

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (6/10)**

BUTTER: Grade AA closed at \$2.2000. The weekly average for Grade AA is \$2.1745(+.0882).

CHEESE: Barrels closed at \$1.5100 and 40# blocks at \$1.4750. The weekly average for barrels is \$1.4970(+.0720) and blocks, \$1.4655(+.0736).

NONFAT DRY MILK: Grade A closed at \$.8300. The weekly average for Grade A is \$.8000(-.0063).

BUTTER HIGHLIGHTS: Butter churning is generally active in the country. In the East, a few processing plants are having maintenance/repair works. Many processors are opting to move loads of cream as profit margins netted in doing so advanced with increases in cream multiples. Sales to retailers are active. Demand for print butter is good. The Eastern butter market undertone is steady to firm. In the Central region, butter manufacturing facilities are running at or near full schedules. Some processors are still microfixing. Sales into foodservice are strong. Retail sales are mixed. In the West, butter production is focused on bulk butter, some manufacturers are also making print to stay current with immediate retail needs. Butter inventories continue to build along seasonal trends. According to the NASS Dairy Products report, U.S. butter production during April 2016, 176.0 million pounds, was 6.4% higher than April 2015, but 3.3% lower than March 2016. U.S. cumulative 2016 butter production through April is 708.2 million pounds, 6.9% higher than the same period last year. The CME Group monthly average price for Grade AA butter during May was \$2.0554, compared to \$1.9309 a year ago. The Grade AA butter price at the CME Group on Friday closed at \$2.2000, up 10 cents from a week ago.

CHEESE HIGHLIGHTS: Large volumes of milk are clearing into cheese vats across the U.S. Cheese makers report running at or near full schedules. Several manufacturers are feeling strong inventory pressure and are trying to cut back on milk intakes in efforts to avoid adding to already long stocks. A few Western market participants speculate a large portion of the cheese in inventory is older and could start to weigh down on the market prices. Promotions for June dairy month are aiding sales for a group of cheese manufacturers. Northeast cheese makers note a seasonal decline in mozzarella but heightened sales for provolone. Some buyers are requesting additional loads outside of contracts. International interest is light. The market undertone is mixed. In CME Group trading Friday, barrels closed at \$1.5100, up \$.0650 from last Friday and blocks closed at \$1.4750, up \$.0350.

FLUID MILK: Across much of the southern tier of states, milk production is being suppressed by high temperatures. In the Southeastern region and Florida, hot and rainy weather has decreased cow comfort and lowered milk intakes. High temperatures in the South Central region, New Mexico and Arizona have suppressed milk production. In the Pacific Northwest and Mid-Atlantic regions, warmer temperatures are starting to ease the volumes of milk produced. Milk production is near peak volumes in the Northeast, Utah and Idaho. Industry contacts in the North Central region say milk production has peaked, but cooler weather has prolonged the spring flush somewhat. An unusual decrease in temperatures in California is temporarily enhancing milk production. Bottling demand for educational institutions continues to decrease as schools close across the nation, but requests are steady to higher from retailers. Milk is readily available for most processing needs. In the Midwest, spot loads are actively moving in and out of the region at \$1.25 to \$4.00 under Class. In some cases, a few spot loads moved at \$5.00 to \$6.00 under Class. Heavy supplies of condensed skim are available and prices are low in the East and West. Considerable volumes of condensed skim are moving into NDM manufacturing. Cream supplies are adequate for most processing needs, but surplus loads are less available as ice cream production increases. In some areas within each region, cream is becoming tight. Cream multiples are 1.10 to 1.32 in the East; 1.18 to 1.30 in the Midwest; and 1.03 to 1.24 in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk prices moved higher, following upward movements in various indices. Some buyers/sellers attribute current prices to temporary run-ups and the market's reactions to futures pricing. Demand is sluggish to adequate as some buyers/end users are taking a wait and see attitude. High heat nonfat dry milk prices are steady in the East and Central, while slightly higher in the West. High heat NDM production is sporadic and based on contractual needs. Dry buttermilk prices are steady to lower on light trading. Inventories vary from plant to plant. Prices for dry whole milk are mixed on light trading. Production is sporadic, dictated by contractual requirements. Dry whey prices are slightly higher. Several manufacturers report moving significant supplies into export markets, making inventories much more comfortable. Dry whey production is active. Whey protein concentrate 34% prices are steady to higher. Manufacturers report strong demand, especially for infant formula and

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

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DAIRY GRAPHS (G1-G4)CME GROUP CASH TRADING

| COMMODITY | MONDAY JUN 06 | TUESDAY JUN 07 | WEDNESDAY JUN 08 | THURSDAY JUN 09 | FRIDAY JUN 10 | :: WEEKLY CHANGE* | :: WEEKLY AVERAGE# |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------------|
| CHEESE BARRELS | \$1.4900 (+.0450) | \$1.4750 (-.0150) | \$1.5050 (+.0300) | \$1.5050 (N.C.) | \$1.5100 (+.0050) | :: (+.0650) | :: \$1.4970 (+.0720) |
| 40# BLOCKS | \$1.4550 (+.0150) | \$1.4425 (-.0125) | \$1.4800 (+.0375) | \$1.4750 (-.0050) | \$1.4750 (N.C.) | :: (+.0350) | :: \$1.4655 (+.0736) |
| NONFAT DRY MILK GRADE A | \$.7900 (-.0225) | \$.7900 (N.C.) | \$.7850 (-.0050) | \$.8050 (+.0200) | \$.8300 (+.0250) | :: (+.0175) | :: \$.8000 (-.0063) |
| BUTTER GRADE AA | \$2.1400 (+.0400) | \$2.1400 (N.C.) | \$2.1725 (+.0325) | \$2.2200 (+.0475) | \$2.2000 (-.0200) | :: (+.1000) | :: \$2.1745 (+.0882) |

NATIONAL DAIRY MARKET NEWS AT A GLANCE**-CONTINUED FROM PAGE 1-**

some export markets, and tight or committed inventories. Lactose prices are steady. Contracting for Q3 is ongoing and active. The firming of many dairy prices in the EU and Oceania also moved both casein rennet and acid prices higher.

INTERNATIONAL DAIRY MARKET NEWS (DMN): WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Preliminary observations from some milk producing regions of the EU find signs of seasonal declines beginning. Other parts of Germany and France are believed to have achieved very narrow production increases the third week of May over the prior week, but increases are expected to become slight declines soon. Cream supplies are tighter and buyers face increasing prices. Domestic cheese prices are firming in the EU. Stocks in aging programs are being drawn down. Some sellers are not accepting new orders. Prices for future delivery periods have increased above recent pricing. Many buyers are moving ahead to secure sales commitments for delivery in the coming months. With a vote in the United Kingdom about whether to exit the European Union scheduled for June 23, some observers note that the only certainty is uncertainty. If the vote to exit passes, there will be a two plus year period during which the remaining 27 EU members and the UK will negotiate the scope and content of the future trade relationship. During the period, the UK would remain a member of the EU. It is obviously unclear whether the outcome of negotiations would result in the UK being a member of a single market, a Switzerland or Turkey type situation, or whether another outcome would result. **EASTERN OVERVIEW:** Uncertainty continues as to the future of the Russian dairy trade situation. The EU is considering whether or not to extend the sanctions it imposed on Russia following the annexation of Crimea in March 2014. There are reports that Russia is considering whether to extend the existing ban on EU imports, perhaps until the end of 2017. This topic is expected to be discussed at a mid-June meeting between European Commission president Juncker and Russian president Putin. **OCEANIA OVERVIEW:** In **Australia** the end phase of the 2015-16 milk producing season persists in being more hot and dry than had been expected earlier in the season. This has led to unexpectedly higher costs to dairy producers for irrigation, hay and grain. Some relief is developing in reduced fertilizer costs. Rainfall in Australia this season has generally been below average. Previous hopes that April would provide more rainfall proved incorrect. The continuation of dry conditions further constrained pasture growth, which tightened markets for hay. Costs for acquiring water to irrigate increased to margin squeezing levels, even assuming any give producer could secure a water allocation. Looking ahead, there are concerns that the financial stresses of the current dairy season will result in producer adjustments that will result in lower milk output for the coming 2016-17 milk season in Australia. According to Dairy Australia, April 2016 milk production in Australia was 2.7% below April 2015. For the year to date through April 2016, milk production is 1.2% below year to date one year earlier. The state changes year to date through April 2016 compared with one year earlier, total 2016 milk production through April (in million liters), and the regional share of Australia's milk production January-April 2016, were: New South Wales, 1.4%, 991.0, +12%; Victoria, -2.5%, 5,371.1, +65.1%; Queensland, -1.7%, 341.8, +4.1%; South Australia, +0.6%, 436.4, +5.3%; Western Australia, +7.2%, 322.8, +3.9%; and Tasmania +1.3%, 784.1, +9.5%. Dairy producers in **New Zealand** have experienced less reduction in seasonal milk output than had recently been expected although producer margins have suffered. The milk production season is nearing an end. There is more culling of cows than had been expected earlier in the season, as producers strive to adapt to lower than expected returns. A number of producers find pay prices to be below their costs of production. A large processor in New Zealand

has recently announced opening prices for the 2016-17 season disapprovingly lower than many producers had hoped for. Awareness that opening prices for the current season were reduced lower through the season causes concerns as to where the newly announced pricing for the next season will ultimately rest as that season progresses. Unlike in Australia where a larger population generating increasing domestic demand for dairy products has helped weather weaker export markets, New Zealand has been more subject to prevailing global export markets. A new milk price hedging contract will be available for the next five years in New Zealand, based on September prices announced by a New Zealand cooperative. Recent efforts to enhance dairy manufacturing capacity in New Zealand to switch more quickly between powders and cream products, is now being bolstered by addition of a cream group to GDT products. At the June 1 GDT event #165, average prices ranged from 1.7% lower to 14.2% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,444 +2.8%; butter, \$2,762 +3.2%; buttermilk powder, \$1,765 +14.2%; cheddar cheese, \$2,669 +7.8%; lactose, \$750 +4.7%; rennet casein, \$5,035 -1.6%; skim milk powder, \$1,867 +12.1%; and whole milk powder, \$2,205 -1.7%.

NATIONAL RETAIL REPORT-DAIRY (DMN): June is dairy month. The popularity of cheesecake during summer may relate to the 48% increase in 8 oz. cream cheese ads this week. The U.S. weighted average advertised price, \$1.93, is up \$.14 from last week. Ads appeared in all regions in addition to Alaska and Hawaii. Although ad numbers for 48-64 oz. ice cream decreased 13% this week, the average price, \$3.07, is up \$.08. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.23, down \$.03 from last week; 8 ounce shred cheese averaged \$2.39, up \$.16 from last week. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$4.66, up \$.13 from last week. The average price for conventional yogurt in 4-6 ounce packages is \$.53, up \$.06 from last week. The average price of 4-6 ounce conventional Greek yogurt is \$.96, up \$.01 from a week ago. Conventional yogurt ad numbers are up 17% from last week, while organic yogurt ads are up 29%. The average price for organic Greek yogurt in 4-6 ounce packages is \$1.15. The price spread between organic and conventional half gallon milk is \$1.94. The price spread is the difference between national weighted average prices for organic, \$3.91, and conventional, \$1.97. Conventional milk ad numbers decreased 24% from last week while organic milk ad numbers decreased 7%.

APRIL MILK SALES (FMMO & CDFA): During April 4.1 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was virtually unchanged from April 2015. Estimated sales of total conventional fluid milk products decreased 0.2 percent from April 2015 and estimated sales of total organic fluid milk products increased 3.3 percent from a year earlier.

CME GROUP

MONDAY, JUNE 6, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4900; 1 CAR 40# BLOCKS @ \$1.4550; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.8125, 1 @ \$0.8100; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.7800; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7900
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1400; LAST OFFER UNCOVERED: NONE

TUESDAY, JUNE 7, 2016

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4750; 1 CAR 40# BLOCKS @ \$1.4425; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.7900; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 3 CARS GRADE A @ \$0.8100
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JUNE 8, 2016

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.4825, 1 @ \$1.5050; 3 CARS 40# BLOCKS: 1 @ \$1.4575, 1 @ \$1.4725, 1 @ \$1.4800; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4975; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5050
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 2 @ \$0.7925, 1 @ \$0.7900; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7750; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7850
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.1800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1725

THURSDAY, JUNE 9, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.4750
 NONFAT DRY MILK -- SALES: 7 CARS GRADE A: 1 @ \$0.7925, 1 @ \$0.8050, 3 @ \$0.8000, 1 @ \$0.8025, 1 @ \$0.8050; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8050; LAST OFFER UNCOVERED: 5 CARS GRADE A @ \$0.8100
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2200; LAST OFFER UNCOVERED: NONE

FRIDAY, JUNE 10, 2016

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.5000, 1 @ \$1.5100; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.4750; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5200
 NONFAT DRY MILK -- SALES: 11 CARS GRADE A: 1 @ \$0.8200, 2 @ \$0.8300, 1 @ \$0.8200, 1 @ \$0.8225, 2 @ \$0.8250, 4 @ \$0.8300; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8275; LAST OFFER UNCOVERED: 7 CARS GRADE A @ \$0.8400
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.2000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

Manufacturers in the Northeast are seeing active butter production. However, cream in general is not as available at times outside of processors' normal production. The region is likely to see a marginal decline in churning rates as some area operations reduce production for maintenance activities into the weekend. Processors' are opting to move loads of cream as profit margins netted in doing so advanced with increases in cream multiples. Some sources expect prices to move higher and are not surprised by what they consider a bullish market. The northeastern price for bulk butter is reported 6 to 8 over the market, based on the CME Group with various time frames and averages used. Retail trading is active, with good print demand. The undertone is steady to firm. According to the DMN *National Retail Report-Dairy*, for June 3-9 2016, the national weighted average advertised price for 1-pound butter was \$3.28, up 23 cents from a year ago and up 15 cents from last week. The Northeast butter price was \$3.12, a 20 cents decline compared to the previous week. The Southeast butter price was \$3.72, an increase of 40 cents compared last week. Tuesday's CME Group cash trading saw Grade AA butter close at \$2.0725, down \$0.0075 from a week ago. The Foreign Agricultural Service (FAS) reports April 2016 U.S. exports of butter and milkfat totaled 3.1 million pounds, a 43% decline from a year ago.

DAIRY PRODUCTS: According to NASS, U.S. butter production for April 2016 totals 176.0 million pounds, up 6.4% from last year, but down 3.3% from a month ago. Butter production in the Atlantic region totals 18.7 million pounds, up 12.2% from last year, but down 1.1% from a month ago.

A few manufacturers with openings in churning schedules note the desire to run full schedules but face a variety of setbacks. Bulk butter is being pulled out of freezers and some manufacturers are microfixing for upcoming contracts and anticipated spot sales. Other contacts report producing print butter now in lieu of microfixing, as they predict the cream market will tighten in the upcoming months. Several industry contacts express little interest in purchasing bulk butter from outside sources, as they feel their stocks are sufficient to fill orders. Overall, market participants feel butter stocks are at comfortable levels for this time of year. Sales into foodservice are strong. Retail sales are mixed. Some industry contacts report strong sales while others feel retail sales are at or below where they projected based on seasonality. The market undertone is steady. The DMN *National Retail Report-Dairy* for June 3-9 noted the national weighted average advertised price for a 1 pound package of butter was \$3.28, \$0.15 above one week ago, and \$0.23 above one year ago. Prices in the Midwest region for 1 pound packages of butter range from \$1.98-\$3.00 with a weighted average price of \$2.50. The weighted average price in the South Central region is \$2.31 with a price range of \$1.99-\$3.50. The NASS *Dairy Products* report noted April U.S. butter production totaled 176.0 million pounds, up 6.4 percent from a year ago. The Central region accounted for 40.7 percent (71.7 million pounds) of U.S. production in April. This production is 7.8 percent higher than one year ago. January-April cumulative U.S. butter production totals 708.2 million pounds, 6.9 percent ahead of 2015 during the same time span. The CME Group monthly average price for Grade AA butter during May was \$2.0554, compared to \$1.9309 a year ago. Wednesday at the CME Group, Grade AA butter closed at \$2.1725, up \$.1000 from last Wednesday.

