer to spot markets until later in the spring. Lactose production is steady. The January 2016 Dairy Market News average of the mostly price series for Central and West lactose was \$0.2061, compared to \$0.1914 one month ago and \$0.3210 one year ago. NASS's *Dairy Products* report shows U.S. lactose production during December 2015 totaled 87.4 million pounds, a 5.2% decrease from one year ago. Cumulative year to date 2015 lactose production totals 1.054 billion pounds, a 7.0% decrease from 2014. Month ending stocks, at 103.6 million pounds, are 22.1% lower than one year ago, and unchanged from one month ago.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1800 - .3100 MOSTLY: .1800 - .2450

CASEIN - NATIONAL

Weakening global demand is reflected in domestic rennet casein prices, which moved lower. Pricing of all other dairy powders in GDT Event 157 this week declined in the all contracts category and most contract periods where pricing was recorded. This fact, as well as weaker markets in the EU, is reflected in U.S. casein markets. With potential buyers generally holding adequate inventories, as well as with manufacturers having product available, few buyers are in any rush to complete transactions in current market conditions.

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: 2.5000 - 3.3500
ACID: 2.7300 - 3.5000

U.S. Dairy Cow Slaughter (1000 head) under Federal Inspection

WEEK ENDING	2016 WEEKLY DAIRY COWS	2016 CUMULATIVE DAIRY COWS	2015 WEEKLY DAIRY COWS	2015 CUMULATIVE DAIRY COWS
01/16/2016	65.5	3,085.0	65.2	2,984.5

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
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
2015	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	14.44

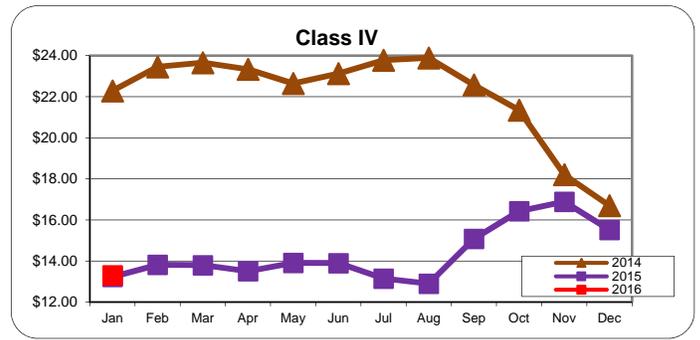
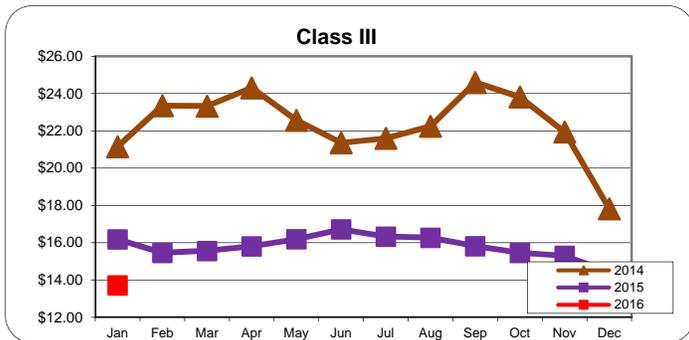
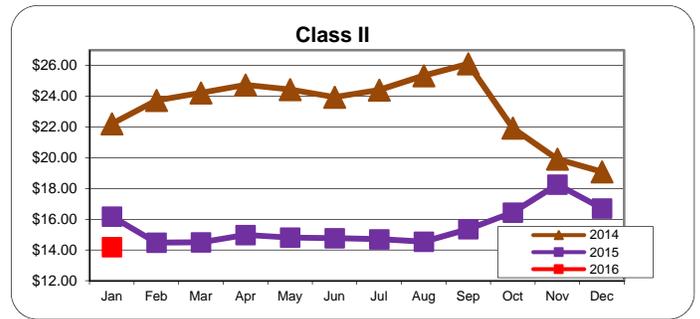
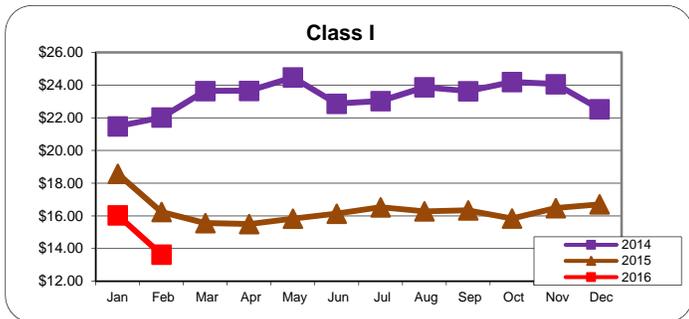
CLASS IV MILK PRICES (3.5%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2015	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	13.64										
II	14.19											
III	13.72											
IV	13.31											

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 January 25 - February 5, 2016

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 in the EU remains strong and is expected to remain strong this year, having bounced back from effects of winter storms the third week of January. Eurostat reports that EU milk production January-November, 2015, was up 2.2% from the same period of 2014. November production was up 5.2% from November 2014. Ireland posted the largest gain among EU countries, up 13% January-November and up 48.1% in November. Cheese sales in the EU are brisk. That is helping to keep inventories in balance. EU cheese production January-November, 2015, was up 1.4% from the same period of 2014. November production was up 4.6% from November 2014. Among the top 5 producing countries, the January-November changes were: Germany +0.9%; France -1.2%; Italy -5.2%; Netherlands +8.8%; and Poland +3.5%.

BUTTER/BUTTEROIL: Butter prices are unchanged but they vary somewhat throughout the EU. This facilitates buyers who wish to strategically seek out prices in nearby countries. Holiday demand is keeping current active production from increasing manufacturer inventories of packaged butter. Bulk butter demand is softer, with many buyers able to wait and watch for weaker prices should they develop, with little concern over upside price risks. Cream demand is moderate. Eurostat reports that January-November 2015 EU production of butter is 4.2% above the same period in the prior year. November production is 12.4% above November 2014. Among the top 4 butter producing EU countries by volume, Ireland has the largest January-November production increase, 18.0%. Following Ireland was Poland +10.0%; Germany +5.0%; and France +1.0%. The November 2015 production changes of the top four producing EU countries were Ireland 20.8%; Germany +20.5%; France +5.3%; Poland +4.2%. EU butter exports for January-November 2015 are +14.9% higher than the same period of 2014. Exports each month were higher than the same month of the prior year. Sales to the U.S., Saudi Arabia, and Egypt account for the increase.

82% BUTTERFAT: 2,850 - 3,100
99% BUTTERFAT: 3,500 - 3,975

SKIM MILK POWDER (SMP): Skim milk powder markets have a weak undertone supported by the intervention program. Short term, demand is low. There is greater buying interest for second quarter deliveries and later, from the European food industry. Current prices are unchanged. Eurostat reports that January-November 2015 EU production of skim milk powder is 8.1% above the same period in the prior year. November 2015 production is 14.1% above November 2014. Among the top 4 SMP producing EU countries by volume with production increases January-November, Ireland leads with 96.7%. Following Ireland was Germany +11.4%; Netherlands +8.7%; and Belgium +8.2%. EU SMP exports for January-November 2015 are +6.0% higher than the same period of 2014. Global export competition is reported to be strong. The current intervention period began January 1, 2016 and will

end September 30, 2016 unless extended. There is an intervention purchase ceiling of 109,000 metric tons. SMP may be sold into intervention at the intervention price of 169,8 €/100kg until a maximum ceiling of 109,000 metric tons is reached, after which a tendering procedure will open. Total intervention purchases through January 31, 2016 were 22,536 metric tons.

1.25% BUTTERFAT: 1,700 - 1,800

SWEET WHEY POWDER: Whey prices are steady. Demand is slightly weaker for feed whey but even for food whey, where greater volumes are moving. EU whey exports for January-November 2015 are 6.5% above the same period of 2014. Export sales to China and South East Asian markets are helping sustain volumes. Manufacturers are actively seeking 2016 export opportunities.

NONHYGROSCOPIC: 500 - 725

WHOLE MILK POWDER (WMP): Whole milk powder demand is steady but very tepid. This has kept prices unchanged. Eurostat reports that January-November 2015 EU production of whole milk powder is 2.7% below the same period in the prior year. November 2015 production is 9.2% above November 2014. Among the top 4 January-November WMP producing EU countries by volume, Germany had a 1.0% increase and Denmark a 0.9% increase. Production in France declined 5.2%. The November 2015 production changes of the top four producing EU countries were Germany +24.8%; France +18.3%; Netherlands +15.8%; and Denmark -20.3%. EU WMP exports for January-November 2015 are -4.1% below the same period of 2014.

26% BUTTERFAT: 2,100 - 2,250

EASTERN OVERVIEW: In Eastern Europe, January-November milk production yielded the following percentage changes from the prior year: Bulgaria -0.7%; Czech Republic +3.0%; Poland +2.3%; and Romania +9.1%. Cheese production for the period was: Bulgaria +3.9%; Czech Republic +2.7%; Poland +3.5%; and Romania +6.6%.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered January 25 - February 05, 2016

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: Dairy Australia reports dairy product exports for the July-November 2015 period, 312.3 thousand MT, are up 7.8% from the year ago period. Various dairy product export changes compared to the same period last year are: butter, -32.1%; butter oil, -32.6%; cheddar, +11.0%; SMP, +26.9%; WMP, -0.6% and whey products -36.9%. The total value of exports for the July-November period was up 6.4%. According to Dairy Australia, November 2015 milk production in Australia was 3.4% below November 2014. The state changes from a year earlier are: New South Wales, +1.4%; Victoria, -5.3%; Queensland, +1.7%; South Australia, -1.3%; Western Australia, +1.9% and Tasmania -0.1%. Australia's milk production season to date (July-November) is +0.8%, compared to last season. Welcome recent late January rain in parts of Australia helped boost milk production volumes, with about 2/3 of the season completed. Hay supplies and demand vary. In the northern region, recent widespread rains have helped pasture growth rebound. Wet conditions have slowed baling and there are concerns that continuing wetness may negatively affect hay quality. Rains have reached drought suffering inland areas and provided relief. Fodder demand is high in southern Australia. Contributing factors are lower than average fodder yields and an early end to the season. In Tasmania, the unusual factor of seeking fodder shipments from the mainland to bolster tight supplies is underway. Most hay buyers from South West Victoria to South Australia have adequate hay to last until fall, which has kept prices stable. Western Australia has tight hay supplies with firming prices. Good quality hay crops but poor yields have created this condition. In **New Zealand**, December milk production as reported by DCANZ was 2.765 million MT, down 1.6% from December 2014, but up 1.7% from two years ago. Total 2015 milk production was down 1.4% from 2014. December 2015 milk solids reflected a 1.2% decrease compared with December 2014. At the February 2 GDT event #157, average prices ranged from 2.2% lower to 10.4% lower 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, \$3,486 -6.6%; butter, \$2,905 -8.3%; buttermilk powder, \$1,513 -6.7%; cheddar cheese, \$2,807 -4.2%; lactose, \$577 -2.6; rennet casein, \$4,362 -3.7%; skim milk powder, \$1,792 -2.2%; sweet whey powder, n.a.; and whole milk powder, \$1,952 -10.4%.

BUTTER: Butter markets are complicated. While GDT pricing showed some declines, market transactions held up better. Long term buyers from regular suppliers often continued transactions at stable pricing. Butter for export is getting harder to find on short notice. Butter inventory building has slowed with manufacturers deciding it is more profitable to channel some milkfat into cheese, whole milk powder or cream cheese. According to Eucolait, New Zealand's exports of butter in 2015 decreased 4.9%. China is the top customer for butter. At the February 2 GDT event #157, NZ butter averaged \$2,880/MT for April contracts, -8.3% from the prior event. Butter for all regions and contracting periods averaged \$2,905/MT, -8.3%. New Zealand AMF prices averaged \$3,478/MT for April contracts, -7.1% from the prior event. For all contracting periods, the AMF price average was \$3,486/MT, -6.6%.

