

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (7/15)**

BUTTER: Grade AA closed at \$2.3200. The weekly average for Grade AA is \$2.2840(-.0129).

CHEESE: Barrels closed at \$1.7450 and 40# blocks at \$1.6600. The weekly average for barrels is \$1.7290 (+.0415) and blocks, \$1.6400(+.0387).

NONFAT DRY MILK: Grade A closed at \$.8750. The weekly average for Grade A is \$.8830 (-.0001).

BUTTER HIGHLIGHTS: Nationwide, butter production is steady to lower. Substantial volumes of cream are moving into ice cream manufacturing. Consequently, less cream is available for butter churning. In addition, some processors are compelled to satisfy contracted cream commitments ahead of churning. In the East, interest for print butter from retailers and food service is mostly steady. In the Central region, a few manufacturers are microfixing bulk butter to meet upcoming customers' needs. The market undertone is firm. In the West, domestic demand is steady. A few processors are opting to sell cream instead of churning as multiples are firming. This week, bulk butter pricing across all regions is 1 cent under market to 8 cents above, based on the CME Group with various time frames and averages used. This week, a cooperative export assistance program accepted requests for 1.598 million pounds of butter. So far this year, the program has accepted assistance requests for 6.949 million pounds of butter. The Grade AA butter price at the CME Group on Friday closed at \$2.3200, up \$.0375 from a week ago.

CHEESE HIGHLIGHTS: Cheese production is active across the U.S. Warm, humid weather is putting some producers in a position to make production adjustments and/or seek out spot loads of milk to maintain high production levels. As cheese manufacturers continue to keep vats full, inventories are building. Western contacts comment that a large portion of the U.S. cheese stockpile is getting some age on it. Some manufacturers are adjusting block and barrel production schedules based on buyer demand as a way to manage cheese stocks. Several market participants report increasing demand for processed cheese as grilling season is in full swing. Some Central contacts report an overall uptick in interest for many cheese varieties. Cheese sales into retail and food service have slowed following the Fourth of July holiday for Northeast market participants. The market undertone is steady. In CME Group trading Friday, barrels closed at \$1.7450, up \$.0250 from last Friday and blocks closed at \$1.6600, up \$.0300.

FLUID MILK: Farm milk production is lower in the East and Central regions and New Mexico. Milk yields have plateaued in California, Arizona and the Pacific Northwest, but are increasing in the mountain states of Colorado, Idaho and Utah. Nationwide, bottled milk sales to retailers and food service are seasonally steady to lower as interest for soft drinks and other popular summer beverages inch up. Substantial volumes of condensed skim are moving into ice cream and NDM processing plants. Cream supplies continue tightening throughout the country. Demands from ice cream/frozen desserts makers remain strong. Many Class II processors are running at full capacity. This week, multiples for all classes range 1.25-1.38 in the East, 1.16-1.32 in the Central region, and 1.13-1.28 in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk manufacturing is active, but at a lower rate compared to Q1 and Q2 production. The domestic interest is mixed throughout the country. Demand from Mexico is strong. The market undertone is steady to firm. High heat nonfat dry milk inventories are tight. Consequently, sales in the f.o.b. spot market are limited. The dry buttermilk market undertone is steady in the East and Central region, but firmer in the West. Inventories vary in every region. The national dry whole milk market is balanced in the East and Central region, but unsettled in the West. Production is trending lower. The whey market is steadily strengthening. Sufficient whey streams are moving to production due to active cheese production. Inventories are mixed. Demand for WPC34% is good. Available stocks are already committed. Production is generally steady to lower. Lactose processors are running full production schedules. The lactose market is slowly firming.

ORGANIC DAIRY MARKET NEWS (DMN): AMS reports May 2016 total organic milk products sales at 217 million pounds, up 11.3% from the previous year. Sales are up 5.4%, January through May 2016, compared with the same months of 2015. This represents the greatest volume of total organic milk products sales since 2010 when USDA began tracking sales. May organic whole milk sales are 80 million pounds, up 25.5% from May last year. Year to date organic whole milk sales are up 16.4% compared to sales within the same period last year. Producers in some regions are experiencing slight reductions in organic milk pay prices. An organization representing western organic dairy producers recently articulated concerns that

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

ORGANIC DAIRY MARKET NEWS (PAGES 8-8A)
JULY SUPPLY AND DEMAND ESTIMATES (PAGES 9-10)

DAIRY GRAPHS (G1)
NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY JUL 11	TUESDAY JUL 12	WEDNESDAY JUL 13	THURSDAY JUL 14	FRIDAY JUL 15	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.7200 (N.C.)	\$1.7225 (+.0025)	\$1.7225 (N.C.)	\$1.7350 (+.0125)	\$1.7450 (+.0100)	:: (+.0250)	:: \$1.7290 (+.0415)
40# BLOCKS	\$1.6300 (N.C.)	\$1.6300 (N.C.)	\$1.6300 (N.C.)	\$1.6500 (+.0200)	\$1.6600 (+.0100)	:: (+.0300)	:: \$1.6400 (+.0387)
NONFAT DRY MILK GRADE A	\$.8975 (+.0075)	\$.8975 (N.C.)	\$.8700 (-.0275)	\$.8750 (+.0050)	\$.8750 (N.C.)	:: (-.0150)	:: \$.8830 (-.0001)
BUTTER GRADE AA	\$2.2750 (-.0075)	\$2.2500 (-.0250)	\$2.2725 (+.0225)	\$2.3025 (+.0300)	\$2.3200 (+.0175)	:: (+.0375)	:: \$2.2840 (-.0129)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.

Computed by Dairy Market News for international purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY

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

organic dairy processors are working toward reducing organic milk pay prices. Some producers believed that higher organic milk production and hence, availability, was a factor. There is commentary that some organic producers are now receiving lower pay prices than several months ago. This week, organic milk accounts for 33% of organic dairy ads, yogurt 19%, cottage cheese 16%, sour cream 13%, ice cream 9%, butter 7%, and cheese 2%. Total organic ad numbers increased 52%. However, organic yogurt reported the largest change in ad volume, 903%, prompted mostly by organic Greek yogurt 4-6 ounces, whose ads grew over 16 times the previous week ads. In addition, sour cream and cottage cheese saw noteworthy growth in ad volume, as ads for each of those commodities grew 653% and 415%, respectively.

NATIONAL RETAIL REPORT-DAIRY (DMN): Total conventional dairy ad numbers decreased 2%, while organic dairy ad numbers increased 52%. Conventional cream cheese in 8 oz. containers ad numbers dropped 29%, with an average price of \$1.89. Conventional half gallon flavored milk ad numbers rose 151% this week, with an average price of \$2.31. Conventional yogurt in 32 oz. containers, with an average price of \$2.37, saw ad numbers grow by 157%. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.19, down 14 cents from last week; 8 ounce shred cheese averaged \$2.19, down 11 cents from last week. Ads for 8 ounce organic shred cheese average \$3.99, up 29 cents compared to the previous week. The price spread between organic and conventional half gallon milk is \$2.05. Last week the spread was \$1.57. The price spread is the difference between the national weighted average price for organic, \$4.09, and conventional, \$2.04. Both conventional and organic milk ad numbers took a dip this current survey period, conventional milk number of ads dropped 38% and organic milk ads dropped 14%. The price spread between organic and conventional butter is \$1.77. The price spread is the difference between national weighted average prices for organic, \$4.82, and conventional, \$3.05. When compared to the previous week, the volume of ad numbers for conventional butter rose 10%, while organic ad numbers declined by 9%.

JULY SUPPLY AND DEMAND ESTIMATES (FMMO): The milk production forecast for 2016 is lowered from last month as the pace of cow herd expansion has slowed. However, the production forecast for 2017 is raised as higher forecast milk prices and lower feed costs in late 2016 and early 2017 are expected to lead to higher 2017 cow numbers. Fat basis exports are lowered for 2016 as slowing sales of butterfat products more than offset higher whole milk powder (WMP) exports. The forecast for 2017 is unchanged. On a skim-solids basis, the export forecasts for 2016 and 2017 are raised on higher WMP sales. For 2016 and 2017, imports are unchanged on a fat basis, but are raised on a skim-solids basis. Fat basis stocks are forecast higher as stocks of butter remain high, but on a skim-solids basis, stocks are reduced. Cheese, butter, nonfat dry milk, and whey prices for 2016 and 2017 are forecast higher as demand remains robust. Class III and Class IV price forecasts are raised for both 2016 and 2017 as the component product prices forecasts are raised. The all milk prices are forecast higher at \$15.55 to \$15.85 per cwt for 2016 and \$15.70 to \$16.70 per cwt for 2017.

CME GROUP

MONDAY, JULY 11, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.8925; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.8975; LAST OFFER UNCOVERED: 3 CARS GRADE A @ \$0.9100
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.2750; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2500; LAST OFFER UNCOVERED: NONE

TUESDAY, JULY 12, 2016

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.7200, 1 @ \$1.7225; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 4 CARS GRADE A: 1 @ \$0.9000, 1 @ \$0.8900, 1 @ \$0.8950, 1 @ \$0.8975; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8925; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8975
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.2500; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2400; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JULY 13, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6300; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 7 CARS GRADE A: 1 @ \$0.8975, 2 @ \$0.8900, 1 @ \$0.8925, 1 @ \$0.8975, 1 @ \$0.8900, 1 @ \$0.8700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2725; LAST OFFER UNCOVERED: NONE

THURSDAY, JULY 14, 2016

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.7225, 1 @ \$1.7250, 1 @ \$1.7300, 1 @ \$1.7325, 1 @ \$1.7350; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6500; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8750; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8500; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8800
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.3025; LAST OFFER UNCOVERED: NONE

FRIDAY, JULY 15, 2016

CHEESE -- SALES: 8 CARS BARRELS: 6 @ \$1.7375, 1 @ \$1.7425, 1 @ \$1.7450; 1 CAR 40# BLOCKS @ \$1.6600; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6575; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7500; 1 CAR 40# BLOCKS @ \$1.6700
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.8750; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 3 CARS GRADE AA: 2 @ \$2.3100, 1 @ \$2.3200; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.3050; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS**NORTHEAST**

Post-holiday butter production in the East slowed from the July 4 holiday levels. With current tightening of available cream, processors in some channels are compelled to satisfy contracted cream commitments ahead of churning. Regional butter producers with surplus cream on hand note that butter stocks are adequate for near term needs. Buyers are searching and able to find, at times, surplus loads through cash markets. Store ads dropped marginally in the Northeast, but retail and food service print butter interest is mostly steady. The Northeast bulk butter price is reported 5 to 8 over the market, based on CME Group with various time frames and averages used, as loads transition primarily through contracts. According to the DMN *National Retail Report-Dairy*, for July 8-14, the national weighted average advertised price for 1-pound butter is \$3.19, down \$0.19 from last week, but up \$0.17 from last year. The Northeast regional price is \$3.42, down \$0.01 from the previous week. In the Southeast, 1-pound butter is priced at \$3.42, down \$0.09 compared to last week's price. Tuesday's CME Group cash trading saw Grade AA butter close at \$2.25, down \$0.09 from last week.