CENTRAL

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Butter manufacturing facilities are running at or near full schedules.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

| <u>WEEK ENDING</u> | BUTTER | CHEESE 40# BLOCKS | CHEESE BARRELS 38% MOISTURE | DRY WHEY | NDM |
|--------------------|---------------------|----------------------|--------------------------------|--------------------|---------------------|
| June 4, 2016 | 2,0777 2,089,913 | 1,3359 14,050,301 | 1,4167 11,035,897 | .2584 5,168,607 | .7669 25,990,873 |

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

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WEST

Western butter markets appear to be in a steady state. With cream supplies generally adequate for processing needs, many butter makers are actively producing butter. However, a few manufacturers are backing off production a little as milk production begins to decline seasonally and as more cream is pulled into other cream products. Although much of the butter production is focused on bulk butter, some manufacturers are also making print to stay current with immediate retail needs. Manufacturers report domestic demand remains solid and regular customers are consistently taking shipments. Butter inventories continue to build along seasonal trends. The DMN National Retail Report–Dairy for the week of June 3–9 found that the U.S. weighted average advertised price of 1 pound butter is \$3.28, up \$.15 from last week. The U.S. weighted average price was \$3.05 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.27, with a range of \$2.99-\$3.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$3.36, with a range of \$2.50-\$3.99. This week, a cooperative export assistance program accepted requests for 104,720 pounds (48 metric tons) of butter (82% milkfat). So far this year, the program has assisted member cooperatives who have contracts to sell 8.6 million pounds of butter in export markets. According to the NASS *Dairy Products* report, U.S. butter production during April 2016, 176.0 million pounds, was 6.4% higher than April 2015, but 3.3% lower than March 2016. U.S. cumulative 2016 butter production through April is 708.2 million pounds, 6.9% higher than the same period last year. In the West, total April butter production was 85.7 million pounds, 4.1% higher than last year. The West produced 49% of the U.S. butter in April. California April production was 51.6 million pounds, 9.5% lower than last year. 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 CME Group May 2016 monthly average price for AA butter, \$2.0554, is down from the April monthly average of \$2.0563, but up from the May 2015 monthly average of \$1.9309. The Grade AA butter price at the CME Group on Wednesday closed at \$2.1725, up \$.1000 from a week ago.

CHEESE MARKETS

NORTHEAST

The CME Group weekly average prices for cheese barrels and blocks strengthened through last week. As a result, this week the Northeast wholesale prices for 40# cheddar and Muenster increased \$0.0400 and prices for process 5# sliced increased \$0.0225. Grade A Swiss prices declined \$0.0075, subsequent to lagging adjustments based on Class III component prices. Tuesday's CME Group Daily cash prices saw barrels close at \$1.4750, up \$0.0550 from last week. Blocks closed at \$1.4425, \$0.0725 above a week ago. Prices are rising in an unsettled market. Cheese production is steady with the previous week's pace. Seasonally strong farm milk output continues to add to Class III milk receipts. Inventories are adequate according to most cheese manufacturers in the region. Cyclical factors affects the declining demand for mozzarella in the food service sector, however, interest in the provolone variety shows some uptick. In general, the market maintains a mixed undertone. According to the DMN *National Retail Report-Dairy*, for June 3-9, 2016, the Northeast region weighted average advertised price for 8 oz. cheese blocks was \$2.18, 8 cents less than the national average and 6 cents less the previous week Northeast price. The Southeast 8 oz. block cheese price was \$2.56, 8 cents more than the previous week. The Foreign Agricultural Service (FAS) reports that April 2016 U.S. cheese and curd exports totaled 46.7 million pounds, a 33% decline from a year ago. DAIRY PRODUCTS: According to NASS, U.S. total cheese production in April 2016 was 991.7 million pounds, 1.4% more than a year ago, but 3.3% less than the previous month. In the Atlantic region, total cheese production was 119.0 million pounds, 3.1% higher than a year ago, but 4.9% below the previous month. Total cheese production and percentage changes from a year ago for selected Eastern states are New York 61.2 million pounds, -12.3%; Pennsylvania 35.6 million pounds, 5.4%; and Vermont 10.8 million pounds, +0.5%.

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

| | | |
|-----------------------------|---|---------------|
| Cheddar 40# Block | : | 1.7975-2.0825 |
| Process 5# Sliced | : | 1.6250-2.1050 |
| Muenster | : | 1.8175-2.1675 |
| Grade A Swiss Cuts 10 - 14# | : | 2.9775-3.3000 |

MIDWEST

Cheese production in the Midwest is active. Manufacturers are keeping vats full and bringing in spot loads of milk when their schedules allow. Readily available spot loads of milk moving at discounts are enticing some cheese manufacturers to run full schedules if they are not already doing so. Sales are steady to increasing. Several market participants report strong sales to end users and are moving additional loads outside of contracts with ease. Other contacts report steady sales with intermittent interest outside of contracts. Promotions for June Dairy Month are reportedly boosting sales for a large group of manufacturers. Although many industry contacts report heightened success in moving cheese stocks, inventories remain long in the Central region. The market undertone is steady. International interest is light. The DMN *National Retail Report-Dairy* shows that June 3- 9 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$1.96, 27 cents lower than the national average. Midwest prices range from \$1.50-\$2.00. One year ago, the national price was \$2.41. For 8 ounce blocks, the Midwest average price is \$2.14, 12 cents below the na-

tional average price. Midwest ads are priced from \$.99-\$3.00. Last year, the national price was \$2.38. Midwestern wholesale prices are down \$.0075 for Swiss cuts, but up \$.0225 for process, and up \$.0400 for all other types. The CME Group May 2016 monthly average price for barrels, \$1.3529, compares with \$1.6250 for May last year. The May 2016 price for blocks, \$1.3174, compares with \$1.6308 in May last year. Dairy Products (NASS) reports total 2016 U.S. cheese production, year to date through April, is 3.975 billion pounds, 2.5 percent above January through April 2015. April 2016 total U.S. cheese production, 9.92 million pounds, is 3.3 percent below last month. Central total cheese production for April was 446.2 million pounds, 2.1 percent less than last month. For total cheese production and various types of cheese, April 2016 U.S. and Central cheese production compared to April 2015 were as follows:

| | U.S. | Central |
|---------------|--------|---------|
| Total | +1.4% | +1.7% |
| American | - 0.3% | - 0.2% |
| Cheddar | +3.3% | - 0.1% |
| Total Italian | +3.7% | +5.2% |
| Mozzarella | +2.8% | +3.3% |

In CME Group trading Wednesday, barrels closed at \$1.5050, up \$.1000 from last Wednesday and blocks closed at \$1.4800, up \$.1175. The Foreign Agricultural Service (FAS) reports that April 2016 U.S. cheese and curd exports totaled 46.7 million pounds, a 33% drop from a year ago.

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

| | | |
|---|---|---------------|
| Process American 5# Loaf | : | 1.5175-1.8775 |
| Brick And/Or Muenster 5# | : | 1.7675-2.1925 |
| Cheddar 40# Block | : | 1.4950-1.8900 |
| Monterey Jack 10# | : | 1.7425-1.9475 |
| Blue 5# | : | 2.0350-3.0225 |
| Mozzarella 5 - 6# (Low Moisture, Part Skim) | : | 1.5675-2.5075 |
| Grade A Swiss Cuts 6 - 9# | : | 2.4950-2.6125 |

WEST

Western cheese makers report good domestic demand in retail and food service sectors. In addition, some contacts are seeing a decent seasonal pull for process cheese. Any domestic demand is welcome in light of the limited export opportunities for U.S. cheese. Western cheese production remains active with ample supplies of milk finding their way into the vats. In a few cases, however, manufacturers are trying to control their cheese inventories by limiting the amount of milk they take in for production. Cheese inventories are long and some industry contacts suggest a good share of the stocks are older. There is some concern that the large existing cheese stocks will weigh heavily on market prices, but so far group trading has trended higher over the last few weeks. The DMN *National Retail Report-Dairy* for the week of June 3-9 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.23, up \$.04 from last week, but down \$.18 from a year ago. Packs average \$2.22 in the Southwest and \$2.08 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.26, up \$.02 from last week, but down \$.12 from a year ago. Blocks average

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CHEESE MARKETS

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\$2.16 in the Southwest and \$2.75 in the Northwest this week. In the West, wholesale prices are up \$.0225 for process, and up \$.0400 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are down \$.0075 this week. This week, a cooperative export assistance program accepted requests for 659,182 pounds (299 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 23.9 million pounds of cheese in export markets. Dairy Products (NASS) reports total 2016 U.S. cheese production, year to date through April, is 3.976 billion pounds, 2.5% above 2015. April 2016 U.S. total cheese production, 991.7 million pounds, is 3.3% below March 2016. In the West, total cheese production for April 2016 was 426.6 million pounds, 4.1% less than March. For total cheese production and various types of cheese, April 2016 U.S. and West cheese production percent changes compared to April 2015 are as follows:

| | U.S. | West |
|---------------|--------|--------|
| Total Cheese | + 1.4% | + 0.7% |
| American | - 0.3% | - 0.5% |
| Cheddar | + 3.3% | + 7.7% |
| Total Italian | + 3.7% | + 2.5% |
| Mozzarella | + 2.8% | + 2.2% |
| Swiss | - 9.1% | ... |

The CME Group May 2016 monthly average price for barrels, \$1.3529, is down from the April 2016 monthly average of 1.4231, and down from the monthly average of a year ago, \$1.6250. Blocks' May average price, \$1.3174, is down from the \$1.4194 April monthly average, and down from \$1.6308 one year ago. In CME Group trading Wednesday, barrels closed at \$1.5050, up \$.1000 from a week ago and blocks closed at \$1.4800, up \$.1175.

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

| | | |
|---------------------------|---|---------------|
| Process 5# Loaf | : | 1.5325-1.7900 |
| Cheddar 40# Block | : | 1.5000-1.9450 |
| Cheddar 10# Cuts | : | 1.6800-1.9000 |
| Monterey Jack 10# | : | 1.6900-1.8500 |
| Grade A Swiss Cuts 6 - 9# | : | 2.5550-2.9850 |

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

| VARIETY | NEW YORK | |
|--------------------------|-----------------|------------------|
| | IMPORTED | DOMESTIC |
| Blue | : 2.6400-5.2300 | : 1.9625-3.4500* |
| Gorgonzola | : 3.6900-5.7400 | : 2.4700-3.1875* |
| Parmesan (Italy) | : -0- | : 3.3525-5.4425* |
| Romano (Cows Milk) | : -0- | : 3.1525-5.3025* |
| 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- | : 3.0150-3.3375* |
| Swiss Cuts Finnish | : 2.6700-2.9300 | : -0- |

* = Price change.

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

| | BUTTER : CHEESE | |
|----------|-----------------|----------|
| 06/06/16 | 30,501 | : 96,425 |
| 06/01/16 | 29,810 | : 97,584 |
| CHANGE | 691 | : -1,159 |
| % CHANGE | 2 | : -1 |

2016 U.S. Cheese and Curd Exports, (USDA-FAS)

| | 2016 Exports (Million Lb.) | % Change From 1 Year Ago |
|------------------|-------------------------------|-----------------------------|
| April Total | 46.7 | - 33 |
| TOTAL, JAN - APR | 205.0 | - 22 |
| 1 Mexico | 68.1 | ... |
| 2 South Korea | 27.8 | - 54 |
| 3 Japan | 22.5 | - 26 |
| 4 Australia | 9.2 | - 44 |
| 5 Canada | 8.2 | - 8 |

FOREIGN

EU cheese stocks in aging programs are being drawn down. Some sellers are not accepting new orders. Prices for future cheese delivery periods have increased above recent pricing. Many buyers are moving ahead to secure sale commitments for delivery in the coming months. In the U.S., wholesale domestic blue, gorgonzola, parmesan and Romano cheese prices increased \$0.0400 following higher weekly average CME Group block prices. Swiss cuts Switzerland is \$.0075 lower, and the remaining prices are unchanged.

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 | 200 | 0 | 80 |
| SOUTHEAST STATES | 0 | 0 | 0 | 0 | 0 | 18 |

Northeast farm milk production is steady, with near peak volumes. Sources indicate that temperatures rising into the 90s in some areas will likely suppress cow comfort and milk production. Milk supplies are heavy into most manufacturing facilities. Farm-level milk volumes eased slightly in the Mid-Atlantic region. Class I demand continues to decrease, as area schools end. Southeast milk production is down as hot and rainy weather decreases cow comfort levels. Bottling sales are up, with add-ons increasing orders. Auxiliary manufacturing plants are seeing milk intakes decline as handlers redistribute milk supplies to accommodate developing fluid sales. In Florida, tropical storm Colin dumped quite a bit of rain throughout the state. With temperature also hovering in the 90s, milk production is expected to trend lower. Ahead of this week's storm, milk sales took a slight upturn. As a result, export milk shipments fell to 160 loads this week. According to the *DMN National Retail Report-Dairy*, for June 3-9, 2016, the U.S. weighted average advertised price for a gallon of milk was \$2.44, down 49 cents from last week, but up 17 cents from a year ago. Southeast gallons of milk are priced at \$2.89, up 14 cents from the last week. **Condensed skim** supplies remain substantial. Demand is flat, with most manufacturers meeting their needs through contracts. Dryers are running at capacity at most manufacturing plants to manage the heavy supplies. Condensed skim continues to move west out of the Eastern market. **Cream** supplies are adequate for most manufacturing needs, but surplus loads are not easily accessible, as demand outweighs supplies in some areas. Buyers are more willing to purchase loads at higher multiples. The timing of sales and stronger demand primarily from ice cream both increased and widened the range. Cream **multiples** range **1.10-1.32** this week. The majority of cream sales out of the East are bridged between 1.20-1.28 multiples.

DAIRY PRODUCTS: According to NASS, hard ice cream production in the Atlantic region for April 2016 totals 14.7 million gallons, 4% more than a year ago and 0.2% more than the previous month. Cumulative U.S. production through April 2016 totals 259.7 million pounds, 0.9% more than a year ago. U.S. yogurt production for April 2016 totals 389.6 million pounds, up 1.4% from a year ago but down 7.6% 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 - 2.2949-2.7539

F.O.B. producing plants: upper Midwest - 2.4618-2.7122

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

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

Northeast - Class III - spot prices - .25-.55

MIDWEST

Milk production in the Central region is strong. The North Central area has yet to face weather hot and humid enough to affect cow comfort and drop production. Industry contacts in this area feel North Central milk production has peaked, but the cool weather has

prolonged the flush. Pockets of the South Central area are hot enough to drop farm level milk production, but milk is still readily available. Spot loads are actively moving both in and out of the region and can be found at \$1.25 to \$4.00 under Class. A handful of spot loads moved at \$5.00 to \$6.00 under class when manufacturers found themselves in a pinch. The majority of Midwest schools have closed their doors for the summer. Bottlers acknowledge this and note a considerable decrease in orders from educational institutions. However, orders from other outlets remain strong. Cream in the Midwest is tightening. Ice cream makers are stepping up production and taking more spot loads of cream. Market participants mention that cream is available on the spot market, however, spot loads are not being offered at generous discounts like in recent weeks. A few contacts mentioned a handful of manufacturers being in a bind and paying hefty premiums for cream spot loads. Multiples for cream are higher this week, 1.18 to 1.30. The *DMN National Retail Report-Dairy* for June 3-9 noted the national weighted average advertised price for one gallon of milk was \$2.44, down \$0.49 from a week ago, but \$0.17 higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.07 and \$2.32, respectively. The *NASS Dairy Products* report noted March U.S. regular (hard) ice cream production totaled 71.2 million gallons, up 3.5 percent from last year. January-April U.S. production totals 259.7 million gallons, 0.9 percent above 2015 during the same time span. April production in the Central region totaled 37.1 million gallons, 0.1 percent above a year ago. The DMN monthly average of the range price series for Upper Midwest Class II cream during May was \$2.3956, compared to \$2.3302 a year ago. Rainfall and scattered thunderstorms stalled fieldwork for North Central area farmers. The large majority of this years planned soybean crop is in the ground. Corn is emerging and over 80 percent of this year's crop condition is currently reported to be good to excellent. Parts of the South Central area experienced flooding, washing away some crops and delaying further planting of this years planned crop.

