

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (5/13)**

BUTTER: Grade AA closed at \$2.0375. The weekly average for Grade AA is \$2.0475 (+.0045).

CHEESE: Barrels closed at \$1.3200 and 40# blocks at \$1.2800. The weekly average for barrels is \$1.2920 (-.0555) and blocks, \$1.2790(-.0480).

NONFAT DRY MILK: Grade A closed at \$.8150. The weekly average for Grade A is \$.8060 (+.0450).

BUTTER HIGHLIGHTS: Butter churning continues actively throughout the country as cream supplies are still readily available. Overall, manufacturers' stocks are building along typical seasonal trends. Demand from retailers is relatively good to strong, especially for private labels. However, sales into food service slightly decreased following the holiday weekend. In the Central region, several butter processors are microfixing in order to meet the upcoming customer needs. In the East, butter loads moving through export channels are fair. In the West, butter is moving effortlessly through existing contracts and through further buyer inquiries. Across all regions, bulk butter pricing is ranging from 1 cent under market to 10 cents above, based on the CME Group with various periods and averages used. The Grade AA butter price at the CME Group on Friday closed at \$2.0375, down 1.25 cents from a week ago.

CHEESE HIGHLIGHTS: Cheese production is steady and active across the nation. Cheddar stocks are building in the Northeast. Processors report rising interest from foodservice for provolone cheese. There is a sizeable amount of cheese in the Central region. Cheesemakers are working hard to move stocks and alleviate inventory pressures. Some processors are pushing some inventory into shredders. Western manufacturers are seeing fairly good demand in the retail sector. Industry contacts report some increase in interest for Italian varieties, while sales for American may have declined slightly. Sources speculate there may be large amounts of block and barrel cheese in storage. There is downward pressure on cheese prices this week as seen on the CME Group trading, making for an unsettled cheese market across the U.S. In CME Group trading Friday, barrels closed at \$1.3200, up \$.0200 from last Friday and blocks closed at \$1.2800, down \$.0250.

FLUID MILK: Milk production is increasing in the Northeast, steady in the Mid-Atlantic and decreasing in the Southeast and Florida. Some bottlers added to orders in the Southeast, but Class I sales are

generally steady to lower across much of the rest of the East region. Milk supplies into northeastern processors are growing and are slightly burdensome at some plants. North Central milk production continues to rise due to favorable weather. Milk handlers are struggling to find homes for extra milk loads. In many cases, manufacturers are already full. However, a few manufacturers welcome the extra loads they can buy for as low as \$4 under Class to round out full production schedules. Some industry contacts report Central milk landing in the Western region for little to no cost over transportation. Milk production in Arizona and the South Central area is declining as temperatures rise. Bottled milk sales are slowing as many universities and K-12 schools close for summer breaks. Milk production is increasing, but at a slower pace in New Mexico, and is steady to lower in California. Milk production is steady to higher and following seasonal trends for Utah, Idaho and the Pacific Northwest. Manufacturers report milk is readily available for almost all processing needs. Cream supplies are mixed in the West. In some plants, cream is slightly tight as ice cream/frozen dessert and cream cheese makers are steadily pulling moderate cream loads. Some other western processors report cream is readily available. Cream is plentiful for most suppliers in the East and Central regions. Cream multiples for all classes range 1.05-1.20 in the East, 1.15-1.22 in the Central, and 1.06-1.22 in the West.

DRY PRODUCTS: Prices for low/medium nonfat dry milk are higher in all regions this week. Production is active as moderate to heavy volumes of condensed skim milk clear into dryers. High heat NDM prices are steady in the Central and East regions, but higher in the West. Production of high heat NDM is intermittent while many processors focus on low/medium heat NDM production. The market tone for dry buttermilk is weak and unsettled. Central and East dry buttermilk prices are modestly to sharply lower. Some manufacturers sent out numerous low priced offers to help clear inventories. Buyers' responses to the lower offers were active. In the West, dry buttermilk prices are unchanged and spot sales activity was light. Prices for dry whole milk are steady in a weak market. Dry whey production is strong and steady throughout the country and is in line with active cheese making. Several industry contacts report an increase of sales in the Central region, many of which seem to be driven by manufacturers

-CONTINUED ON PAGE 1A-

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

INTERNATIONAL DAIRY MARKET NEWS (PAGES 8-8A)
DAIRY FUTURES (PAGE 9)
MARCH MILK SALES (PAGE 10)
FEBRUARY MAILBOX MILK PRICES (PAGE 11)

MAY SUPPLY AND DEMAND ESTIMATES (PAGES 12-13)
DAIRY GRAPHS (G1-G5)
NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

| COMMODITY | MONDAY MAY 09 | TUESDAY MAY 10 | WEDNESDAY MAY 11 | THURSDAY MAY 12 | FRIDAY MAY 13 | :: WEEKLY CHANGE* | :: WEEKLY AVERAGE# |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------------|
| CHEESE BARRELS | \$1.2800 (-.0200) | \$1.2900 (+.0100) | \$1.3000 (+.0100) | \$1.2700 (-.0300) | \$1.3200 (+.0500) | :: (+.0200) | :: \$1.2920 (-.0555) |
| 40# BLOCKS | \$1.2725 (-.0325) | \$1.2725 (N.C.) | \$1.3000 (+.0275) | \$1.2700 (-.0300) | \$1.2800 (+.0100) | :: (-.0250) | :: \$1.2790 (-.0480) |
| NONFAT DRY MILK GRADE A | \$.8000 (+.0225) | \$.7950 (-.0050) | \$.8100 (+.0150) | \$.8100 (N.C.) | \$.8150 (+.0050) | :: (+.0375) | :: \$.8060 (+.0450) |
| BUTTER GRADE AA | \$2.0475 (-.0025) | \$2.0475 (N.C.) | \$2.0525 (+.0050) | \$2.0525 (N.C.) | \$2.0375 (-.0150) | :: (-.0125) | :: \$2.0475 (+.0045) |

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-**

eager to clear some older product. The price range for Central whey expanded. East dry whey prices are steady to higher and prices are unchanged in the West. The price range for whey protein concentrate 34% is unchanged, however within the price range, some manufacturers are asking and getting higher prices. WPC 34% used in infant formula or for applications with specific mineral profile requirements are commanding premium prices and have tight inventories. WPC34% used in other applications is more readily available and getting prices at the lower end of the range. Lactose prices held steady this week. Inventories range from very tight for higher mesh sizes to readily available at lower mesh sizes. Casein spot market trading is slow and prices are stable.

INTERNATIONAL DAIRY MARKET NEWS (DMN): WESTERN AND EASTERN EUROPE: Western Overview: There will be a vote this week in the European Parliament on whether to mandate country of origin labelling for milk and some processed dairy products processed or manufactured in the EU. Critics say that if implemented, this would impede the easy flow of dairy products within the EU. Supporters disagree. The continuing high volumes of milk produced in the EU resulted in skim milk powder going into the EU intervention program last week. The most significant volumes came from Poland, France, Germany and Belgium. Additionally, 539 MT of skim milk powder entered the EU 365 day private storage program last week. Most of it was sourced from the Netherlands and Spain. Cow slaughter numbers in Germany are up from what had been expected. It is also reported that for the EU as a whole, the increase in milk output during March slowed slightly. Output increased in March, but increased at a slower pace than the prior month. **Eastern Overview:** Eastern EU countries have mixed positions as to recent discussions in the EU as to taking various steps to reduce milk output. During recent votes within the European Commission, Lithuania voted for measures to achieve reductions. Bulgaria, Estonia, Finland, Hungary, the Czech Republic, and Slovenia voted in favor. Latvia, Poland, Romania and Croatia abstained.

OCEANIA OVERVIEW: According to Dairy **Australia**, March 2016 milk production in Australia was -4.6% below March 2015. Victoria leads the regions in 2016 milk production to date for the 2015-16 milk season, with 65.7% of Australia's total production. The state changes from a year earlier, total 2016 milk production through March (in million liters), and the percentage changes compared with the first three months of 2015, were: New South Wales, -4.1, 907.0, +1.6%; Victoria, -7.8%, 4,980.2, -2.3%; Queensland, +2.9%, 311.3, -1.9%; South Australia, -3.9%, 394.6, 0.5%; Western Australia, +10.5%, 292.4, +6.9%; and Tasmania +4.1%, 709.7, +1.3%. Diminished expectations that greater demand from China would boost this year's **New Zealand** dairy economy are now evident. Financial stress on farmers is increasingly a matter of concern. With exports historically a significant factor in New Zealand dairy sector profitability, the high levels of global milk production have also challenged exporting milk and dairy products from New Zealand. The end of the milk season in New Zealand is approaching. Although milk production is not down as much as had been expected earlier in the season, production in New Zealand is weaker this year by several measures. March 2016 milk production is down 0.8% from March 2015, down 1.64% from March 2014, and down 11.75% from February this year. Lower milk volumes are affecting profitability as well as weaker milk prices are a factor. Expectations remain that milk production will weaken more than usual as the season nears an end, due to poor pasture conditions and lingering dryness.

NATIONAL RETAIL REPORT-DAIRY (DMN): The total volume of conventional dairy ads declined 7%; conversely, organic dairy ads increased 35% this week. For conventional dairy advertisements, ice cream in 48-64 ounce containers, Greek yogurt in 4-6 ounce containers and 8 ounce packs of shred cheese had the largest volume of ads. Ads for 1 pound packages of conventional butter declined 14%, with a weighted

average price of \$2.75, down 16 cents from last week. The weighted average price for 1 pound packages of organic butter was \$5.88, up 64 cents from a week ago. Among reported dairy items, organic milk in gallon containers had the largest percentage change in ad volume, an increase of 540%. Organic Greek yogurt 32-ounce reported the largest percentage price change, up 96% from last week. The average price for conventional yogurt in 4-6 ounce packages is \$.75, up 28 cents from last week. The average price of 4-6 ounce conventional Greek yogurt is \$.92, down 1 cent from last week. Conventional yogurt ad numbers are up 25% from last week, but organic yogurt ads declined 79%. The average price for organic Greek yogurt in 4-6 ounce packages is \$1.00. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.12, up 1 cent from last week; 8 ounce shred cheese averaged \$2.18, down 6 cents from last week. Conventional one pound shred saw a 66% decline in ads this week with a weighted average price of \$3.51. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$3.99, up 7 cents from the previous week. The price spread between organic and conventional half gallon milk is \$1.61. The price spread is the difference between national weighted average prices for organic, \$4.00, and conventional, \$2.39. Conventional milk ad numbers declined 26% from last week while organic milk ad numbers increased 175%.

MARCH MILK SALES (FMMO & CDFA): During March 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.5 percent lower than March 2015. Estimated sales of total conventional fluid milk products decreased 0.6 percent from March 2015 and estimated sales of total organic fluid milk products increased 1.6 percent from a year earlier.

FEBRUARY MAILBOX MILK PRICES (FMMO & CDFA): In February 2016, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$15.48 per cwt, down \$0.35 per cwt from the January 2016 average and down \$1.43 per cwt from the February 2015 average. The component tests of producer milk in February 2016 were: butterfat, 3.85%; protein, 3.20%; and other solids, 5.79%. When compared to the previous month, the February Mailbox prices decreased in all 19 Federal milk order reporting areas. The Florida area experienced the greatest decrease of \$1.46 per cwt and the Wisconsin area experienced the smallest decrease of \$0.06 per cwt. Averaged over all Federal milk order reporting areas, the February 2016 Mailbox price decreased an average of \$0.51 per cwt. Mailbox prices in February 2016 ranged from \$17.06 in the New England States to \$13.96 in New Mexico.

MAY SUPPLY AND DEMAND ESTIMATES (FMMO): Milk production for 2017 is forecast higher as improved forage availability and continued favorable feed costs are expected to support gains in milk per cow. Cow numbers are expected to remain near 2016 levels. Commercial exports on both a fat and skim-solids basis are forecast higher as expected tighter world supplies and increasing demand lead to expanded export opportunities. Imports are forecast lower as domestic production increases. With stronger domestic and export demand, cheese, nonfat dry milk (NDM), and whey prices are forecast higher but butter prices are forecast lower. The Class III price is forecast higher on stronger cheese and whey prices, and the Class IV price is forecast higher as a weaker butter price is more than offset by the higher NDM price. The all milk price is forecast higher than 2016 at \$15.25 to \$16.25 per cwt. Milk production in 2016 is forecast higher than last month, as the cow inventory is expected to expand slightly and growth in milk per cow during the first half of the year is forecast higher. Imports are raised on both a fat and skim-solids basis; exports on a fat basis are raised but are unchanged on a skim-solids basis. Cheese, butter, and NDM prices are forecast lower on weaker demand and larger supplies, but whey prices are raised. Both Class III and Class IV prices are reduced. The milk price is forecast lower at \$14.60 to \$15.10 per cwt.

CME GROUP

MONDAY, MAY 9, 2016

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.2850, 1 @ \$1.2800, 1 @ \$1.2825, 1 @ \$1.2800; 1 CAR 40# BLOCKS @ \$1.2725; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.2800; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.2900
 NONFAT DRY MILK -- SALES: 6 CARS GRADE A: 1 @ \$0.7975, 3 @ \$0.8000, 1 @ \$0.7950, 1 @ \$0.8000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8100
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.0475; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

TUESDAY, MAY 10, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.2900; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.3000
 NONFAT DRY MILK -- SALES: 19 CARS GRADE A: 1 @ \$0.7900, 3 @ \$0.7925, 15 @ \$0.7950; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7800; LAST OFFER UNCOVERED: 3 CARS GRADE A @ \$0.8000
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0300; LAST OFFER UNCOVERED: NONE

WEDNESDAY, MAY 11, 2016

CHEESE -- SALES: 6 CARS BARRELS @ \$1.3000; 1 CAR 40# BLOCKS @ \$1.3000; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.2900; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.3025
 NONFAT DRY MILK -- SALES: 10 CARS GRADE A: 8 @ \$0.8000, 2 @ \$0.8100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.8150
 BUTTER -- SALES: 12 CARS GRADE AA: 1 @ \$2.0550, 1 @ \$2.0575, 3 @ \$2.0650, 4 @ \$2.0700, 1 @ \$2.0600, 1 @ \$2.0550, 1 @ \$2.0525; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, MAY 12, 2016

CHEESE -- SALES: 1 CAR BARRELS @ \$1.2700; 1 CAR 40# BLOCKS @ \$1.2700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.2800; 1 CAR 40# BLOCKS @ \$1.2725
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8500
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0000; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$2.0700

FRIDAY, MAY 13, 2016

CHEESE -- SALES: 11 CARS BARRELS: 1 @ \$1.2800, 1 @ \$1.2900, 5 @ \$1.3000, 4 @ \$1.3200; 2 CARS 40# BLOCKS: 1 @ \$1.2700, 1 @ \$1.2800; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3100; 10 CARS 40# BLOCKS @ \$1.2700; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3250; 1 CAR 40# BLOCKS @ \$1.2900
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8150; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.8300
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0375

BUTTER MARKETS

NORTHEAST

As the spring flush prompts elevated regional milk production, most area churns are operating at a steady to higher rate. Cream supplies are heavy throughout the Northeast, consequently limiting trading venues for clearing surplus cream. As a result, butter makers are routinely processing in-house cream volumes. Producers' bulk supplies are growing, although the majority of inventory is committed for near term customer utilization. Retail demand is good for private labels. Loads moving through export channels are fair. The market undertone is unsettled. The current bulk butter prices for domestic sales are reported 4-6 cents over the market of the CME Group, with various time frames and averages used. According to the DMN *National Retail Report-Dairy*, for May 6-12, 2016, the national weighted average advertised price for 1-pound butter was \$2.91, down 18 cents from a year ago and 12 cents from last week. The Northeast regional price was \$3.12, an 11 cents decline from the previous week. Southeast butter was priced at \$2.53, a decline of 52 cents compared to a week ago. The Foreign Agricultural Service (FAS) reports March 2016 U.S. exports of butter and milkfat totaled 7.3 million pounds, a 26% increase from a year ago.

DAIRY PRODUCTS: According to NASS, U.S. butter production for March 2016 totals 182.0 million pounds, up 8.6% from last year and 4.4% from a month ago. Cumulative production totals 532.0 million pounds, up 7.0% from last year at this time. Butter output in the Atlantic region totals 18.9 million pounds, up 4.4% from last year and 1.0% from a month ago.

CENTRAL

Butter churns across the Central region are active. Production is steady this week. Several manufacturers are microfixing butter to meet upcoming customer needs. As temperatures rise in the South Central area, the demand for cream clearing to Class II is increasing.

Many butter manufacturers have contracted cream through Q2 and Q3 and feel comfortable entering the warm season. The North Central area has yet to reach high enough temperatures to spike ice cream sales. Cream is still readily available and keeping butter churns busy. Sales into food service decreased slightly this week in the Central region following the holiday weekend. Retail interest is strong. Overall, many industry contacts believe interest in butter is increasing and feel the market is typical for this time of year. A large amount of butter makers feel well balanced with their inventories. Bulk butter prices reportedly range from market to 10 cents over the market, with various time frames and averages used. Industry participants report that a plentiful supply of butter in other countries is being offered to American buyers. Reportedly, foreign butter manufacturers are pricing their product to compete with the U.S. market. The DMN *National Retail Report-Dairy* for May 6-12 noted the national weighted average advertised price for a 1 pound package of butter was \$2.91, \$0.12 below one week ago, and \$0.18 below one year ago. The weighted average price in the South Central region is \$2.65 with a price range of \$2.49-\$2.99. Prices in the Midwest region for 1 pound packages of butter range from \$2.49-\$3.00 with a weighted average price of \$2.82. The NASS *Dairy Products* report noted March U.S. butter production totaled 182.0 million pounds, up 8.6 percent from a year ago. The Central region accounted for 40.0 percent (73.3 million pounds) of U.S. production in March. This production is 9.6 percent higher than one year ago. January-March cumulative U.S. butter production totals 532.0 million pounds, 7.0 percent ahead of 2015 during the same time span. Wednesday at the CME Group, Grade AA butter closed at \$2.0525, up \$0.0225 from last Wednesday.