82% BUTTERFAT: 2,900 - 3,200

SKIM MILK POWDER (SMP): Skim milk powder markets have a weak undertone with lower prices reflecting the impact of intervention pricing in the EU. Production has fallen, leaving sales primarily met from inventories. Some manufacturers view inventories as long. According to Eucolait, New Zealand's exports of SMP in 2015 increased 7%. About 30% of exports go to China. Singapore, Philippines, and Malaysia are other top markets for New Zealand SMP. Australian SMP exports January through November 2015 increased 27.4%. The primary export markets are Indonesia, China and Malaysia. At the February 2 GDT event 157, SMP for all regions and contracting periods averaged \$1,792 per MT, -2.2%. For trading in contract period 2, April, prices averaged \$1,833 for NZ sourced medium heat product, -0.7% from the prior event.

1.25% BUTTERFAT: 1,725 - 1,900

CHEDDAR CHEESE: Strength in near term GDT contracts and other current transactions overcame later GDT weakness, to slightly increase current pricing. There are concerns about weaker pricing in future months. According to Eucolait, New Zealand's exports of cheese in 2015 increased 17.6%. Japan, Australia and China are the top customers. Australian cheese exports January through November, 2015, are up 13%. Japan is the largest customer. At the February 2 GDT event #157, NZ cheddar averaged \$2,854/MT for April contracts, +0.9% from the prior event. Cheddar for all contracting periods averaged \$2,807/MT, -4.2%.

39% MAXIMUM MOISTURE: 3,000 - 3,250

WHOLE MILK POWDER (WMP): There is a weaker undertone to whole milk powder markets. Some potential buyers have decided to hold back due to weaker price signals from futures markets. There are also recent signs of some export customers in oil producing countries showing less interest in finalizing export contracts in the face of lower global oil prices. According to Eucolait, New Zealand's exports of WMP in 2015, increased each month September through December, but for the year decreased 3.2%. China reduced imports nearly 60% in 2015 but increases in imports by UAE, Malaysia, Sri Lanka and Vietnam helped to partially offset the China effect. Australian WMP exports January through November 2015 increased 19.7%, with Japan being the largest customer. At the February 2 GDT event 157, the WMP pricing index, across all contracting periods, averaged \$1,952 per MT, down 10.4% compared to the prior event. For contract periods 1 and 2, March and April, NZ regular WMP averaged \$2,034 and \$1,910 per MT, down 8.5% and 9.4% respectively.

26% BUTTERFAT: 2,000 - 2,200

**Exchange rates for selected foreign currencies:
February 1, 2016**

.0709 Argentina Peso	.0083 Japan Yen
.7113 Australian Dollar	.0548 Mexican Peso
.7170 Canadian Dollar	.6547 New Zealand Dollar
1.0888 Euro	.2476 Poland Zloty
.0147 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0548) = 18.2482 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 157 Recap - February 2, 2016						
	Contract 1 Mar-16	Contract 2 Apr-16	Contract 3 May-16	Contract 4 Jun-16	Contract 5 Jul-16	Contract 6 Aug-16	All Contracts
Anhydrous Milk Fat	\$3,557 -3.1%	\$3,478 -7.1%	\$3,452 -7.1%	\$3,472 -5.2%	\$3,519 -5.3%	\$3,527 -6.3%	\$3,486 -6.6%
Butter	\$2,925 -7.6%	\$2,880 -8.3%	\$2,920 -7.5%	\$2,910 -9.2%	\$2,900 -9.5%	\$2,960 -9.6%	\$2,905 -8.3%
Buttermilk Powder	n.a.	\$1,505 -7.1%	\$1,540 -4.9%	n.a.	n.a.	n.a.	\$1,513 -6.7%
Cheddar	\$3,548 18.4%	\$2,854 0.9%	\$2,585 -9.6%	n.a.	n.a.	n.a.	\$2,807 -4.2%
Lactose	n.a.	\$577 -2.6%	n.a.	n.a.	n.a.	n.a.	\$577 -2.6%
Rennet Casein	\$4,725 n.a.	\$4,341 -6.2%	\$4,332 1.4%	n.a.	n.a.	n.a.	\$4,362 -3.7%
Skim Milk Powder	\$1,751 -1.0%	\$1,833 -0.7%	\$1,752 -2.8%	\$1,785 -1.6%	\$1,795 -4.9%	\$1,807 -9.3%	\$1,792 -2.2%
Sweet Whey Powder	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Whole Milk Powder	\$2,034 -8.5%	\$1,910 -9.4%	\$1,974 -10.8%	\$2,042 -13.2%	\$1,998 -13.0%	n.a.	\$1,952 -10.4%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 157 Recap - February 2, 2016						
	Contract 1 Mar-16	Contract 2 Apr-16	Contract 3 May-16	Contract 4 Jun-16	Contract 5 Jul-16	Contract 6 Aug-16	All Contracts
Anhydrous Milk Fat	\$1.6134 -3.1%	\$1.5776 -7.1%	\$1.5658 -7.1%	\$1.5749 -5.2%	\$1.5962 -5.3%	\$1.5998 -6.3%	\$1.5812 -6.6%
Butter	\$1.3268 -7.6%	\$1.3064 -8.3%	\$1.3245 -7.5%	\$1.3200 -9.2%	\$1.3154 -9.5%	\$1.3426 -9.6%	\$1.3177 -8.3%
Buttermilk Powder	n.a.	\$0.6827 -7.1%	\$0.6985 -4.9%	n.a.	n.a.	n.a.	\$0.6863 -6.7%
Cheddar	\$1.6094 18.4%	\$1.2946 0.9%	\$1.1725 -9.6%	n.a.	n.a.	n.a.	\$1.2732 -4.2%
Lactose	n.a.	\$0.2617 -2.6%	n.a.	n.a.	n.a.	n.a.	\$0.2617 -2.6%
Rennet Casein	\$2.1432 n.a.	\$1.9691 -6.2%	\$1.9650 1.4%	n.a.	n.a.	n.a.	\$1.9786 -3.7%
Skim Milk Powder	\$0.7942 -1.0%	\$0.8314 -0.7%	\$0.7947 -2.8%	\$0.8097 -1.6%	\$0.8142 -4.9%	\$0.8196 -9.3%	\$0.8128 -2.2%
Sweet Whey Powder	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Whole Milk Powder	\$0.9226 -8.5%	\$0.8664 -9.4%	\$0.8954 -10.8%	\$0.9262 -13.2%	\$0.9063 -13.0%	n.a.	\$0.8854 -10.4%

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

CME GROUP, INC FUTURES
Selected settling prices

Month	01/22	01/25	01/26	01/27	01/28	01/29	02/01	02/02	02/03	02/04
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
JAN 16	13.72	13.72	13.72	13.72	13.74	13.73	13.73	13.73	13.72	
FEB 16	13.78	13.68	13.73	13.90	13.82	13.89	13.88	13.91	13.90	13.93
MAR 16	13.75	13.66	13.66	13.85	13.80	13.88	13.85	13.88	13.97	14.08
APR 16	13.93	13.81	13.80	13.96	13.90	14.00	13.90	13.97	13.98	14.12
MAY 16	14.27	14.17	14.15	14.26	14.17	14.25	14.25	14.27	14.29	14.38
JUN 16	14.65	14.52	14.50	14.63	14.54	14.65	14.60	14.65	14.65	14.76
JUL 16	15.07	14.88	14.86	14.95	14.95	15.04	15.00	15.04	15.01	15.12
AUG 16	15.55	15.37	15.35	15.37	15.36	15.50	15.46	15.40	15.38	15.47
SEP 16	15.85	15.69	15.66	15.66	15.65	15.74	15.69	15.67	15.65	15.78
OCT 16	15.95	15.89	15.81	15.83	15.83	15.92	15.88	15.85	15.84	15.86
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
JAN 16	13.28	13.28	13.28	13.28	13.31	13.31	13.31	13.31	13.31	
FEB 16	13.87	13.83	13.83	14.05	13.81	13.76	13.51	13.36	13.36	13.36
MAR 16	14.05	13.98	14.08	14.80	14.05	14.02	13.83	13.80	13.85	14.08
APR 16	14.05	13.99	13.99	14.74	14.31	14.11	13.95	13.75	13.86	14.19
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
JAN 16	206.93	206.93	205.80	206.03	206.85	207.03	206.88	207.03	207.59	
FEB 16	224.03	222.00	224.00	227.00	222.00	220.03	215.03	214.70	215.00	219.00
MAR 16	255.45	224.00	228.00	231.05	224.50	224.50	219.50	218.90	222.00	225.25
APR 16	225.03	224.03	228.25	233.00	226.00	225.48	220.48	220.00	224.83	228.00
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
JAN 16	78.23	78.18	78.18	78.18	77.68	77.70	77.70	77.70	77.76	
FEB 16	76.18	75.05	75.28	77.58	76.00	75.75	75.55	74.78	75.03	76.10
MAR 16	77.25	76.00	77.00	81.73	77.73	77.50	77.50	77.00	78.43	80.45
APR 16	78.50	76.88	77.75	83.93	79.93	77.83	78.10	77.38	79.50	81.73
WHEY (Electronic-Traded) (¢/lb)										
JAN 16	23.65	23.65	23.65	23.65	23.65	23.65	23.65	23.65	23.51	
FEB 16	23.48	23.40	23.55	23.60	23.75	24.23	24.08	24.08	24.05	24.25
MAR 16	23.33	23.68	23.40	23.40	23.50	23.75	23.78	23.78	24.03	24.13
APR 16	23.93	23.80	23.50	23.28	23.38	23.88	24.35	24.00	24.03	24.23
CHEESE CSC (Electronic-Traded) (\$/lb)										
JAN 16	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	
FEB 16	1.52	1.51	1.51	1.53	1.52	1.53	1.53	1.53	1.53	1.53
MAR 16	1.51	1.51	1.51	1.52	1.52	1.53	1.52	1.53	1.53	1.54
APR 16	1.53	1.52	1.52	1.53	1.53	1.53	1.53	1.53	1.54	1.54
MAY 16	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.57	1.57	1.57
JUN 16	1.60	1.59	1.59	1.60	1.59	1.60	1.60	1.60	1.60	1.61

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

DAIRY MARKET NEWS MONTHLY SUMMARY AND AVERAGES FOR JANUARY 2016¹ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	:::REPORT NUMBER 1 :::REPORT NUMBER 2 :::REPORT NUMBER 3 :::REPORT NUMBER 4 :::	2016	: 2015
	:::-----:::-----:::-----:::-----:::-----:::-----:::	Monthly	: Monthly
	::: JAN 04 - 08 ::: JAN 11 - 15 ::: JAN 18 - 22 ::: JAN 25 - 29 :::	Average	: Average

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	::: 1.5850 - 1.9450 ::: 1.6000 - 1.9600 ::: 1.6225 - 1.9825 ::: 1.5750 - 1.9350 :::	::: 1.7742	: 1.7814
-- Brick And/Or Muenster 5#	::: 1.8325 - 2.2575 ::: 1.8575 - 2.2825 ::: 1.8650 - 2.2900 ::: 1.8550 - 2.2800 :::	::: 2.0643	: 2.1171
-- Cheddar 40# Block	::: 1.5600 - 1.9550 ::: 1.5850 - 1.9800 ::: 1.5925 - 1.9875 ::: 1.5825 - 1.9775 :::	::: 1.7768	: 1.8184
-- Monterey Jack 10#	::: 1.8075 - 2.0125 ::: 1.8325 - 2.0375 ::: 1.8400 - 2.0450 ::: 1.8300 - 2.0350 :::	::: 1.9293	: 1.9821
-- Blue 5#	::: 2.1000 - 3.0875 ::: 2.1250 - 3.1125 ::: 2.1325 - 3.1200 ::: 2.1225 - 3.1100 :::	::: 2.6131	: 2.6659
-- Mozzarella 5 - 6#	::: 1.6325 - 2.5725 ::: 1.6575 - 2.5975 ::: 1.6650 - 2.6050 ::: 1.6550 - 2.5950 :::	::: 2.1218	: 2.1971
-- Grade A Swiss Cuts 6 - 9#	::: 2.6875 - 2.8050 ::: 2.6875 - 2.8050 ::: 2.6875 - 2.8050 ::: 2.6875 - 2.8050 :::	::: 2.7463	: 3.6856