WEST

In the Central Valley of California, an unusual decrease in temperatures is slightly enhancing milk production. Some bottlers are lowering orders, as most K-12 schools will close next week. However, Class 1 requests from retailers and food service are steady. Consumer demands for flavored milk, ice cream and frozen dessert is inching up. Condensed skim prices remain low. Consequently, many processors are opting to drying instead of selling. Cottonseed planting is almost completed in California. The May 4a price (butter/powder) in California is \$12.57, up 3 cents from the previous month, but down \$1.34 from a year ago. This compares to the Federal Order Class IV price of \$13.09 for May. The May 4b price (cheese) is \$11.37, down \$1.34 from the previous month and \$3.26 below a year ago. This compares to the Federal Order Class III price for May at \$12.79. In Arizona, farm milk output continues declining. Higher temperatures averaging 117 degrees are increasing stress on cows. However, manufacturing milk volumes are sufficient, keeping many balancing plants busy. Bottled milk requests from retailers are higher as many grocery stores are restocking shelves. Orders from restaurants are unchanged. Demand for flavored milk is active. Condensed skim volumes moving into NDM manufacturing are steady to higher. Almost all cotton seed planted in Arizona has emerged. In New Mexico, milk output is trending lower. Higher

-CONTINUED ON PAGE 4A-

FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

temperatures are taking a toll on dairy herds' comfort. Milk components are steadily declining. Class I sales are lower as most educational institutions closed last week. Sales into Class II are higher, following seasonal trends. Manufacturing milk volumes moving into Class III and Class IV are higher this week. Sorghum planting and alfalfa harvesting are active throughout New Mexico. According to the DMN National Retail Report-Dairy for the week of June 3-9, the national weighted average advertised price for one gallon of milk is \$2.44, down 49 cents from last week, but 17 cents above a year ago. The weighted average regional price in the Southwest is \$2.64. Pacific Northwest milk production has been a little suppressed by the recent hot weather. However, milk is generally available for most processing needs. With the end of school terms, there is a little more milk available for manufactured dairy products. Some manufacturers are adjusting internal production schedules to balance out intakes with processing runs. Hay harvest is ongoing. Pasture and range conditions are at least good or better in 54% of Oregon, and 73% of Washington. Utah and Idaho milk production is steady and following normal seasonal trends. Typically milk production peaks in late June or early July within the region. Milk intakes remain in good balance with processing needs, and industry contacts say there is not much milk moving into or out of the region. Pasture and range conditions are at least good or better in 82% of Idaho, and 75% of Utah. Western cream volumes continue moving into butter churning. Demands from ice cream, frozen dessert and cream cheese manufacturers are steady to slightly higher. Cream is mostly available in the region. However, a few processors are reporting some tightness in supplies. This week, multiples for all classes are steady, ranging from 1.03 to 1.24.

DAIRY PRODUCTS: According to NASS, hard ice cream production in the West region for April 2016 is 19.4 million gallons, 10.4% higher than a year ago and 3.2% 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: Low/medium nonfat dry milk prices are higher on both ends of the range. Prices in the mostly series are unchanged. The high end of the range reflects the sales of fresh NDM. As stocks build and market participants face inventory pressures, some sellers are willing to move one to six month old NDM at lower price points. Several industry contacts show little to no interest in purchasing additional loads outside of commitment unless offered an exceptional discount. Condensed skim is reportedly moving at prices much lower than NDM. Manufacturers who can utilize condensed skim in lieu of NDM, in many cases, are doing so. Production for low/medium heat NDM is active. The market undertone is unsteady. High heat NDM prices are unchanged. Industry contacts report little to no inventory. Scheduled dryer time for high heat runs are on an as needed basis to fill contracts. Very few manufacturers are producing high heat NDM that is not already spoken for. Few sales were reported outside of contracts. The market undertone is steady. The NASS *Dairy Products* report noted U.S. human NDM production during April 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 April 2016 was 170 million pounds, 6.0 percent lower than last year. During January–April 2016, U.S. human NDM production totaled 619.1 million pounds, 9.0 percent less than the same time span in 2015. Total U.S. NDM, human, month ending stocks for April were 250.5 million pounds, 1.0 percent above a year ago. The CME Group monthly average price for Grade A NDM during May was \$0.7880, compared to \$0.9226 a year ago. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during May was \$0.7801, compared to \$0.9735 a year ago. The May monthly average of the range price series for Central and East high heat was \$0.9276 compared to \$1.1494 a year ago.

EAST: Low/medium nonfat dry milk (NDM) prices are steady in the mostly series, but higher in the range. Prices adjusted based on weekly activity in the f.o.b. spot market. Some buyers/sellers attribute current prices to temporary run-ups and the market’s reactions to futures pricing. As supplies continue to grow the expectation of some market participants, who are sitting on the sidelines, is that market prices will shift to the mid-seventies. To expedite substantial condensed skim supplies, low/medium heat nonfat dry milk, in general, maintains high production rates at manufacturing plants. This week, low/medium NDM demand is sluggish to adequate, as some market participants indicate purchase inquiries are limited. Export market demand is moderate. The market undertone is steady. The level of producers’ needs drive production of high heat nonfat dry milk. While near-term high heat NDM commitments transfer in timely fashion, offerings for spot trading are limited. Demand is at seasonal levels. Wednesday at the CME Group, Grade A NDM closed at \$0.7850, dipping \$0.0350 cents since last Wednesday.

DAIRY PRODUCTS: According to NASS, the Atlantic region’s production of human nonfat dry milk in April 2016 totaled 33.4 million pounds, 8.3% more than a year ago and 1.9% more than the previous month. The April 2016 U.S. production of skim milk powder totaled 43.3 million pounds, 30.7% more than a year ago and 6.7 more than the previous month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .7500 - .8300 MOSTLY: .7800 - .8100
 HIGH HEAT: .8800 - .9800

NONFAT DRY MILK - WEST

Prices for western low/medium heat nonfat dry milk (NDM) shifted up, following upward movements in various indices. Trading activity in the f.o.b. spot market is moderated. NDM usage for cheese fortification and dry mix manufacturing is active. At this point, the market undertone is unsettled. Many buyers/end users are taking a wait and see attitude, pushing to get lower prices. A few processors are clearing old inventories in the animal feed market. Some resellers report a fair amount of offers from manufacturers as supplies are readily available. On the other hand, some industry participants affirm that the market is firming and are optimistic about future prices. Low/medium heat production is very active as moderate to heavy condensed skim loads are clearing into dryers. Inventories are steady to higher. High heat nonfat dry milk prices moved higher on the bottom of the range, but steady on the top. The market undertone is strong. Demands from bakers and others end users are active. Production is irregular, based on contractual needs. Inventories are tight in the f.o.b. spot market. The CME Group monthly average price for Grade A NDM during May was \$0.7880, compared to \$0.9226 a year ago. The May 2016 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$0.7739 compared to \$.9516 a year ago. The average for Western high heat nonfat dry milk is \$0.9098 compared to \$1.1075 a year ago. The NASS *Dairy Products* report noted U.S. human NDM production during April 2016 in the West region totaled 106.3 million pounds, 12.4 percent lower than one year ago. Total U.S. human NDM production during April 2016 was 169.9 million pounds, 6.0 percent lower than last year. During January–April 2016, U.S. human NDM production totaled 619.1 million pounds, 9.0 percent less than the same period in 2015. Total U.S. NDM, human, month ending stocks for April were 250.5 million pounds, 1.0 percent above a year ago.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .7300 - .8500 MOSTLY: .7800 - .8300
 HIGH HEAT: .8900 - .9800

CALIFORNIA MANUFACTURING PLANTS - NDM

| WEEK ENDING | PRICE | TOTAL SALES |
|-------------|---------|-------------|
| June 3 | \$.7468 | 18,918,883 |
| May 27 | \$.7464 | 9,427,515 |

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.

U.S. NDM Exports, H.S. Code 040210000(FAS)

| | 2016 Exports (Million Lb.) | % Change From 1 Year Ago |
|------------------|-------------------------------|-----------------------------|
| April Total | 101.9 | - 19 |
| TOTAL, JAN - APR | 378.4 | - 6 |
| 1 Mexico | 173.4 | + 1 |
| 2 Philippines | 63.0 | + 30 |
| 3 Indonesia | 23.8 | - 18 |
| 4 Malaysia | 14.5 | - 27 |
| 5 Pakistan | 14.3 | - 38 |

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.

-CONTINUED FROM PAGE 5-**DRY BUTTERMILK - CENTRAL AND EAST**

CENTRAL: Buttermilk prices are lower on the bottom end of the range this week. The top end of the price range holds steady. A few market participants moved large amounts of dry buttermilk out of inventory, reflecting the low end of the range. Other industry contacts report having little to no dry buttermilk stocks. A few manufacturers report being sold out. Overall, buttermilk is available on the spot market, but prices appear to be climbing. Inventories are mixed. Orders for buttermilk from ice cream manufacturers increased this week. Dry buttermilk production is active as manufacturers work hard to meet the strong demand they are anticipating for the upcoming weeks. The market undertone is firming. The NASS *Dairy Products* report noted U.S. dry buttermilk production during April 2016 totaled 9.7 million pounds, 15.7 percent higher than a year ago. Total U.S. dry buttermilk month-ending stocks for February were 26.4 million pounds, 9.9 percent above last year. The DMN monthly average of the range price series for Central and East dry buttermilk during May was \$0.7257, compared to \$0.9118 a year ago.

EAST: This week, dry buttermilk prices are steady to lower as a few f.o.b. spot loads exchanged hands in a fairly quiet market. Production varies, as cream is being pulled from churns for Class II production and condensed buttermilk sales clear to ice cream plants. However, some producers are churning heavily to capitalize on current butter prices and Q3-Q4 demand. A few butter plants will carry out maintenance projects into the weekend. Class II end users interest has not really kicked in for the season. Producers' stocks are mixed. The market has a steady to weak undertone.

F.O.B. CENTRAL/EAST: .6700 - .7800

DRY BUTTERMILK - WEST

Prices for western dry buttermilk are mixed on light trading. Demand is lackluster. The market undertone is weak. Butter churning is active in the region. Moderated condensed buttermilk volumes are moving into ice cream manufacturing. Consequently, drying schedules in many processing plants are steady to lower. Dry buttermilk inventories vary from plant to plant. The May 2016 Dairy Market News monthly average for the West dry buttermilk mostly series is \$0.7136 compared to \$0.8433 a year ago. The NASS *Dairy Products* report noted U.S. dry buttermilk production during April 2016 totaled 9.7 million pounds, 15.7 percent higher than a year ago. Total U.S. dry buttermilk month-ending stocks for April were 26.4 million pounds, 9.9 percent above last year.

F.O.B. WEST: .6200 - .7500 MOSTLY: .6700 - .7300

DRY WHOLE MILK - NATIONAL

Prices for national dry whole milk are mixed on light trading. Some f.o.b. spot sales pushed the bottom price of the range down 5 cents. According to some processors, the market undertone is unbalanced in the West, but in better shape in the East and Central region. Production is sporadic, mostly dictated by contractual requirements. Inventories are steady. The May 2016 Dairy Market News monthly average for the National price series for dry whole milk is \$1.2102 compared to \$1.3138 a year ago. The NASS *Dairy Products* report noted U.S. dry whole milk production during April 2016 totaled 7.9 million pounds, 50.4 percent lower than a year ago. Total U.S. dry whole milk month-ending stocks for April were 13.5 million pounds, 46.4 percent below last year.

F.O.B. PRODUCING PLANT: 1.1800 - 1.3000

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

Central dry whey prices are higher this week. Midwest whey manufacturers are running full schedules to work through the steady whey stream from active cheese making. Many market participants report strong sales. Domestic interest is steady. Several suppliers are reportedly requesting additional loads outside of commitments. International interest is strong. Reportedly, revenue for China hog producers is large and they are turning to the U.S. for dry whey. Several industry contacts report exporting large quantities of whey to international outlets. Steady domestic interest and active and rapidly growing international interest is thinning out Central whey stocks. A few manufacturers report having comfortable inventory levels, while others report little to no whey stocks. The market undertone is firming. Animal feed whey prices are steady to fractionally higher on the bottom end of the price range. Production is strong. Recent rise in high protein dairy powder interest has left feed blenders working hard to find spot loads or seek alternative ingredients. Sales are reportedly steady in a quiet market. The NASS Dairy Products report noted U.S. total dry whey production for April 2016 was 82.3 million pounds, up 5.3 percent from a year ago. January-April U.S. total dry whey production totals 323.9 million pounds, 1.8 percent ahead of the same time span in 2015. The Central region accounted for 47.6 percent (38.2 million pounds) of U.S. human dry whey production in April. This production is 2.2 percent higher than a year ago. Total U.S. dry whey human month ending stocks for April were 76.1 million pounds, 3.4 percent above a year ago. The DMN monthly average of the mostly price series for Central dry whey during May was \$0.2339, compared to \$0.4129 a year ago. The monthly average of the range price series for Central animal feed whey during April was \$0.1690, compared to \$0.2804 a year ago.

F.O.B. CENTRAL: .2050 - .3000 MOSTLY: .2200 - .2650
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1300 - .2125

DRY WHEY - NORTHEAST

Prices for East dry whey are showing some uptick based on f.o.b. spot sales activity this week. Production in the region is fairly stable, as dry whey processing keeps pace with active cheese output in the region. With ice cream season at hand, the level of interest from some end-users has not quite picked up, as some sellers would like. Most inventories are adequate for contract customer needs. Sources suggest a shrinking of some dry whey holdings. Global interest is good, with shipments noted moving to China.

DAIRY PRODUCTS: According to NASS, April 2016 U.S. human food dry whey production totaled 80.2 million pounds, 4.9% more than a year ago, but 1.4% less than the previous month. The Atlantic region's production of human food dry whey in April 2016 totaled 21.2 million pounds, 8.1% less than a year ago and 2.7% less than the previous month.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2400 - .2800

DRY WHEY - WEST

Western whey prices moved up on the lower end of price range, but otherwise held steady. Industry contacts note the market tone may be firming slightly, mostly due to a little stronger demand from export markets. A few manufacturers have been able to clear significant stocks into international markets and now describe their inventories as much more comfortable. Inventories for dry whey are still generally heavy across most of the industry. Domestic demand is

still a little weak outside of regular contracts. Production is active, however, a few industry contacts suggest more whey is being processed into higher level protein concentrations. The DMN monthly average of the mostly price series for West dry whey during May was \$0.2358 compared to \$0.2411 one month ago and \$0.4295 a year ago. NASS reports that April 2016 U.S. human whey production, 80.2 million pounds, is up 4.9% from a year ago, but down 1.4% from March 2016. The Western region produced 20.8 million pounds of edible dry whey during April, up 30.0% from last year, and up 2.0% from March. Month ending stocks for U.S. human whey, at 76.1 million pounds, are 3.4% higher than one year ago and up 3.5% from March 2016.

NONHYGROSCOPIC: .2100 - .2900

MOSTLY: .2175 - .2600

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

| | 2016 Exports (Million Lb.) | % Change From 1 Year Ago |
|------------------|-------------------------------|-----------------------------|
| April Total | 28.0 | - 28 |
| TOTAL, JAN - APR | 110.9 | - 20 |
| 1 China | 24.4 | - 39 |
| 2 Canada | 16.2 | + 3 |
| 3 Mexico | 11.5 | - 21 |
| 4 Philippines | 8.5 | - 27 |
| 5 Indonesia | 8.5 | - 3 |

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% moved higher on the upper end of both the price range and mostly price series. Some manufacturers are reporting strong demand, especially for infant formula and some export markets. In some cases, buyers are looking for extra loads. When they can get them from their regular supplier, it often comes at a premium to market prices. Many manufacturers report tight or committed inventories, however, a few industry contacts suggest there is more WPC34% available if it doesn't need to meet stringent infant formula requirements. Production is active, however it is down from previous years. Some manufacturers are choosing to make higher protein concentrations rather than WPC34%. As a result, this may place more pressure on WPC34% supplies, or force buyers to use WPC80% and lactose in blends. The May 2016 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.6239 compared to \$0.6076 one month ago and \$0.9103 one year ago. According to the NASS Dairy Products report U.S. production of WPC (25.0-49.9% protein) during April 2016 totaled 14.4 million pounds, 27.4% lower than one year ago. Year to date WPC34% production through April is 60.9 million pounds, 19.9% less than a year ago. Manufacturers' end-of-month stocks totaled 25.6 million pounds, 20.0% lower than one year ago, and 8.8% more than March 2016.