-CONTINUED ON PAGE 2A-

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

| <u>WEEK ENDING</u> | <u>BUTTER</u> | <u>CHEESE 40# BLOCKS</u> | <u>CHEESE BARRELS 38% MOISTURE</u> | <u>DRY WHEY</u> | <u>NDM</u> |
|--------------------|---------------------|--------------------------|--|--------------------|---------------------|
| May 7, 2016 | 2,0725 3,622,193 | 1,4437 12,966,585 | 1,4608 10,167,273 | .2502 6,611,654 | .7437 24,196,195 |

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

-CONTINUED FROM PAGE 2-

WEST

With plenty of cream available, butter making remains active. Most manufacturers are focused on bulk butter production, but are also making some print butter to meet immediate retail needs or co-pack obligations. Processors describe retail and food service demand as relatively good. Industry contacts say butter is moving fairly easily through existing contracts and through further buyer inquiries. Some buyers are working hard to maintain a stable level of butter stocks and to assure coverage for late year butter needs. Manufacturer stocks are building along typical seasonal trends. The DMN *National Retail Report-Dairy* for the week of May 6-12 found that the U.S. weighted average advertised price of 1 pound butter is \$2.91, down \$.12 from last week. The U.S. weighted average price was \$3.09 one year ago. There are no reported advertised prices in the Southwest, but in the Northwest, the weighted average advertised price of 1 pound butter is \$2.86, with a range of \$1.79-\$3.49. According to the NASS *Dairy Products* report, U.S. butter production during March 2016, 182.0 million pounds, was 8.6% higher than March 2015, and 4.4% higher than February 2016. U.S. cumulative 2016 butter production through March is 532.0 million pounds, 7.0% higher than the same period last year. In the West, total March butter production was 89.8 million pounds, 8.8% higher than last year. According to the California Department of Food and Agriculture, March 2016 butter production was 55.4 million pounds, down 2.7% from a year ago. California year-to-date butter production through March is 159.2 million pounds, down 3.7% from 2015 butter production through March. Bulk butter pricing in the West this week is 1 cent under market to 3 cents above, based on the CME Group with various time frames and averages used. The Grade AA butter price at the CME Group on Wednesday closed at \$2.0525, up \$.0225 from a week ago.

CHEESE MARKETS

NORTHEAST

Northeast cheese plants are maintaining full production schedules to manage heavy seasonal milk receipts. Producers' cheese stocks are building, particularly in cheddar-aging programs. Processors are seeing strong foodservice interest develop around provolone cheese. Overall, the market undertone is unsettled as prices trend lower. Last week, the CME Group weekly average prices for blocks and barrels reported declines. Likewise, this week the Northeast wholesale cheese prices adjusted lower. Cheddar and Muenster prices dropped \$0.0525, while processed 5# cheese prices declined \$0.550. The Grade A Swiss price increased \$0.0100, a result of lagging adjustments based on Class III component prices. According to the *DMN National Retail Report-Dairy*, for May 6-12, 2016 the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.15, 4 cents more than the national average, but 9 cents less than a week ago. The Southeast 8 oz. block cheese price was \$2.19, 34 cents less than the previous week. Tuesday's CME Group daily cash prices saw barrels close at \$1.2900, down \$0.0800 from last week. Blocks closed at \$1.2725, \$0.0675 lower than a week ago. The Foreign Agricultural Service (FAS) reports that March 2016 U.S. cheese and curd exports totaled 56.2 million pounds, a 26% drop from a year ago.

DAIRY PRODUCTS: According to NASS, U.S. total cheese production in March 2016 was 1.03 billion pounds, 1.8% higher than a year ago and 7.8% above than the previous month. In the Atlantic region, total cheese production was 125. million pounds, 3.5% less than a year ago, but 5.4% above the previous month. The total cheese production and percentage change from one year ago for individual Eastern states are, New York 69.8 million pounds, -4.2%; Pennsylvania 33.2 million pounds, -2.6%; and Vermont 10.3 million pounds, -2.9%.

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

| | | |
|-----------------------------|---|---------------|
| Cheddar 40# Block | : | 1.7325-2.0175 |
| Process 5# Sliced | : | 1.5475-2.0275 |
| Muenster | : | 1.7525-2.1025 |
| Grade A Swiss Cuts 10 - 14# | : | 2.9850-3.3075 |

MIDWEST

Milk production in the Central region remains strong, keeping cheese manufacturers running full schedules. Contracts continue to be filled and sales are steady. However, a handful of manufacturers report increases in sales. There is still a considerable amount of cheese stocks in the region. The recent upturn in sales has returned some inventories to comfortable levels. Although there are available loads of milk, a few processors are not willing to purchase extra milk without strong buyer interest. Cheese makers seem determined to work through inventories and avoid rebuilding stocks, even if they have available storage capacity. Several producers report pushing some inventory into shred cheese. Cheese prices are declining and block and barrel prices are inverted on the CME. Industry contacts feel this is causing an unsettled feeling in the market. The *DMN National Retail Report-Dairy* shows that May 6-12 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.00, 24 cents lower than the national average. Midwest prices range from \$0.99-\$2.50. One year ago, the national price was \$2.39. For 8 ounce blocks, the Midwest average price is \$1.87, 24 cents below the national average price. Midwest ads are priced from \$0.99-\$2.79. Last year, the national price was \$2.39. Midwestern wholesale prices are up \$.0100 for Swiss cuts, but down \$.0550 for process, and down \$.0525 for all other types. *Dairy Prod-*

ucts (NASS) reports total 2016 U.S. cheese production, year to date through March, is 2.988 billion pounds, 2.9 percent above January through March 2015. March 2016 total U.S. cheese production, 1.03 billion pounds, is 7.8 percent above last month. Central total cheese production for March was 459.1 million pounds, 8.2 percent more than last month. This week, a cooperative export assistance program accepted requests for 668,001 pounds of cheese. So far this year, the program has accepted requests to sell 19.008 million pounds of cheese. In CME Group trading Wednesday, barrels closed at \$1.3000, down \$.0525 from last Wednesday and blocks closed at \$1.3000, down \$.0250. For total cheese production and various types of cheese, March 2016 U.S. and Central cheese production compared to March 2015 were as follows:

| | U.S. | Central |
|---------------|--------|---------|
| Total | +1.8% | +3.5% |
| American | +0.9% | +1.0% |
| Cheddar | - 0.9% | - 2.0% |
| Total Italian | +4.3% | +6.2% |
| Mozzarella | +4.8% | +6.7% |

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

| | | |
|---|---|---------------|
| Process American 5# Loaf | : | 1.4400-1.8000 |
| Brick And/Or Muenster 5# | : | 1.7025-2.1275 |
| Cheddar 40# Block | : | 1.4300-1.8250 |
| Monterey Jack 10# | : | 1.6775-1.8825 |
| Blue 5# | : | 1.9700-2.9575 |
| Mozzarella 5 - 6# (Low Moisture, Part Skim) | : | 1.5025-2.4425 |
| Grade A Swiss Cuts 6 - 9# | : | 2.5025-2.6200 |

WEST

Milk is readily available and many western cheese plants are running at or near full schedules. Retail demand remains fairly good for most varieties of cheese, and a few manufacturers report sales of Italian cheese to be better than last week. However, some industry contacts suggest demand for American type cheese may have backed off a little. In addition, a few sources speculate there may be a lot of aged block and barrel cheese in storage. There are limited places to move these stocks with U.S. cheese still not fully competitive in international markets. The letup in demand, along with long inventories may be contributing to the downward pressure on cheese prices seen on the CME Group trading. The *DMN National Retail Report-Dairy* for the week of May 6-12 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.24, down \$.20 from last week, and down \$.15 from a year ago. Packs average \$2.37 in the Southwest and \$1.86 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.11, down \$.21 from last week, and down \$.28 from a year ago. Blocks average \$2.52 in the Southwest and \$0.99 in the Northwest this week. In the West, wholesale prices are down \$.0550 for process, and down \$.0525 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are up \$.0100 this week. This week, a cooperative export assistance program accepted requests for 668,001 pounds (303 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 19.0 million pounds of cheese in export markets. *Dairy Products* (NASS) reports total 2016 U.S. cheese production, year to date through March, is 2.988 billion

CHEESE MARKETS

CONTINUED FROM PAGE 3

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

pounds, 2.9% above 2015. March 2016 U.S. total cheese production, 1.029 billion pounds, is 7.8% above February 2016. In the West, total cheese production for March 2016 was 444.9 million pounds, 8.1% more than February. For total cheese production and various types of cheese, March 2016 U.S. and West cheese production percent changes compared to March 2015 are as follows:

| | U.S. | West |
|---------------|--------|--------|
| Total Cheese | + 1.8% | + 1.6% |
| American | + 0.9% | + 1.3% |
| Cheddar | - 0.9% | + 0.7% |
| Total Italian | + 4.3% | + 4.4% |
| Mozzarella | + 4.8% | + 5.2% |
| Swiss | - 2.0% | ... |

| | BUTTER | CHEESE |
|----------|--------|----------|
| | : | : |
| 05/09/16 | 28,720 | : 95,296 |
| 05/01/16 | 28,011 | : 95,173 |
| CHANGE | 709 | : 123 |
| % CHANGE | 3 | : 0 |

In CME Group trading Wednesday, barrels closed at \$1.3000, down \$.0525 from a week ago and blocks closed at \$1.3000, down \$.0250.

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

| | | |
|---------------------------|---|---------------|
| Process 5# Loaf | : | 1.4550-1.7125 |
| Cheddar 40# Block | : | 1.4350-1.8800 |
| Cheddar 10# Cuts | : | 1.6150-1.8350 |
| Monterey Jack 10# | : | 1.6250-1.7850 |
| Grade A Swiss Cuts 6 - 9# | : | 2.5625-2.9925 |

FOREIGN

Availability of semi-hard cheese in the EU has declined as a result of recently reduced production in leading EU cheese production countries such as Germany. Stocks in aging programs have declined. NASS reports that March 2016 Swiss production in the U.S., 26.1 million pounds, is 2.0% below March last year, but 6.8% above February 2016. In the U.S., wholesale domestic blue, gorgonzola, parmesan and Romano cheese prices decreased \$0.0525 following lower weekly average CME Group block prices, Swiss cuts Switzerland increased \$0.0100, while the remaining prices are unchanged.

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

| VARIETY | NEW YORK | |
|--------------------------|-----------------|------------------|
| | IMPORTED | DOMESTIC |
| Blue | : 2.6400-5.2300 | : 1.8975-3.3850* |
| Gorgonzola | : 3.6900-5.7400 | : 2.4050-3.1225* |
| Parmesan (Italy) | : -0- | : 3.2875-5.3775* |
| Romano (Cows Milk) | : -0- | : 3.0875-5.2375* |
| Sardo Romano (Argentine) | : 2.8500-4.7800 | : -0- |
| Reggianito (Argentine) | : 3.2900-4.7800 | : -0- |
| Jarlsberg-(Brand) | : 2.9500-6.4500 | : -0- |
| Swiss Cuts Switzerland | : -0- | : 3.0225-3.3450* |
| 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 | 160 | 0 | 180 | 0 | 105 |
| SOUTHEAST STATES | 0 | 0 | 0 | 0 | 0 | 4 |

Milk production in the Northeast has ramped up. Spring flush launched a few weeks ago, although milk output has not been as aggressive as expected by some. However, current output is showing assertiveness, with significant surges observed across the region. Overall, Class sales are steady. A marginal rise and decline is reported for Class II and Class III, respectively. Milk supplies into manufacturing are growing and slightly burdensome at some plants. Farm milk production in the Mid-Atlantic is mostly steady. Sales to bottling are steady to lower. Sources report seasonal level volumes of milk supplies channeling to manufacturing. The Southeast region's milk production is moving lower after hitting peak levels. Class I sales strengthened, with bottlers adding to orders. Fewer supporting manufacturing plants are operating full this week as milk supplies fall off. Farm-level milk output in Florida continues to decline. Milk sales have been down with expectations of leveling off with schools soon to dismiss for the summer. Export milk shipments totaled 160 loads, down 20 loads from last week. According to the DMN *National Retail Report-Dairy*, for May 6-12, 2016, the U.S. weighted average advertised price for a gallon of milk was \$2.29, up 17 cents from last week, but down 33 cents from a year ago. Northeast gallons of milk are priced at \$2.50, unchanged from the last week. The East region is striving to manage heavy surpluses of **condensed skim**. Regional dryers are operating 7 day production schedules to process readily available volumes. Also, brokers are finding it necessary to heavily discount loads, while suffering substantial shipping costs as they trade to distant regions. **Cream multiples** for all Classes range **1.05-1.20**. Cream is ample with loads readily available from most suppliers. Cream volumes moving through contracts are steady. Sources report few loads transferring in the Eastern spot market, as most transactions occur to other regions. Spot cream is stronger into Class III, cream cheese processing. The CME Group, Grade AA butter price closed at \$2.0525 on Wednesday, up \$0.0225 from a week ago.

DAIRY PRODUCTS: According to NASS, hard ice cream production in the Atlantic region for March 2016 totaled 14.7 million gallons, 1.3% more than a year ago and 9.4% more than the previous month. Cumulative national production through March totaled 188.0 million pounds, 0.4% less than a year ago. U.S. yogurt production for March 2016 totaled 413.3 million pounds, down 5.3% from a year ago, but up 4.2% from the previous month.

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 - 2.1452-2.4516

F.O.B. producing plants: upper Midwest - 2.3495-2.4925

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

Northeast - Class II - includes monthly formula prices - .20-.63

Northeast - Class III - spot prices - .15-.55

MIDWEST

Weather has been conducive to high farm level milk outputs in the North Central area. However, milk production is beginning to slow in the South Central area as temperatures continue to rise. Large amounts of milk are being trucked throughout the region to find a processing plant able to take on extra loads. There have been reports of some Central milk landing in the Western region for little to no cost over transportation. Some processors are at full capacity while others are welcoming extra loads of milk as resources allow. Regardless, manufacturers are running full schedules to manage milk intakes. Bottling demand is on a slow decline. Many universities have closed for the school year and other educational institutions are soon to follow. Spot prices are being reported at class price to \$4.00 under class. Some manufacturers report minor strengthening in cream interest in the South Central area. However, the majority of the Midwest has not seen an increase in cream demand just yet. Overall, there is still plentiful cream in the market and industry participants wait for a heat wave to spike interest. Multiples for Class II cream are steady to lower this week, 1.15-1.22. The DMN *National Retail Report-Dairy* for May 6-12 noted the national weighted average advertised price for one gallon of milk was \$2.29, up \$0.17 from a week ago, but \$0.33 lower than a year ago. The weighted average regional prices in the Midwest and South Central regions were \$1.88 and \$2.37, respectively. The NASS *Dairy Products* report noted March U.S. regular (hard) ice cream production totaled 70.5 million gallons, down 1.8 percent from last year. January-March U.S. production totals 188 million gallons, 0.4 percent below 2015 during the same time span. March production in the Central region totaled 37.3 million gallons, 8 percent less than a year ago. The weekly *Cow Slaughter under Federal Inspection* report shows U.S. dairy cow slaughter for the week ending April 16, at 54,600 head, 300 head more than the comparable week a year ago. Farmers have made considerable headway planting corn across the North Central area. Winter wheat is making great progress in the South Central area and some farmers have begun harvest. Pastureland across the South Central area is in good condition.

WEST

Farm milk production is flat to lower this week according to dairy processors. Wet conditions were present by the end of the previous week, shrinking dairy herds' comfort. Sales into Class 1 processing plants are mixed. Orders from grocery stores are up, but steady from food service. Requests from K-12 schools are lower as pipelines are full. Sales into Class 2 are steady to higher. Cottonseed planting is active and close to ending in the next few weeks. Fair/good quality alfalfa hay harvesting is active throughout the state. The June 2016 Class 1 prices in California are \$14.35 in the north and \$14.62 in the south. The statewide average Class 1 price based on production is \$14.37. This price is 48 cents lower than May 2016 and \$3.11 lower than June 2015. Higher daytime temperatures, above 100 degrees, are taking a toll on milk yields in Arizona. Bottled milk sales are slowing, as most K-12 schools will be closing during next week. In addition, some costumers are switching from milk to popular summer drinks. Condensed skim sales are even this week. Farm milk production is still increasing in New Mexico, but at a slower pace. According to some industry participants, milk output is near to hitting the seasonal peak and leveling off. Some out-of-state processing plants are helping to clear moderate to heavy manufacturing milk intakes. Bottled milk

FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

sales to retailers and food service are slightly down. Class II sales are steady to marginally lower. Some areas of the state are in the middle of the first cutting of fair/good quality alfalfa hay, while other areas finished. According to the DMN *National Retail Report-Dairy* for the week of May 6-12, the national weighted average advertised price for one gallon of milk is \$2.29, \$2.18 in the Southwest and \$1.79 in the Northwest. Pacific Northwest milk production is rising along seasonal trends. Most processors say they have capacity available to absorb the extra milk. Demand from bottling is steady. In addition, pulls from ice cream and other seasonal dairy products are increasing. Manufacturers report milk intakes are well balanced with processing needs. Utah and Idaho milk production is steady to increasing. Manufacturers report milk is readily available for almost all processing needs. Milk intakes are in relatively good balance with manufacturing needs and only a few loads are moving between dairy plants. Cream supplies are mixed throughout the West. In some processing plants, cream is slightly tight as ice cream/frozen dessert and cream cheese makers are steadily pulling moderate cream loads. In addition, the butterfat component in the milk is seasonally trending lower. However, some processors report a fair amount of cream available in the market. This week, multiples for all classes are mixed, ranging from 1.06 to 1.22.