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 40# Block	::: 1.8700 - 2.1550 ::: 1.8950 - 2.1800 ::: 1.9025 - 2.1875 ::: 1.8925 - 2.1775 :::	::: 2.0318	: 2.0671
-- Process 5# Sliced	::: 1.6850 - 2.1650 ::: 1.7000 - 2.1800 ::: 1.7225 - 2.2025 ::: 1.6750 - 2.1550 :::	::: 1.9342	: 1.9589
-- Muenster	::: 1.8900 - 2.2400 ::: 1.9150 - 2.2650 ::: 1.9225 - 2.2725 ::: 1.9125 - 2.2625 :::	::: 2.0843	: 2.1246
-- Grade A Swiss Cuts 10 - 14#	::: 3.1700 - 3.4925 ::: 3.1700 - 3.4925 ::: 3.1700 - 3.4925 ::: 3.1700 - 3.4925 :::	::: 3.3313	: 4.2706

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	::: 1.6000 - 1.8575 ::: 1.6150 - 1.8725 ::: 1.6375 - 1.8950 ::: 1.5900 - 1.8475 :::	::: 1.7380	: 1.7501
-- Cheddar 40# Block	::: 1.5650 - 2.0100 ::: 1.5900 - 2.0350 ::: 1.5975 - 2.0425 ::: 1.5875 - 2.0325 :::	::: 1.8068	: 1.8796
-- Cheddar 10# Cuts	::: 1.7450 - 1.9650 ::: 1.7700 - 1.9900 ::: 1.7775 - 1.9975 ::: 1.7675 - 1.9875 :::	::: 1.8743	: 1.9471
-- Monterey Jack 10#	::: 1.7550 - 1.9150 ::: 1.7800 - 1.9400 ::: 1.7875 - 1.9475 ::: 1.7775 - 1.9375 :::	::: 1.8543	: 1.9271
-- Grade A Swiss Cuts 6 - 9#	::: 2.7475 - 3.1775 ::: 2.7475 - 3.1775 ::: 2.7475 - 3.1775 ::: 2.7475 - 3.1775 :::	::: 2.9625	: 3.9019

FLUID PRODUCTS

SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)

-- Northeast - f.o.b	::: 2.0450 - 2.3926 ::: 2.1796 - 2.4444 ::: 2.4740 - 2.6008 ::: 2.3582 - 2.6798 :::	::: 2.3894	: 1.8316
-- Upper Midwest - f.o.b	::: 2.0450 - 2.4745 ::: 2.2814 - 2.5666 ::: 2.4317 - 2.6431 ::: 2.5297 - 2.6798 :::	::: 2.4522	: 1.8332

PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.

-- Class II	::: 0.30 - 0.80 ::: 0.75 - 0.90 ::: 0.70 - 0.90 ::: 0.68 - 0.83 :::	::: 0.7289	: 1.0343
-- Class III	::: 0.40 - 0.53 ::: 0.49 - 0.64 ::: 0.44 - 0.64 ::: 0.49 - 0.59 :::	::: 0.5268	: 1.1900

DAIRY MARKET NEWS MONTHLY SUMMARY AND AVERAGES FOR JANUARY 2016¹ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 1 ::REPORT NUMBER 2 ::REPORT NUMBER 3 ::REPORT NUMBER 4 ::				2016	2015
	::-----::-----::-----::-----::				Monthly	Monthly
	JAN 04 - 08	JAN 11 - 15	JAN 18 - 22	JAN 25 - 29	Average	Average
DRY PRODUCTS						
NONFAT DRY MILK						
-- Central And East (f.o.b.)						
-- Low/Medium Heat	:: 0.7850 - 0.8700	:: 0.7700 - 0.8775	:: 0.7500 - 0.8700	:: 0.7600 - 0.8750	:: 0.8202	: 1.0478
-- Mostly	:: 0.8200 - 0.8500	:: 0.8100 - 0.8500	:: 0.8000 - 0.8300	:: 0.8000 - 0.8300	:: 0.8242	: 1.0358
-- High Heat	:: 0.9000 - 1.1500	:: 0.9000 - 1.1500	:: 0.9000 - 1.1500	:: 0.9150 - 1.1500	:: 1.0270	: 1.1831
-- West (f.o.b.)						
-- Low/Medium Heat	:: 0.6875 - 0.8100	:: 0.6775 - 0.8300	:: 0.6850 - 0.8300	:: 0.6500 - 0.8300	:: 0.7496	: 1.0381
-- Mostly	:: 0.7325 - 0.7525	:: 0.7200 - 0.7625	:: 0.7200 - 0.7625	:: 0.7000 - 0.7700	:: 0.7399	: 0.9998
-- High Heat	:: 0.8400 - 1.1000	:: 0.8400 - 1.1000	:: 0.8400 - 1.1000	:: 0.8250 - 1.1000	:: 0.9680	: 1.1583
WHEY POWDER (Nonhygroscopic)						
-- Central (f.o.b.)	:: 0.1800 - 0.2800	:: 0.1900 - 0.2800	:: 0.1800 - 0.2700	:: 0.1800 - 0.2750	:: 0.2296	: 0.5138
-- Mostly	:: 0.1900 - 0.2500	:: 0.2000 - 0.2500	:: 0.2000 - 0.2450	:: 0.2200 - 0.2450	:: 0.2251	: 0.5305
-- West (f.o.b.)	:: 0.2100 - 0.3100	:: 0.2200 - 0.3100	:: 0.2200 - 0.3100	:: 0.2200 - 0.3200	:: 0.2650	: 0.5016
-- Mostly	:: 0.2200 - 0.2600	:: 0.2200 - 0.2600	:: 0.2200 - 0.2600	:: 0.2400 - 0.2600	:: 0.2426	: 0.4715
-- Northeast (f.o.b.)	:: 0.2200 - 0.2775	:: 0.2300 - 0.2775	:: 0.2500 - 0.2775	:: 0.2500 - 0.2775	:: 0.2572	: 0.5584
WHEY PROTEIN CONCENTRATE						
-- Central And West (f.o.b.)						
-- Extra Grade 34% Protein	:: 0.4900 - 0.6800	:: 0.4900 - 0.6800	:: 0.4900 - 0.6800	:: 0.4900 - 0.6800	:: 0.5850	: 1.1516
-- Mostly	:: 0.4900 - 0.5700	:: 0.4900 - 0.5800	:: 0.5300 - 0.5800	:: 0.5300 - 0.5900	:: 0.5445	: 1.1727
ANIMAL FEED - WHEY						
-- Central (f.o.b.)						
-- Milk Replacer	:: 0.1200 - 0.1800	:: 0.1425 - 0.1900	:: 0.1425 - 0.2050	:: 0.1200 - 0.2050	:: 0.1626	: 0.4294
BUTTERMILK (Min. 30% protein)						
-- Central And East (f.o.b.)	:: 0.7800 - 0.8850	:: 0.7800 - 0.8725	:: 0.7800 - 0.8600	:: 0.7800 - 0.8600	:: 0.8249	: 0.8606
-- West (f.o.b.)	:: 0.8200 - 0.8750	:: 0.8000 - 0.8700	:: 0.8000 - 0.8700	:: 0.8000 - 0.8700	:: 0.8383	: 0.9747
-- Mostly	:: 0.8200 - 0.8400	:: 0.8200 - 0.8400	:: 0.8200 - 0.8400	:: 0.8200 - 0.8400	:: 0.8300	: 0.9840
DRY WHOLE MILK						
-- National (f.o.b.)	:: 1.2400 - 1.4500	:: 0.9500 - 1.4700	:: 1.1400 - 1.4000	:: 1.0000 - 1.4000	:: 1.2555	: 1.4515
LACTOSE						
-- Central And West (f.o.b.)	:: 0.1500 - 0.2650	:: 0.1400 - 0.2650	:: 0.1400 - 0.2650	:: 0.1400 - 0.3300	:: 0.2124	: 0.3279
-- Mostly	:: 0.1800 - 0.2200	:: 0.1800 - 0.2300	:: 0.1800 - 0.2400	:: 0.1800 - 0.2400	:: 0.2061	: 0.3210
CASEIN - Edible - National (f.o.b.)						
-- Nonrestricted - Rennet	:: 2.7800 - 3.3500	:: 2.7800 - 3.3500	:: 2.7800 - 3.3500	:: 2.7800 - 3.3500	:: 3.0650	: 3.8588
-- Nonrestricted - Acid	:: 2.7300 - 3.5000	:: 2.7300 - 3.5000	:: 2.7300 - 3.5000	:: 2.7300 - 3.5000	:: 3.1150	: 4.1175

¹ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CME GROUP AVERAGES FOR JANUARY 2016

COMMODITY	: :REPORT NUMBER 1 : :REPORT NUMBER 2 : :REPORT NUMBER 3 : :REPORT NUMBER 4 : :				: : 2016 * : : 2015 *	
	: :-----: :-----: :-----: :-----: : :				: : Monthly : : Monthly	
	: : JAN 4 - 8	: : JAN 11 - 15	: : JAN 18 - 22	: : JAN 25 - 29	: : Average	: : Average
BUTTER*						
-- GRADE AA						
--Monday	:: 2.0400	:: 2.0350	:: 1	:: 2.1650	::	:
--Tuesday	:: 2.0400	:: 2.0350	:: 2.1325	:: 2.1900	::	:
--Wednesday	:: 2.0375	:: 2.1000	:: 2.1325	:: 2.2000	::	:
--Thursday	:: 2.0325	:: 2.1525	:: 2.1400	:: 2.2000	::	:
--Friday	:: 2.0350	:: 2.2500	:: 2.1700	:: 2.2200	:: 2.1214	: 1.5714
--Weekly Average**	:: 2.0370	:: 2.1145	:: 2.1438	:: 2.1950	::	:
CHEESE*						
-- BARRELS						
--Monday	:: 1.5200	:: 1.5350	:: 1	:: 1.4300	::	:
--Tuesday	:: 1.4800	:: 1.5225	:: 1.4975	:: 1.4300	::	:
--Wednesday	:: 1.4800	:: 1.5200	:: 1.4950	:: 1.4300	::	:
--Thursday	:: 1.4950	:: 1.5200	:: 1.4900	:: 1.4300	::	:
--Friday	:: 1.5400	:: 1.5250	:: 1.4300	:: 1.4300	:: 1.4842	: 1.4995
--Weekly Average**	:: 1.5030	:: 1.5245	:: 1.4781	:: 1.4300	::	:
-- 40# BLOCKS						
--Monday	:: 1.5125	:: 1.4600	:: 1	:: 1.4600	::	:
--Tuesday	:: 1.4900	:: 1.4900	:: 1.5000	:: 1.4600	::	:
--Wednesday	:: 1.4700	:: 1.4950	:: 1.4800	:: 1.4600	::	:
--Thursday	:: 1.4600	:: 1.4950	:: 1.4700	:: 1.4600	::	:
--Friday	:: 1.4600	:: 1.4950	:: 1.4600	:: 1.4600	:: 1.4757	: 1.5218
--Weekly Average**	:: 1.4785	:: 1.4870	:: 1.4775	:: 1.4600	::	:
NONFAT DRY MILK*						
-- GRADE A						
--Monday	:: 0.7575	:: 0.7325	:: 1	:: 0.7050	::	:
--Tuesday	:: 0.7450	:: 0.7350	:: 0.7425	:: 0.7050	::	:
--Wednesday	:: 0.7425	:: 0.7425	:: 0.7425	:: 0.7175	::	:
--Thursday	:: 0.7425	:: 0.7425	:: 0.7100	:: 0.7200	::	:
--Friday	:: 0.7325	:: 0.7500	:: 0.7100	:: 0.7175	:: 0.7312	: 0.9898
--Weekly Average**	:: 0.7440	:: 0.7405	:: 0.7263	:: 0.7130	::	:

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported

1/ CME closed on January 18

December Agricultural Prices Highlights

The All Milk price received by farmers was \$17.20 in December, down \$3.20 from December 2014. The alfalfa hay price was \$150.00 in December, down \$30.00 from December 2014. The corn price was \$3.65 in December, down \$0.14 from December 2014. The soybean price was \$8.76 in December, down \$1.54 from December 2014. The milk-feed price ratio was 2.27 in December, down 0.13 from December 2014.