F.O.B. EXTRA GRADE 34% PROTEIN: .5500 - .7700

MOSTLY: .6100 - .6900

-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****U.S. WPC ≤ 80% Exports, H.S. Code 0404100500(FAS)**

| | 2016 Exports (Million Lb.) | % Change From 1 Year Ago |
|------------------|-------------------------------|-----------------------------|
| April Total | 28.1 | + 35 |
| TOTAL, JAN - APR | 84.8 | + 29 |
| 1 China | 33.0 | + 77 |
| 2 Mexico | 10.5 | - 3 |
| 3 Canada | 9.6 | - 20 |
| 4 Malaysia | 6.5 | +453 |
| 5 Indonesia | 3.9 | - 3 |

The firming of many dairy prices in the EU and Oceania also slightly moved both casein rennet and acid prices up at the bottom of the price range. Factors at play include nearing the end of the milk season in New Zealand, coupled with EU milk production now being believed to be at peak or early stages of seasonal declines. The increasing awareness of seasonally reduced milk supplies in those regions, has increased buying interest to "stock up" and motivated manufacturers to feel more confident in holding desired price levels.

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: 2.2700 - 2.7000
ACID: 2.3575 - 2.8000

LACTOSE - CENTRAL AND WEST

Lactose prices held steady this week. However, some processors are facing resistance at higher price levels. Contracting for Q3 is ongoing. Buyers seem eager to gain coverage and are actively searching for extra loads from both regular suppliers and potential new suppliers. Manufacturers report lactose is moving well through contracts and available spot sales. Many manufacturers continue to report committed or tight inventories. A few say they are sold out through the next month or two. Generally, 200 and 100 mesh lactose have the tightest stocks and lower mesh lactose has a little more availability. Production is active. Industry contacts are watching EU markets closely. Some are hearing that EU lactose is a little short due to heavy usage in standardization of skim milk powder destined for EU intervention. As a result, some U.S. manufacturers suggest this may create greater demand for available U.S. lactose supplies. The May 2016 Dairy Market News average of the mostly price series for Central and West lactose was \$0.2551, compared to \$0.2408 one month ago and \$0.2354 one year ago. NASS's Dairy Products report shows U.S. lactose production during April 2016 totaled 87.6 million pounds, a 0.9% decrease from one year ago. Year to date lactose production through April is 348.8 million pounds, 0.9% less than a year ago. Month ending stocks, at 116.5 million pounds, are 12.4% lower than one year ago, but 0.1% higher than March 2016.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2000 - .3775 MOSTLY: .2200 - .2950

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

| | 2016 Exports (Million Lb.) | % Change From 1 Year Ago |
|------------------|-------------------------------|-----------------------------|
| April Total | 45.0 | - 17 |
| TOTAL, JAN - APR | 175.3 | - 2 |
| 1 New Zealand | 35.4 | +37 |
| 2 China | 28.6 | - 12 |
| 3 Mexico | 23.1 | + 6 |
| 4 Indonesia | 15.0 | +48 |
| 5 Japan | 13.9 | +15 |

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 |
|-------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| 05/21/2016 | 50.5 | 1,203.3 | 51.8 | 1,221.6 |

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

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

CLASS III MILK PRICES (3.5% BF)

| YEAR | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 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 |

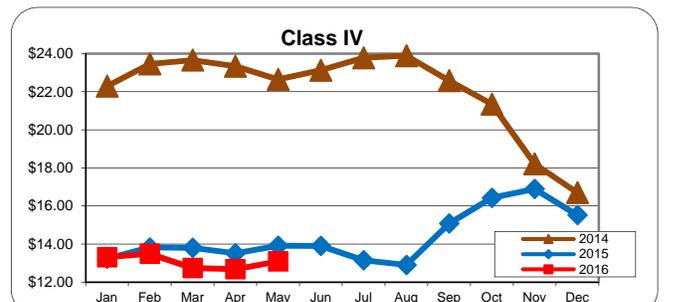
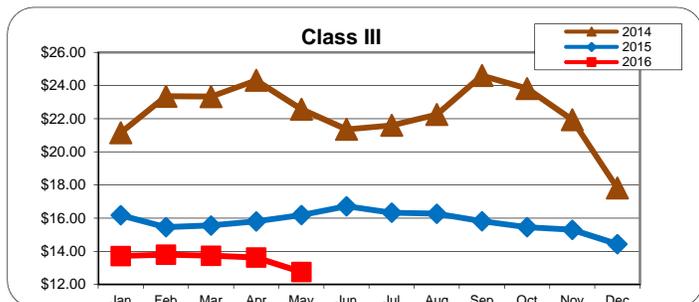
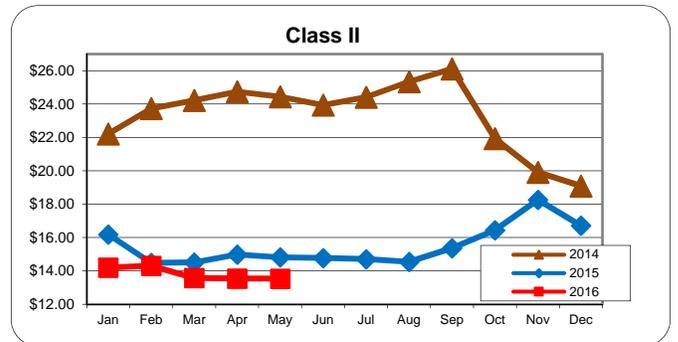
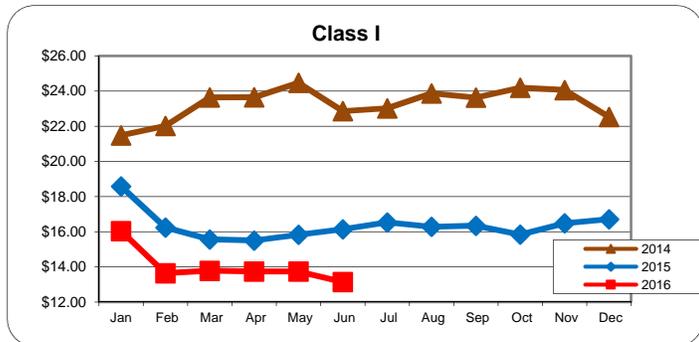
CLASS IV MILK PRICES (3.5%)

| 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 | 13.14 | | | | | | |
| II | 14.19 | 14.30 | 13.57 | 13.54 | 13.53 | | | | | | | |
| III | 13.72 | 13.80 | 13.74 | 13.63 | 12.76 | | | | | | | |
| IV | 13.31 | 13.49 | 12.74 | 12.68 | 13.09 | | | | | | | |

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 30 - June 10, 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: Preliminary observations from some milk producing regions of the EU find signs of seasonal declines beginning. Other parts of Germany and France are believed to have achieved very narrow production increases the third week of May over the prior week, but increases are expected to become slight declines soon. Cream supplies are tighter and buyers face increasing prices. Domestic cheese prices are firming in the EU. Stocks in aging programs are being drawn down. Some sellers are not accepting new orders. Prices for future delivery periods have increased above recent pricing. Many buyers are moving ahead to secure sales commitments for delivery in the coming months.

With a vote in the United Kingdom about whether to exit the European Union scheduled for June 23, some observers note that the only certainty is uncertainty. If the vote to exit passes, there will be a two plus year period during which the remaining 27 EU members and the UK will negotiate the scope and content of the future trade relationship. During the period, the UK would remain a member of the EU. It is obviously unclear whether the outcome of negotiations would result in the UK being a member of a single market, a Switzerland or Turkey type situation, or whether another outcome would result.

BUTTER/BUTTEROIL: Butter and butteroil prices strengthened. There is an increasing spread between bulk butter and packaged butter prices in some of the EU. Late May packaged butter demand in the EU backed off higher levels earlier in the month, following lower consumer retail purchasing. This leaves current pricing at disappointing levels for manufacturers. Bulk butter demand has recently increased, primarily due to EU customers. Prices for delivery in coming months have firmed. An example of the price strength of bulk butter over packaged butter comes from Germany, where bulk butter was quoted last week in Bavaria at 2.65 -2.80 Euros/kg, while packaged butter was quoted at 2.22-2.30 Euros/kg. Public intervention for butter is currently open until September 30, 2016. No offers have been made to date. The intervention price is 221.75 Euros/100kg.

82% BUTTERFAT: 2,600 - 3,000
99% BUTTERFAT: 3,600 - 4,100

SKIM MILK POWDER (SMP): Near term skim milk powder pricing has strengthened. New production targeted for intervention has declined, but continues. However, concerns with anticipated slowing milk production during coming months and hence, possible lower SMP supplies, is increasing interest in acquiring future delivery of food grade SMP. Buyers however, comfortable with recent price levels, are reluctant to accede to manufacturer quotes of higher future pricing. Although demand for feed quality SMP in recent weeks has been at a low level, with limited supplies available, prices have been generally stable. On May 24, sales of SMP into intervention at a fixed price were ended, after the ceiling of 218,000

mt was reached. The new SMP program now in effect allows SMP manufacturers to make tenders of SMP through various periods. The first tender period ended June 7 at 12:00 PM Brussels time. Subsequent tender periods will end the first and third Tuesday of each month at 12:00 PM Brussels time.

1.25% BUTTERFAT: 1,850 - 2,000

SWEET WHEY POWDER: Whey prices have strengthened as markets are viewed as recovering. Lower cheese production is a factor leading to buyer awareness of potentially declining inventories. Recent price strength is welcome to manufacturers. Prices for food quality whey are stepping up even more for future delivery dates in coming months.

NONHYGROSCOPIC: 600 - 750

WHOLE MILK POWDER (WMP): Whole milk powder prices have increased at each end of the price range. WMP demand for EU consumption has been strengthening. Pricing for near term and future delivery commitments is higher, as buyers in the EU food industry move to assure supplies for use in coming months.

26% BUTTERFAT: 2,175 - 2,400

EASTERN OVERVIEW: Uncertainty continues as to the future of the Russian dairy trade situation. The EU is considering whether or not to extend the sanctions it imposed on Russia following the annexation of Crimea in March 2014. There are reports that Russia is considering whether to extend the existing ban on EU imports, perhaps until the end of 2017. This topic is expected to be discussed at a mid-June meeting between European Commission president Juncker and Russian president Putin.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered May 31 - June 10, 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.

In **Australia** the end phase of the 2015-16 milk producing season persists in being more hot and dry than had been expected earlier in the season. This has led to unexpectedly higher costs to dairy producers for irrigation, hay and grain. Some relief is developing in reduced fertilizer costs. Rainfall in Australia this season has generally been below average. Previous hopes that April would provide more rainfall proved incorrect. The continuation of dry conditions further constrained pasture growth, which tightened markets for hay. Costs for acquiring water to irrigate increased to margin squeezing levels, even assuming any give producer could secure a water allocation. Looking ahead, there are concerns that the financial stresses of the current dairy season will result in producer adjustments that will result in lower milk output for the coming 2016-17 milk season in Australia. According to Dairy Australia, April 2016 milk production in Australia was 2.7% below April 2015. For the year to date through April 2016, milk production is 1.2% below year to date one year earlier. The state changes year to date through April 2016 compared with one year earlier, total 2016 milk production through April (in million liters), and the regional share of Australia's milk production January-April 2016, were: New South Wales, 1.4%, 991.0, +12%; Victoria, -2.5%, 5,371.1, +65.1%; Queensland, -1.7%, 341.8, +4.1%; South Australia, +0.6%, 436.4, +5.3%; Western Australia, +7.2%, 322.8, +3.9%; and Tasmania +1.3%, 784.1, +9.5%. Dairy producers in **New Zealand** have experienced less reduction in seasonal milk output than had recently been expected although producer margins have suffered. The milk production season is nearing an end. There is more culling of cows than had been expected earlier in the season, as producers strive to adapt to lower than expected returns. A number of producers find pay prices to be below their costs of production. A large processor in New Zealand has recently announced opening prices for the 2016-17 season disapprovingly lower than many producers had hoped for. Awareness that opening prices for the current season were reduced lower through the season causes concerns as to where the newly announced pricing for the next season will ultimately rest as that season progresses. Unlike in Australia where a larger population generating increasing domestic demand for dairy products has helped weather weaker export markets, New Zealand has been more subject to prevailing global export markets. A new milk price hedging contract will be available for the next five years in New Zealand, based on September prices announced by a New Zealand cooperative. Recent efforts to enhance dairy manufacturing capacity in New Zealand to switch more quickly between powders and cream products, is now being bolstered by addition of a cream group to GDT products. At the June 1 GDT event #165, average prices ranged from 1.7% lower to 14.2% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,444 +2.8%; butter, \$2,762 +3.2%; buttermilk powder, \$1,765 +14.2%; cheddar cheese, \$2,669 +7.8%; lactose, \$750 +4.7%; rennet casein, \$5,035 -1.6%; skim milk powder, \$1,867 +12.1%; and whole milk powder, \$2,205 -1.7%.

BUTTER: Oceania butter prices are up slightly, due to strong demand for orders as well as price strength in futures trading. The declining milk production volumes in Australia and New Zealand have also been accompanied by lower butterfat content. As a result, buyers are motivated to secure sale commitments, and demand for butter is increasing. This also follows GDT Event 165 on June 1, when butter in the July contract period increased 2.5% and 3.2% for all contracts.

82% BUTTERFAT: 2,650 - 2,800

CHEDDAR CHEESE: Pricing for cheddar is up within a recent range. With milk output near end of season volumes, less milk is available to make cheese relative to commitments for other dairy products. Specific reported current production data is lagging, but it is believed that production has declined which has given slight strength to cheese prices. The GDT Event 165 on June 1 recorded a 7.8% increase for the July cheddar contract, as well as the all contract price.

39% MAXIMUM MOISTURE: 2,700 - 2,900

SKIM MILK POWDER (SMP): Skim milk powder prices moved up sharply, and somewhat unexpectedly to many observers. It is opined that previously, the overhang of intervention in the EU had a psychological impact on pricing in Oceania. With the end of fixed price intervention and the beginning of the new program utilizing a tender system, expectations that increased SMP pricing may result has joined an increasing consensus that Oceania SMP pricing should move up closer to levels in the EU. Both factors are believed to have merged to help move prices up noticeably at this time. At GDT Event 165 on June 1, SMP prices in the July contract period increased 11.9%, 19.8% in the September period, and 12.1% for all contracts.

1.25% BUTTERFAT: 1,825 - 1,875

WHOLE MILK POWDER (WMP): Prices for whole milk powder are up slightly, within a trading range. WMP is viewed as the most significant dairy export from New Zealand. With the end of the milk production season nearing and milk production declining, WMP continues to be a priority processing activity for milk. As such, there are varied sales contracts in the process of being fulfilled. The priority given to WMP production coupled with extensive contract commitments to be filled, contribute to constancy in output. Pricing changed very slightly during GDT Event 165 on June 1, when WMP in the July contract period increased 1.0% while all contracts decreased 1.7%.