DAIRY PRODUCTS: According to NASS, hard ice cream production in the West region for March 2016 is 18.6 million gallons, 10.6% higher than a year ago and 26.3% more than the previous month.

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: In the Central region, low/medium heat nonfat dry milk prices are mostly higher. Prices on some auction sites moved incrementally higher while other indices used for variable contract pricing shifted lower. Contracted loads are clearing on time, with price structures intact. Manufacturers report that spot interest is price sensitive. Resellers, too, note their buyers limit interest to offers carrying a discount to the current market. Buyers/end users view the current production trends as lending a bearish tone to the marketplace. Manufacturers indicate low/medium heat NDM production is ongoing and at peak output at most regional plants. Some milk intake volumes are clearing the separators, but after that, cream is moving on to further processing while some of the nonfat solids are shipping out for disposal. Low/medium heat NDM inventories are building in the Central region. Central high heat NDM prices are steady. With intermittent production at many facilities, high heat NDM inventories are manageable to tight. Many sales are contract based. The NASS *Dairy Products* report noted U.S. human NDM production during March 2016 in the Central region totaled 30.5 million pounds, 9.9 percent higher than one year ago. Total U.S. human NDM production during March 2016 was 171.6 million pounds, 5.1 percent lower than last year. During January–March 2016, U.S. human NDM production totaled 448.9 million pounds, 10.1 percent less than the same time span in 2015. Total U.S. NDM, human, month ending stocks for March were 231.9 million pounds, 7.5 percent below a year ago.

EAST: Prices for low/medium nonfat dry milk (NDM) increased this week. Sources note that most manufacturers are firm on prices, as they feel confident in their position. Some market participants noted pressure to lock up bids as NDM prices moved unexpectedly higher. With heavy milk intakes, low/medium NDM production volumes remain high. Reports indicate that condensed skim loads are available at a discount to Class II manufacturing. In addition, there are signs that excess condensed skim loads are continuing to be discarded. East high heat nonfat dry milk price are steady. Production is intermittent, as inventories are adequate to tight. Most sales remain contract based, as near-term commitment are being met.

DAIRY PRODUCTS: According to NASS, the Atlantic region's production of human nonfat dry milk in March 2016 totaled 32.8 million pounds, 10.8% more than a year ago and 19.7% more than the previous month. The March 2016 U.S. production of skim milk powder, totaled 40.6 million pounds, 2.8% more than a year ago and 0.9% more than the previous month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7200 - .8300 MOSTLY: .7550 - .8000
HIGH HEAT: .8800 - .9700

NONFAT DRY MILK - WEST

Low/medium heat nonfat dry milk (NDM) prices moved higher. The market undertone is mixed. Sales outside contracts are active this week. Some industry participants are puzzled by the recent price strength at the CME Group, as supplies are readily available in the market. However, according to some processors, NDM supplies are tight and the market is getting stronger. Some buyers are optimistic about future prices, while others are hesitant to make any purchase at this point. Low/medium heat nonfat dry milk production is active as moderate to heavy condensed skim volumes continue clearing into dryers. Inventories are mixed throughout the region. High heat nonfat dry milk prices are slightly higher. Sales outside contracts are light. Production is steady to lower as many processors are focused on low/medium heat NDM production. As a result, inventories are tight in the f.o.b. spot market.

DAIRY PRODUCTS: According to NASS, U.S. production of human food nonfat dry milk during March 2016 totaled 171.6 million pounds, 5.1% lower than a year ago, but 22.4% above the previous month. The West region's production totaled 108.3 million pounds, 12.3% lower than a year ago, but 21.7% above the previous month.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7350 - .8300 MOSTLY: .7500 - .7900
HIGH HEAT: .8500 - .9700

CALIFORNIA MANUFACTURING PLANTS - NDM

| WEEK ENDING | PRICE | TOTAL SALES |
|-------------|---------|-------------|
| May 6 | \$.7297 | 16,679,454 |
| April 29 | \$.7144 | 20,375,111 |

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 modestly to sharply lower as some manufacturers sent numerous lower priced offers to the market. Buyer interest for these offers was active as both end users and resellers have been on the sidelines waiting for this type of buying opportunity. Ice cream manufacturers are benefitting from the ready availability of spot condensed buttermilk loads as some Class IV manufacturers focus on NDM production. Some buttermilk volumes are clearing through the dryers. A few manufacturers report active interest in pallet-size quantities as buyers prefer to limit purchases beyond near-term needs on this unsettled market. Inventories are lower at some facilities, but steady to building at others. The NASS *Dairy Products* report noted U.S. dry buttermilk production during March 2016 totaled 9.6 million pounds, 9.6 percent higher than a year ago. Total U.S. dry buttermilk month-ending stocks for February were 25.4 million pounds, 23.2 percent above last year.

EAST: Dry buttermilk prices adjusted sharply lower at the bottom of the range on f.o.b. spot sales as some manufacturers focused on clearing inventory. Seasonal heavy condensed skim maintains the bulk of dryer operations' available dryer time; consequently, manufacturers are challenged when scheduling dry buttermilk production runs. However, discounted condensed buttermilk clearing to ice cream production is helping processors reduce those supplies while circumventing the need to dry. Dry buttermilk inventories are adequate and building. Buyers, in general, typically make purchases around their immediate needs. The market undertone is weak.

DAIRY PRODUCTS: According to NASS, U.S. production of dry buttermilk during March 2016 totaled 9.6 million pounds, 9.6% more than a year ago but 11.1% less than the previous month. Month ending stocks were 25.4 million pounds, 23.2% more than a year ago, but 1.0% less than the previous month.

F.O.B. CENTRAL/EAST: .6150 - .7900

-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

Whey production continues to be strong in reaction to active cheese making in the Midwest. Several industry participants report an increase in sales. Many of these sales seem to be efforts to move slightly older product. With long stocks, manufacturers are alleviating some inventory pressure by moving product at a lower price. A few industry contacts feel that whey prices will continue to decline. However, specific needs for a handful of buyers are keeping particular brands of whey moving at higher prices. Overall, the market is flat. There is some report of international interest in the domestic whey market. The feeling is that there could be growth in exports if whey prices continue to be steady or lower. There is minimal activity in animal feed whey. Prices are steady to marginally lower. Some processors report moving small amounts of product. Some feed blenders report a small slowdown in sales due to higher calf prices. A handful of industry contacts suspect producers may be hesitant to purchase and raise veal calves due to market uncertainties. The NASS *Dairy Products* report noted U.S. total dry whey production for March 2016 was 83 million pounds, down 4.5 percent from a year ago. January-March U.S. total dry whey production totals 241.7 million pounds, 0.7 percent ahead of the same time span in 2015. The Central region accounted for 48 percent (39.2 million pounds) of U.S. human dry whey production in March. This production is 3.4 percent higher than a year ago. Total U.S. dry whey human month ending stocks for March were 75.9 million pounds, 5.9 percent above a year ago.

F.O.B. CENTRAL: .1900 - .2975 MOSTLY: .2000 - .2550
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1250 - .2125

DRY WHEY - NORTHEAST

East dry whey prices are steady to higher. F.O.B. spot sales prompted movement that increased prices at the bottom of the range. Production is active as supplies build. Domestic interest is moderate with contracts moving the bulk of dry whey. Eastern dry whey is seeing a limited degree of interest in the export market. Overall, the domestic dry whey market has a steady undertone.

DAIRY PRODUCTS: According to NASS, March 2016 U.S. human food dry whey production totaled 81.4 million pounds, 4.8% less than a year ago, but 10.4% more than the previous month. The Atlantic region's production of human food dry whey in March 2016 totaled 21.8 million pounds, 0.5% less than a year ago, but 8.3% more than last month.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2100 - .2750

DRY WHEY - WEST

Western whey prices are unchanged this week. Industry contacts report demand remains quiet. A few end users say they are not very motivated to buy ahead and are willing to buy whey on an as needed basis. Other buyers say they are hearing of some offers below market prices. Dry whey production is steady. Inventories are building a little, but manufacturers report their stocks are still comfortable and have not become burdensome. In a few cases, processors have been able to aggressively manage inventories. NASS reports that March

2016 U.S. human whey production, 81.4 million pounds, is down 4.8% from a year ago, but up 10.4% from February 2016. The Western region produced 20.4 million pounds of edible dry whey during March, down 20.4% from last year, but up 12.5% from February. Month ending stocks for U.S. human whey, at 75.9 million pounds, are 5.9% higher than one year ago but unchanged from February 2016.

NONHYGROSCOPIC: .2100 - .2800

MOSTLY: .2125 - .2550

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

The whey protein concentrate 34% price range is unchanged this week, while prices on the mostly price series shifted slightly higher. Industry contacts report there is better demand for higher protein concentrations and this may be creating a pull on WPC34% for certain applications. WPC34% used in infant formulas, for example, is commanding a premium price for specific mineral profiles or brands desired. A few manufacturers in this market tier have tight inventories and are getting inquiries for Q3 shipment dates. Whey protein concentrate 34% used in other applications is more readily available and prices are typically at the lower end of the price range. Production is steady. A few manufacturers are scheduling work on their facilities for midsummer. According to the NASS *Dairy Products* report U.S. production of WPC (25.0-49.9% protein) during March 2016 totaled 15.8 million pounds, 16.2% lower than one year ago. Year to date WPC34% production through March is 46.3 million pounds, 17.6%* less than a year ago. Manufacturers' end-of-month stocks totaled 55.3 million pounds, 70.6% higher than one year ago, and 23.1% more than February 2016.

F.O.B. EXTRA GRADE 34% PROTEIN: .5600 - .7300 MOSTLY: .5675 - .6575

LACTOSE - CENTRAL AND WEST

Lactose prices held steady this week. Demand for lactose is mixed. Industry contacts report requests for higher mesh lactose are strong, but buyers are having a harder time finding available 200 mesh lactose. The demand for lower mesh sizes is lighter and in some cases lactose is competing with permeate to find a home in the feed industry. A few market participants are hopeful that the present good demand for permeate will also create a little lift for lactose prices later in the summer. Lactose inventories range from very tight at higher mesh sizes to readily available at lower mesh sizes. Buyers and manufacturers are starting to look at Q3 agreements. Production is steady and some manufacturers report their production is maxed out. NASS's *Dairy Products* report shows U.S. lactose production during March 2016 totaled 95.6 million pounds, a 2.9% increase from one year ago. Year to date lactose production through March is 264.1 million pounds, 0.2% more than a year ago. Month ending stocks, at 187.4 million pounds, are 38.7% higher than one year ago, and 49.7% higher than February 2016.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2000 - .3550 MOSTLY: .2100 - .2950

-CONTINUED ON PAGE 6A-

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.

-CONTINUED FROM PAGE 6-

CASEIN - NATIONAL

Casein spot market trading was slow this week. Prices for spot markets were stable. Last week's GDT Event 163 yielded slight strength into the August contract period, with no contracts for the balance of the periods. Production of casein is slowing in Oceania as the milk season is drawing closer to an end. In the EU, increasing milk production is keeping volumes available for making casein readily available.

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: | 2.3500 - 2.7500 |
| ACID: | 2.5000 - 2.8500 |

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 |
|-------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| 04/23/2016 | 53.2 | 996.9 | 56.0 | 1,013.9 |

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 |

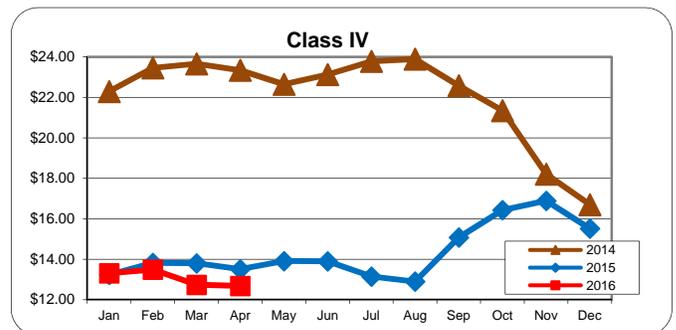
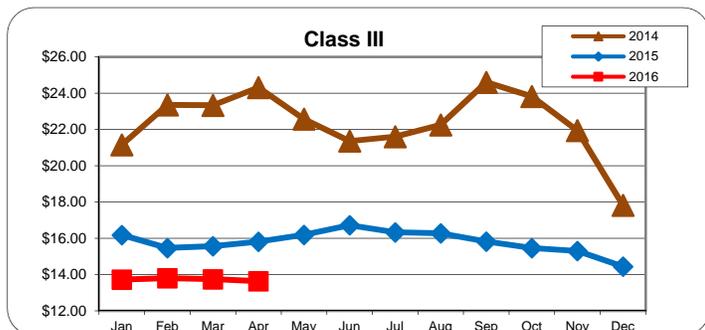
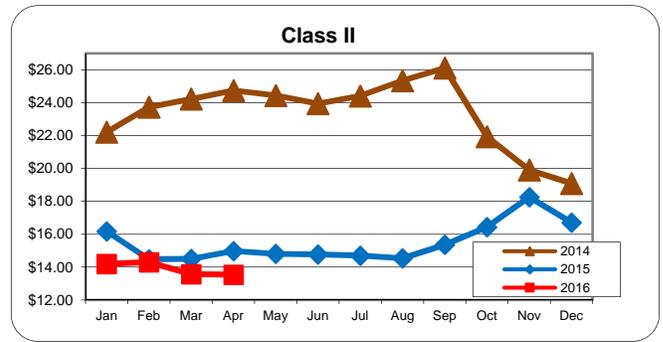
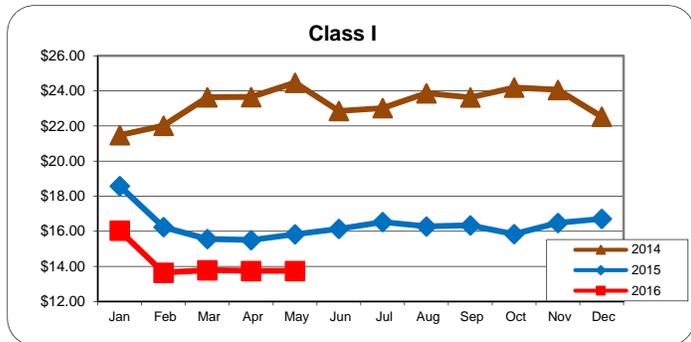
CLASS IV MILK PRICES (3.5%)

| 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 | 13.78 | 13.74 | 13.70 | | | | | | | |
| II | 14.19 | 14.30 | 13.57 | 13.54 | | | | | | | | |
| III | 13.72 | 13.80 | 13.74 | 13.63 | | | | | | | | |
| IV | 13.31 | 13.49 | 12.74 | 12.68 | | | | | | | | |

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 May 2 - 13, 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: There will be a vote this week in the European Parliament on whether to mandate country of origin labelling for milk and some processed dairy products processed or manufactured in the EU. Critics say that if implemented, this would impede the easy flow of dairy products within the EU. Supporters disagree. The continuing high volumes of milk produced in the EU resulted in skim milk powder going into the EU intervention program last week. The most significant volumes came from Poland, France, Germany and Belgium. Additionally, 539 MT of skim milk powder entered the EU 365 day private storage program last week. Most of it was sourced from the Netherlands and Spain. Cow slaughter numbers in Germany are up from what had been expected. It is also reported that for the EU as a whole, the increase in milk output during March slowed slightly. Output increased in March, but increased at a slower pace than the prior month.

BUTTER/BUTTEROIL: Butter prices increased slightly at the top of the price range, driven by price factors involving certain German butter markets. Butter prices in most of the balance of the EU butter producing nations are unchanged. Retail demand for butter in the EU has been active, attributed in part to it being the asparagus season. EU block butter demand also remains active. Butter and butteroil exports from the EU, January-February 2016 compared to 2015, increased 49%, according to GTA. The top three destinations and change in volume from the same period of 2015 were: Saudi Arabia, +31%; USA, +35%; and Egypt, -21%. Imports of butter and butteroil by China increased 79% during the same period.

82% BUTTERFAT: 2,500 - 2,900
99% BUTTERFAT: 3,500 - 3,800

SKIM MILK POWDER (SMP): Skim milk powder prices expressed in U.S. dollars increased slightly. There were two factors. First, while overall prices in the EU are stable, there were some slight increases in German and Dutch markets for certain SMP. Another factor was the weakening of the dollar recently. SMP exports from the EU January-February 2016 compared to 2015, increased 4%, according to GTA. SMP exports from the EU January-February 2016 compared to 2015 increased 5%, according to GTA. The top three destinations and change in volume from the same period of 2015 were: Algeria, -12%; Indonesia, +53%; and China, +71%.