DAIRY PRODUCTS: According to NASS, U.S. butter production for May 2016 totaled 169.9 million pounds, up 0.3% from May 2015 production, but down 3.7% from last month's production. Butter output in the Atlantic region was 17.3 million pounds, up 6.7% from last year, but down 9.1% from a month ago.

CENTRAL

Butter churns are busy in the Central region. Many manufacturers are running full schedules. However, a few butter makers are taking measures to slow down butter production. Cream is reportedly tightening after a short-lived increase in supply from the holiday

weekend. Several butter makers report being able to find additional loads of cream with more ease than they had anticipated for this time of year. Some market participants are bringing in loads of cream from other regions where cream is more readily available. A few manufacturers are microfixing butter for upcoming contracts and anticipated sales. Spot sales of bulk butter are intermittent. Some buyers report little to no opportunity to purchase bulk butter. A few industry participants speculate brokers and manufacturers who currently have butter inventories are comfortable sitting on their stocks, as they believe prices on butter will firm throughout Q3. Overall, butter inventories in the Central region are mixed. Bulk butter prices reported ranged from market to .0750 cents over the market, with various time frames and averages used. The market undertone is firm. The DMN *National Retail Report-Dairy* for July 8-14 noted the national weighted average advertised price for a 1 pound package of butter was \$3.19, \$0.19 below one week ago, but \$0.17 above one year ago. Prices in the Midwest region for 1 pound packages of butter range from \$1.77-\$3.49 with a weighted average price of \$2.81. The weighted average price in the South Central region is \$2.49. This week, a cooperative export assistance program accepted requests for 1.598 million pounds of butter. So far this year, the program has accepted assistance requests for 6.949 million pounds of butter. Wednesday at the CME Group, Grade AA butter closed at \$2.2725, down \$0.0100 from last Wednesday

WEST

Western butter makers continue to position themselves for the end-of-year butter season ahead. Domestic demand is steady and many manufacturers are maintaining stable production schedules to meet current needs. However, a few processors have slowed or suspended

-CONTINUED ON PAGE 2A-**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
July 9, 2016	2,3446 2,575,103	1,5567 13,970,760	1,6352 10,358,559	.2754 5,555,476	.8514 12,122,110

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

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their churns and have opted to sell cream to Class II manufacturers instead. Cream supplies are getting tighter, especially in the Southwest, but most butter makers say they are not having any trouble finding cream. Butter inventories are growing and are near seasonally high levels. Most butter makers are comfortable with the existing butter stocks. A few industry contacts say manufacturers are not too eager to release spot loads of bulk butter just yet, but are willing to hold on to the butter to assure coverage of late year demands. The DMN *National Retail Report–Dairy* for the week of July 8-14 found that the U.S. weighted average advertised price of 1 pound butter is \$3.19, down \$.19 from last week. The U.S. weighted average price was \$3.02 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$2.50, with a range of \$2.49-2.50. In the Northwest, the weighted average advertised price of 1 pound butter is \$3.28, with a range of \$2.99-3.50. This week, a cooperative export assistance program accepted requests for 1.598 million pounds (725 metric tons) of butter. So far this year, the program has assisted member cooperatives who have contracts to sell 6.9 million pounds of butter (82% milkfat) in export markets. Bulk butter pricing in the West this week is 1 cent under market to 3 cents above, based on the CME Group with various time frames and averages used. The Grade AA butter price at the CME Group on Wednesday closed at \$2.2725, down \$.0100 from a week ago.

CHEESE MARKETS

NORTHEAST

Plants are maintaining full production schedules at most area cheese operations in the Northeast. Manufacturing milk receipts remain heavy although warmer temperatures in the Northeast are leading to marginal drops in milk intake volumes. Sales to retail and food service outlets have eased following the July 4 holiday period, as typical seasonal conditions affect demand. Inventories are adequate and building. The CME Group weekly average prices for cheese barrels and blocks continued to strengthen through last week. As a result, the Northeast wholesale prices for 40# cheddar and Muenster increased \$0.0175 and prices for process 5# sliced increased \$0.0600. The Grade A Swiss price is unchanged. According to the *DMN National Retail Report-Dairy*, for July 8-14, the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.36, 3 cents up from the national average, but 10 cents down from a week ago. The Southeast 8 oz. block cheese price was \$2.33, up 17 cents from last week's Southeast region price. Tuesday's CME Group daily cash prices saw barrels close at \$1.7225, up \$0.0525 from last week. Blocks closed at \$1.6300, up \$0.0350 from week ago prices. According to *NASS Dairy Products*, U.S. total cheese production in May 2016 was 998.1 million pounds, 1.2% higher than a year ago and 0.7% above than the previous month. In the Atlantic region, total cheese production was 115.4 million pounds, 1.8% higher than a year ago, but 2.2% below than the previous month. The total cheese production and percentage change from one year ago for individual Eastern states are: New York 59.1 million pounds, +1.7%; Pennsylvania 33.8 million pounds, +2.3%; and Vermont 11.1 million pounds, +0.1%.

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

Cheddar 40# Block	:	2.0050-2.2900
Process 5# Sliced	:	1.8875-2.3675
Muenster	:	2.0250-2.3750
Grade A Swiss Cuts 10 - 14#	:	2.9650-3.2875

CENTRAL

Cheese production is active across the Central region. As warm weather prevails and the components in milk decrease, manufacturers are making production adjustments. Milk production is decreasing as well, but contracted milk intakes have not decreased enough to have a substantial impact on planned production for many Midwest cheese makers. A few manufacturers do report seeking spot loads of milk and/or condensed skim to fill any open spaces in production schedules. Sale volumes remain high. Some buyers continue to request additional loads outside of contracts. A few market participants note, specifically, that interest in processed cheese is growing. Overall, many industry contacts are seeing interest in the large majority of cheese varieties increase. Inventories are mixed. Several contacts report being comfortable with inventories now that strong sales have alleviated some stock pressure. International interest remains light as the U.S. dollar gains strength. The market undertone is steady. The *DMN National Retail Report-Dairy* shows that July 8-14 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.15, 15 cents lower than the national average. Midwest prices range from \$1.88-\$2.50. One year ago, the national price was \$2.34. For 8 ounce blocks, the Midwest average price is \$2.12, 21 cents below the national average price. Midwest ads are priced from \$1.88-\$2.50. Last year, the national price was \$2.28. Midwestern wholesale prices are unchanged for Swiss cuts, but up \$.0600 for process, and up \$.0175 for all other types. This week, a cooperative export assistance program accepted

requests for 972,239 pounds of cheese. So far this year, the program has accepted assistance requests for 29.070 million pounds of cheese. In CME Group trading Wednesday, barrels closed at \$1.7225, up \$.0525 from last Wednesday and blocks closed at \$1.6300, up \$.0500 from last Wednesday

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

Process American 5# Loaf	:	1.7800-2.1400
Brick And/Or Muenster 5#	:	1.9750-2.4000
Cheddar 40# Block	:	1.7025-2.0975
Monterey Jack 10#	:	1.9500-2.1550
Blue 5#	:	2.2425-3.2300
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7750-2.7150
Grade A Swiss Cuts 6 - 9#	:	2.4825-2.6000

WEST

Western cheese production remains active and strong. Plenty of milk is finding its way into cheese vats, even in areas where milk production is seasonally down. Domestic demand is good for most types of cheese. Retail cut and wrap cheese sales are solid. And process cheese sales are active while the nation is in the midst of grilling season. Cheese inventories continue to be long. Many market participants feel a large portion of the U.S. cheese stockpile is getting some age on it. Manufacturers are approaching the stocks in different ways. A few are trying to push milk into other manufactured dairy product production in lieu of producing more cheese. Others are seeking to rotate older commodity cheese out by blending with young cheese. In some cases, this is proving more difficult, as processors are finding fresh barrels a little harder to acquire. Cheese manufacturers are also noting the inverted spread between blocks and barrels, which has been largely in place since the end of April. The difference between the block and barrel price is prompting a few process cheese producers to make decisions between using blocks instead of barrels in the make process. The *DMN National Retail Report-Dairy* for the week of July 8-14 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.30, up \$.14 from last week, but down \$.04 from a year ago. Packs average \$2.12 in the Southwest and \$1.75 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.33, up \$.10 from last week, and up \$.05 from a year ago. Blocks average \$2.31 in the Southwest and \$2.00 in the Northwest this week. In the West, wholesale prices are up \$.0600 for process, and up \$.0175 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged. This week, a cooperative export assistance program accepted requests for 972,239 pounds (441 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 29.1 million pounds of cheese in export markets. In CME Group trading Wednesday, barrels closed at \$1.7225, up \$.0525 from a week ago and blocks closed at \$1.6300, up \$.0500.