26% BUTTERFAT: 2,075 - 2,200

INTERNATIONAL DAIRY MARKET NEWS

| US\$/MT | Global/Dairy Trading (gDT) Event 165 Recap - June 1, 2016 | | | | | | | | | | | | | |
|--------------------|---|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|---------------|-------|
| | Contract 1 | | Contract 2 | | Contract 3 | | Contract 4 | | Contract 5 | | Contract 6 | | All Contracts | |
| | Jul-16 | | Aug-16 | | Sep-16 | | Oct-16 | | Nov-16 | | Dec-16 | | | |
| Anhydrous Milk Fat | \$3,442 | -3.5% | \$3,460 | 3.4% | \$3,454 | 5.2% | \$3,429 | 3.3% | \$3,408 | 3.2% | \$3,432 | n.a. | \$3,444 | 2.8% |
| Butter | \$2,780 | 2.5% | \$2,810 | 0.4% | \$2,750 | 2.2% | \$2,730 | 5.4% | \$2,735 | 5.4% | \$2,900 | 10.3% | \$2,762 | 3.2% |
| Buttermilk Powder | | n.a. | \$1,765 | 14.2% | | n.a. | | n.a. | | n.a. | | n.a. | \$1,765 | 14.2% |
| Cheddar | \$2,955 | 7.8% | | n.a. | \$2,759 | n.a. | \$2,560 | n.a. | | n.a. | | n.a. | \$2,669 | 7.8% |
| Lactose | | n.a. | \$750 | 4.7% | | n.a. | | n.a. | | n.a. | | n.a. | \$750 | 4.7% |
| Rennet Casein | \$5,076 | -0.5% | \$4,998 | -1.5% | \$5,065 | -2.5% | | n.a. | | n.a. | | n.a. | \$5,035 | -1.6% |
| Skim Milk Powder | \$1,817 | 11.9% | \$1,808 | 12.6% | \$1,996 | 19.8% | \$1,869 | 7.2% | \$1,906 | 4.4% | \$1,912 | 8.8% | \$1,867 | 12.1% |
| Sweet Whey Powder | | n.a. | | n.a. | | n.a. | | n.a. | | n.a. | | n.a. | | n.a. |
| Whole Milk Powder | \$2,193 | 1.0% | \$2,214 | -1.3% | \$2,216 | -1.6% | \$2,186 | -3.5% | \$2,209 | -3.1% | \$2,213 | -3.0% | \$2,205 | -1.7% |

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

| US\$/pound | Global/Dairy Trading (gDT) Event 165 Recap - June 1, 2016 | | | | | | | | | | | | | |
|--------------------|---|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|---------------|-------|
| | Contract 1 | | Contract 2 | | Contract 3 | | Contract 4 | | Contract 5 | | Contract 6 | | All Contracts | |
| | Jul-16 | | Aug-16 | | Sep-16 | | Oct-16 | | Nov-16 | | Dec-16 | | | |
| Anhydrous Milk Fat | \$1.5613 | -3.5% | \$1.5694 | 3.4% | \$1.5667 | 5.2% | \$1.5554 | 3.3% | \$1.5459 | 3.2% | \$1.5567 | n.a. | \$1.5622 | 2.8% |
| Butter | \$1.2610 | 2.5% | \$1.2746 | 0.4% | \$1.2474 | 2.2% | \$1.2383 | 5.4% | \$1.2406 | 5.4% | \$1.3154 | 10.3% | \$1.2528 | 3.2% |
| Buttermilk Powder | | n.a. | \$0.8006 | 14.2% | | n.a. | | n.a. | | n.a. | | n.a. | \$0.8006 | 14.2% |
| Cheddar | \$1.3404 | 7.8% | | n.a. | \$1.2515 | n.a. | \$1.1612 | n.a. | | n.a. | | n.a. | \$1.2107 | 7.8% |
| Lactose | | n.a. | \$0.3402 | 4.7% | | n.a. | | n.a. | | n.a. | | n.a. | \$0.3402 | 4.7% |
| Rennet Casein | \$2.3025 | -0.5% | \$2.2671 | -1.5% | \$2.2975 | -2.5% | | n.a. | | n.a. | | n.a. | \$2.2839 | -1.6% |
| Skim Milk Powder | \$0.8242 | 11.9% | \$0.8201 | 12.6% | \$0.9054 | 19.8% | \$0.8478 | 7.2% | \$0.8646 | 4.4% | \$0.8673 | 8.8% | \$0.8469 | 12.1% |
| Sweet Whey Powder | | n.a. | | n.a. | | n.a. | | n.a. | | n.a. | | n.a. | | n.a. |
| Whole Milk Powder | \$0.9947 | 1.0% | \$1.0043 | -1.3% | \$1.0052 | -1.6% | \$0.9916 | -3.5% | \$1.0020 | -3.1% | \$1.0038 | -3.0% | \$1.0002 | -1.7% |

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

CME GROUP, INC FUTURES
Selected settling prices

| Month | 05/27 | 05/30 | 05/31 | 06/01 | 06/02 | 06/03 | 06/06 | 06/07 | 06/08 | 06/09 |
|---|--------|------------|--------|--------|--------|--------|--------|--------|--------|--------|
| CLASS III MILK FUTURES (Pit-Traded) (\$/cwt) | | | | | | | | | | |
| MAY 16 | 12.80 | NO TRADING | 12.80 | 12.80 | 12.76 | | | | | |
| JUN 16 | 12.85 | | 12.79 | 12.87 | 13.07 | 13.16 | 13.22 | 13.13 | 13.26 | 13.25 |
| JUL 16 | 13.15 | | 12.98 | 13.09 | 13.49 | 13.91 | 14.19 | 13.78 | 14.29 | 15.04 |
| AUG 16 | 13.85 | | 13.70 | 13.78 | 14.21 | 14.56 | 14.98 | 14.48 | 14.96 | 15.71 |
| SEP 16 | 14.56 | | 14.47 | 14.55 | 14.80 | 15.00 | 15.35 | 15.00 | 15.38 | 16.13 |
| OCT 16 | 14.85 | | 14.80 | 14.85 | 15.04 | 15.21 | 15.49 | 15.17 | 15.46 | 15.98 |
| NOV 16 | 14.96 | | 14.88 | 14.95 | 15.10 | 15.32 | 15.53 | 15.20 | 15.47 | 15.76 |
| DEC 16 | 15.03 | | 14.94 | 14.98 | 15.10 | 15.30 | 15.37 | 15.09 | 15.35 | 15.70 |
| JAN 17 | 15.10 | | 15.05 | 15.03 | 15.19 | 15.28 | 15.44 | 15.13 | 15.40 | 15.55 |
| FEB 17 | 15.19 | | 15.26 | 15.13 | 15.50 | 15.42 | 15.50 | 15.22 | 15.35 | 15.54 |
| CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt) | | | | | | | | | | |
| MAY 16 | 13.24 | NO TRADING | 13.24 | 13.24 | 13.09 | | | | | |
| JUN 16 | 13.75 | | 13.75 | 13.75 | 13.75 | 13.75 | 13.80 | 13.79 | 13.79 | 13.79 |
| JUL 16 | 14.25 | | 14.25 | 14.34 | 14.50 | 14.50 | 14.73 | 14.54 | 14.60 | 15.01 |
| AUG 16 | 14.60 | | 14.60 | 14.69 | 15.00 | 15.00 | 15.18 | 15.18 | 15.17 | 15.48 |
| CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb) | | | | | | | | | | |
| MAY 16 | 205.88 | NO TRADING | 205.88 | 205.88 | 205.80 | | | | | |
| JUN 16 | 207.53 | | 207.58 | 208.58 | 210.75 | 210.80 | 210.80 | 211.25 | 211.00 | 215.23 |
| JUL 16 | 212.50 | | 212.50 | 213.53 | 217.88 | 218.88 | 220.50 | 220.00 | 221.25 | 226.25 |
| AUG 16 | 215.18 | | 216.50 | 217.10 | 220.75 | 223.50 | 225.00 | 223.00 | 224.25 | 229.25 |
| NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb) | | | | | | | | | | |
| MAY 16 | 76.55 | NO TRADING | 76.55 | 76.55 | 76.07 | | | | | |
| JUN 16 | 80.30 | | 79.93 | 81.00 | 80.43 | 80.98 | 80.58 | 80.03 | 80.05 | 79.53 |
| JUL 16 | 85.53 | | 84.53 | 86.33 | 86.90 | 87.00 | 87.05 | 85.50 | 85.50 | 87.00 |
| AUG 16 | 88.75 | | 88.00 | 89.90 | 90.03 | 92.00 | 92.05 | 90.50 | 90.50 | 92.75 |
| WHEY (Electronic-Traded) (¢/lb) | | | | | | | | | | |
| MAY 16 | 25.30 | NO TRADING | 25.30 | 25.30 | 25.05 | | | | | |
| JUN 16 | 25.25 | | 25.18 | 24.93 | 24.78 | 25.48 | 25.13 | 25.38 | 25.38 | 25.55 |
| JUL 16 | 26.25 | | 25.93 | 25.43 | 25.38 | 25.73 | 25.73 | 26.05 | 27.50 | 28.08 |
| AUG 16 | 27.25 | | 27.00 | 27.00 | 27.00 | 27.55 | 27.55 | 27.50 | 28.73 | 28.83 |
| CHEESE CSC (Electronic-Traded) (\$/lb) | | | | | | | | | | |
| MAY 16 | 1.41 | NO TRADING | 1.41 | 1.41 | 1.41 | | | | | |
| JUN 16 | 1.42 | | 1.42 | 1.42 | 1.44 | 1.45 | 1.45 | 1.44 | 1.46 | 1.45 |
| JULY 16 | 1.44 | | 1.43 | 1.44 | 1.48 | 1.52 | 1.55 | 1.50 | 1.54 | 1.62 |
| AUG 16 | 1.51 | | 1.49 | 1.50 | 1.54 | 1.57 | 1.62 | 1.57 | 1.61 | 1.69 |
| SEP 16 | 1.57 | | 1.57 | 1.57 | 1.59 | 1.61 | 1.65 | 1.61 | 1.64 | 1.72 |
| OCT 16 | 1.60 | | 1.60 | 1.60 | 1.62 | 1.63 | 1.66 | 1.62 | 1.65 | 1.70 |

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

April Milk Sales

During April 4.1 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was virtually unchanged from April 2015. Estimated sales of total conventional fluid milk products decreased 0.2 percent from April 2015 and estimated sales of total organic fluid milk products increased 3.3 percent from a year earlier.

| Estimated Total U.S. Sales of Fluid Milk Products, April 2016, with Comparisons ^{1,4} | | | | |
|--|-------------------------|--------------|---------------------------|--------------|
| Product Name | Sales | | Change from: ² | |
| | Apr | Year to Date | Previous Year | Year to Date |
| | <i>(million pounds)</i> | | <i>(percent)</i> | |
| Conventional Production Practice | | | | |
| Whole Milk | 1,162 | 4,722 | 5.5 | 4.8 |
| Flavored Whole Milk | 49 | 195 | 5.0 | 7.0 |
| Reduced Fat Milk (2%) | 1,267 | 5,219 | -0.9 | -1.9 |
| Low Fat Milk (1%) | 585 | 2,372 | -4.0 | -3.9 |
| Fat-Free Milk (Skim) | 399 | 1,650 | -10.5 | -10.3 |
| Flavored Fat-Reduced Milk | 373 | 1,433 | 4.1 | 3.8 |
| Buttermilk | 39 | 168 | -5.6 | -2.0 |
| Other Fluid Milk Products | 4 | 17 | 1.3 | 9.4 |
| Total Fat-Reduced Milk ³ | 2,624 | 10,674 | -2.5 | -3.0 |
| Total Conventional Milk Products | 3,878 | 15,776 | -0.2 | -0.7 |
| Organic Production Practice | | | | |
| Whole Milk | 77 | 304 | 15.6 | 14.2 |
| Reduced Fat Milk (2%) | 64 | 266 | 6.6 | 11.3 |
| Low Fat Milk (1%) | 38 | 147 | -1.7 | -3.1 |
| Fat-Free Milk (Skim) | 27 | 110 | -11.3 | -10.5 |
| Flavored Fat-Reduced Milk | 7 | 30 | -33.1 | -32.0 |
| Other Fluid Milk Products | 0 | 1 | ----- | ----- |
| Total Fat-Reduced Milk ³ | 136 | 553 | -2.5 | -0.8 |
| Total Organic Milk Products | 213 | 858 | 3.3 | 4.0 |
| Total Fluid Milk Products | 4,091 | 16,634 | 0.0 | -0.4 |

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.

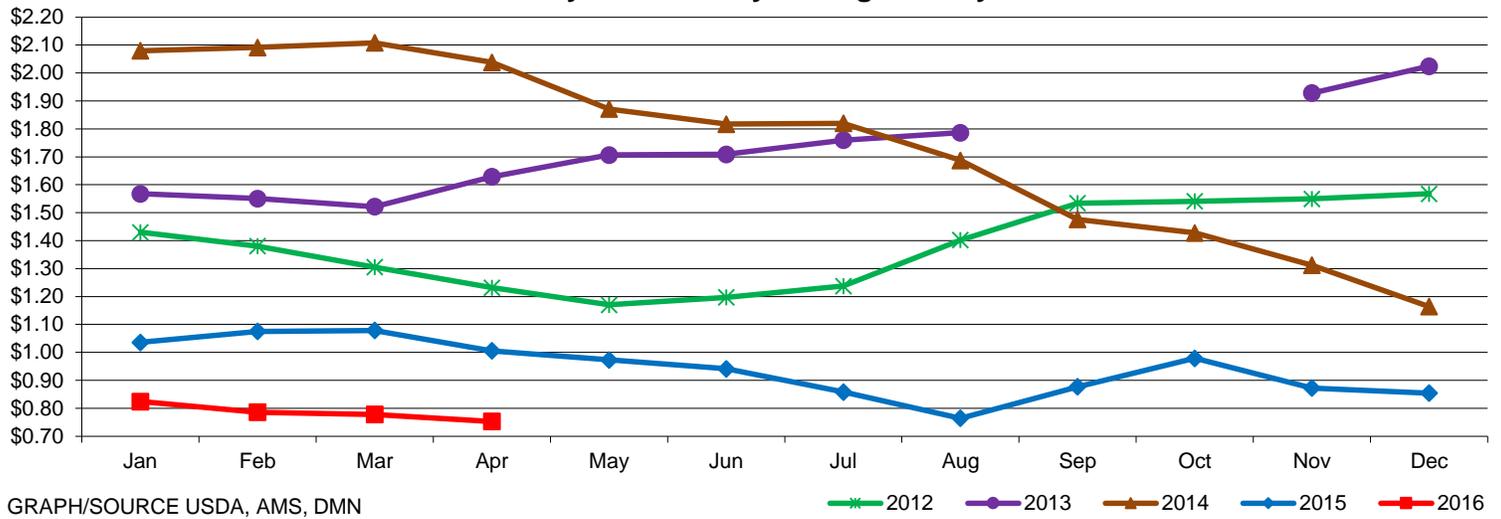
| Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, April 2016, with Comparisons ¹ | | | | | |
|--|--------------|-------------------------|--------------|---------------------------|--------------|
| Marketing Area | Order Number | Sales | | Change from: ² | |
| | | Apr | Year to Date | Previous Year | Year to Date |
| | | <i>(million pounds)</i> | | <i>(percent)</i> | |
| Northeast | 001 | 689 | 2,805 | 0.0 | -1.1 |
| Appalachian | 005 | 267 | 1,097 | -0.1 | -0.5 |
| Florida | 006 | 235 | 958 | 2.7 | 2.6 |
| Southeast | 007 | 369 | 1,524 | -1.1 | -0.1 |
| Upper Midwest | 030 | 323 | 1,295 | 3.0 | 1.4 |
| Central | 032 | 347 | 1,407 | -0.6 | -0.3 |
| Mideast | 033 | 450 | 1,836 | -0.5 | -0.7 |
| Pacific Northwest | 124 | 159 | 663 | -3.2 | -0.2 |
| Southwest | 126 | 377 | 1,517 | 1.2 | 0.7 |
| Arizona | 131 | 90 | 366 | -0.4 | 0.2 |
| California ³ | --- | 456 | 1,834 | -1.2 | -3.3 |
| All Orders (Total) | | 3,307 | 13,469 | 0.2 | 0.0 |
| All Areas (Total) | | 3,763 | 15,303 | 0.0 | -0.4 |

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.