The index of prices received by farmers for dairy products during the month of December 2015 was down 5 to 86. Compared to December 2014, the index was down 15 points (-14.9 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in December 2015 was down 2 point to 104. Compared with December 2014, the index was down 7 points (-6.3 percent).

Selected Milk Prices, Milk Cows, and Feed Prices, Selected States and U.S., December 2015 with Comparisons								
State	All-Milk price ^{1,2}		Alfalfa hay, baled		Corn for Grain		Soybeans	
	Dec		Dec		Dec		Dec	
	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	19.60	16.70	200.00	140.00	---	---	---	---
CA	17.90	15.82	220.00	165.00	---	---	---	---
CO	21.60	18.10	200.00	160.00	4.13	3.66	---	---
ID	19.40	16.70	200.00	190.00	---	---	---	---
IN	21.20	17.50	---	---	3.80	3.88	10.50	8.95
IA	20.90	17.20	144.00	120.00	3.79	3.53	10.00	8.45
MI	20.50	16.50	180.00	160.00	3.63	3.56	10.10	8.40
MN	20.50	17.00	158.00	105.00	3.73	3.44	10.10	8.55
NM	19.40	16.00	235.00	185.00	---	---	---	---
NY	22.30	18.80	222.00	225.00	---	---	---	---
OH	21.80	17.80	175.00	200.00	3.90	4.01	10.60	9.06
PA	22.60	19.20	240.00	231.00	3.95	3.93	---	---
TX	20.70	17.80	233.00	205.00	4.50	4.12	---	---
WA	21.30	18.30	210.00	160.00	---	---	---	---
WI	20.70	17.20	165.00	98.00	3.69	3.38	10.00	8.44
U.S.	20.40	17.20	180.00	150.00	3.79	3.65	10.30	8.76

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., December 2015 with Comparisons			
Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ¹			
State ²	Dec 2014	Nov 2015	Dec 2015
IA	2.70	2.60	2.53
MI	2.46	2.12	2.16
MN	2.57	2.73	2.65
OH	2.54	2.25	1.98
WI	2.56	2.97	2.77
U.S.	2.40	2.42	2.27

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., December 2015 with Comparisons			
Item	Dec 2014	Nov 2015	Dec 2015
Index Numbers (1990-92=100):			
Prices received by farmers for dairy production	101	91	86
Prices paid by farmers for commodities and services, interest taxes, and wage rates	111	106	104

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, January 2016.*

December 2015 Dairy Products Highlights

Butter production was 177.0 million pounds, 4.3 percent above December 2014, and 17.0 percent above November 2015. **American type cheese** production totaled 397.4 million pounds, 0.7 percent above December 2014, and 5.3 percent above November 2015. **Total cheese** output (excluding cottage cheese) was 1.02 billion pounds, 1.2 percent above December 2014, and 2.8 percent above November 2015. **Nonfat dry milk** production, for human food, totaled 147.0 million pounds, 10.2 percent below December 2014, but 17.2 percent above November 2015. **Dry whey** production, for human food, was 92.2 million pounds, 24.2 percent above December 2014, and 11.1 percent above November 2015. **Ice cream, regular hard** production totaled 55.0 million gallons, 5.4 percent above December 2014, and 1.5 percent above November 2015.

Production of Dairy Products									
Product	Dec 2015	Change from			Product	Dec 2015	Change from		
		Dec 2014	Nov 2015	Year to Date ¹			Dec 2014	Nov 2015	Year to Date ¹
	(1,000 lbs)	(percent)				(1,000 lbs)	(percent)		
Butter	177,058	4.3	17.0	-0.4	Yogurt (plain and flavored)	361,815	-5.2	4.1	-0.4
Cheese					Dry whey, human food	92,210	24.2	11.1	---
American types ²	397,436	0.7	5.3	2.3	Dry whey, animal feed	1,788	106.7	2.3	---
Cheddar	289,936	1.5	8.7	2.6	Dry whey, total ⁸	93,998	25.1	11.0	12.7
Other American	107,500	-1.6	-3.1	---	Reduced lactose & minerals				
Brick & Muenster	13,680	-3.5	-13.2	---	Human food	2,772	53.3	-0.2	---
Cream & Neufchatel	74,569	-4.2	-8.0	---	Animal feed	2,561	-48.6	0.4	---
Hispanic	21,581	-0.3	0.9	---	Lactose, human food & animal feed	87,408	-5.2	4.1	-7.0
Total Italian types	452,826	3.1	3.4	2.3	Whey protein concentrate				
Mozzarella	352,333	2.6	1.7	1.3	Human food ⁹	39,779	-14.6	-2.7	---
Other Italian	100,493	5.0	9.6	---	Animal feed ⁹	238	-43.3	-0.8	---
Swiss	27,923	1.8	11.0	---	Total ⁹	40,017	-14.8	-2.7	-8.3
All other types	34,118	-1.6	-2.2	---	25.0-49.9 percent ¹⁰	16,066	-33.6	0.1	---
Total	1,022,133	1.2	2.8	2.4	50.0-89.9 percent ¹⁰	23,951	5.1	-4.4	---
Cottage cheese, curd ³	32,715	4.1	9.4	---	Whey protein isolates ¹¹	8,701	45.2	2.1	---
Cottage cheese, cream ⁴	25,888	2.0	8.6	2.5					
Cottage cheese, lowfat ⁵	30,558	5.7	15.9	-0.8					
Dry buttermilk	9,876	-2.9	24.4	---					
Dry whole milk	9,672	35.9	60.8	---	Frozen products				
Milk protein conc. (MPC), total ⁶	12,155	12.0	40.1	---	Ice cream, regular hard	55,005	5.4	1.5	-1.0
Nonfat dry milk (NDM), human	147,047	-10.2	17.2	2.8	Ice cream, lowfat, hard	12,206	-16.4	-0.3	---
Skim milk powders (SMP) ⁷	45,377	5.1	1.0	-17.1	Ice cream, lowfat, soft	12,070	-4.6	-1.9	---
Sour cream	119,866	-1.4	-3.8	1.0	Ice cream, lowfat, total	24,276	-10.9	-1.1	4.6
					Sherbet, hard	2,182	-16.2	-13.8	-4.8
					Frozen yogurt, total	3,675	-0.8	-10.8	-0.5

Manufacturers' Stocks, End of Month ¹²									
Product	Dec 2015	Dec 2014	Nov 2015	Product	Dec 2015	Dec 2014	Nov 2015		
								(1,000 lbs)	(percent)
Dry whey, human food	69,481	11.9	13.0	Whey protein concentrate					
Dry whey, animal feed	2,134	177.9	-5.6	Human food ⁹	66,814	3.6	1.1		
Reduced lactose & minerals—human & animal ¹³	6,713	-26.4	-17.9	Animal feed ⁹	823	-21.0	-15.8		
Lactose, human food & animal feed	103,592	-22.1	---	Total ⁹	67,637	3.3	0.9		
Dry buttermilk	14,994	-42.9	31.9	25.0-49.9 percent ¹⁰	25,891	-20.9	5.5		
Nonfat dry milk, human food	199,365	-16.6	0.4	50.0-89.9 percent ¹⁰	41,746	27.3	-1.8		
				Whey protein isolates ¹¹	16,548	39.4	7.7		

¹ 2015 cumulative as percent change of 2014 cumulative. ² Includes Cheddar, Colby, Monterey and Jack. ³ Mostly used for processing into cream or lowfat cottage cheese. ⁴ Fat content 4 percent or more. ⁵ Fat content less than 4 percent. ⁶ Dry milk protein concentrate, 40-89.9 percent. ⁷ Includes protein standardized and blends. ⁸ Excludes all modified dry whey products. ⁹ Whey protein concentrate, 25.0 to 89.9 percent. ¹⁰ Whey protein concentrate, human and animal. ¹¹ Whey protein isolates, 90.0 percent or greater. ¹² Stocks held by manufacturers at all points and in transit. ¹³ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. **Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Dairy Products*, (February 2016).

Federal Milk Order Final Class and Component Prices, January

Class Prices: The following are the January 2016 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$14.19 (-\$2.52), Class III: \$13.72 (-\$0.72), and Class IV: \$13.31 (-\$2.21).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for January 2016 is \$2.3062 per pound. Thus, the Class II butterfat price is \$2.3132 per pound. The protein and other solids prices for January 2016 are \$1.8169 and \$0.0371 per pound, respectively. These component prices set the Class III skim milk price at \$5.85 per cwt. The January 2016 Class IV skim milk price is \$5.43, which is derived from the nonfat solids price of \$0.6037 per pound.

Product Price Averages: The product price averages for January 2016 are: butter: \$2.0759, nonfat dry milk: \$0.7776, cheese: \$1.5178, and dry whey: \$0.2351.

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

Federal Milk Order Marketing Areas ³	Order Number	January 2016				February 2016
		Class I	Class II	Class III	Class IV	Class I
<i>(dollars per 100 pounds)</i>						
Northeast (Boston) ⁴	001	19.29	14.19	13.72	13.31	16.89
Appalachian (Charlotte) ⁵	005	19.44	14.19	13.72	13.31	17.04
Florida (Tampa) ⁶	006	21.44	14.19	13.72	13.31	19.04
Southeast (Atlanta) ⁷	007	19.84	14.19	13.72	13.31	17.44
Upper Midwest (Chicago) ⁸	030	17.84	14.19	13.72	13.31	15.44
Central (Kansas City) ⁹	032	18.04	14.19	13.72	13.31	15.64
Mideast (Cleveland) ¹⁰	033	18.04	14.19	13.72	13.31	15.64
Pacific Northwest (Seattle) ¹¹	124	17.94	14.19	13.72	13.31	15.54
Southwest (Dallas) ¹²	126	19.04	14.19	13.72	13.31	16.64
Arizona (Phoenix)	131	18.39	14.19	13.72	13.31	15.99
All-Market Average	---	18.93	14.19	13.72	13.31	16.53