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

Process 5# Loaf	:	1.7950-2.0525
Cheddar 40# Block	:	1.7075-2.1525
Cheddar 10# Cuts	:	1.8875-2.1075
Monterey Jack 10#	:	1.8975-2.0575
Grade A Swiss Cuts 6 - 9#	:	2.5425-2.9725

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CHEESE MARKETS

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FOREIGN

Sliced cheese manufactured in the EU continues to be in high demand from EU buyers. Supplies of semi-hard cheese are tight. The inventory of cheese in EU aging programs is at a low level relative to what is considered normal for this time of year. Cheese manufacturers do not seem to be increasing production to replenish stocks, due to competing demands for milk. Demand for cheese from the EU retail food sector is noted as very strong. In the U.S., wholesale domestic blue, gorgonzola, parmesan and Romano cheese prices increased \$0.0175 following higher weekly average CME Group block prices. The remaining prices are unchanged.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.2300	2.1700-3.6575*
Gorgonzola	3.6900-5.7400	2.6775-3.3950*
Parmesan (Italy)	-0-	3.5600-5.6500*
Romano (Cows Milk)	-0-	3.3600-5.5100*
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-	3.0025-3.3250
Swiss Cuts Finnish	2.6700-2.9300	-0-

* = Price change.

COLD STORAGE

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

	BUTTER	CHEESE
07/11/16	31,505	92,432
07/01/16	30,664	92,020
CHANGE	841	412
% CHANGE	3	0

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	90	0	65	0	50
SOUTHEAST STATES	0	0	0	0	0	0

Hot, humid and dry conditions in most areas of the East are prompting declines in farm-level milk production. In the Northeast, milk production is somewhat steady but handlers note heat and humidity levels depress cow comfort and milk production, as volumes are marginally lower. In some areas, drought conditions are beginning to strengthen with the onset of hot, dry weather patterns. Mid-Atlantic milk output is declining. Manufacturing operations have adequate milk supplies available, as most Class II dairy processors are continuing to run full production schedules. Milk production in the Southeast region has declined significantly due to the extended bouts of hot and humid weather. Bottling plants are adding loads, due to lighter load weights. The frequency of load rejections and temperature issues have increased. Florida milk production continues to rapidly decline. Fluid milk sales are steady to lower. Milk export shipments rose to 90 loads this week, 25 more than the previous week. Seasonal declines in milk production and raised demand for **condensed skim** in ice cream production are not significantly affecting the region's ample condensed skim volumes. Dryers are still running at/near capacity as volumes channel to Class IV production. This week, **cream** demand increased but supplies waned. Spot sales of cream are above contract prices in some instances, an indication that overall cream demand is good. Cream **multiples** for all classes inched higher this week, **1.25-1.38**. Ice cream, ice cream mix and cream cheese processors are staying busy while pulling the bulk of the cream supply. According to the DMN *National Retail Report-Dairy*, for July 8-14, the U.S. weighted average advertised price for a gallon of milk was \$2.32, a \$0.04 increase from last week, but a \$0.49 decrease compared to last year. The weighted average regional price for a gallon of milk in the Northeast was \$2.17, down 33 cents from last week. Wednesday's CME Group cash trading saw Grade AA butter close at \$2.2725, down \$0.0100, from a week ago.

DAIRY PRODUCTS: According to NASS, hard ice cream production in the Atlantic region for May 2016 totaled 15.5 million gallons, 3.6% more than a year ago and 2.60% more than the previous month. Cumulative national production through May totals 331.8 million pounds, 2.7% more than a year ago. U.S. yogurt production for May 2016 totaled 380.2 million pounds, down 4.2% from a year ago and down 3.0% 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 - 22.8711-3.1697

F.O.B. producing plants: upper Midwest - 2.6644-3.0319

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

Northeast - Class II - includes monthly formula prices - .20-.85

Northeast - Class III - spot prices - .20-.55

MIDWEST

Milk production is dropping in the Central region. Milk processors are making adjustments as the components in milk decrease as well. A few milk marketers feel drops in components will not be as severe as in previous years. They attribute this to a mild summer in the North Central region. Industry contacts do not feel there is a short supply of milk in the North Central area nor do they anticipate a shortage in the

upcoming weeks. Spot loads of milk are available, but some contacts feel they are harder to come by. Spot loads are being reported at flat to \$2.50 under class. Bottlers report a steady demand from retail outlets. The Central region cream market is mixed this week. Many market participants report a tightening cream supply reflected by higher multiples. However, a few market participants shopped around and report purchasing spot loads of cream at lower multiples. Overall, industry contacts feel that at the end of this week, flowing into next week, cream will continue to tighten and multiples will climb. Several market participants report a more readily available supply of cream for this point in the season than what was anticipated based on historic seasonal trends. Ice cream manufacturers are running full schedules, pulling large amounts of cream into production. Class II cream multiples are steady to higher this week, 1.16 to 1.32 The DMN *National Retail Report-Dairy* for July 8-14 noted the national weighted average advertised price for one gallon of milk was \$2.32, up \$0.04 from a week ago, but \$0.49 lower than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.14 and \$2.39, respectively. Corn in the North Central region is beginning to silk and corn conditions are rated 86 percent good to excellent. Soybeans are starting to set pods. Winter wheat is in good to excellent condition and ninety three percent of this year's crop has turned color. Winter wheat harvest is nearing completion in the South Central area. Corn is starting to dry down and producers are preparing for harvest in the most southern parts of the region.

WEST

In California, temperatures remain similar to the previous week. Consequently, farm milk yields are steady this week. However, milk butterfat continues at the lowest level of the year. Bottled milk sales to retailers are higher as many grocery stores are restocking shelves. Meanwhile, orders from restaurants are steady. Condensed skim demand from NDM processors is strong. Interest for flavored milk, as chocolate milk, is active. Ice cream sales are seasonally inching up. Dairy farmers' demand for premium/supreme alfalfa hay is picking up, but supplies are tight in California. Consequently, dairy operators are buying high quality alfalfa hay from nearby states. The August 2016 Class 1 prices in California are \$16.37 in the north and \$16.64 in the south. The statewide average Class 1 price based on production is \$16.38. This price is \$1.50 higher than July 2016, but \$1.29 lower than August 2015. Farm milk production in Arizona has plateaued, as daytime temperatures are slightly lower this week. Bottled milk requests from the retail sector are lower as interest for soft drinks and other popular summer beverages inch up. Class I sales to the food service sector are even. Condensed skim sales are slightly lower as some NDM processing operations have repair/maintenance work throughout the week. Demands for Class II dairy products as ice cream and frozen desserts are seasonally strong. Milk output is trending lower in New Mexico. The warmer climate is rising heat stress in dairy cattle. Class I sales to supermarkets and restaurants are higher this week. Sales into Class II are lower. Condensed skim demand from NDM producers is active. Manufacturing milk volumes moving to Class III processing plants are steady to slightly lower. Dairy operators' demand for alfalfa hay is light. New Mexico is between the third and fourth cutting of alfalfa hay. According to the DMN *National Retail Report-Dairy* for the week of July 8-14, the national weighted average advertised price for one gallon of milk is \$2.32, up 4 cents from last week, but 49 cents below a year ago. The weighted average regional prices in the Southwest and Northwest are \$2.55 and \$1.99, respectively. Pacific Northwest milk production is steady and industry contacts say milk

FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

intakes are in good balance with processing needs. Only the occasional load of milk needs extra transportation to find a home. Temperatures have moderated from early summer heat and cow comfort is high. Some dairies are adjusting rations to lower feedstuff costs. Higher test hay comes with a little higher price tag and is harder to find. A lot of the hay made this year has some rain damage. Industry contacts in the mountain states of Colorado, Idaho and Utah report an abundance of milk. Milk production typically peaks in late June or early July, and this year is providing no real surprises. In Idaho, recent mild temperatures have helped move milk intakes to flush levels after a few short periods of hot weather. Most manufacturers have plenty of milk and excess milk is getting pushed into other states. A bunch of the spot loads of milk are moving into Western powder plants at \$4 to \$5 under Class IV prices. Hay is in good supply. Many farms are busy with second cuttings, or just starting third crop hay. In the West, cream availability is tight. Demand from ice cream manufacturers is strong. Cream volumes moving into butter churning are steady. However, a few processors are selling cream in lieu of churning. The western cream market undertone is firm. This week, multiples for all classes are mixed, ranging from 1.13 to 1.28.

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 heat nonfat dry milk prices are steady this week on light trading. Production is active in the Central region. Farm level milk output is slowly decreasing as the region faces prolonged hot, humid weather. Manufacturers continue to make low/medium heat NDM a priority when scheduling dryer runs. Demand is mixed. Some buyers are cautious in the current market and are choosing to stay on the sidelines. Other industry contacts feel demand is picking up and report growing inquiries from buyers. Inventories in the Central region are generally long. Steady demand and active production are building inventories for several manufacturers. Heavy stocks have some industry contacts questioning the longevity of firming prices. International interest is steady. The market undertone is steady. High heat nonfat dry milk prices in the Central region are unchanged this week. Very few manufacturers are producing any high heat NDM that is not already committed. Inventories are tight and many manufacturers report having no availability for spot load sales. The market undertone is steady.

EAST: Prices for low/medium heat nonfat dry milk (NDM) are unchanged in both price series. Production remains active. Marginal declines in milk production have offered limited resistance to steady drying rates of low/medium nonfat milk at some facilities. NDM is moving with improved demand from cheese manufacturers as needed for product fortification and from ice cream through contracts. Manufacturers continue to add to increasing stocks. The market expectations of a noteworthy price drop, at this point, are viewed as doubtful by some in the market, as low/medium heat NDM forward contracts expand. Global interest is good. High heat NDM prices are unchanged again this week on very light trading. Production is on an as-needed basis to meet contractual needs. Most manufacturers' inventories are adequate for near term contracts. The market undertone is currently steady.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8300 - .9600 MOSTLY: .8500 - .8900
 HIGH HEAT: .8800 - .9800

NONFAT DRY MILK - WEST

Western prices for low/medium heat nonfat dry milk (NDM) are mixed on the range, but shifted up on the mostly series. Some resellers are still confused about the upward NDM spot price movement during the recent weeks. According to them, supplies are readily available in the f.o.b. spot market. However, offers from manufacturers to brokers have declined this week. On the other hand, some processors indicate that NDM stocks are trending lower in line with the regional farm milk production. At this point, the market undertone is firm. International demand, especially from Mexico, is strong. Domestic demands from bakers and dry mix manufacturers are active. Spot sales activity has been light to moderate throughout the week. Low/medium heat NDM manufacturing is steady, but at a lower rate compared to Q1 and Q2 production. Inventories are steady to lower in many processing plants. High heat nonfat dry milk prices are unchanged. Demand from the bakery sector is active. High heat NDM processing is sporadic, mostly dictated by contractual requirements. Inventories are tight. Therefore, sales in the f.o.b. spot market are limited.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8150 - .9500 MOSTLY: .8700 - .9300
 HIGH HEAT: .9100 - 1.0225

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
July 8	\$.8668	6,516,484
July 1	\$.7755	7,988,919

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices in the Central region are unchanged this week. Production is mixed. Cream is more readily available in the Central region than manufacturers had anticipated for this point in the year, therefore some butter manufacturers continue to run full schedules. However, producers with a larger supply of buttermilk than they had anticipated are choosing to move some as condensed buttermilk instead of drying. Demand is steady to lighter this week with minimal spot activity. A few industry contacts report receiving offers for dry buttermilk, but do not feel pressed to make a sale. Inventories are mixed. Some manufacturers report no spot load availability and are producing just to meet contractual obligations. Other market participants are managing large inventories of dry buttermilk. The market undertone is steady.