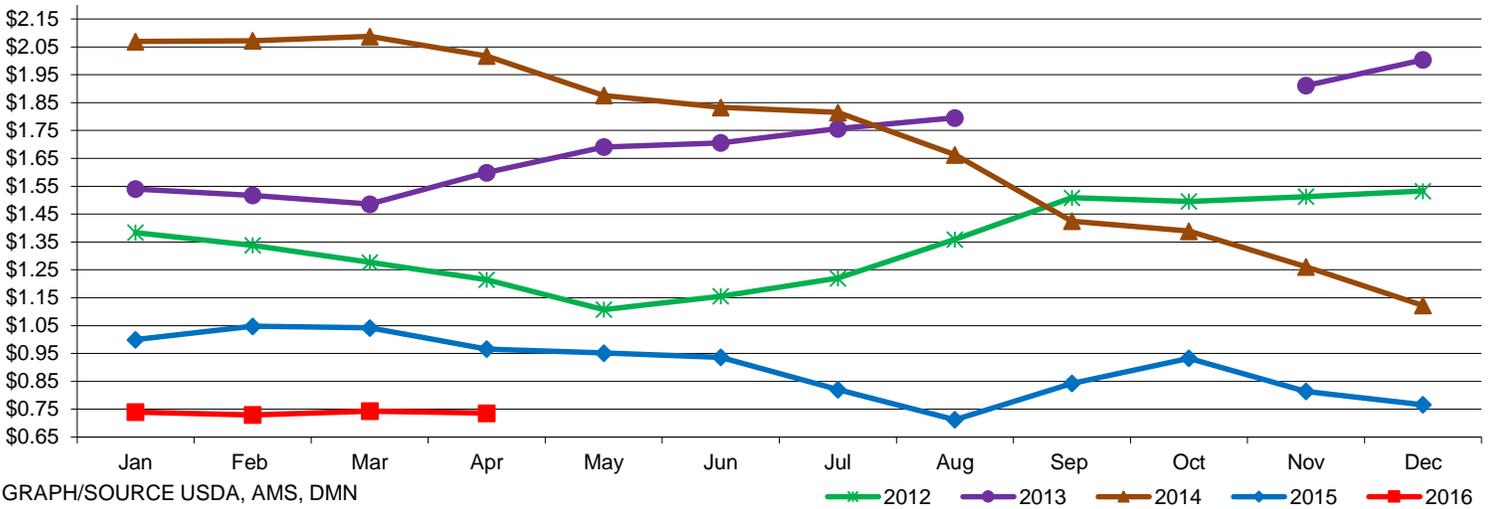
PER POUND

Central & East Low/Medium Heat Nonfat Dry Milk Monthly Average Mostly Prices



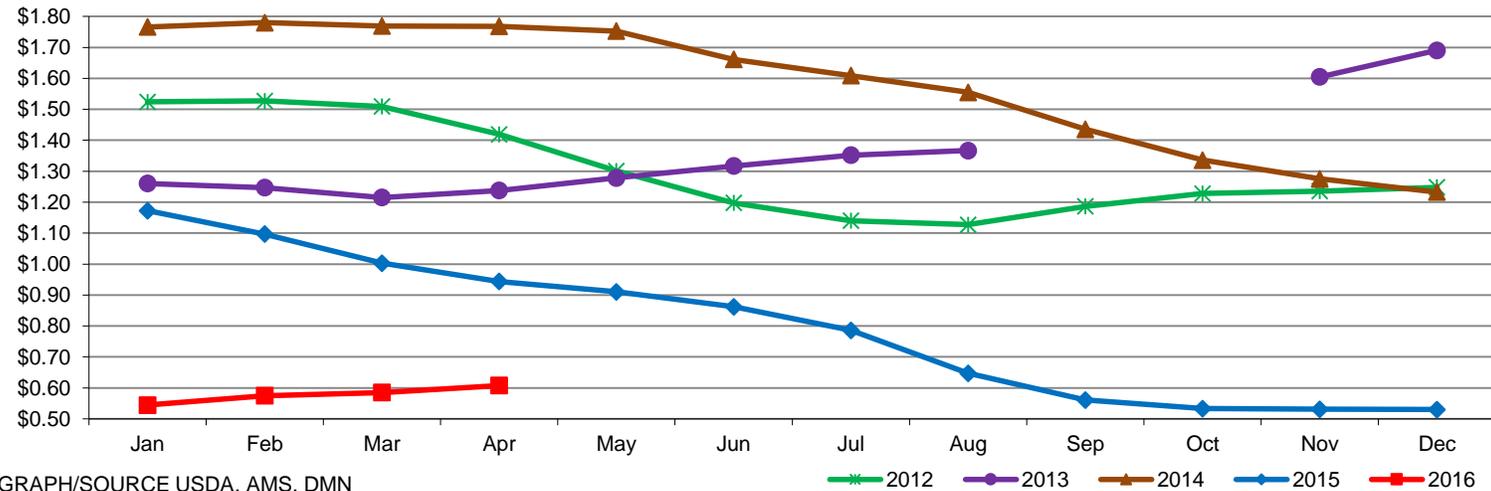
PER POUND

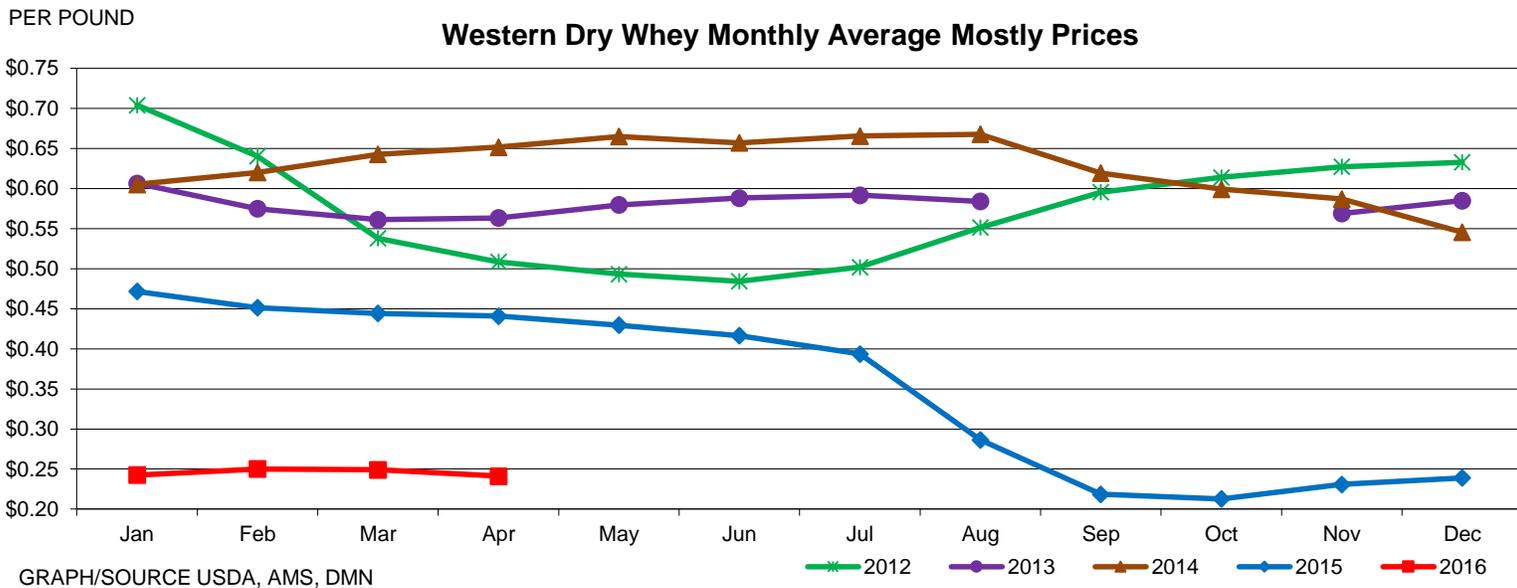
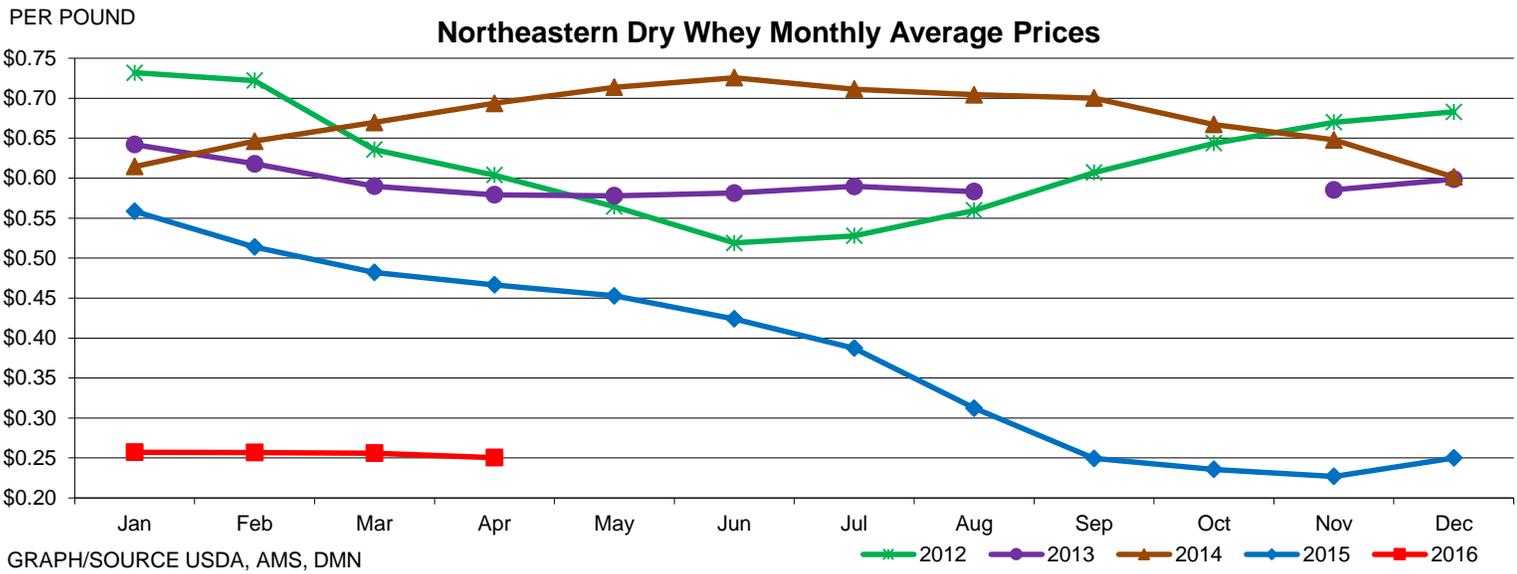
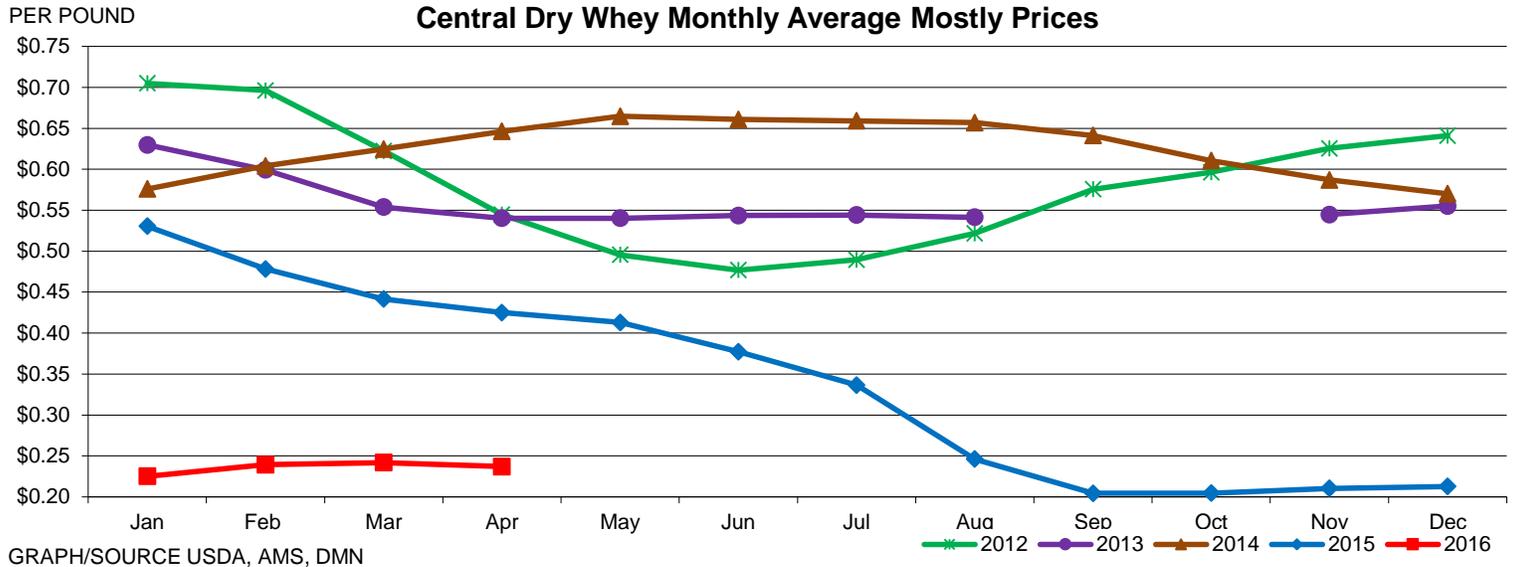
Western Low/Medium Heat Nonfat Dry Milk Monthly Average Mostly Prices



PER POUND

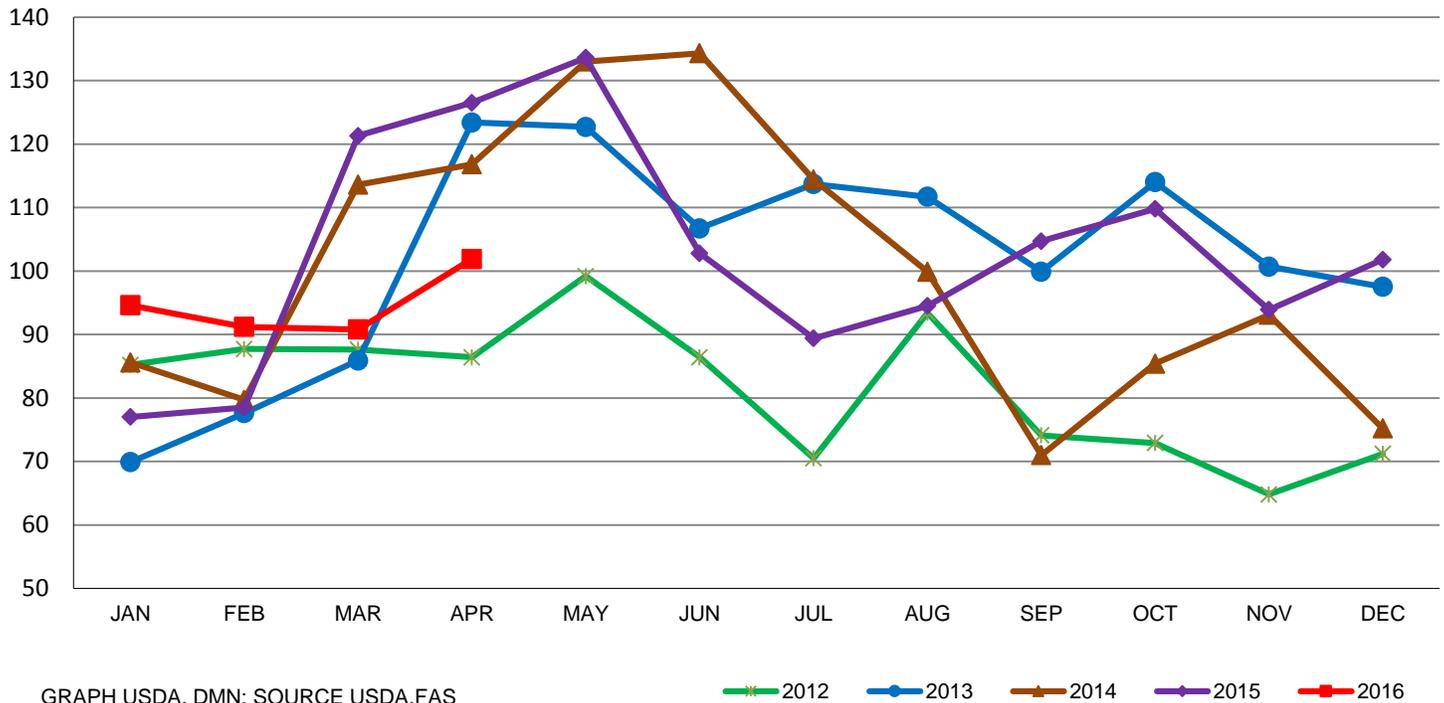
Central & West Dry WPC 34% Monthly Average Mostly Prices