1.25% BUTTERFAT: 1,700 - 1,850

SWEET WHEY POWDER: Whey prices in the EU strengthened at the lower end of the price range this week, reflecting demand being higher. Whey producers in the EU have been frustrated by relatively flat prices for some time. Many feel this slight sign of strengthening is welcome.

NONHYGROSCOPIC: 550 - 675

WHOLE MILK POWDER (WMP): Whole milk powder prices firmed slightly at the bottom of the price range but are unchanged at the top. WMP exports from the EU January-February 2016 compared to 2015 increased 5%, according to GTA. The top three destinations and change in volume from the same period of 2015 were: Oman, +7%; Algeria, -26%; and China, -32%.

26% BUTTERFAT: 2,000 - 2,125

EASTERN OVERVIEW: Eastern EU countries have mixed positions as to recent discussions in the EU as to taking various steps to reduce milk output. During recent votes within the European Commission, Lithuania voted for measures to achieve reductions. Bulgaria, Estonia, Finland, Hungary, the Czech Republic, and Slovenia voted in favor. Latvia, Poland, Romania and Croatia abstained.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered May 2 - 13, 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.

According to **Dairy Australia**, March 2016 milk production in Australia was -4.6% below March 2015. Victoria leads the regions in 2016 milk production to date for the 2015-16 milk season, with 65.7% of Australia's total production. The state changes from a year earlier, total 2016 milk production through March (in million liters), and the percentage changes compared with the first three months of 2015, were: New South Wales, -4.1, 907.0, +1.6%; Victoria, -7.8%, 4,980.2, -2.3%; Queensland, +2.9%, 311.3, -1.9%; South Australia, -3.9%, 394.6, 0.5%; Western Australia, +10.5%, 292.4, +6.9%; and Tasmania +4.1%, 709.7, +1.3%. Diminished expectations that greater demand from China would boost this year's **New Zealand** dairy economy are now evident. Financial stress on farmers is increasingly a matter of concern. With exports historically a significant factor in New Zealand dairy sector profitability, the high levels of global milk production have also challenged exporting milk and dairy products from New Zealand. The end of the milk season in New Zealand is approaching. Although milk production is not down as much as had been expected earlier in the season, production in New Zealand is weaker this year by several measures. March 2016 milk production is down 0.8% from March 2015, down 1.64% from March 2014, and down 11.75% from February this year. Lower milk volumes are affecting profitability as well as weaker milk prices are a factor. Expectations remain that milk production will weaken more than usual as the season nears an end, due to poor pasture conditions and lingering dryness.

BUTTER: Butter prices weakened at the top of the price range. Australian butter production during January 2016, was down 21.2% from the prior month, according to Dairy Australia. For the 2015/16 season through January, butter production was down 4.5% compared with the prior comparable period of 2014/15. Butter and but-teroil exports from Australia, January-February 2016 compared to 2015, decreased 16%, according to GTA. New Zealand exports, in contrast, increased 9%. A reason for the weaker Australian butter exports compared with New Zealand, is that there is more domestic consumption in Australia than New Zealand. It is more challenging to source Australian butter for export.

82% BUTTERFAT: 2,500 - 2,650

SKIM MILK POWDER (SMP): Skim milk powder prices declined this week and the price range narrowed. This follows GDT Event 163 last week, on May 3, when SMP prices declined for all contract periods. Australian skim milk powder production during January 2016 was down 13.1% from the prior month, according to Dairy Australia. For the 2015/16 season through January, SMP production was up 11.9% compared with the prior comparable period of 2014/15. SMP exports from Australia January-February 2016 compared to 2015, decreased 12%, according to GTA. New Zealand exports, in contrast, increased 20%.

1.25% BUTTERFAT: 1,675 - 1,750

CHEDDAR CHEESE: Cheddar cheese prices weakened this week at the top of the price range. This follows lower near term contract prices last week for GDT Event 163. Australian cheese production during January 2016, was up 0.3% from the prior month, according to Dairy Australia. For the 2015/16 season through January, cheese production was down 0.3% compared with the prior comparable period of 2014/15. Cheese exports from Australia January-February 2016 compared to 2015, increased 12%, according to GTA. New Zealand exports increased 30%.

39% MAXIMUM MOISTURE: 2,450 - 2,675

WHOLE MILK POWDER (WMP): Whole milk powder prices weakened this week. This follows GDT Event 163 last week on May 3, when WMP prices declined for Contract 1. Australian whole milk powder production during January 2016, was up 30.2% from the prior month, according to Dairy Australia. For the 2015/16 season through January WMP production was down 16.2% compared with the prior comparable period of 2014/15. WMP exports from Australia January-February 2016 compared to 2015, decreased 22%, according to GTA. New Zealand exports were even with the prior year.

26% BUTTERFAT: 1,975 - 2,075

**Exchange rates for selected foreign currencies:
May 9, 2016**

| | |
|-------------------------|--------------------------|
| .0703 Argentina Peso | .0092 Japan Yen |
| .7316 Australian Dollar | .0549 Mexican Peso |
| .7715 Canadian Dollar | .6768 New Zealand Dollar |
| 1.1385 Euro | .2568 Poland Zloty |
| .0150 India Rupee | |

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0549) = 18.2149 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS

| US\$/MT | Global/Dairy Trading (gDT) Event 163 Recap - May 3, 2016 | | | | | | | | | | | | | |
|--------------------|--|-------|----------------------|-------|----------------------|-------|----------------------|-------|----------------------|-------|----------------------|-------|---------------|-------|
| | Contract 1 Jun-16 | | Contract 2 Jul-16 | | Contract 3 Aug-16 | | Contract 4 Sep-16 | | Contract 5 Oct-16 | | Contract 6 Nov-16 | | All Contracts | |
| Anhydrous Milk Fat | \$3,248 | -0.1% | \$3,148 | -3.4% | \$3,199 | -1.6% | \$3,195 | -0.8% | \$3,253 | 1.4% | \$3,239 | -0.3% | \$3,195 | -1.6% |
| Butter | \$2,651 | -1.7% | \$2,578 | -5.7% | \$2,608 | -4.0% | \$2,571 | -7.5% | \$2,625 | -7.7% | \$2,685 | -6.9% | \$2,601 | -5.5% |
| Buttermilk Powder | | n.a. | \$1,366 | -5.5% | | n.a. | | n.a. | | n.a. | | n.a. | \$1,366 | -5.5% |
| Cheddar | \$2,645 | -3.8% | \$2,733 | 2.2% | | n.a. | | n.a. | | n.a. | | n.a. | \$2,727 | 1.8% |
| Lactose | | n.a. | \$693 | -2.7% | | n.a. | | n.a. | | n.a. | | n.a. | \$693 | -2.7% |
| Rennet Casein | \$5,142 | 3.6% | \$5,216 | 3.8% | \$4,784 | 2.8% | | n.a. | | n.a. | | n.a. | \$5,024 | 3.5% |
| Skim Milk Powder | \$1,671 | -4.2% | \$1,641 | -3.6% | \$1,711 | -1.9% | \$1,700 | -3.3% | \$1,723 | -7.2% | \$1,762 | -5.1% | \$1,676 | -3.6% |
| Sweet Whey Powder | | n.a. | | n.a. | | n.a. | | n.a. | | n.a. | | n.a. | | n.a. |
| Whole Milk Powder | \$2,113 | -0.9% | \$2,163 | 3.4% | \$2,218 | 1.4% | \$2,242 | -1.0% | \$2,218 | -4.9% | \$2,225 | -2.7% | \$2,176 | 0.7% |

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

| US\$/Pound | Global/Dairy Trading (gDT) Event 163 Recap - May 3, 2016 | | | | | | | | | | | | | |
|--------------------|--|-------|----------------------|-------|----------------------|-------|----------------------|-------|----------------------|-------|----------------------|-------|---------------|-------|
| | Contract 1 Jun-16 | | Contract 2 Jul-16 | | Contract 3 Aug-16 | | Contract 4 Sep-16 | | Contract 5 Oct-16 | | Contract 6 Nov-16 | | All Contracts | |
| Anhydrous Milk Fat | \$1.4733 | -0.1% | \$1.4279 | -3.4% | \$1.4511 | -1.6% | \$1.4492 | -0.8% | \$1.4756 | 1.4% | \$1.4692 | -0.3% | \$1.4492 | -1.6% |
| Butter | \$1.2025 | -1.7% | \$1.1694 | -5.7% | \$1.1830 | -4.0% | \$1.1662 | -7.5% | \$1.1907 | -7.7% | \$1.2179 | -6.9% | \$1.1798 | -5.5% |
| Buttermilk Powder | | n.a. | \$0.6196 | -5.5% | | n.a. | | n.a. | | n.a. | | n.a. | \$0.6196 | -5.5% |
| Cheddar | \$1.1998 | -3.8% | \$1.2397 | 2.2% | | n.a. | | n.a. | | n.a. | | n.a. | \$1.2370 | 1.8% |
| Lactose | | n.a. | \$0.3143 | -2.7% | | n.a. | | n.a. | | n.a. | | n.a. | \$0.3143 | -2.7% |
| Rennet Casein | \$2.3324 | 3.6% | \$2.3660 | 3.8% | \$2.1700 | 2.8% | | n.a. | | n.a. | | n.a. | \$2.2789 | 3.5% |
| Skim Milk Powder | \$0.7580 | -4.2% | \$0.7444 | -3.6% | \$0.7761 | -1.9% | \$0.7711 | -3.3% | \$0.7815 | -7.2% | \$0.7992 | -5.1% | \$0.7602 | -3.6% |
| Sweet Whey Powder | | n.a. | | n.a. | | n.a. | | n.a. | | n.a. | | n.a. | | n.a. |
| Whole Milk Powder | \$0.9585 | -0.9% | \$0.9811 | 3.4% | \$1.0061 | 1.4% | \$1.0170 | -1.0% | \$1.0061 | -4.9% | \$1.0093 | -2.7% | \$0.9870 | 0.7% |

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

CME GROUP, INC FUTURES
Selected settling prices

| Month | 04/29 | 05/02 | 05/03 | 05/04 | 05/05 | 05/06 | 05/09 | 05/10 | 05/11 | 05/12 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| CLASS III MILK FUTURES (Pit-Traded) (\$/cwt) | | | | | | | | | | |
| APR 16 | 13.62 | 13.63 | 13.62 | 13.63 | | | | | | |
| MAY 16 | 13.17 | 13.03 | 12.95 | 12.93 | 12.87 | 12.87 | 12.75 | 12.74 | 12.78 | 12.73 |
| JUN 16 | 13.26 | 12.99 | 12.92 | 12.91 | 13.01 | 12.92 | 12.59 | 12.52 | 12.76 | 12.35 |
| JUL 16 | 13.51 | 13.31 | 13.12 | 13.15 | 13.33 | 13.34 | 13.09 | 13.01 | 13.38 | 12.96 |
| AUG 16 | 14.16 | 13.99 | 13.80 | 13.77 | 13.92 | 14.00 | 13.82 | 13.67 | 13.98 | 13.68 |
| SEP 16 | 14.67 | 14.55 | 14.40 | 14.42 | 14.54 | 14.65 | 14.49 | 14.35 | 14.53 | 14.36 |
| OCT 16 | 14.83 | 14.75 | 14.65 | 14.67 | 14.78 | 14.81 | 14.74 | 14.64 | 14.79 | 14.68 |
| NOV 16 | 14.84 | 14.78 | 14.71 | 14.66 | 14.81 | 14.84 | 14.79 | 14.69 | 14.77 | 14.77 |
| DEC 16 | 14.88 | 14.86 | 14.75 | 14.74 | 14.86 | 14.89 | 14.81 | 14.75 | 14.81 | 14.81 |
| JAN 17 | 14.95 | 14.95 | 14.86 | 14.82 | 14.95 | 15.03 | 14.97 | 14.93 | 14.97 | 14.95 |
| CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt) | | | | | | | | | | |
| APR 16 | 12.74 | 12.74 | 12.74 | 12.68 | | | | | | |
| MAY 16 | 13.39 | 13.24 | 13.24 | 13.24 | 13.24 | 13.24 | 13.24 | 13.24 | 13.24 | 13.24 |
| JUN 16 | 13.71 | 13.55 | 13.30 | 13.30 | 13.30 | 13.30 | 13.62 | 13.58 | 13.58 | 13.58 |
| JUL 16 | 14.12 | 13.89 | 13.66 | 13.71 | 13.86 | 13.86 | 13.99 | 13.90 | 13.90 | 13.92 |
| CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb) | | | | | | | | | | |
| APR 16 | 201.98 | 202.00 | 202.00 | 201.92 | | | | | | |
| MAY 16 | 211.00 | 208.00 | 203.03 | 203.80 | 203.80 | 204.78 | 205.33 | 206.08 | 206.50 | 206.75 |
| JUN 16 | 215.00 | 210.00 | 210.00 | 204.50 | 207.45 | 208.35 | 208.00 | 208.00 | 209.73 | 208.08 |
| JUL 16 | 216.00 | 213.38 | 208.25 | 210.00 | 208.00 | 209.58 | 209.50 | 209.23 | 209.93 | 209.00 |
| NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb) | | | | | | | | | | |
| APR 16 | 73.40 | 73.40 | 73.40 | 73.07 | | | | | | |
| MAY 16 | 76.63 | 76.25 | 75.78 | 74.75 | 74.78 | 74.85 | 75.70 | 75.23 | 75.68 | 76.20 |
| JUN 16 | 79.28 | 79.03 | 78.03 | 77.80 | 80.50 | 80.45 | 81.35 | 79.65 | 79.68 | 80.25 |
| JUL 16 | 82.45 | 82.00 | 81.70 | 81.63 | 81.13 | 84.10 | 85.00 | 84.05 | 84.25 | 84.28 |
| WHEY (Electronic-Traded) (¢/lb) | | | | | | | | | | |
| APR 16 | 24.30 | 24.30 | 24.30 | 24.66 | | | | | | |
| MAY 16 | 23.65 | 23.45 | 23.00 | 23.25 | 23.60 | 23.90 | 23.90 | 23.90 | 24.20 | 24.75 |
| JUN 16 | 24.10 | 23.25 | 23.15 | 23.15 | 23.60 | 24.00 | 24.28 | 24.30 | 25.00 | 25.25 |
| JUL 16 | 24.28 | 23.75 | 23.28 | 23.15 | 23.73 | 23.80 | 24.03 | 24.33 | 26.00 | 26.00 |
| CHEESE CSC (Electronic-Traded) (\$/lb) | | | | | | | | | | |
| APR 16 | 1.51 | 1.51 | 1.50 | 1.50 | | | | | | |
| MAY 16 | 1.46 | 1.48 | 1.44 | 1.44 | 1.44 | 1.43 | 1.42 | 1.41 | 1.42 | 1.41 |
| JUN 16 | 1.46 | 1.44 | 1.44 | 1.44 | 1.44 | 1.43 | 1.40 | 1.39 | 1.41 | 1.37 |
| JULY 16 | 1.49 | 1.47 | 1.46 | 1.46 | 1.47 | 1.47 | 1.45 | 1.44 | 1.47 | 1.43 |
| AUG 16 | 1.55 | 1.54 | 1.53 | 1.52 | 1.53 | 1.54 | 1.52 | 1.50 | 1.53 | 1.50 |
| SEP 16 | 1.60 | 1.59 | 1.59 | 1.59 | 1.59 | 1.60 | 1.59 | 1.57 | 1.58 | 1.56 |

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

March Milk Sales

During March 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.5 percent lower than March 2015. Estimated sales of total conventional fluid milk products decreased 0.6 percent from March 2015 and estimated sales of total organic fluid milk products increased 1.6 percent from a year earlier.

| Estimated Total U.S. Sales of Fluid Milk Products, March 2016, with Comparisons ^{1,4} | | | | |
|--|-------------------------|--------------|---------------------------|--------------|
| Product Name | Sales | | Change from: ² | |
| | Mar | Year to Date | Previous Year | Year to Date |
| | <i>(million pounds)</i> | | <i>(percent)</i> | |
| Conventional Production Practice | | | | |
| Whole Milk | 1,198 | 3,559 | 5.2 | 4.6 |
| Flavored Whole Milk | 51 | 146 | 7.1 | 7.7 |
| Reduced Fat Milk (2%) | 1,324 | 3,953 | -1.1 | -2.2 |
| Low Fat Milk (1%) | 597 | 1,787 | -4.7 | -3.9 |
| Fat-Free Milk (Skim) | 417 | 1,251 | -10.2 | -10.2 |
| Flavored Fat-Reduced Milk | 355 | 1,059 | 0.8 | 3.7 |
| Buttermilk | 46 | 129 | 1.3 | -0.9 |
| Other Fluid Milk Products | 4 | 13 | 12.7 | 12.1 |
| Total Fat-Reduced Milk ³ | 2,693 | 8,051 | -3.2 | -3.2 |
| Total Conventional Milk Products | 3,992 | 11,898 | -0.6 | -0.8 |
| Organic Production Practice | | | | |
| Whole Milk | 75 | 227 | 9.3 | 13.7 |
| Reduced Fat Milk (2%) | 65 | 201 | 13.0 | 12.9 |
| Low Fat Milk (1%) | 36 | 110 | -5.5 | -3.5 |
| Fat-Free Milk (Skim) | 27 | 83 | -13.1 | -10.3 |
| Flavored Fat-Reduced Milk | 9 | 23 | -31.7 | -31.6 |
| Other Fluid Milk Products | 0 | 1 | ----- | ----- |
| Total Fat-Reduced Milk ³ | 138 | 417 | -2.2 | -0.3 |
| Total Organic Milk Products | 214 | 645 | 1.6 | 4.2 |
| Total Fluid Milk Products | 4,206 | 12,543 | -0.5 | -0.6 |