EAST: Prices for East dry buttermilk are steady. Production runs vary amongst processors, as the emphasis of dryer operations continues to center on managing condensed skim volumes. In clearing up dryer time, fairly active trading of condensed buttermilk is taking place as increasing activity in ice cream manufacturing pulls heavily on condensed buttermilk. Hence, the level of dry buttermilk holdings of Eastern processors are somewhat nebulous, but stocks are usually on hand to satisfy immediate and near-term customer needs. Market sources note inventories are building in some areas. This week, interest is steady on fairly light trading, as a few market participants pause momentarily while attending a dairy industry conference. In the meanwhile, buyers/sellers are curious whether the NDM price, which some see as fundamentally unsound, drives a higher than rational dry buttermilk price.

F.O.B. CENTRAL/EAST: .7500 - .8600

DRY BUTTERMILK - WEST

Western dry buttermilk prices are higher on the range and mostly series on light trading. The upward NDM price movements are boosting dry buttermilk prices. Also, the value for butterfat is helping too. The dry buttermilk market undertone is firmer as the demand is above the current supply. Interest from the bakery sector is active. Dry buttermilk production is trending lower as significant volumes of condensed buttermilk are moving into ice cream processing. Consequently, inventories are tight throughout the region.

F.O.B. WEST: .7450 - .8200 MOSTLY: .7500 - .8000

-CONTINUED ON PAGE 5A-

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 WHOLE MILK - NATIONAL

Prices for national dry whole milk are mixed. Some Q3 contracts based on exports pushed down the bottom of the range. On the other hand, some Q3 contracts based on domestic sales pulled up the top of the range. Some manufacturers are trying to compete with the lower international prices, dropping prices at or close to the bottom of the price range. According to some industry participants, the domestic market undertone is balanced in the East and Central region, but unsettled in the West. Production is trending lower. Inventories vary from plant to plant. This week, a cooperative export assistance program accepted requests for 440,925 pounds of dry whole milk. So far this year, the program has accepted assistance requests for 20.847 million pounds of dry whole milk.

F.O.B. PRODUCING PLANT: 1.1800 - 1.4500

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Dry whey prices are slightly higher on the low end of the price range series while the mostly series holds steady. Cheese vats remain full keeping the whey stream flowing and dryers full with whey. Several manufacturers report increased calls from potential buyers. Some market participants are confident in raising prices while maintaining current interest levels from buyers. Some industry contacts feel a large amount of domestic sales is contract driven. International buyers are reportedly active on the dry whey spot market. Central region whey inventories are mixed. Active production is resulting in building inventories for some market participants, while strong sales have aided in inventory relief for other industry contacts. A few manufacturers report tight whey stocks. The market undertone is firming. Prices for animal feed whey are slightly higher on the top end of the range price series. Production is active to meet contractual needs. A few market participants report active blending using current dry whey inventories and off specification dairy powders. Some industry contacts feel the availability of animal feed whey is tightening. Feed blenders report being comfortable with current stocks on hand. The market undertone is steady.

F.O.B. CENTRAL: .2300 - .3500 MOSTLY: .2350 - .2750
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1300 - .2150

DRY WHEY - NORTHEAST

Prices for dry whey advanced slightly. Prices adjusted higher this week based on limited trading in the f.o.b. spot sale market and contract pricing based on multiple indices. Sufficient whey streams are moving to production due to strong regional cheese manufacturing. Interest is increasing seasonally in the domestic market, as active trading occurs in the international markets. Inventories of dry whey are adequate in most channels.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2550 - .3000

DRY WHEY - WEST

Western whey prices moved higher again this week. Domestic demand is decent and export markets are requesting a little more. Industry contacts continue to consider the Southeast Asian pork industry's purchase of more whey and whey permeate for feed as a significant lift to whey market prices. However, it is unclear at this time whether recent flooding in Southeast Asia and the resulting damage to pig farms may slow the upward price movement. Dry whey inventories are mixed. A few manufacturers have been able to clear stocks through domestic and export channels, but some say dry whey is readily available. Western whey production is steady.

NONHYGROSCOPIC: .2350 - .3400 MOSTLY: .2500 - .2925

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices moved slightly higher on the bottom of the range and the top of the mostly price series. Industry contacts describe good demand for WPC34% that has qualities desired for certain markets. A few manufacturers report brokers and end users are seeking additional loads of WPC34%. Contracted shipments are moving well, however, some processors say available stocks are already committed. Production is generally steady to lower. A few manufacturers continue to shift to higher protein concentrations in lieu of making WPC34%.

F.O.B. EXTRA GRADE 34% PROTEIN: .5900 - .7800 MOSTLY: .6650 - .7275

LACTOSE - CENTRAL AND WEST

Lactose prices are fairly steady, but moved higher at the top end of the mostly price series on spot sales. Manufacturers report generally committed inventories, but a few industry contacts say unground or lower-mesh stocks are more readily available. Processors are running full production schedules at their facilities and a number of lactose producers say there is more demand than supply. A few manufacturers report having to turn away buyers because of limited lactose stockpiles and bids not meeting the manufacturers' expected price. Some buyers are asking processors for advance pricing on Q4 lactose requests. The market tone for lactose is slowly firming.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1850 - .3775 MOSTLY: .2300 - .3225

CASEIN - NATIONAL

Casein prices are up slightly. Rennet casein prices are up at each end of the price range while acid casein prices are up at the bottom of the range. With no GDT event this week, there have been no significant price signals aside from some individual trading information. The EU and New Zealand are major exporters of casein. There are contrary trends as to volumes. EU casein exports January-April this year increased 49.7% from the same period last year, according to Eucolait. This has led to some tightening of current stock availability. New Zealand exports January-May decreased 7.2% from the same period of 2015. The United States is the largest export destination for New Zealand casein, receiving 33.4% of exports. As for the EU, the U.S. is the second largest export destination, with 15.6%. The largest volumes moving to the U.S. from EU nations are from Netherlands, 9.9% of total U.S. casein imports, and Ireland, 9.0%. January-May U.S. casein imports are 8.6% below the same period of 2015.

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: 2.6000 - 2.8500
ACID: 2.6500 - 2.9000

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
06/25/2016	49.0	1,449.8	50.5	1,471.5

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

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

CLASS III MILK PRICES (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82
2015	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	14.44

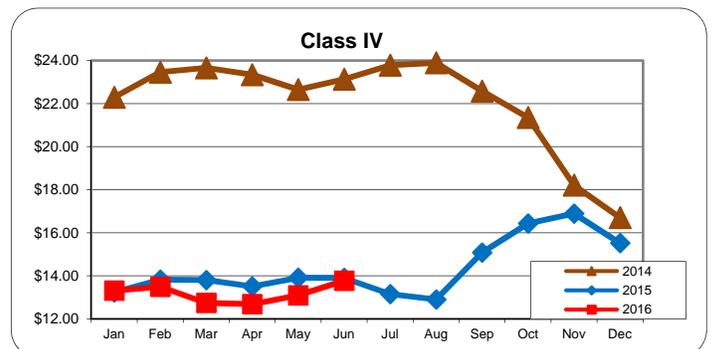
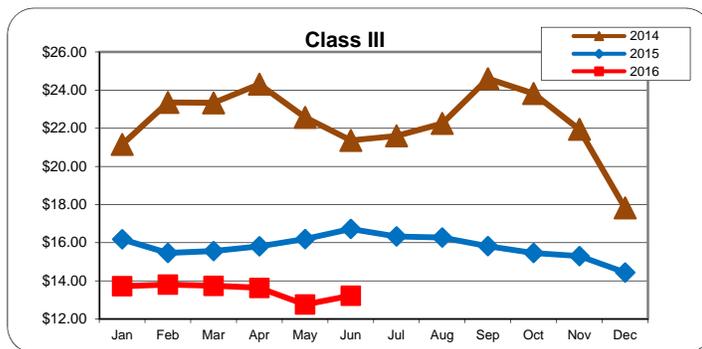
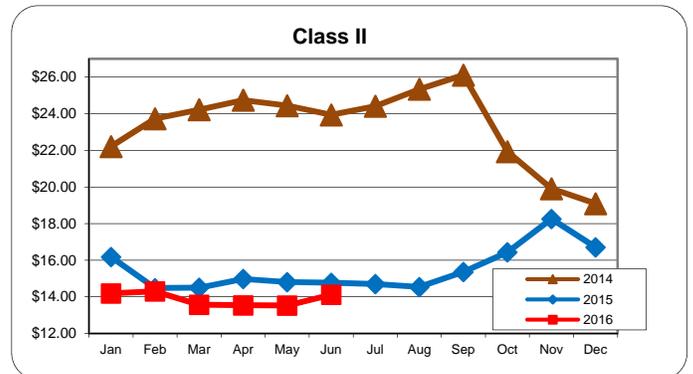
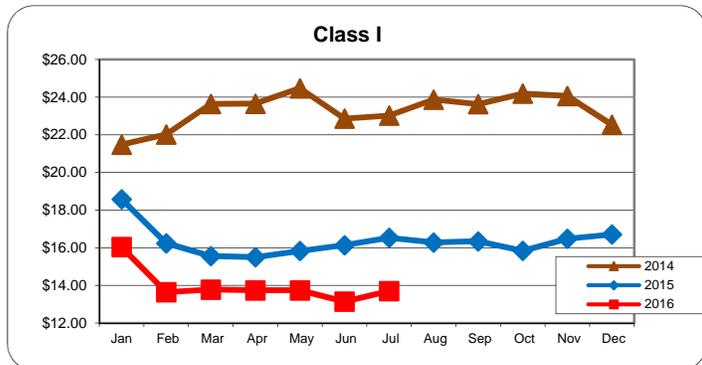
CLASS IV MILK PRICES (3.5%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2011	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87
2012	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41	18.54	18.66	17.83
2013	17.63	17.75	17.75	18.10	18.89	18.88	18.90	19.07	19.43	20.17	20.52	21.54
2014	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35	18.21	16.70
2015	13.23	13.82	13.80	13.51	13.91	13.90	13.15	12.90	15.08	16.43	16.89	15.52