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

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

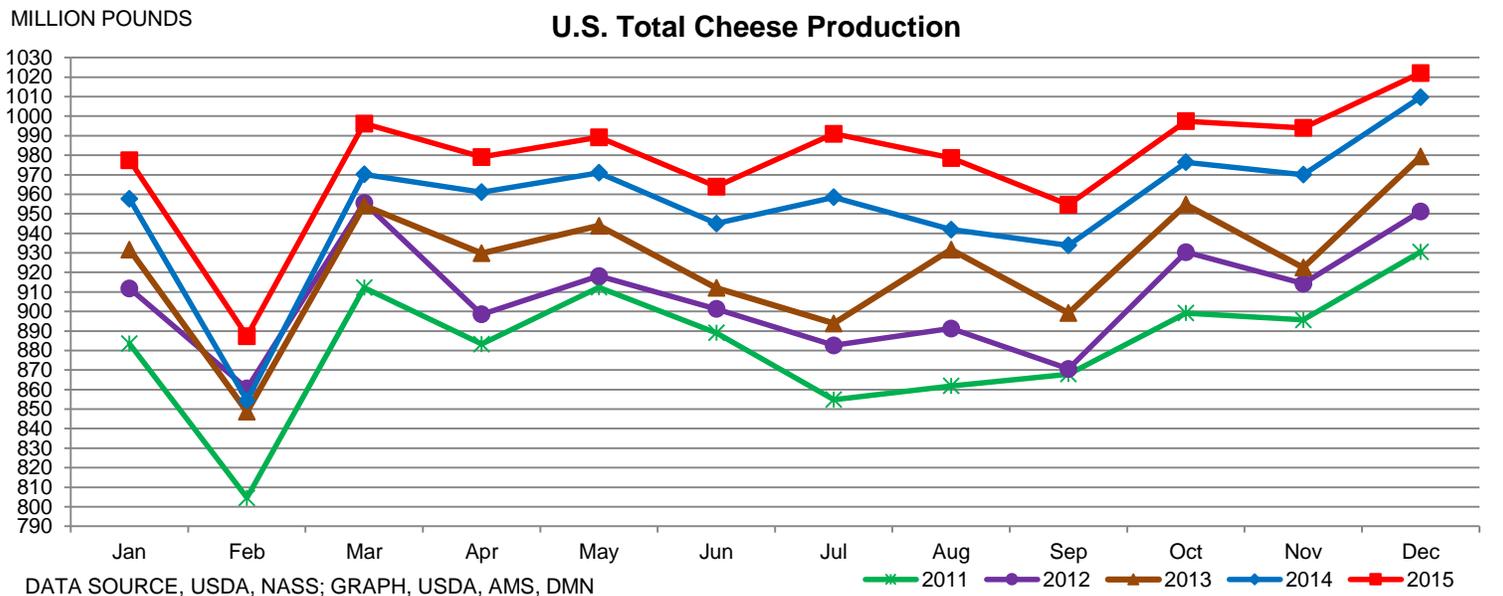
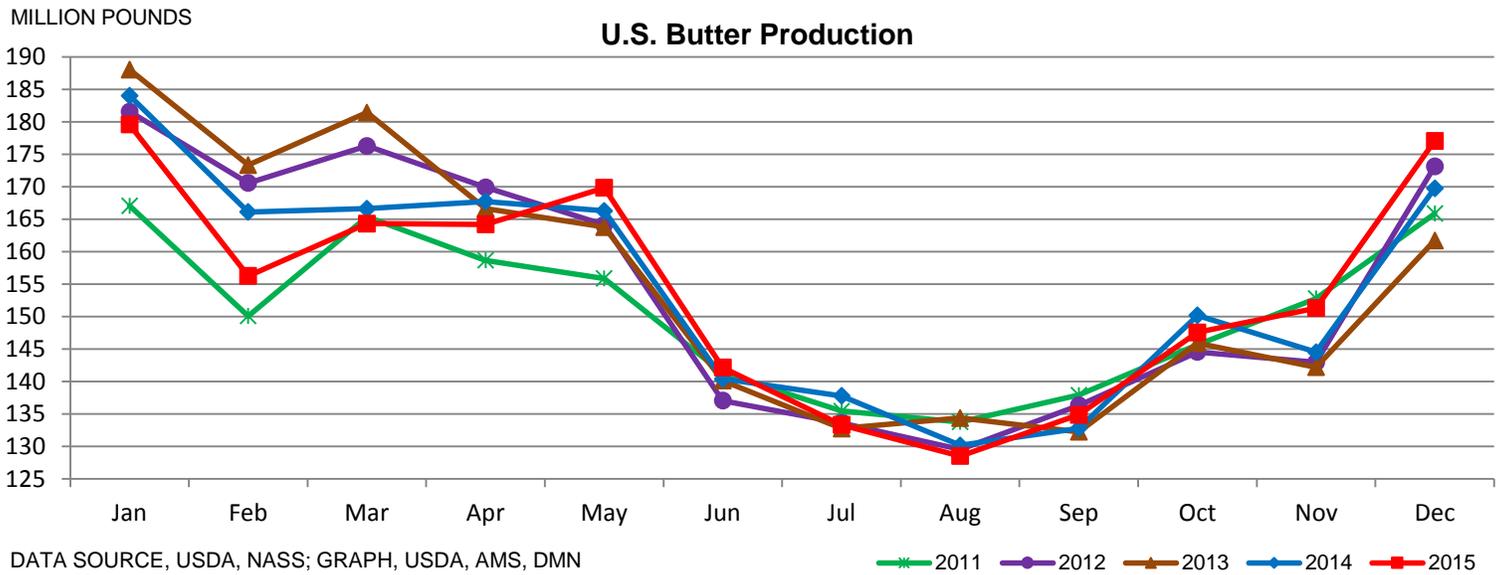
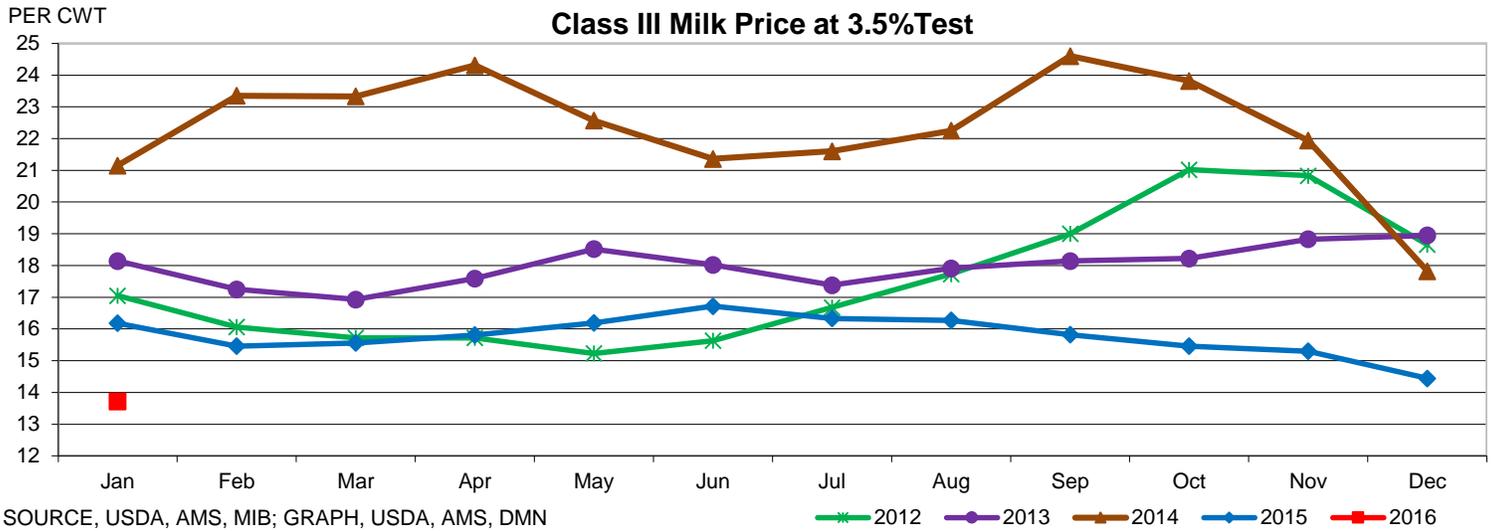
⁸ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

⁹ 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.

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

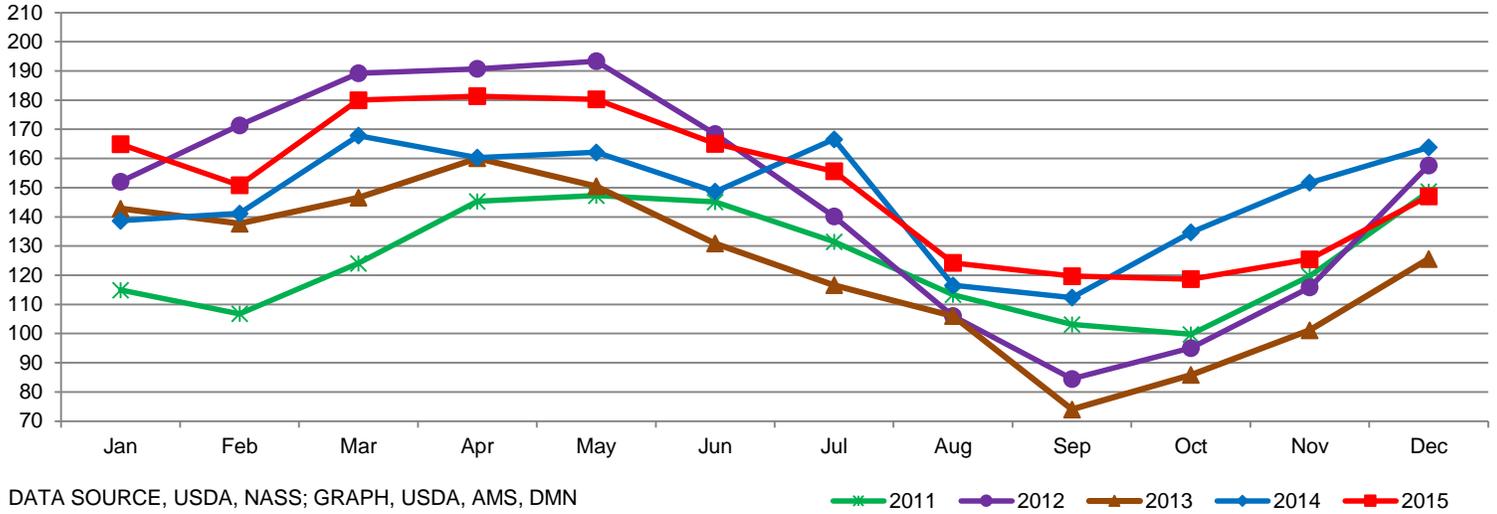
¹¹ Class I prices at other cities are: Portland, same; and Spokane, same.

¹² 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.