¹ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. ² Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. ³ Both conventional and organic fat-reduced milk categories are total of reduced fat, lowfat, skim and flavored fat-reduced milk. ⁴ The California Department of Food and Agriculture (CDFA) clarified reporting instructions starting in July 2015, for packaged product moving plant to plant prior to ultimate distribution. This improved the accuracy of current numbers, but makes current year to prior year comparisons less accurate, and will overstate any year over year decrease in sales. Report contact: Daniel Manzoni, Daniel.manzoni@ams.usda.gov or 202-720-2352.

| Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, March 2016, with Comparisons ¹ | | | | | |
|--|--------------|-------------------------|--------------|---------------------------|--------------|
| Marketing Area | Order Number | Sales | | Change from: ² | |
| | | Mar | Year to Date | Previous Year | Year to Date |
| | | <i>(million pounds)</i> | | <i>(percent)</i> | |
| Northeast | 001 | 711 | 2,116 | -2.4 | -1.5 |
| Appalachian | 005 | 273 | 830 | -1.9 | -0.6 |
| Florida | 006 | 244 | 723 | 3.6 | 2.6 |
| Southeast | 007 | 382 | 1,155 | 0.6 | 0.2 |
| Upper Midwest | 030 | 331 | 972 | 2.6 | 0.8 |
| Central | 032 | 357 | 1,060 | 2.2 | -0.2 |
| Mideast | 033 | 460 | 1,386 | -1.1 | -0.8 |
| Pacific Northwest | 124 | 171 | 504 | 0.0 | 0.8 |
| Southwest | 126 | 380 | 1,140 | 0.4 | 0.6 |
| Arizona | 131 | 94 | 276 | -0.4 | 0.4 |
| California ³ | --- | 468 | 1,378 | -4.1 | -4.0 |
| All Orders (Total) | | 3,402 | 10,162 | 0.0 | -0.1 |
| All Areas (Total) | | 3,870 | 11,540 | -0.5 | -0.6 |

¹ These figures are representative of the consumption of total fluid milk products in the respective area; see footnote ³ above for the products included. ² Percent changes, as well as sales volumes, are shown on an unadjusted basis. ³ See footnote ⁴ in the above table regarding California sales.

Source: U.S. Department of Agriculture. California Department of Food and Agriculture.

Mailbox Milk Prices for Selected Reporting Areas in Federal Milk Orders and California, February 2016, With Comparisons

In February 2016, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$15.48 per cwt, down \$0.35 per cwt from the January 2016 average and down \$1.43 per cwt from the February 2015 average. The component tests of producer milk in February 2016 were: butterfat, 3.85%; protein, 3.20%; and other solids, 5.79%. When compared to the previous month, the February Mailbox prices decreased in all 19 Federal milk order reporting areas. The Florida area experienced the greatest decrease of \$1.46 per cwt and the Wisconsin area experienced the smallest decrease of \$0.06 per cwt. Averaged over all Federal milk order reporting areas, the February 2016 Mailbox price decreased an average of \$0.51 per cwt. Mailbox prices in February 2016 ranged from \$17.06 in the New England States to \$13.96 in New Mexico.

| Reporting Area ¹ | Mailbox Milk Price ² | | |
|---------------------------------------|------------------------------------|--------------|---------------|
| | February 2015 | January 2016 | February 2016 |
| | <i>(dollars per hundredweight)</i> | | |
| New England States ³ | 18.44 | 17.35 | 17.06 |
| New York | 17.05 | 15.93 | 15.72 |
| Eastern Pennsylvania ⁴ | 17.03 | 16.11 | 15.87 |
| Appalachian States ⁵ | 17.94 | 16.90 | 16.08 |
| Southeast States ⁶ | 18.29 | 16.83 | 15.75 |
| Southern Missouri ⁷ | 17.72 | 16.75 | 15.68 |
| Florida | 19.55 | 17.95 | 16.49 |
| Western Pennsylvania ⁸ | 17.10 | 16.55 | 15.82 |
| Ohio | 17.33 | 15.97 | 15.56 |
| Indiana | 16.43 | 15.58 | 15.13 |
| Michigan | 16.03 | 14.69 | 14.17 |
| Wisconsin | 17.57 | 16.09 | 16.03 |
| Minnesota | 17.41 | 16.25 | 15.92 |
| Iowa | 17.11 | 15.84 | 15.59 |
| Illinois | 17.28 | 16.16 | 15.88 |
| Corn Belt States ⁹ | 16.01 | 15.03 | 14.66 |
| Western Texas ¹⁰ | 15.78 | 15.08 | 14.72 |
| New Mexico | 14.84 | 14.19 | 13.96 |
| Northwest States ¹¹ | 15.39 | 15.25 | 14.81 |
| All Federal Order Areas ¹² | 16.91 | 15.83 | 15.48 |
| California ¹³ | 14.49 | 14.54 | 13.99 |

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

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

³ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

⁴ Includes all counties to the east of those listed in ⁸.

⁵ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

⁶ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi.

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

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

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

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

¹¹ Includes Oregon and Washington.

¹² Weighted average of prices for all selected reporting areas.

¹³ Calculated by California Department of Food and Agriculture, and published at:

<https://www.cdfa.ca.gov/dairy/uploader/postings/mailboxmap/Default.aspx>

Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932

May Supply and Demand Estimates

Milk production for 2017 is forecast higher as improved forage availability and continued favorable feed costs are expected to support gains in milk per cow. Cow numbers are expected to remain near 2016 levels. Commercial exports on both a fat and skim-solids basis are forecast higher as expected tighter world supplies and increasing demand lead to expanded export opportunities. Imports are forecast lower as domestic production increases. With stronger domestic and export demand, cheese, nonfat dry milk (NDM), and whey prices are forecast higher but butter prices are forecast lower. The Class III price is forecast higher on stronger cheese and whey prices, and the Class IV price is forecast higher as a weaker butter price is more than offset by the higher NDM price. The all milk price is forecast higher than 2016 at \$15.25 to \$16.25 per cwt. Milk production in 2016 is forecast higher than last month, as the cow inventory is expected to expand slightly and growth in milk per cow during the first half of the year is forecast higher. Imports are raised on both a fat and skim-solids basis; exports on a fat basis are raised but are unchanged on a skim-solids basis. Cheese, butter, and NDM prices are forecast lower on weaker demand and larger supplies, but whey prices are raised. Both Class III and Class IV prices are reduced. The milk price is forecast lower at \$14.60 to \$15.10 per cwt.

U.S. Milk Supply and Use

| Commodity | 2015 | 2016 Projected | | 2017 Projected | |
|-----------------------------|-------|----------------|-------|----------------|-------|
| | | Apr | May | Apr | May |
| <i>(billion pounds)</i> | | | | | |
| Milk | | | | | |
| Production | 208.6 | 211.8 | 212.4 | N/A | 215.2 |
| Farm Use | 1.0 | 1.0 | 1.0 | N/A | 1.0 |
| Fat Basis Supply | | | | | |
| Beginning Commercial Stocks | 11.2 | 13.3 | 13.3 | N/A | 12.9 |
| Marketings | 207.7 | 210.9 | 211.4 | N/A | 214.2 |
| Imports | 5.7 | 7.5 | 7.7 | N/A | 7.0 |
| Total Commercial Supply | 224.6 | 231.7 | 232.4 | N/A | 234.1 |
| Fat Basis Use | | | | | |
| Commercial Exports | 8.8 | 8.4 | 8.9 | N/A | 9.1 |
| Ending Commercial Stocks | 13.3 | 12.7 | 12.9 | N/A | 12.0 |
| CCC Donations | 0.0 | 0.0 | 0.0 | N/A | 0.0 |
| Domestic Commercial Use | 202.5 | 210.6 | 210.7 | N/A | 213 |
| Skim-Solid Basis Supply | | | | | |
| Beginning Commercial Stocks | 13.1 | 13.9 | 13.9 | N/A | 14.1 |
| Marketings | 207.7 | 210.9 | 211.4 | N/A | 214.2 |
| Imports | 5.9 | 6.2 | 6.4 | N/A | 6.2 |
| Total Commercial Supply | 226.7 | 230.9 | 231.7 | N/A | 234.5 |
| Skim-Solids Basis Use | | | | | |
| Commercial Exports | 37.3 | 36.2 | 36.2 | N/A | 37.6 |
| Ending Commercial Stocks | 13.9 | 14.1 | 14.1 | N/A | 13.7 |
| CCC Donations | 0.0 | 0.0 | 0.0 | N/A | 0.0 |
| Domestic Commercial Use | 175.5 | 180.6 | 181.3 | N/A | 183.2 |

NOTE: Totals may not add due to rounding.

Continued on page 13

May Milk Supply and Demand Estimates-cont'd

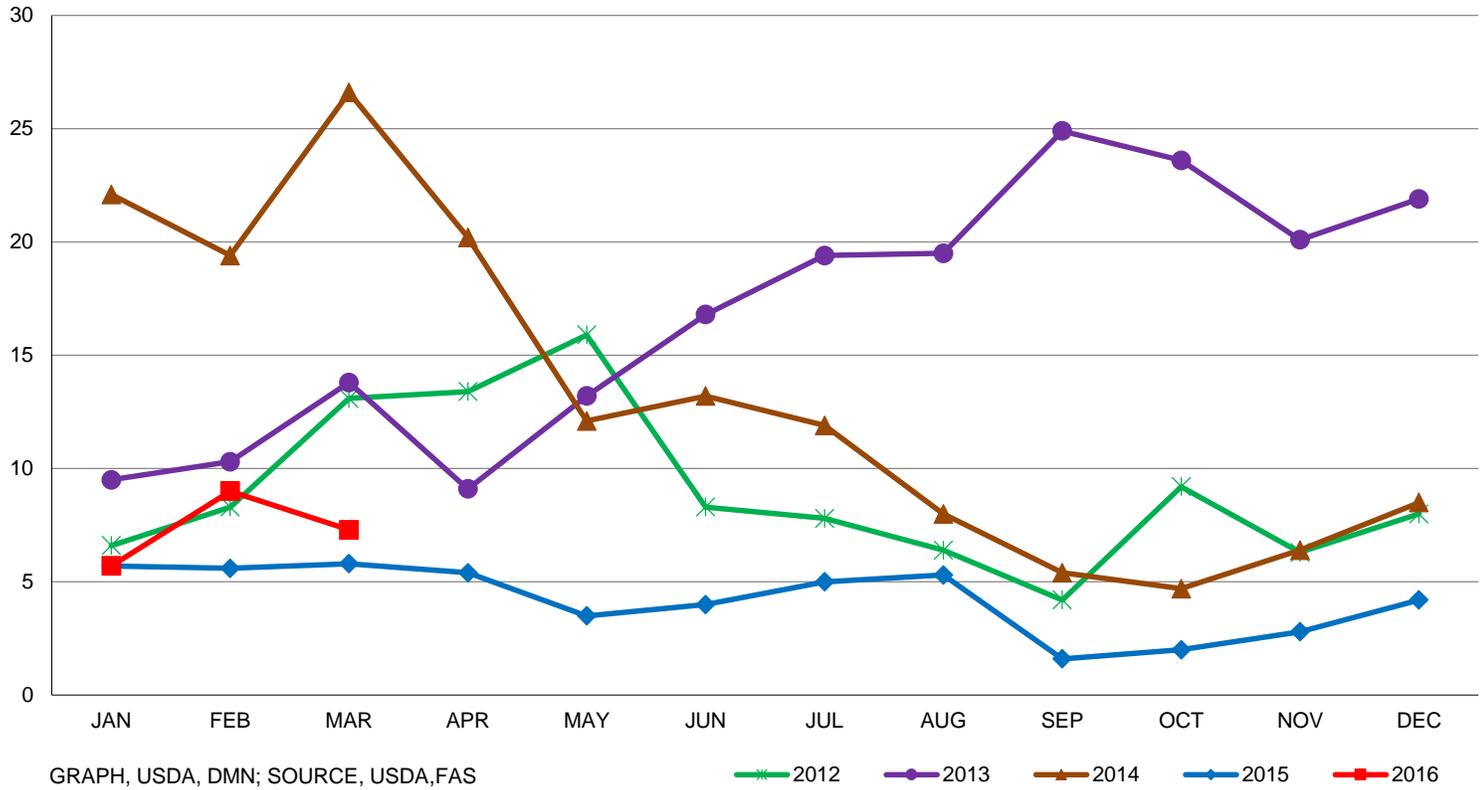
| U.S. Dairy Prices | | | | | |
|-------------------------------|--------|----------------------|-----------------------|----------------------|---------------------|
| Commodity | 2015 | 2016 Projected | | 2017 Projected | |
| | | Apr | May | Apr | May |
| <i>(dollars per pound)</i> | | | | | |
| Product Prices ¹ | | | | | |
| Cheese | 1.6454 | 1.510-1.560 | 1.455-1.505 | N/A | 1.540-1.640 |
| Butter | 2.0670 | 2.005-2.085 | 1.985-2.065 | N/A | 1.880-2.010 |
| Nonfat Dry Milk | 0.9016 | 0.760-0.800 | 0.740-0.780 | N/A | 0.855-0.925 |
| Dry Whey | 0.3804 | 0.230-0.260 | 0.235-0.265 | N/A | 0.255-0.285 |
| <i>(dollars per cwt)</i> | | | | | |
| Milk Prices ² | | | | | |
| Class III | 15.80 | 13.65-14.15 | 13.15-13.65 | N/A | 14.05-15.05 |
| Class IV | 14.35 | 12.90-13.50 | 12.65-13.25 | N/A | 13.15-14.25 |
| All Milk ³ | 17.12 | 15.00-15.50 | 14.60-15.10 | N/A | 15.25-16.25 |
| Quarterly | | | | | |
| | 2016 I | 2016 II ⁴ | 2016 III ⁴ | 2016 IV ⁴ | 2017 I ⁴ |
| <i>(billion pounds)</i> | | | | | |
| Milk Production | 53.0 | 54.4 | 52.5 | 52.4 | 53.3 |
| <i>(dollars per cwt)</i> | | | | | |
| All Milk Price ^{2,3} | 15.70 | 14.25-14.55 | 13.95-14.55 | 14.65-15.55 | 14.95-15.95 |
| Class III Price ² | 13.75 | 12.85-13.15 | 12.80-13.40 | 13.25-14.15 | 13.50-14.50 |
| Class IV Price ² | 13.18 | 12.65-13.05 | 12.50-13.20 | 12.45-13.45 | 12.55-13.65 |

¹ Simple average of monthly prices calculated from AMS weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/rules-regulations/mmr/dmr>; scroll down to Publications, National Dairy Products Sales Reports, and select Current Release & Archives." ² Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. ³ Does not reflect any deductions from producers as authorized by legislation. ⁴ Projection.

Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-553, May 10, 2016*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Roger Cryan, AMS; Paul Kiendl, FAS; Jerry Cessna, ERS; and Milton Madison, FSA].