FEDERAL MILK ORDER CLASS PRICES FOR 2016 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.04	13.64	13.78	13.74	13.70	13.14	13.70					
II	14.19	14.30	13.57	13.54	13.53	14.12						
III	13.72	13.80	13.74	13.63	12.76	13.22						
IV	13.31	13.49	12.74	12.68	13.09	13.77						

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



ORGANIC DAIRY MARKET NEWS

Information gathered July 4 - 15, 2016

ORGANIC DAIRY FLUID OVERVIEW

AMS reports May 2016 total organic milk products sales at 217 million pounds, up 11.3% from the previous year. Sales are up 5.4%, January through May 2016, compared with the same months of 2015. This represents the greatest volume of total organic milk products sales since 2010 when USDA began tracking sales.

May organic whole milk sales are 80 million pounds, up 25.5% from May last year. Year to date organic whole milk sales are up 16.4% compared to sales within the same period last year.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, May 2016, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	May, Mil. Lbs.	Y-T-D	Prev Yr. Percent	Y-T-D
ORGANIC PRODUCTION PRACTICE				
Whole Milk	80	384	25.5	16.4
Reduced Fat Milk (2%)	66	332	13.7	11.8
Low Fat Milk (1%)	37	184	0.9	2.3
Fat-Free Milk (Skim)	27	137	-4.8	9.5
Flavored Fat-Reduced Milk	7	36	-16.9	29.7
Other Fluid Milk Products	0	1	--	--
Total Fat-Reduced Milk 3/	137	690	4.3	0.1
Tot. Organic Milk Products	217	1,075	11.3	5.4

*Total Fluid Milk Products Adjusted for Calendar Composition will not be published until release of "An Overview of Calendar Composition of Fluid Milk Sales." 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/ Sales volumes and percent changes have been adjusted for calendar composition.

Organic Milk Pay Prices. Producers in some regions are experiencing slight reductions in organic milk pay prices. An organization representing western organic dairy producers recently articulated concerns that organic dairy processors are working toward reducing organic milk pay prices. Some producers believed that higher organic milk production and hence, availability, was a factor. There is commentary that some organic producers are now receiving lower pay prices than several months ago.

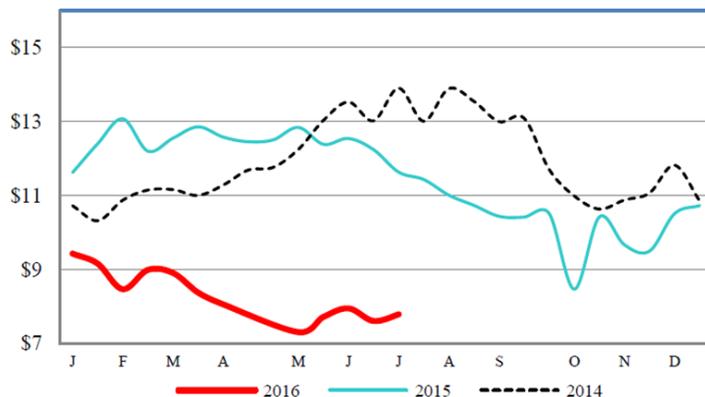
Midwest Organic Cheese Pricing. Some larger manufacturers of organic cheese in the Midwest have been building inventories of 40# blocks available for sale. Plans are to continue building through the fall. Current pricing for blocks is \$4.3500/pound. Last Friday the weekly average for conventional 40# blocks on CME Group cash trading was \$1.6013, which represents an organic premium of \$2.7487. Some smaller manufacturers who are certified to make organic cheese, but are also in the conventional cheese market, have stopped making organic cheese in recent months.

For manufacturers with smaller volumes and less steady output, it is more challenging to form relationships with buyers seeking assured deliveries on a continuing basis, leaving those sales efforts more of a spot market nature and less contract based. Difficulties in finding current organic spot market buyers are cited, in addition to not being willing to financially commit to holding inventories in the hopes of future sales. The ability to more easily and quickly sell conventional cheese and receive current revenues is a financial motivator. Nevertheless, sales of organic cheese by some manufacturers are up in the range of 15% year over year.

Midwest Organic Whey Update. In some Midwest facilities certified to manufacture organic whey, no organic dry whey is currently being manufactured and no product is currently available to sell. Reasons cited are production challenges and opportunities to sell liquid whey to other secondary product manufacturers with substantial demand for protein powders.

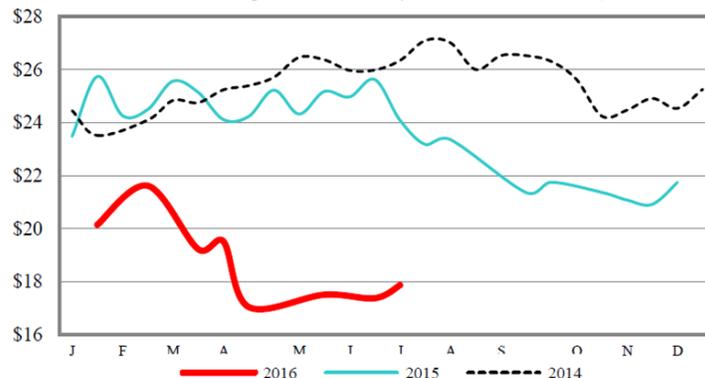
ORGANIC GRAIN AND FEEDSTUFF MARKETS: Organic grains trading is moderate on moderate demand. Trading is inactive on food grade corn and soybeans, roasted soybeans, barley, and food grade wheat. Feed grade corn trade volume is steady, and demand is moderate at 38 cents higher f.o.b. than the prior trading period. Feed grade soybean trading volume is steady to slightly lower, with demand moderate and prices 49 cents higher f.o.b. Trading activity on soybean meal is too light to trend, but steady undertones are noted. Trading is too limited on soybean oil to trend, but steady undertones are noted. Feed grade SRW wheat trading is moderate. Forward contract activity on new crop organic grains is limited with grower bids on feed corn \$7.00 to \$9.25 per bushel delivered, feed soybeans \$17.00 per bushel delivered, HRS and HRW wheat bids \$7.50 to \$8.00 per bushel delivered, and SRW wheat bids \$7.50 to \$9.25 per bushel delivered.

National Organic Feed Corn Prices (\$/bu)



Data source/graph USDA Livestock, Poultry & Grain Market News

National Organic Feed Soybean Prices (\$/bu)



Data source/graph USDA Livestock, Poultry & Grain Market News

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

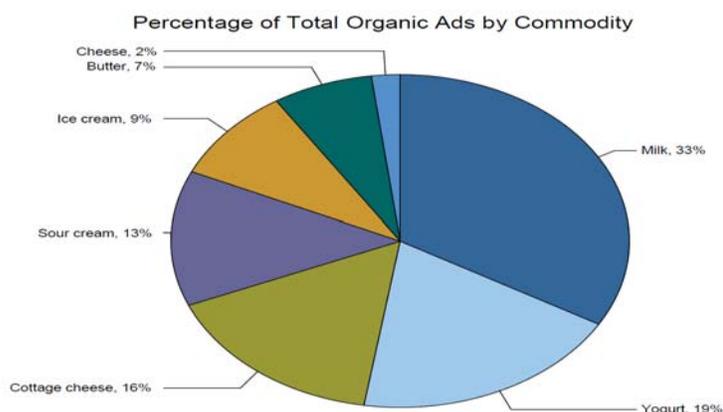
ORGANIC DAIRY RETAIL OVERVIEW

Organic Dairy Overview. This week, organic milk accounts for 33% of organic dairy ads, yogurt 19%, cottage cheese 16%, sour cream 13%, ice cream 9%, butter 7%, and cheese 2%. Total organic ad numbers increased 52%. However, organic yogurt reported the largest change in ad volume, 903%, prompted mostly by organic Greek yogurt 4-6 ounces, whose ads grew over 16 times the previous week ads. In addition, sour cream and cottage cheese saw noteworthy growth in ad volume, as ads for each of those commodities grew 653% and 415%, respectively.

ORGANIC DAIRY MARKET NEWS

Information gathered July 4 - 15, 2016

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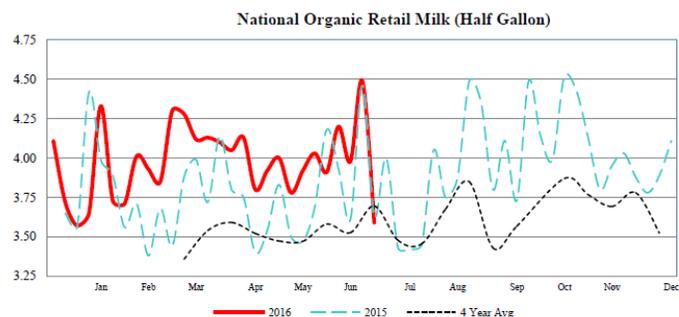
Data source/graph USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from July 15-21, 2016 identifying weekly “specials” and containing organic dairy content. Surveyed ads reflect advertised “specials” and not the range of non-advertised supermarket cooler prices.

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

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

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is \$4.09, up 50 cents from last week and up 9 cents from a year ago. Ads appeared throughout every region except Alaska and Hawaii.