MILLION POUNDS

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

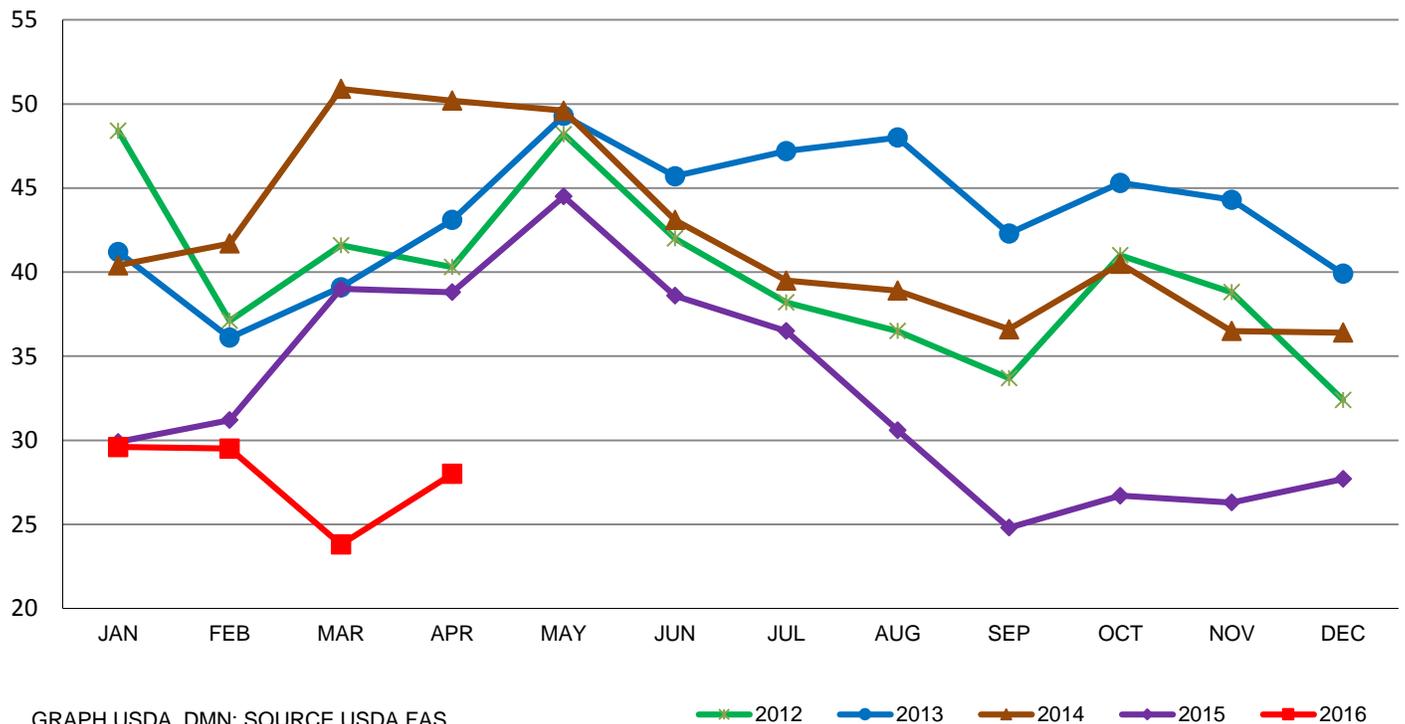


GRAPH USDA, DMN; SOURCE USDA,FAS

2012 2013 2014 2015 2016

MILLION POUNDS

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

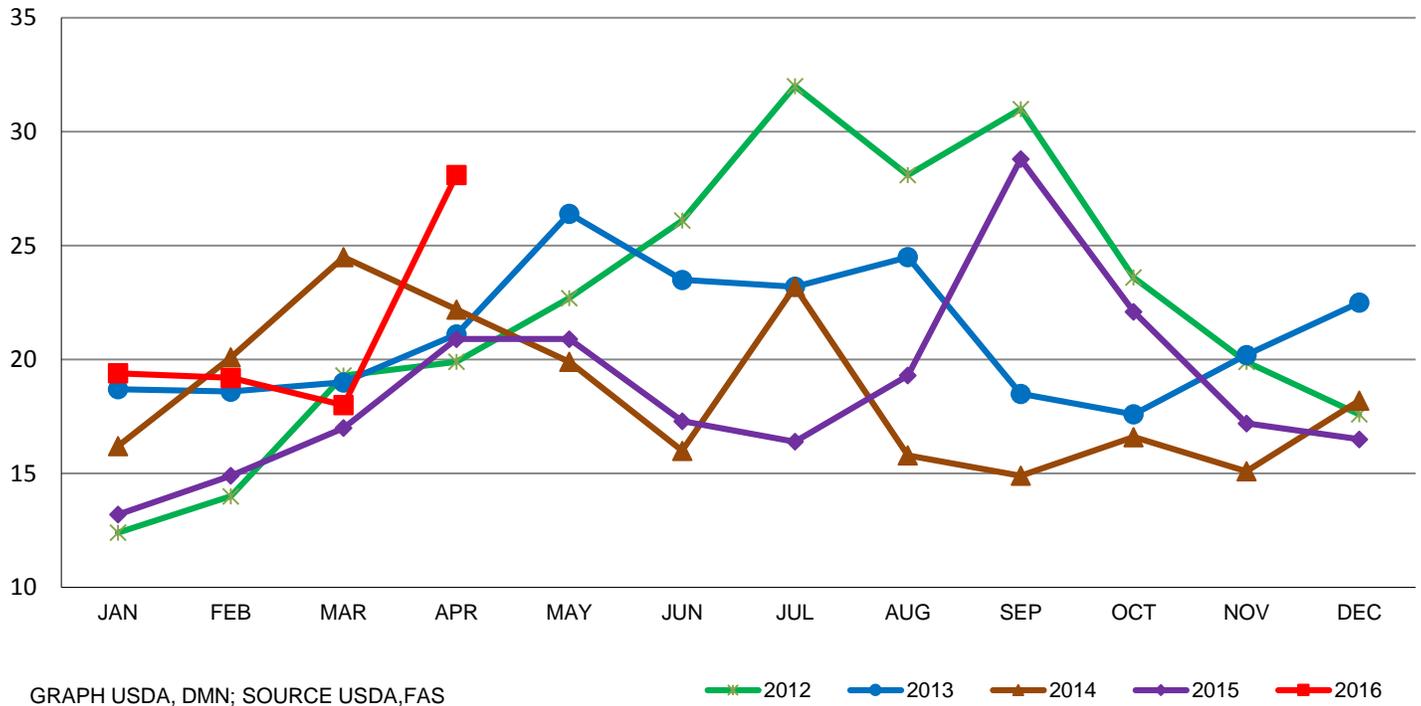


GRAPH USDA, DMN; SOURCE USDA,FAS

2012 2013 2014 2015 2016

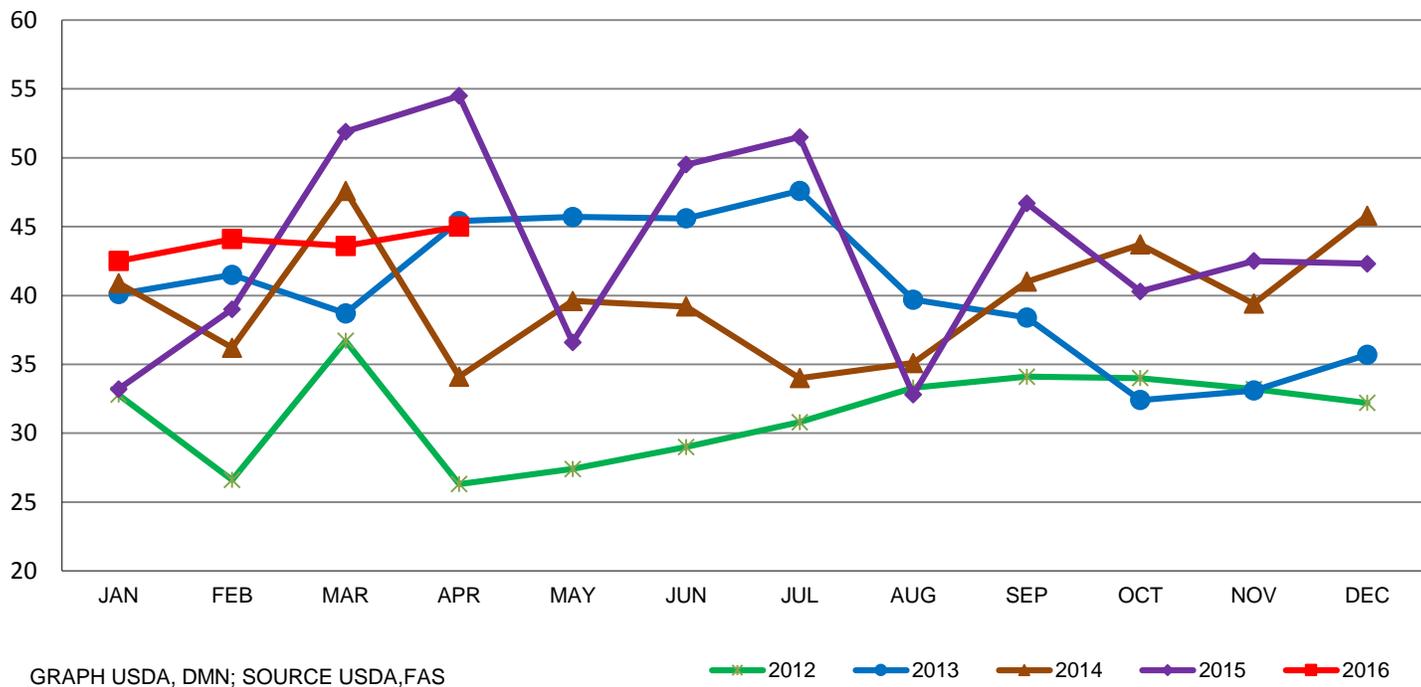
MILLION POUNDS

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



MILLION POUNDS

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





Dairy Market News Branch

**Agricultural
Marketing
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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 23

Issued Weekly

Friday, June 10, 2016

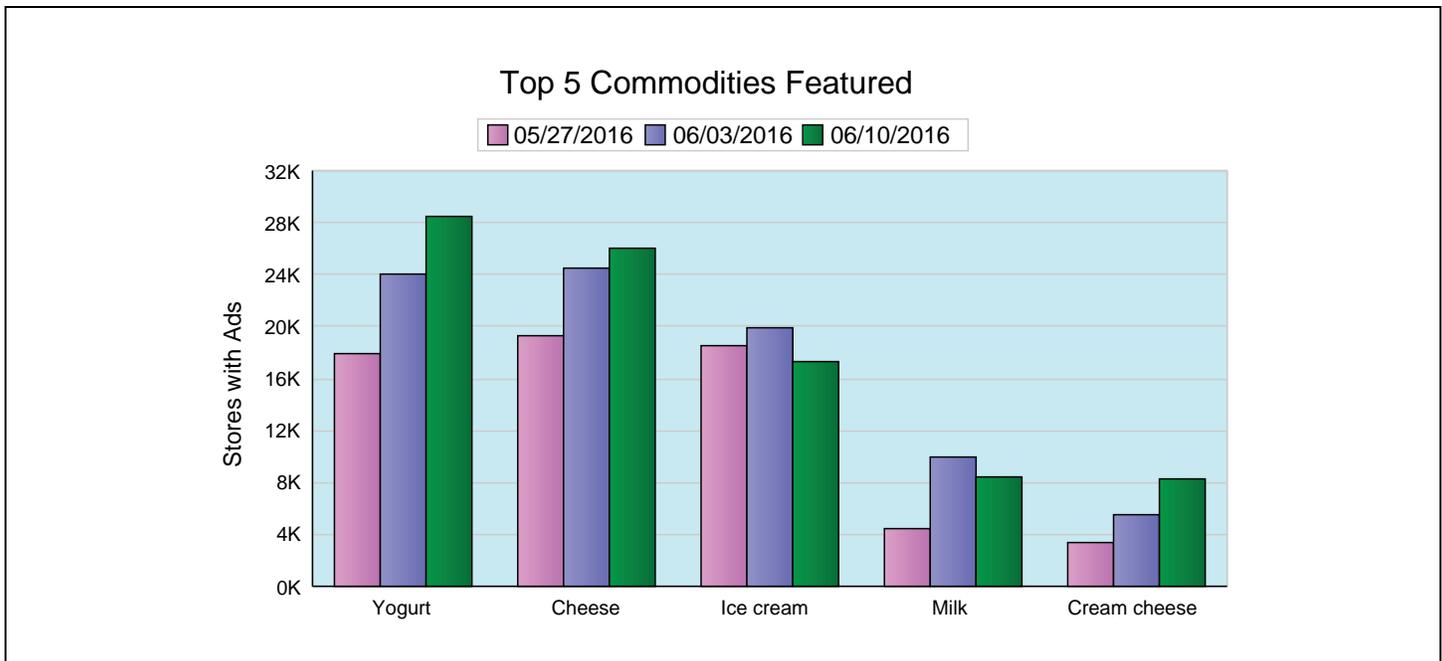
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 06/10/2016 to 06/16/2016

June is dairy month. The popularity of cheesecake during summer may relate to the 48% increase in 8 oz. cream cheese ads this week. The U.S. weighted average advertised price, \$1.93, is up \$.14 from last week. Ads appeared in all regions in addition to Alaska and Hawaii. Although ad numbers for 48-64 oz. ice cream decreased 13% this week, the average price, \$3.07, is up \$.08.

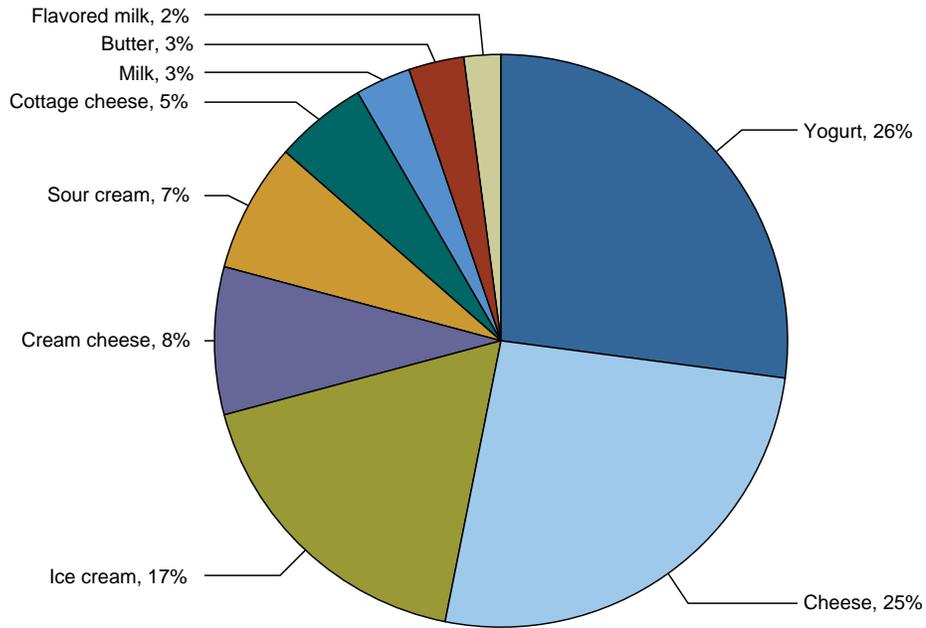
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.23, down \$.03 from last week; 8 ounce shred cheese averaged \$2.39, up \$.16 from last week. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$4.66, up \$.13 from last week.

The average price for conventional yogurt in 4-6 ounce packages is \$.53, up \$.06 from last week. The average price of 4-6 ounce conventional Greek yogurt is \$.96, up \$.01 from a week ago. Conventional yogurt ad numbers are up 17% from last week, while organic yogurt ads are up 29%. The average price for organic Greek yogurt in 4-6 ounce packages is \$1.15.

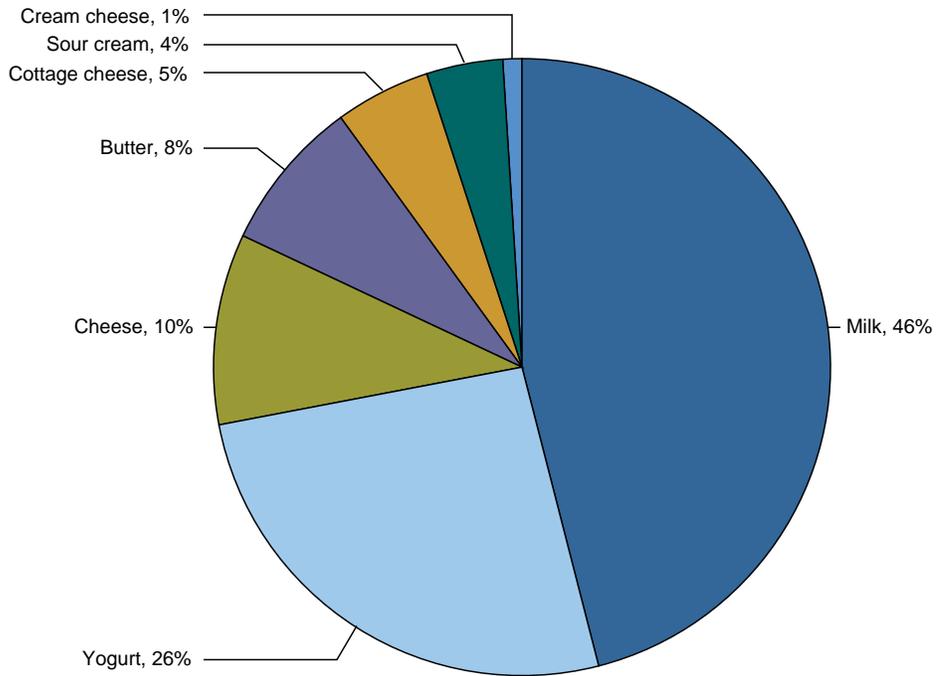
The price spread between organic and conventional half gallon milk is \$1.94. The price spread is the difference between national weighted average prices for organic, \$3.91, and conventional, \$1.97. Conventional milk ad numbers decreased 24% from last week while organic milk ad numbers decreased 7%.