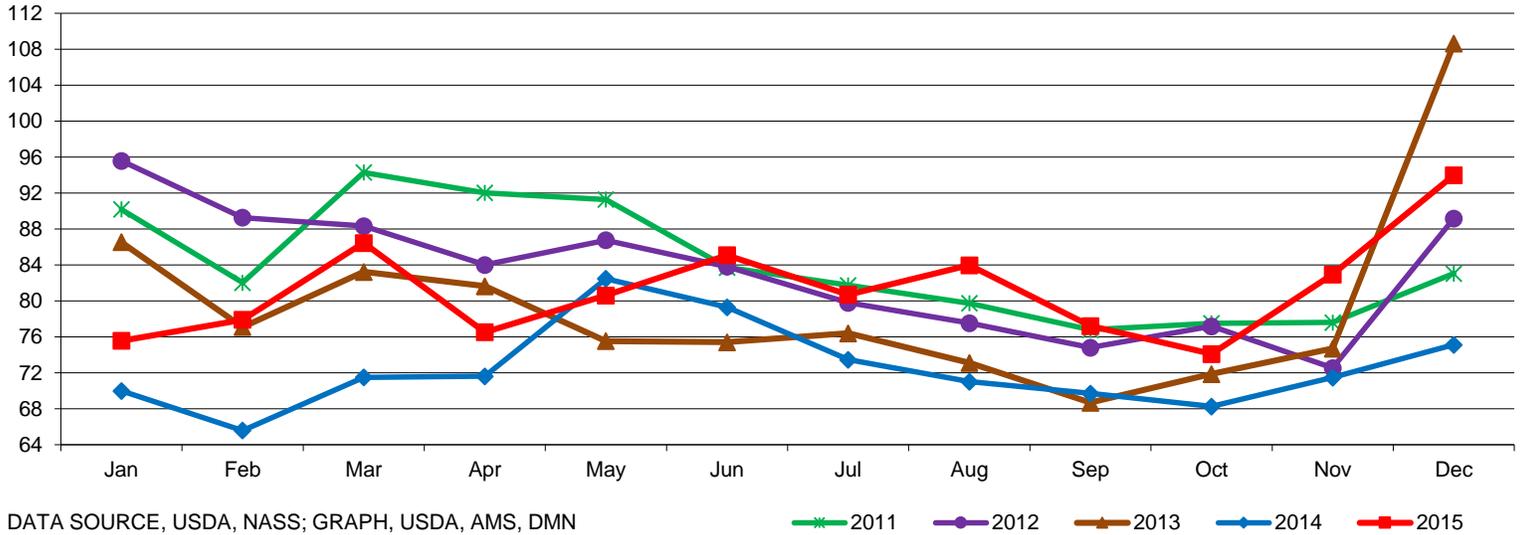
MILLION POUNDS

U.S. Nonfat Dry Milk (NDM) Production, Human



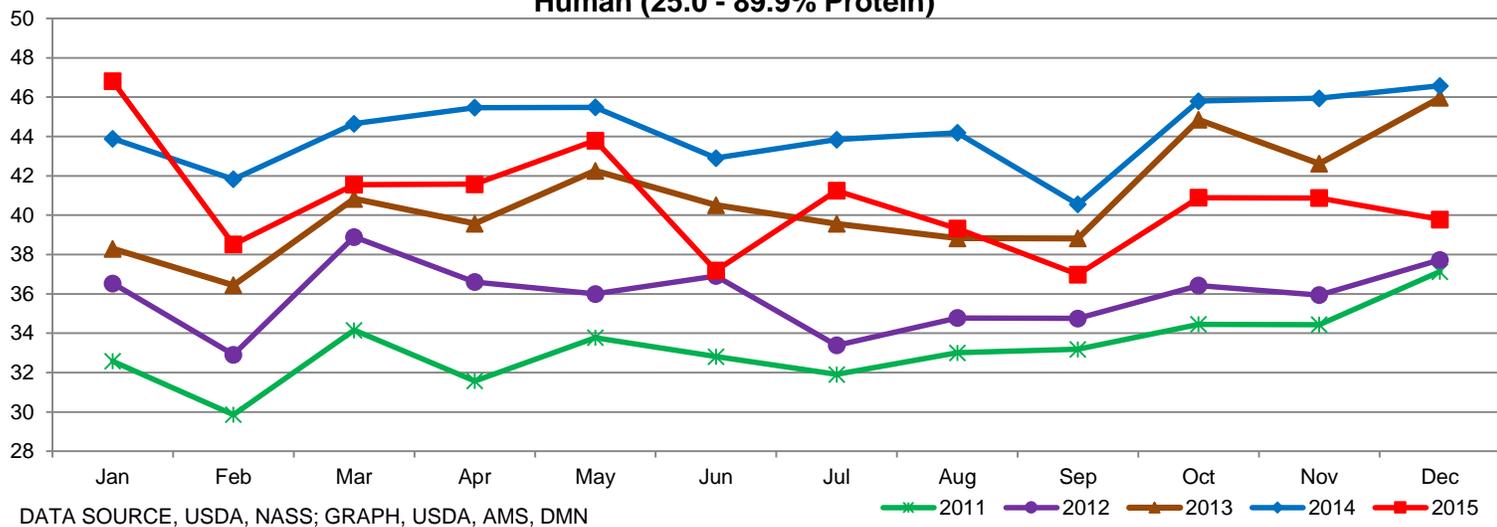
MILLION POUNDS

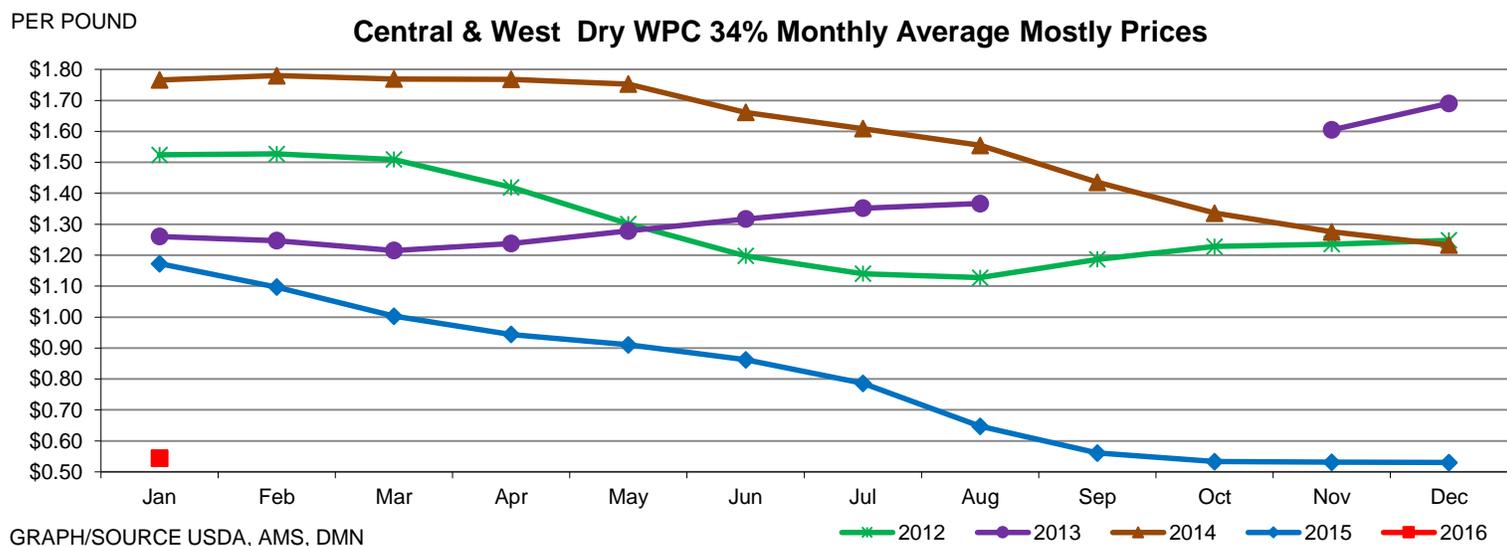
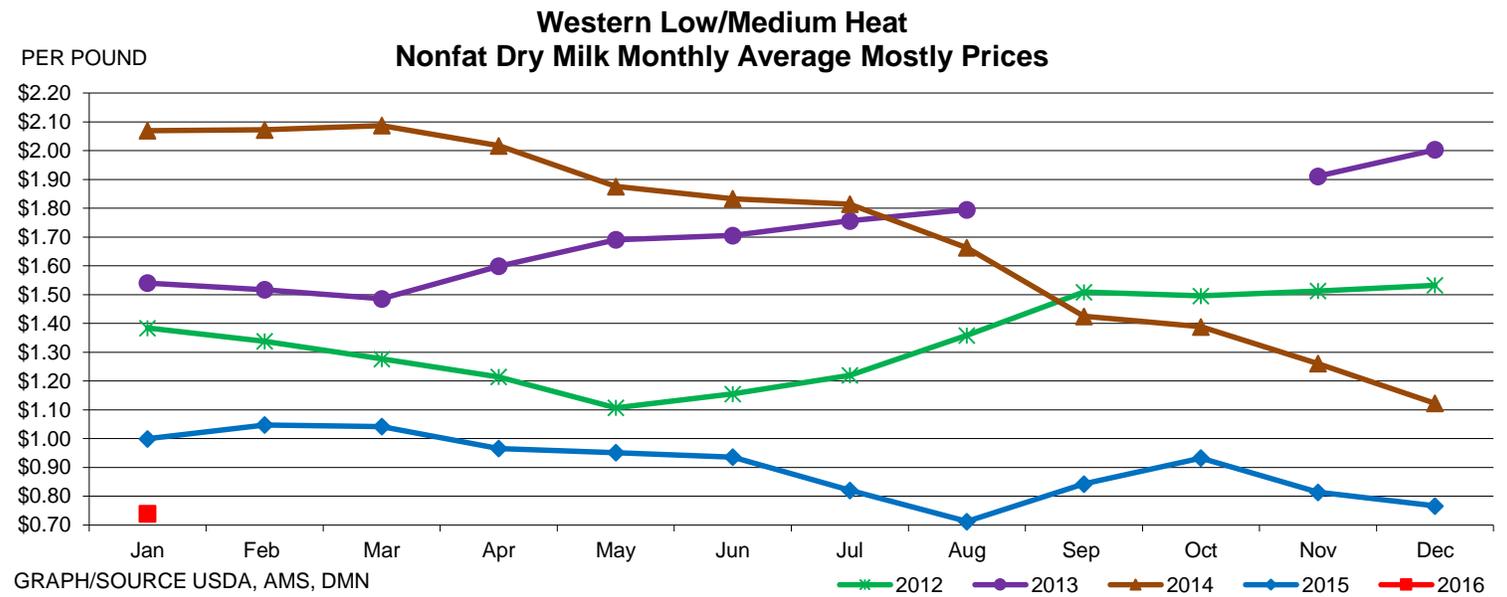
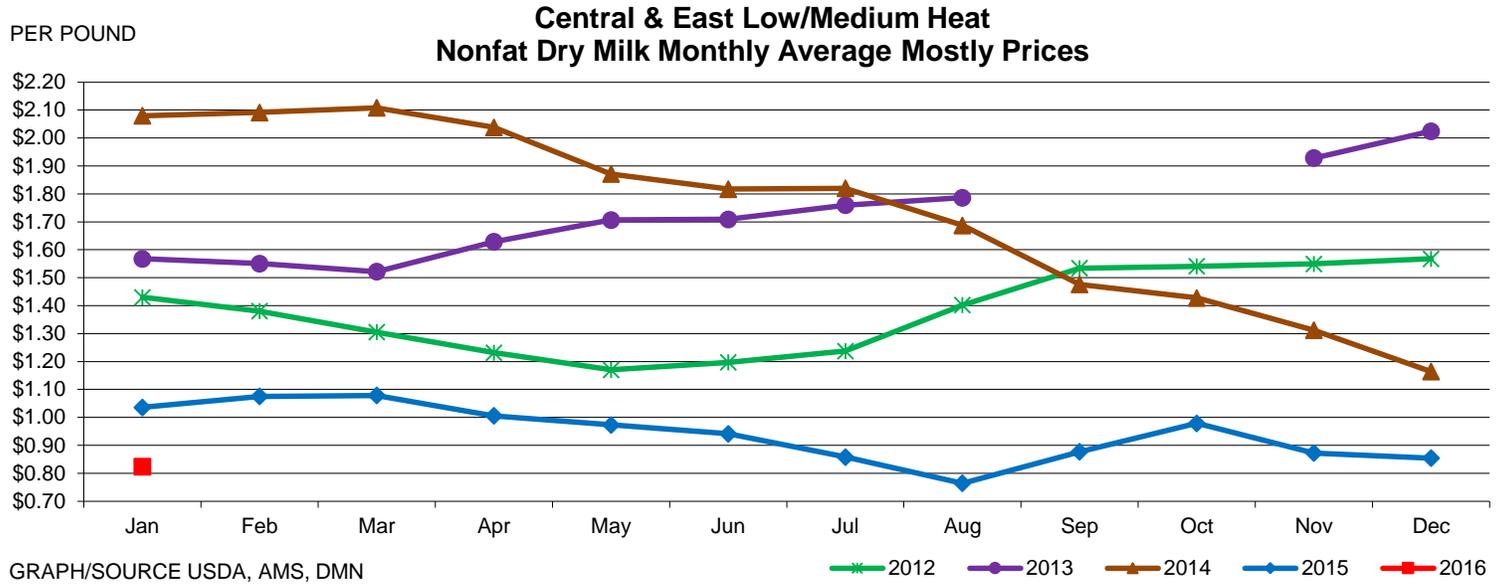
U.S. Total Dry Whey Production