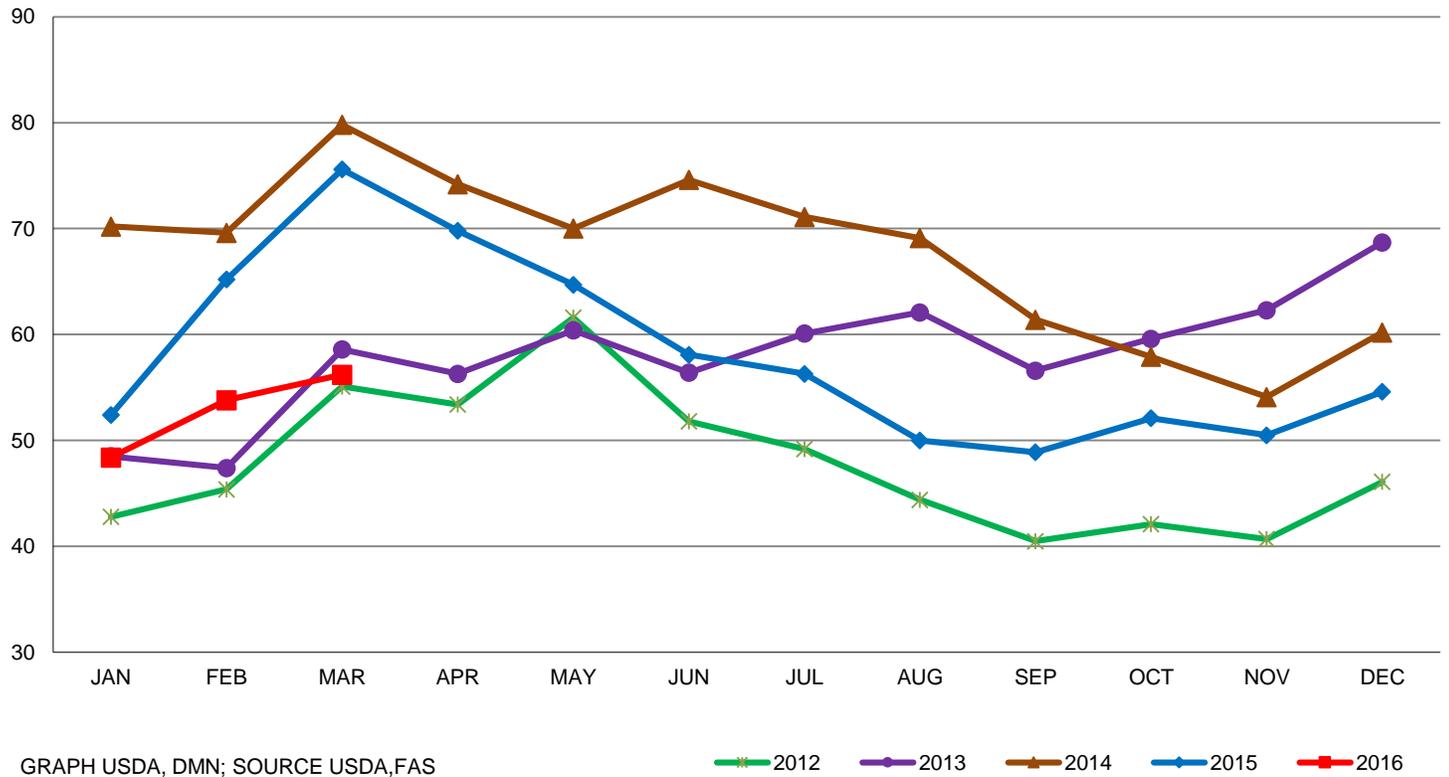
U.S. Butter and Milkfat Exports

MILLION POUNDS



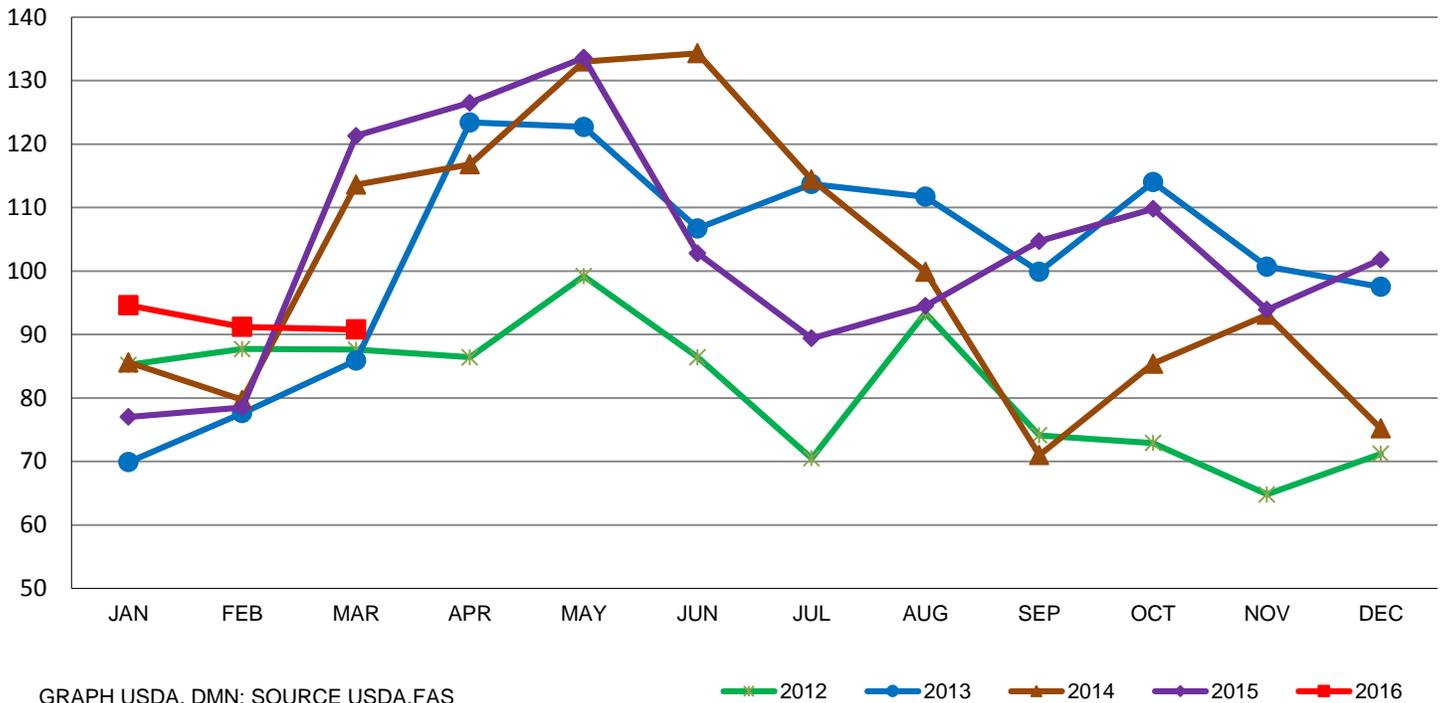
Cheese Exports

MILLION POUNDS



MILLION POUNDS

U.S. NDM Exports, H.S. Code 0402100000(FAS)

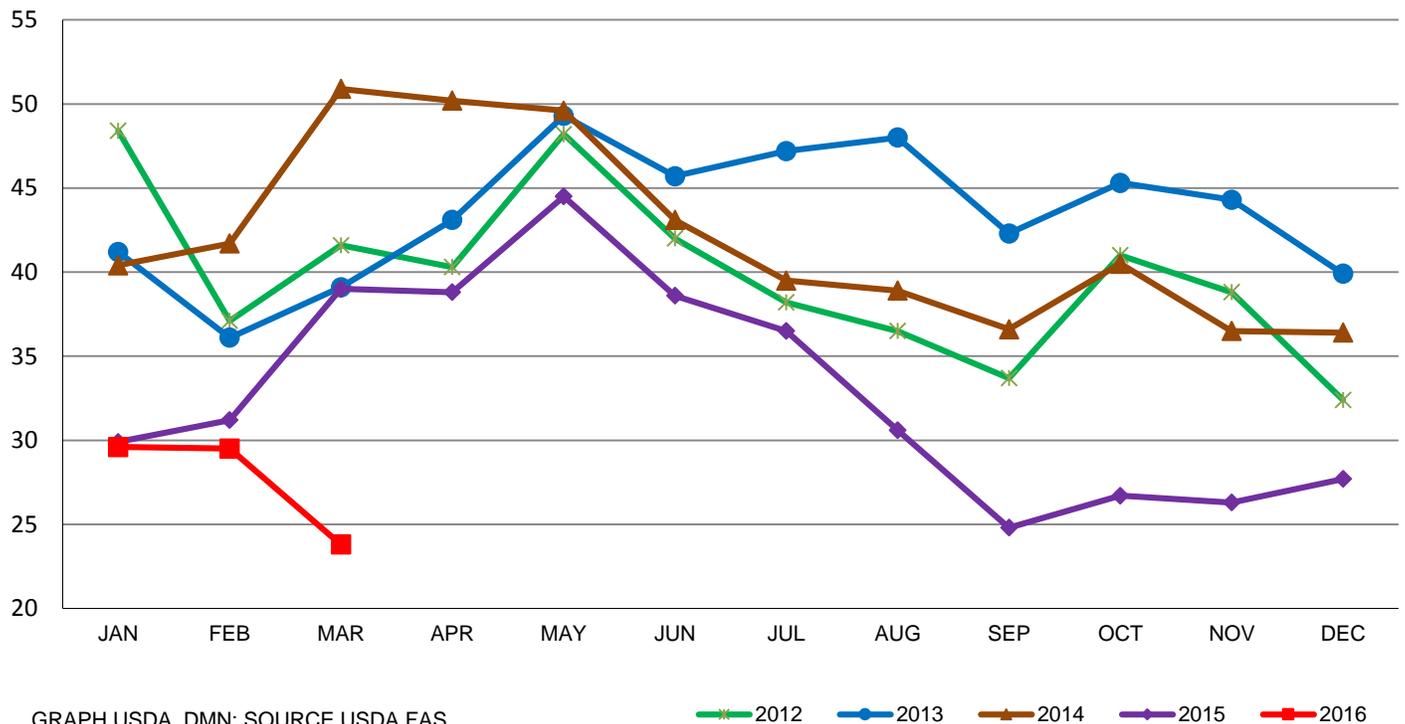


GRAPH USDA, DMN; SOURCE USDA,FAS

2012 2013 2014 2015 2016

MILLION POUNDS

U.S. Dry Whey Exports, H.S. Code 0404104000(FAS)

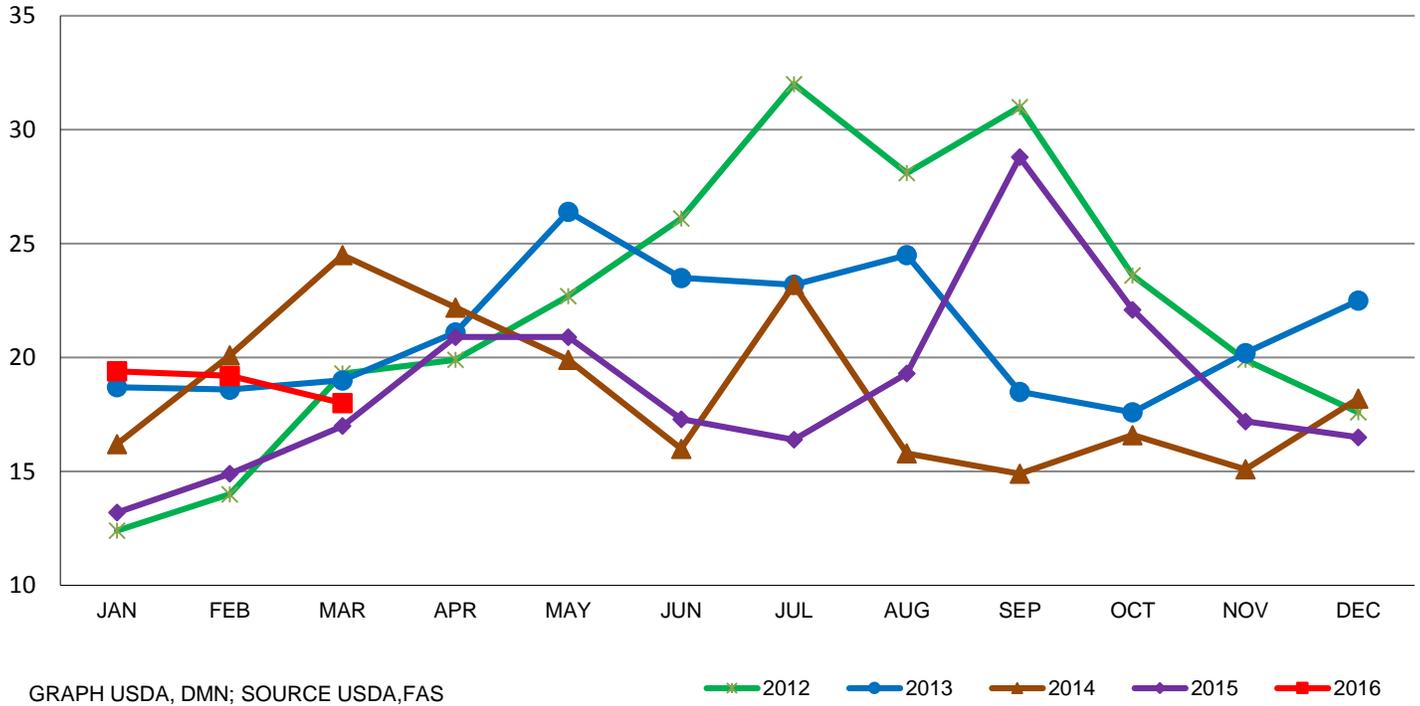


GRAPH USDA, DMN; SOURCE USDA,FAS

2012 2013 2014 2015 2016

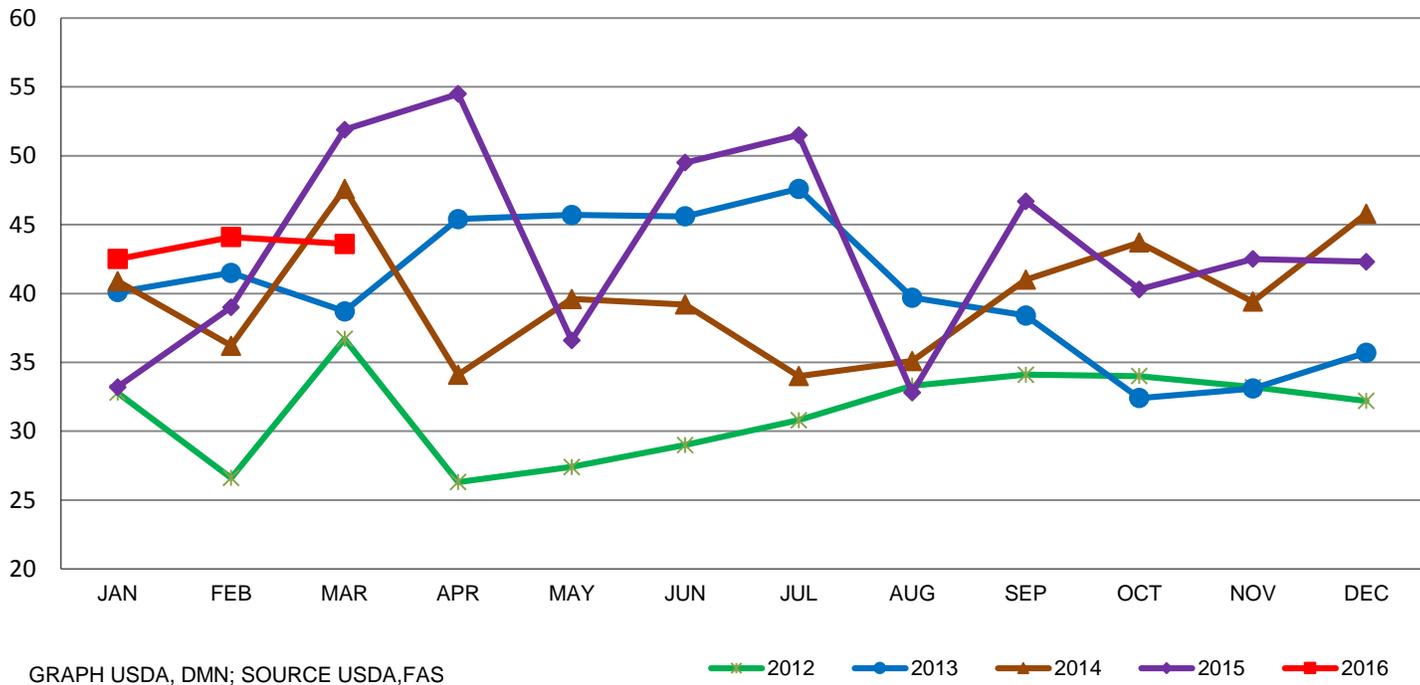
MILLION POUNDS

U.S. WPC < 80% Exports, H.S. Code 0404100500(FAS)

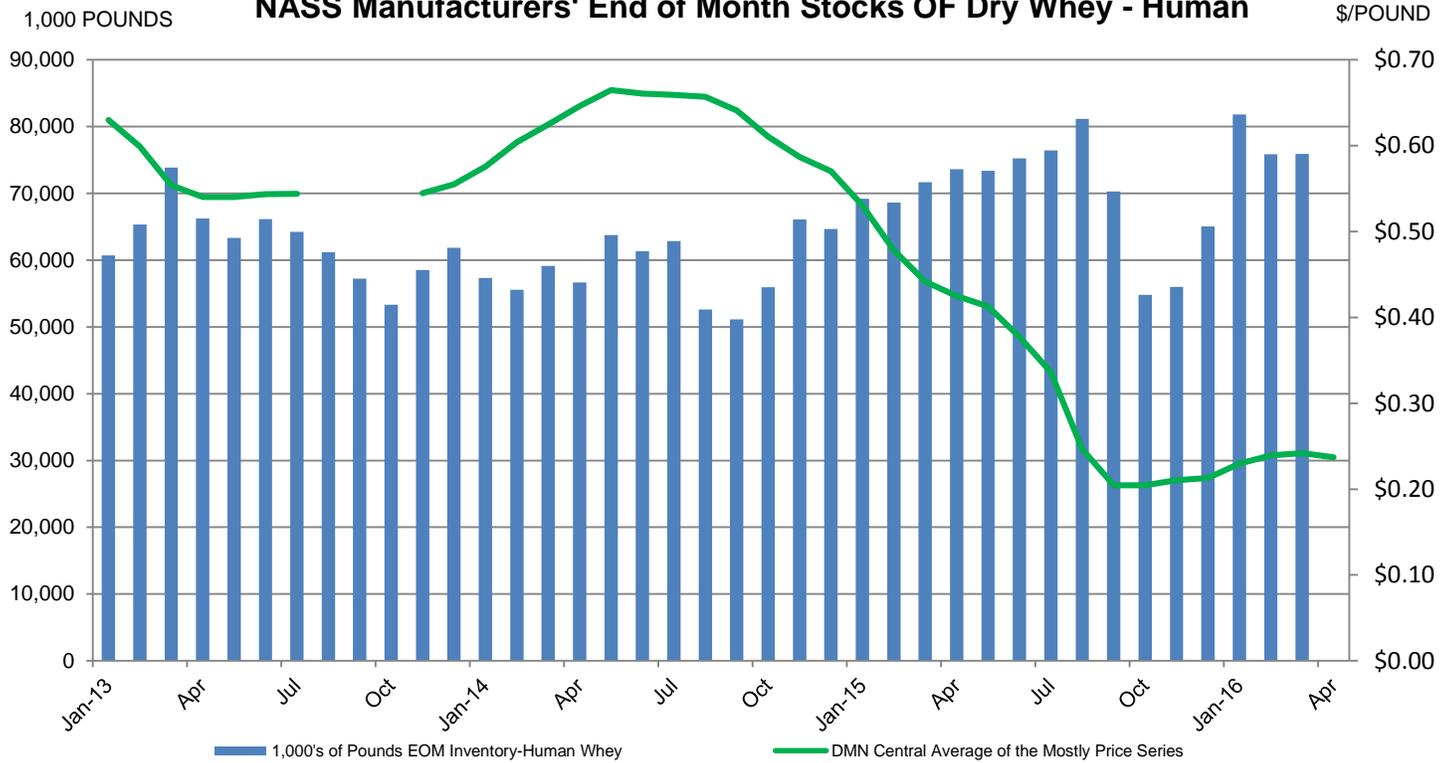


MILLION POUNDS

U.S. Lactose Exports, H.S. Code 1702110000(FAS)