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 # | 2824 | 3.33 | 6341 | 3.28 | 4712 | 3.31 |
| Cheese | Natural Varieties | 8 oz block | 8605 | 2.23 | 6842 | 2.26 | 9107 | 2.25 |
| Cheese | Natural Varieties | 1 # block | 1845 | 3.36 | 3496 | 3.48 | 1082 | 3.46 |
| Cheese | Natural Varieties | 2 # block | 682 | 5.90 | 1160 | 4.87 | 1060 | 6.47 |
| Cheese | Natural Varieties | 8 oz shred | 11555 | 2.39 | 8283 | 2.23 | 11408 | 2.58 |
| Cheese | Natural Varieties | 1 # shred | 2201 | 3.17 | 3353 | 3.48 | 1998 | 3.09 |
| Cottage cheese | | 16 oz | 5054 | 2.11 | 4340 | 1.79 | 2823 | 2.32 |
| Cream cheese | | 8 oz | 8187 | 1.93 | 5534 | 1.79 | 3979 | 1.83 |
| Flavored milk | All fat tests | half gallon | 796 | 2.29 | 499 | 2.74 | 1708 | 2.62 |
| Flavored milk | All fat tests | gallon | 996 | 3.20 | 609 | 3.27 | 607 | 2.77 |
| Ice cream | | 48-64oz | 17240 | 3.07 | 19927 | 2.99 | 11222 | 3.01 |
| Milk | All fat tests | half gallon | 963 | 1.97 | 611 | 1.27 | 1128 | 2.82 |
| Milk | All fat tests | gallon | 2451 | 2.32 | 3855 | 2.44 | 2597 | 2.63 |
| Sour cream | | 16 oz | 6456 | 1.80 | 7187 | 1.67 | 5256 | 1.72 |
| Yogurt | Greek | 4-6 oz | 13237 | .96 | 12622 | .95 | 11760 | .99 |
| Yogurt | Greek | 32 oz | 2439 | 4.43 | 2434 | 4.04 | 3652 | 4.25 |
| Yogurt | Yogurt | 4-6 oz | 8679 | .53 | 6117 | .47 | 7872 | .49 |
| Yogurt | Yogurt | 32 oz | 1180 | 2.38 | 705 | 1.86 | 2457 | 2.37 |

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

| Commodity | Type | Pack Size | NORTHEAST U.S. | | | SOUTHEAST U.S. | | | MIDWEST U.S. | | |
|----------------|-------------------|-------------|----------------|-----------------|---------------|----------------|-----------------|---------------|--------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Butter | | 1 # | 2.49-3.99 | 1058 | 3.38 | 2.99-3.00 | 278 | 3.00 | 2.50 | 69 | 2.50 |
| Cheese | Natural Varieties | 8 oz block | 1.24-3.50 | 2748 | 2.14 | 1.67-3.99 | 2263 | 2.29 | 1.79-2.99 | 1550 | 2.11 |
| Cheese | Natural Varieties | 1 # block | 3.69-3.99 | 356 | 3.80 | | | | 2.79-3.33 | 417 | 3.07 |
| Cheese | Natural Varieties | 2 # block | 3.99 | 147 | 3.99 | | | | | | |
| Cheese | Natural Varieties | 8 oz shred | 1.50-3.49 | 3683 | 2.38 | 1.67-3.79 | 3767 | 2.61 | 1.79-2.99 | 1544 | 2.11 |
| Cheese | Natural Varieties | 1 # shred | 3.99 | 100 | 3.99 | 2.99 | 210 | 2.99 | 2.99-3.99 | 613 | 3.25 |
| Cottage cheese | | 16 oz | 1.50-3.00 | 1858 | 2.38 | 2.00 | 1504 | 2.00 | 1.50-2.00 | 250 | 1.77 |
| Cream cheese | | 8 oz | 0.99-2.99 | 2711 | 2.00 | 1.49-2.50 | 2345 | 2.17 | 1.29-1.99 | 1008 | 1.58 |
| Flavored milk | All fat tests | half gallon | 2.49 | 62 | 2.49 | 1.99-2.99 | 148 | 2.56 | 1.29 | 119 | 1.29 |
| Flavored milk | All fat tests | gallon | 3.99 | 167 | 3.99 | | | | | | |
| Ice cream | | 48-64oz | 1.99-4.00 | 3772 | 2.81 | 1.98-5.49 | 5298 | 3.27 | 2.29-3.99 | 4527 | 3.00 |
| Milk | All fat tests | half gallon | 2.00 | 100 | 2.00 | | | | 1.00-2.99 | 712 | 1.62 |
| Milk | All fat tests | gallon | 1.99-3.79 | 269 | 3.13 | | | | 1.69-2.49 | 375 | 1.96 |
| Sour cream | | 16 oz | 1.50-2.00 | 2428 | 1.74 | 1.49-2.00 | 1444 | 1.95 | 1.50-2.00 | 521 | 1.80 |
| Yogurt | Greek | 4-6 oz | 0.80-1.00 | 2690 | .98 | 0.75-1.25 | 3031 | .97 | 0.77-1.25 | 2403 | .98 |
| Yogurt | Greek | 32 oz | 3.79-4.99 | 1152 | 4.55 | 3.50-4.99 | 275 | 3.83 | 3.99 | 116 | 3.99 |
| Yogurt | Yogurt | 4-6 oz | 0.35-1.25 | 2799 | .56 | 0.40-0.60 | 1613 | .42 | 0.33-0.60 | 1299 | .48 |

Wtd Avg - Simple weighted average



| Commodity | Type | Pack Size | NORTHEAST U.S. | | | SOUTHEAST U.S. | | | MIDWEST U.S. | | |
|-----------|--------|-----------|----------------|-----------------|---------------|----------------|-----------------|---------------|--------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Yogurt | Yogurt | 32 oz | 2.50 | 412 | 2.50 | 2.00 | 195 | 2.00 | | | |

| Commodity | Type | Pack Size | SOUTH CENTRAL U.S. | | | SOUTHWEST U.S. | | | NORTHWEST U.S. | | |
|----------------|-------------------|-------------|--------------------|-----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Butter | | 1 # | 2.49-3.99 | 432 | 3.08 | 2.99-3.99 | 813 | 3.48 | 2.99-3.99 | 138 | 3.49 |
| Cheese | Natural Varieties | 8 oz block | 1.66-2.50 | 630 | 2.20 | 1.99-2.50 | 674 | 2.21 | 1.67-3.49 | 647 | 2.57 |
| Cheese | Natural Varieties | 1 # block | 2.99-3.99 | 333 | 3.33 | 1.88-3.99 | 514 | 3.09 | 3.49-3.99 | 204 | 3.83 |
| Cheese | Natural Varieties | 2 # block | 5.99 | 121 | 5.99 | 5.99-6.99 | 343 | 6.66 | 5.99 | 69 | 5.99 |
| Cheese | Natural Varieties | 8 oz shred | 1.50-3.49 | 1118 | 2.38 | 1.99-2.50 | 924 | 2.19 | 1.67-2.50 | 424 | 1.85 |
| Cheese | Natural Varieties | 1 # shred | 2.99-3.99 | 451 | 3.38 | 1.88-3.49 | 692 | 2.80 | 3.49-3.99 | 135 | 3.75 |
| Cottage cheese | | 16 oz | 2.00 | 55 | 2.00 | 1.00-2.50 | 695 | 2.09 | 1.50-2.50 | 662 | 1.75 |
| Cream cheese | | 8 oz | 0.99-2.50 | 594 | 1.71 | 1.49-1.99 | 1235 | 1.74 | 1.50-2.50 | 204 | 2.01 |
| Flavored milk | All fat tests | half gallon | 2.50 | 118 | 2.50 | 2.50 | 246 | 2.50 | 2.00 | 69 | 2.00 |
| Flavored milk | All fat tests | gallon | 1.99-3.29 | 195 | 2.48 | 3.99 | 345 | 3.99 | 2.29 | 289 | 2.29 |
| Ice cream | | 48-64oz | 2.69-3.99 | 1261 | 3.05 | 1.88-4.99 | 1311 | 3.26 | 2.49-3.50 | 840 | 2.82 |
| Milk | All fat tests | half gallon | 4.99 | 82 | 4.99 | | | | 2.00 | 69 | 2.00 |
| Milk | All fat tests | gallon | 1.66-3.49 | 572 | 2.28 | 1.85-2.99 | 874 | 2.28 | 1.79-2.29 | 358 | 2.19 |
| Sour cream | | 16 oz | 1.50-1.79 | 456 | 1.60 | 1.00-2.50 | 991 | 1.91 | 1.50-1.88 | 532 | 1.57 |
| Yogurt | Greek | 4-6 oz | 0.77-1.00 | 1286 | .89 | 0.69-1.00 | 3041 | .93 | 0.79-1.00 | 678 | .95 |
| Yogurt | Greek | 32 oz | | | | 3.49-5.29 | 896 | 4.52 | | | |
| Yogurt | Yogurt | 4-6 oz | 0.40-0.50 | 424 | .44 | 0.39-1.25 | 1749 | .56 | 0.30-2.00 | 711 | .68 |
| Yogurt | Yogurt | 32 oz | 2.50 | 118 | 2.50 | 1.77-3.49 | 251 | 2.71 | 2.00 | 190 | 2.00 |

| Commodity | Type | Pack Size | ALASKA U.S. | | | HAWAII U.S. | | |
|----------------|-------------------|-------------|-------------|-----------------|---------------|-------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Butter | | 1 # | 3.50 | 2 | 3.50 | 4.99 | 34 | 4.99 |
| Cheese | Natural Varieties | 8 oz block | 2.00-3.50 | 55 | 2.95 | 3.25-3.50 | 38 | 3.28 |
| Cheese | Natural Varieties | 1 # block | 3.99 | 21 | 3.99 | | | |
| Cheese | Natural Varieties | 2 # block | 7.99 | 2 | 7.99 | | | |
| Cheese | Natural Varieties | 8 oz shred | 2.00-3.50 | 57 | 2.92 | 3.25-3.50 | 38 | 3.28 |
| Cottage cheese | | 16 oz | 1.98 | 3 | 1.98 | 2.50 | 27 | 2.50 |
| Cream cheese | | 8 oz | 1.98-2.69 | 5 | 2.26 | 1.66-2.00 | 85 | 1.89 |
| Flavored milk | All fat tests | half gallon | | | | 2.50 | 34 | 2.50 |
| Ice cream | | 48-64oz | 2.97-4.50 | 69 | 3.70 | 2.97-5.49 | 162 | 4.23 |
| Milk | All fat tests | gallon | | | | 4.97 | 3 | 4.97 |
| Sour cream | | 16 oz | 1.79-2.00 | 26 | 1.83 | 1.99-2.00 | 58 | 1.99 |
| Yogurt | Greek | 4-6 oz | 0.99-1.50 | 71 | 1.29 | 0.99-1.33 | 37 | 1.30 |
| Yogurt | Yogurt | 4-6 oz | 0.60-1.33 | 33 | 1.22 | 0.50-0.79 | 51 | .65 |
| Yogurt | Yogurt | 32 oz | 2.69 | 11 | 2.69 | 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 # | 869 | 5.75 | 597 | 6.37 | 132 | 4.02 |
| Cheese | Natural Varieties | 8 oz block | 612 | 4.66 | 672 | 4.53 | 490 | 3.91 |
| Cheese | Natural Varieties | 8 oz shred | 524 | 4.03 | 533 | 4.14 | 391 | 3.86 |
| Cheese | Natural Varieties | 1 # shred | | | 114 | 5.00 | | |
| Cottage cheese | | 16 oz | 593 | 3.55 | 426 | 2.86 | | |
| Cream cheese | | 8 oz | 72 | 2.50 | | | | |
| Milk | All fat tests | half gallon | 2696 | 3.91 | 4288 | 4.03 | 2079 | 4.18 |
| Milk | All fat tests | gallon | 1461 | 5.65 | 456 | 6.14 | 375 | 4.19 |
| Milk | All fat tests | 8 oz UHT | 918 | .98 | 688 | 1.01 | 1001 | 1.00 |
| Sour cream | | 16 oz | 490 | 2.90 | 246 | 3.49 | | |
| Yogurt | Greek | 4-6 oz | 2037 | 1.15 | 2194 | 1.25 | 74 | 1.41 |
| Yogurt | Greek | 32 oz | 161 | 5.99 | | | 63 | 5.49 |
| Yogurt | Yogurt | 4-6 oz | 493 | 1.25 | | | 893 | 1.06 |
| Yogurt | Yogurt | 32 oz | 133 | 4.13 | | | | |

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 # | 5.00 | 84 | 5.00 | | | | | | |
| Cheese | Natural Varieties | 8 oz block | 5.99 | 59 | 5.99 | | | | | | |
| Cheese | Natural Varieties | 8 oz shred | 3.99 | 84 | 3.99 | | | | | | |
| Cottage cheese | | 16 oz | 3.99 | 72 | 3.99 | 3.00 | 214 | 3.00 | | | |
| Cream cheese | | 8 oz | 2.50 | 72 | 2.50 | | | | | | |
| Milk | All fat tests | half gallon | 4.49-4.99 | 617 | 4.54 | 2.99-3.99 | 191 | 3.52 | 2.99-4.79 | 551 | 3.48 |
| Milk | All fat tests | gallon | 4.39 | 135 | 4.39 | | | | 4.99-5.00 | 412 | 5.00 |
| Milk | All fat tests | 8 oz UHT | | | | 1.00 | 120 | 1.00 | 1.00 | 137 | 1.00 |
| Yogurt | Greek | 4-6 oz | 0.83-1.25 | 861 | 1.17 | 1.00 | 210 | 1.00 | 1.00 | 348 | 1.00 |
| Yogurt | Greek | 32 oz | 5.99 | 161 | 5.99 | | | | | | |
| Yogurt | Yogurt | 4-6 oz | 1.25 | 253 | 1.25 | | | | | | |
| Yogurt | Yogurt | 32 oz | 3.99 | 72 | 3.99 | | | | | | |

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 # | 4.99 | 118 | 4.99 | 3.99-6.99 | 606 | 6.02 | 5.59 | 61 | 5.59 |
| Cheese | Natural Varieties | 8 oz block | | | | 3.99-4.99 | 492 | 4.49 | 4.79 | 61 | 4.79 |
| Cheese | Natural Varieties | 8 oz shred | 4.99 | 80 | 4.99 | 3.49-3.99 | 360 | 3.83 | | | |
| Cottage cheese | | 16 oz | | | | 3.49 | 246 | 3.49 | 5.19 | 61 | 5.19 |
| Milk | All fat tests | half gallon | 2.99-4.99 | 505 | 3.62 | 2.99-4.69 | 760 | 4.01 | 3.89 | 69 | 3.89 |
| Milk | All fat tests | gallon | 4.99-5.49 | 239 | 5.24 | 4.99-6.99 | 606 | 6.61 | 4.99 | 69 | 4.99 |
| Milk | All fat tests | 8 oz UHT | 1.00 | 141 | 1.00 | 1.00 | 451 | 1.00 | 0.68 | 69 | .68 |
| Sour cream | | 16 oz | 1.99 | 114 | 1.99 | 3.49 | 246 | 3.49 | 1.67-3.59 | 130 | 2.57 |
| Yogurt | Greek | 4-6 oz | 1.00 | 78 | 1.00 | 1.00-1.50 | 540 | 1.31 | | | |
| Yogurt | Yogurt | 4-6 oz | | | | 1.25 | 174 | 1.25 | 1.25 | 66 | 1.25 |
| Yogurt | Yogurt | 32 oz | | | | | | | 4.29 | 61 | 4.29 |

| Commodity | Type | Pack Size | ALASKA U.S. | | | HAWAII U.S. | | |
|-----------|---------------|-------------|-------------|-----------------|---------------|-------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Milk | All fat tests | half gallon | | | | 5.97 | 3 | 5.97 |

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
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