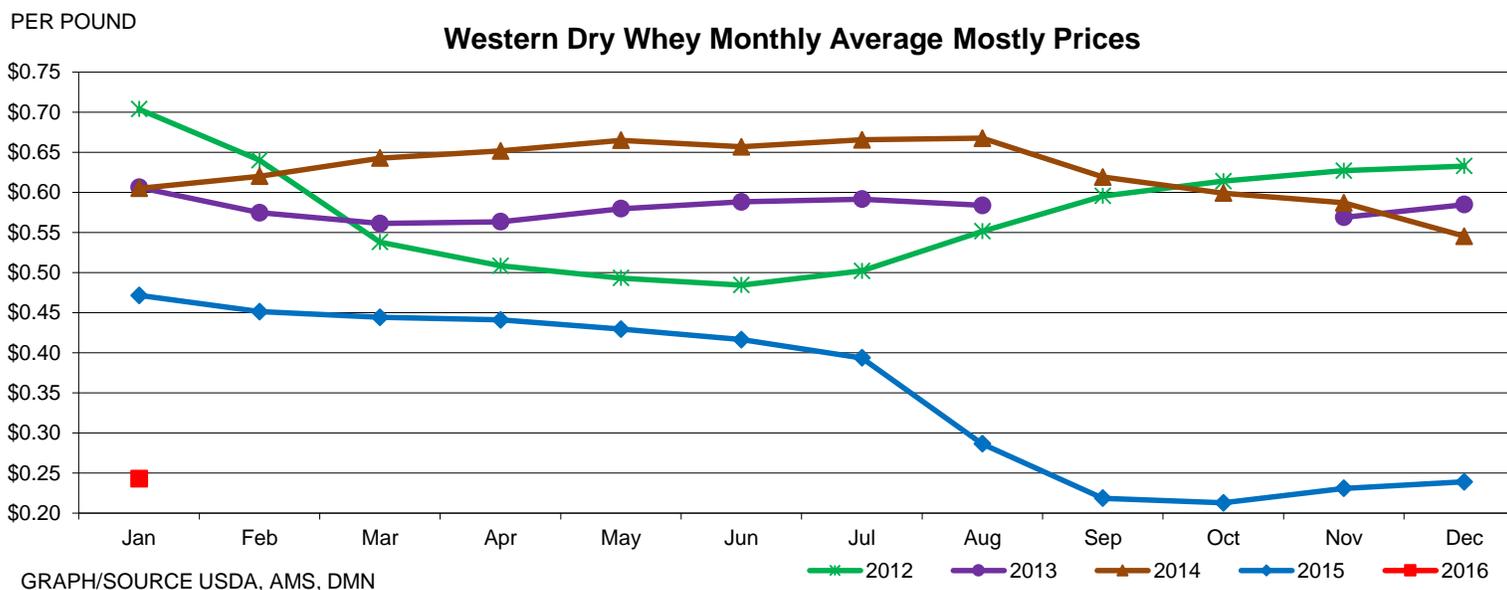
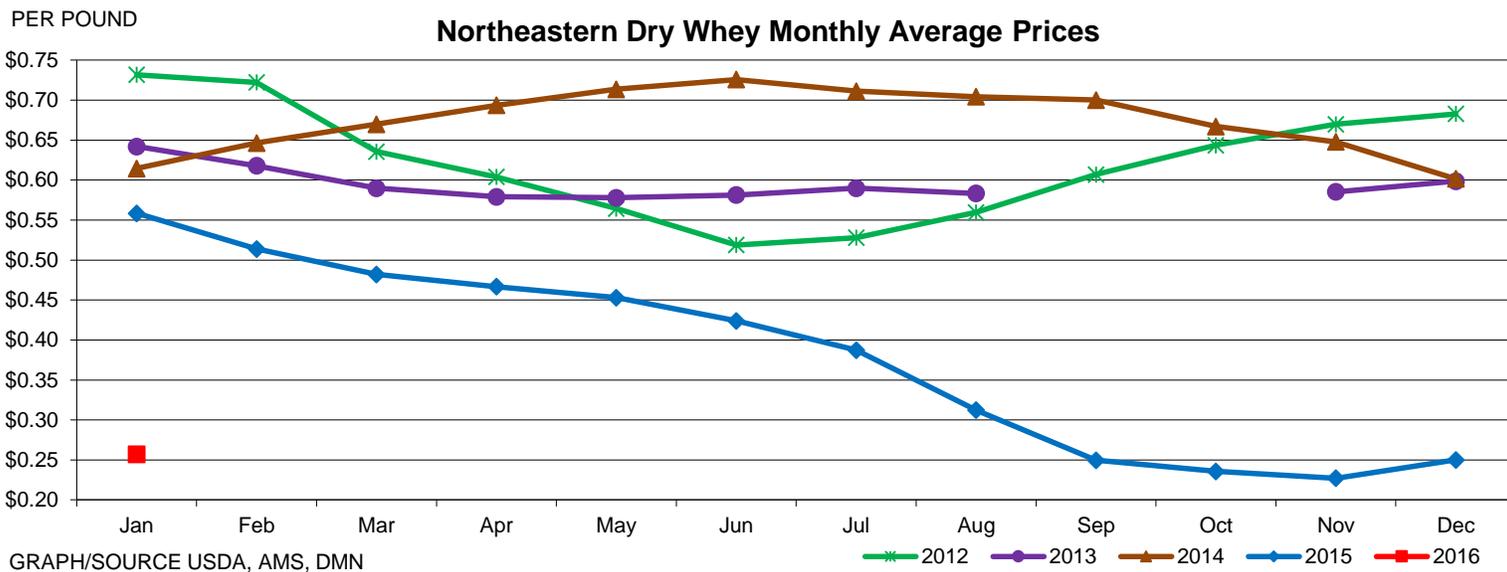
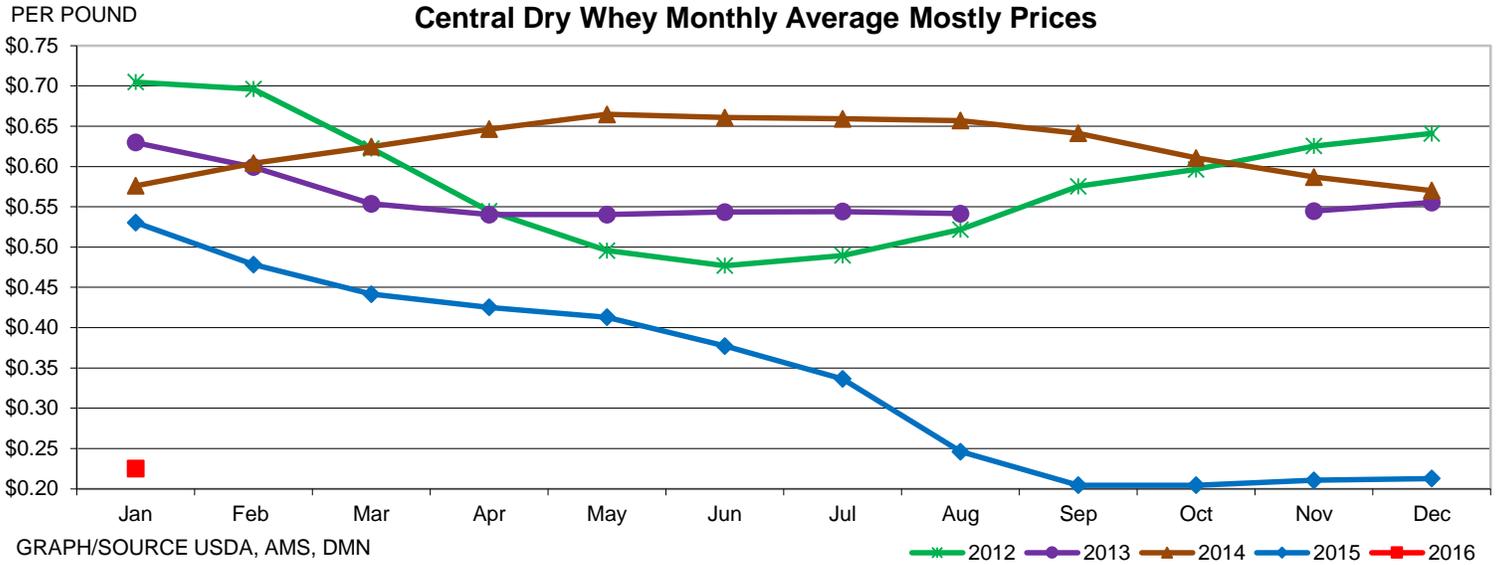


MILLION POUNDS

U.S. Whey Protein Concentrate Production, Human (25.0 - 89.9% Protein)









Dairy Market News Branch

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Friday, February 5, 2016

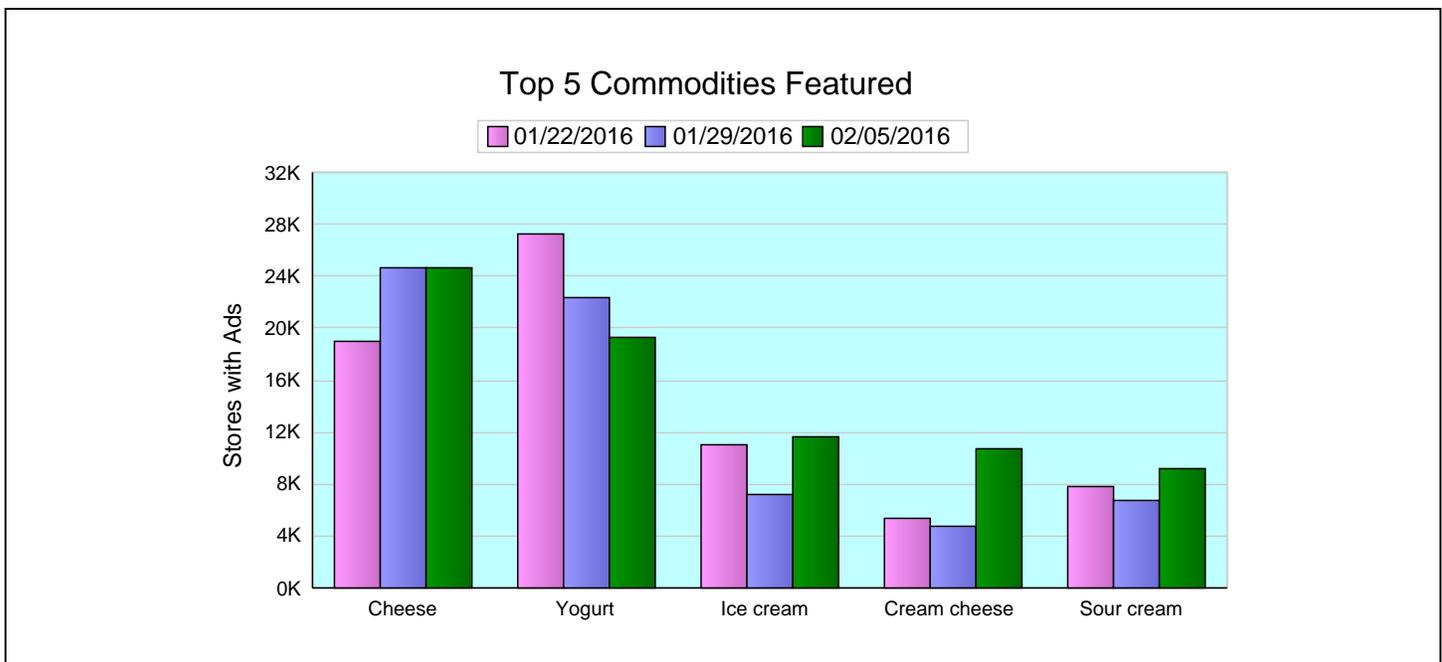
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 02/05/2016 to 02/11/2016

For conventional dairy advertisements, shredded cheese in 8 ounce packages had the largest volume of ads, followed by 48-60 ounce ice cream and 4-6 ounce Greek yogurt, respectively. Advertisements for cream cheese had the largest percentage increase, 124%. Ads for half-gallon milk decreased 81%, followed by a 45% decline for 1# butter. The total volume of conventional dairy ads increased 9%, but organic dairy ads decreased 17% this week.

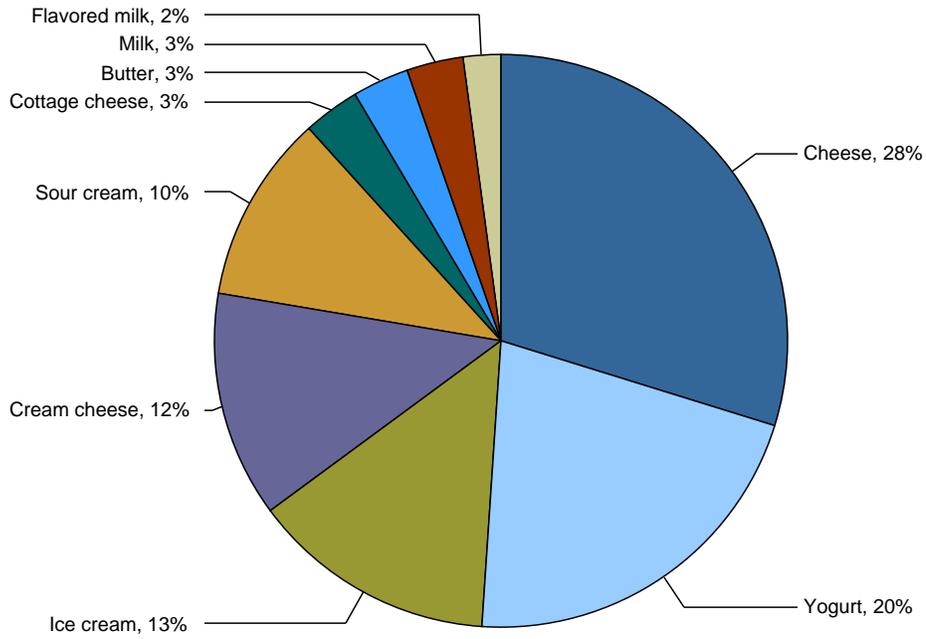
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.07, down 13 cents from last week, and down 40 cents from a year ago; 8 ounce shred cheese averaged \$2.18, down 16 cents from last week, and 34 cents below one year ago. Organic 8 ounce blocks averaged \$3.99, while 8 ounce shred cheese averaged \$3.43. Advertisements for conventional cheese were up 2%, but organic cheese ads dropped 44% from last week.