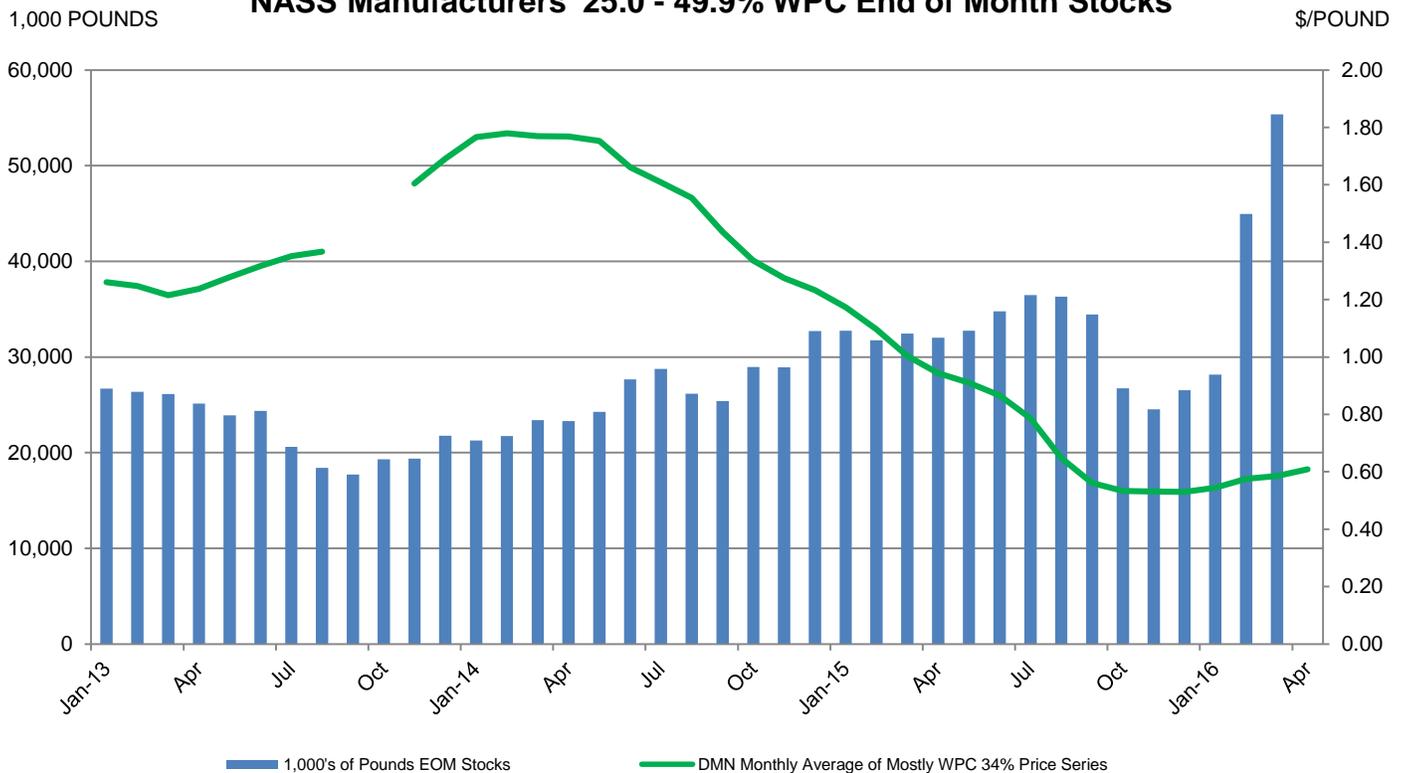


DMN Central AOM Price Series vs. NASS Manufacturers' End of Month Stocks OF Dry Whey - Human

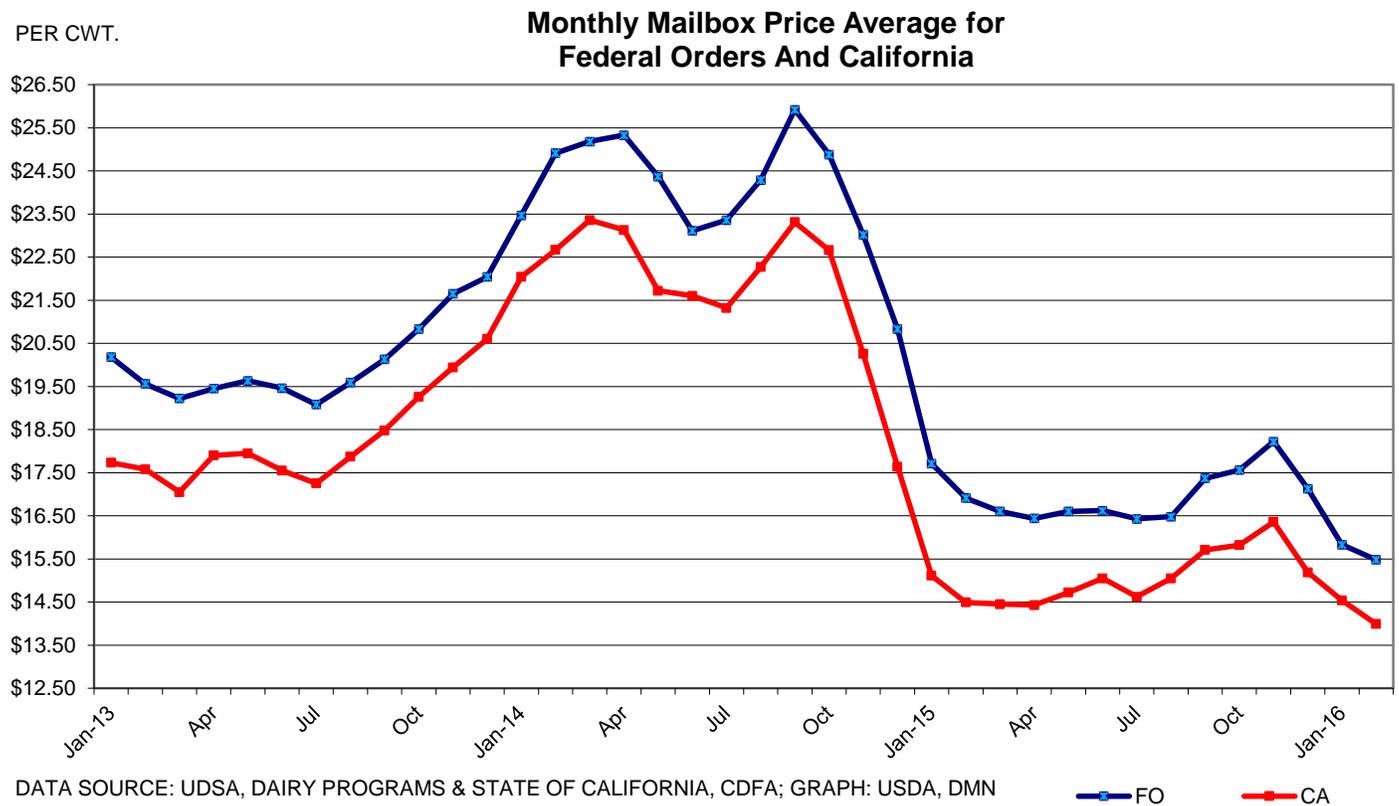
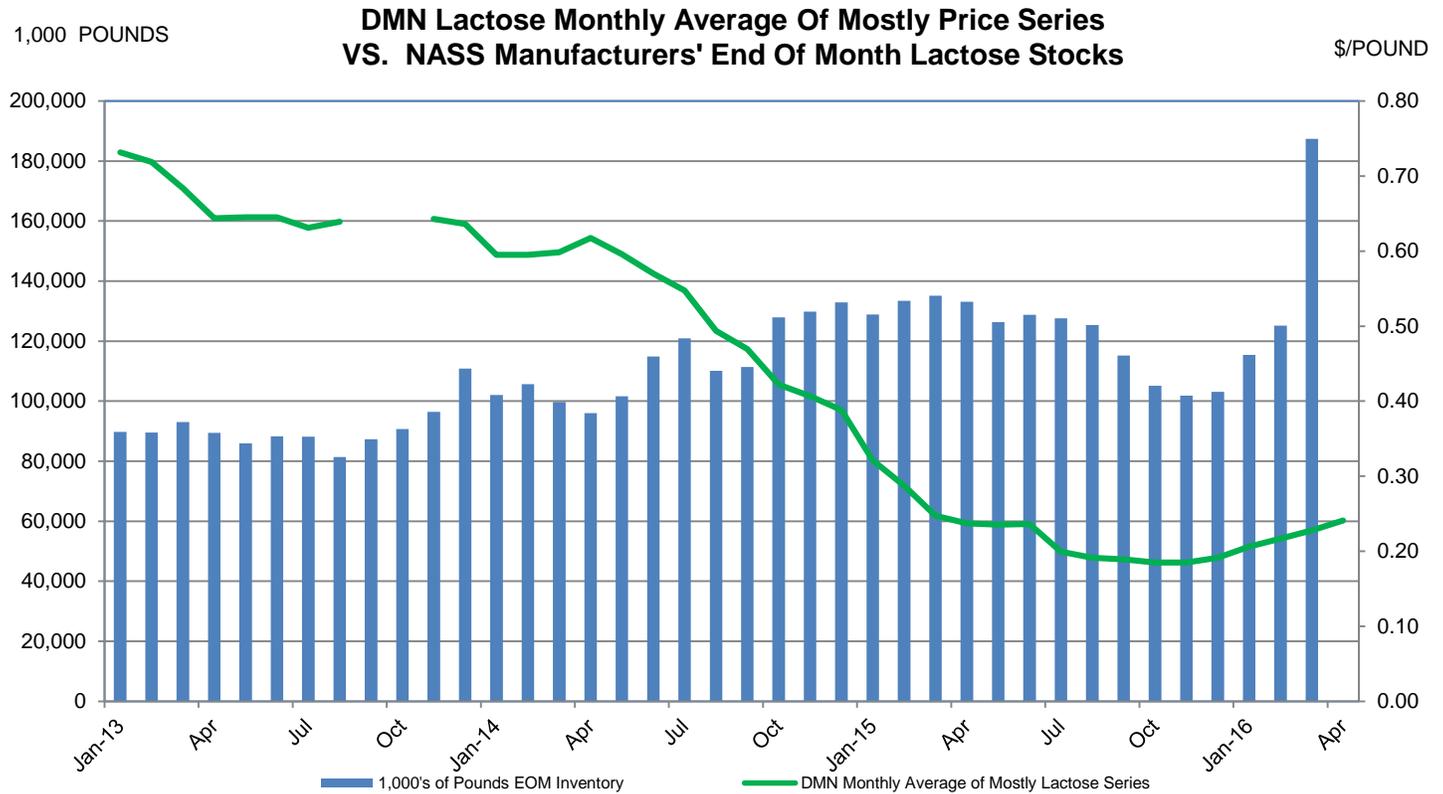


DATA SOURCE, USDA, NASS & AMS, MIB; GRAPH, USDA, AMS, DMN

DMN Monthly Average of WPC 34% Mostly Price Series vs. NASS Manufacturers' 25.0 - 49.9% WPC End of Month Stocks



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





Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report-Dairy

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

Volume 83- Number 19

Issued Weekly

Friday, May 13, 2016

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 05/13/2016 to 05/19/2016

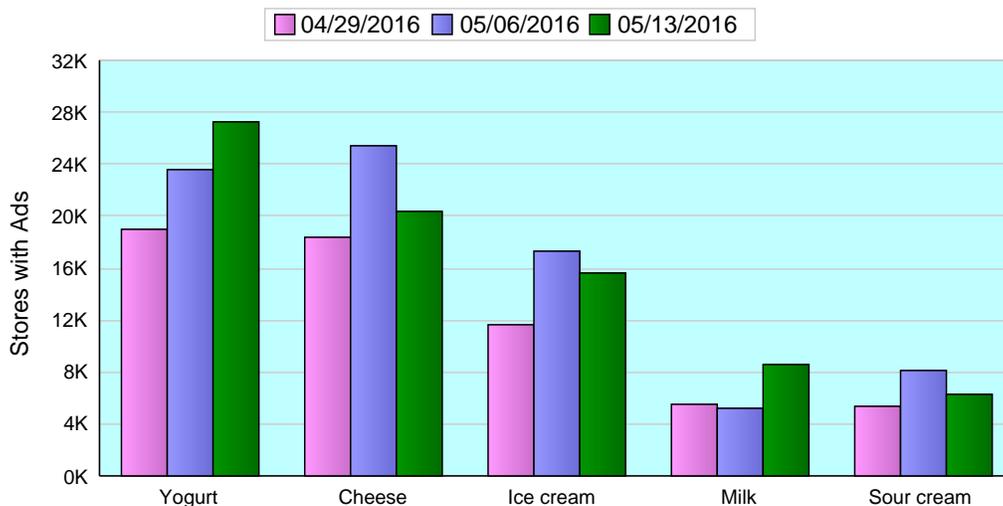
The total volume of conventional dairy ads declined 7%; conversely, organic dairy ads increased 35% this week. For conventional dairy advertisements, ice cream in 48-64 ounce containers, Greek yogurt in 4-6 ounce containers and 8 ounce packs of shred cheese had the largest volume of ads. Ads for 1 pound packages of conventional butter declined 14%, with a weighted average price of \$2.75, down 16 cents from last week. The weighted average price for 1 pound packages of organic butter was \$5.88, up 64 cents from a week ago. Among reported dairy items, organic milk in gallon containers had the largest percentage change in ad volume, an increase of 540%. Organic Greek yogurt 32-ounce reported the largest percentage price change, up 96% from last week.

The average price for conventional yogurt in 4-6 ounce packages is \$.75, up 28 cents from last week. The average price of 4-6 ounce conventional Greek yogurt is \$.92, down 1 cent from last week. Conventional yogurt ad numbers are up 25% from last week, but organic yogurt ads declined 79%. The average price for organic Greek yogurt in 4-6 ounce packages is \$1.00.

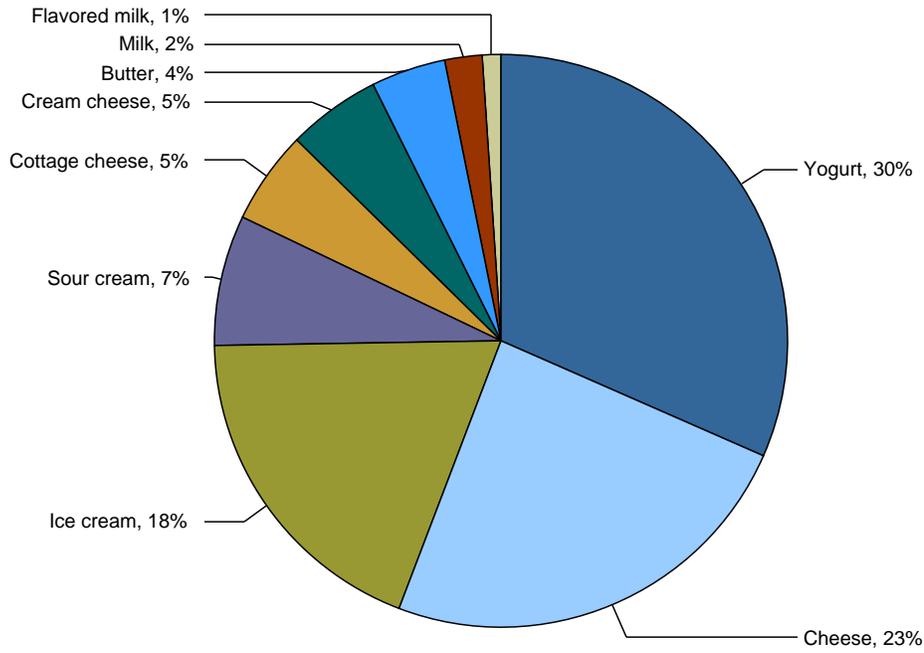
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.12, up 1 cent from last week; 8 ounce shred cheese averaged \$2.18, down 6 cents from last week. Conventional one pound shred saw a 66% decline in ads this week with a weighted average price of \$3.51. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$3.99, up 7 cents from the previous week.