Data source/graph USDA/AMS/Dairy Market News

Organic Milk Gallons. The U.S. weighted average advertised price of organic milk gallons is \$5.65, 73 cents less than the previous week and 68 cent less than a year ago. Retail ads appeared throughout every region except Alaska and Hawaii.

Organic Cheese Shreds. The U.S. weighted average price of 8 ounce organic cheese shreds is \$3.99, up 29 cents from last week and up 20 cents from a year ago. Retail ads appeared in the South Central and Northwest regions.

Organic Butter. The U.S. weighted average price of 1 pound organic butter is \$4.82, down 39 cents from last week and down 18 cents from a year ago. Retail ads appeared in the Northeast, Midwest, South Central, and Southwest regions.

Organic Sour Cream. The U.S. weighted average price of 16 ounce sour cream is \$3.32, up 93 cents from last week, but up \$1.33 from a year ago. Retail ads appeared throughout every region except in Alaska and Hawaii.

Organic Greek Yogurt. The U.S. weighted average price of 4-6 ounce Greek yogurt is \$1.06, down 19 cents from last week and down 13 cents from a year ago. Retail ads appeared in the Northeast, Southeast, Midwest, South Central, and Southwest regions.

July Supply and Demand Estimates

The milk production forecast for 2016 is lowered from last month as the pace of cow herd expansion has slowed. However, the production forecast for 2017 is raised as higher forecast milk prices and lower feed costs in late 2016 and early 2017 are expected to lead to higher 2017 cow numbers. Fat basis exports are lowered for 2016 as slowing sales of butterfat products more than offset higher whole milk powder (WMP) exports. The forecast for 2017 is unchanged. On a skim-solids basis, the export forecasts for 2016 and 2017 are raised on higher WMP sales. For 2016 and 2017, imports are unchanged on a fat basis, but are raised on a skim-solids basis. Fat basis stocks are forecast higher as stocks of butter remain high, but on a skim-solids basis, stocks are reduced. Cheese, butter, nonfat dry milk, and whey prices for 2016 and 2017 are forecast higher as demand remains robust. Class III and Class IV price forecasts are raised for both 2016 and 2017 as the component product prices forecasts are raised. The all milk prices are forecast higher at \$15.55 to \$15.85 per cwt for 2016 and \$15.70 to \$16.70 per cwt for 2017.

U.S. Milk Supply and Use					
Commodity	2015	2016 Projected		2017 Projected	
		Jun	Jul	Jun	Jul
Milk	<i>(billion pounds)</i>				
Production	208.6	212.6	212.4	215.3	215.6
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	11.2	13.3	13.3	13.1	13.5
Marketings	207.7	211.6	211.5	214.3	214.6
Imports	5.7	6.8	6.8	6.7	6.7
Total Commercial Supply	224.6	231.7	231.6	234.1	234.8
Fat Basis Use					
Commercial Exports	8.8	8.5	8.4	8.7	8.7
Ending Commercial Stocks	13.3	13.1	13.5	12.2	12.8
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	202.5	210.2	209.7	213.2	213.3
Skim-Solid Basis Supply					
Beginning Commercial Stocks	13.1	13.9	13.9	14.3	13.8
Marketings	207.7	211.6	211.5	214.3	214.6
Imports	5.9	6.4	6.5	6.2	6.3
Total Commercial Supply	226.7	231.8	231.9	234.8	234.7
Skim-Solids Basis Use					
Commercial Exports	37.3	36.0	36.4	37.1	37.3
Ending Commercial Stocks	13.9	14.3	13.8	14.0	13.8
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	175.5	181.5	181.7	183.7	183.6

NOTE: Totals may not add due to rounding.

Continued on page 10

July Milk Supply and Demand Estimates-cont'd

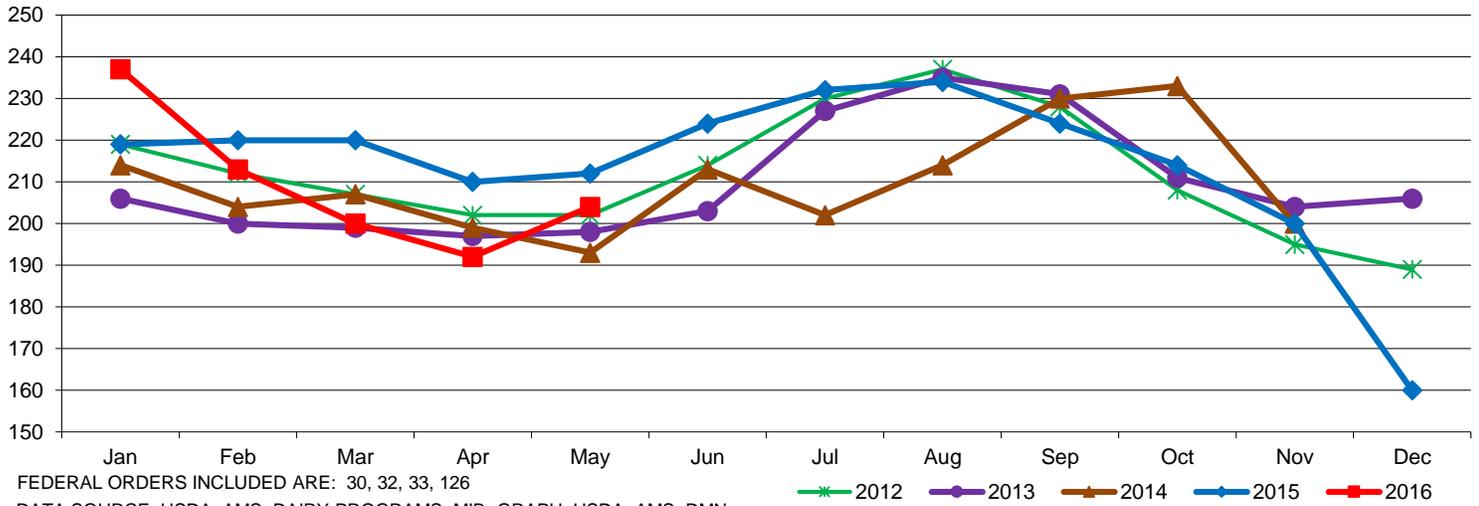
U.S. Dairy Prices					
Commodity	2015	2016 Projected		2017 Projected	
		Jun	Jul	Jun	Jul
<i>(dollars per pound)</i>					
Product Prices ¹					
Cheese	1.6454	1.475-1.515	1.515-1.545	1.535-1.635	1.565-1.665
Butter	2.0670	2.050-2.120	2.155-2.215	1.880-2.010	1.940-2.070
Nonfat Dry Milk	0.9016	0.760-0.800	0.785-0.815	0.855-0.925	0.865-0.935
Dry Whey	0.3804	0.240-0.260	0.250-0.270	0.255-0.285	0.280-0.310
<i>(dollars per cwt)</i>					
Milk Prices ²					
Class III	15.80	13.40-13.80	13.90-14.20	14.00-15.00	14.50-15.50
Class IV	14.35	13.15-13.65	13.80-14.20	13.15-14.25	13.50-14.60
All Milk ³	17.12	14.95-15.35	15.55-15.85	15.25-16.25	15.70-16.70
Quarterly					
	2016 II	2016 III ⁴	2016 IV ⁴	2017 I ⁴	2017 II ⁴
<i>(billion pounds)</i>					
Milk Production	54.4	52.5	52.5	53.4	55.3
<i>(dollars per cwt)</i>					
All Milk Price ^{2,3}	14.65-14.75	15.60-16.00	16.25-16.95	15.60-16.60	15.05-16.05
Class III Price ²	13.15-13.25	14.35-14.75	14.35-15.05	14.00-15.00	14.20-15.20
Class IV Price ²	13.10-13.30	14.60-15.10	14.35-15.15	13.35-14.45	13.05-14.15

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

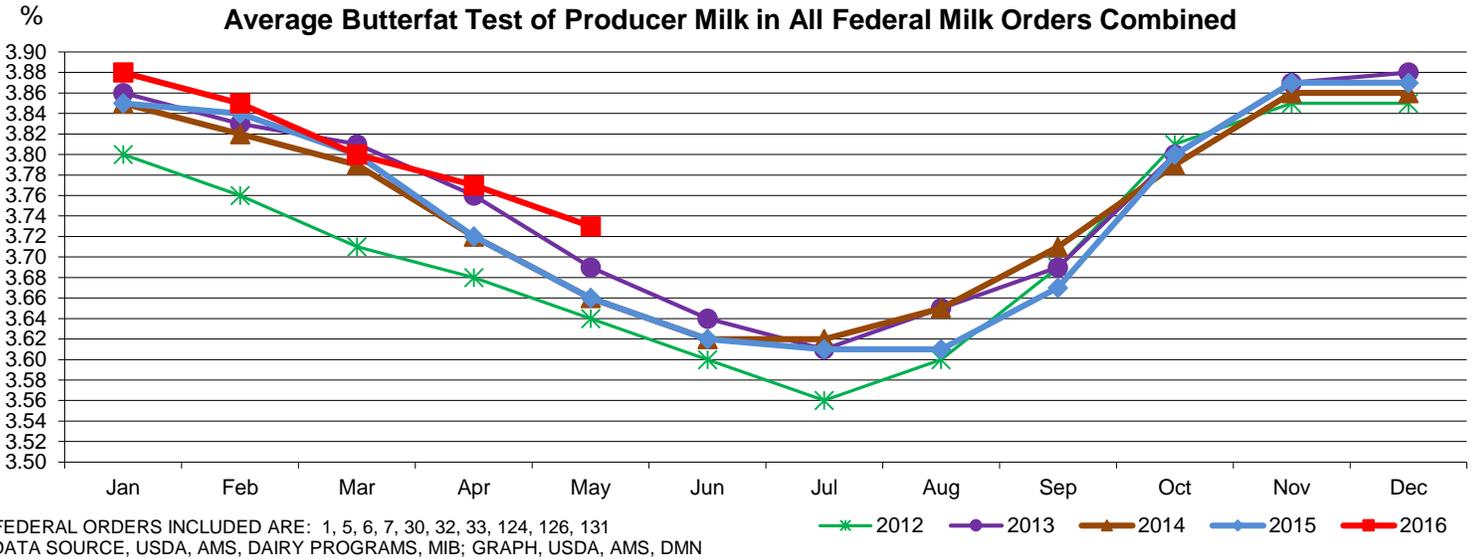
Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-555, July 12, 2016*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Roger Cryan, AMS; Paul Kiendl, FAS; Jerry Cessna, ERS; and Milton Madison, FSA].