The average price for conventional yogurt in 4-6 ounce packages is \$.52, up 2 cents from last week and up 2 cents from a year ago. The average price of 4-6 ounce conventional Greek yogurt is \$.97, up 5 cents from last week, but 1 cent lower than a year ago. The average price of 4-6 ounce organic Greek yogurt was \$1.37. Conventional yogurt ad numbers decreased 17% from last week. Organic yogurt ads are up 71% from the previous week.

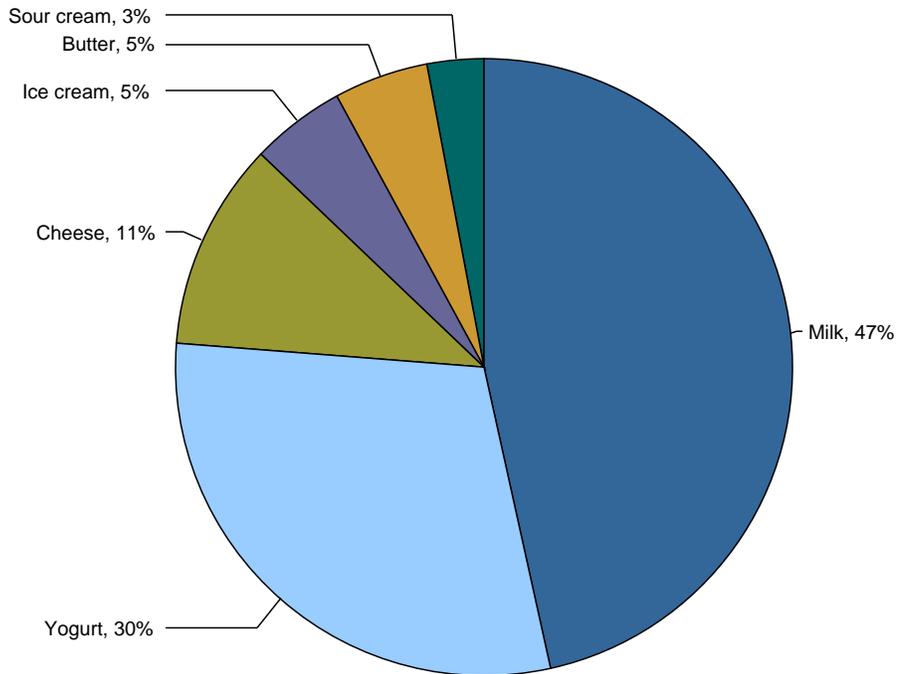
The price spread between organic and conventional half gallon milk is \$1.60. The price spread is the difference between national weighted average prices for organic, \$3.73, and conventional, \$2.13. Conventional milk ads declined by 16% from last week, while organic ads decreased by 36%.



Percentage of Total Conventional Ads by Commodity



Percentage of Total Organic Ads by Commodity





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 #	2731	3.32	5003	2.92	1261	3.03
Cheese	Natural Varieties	8 oz block	9304	2.07	8782	2.20	5989	2.47
Cheese	Natural Varieties	1 # block	533	3.07	932	4.67	1923	4.52
Cheese	Natural Varieties	2 # block	1361	6.33	877	6.29	384	7.26
Cheese	Natural Varieties	8 oz shred	12829	2.18	12839	2.34	8453	2.52
Cheese	Natural Varieties	1 # shred	122	3.99	213	4.99	1506	3.50
Cottage cheese		16 oz	2822	1.79	2761	1.93	3096	2.32
Cream cheese		8 oz	10735	1.71	4796	1.76	4635	1.83
Flavored milk	All fat tests	half gallon	608	2.42	707	1.98	383	2.14
Flavored milk	All fat tests	gallon	829	3.15	611	2.22	810	4.28
Ice cream		48-64oz	11467	2.94	7133	3.01	8333	3.01
Milk	All fat tests	half gallon	226	2.13	1162	1.34	1185	1.92
Milk	All fat tests	gallon	2444	2.31	2026	2.25	3940	2.99
Sour cream		16 oz	8996	1.67	6691	1.55	5061	1.63
Yogurt	Greek	4-6 oz	11040	.97	11371	.92	16299	.98
Yogurt	Greek	32 oz	1533	4.09	1455	4.46	1858	4.31
Yogurt	Yogurt	4-6 oz	3957	.52	7040	.50	7574	.50
Yogurt	Yogurt	32 oz	1232	2.24	1624	2.45	1745	2.02

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-4.99	1695	3.52	2.70	233	2.70			
Cheese	Natural Varieties	8 oz block	1.66-2.99	2971	2.19	1.88-2.50	2004	2.03	0.99-2.50	2614	1.94
Cheese	Natural Varieties	1 # block	2.50-3.99	144	3.25						
Cheese	Natural Varieties	8 oz shred	1.66-3.00	3130	2.34	1.88-2.50	2900	2.20	1.49-2.50	2943	2.03
Cheese	Natural Varieties	1 # shred	3.99	53	3.99						
Cottage cheese		16 oz	1.99-3.49	714	2.51	1.00-2.00	1186	1.84	1.25-1.98	415	1.35
Cream cheese		8 oz	1.49-3.00	2111	1.94	1.00-3.00	3874	1.67	0.99-2.49	2155	1.52
Flavored milk	All fat tests	half gallon							1.99-2.99	332	2.35
Flavored milk	All fat tests	gallon	3.99	84	3.99	3.00	502	3.00	2.79-3.49	188	3.23
Ice cream		48-64oz	1.99-5.98	3011	2.95	1.99-3.50	4167	2.85	1.99-3.99	1483	3.00
Milk	All fat tests	half gallon	2.68	62	2.68				0.99	98	.99
Milk	All fat tests	gallon				2.50-3.00	735	2.84	1.49-2.89	960	1.88
Sour cream		16 oz	0.99-2.00	2679	1.68	1.00-2.00	2196	1.79	0.99-2.00	1178	1.47
Yogurt	Greek	4-6 oz	0.60-1.50	3482	1.03	0.50-1.00	2302	.95	0.69-1.00	1928	.89
Yogurt	Greek	32 oz	3.99-5.00	535	4.45				3.69-3.99	645	3.72
Yogurt	Yogurt	4-6 oz	0.33-0.55	1278	.50	0.50-0.60	1127	.59	0.49-0.50	735	.50
Yogurt	Yogurt	32 oz	2.49-2.77	464	2.53				1.89-3.00	707	2.08

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-3.49	534	2.96	2.99	178	2.99	3.49	61	3.49
Cheese	Natural Varieties	8 oz block	1.50-2.50	1011	2.01	1.88-2.50	562	2.12	2.50-2.99	129	2.76
Cheese	Natural Varieties	1 # block	2.50	239	2.50				2.50-3.99	129	3.30
Cheese	Natural Varieties	2 # block	4.99-5.99	331	5.62	4.99-7.99	567	6.74	5.99	424	5.99
Cheese	Natural Varieties	8 oz shred	1.49-2.50	1933	1.98	1.79-3.00	1326	2.31	1.99-2.50	581	2.35
Cheese	Natural Varieties	1 # shred							3.99	69	3.99
Cottage cheese		16 oz	1.00	288	1.00	1.00	210	1.00			
Cream cheese		8 oz	1.00-3.00	1182	1.59	1.25-2.00	816	1.83	1.25-2.50	485	1.67
Flavored milk	All fat tests	half gallon	1.99-2.99	207	2.35				2.99	69	2.99
Flavored milk	All fat tests	gallon	3.00	55	3.00						
Ice cream		48-64oz	1.99-4.99	1253	3.09	1.99-3.49	987	2.79	2.79-3.33	482	3.02
Milk	All fat tests	half gallon							3.29	66	3.29
Milk	All fat tests	gallon	1.99-3.00	316	2.24	1.99	120	1.99	2.50	289	2.50
Sour cream		16 oz	1.00-2.00	1008	1.48	1.00-2.00	1590	1.70	1.25-1.79	240	1.61
Yogurt	Greek	4-6 oz	0.85-1.00	989	.94	0.88-1.50	1640	1.03	0.88-1.00	611	.92
Yogurt	Greek	32 oz	5.39	74	5.39				3.00-4.49	279	3.93
Yogurt	Yogurt	4-6 oz	0.50	178	.50	0.50	253	.50	0.50	350	.50
Yogurt	Yogurt	32 oz							2.00	61	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 #				4.49-4.99	30	4.94
Cheese	Natural Varieties	8 oz block	2.00	6	2.00	2.50-3.00	7	2.71
Cheese	Natural Varieties	1 # block	6.99	21	6.99			
Cheese	Natural Varieties	2 # block	6.98-10.98	39	10.11			
Cheese	Natural Varieties	8 oz shred	2.00-3.98	9	2.66	2.50-3.00	7	2.71
Cottage cheese		16 oz	2.49	6	2.49	2.50	3	2.50
Cream cheese		8 oz	1.79-3.50	58	2.71	2.49-2.50	54	2.50
Ice cream		48-64oz	3.00-7.49	36	6.57	3.99-4.00	48	4.00
Milk	All fat tests	gallon	2.99	21	2.99	4.99	3	4.99
Sour cream		16 oz	2.19-2.99	39	2.83	1.99-3.08	66	2.32
Yogurt	Greek	4-6 oz	1.00-1.25	37	1.11	0.99-1.29	51	1.13
Yogurt	Yogurt	4-6 oz	0.60	6	.60	0.50-0.60	30	.59

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD	LAST WEEK	LAST YEAR
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Wtd Avg - Simple weighted average



			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	229	4.99	391	5.61	137	5.49
Cheese	Natural Varieties	8 oz block	84	3.99	403	3.36	900	3.99
Cheese	Natural Varieties	8 oz shred	452	3.43	559	3.50	935	3.96
Cream cheese		8 oz					59	3.19
Ice cream		48-64oz	244	4.99				
Milk	All fat tests	half gallon	1649	3.73	2307	4.33	2134	3.89
Milk	All fat tests	gallon	105	6.99	448	5.69	563	5.01
Milk	All fat tests	8 oz UHT	647	.94	1002	.98	604	1.00
Sour cream		16 oz	167	2.99	114	1.99	59	4.49
Yogurt	Greek	4-6 oz	867	1.37	816	1.08	194	1.09
Yogurt	Greek	32 oz	458	5.16			538	4.22
Yogurt	Yogurt	4-6 oz	178	.99				
Yogurt	Yogurt	32 oz			61	4.79		

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 #	4.99	108	4.99						
Cheese	Natural Varieties	8 oz block	3.99	84	3.99						
Cheese	Natural Varieties	8 oz shred	2.99	167	2.99				3.50	180	3.50
Milk	All fat tests	half gallon	3.99-5.99	252	4.47	3.99	210	3.99	2.95	588	2.95
Milk	All fat tests	8 oz UHT	0.92-1.00	647	.94						
Yogurt	Greek	4-6 oz							1.00-1.50	564	1.30
Yogurt	Greek	32 oz				2.50	214	2.50			
Yogurt	Yogurt	4-6 oz	1.00	72	1.00				0.99	106	.99

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	121	4.99						
Cheese	Natural Varieties	8 oz shred							3.99	105	3.99
Ice cream		48-64oz				4.99	244	4.99			
Milk	All fat tests	half gallon				3.69-3.99	422	3.95	4.29-4.49	174	4.41
Milk	All fat tests	gallon							6.99	105	6.99
Sour cream		16 oz				2.99	167	2.99			
Yogurt	Greek	4-6 oz	1.50	239	1.50				1.50	60	1.50

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Greek	32 oz				7.49	244	7.49			

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				5.97	3	5.97
Yogurt	Greek	4-6 oz				1.50	4	1.50

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



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