The price spread between organic and conventional half gallon milk is \$1.61. The price spread is the difference between national weighted average prices for organic, \$4.00, and conventional, \$2.39. Conventional milk ad numbers declined 26% from last week while organic milk ad numbers increased 175%.

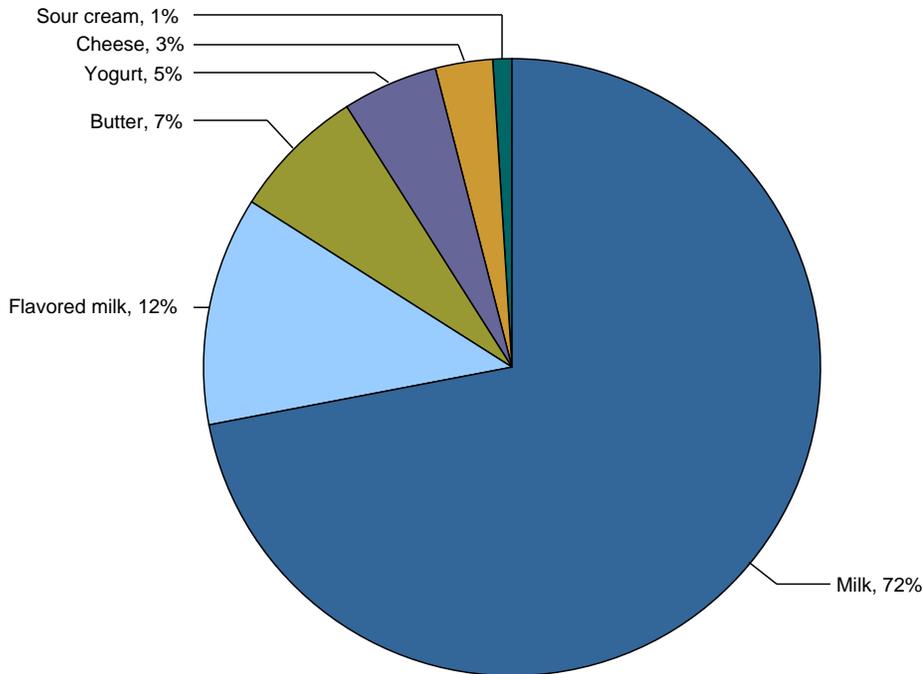
Top 5 Commodities Featured



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 # | 3743 | 2.75 | 4365 | 2.91 | 3269 | 2.89 |
| Cheese | Natural Varieties | 8 oz block | 7643 | 2.12 | 8016 | 2.11 | 7989 | 2.39 |
| Cheese | Natural Varieties | 1 # block | 1585 | 4.15 | 2644 | 3.06 | 880 | 3.63 |
| Cheese | Natural Varieties | 2 # block | 703 | 6.05 | 855 | 5.95 | 677 | 5.62 |
| Cheese | Natural Varieties | 8 oz shred | 9422 | 2.18 | 10451 | 2.24 | 9926 | 2.43 |
| Cheese | Natural Varieties | 1 # shred | 718 | 3.51 | 2121 | 2.86 | 835 | 3.41 |
| Cottage cheese | | 16 oz | 4832 | 1.96 | 5211 | 1.91 | 1710 | 2.34 |
| Cream cheese | | 8 oz | 4606 | 1.80 | 6193 | 1.96 | 2273 | 1.85 |
| Flavored milk | All fat tests | half gallon | 670 | 2.22 | 1038 | 2.11 | 332 | 1.82 |
| Flavored milk | All fat tests | gallon | 393 | 2.26 | 466 | 3.10 | 661 | 2.25 |
| Ice cream | | 48-64oz | 15657 | 3.03 | 17311 | 2.97 | 13966 | 2.78 |
| Milk | All fat tests | half gallon | 321 | 2.39 | 599 | 1.52 | 583 | 1.77 |
| Milk | All fat tests | gallon | 1807 | 2.27 | 2270 | 2.29 | 4213 | 2.72 |
| Sour cream | | 16 oz | 6142 | 1.54 | 8066 | 1.75 | 4677 | 1.62 |
| Yogurt | Greek | 4-6 oz | 16916 | .92 | 14551 | .93 | 12123 | 1.00 |
| Yogurt | Greek | 32 oz | 2539 | 4.36 | 910 | 4.29 | 1245 | 4.76 |
| Yogurt | Yogurt | 4-6 oz | 5636 | .75 | 5416 | .47 | 5890 | .51 |
| Yogurt | Yogurt | 32 oz | 1777 | 2.54 | 640 | 2.57 | 345 | 2.40 |

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 # | 1.99-3.99 | 1638 | 2.77 | 1.99-3.50 | 467 | 2.82 | 1.99-2.50 | 247 | 2.27 |
| Cheese | Natural Varieties | 8 oz block | 1.66-3.99 | 3844 | 2.24 | 1.67-2.00 | 974 | 1.90 | 1.25-2.49 | 2085 | 1.89 |
| Cheese | Natural Varieties | 1 # block | 3.99 | 302 | 3.99 | 2.99 | 64 | 2.99 | 2.49-4.99 | 646 | 3.43 |
| Cheese | Natural Varieties | 8 oz shred | 1.66-3.49 | 4092 | 2.34 | 1.67-2.50 | 817 | 1.93 | 1.25-2.50 | 1832 | 2.03 |
| Cheese | Natural Varieties | 1 # shred | | | | 2.99 | 64 | 2.99 | 2.49-4.99 | 540 | 3.57 |
| Cottage cheese | | 16 oz | 1.50-3.99 | 2273 | 2.05 | 1.25-2.50 | 712 | 2.13 | 1.49 | 213 | 1.49 |
| Cream cheese | | 8 oz | 1.25-2.49 | 2282 | 1.77 | 2.00-2.29 | 881 | 2.04 | 1.49-2.00 | 897 | 1.69 |
| Flavored milk | All fat tests | half gallon | 1.99 | 328 | 1.99 | 2.99 | 84 | 2.99 | 2.50 | 180 | 2.50 |
| Flavored milk | All fat tests | gallon | | | | | | | 1.79 | 123 | 1.79 |
| Ice cream | | 48-64oz | 1.99-4.69 | 6282 | 3.01 | 1.99-3.99 | 3032 | 3.06 | 2.49-3.99 | 2556 | 3.16 |
| Milk | All fat tests | half gallon | | | | | | | 1.99 | 81 | 1.99 |
| Milk | All fat tests | gallon | 1.79-3.00 | 460 | 2.51 | | | | 1.67-3.00 | 698 | 2.20 |
| Sour cream | | 16 oz | 1.33-2.50 | 2471 | 1.67 | 0.99-2.29 | 1528 | 1.20 | 1.00-1.50 | 300 | 1.32 |
| Yogurt | Greek | 4-6 oz | 0.88-1.25 | 4899 | .96 | 0.70-1.25 | 3748 | .91 | 0.70-1.00 | 2218 | .93 |
| Yogurt | Greek | 32 oz | 4.50-5.00 | 1210 | 4.92 | 2.50-4.99 | 275 | 3.05 | 3.49-4.29 | 286 | 3.99 |
| Yogurt | Yogurt | 4-6 oz | 0.40-1.67 | 2961 | .89 | 0.40 | 1144 | .40 | 0.50 | 249 | .50 |
| Yogurt | Yogurt | 32 oz | 2.49-2.79 | 1093 | 2.61 | 2.49-2.79 | 125 | 2.64 | 2.00-2.50 | 188 | 2.18 |

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 # | 1.89-2.55 | 413 | 2.40 | 1.99-2.50 | 565 | 2.39 | 1.79-3.99 | 358 | 3.57 |
| Cheese | Natural Varieties | 8 oz block | 1.88-2.50 | 294 | 2.10 | 2.50-3.00 | 311 | 2.72 | 2.50 | 69 | 2.50 |
| Cheese | Natural Varieties | 1 # block | 4.49-5.99 | 194 | 5.11 | | | | 4.99-5.99 | 358 | 5.18 |
| Cheese | Natural Varieties | 2 # block | 4.99-6.99 | 295 | 5.78 | 5.99-6.99 | 345 | 6.47 | 4.99 | 61 | 4.99 |
| Cheese | Natural Varieties | 8 oz shred | 1.88-2.50 | 1095 | 2.13 | 1.66-3.00 | 1475 | 2.05 | 2.50 | 69 | 2.50 |
| Cheese | Natural Varieties | 1 # shred | 3.49 | 114 | 3.49 | | | | | | |
| Cottage cheese | | 16 oz | 1.99-2.50 | 135 | 2.20 | 1.00-2.50 | 1216 | 1.83 | 1.49-1.99 | 256 | 1.63 |
| Cream cheese | | 8 oz | 1.29-2.00 | 209 | 1.74 | 1.50 | 174 | 1.50 | 1.50-1.99 | 135 | 1.75 |
| Flavored milk | All fat tests | half gallon | 1.67 | 78 | 1.67 | | | | | | |
| Flavored milk | All fat tests | gallon | 1.89-1.99 | 201 | 1.95 | | | | 3.99 | 69 | 3.99 |
| Ice cream | | 48-64oz | 1.99-3.99 | 1174 | 2.86 | 2.49-3.49 | 1798 | 2.85 | 2.48-4.49 | 559 | 2.79 |
| Milk | All fat tests | half gallon | | | | 1.98 | 107 | 1.98 | 1.25 | 66 | 1.25 |
| Milk | All fat tests | gallon | 1.89-3.29 | 334 | 2.48 | 1.89-1.99 | 177 | 1.95 | 1.79 | 138 | 1.79 |
| Sour cream | | 16 oz | 1.25-1.99 | 679 | 1.53 | 1.00-1.99 | 810 | 1.77 | 1.49-2.00 | 317 | 1.70 |
| Yogurt | Greek | 4-6 oz | 0.70-1.00 | 1543 | .89 | 0.70-1.00 | 3195 | .92 | 0.60-1.00 | 1195 | .82 |
| Yogurt | Greek | 32 oz | 3.49-4.99 | 213 | 4.29 | 2.99-5.00 | 492 | 4.00 | 3.99 | 61 | 3.99 |
| Yogurt | Yogurt | 4-6 oz | 0.39-1.00 | 450 | .70 | 0.48-2.00 | 589 | .95 | 0.33-0.50 | 182 | .39 |
| Yogurt | Yogurt | 32 oz | | | | 2.50 | 246 | 2.50 | 2.00-2.99 | 122 | 2.50 |

| 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 # | 4.79 | 21 | 4.79 | 4.00 | 34 | 4.00 |
| Cheese | Natural Varieties | 8 oz block | 2.00 | 8 | 2.00 | 1.69-2.50 | 58 | 2.16 |
| Cheese | Natural Varieties | 1 # block | 5.49 | 21 | 5.49 | | | |
| Cheese | Natural Varieties | 2 # block | 5.49 | 2 | 5.49 | | | |
| Cheese | Natural Varieties | 8 oz shred | 2.00 | 8 | 2.00 | 2.50 | 34 | 2.50 |
| Cottage cheese | | 16 oz | | | | 2.50 | 27 | 2.50 |
| Cream cheese | | 8 oz | 3.00 | 28 | 3.00 | | | |
| Ice cream | | 48-64oz | 3.00-6.99 | 72 | 4.95 | 3.50-5.29 | 184 | 4.23 |
| Milk | All fat tests | half gallon | | | | 2.97-4.99 | 67 | 4.66 |
| Sour cream | | 16 oz | 1.99-2.00 | 13 | 1.99 | 2.00 | 24 | 2.00 |
| Yogurt | Greek | 4-6 oz | 1.00-1.25 | 50 | 1.14 | 0.99-1.50 | 68 | 1.25 |
| Yogurt | Greek | 32 oz | 4.50 | 2 | 4.50 | | | |
| Yogurt | Yogurt | 4-6 oz | | | | 0.50-0.79 | 61 | .63 |
| Yogurt | Yogurt | 32 oz | | | | 2.50 | 3 | 2.50 |

NATIONAL -- ORGANIC DAIRY PRODUCTS



| Commodity | Type | Pack Size | THIS PERIOD | | LAST WEEK | | LAST YEAR | |
|----------------|-------------------|-------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | | | Stores With Ads | Wtd Avg Price | Stores With Ads | Wtd Avg Price | Stores With Ads | Wtd Avg Price |
| Butter | | 1 # | 656 | 5.88 | 672 | 5.24 | | |
| Cheese | Natural Varieties | 8 oz block | 246 | 3.99 | 852 | 3.92 | | |
| Cheese | Natural Varieties | 8 oz shred | | | 471 | 3.93 | | |
| Cottage cheese | | 16 oz | | | 264 | 3.31 | | |
| Flavored milk | All fat tests | half gallon | 1083 | 4.89 | | | | |
| Milk | All fat tests | half gallon | 4700 | 4.00 | 2091 | 3.92 | 1322 | 3.83 |
| Milk | All fat tests | gallon | 1575 | 5.30 | 246 | 6.99 | 435 | 6.18 |
| Milk | All fat tests | 8 oz UHT | 147 | 1.08 | | | 84 | 1.00 |
| Sour cream | | 16 oz | 84 | 2.99 | | | | |
| Yogurt | Greek | 4-6 oz | 72 | 1.00 | 712 | 1.25 | 72 | 1.00 |
| Yogurt | Greek | 32 oz | 244 | 3.50 | 127 | 1.79 | | |
| Yogurt | Yogurt | 4-6 oz | | | 1144 | 1.01 | 304 | 1.18 |
| Yogurt | Yogurt | 32 oz | 120 | 1.79 | 57 | 2.99 | | |

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 # | 5.49 | 84 | 5.49 | | | | | | |
| Flavored milk | All fat tests | half gallon | | | | 4.89 | 1083 | 4.89 | | | |
| Milk | All fat tests | half gallon | 3.89-4.99 | 1139 | 4.15 | 2.99-4.39 | 1203 | 4.25 | 2.99-4.79 | 775 | 4.02 |
| Milk | All fat tests | gallon | | | | 4.99 | 1083 | 4.99 | | | |
| Milk | All fat tests | 8 oz UHT | 1.08 | 147 | 1.08 | | | | | | |
| Sour cream | | 16 oz | 2.99 | 84 | 2.99 | | | | | | |
| Yogurt | Greek | 4-6 oz | 1.00 | 72 | 1.00 | | | | | | |
| Yogurt | Yogurt | 32 oz | | | | 1.79 | 120 | 1.79 | | | |

| 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 | 82 | 4.99 | 5.99-6.19 | 490 | 6.09 | | | |
| Cheese | Natural Varieties | 8 oz block | | | | 3.99 | 246 | 3.99 | | | |
| Milk | All fat tests | half gallon | 2.99-3.99 | 413 | 3.27 | 2.99-4.49 | 927 | 3.90 | 3.00-4.29 | 240 | 3.64 |
| Milk | All fat tests | gallon | | | | 5.00-6.99 | 492 | 6.00 | | | |
| Yogurt | Greek | 32 oz | | | | 3.50 | 244 | 3.50 | | | |

Wtd Avg - Simple weighted average



| Commodity | Type | Pack Size | ALASKA U.S. | | | HAWAII U.S. | | |
|-----------|---------------|-------------|-------------|-----------------|---------------|-------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Milk | All fat tests | half gallon | | | | 6.99 | 3 | 6.99 |

REGIONAL DEFINITIONS

As used in this report, regions include the following states:

- NORTHEAST U.S. Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New jersey, New York, Pennsylvania, Rhode Island and Vermont
- SOUTHEAST U.S. Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia
- MIDWEST U.S. Iowa, Illinois, Indiana, Kentucky, Michigan, Minnesota, North Dakota, Nebraska, Ohio, South Dakota and Wisconsin
- SOUTH CENTRAL U.S. Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas
- SOUTHWEST U.S. Arizona, California, Nevada and Utah
- NORTHWEST U.S. Idaho, Montana, Oregon, Washington, and Wyoming
- ALASKA Alaska
- HAWAII Hawaii
- NATIONAL Continental United States



Dairy Market News

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

Volume 83 Report #19

May 13, 2016

GENERAL NUMBER

(608)557-7000

Elizabeth Frederick

(608) 557-7002

Elizabeth.Frederick@AMS.USDA.GOV

EAST

Daniel Johnson

(608) 557-7006

Daniel.Johnson@AMS.USDA.GOV

CENTRAL

Janet Linder

(608) 557-7003

Janet.Linder@AMS.USDA.GOV

Amy Schmitz

(608) 557-7004

Amy.L.Schmitz@AMS.USDA.GOV

SOUTHWEST

Angel Teran

(608) 557-7011

Angel.Teran@AMS.USDA.GOV

NORTHWEST/MOUNTAIN

Mike Bandli

(608) 557-7010

Mike.Bandli@AMS.USDA.GOV

ACTING NATIONAL SUPERVISOR

Janet Linder

(608) 557-7003

Janet.Linder@AMS.USDA.GOV

ORGANIC/INTERNATIONAL

Eric Graf

(608) 557-7005

Eric.Graf@AMS.USDA.GOV

INTERNET ADDRESS

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

MARKET NEWS PORTAL

www.marketnews.usda.gov/mnp/da-home

RECORDED INFORMATION SYSTEM

(608) 557-7000

FAX

(608) 819-0629

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