Average Somatic Cell Count of Producer Milk in Four Federal Milk Orders Combined

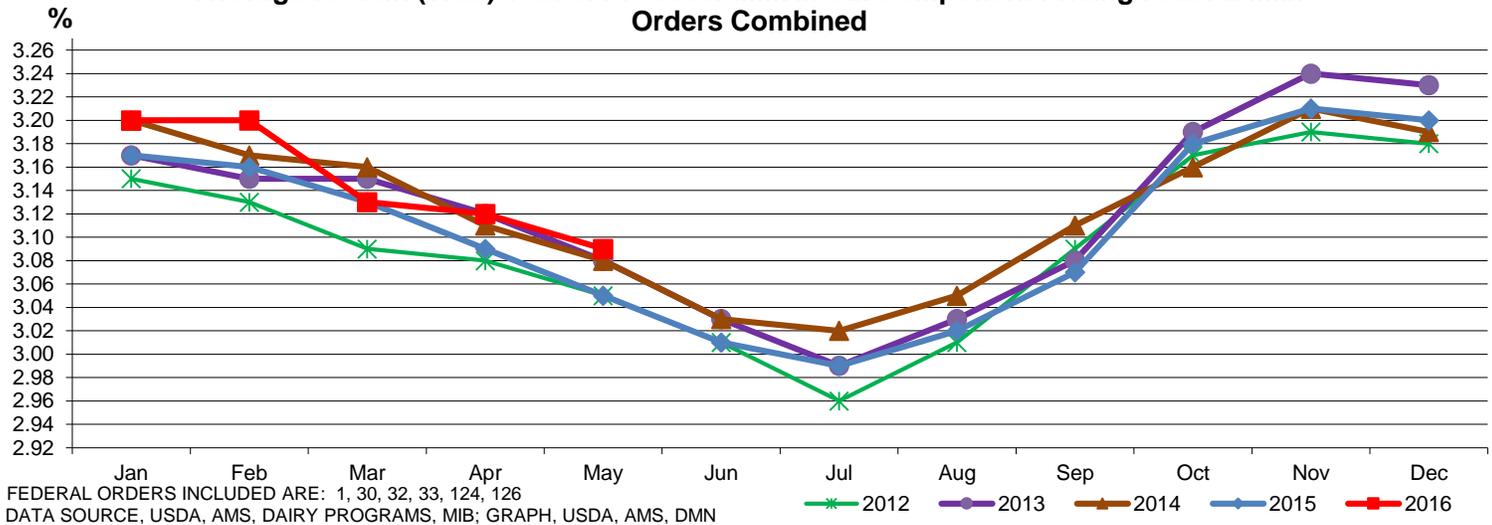
THOUSANDS



Average Butterfat Test of Producer Milk in All Federal Milk Orders Combined



Average Protein (True) Test of Producer Milk in Six Component Pricing Federal Milk Orders Combined





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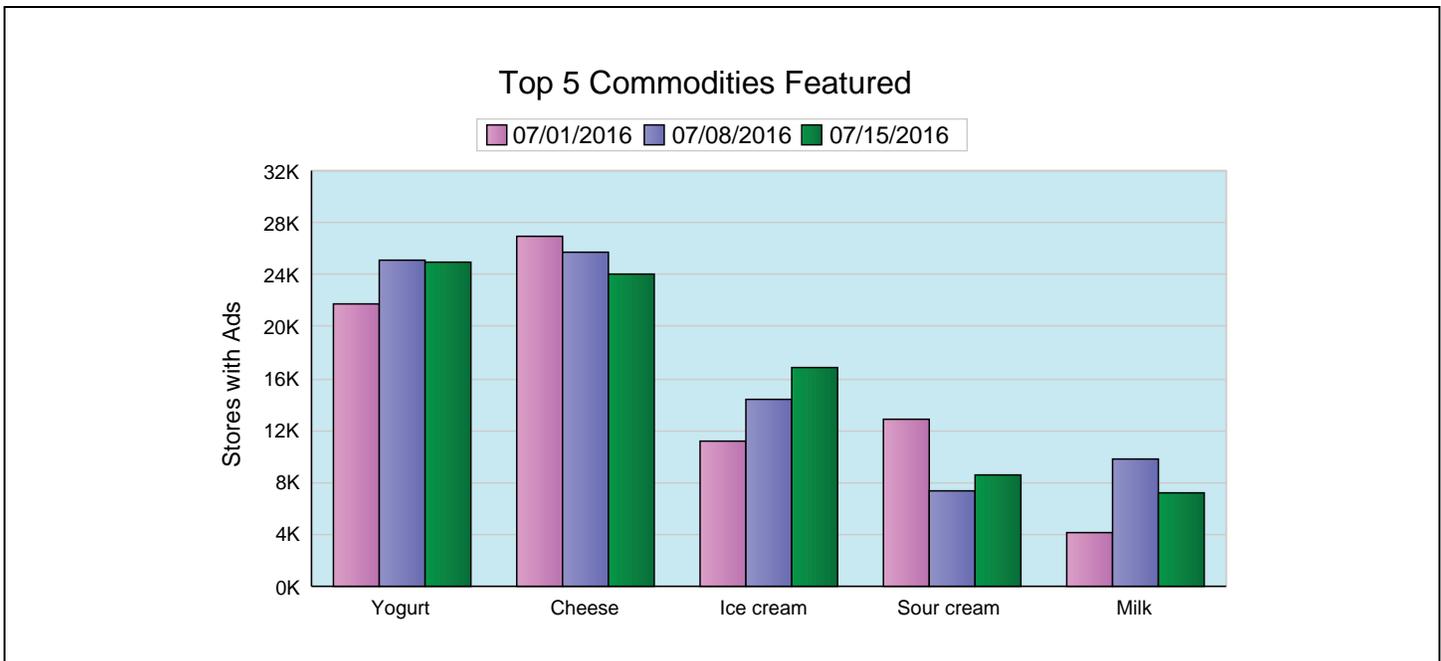
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 07/15/2016 to 07/21/2016

Total conventional dairy ad numbers decreased 2%, while organic dairy ad numbers increased 52%. Conventional cream cheese in 8 oz. containers ad numbers dropped 29%, with an average price of \$1.89. Conventional half gallon flavored milk ad numbers rose 151% this week, with an average price of \$2.31. Conventional yogurt in 32 oz. containers, with an average price of \$2.37, saw ad numbers grow by 157%.

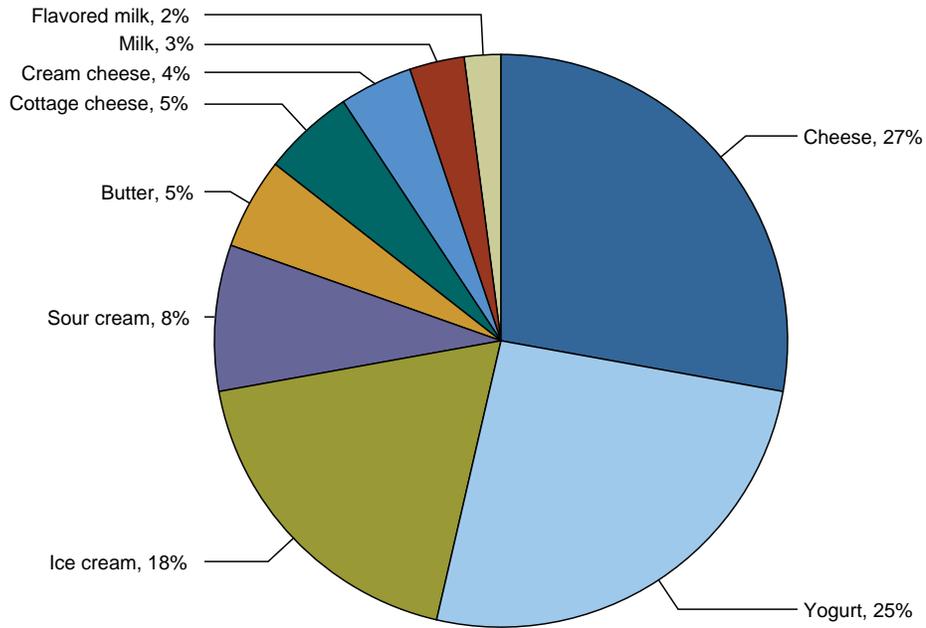
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.19, down 14 cents from last week; 8 ounce shred cheese averaged \$2.19, down 11 cents from last week. Ads for 8 ounce organic shred cheese average \$3.99, up 29 cents compared to the previous week.

The price spread between organic and conventional half gallon milk is \$2.05. Last week the spread was \$1.57. The price spread is the difference between the national weighted average price for organic, \$4.09, and conventional, \$2.04. Both conventional and organic milk ad numbers took a dip this current survey period, conventional milk number of ads dropped 38% and organic milk ads dropped 14%.

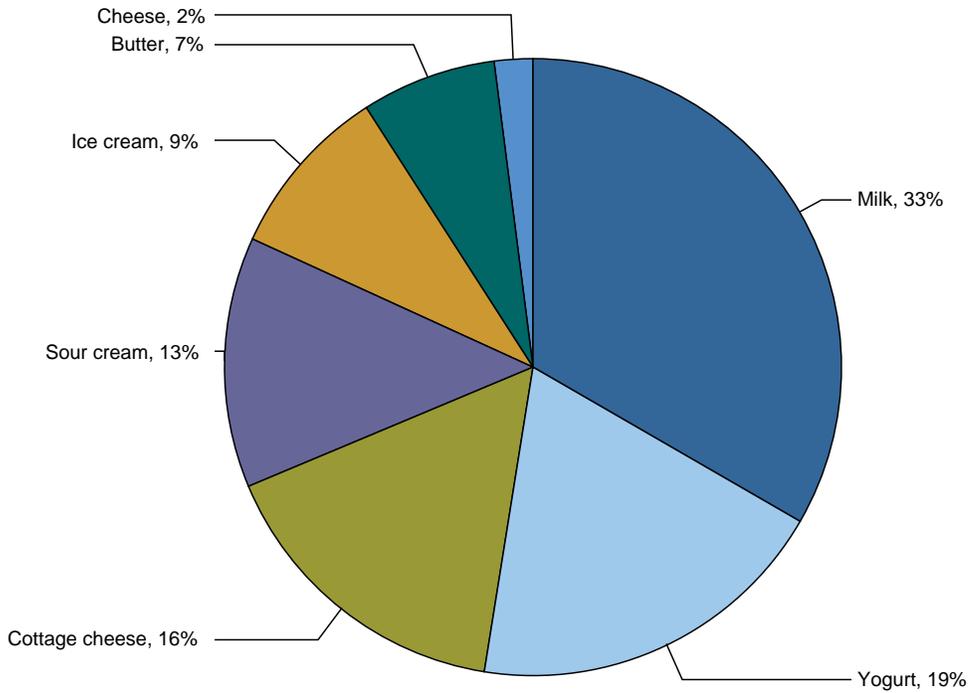
The price spread between organic and conventional butter is \$1.77. The price spread is the difference between national weighted average prices for organic, \$4.82, and conventional, \$3.05. When compared to the previous week, the volume of ad numbers for conventional butter rose 10%, while organic ad numbers declined by 9%.



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 #	4826	3.05	4375	3.19	3167	3.26
Cheese	Natural Varieties	8 oz block	8576	2.19	7608	2.33	11636	2.36
Cheese	Natural Varieties	1 # block	2218	5.24	3403	4.88	2570	4.41
Cheese	Natural Varieties	2 # block	657	7.14	1566	5.97	563	5.50
Cheese	Natural Varieties	8 oz shred	9935	2.19	9787	2.30	11240	2.29
Cheese	Natural Varieties	1 # shred	2334	3.88	2964	4.14	1806	4.86
Cottage cheese		16 oz	4764	1.98	5041	2.07	3741	2.08
Cream cheese		8 oz	3351	1.89	2606	1.77	3822	1.67
Flavored milk	All fat tests	half gallon	1168	2.31	466	2.26	560	2.10
Flavored milk	All fat tests	gallon	512	3.24	662	2.82	461	2.29
Ice cream		48-64oz	15828	3.11	13263	2.92	13492	2.84
Milk	All fat tests	half gallon	482	2.04	1549	2.02	1124	2.82
Milk	All fat tests	gallon	2555	2.72	3383	2.32	4786	2.98
Sour cream		16 oz	6880	1.79	7185	1.81	3865	1.74
Yogurt	Greek	4-6 oz	11441	.93	13843	.96	13459	.96
Yogurt	Greek	32 oz	2561	4.77	3661	3.96	1012	4.83
Yogurt	Yogurt	4-6 oz	7600	.52	6945	.52	8798	.48
Yogurt	Yogurt	32 oz	904	2.37	352	2.17	842	2.36

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	839	3.31	2.50-3.75	1427	3.28	2.50	595	2.50
Cheese	Natural Varieties	8 oz block	1.50-3.50	2281	2.22	1.67-2.50	3021	2.31	1.25-3.50	810	2.14
Cheese	Natural Varieties	1 # block	3.99-5.99	1360	5.59	2.99	64	2.99	3.99-5.99	557	4.80
Cheese	Natural Varieties	2 # block	6.99	84	6.99				5.44	69	5.44
Cheese	Natural Varieties	8 oz shred	1.88-2.99	1896	2.28	1.67-2.50	3559	2.31	1.25-3.00	752	1.90
Cheese	Natural Varieties	1 # shred	2.99-4.22	642	3.69				3.00-4.00	570	3.63
Cottage cheese		16 oz	1.50-2.69	1061	2.09	1.50-2.50	1564	1.70	1.50-1.99	222	1.73
Cream cheese		8 oz	1.50-2.29	1393	1.72	2.00-2.50	850	2.03	0.99-2.00	223	1.52
Flavored milk	All fat tests	half gallon	1.99	328	1.99	3.00	214	3.00	1.50-2.50	380	2.08
Flavored milk	All fat tests	gallon	2.99	62	2.99	3.99	214	3.99	2.50	53	2.50
Ice cream		48-64oz	1.80-3.79	3950	2.85	1.99-5.00	4034	3.14	1.88-4.22	3861	3.33
Milk	All fat tests	half gallon	2.50	72	2.50						
Milk	All fat tests	gallon	3.69	137	3.69	1.99-3.99	334	3.27	1.99-2.50	805	2.25
Sour cream		16 oz	1.48-2.00	1762	1.64	1.50	1737	1.50	1.50-2.00	628	1.66
Yogurt	Greek	4-6 oz	0.50-1.00	2684	.96	0.80-1.00	2738	.91	0.79-1.00	1314	.94
Yogurt	Greek	32 oz	3.99-5.49	1114	4.99	5.49	61	5.49			
Yogurt	Yogurt	4-6 oz	0.25-0.99	1708	.49	0.40-0.50	1601	.46	0.40-1.00	1742	.54

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	1.99-2.50	314	2.23				2.00	119	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 #	2.50-3.75	702	2.65	1.99-3.49	571	2.86	2.99-3.50	681	3.30
Cheese	Natural Varieties	8 oz block	1.50-2.50	495	2.12	1.25-2.99	1672	2.00	1.25-2.99	259	2.01
Cheese	Natural Varieties	1 # block				3.99	63	3.99	3.99-5.99	174	5.20
Cheese	Natural Varieties	2 # block				7.99	167	7.99	5.99-7.99	337	7.11
Cheese	Natural Varieties	8 oz shred	1.50-2.99	1758	2.28	1.25-2.99	1543	1.93	1.25-2.29	427	1.89
Cheese	Natural Varieties	1 # shred	2.99-4.22	1053	4.13				3.99	69	3.99
Cottage cheese		16 oz	1.50-2.99	294	2.21	1.00-3.49	1091	2.16	0.99-2.50	532	2.15
Cream cheese		8 oz	1.99-2.99	331	2.48	1.67-1.88	424	1.76	1.99-2.50	130	2.23
Flavored milk	All fat tests	half gallon				2.50	246	2.50			
Flavored milk	All fat tests	gallon	1.99	121	1.99	3.99	62	3.99			
Ice cream		48-64oz	2.49-5.50	2000	3.27	2.27-3.99	1697	2.91	2.50-4.99	259	3.38
Milk	All fat tests	half gallon	1.99-2.29	333	2.06				1.25	66	1.25
Milk	All fat tests	gallon	2.99-3.29	368	3.10	1.89-3.99	701	2.78	1.99-2.39	210	2.19
Sour cream		16 oz	1.50-2.99	430	1.94	1.00-3.49	1441	2.32	0.99-2.39	855	1.83
Yogurt	Greek	4-6 oz	0.79-1.00	1134	.90	0.79-1.00	2265	.94	0.88-1.00	1306	.93
Yogurt	Greek	32 oz	4.99-5.49	324	5.24	4.49-4.99	668	4.81	3.50-3.99	394	3.63
Yogurt	Yogurt	4-6 oz	0.30-0.50	577	.44	0.39-0.50	1169	.45	0.40-1.33	803	.77
Yogurt	Yogurt	32 oz							2.49-2.99	471	2.56

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.49	11	3.49			
Cheese	Natural Varieties	8 oz block	3.50	11	3.50	2.50	27	2.50
Ice cream		48-64oz				4.50	27	4.50
Milk	All fat tests	half gallon	3.29	11	3.29			
Sour cream		16 oz				1.99	27	1.99

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

Wtd Avg - Simple weighted average



Butter		1 #	846	4.82	926	5.21	230	5.00
Cheese	Natural Varieties	8 oz block					162	3.99
Cheese	Natural Varieties	8 oz shred	267	3.99	468	3.70	276	3.79
Cottage cheese		16 oz	1947	3.54	378	3.31		
Ice cream		48-64oz	1083	3.50	1083	3.50		
Milk	All fat tests	half gallon	3135	4.09	3566	3.59	1280	4.00
Milk	All fat tests	gallon	965	5.65	496	6.38	203	6.33
Milk	All fat tests	8 oz UHT			729	1.00	53	1.00
Sour cream		16 oz	1649	3.32	219	2.39	121	1.99
Yogurt	Greek	4-6 oz	2029	1.06	120	1.25	323	1.19
Yogurt	Yogurt	4-6 oz	300	1.30	118	3.69	143	.93
Yogurt	Yogurt	32 oz	59	2.99				

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	5.00	84	5.00				4.99	213	4.99
Cottage cheese		16 oz	3.99	84	3.99	3.49	394	3.49	2.99-3.99	595	3.47
Ice cream		48-64oz				3.50	1083	3.50			
Milk	All fat tests	half gallon	3.99-4.99	232	4.52	3.98-3.99	1411	3.99	4.79	81	4.79
Milk	All fat tests	gallon	5.49-5.99	192	5.71	4.49	87	4.49	3.99	53	3.99
Sour cream		16 oz	2.99	84	2.99	3.49	394	3.49	2.99-3.49	595	3.34
Yogurt	Greek	4-6 oz	1.25	304	1.25	1.00-1.25	469	1.10	1.00	595	1.00
Yogurt	Yogurt	4-6 oz				1.00	120	1.00	1.50	180	1.50
Yogurt	Yogurt	32 oz	2.99	59	2.99						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.49-3.88	303	3.70	5.99	246	5.99			
Cheese	Natural Varieties	8 oz shred	3.99	162	3.99				3.99	105	3.99
Cottage cheese		16 oz	3.39-3.99	513	3.61	3.49	361	3.49			
Milk	All fat tests	half gallon	4.49	141	4.49	3.99-4.49	909	4.26	2.99-3.99	361	3.45
Milk	All fat tests	gallon	2.99-5.99	177	4.67	6.99	246	6.99	5.49-5.99	210	5.74
Sour cream		16 oz	3.39-3.49	351	3.43	3.49	120	3.49	2.29	105	2.29
Yogurt	Greek	4-6 oz	1.00	210	1.00	1.00	451	1.00			



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

REGIONAL DEFINITIONS

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

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



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